Congressional Record

PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE SEVENTY-THIRD CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 78—PART 2

JANUARY 23, 1934, TO FEBRUARY 9, 1934

(Pages 1127 to 2294)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1934

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Congressional Record

SEVENTY-THIRD CONGRESS, SECOND SESSION

SENATE

TUESDAY, JANUARY 23, 1934

The Chaplain, Rev. ZeBarney T. Phillips, D.D., offered the following prayer:

Gracious art Thou, O Lord, and full of compassion to the children of men: Wherefore do Thou blot out our transgressions and remember no more our iniquities. Manifest Thyself to us; show us the way in which we should walk, and lift our hearts above our failure and bewilderment, our ignorance and sin, unto Thy perfection.

O Thou ever-living, ever-present Christ, well-beloved of Thy Father, open our eyes that we may see Thee as Thou art; help us so to know Thee that we may love Thee, so to love Thee that we may grow more like Thee, so to follow Thee that through us others may know Thee and find in Thee their hope and joy.

Master of all good workmen, sanctify to each one of us this fellowship of kindred aims, that when the evening comes each mordant note shall have died away and the benediction of Thy pierced hands shall bring peace and perfect harmony to our troubled world. Amen.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of Friday, January 19, and Monday, January 22, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 2284) relating to contracts and agreements under the Agricultural Adjustment Act.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Robinson, Ind.
Austin	Cutting	Keyes	Russell
Bachman	Davis	King	Schall
Bailey	Dickinson	La Follette	Sheppard
Bankhead	Dieterich	Lewis	Shipstead
Barbour	Dill	Logan	Smith
Barkley	Duffy	Lonergan	Steiwer
Black	Erickson	McAdoo	Stephens
Bone	Fess	McCarran	Thomas, Utah
Borah	Fletcher	McGill	Thompson
Brown	Frazier	McKellar	Townsend
Bulkley	George	McNary	Trammell
Bulow	Gibson	Murphy	Tydings
Byrd	Glass	Neely	Vandenberg
Byrnes	Goldsborough	Norris	Van Nuys
Capper	Gore	Nye	Wagner
Caraway	Hale	O'Mahoney	Walcott
Carey	Harrison	Overton	Walsh
Clark	Hastings	Patterson	Wheeler
Connally	Hatch	Pittman	White
Coolidge	Hatfield	Pope	
Copeland	Hayden	Reynolds	

Mr. FESS. I desire to announce that the senior Senator from Rhode Island [Mr. METCALF], the junior Senator from Rhode Island [Mr. HEBERT], the Senator from South Dakota [Mr. NORBECK], and the Senator from Pennsylvania [Mr. REED] are necessarily absent from the Senate.

Mr. LEWIS. I desire to announce that the Senator from Oklahoma [Mr. THOMAS] is necessarily detained from the Senate by illness. I ask that this announcement may stand for the day.

I desire to announce further that the Senator from Louisiana [Mr. LONG] is necessarily detained. I also ask that this announcement may stand for the day.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

MONTHLY REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Emergency Relief Administration transmitting, pursuant to law, the report of the Federal Emergency Relief Administrator covering the period of November 1 to November 30, 1933, which, with the accompanying report, was ordered to lie on the table.

REPORT OF THE FEDERAL POWER COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission transmitting, pursuant to law, the thirteenth annual report of the Commission for the fiscal year ended June 30, 1933, also a statement showing the names, titles, and compensations of the members and employees of the Commission as of June 30, 1933, which, with the accompanying documents, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Commerce:

A concurrent resolution memorializing the Federal Government, through the Federal Public Works Administration, to undertake the development of the Santee Cooper River hydroelectric and navigation project, and urging its relation to the national plan of recovery now under way

Whereas it has been determined by competent authority that the project known as the Santee Cooper River hydroelectric and navigation project is feasible, both from an engineering and economic standpoint; and

Whereas it is believed that this project is of no less practical value when the relative costs are considered than the project known as the Tennessee Valley Authority; and

Whereas it is thought that the development of this project at this time affords the Federal Government a useful and worthy means of contributing to economic recovery in that—

(a) It is estimated that this development will afford 7,000 persons useful employment over a period of 3 years.

(b) It will subject to the useful needs of man the waters of a mighty stream that now "runs wanton to the sea."

(c) It will provide power, heat, and light for a vast number of citizens of this State and Nation at a minimum rate of charge by reason of the natural advantages of the project due to the constancy and volume of the stream and the topography of the country through which it runs.

(d) It will be the means of bringing industry in this State, thereby affording opportunities for work in normal periods of natural life for a large number of our people.

(e) It will afford untold advantages of navigation, giving our people a competitive water rate from the seaboard to the interior: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Federal Government, through the Federal Public Works Administration, be urged to undertake this development of the project known as the Santee Cooper River hydroelectric and navigation project, preferably as a Federal project, that its wonderful advantages and possibilities be given due consideration, and that especial attention be called at this time to the Federal Government to the manner in which this opportunity of development may become related to and contribute to the determined efforts of our great President to bring about national recovery and to set up an order of economy that will give each and every

citizen an opportunity to achieve contentment and happiness; and be it further

Resolved, That a copy of this resolution be forwarded to each United States Senator and Member of Congress from this State, and to the clerks of the respective branches of the Congress.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S.C., January 22, 1934.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house of representatives and concurred in by the senate.

[SEAL] J. WILSON GIBBES,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the petition of Pilchuck Tribe, No. 42, Improved Order of Red Men, of Everett, Wash., praying that certain forest areas suitable for recreational purposes be withdrawn from sale until a survey is completed of such areas, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution adopted by N.R.A. Lodge, No. 91, American Federation of Government Employees, favoring the immediate restoration of the 15-percent pay cut of Federal employees, which was referred to the Committee on Appropriations.

He also laid before the Senate the petition of Mr. and Mrs. Mader, of Carrick, Pa., praying for the adoption of the silver monetary standard, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a letter in the nature of a petition from Mme. Anita de R. Koster, of New York City, N.Y., praying for the passage of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution of the Amalgamated Labor League, of Norfolk, Va., favoring the passage of legislation providing governmental insurance against unemployment and adequate compensation of those adversely affected thereby, which was referred to the Committee on Education and Labor.

He also laid before the Senate a petition of sundry citizens of Los Angeles, Calif., favoring the passage of soldiers' bonus legislation, such bonus to be paid by bonded scrip, non-interest bearing, backed by the United States, to be used as money which can be called by the Government within 13 years, etc., which was referred to the Committee on Finance.

He also laid before the Senate a letter from A. J. Alger, president of the New Age Fellowship, of San Francisco, Calif., submitting a plan looking toward national economic recovery, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the regional conference of the National Woman's Party of the Middle Atlantic States at Harrisburg, Pa., favoring the adoption of an amendment to the Constitution providing equal rights for men and women, which was referred to the Committee on the Judiciary.

He also laid before the Senate papers in the nature of petitions of citizens of North and South Carolina, praying for the passage of legislation providing old-age pensions, which were referred to the Committee on Pensions.

Mr. ROBINSON of Arkansas presented a letter from George H. Williams, of St. Louis, Mo., suggesting the adoption of a standing order providing for the sending of two copies of the daily CONGRESSIONAL RECORD to former Members of the Senate, which was referred to the Committee on Printing.

Mr. CAPPER presented a petition of sundry citizens of Bremen, Kans., praying for the passage of the so-called "Frazier farm refinancing bill", which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of Bremen, Kans., praying for the passage of legislation requiring packers to buy hogs through open competitive terminal markets, which was referred to the Committee on Agriculture and Forestry.

Mr. ADAMS presented the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Banking and Currency:

House Joint Memorial No. 4

Approving the creation and establishment of an additional Federal land-bank district comprising the States of New Mexico, Colorado, and Wyoming (by Representatives Twining and McDonald)

Whereas the State of Colorado is now included in the ninth Federal land-bank district with headquarters at Wichita, Kans.; and

Whereas there has been continued dissatisfaction with the administration of the affairs of the said Federal land bank at Wichita, insofar as it concerns the granting of loans to citizens of Colorado; and

Whereas said bank has failed to function properly during the emergency, and its personnel is made up of men unfamiliar with the problems of irrigation, ranching, and farming peculiar to the Rocky Mountain region; and

Whereas a reorganization of said bank has recently been made which in no way remedies the situation; and

Whereas the Honorable ROBERT D. CAREY, Senator from the State of Wyoming, has introduced a bill into the Congress for the creation and establishment of an additional Federal land-bank district comprising the States of New Mexico, Colorado, and Wyoming, the said bill being sponsored by the Honorable ALVA B. ADAMS and the Honorable BRONSON CUTTING, Senator from New Mexico: Now, therefore, be it

Resolved by the house of representatives of the twenty-ninth general assembly (the senate concurring herein), That it expresses its hearty approval of the said Carey bill and respectfully requests and urges its passage, in order that the existing unsatisfactory conditions with respect to the interests of Colorado may be overcome; and be it further

Resolved, That copies of this memorial be forwarded to the Members of the Senate and House of Representatives of the Congress of the United States from this State, with the request that they give it their support and approval; and that copies hereof be sent to Senators CAREY and CUTTING.

W. H. TWINING,
Speaker of the House of Representatives.
RAY H. TALBOT,
President of the Senate.

REPORT OF THE BANKING AND CURRENCY COMMITTEE—UNITED STATES MONETARY SYSTEM

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes, reported it with amendments and submitted a report (No. 201) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 2452) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

A bill (S. 2453) for the relief of Drew N. Keever; to the Committee on Claims.

By Mr. PATTERSON:

A bill (S. 2454) for the relief of Arthur W. Adams; and

A bill (S. 2455) to increase the efficiency of the Medical Corps of the Regular Army; to the Committee on Military Affairs.

A bill (S. 2456) granting a pension to Virginia J. Potter; and

A bill (S. 2457) granting a pension to E. Jane Spencer; to the Committee on Pensions.

By Mr. DICKINSON:

A bill (S. 2458) for the relief of Howard D. Peckham; to the Committee on Claims.

A bill (S. 2459) for the relief of John C. Harker; to the Committee on Military Affairs.

By Mr. ASHURST (by request):

A bill (S. 2460) to limit the operation of statutes of limitations in certain cases; and

A bill (S. 2461) to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict"; to the Committee on the Judiciary.

By Mr. POPE:

A bill (S. 2462) relating to loans by the Reconstruction Finance Corporation in connection with agricultural-improvement projects; to the Committee on Agriculture and Forestry.

A bill (S. 2463) to amend subsection J of section 4 of the act of December 5, 1924 (43 Stat. 701–704); and

A bill (S. 2464) for the relief of the owners of lots in the unflooded portion of the old town site at American Falls, Idaho; to the Committee on Irrigation and Reclamation.

By Mr. KING:

A bill (S. 2465) to amend the act of March 4, 1933 (relating to the regulation of banking in the District of Columbia); to the Committee on the District of Columbia.

By Mr. KEAN:

A bill (S. 2466) to lease a portion of the Fort Hancock Military Reservation to the State of New Jersey; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 2467) for the relief of Ammon McClellan; to the Committee on Claims.

A bill (S. 2468) granting a pension to Ida Miller; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 2469) granting a pension to Gertrude T. Black; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 2470) for the relief of Erik Nylin; to the Committee on Claims.

By Mr. McADOO:

A bill (S. 2471) to authorize the Reconstruction Finance Corporation to adjust interest rates and maturities on obligations arising under subsection (a) of section 201 of Emergency Relief and Construction Act of 1932 held by it, and for other purposes; to the Committee on Banking and Currency.

By Mr. LOGAN:

A bill (S. 2472) extending the classified civil service to include special-delivery messengers; to the Committee on Post Offices and Post Roads.

FIELD SERVICE POSITIONS OF HOME OWNERS' LOAN CORPORATION

Mr. DICKINSON. Mr. President, I ask unanimous consent for the present consideration of Senate Resolutions 132, 133, 134, 135, and 136, which are lying on the table. These are the resolutions which were submitted to the Senator from Arkansas [Mr. ROBINSON] some days ago and have reference to the number of persons employed in various governmental activities.

The PRESIDING OFFICER (Mr. HARRISON in the chair). Is there objection to the request of the Senator from Iowa?

Mr. ROBINSON of Arkansas. I suggest that the Senator proceed separately with the resolutions.

Mr. DICKINSON. Yes; they will have to be taken up separately.

Mr. ROBINSON of Arkansas. What resolution does the Senator now desire to consider?

Mr. DICKINSON. Senate Resolution 132.

Mr. ROBINSON of Arkansas. That is the resolution calling on the Home Owners' Loan Corporation for information with reference to the number of persons employed in the field service in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of $2,000 in each State?

Mr. DICKINSON. Yes.

Mr. ROBINSON of Arkansas. I have no objection to the consideration of the resolution.

There being no objection, the resolution (S.Res. 132) submitted by Mr. DICKINSON on the 12th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Home Owners' Loan Corporation send to the Secretary of the Senate the following information, to wit: Number of all persons employed in the field service in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of $2,000 in each State.

FIELD SERVICE POSITIONS OF CIVIL WORKS ADMINISTRATION

The PRESIDING OFFICER. The next resolution for which the Senator from Iowa asks consideration will be read.

The resolution (S.Res. 133) submitted by Mr. DICKINSON on the 12th instant was read, as follows:

Resolved, That the Civil Works Administration send to the Secretary of the Senate the following information, to wit: Number of all persons employed in the field service in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of $2,000 in each State.

Mr. ROBINSON of Arkansas. As I understand, this resolution calls for information analogous to that embraced in Senate Resolution 132 which had reference to the Home Owners' Loan Corporation, while the pending resolution has to do with the Civil Works Administration.

Mr. DICKINSON. That is correct.

Mr. ROBINSON of Arkansas. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

FIELD SERVICE POSITIONS OF AGRICULTURAL ADJUSTMENT ADMINISTRATION

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent for the consideration of another resolution, which will be read.

The resolution (S. Res. 134) submitted by Mr. DICKINSON on the 12th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Agricultural Adjustment Administration send to the Secretary of the Senate the following information, to wit: Number of all persons employed in the field service in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of $2,000 in each State.

FIELD SERVICE POSITIONS OF FARM CREDIT ADMINISTRATION

The PRESIDING OFFICER. The next resolution which the Senator from Iowa asks to have considered will be read.

The resolution (S.Res. 135) submitted by Mr. DICKINSON on the 12th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Farm Credit Administration send to the Secretary of the Senate the following information, to wit: Number of all persons employed in the field service in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of $2,000 in each State.

FIELD-SERVICE POSITIONS OF PUBLIC WORKS ADMINISTRATION

The PRESIDING OFFICER. The last resolution which the Senator from Iowa desires considered will be read.

The resolution (S.Res. 136) submitted by Mr. DICKINSON on the 12th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Public Works Administration send to the Secretary of the Senate the following information, to wit: Number of all persons employed in the field service in each salary grade, segregated by States, together with the names and addresses of all persons receiving in excess of $2,000 in each State.

"A NEW MONETARY PROGRAM FOR THE NATION"—ARTICLE BY CHARLES MERZ

Mr. COSTIGAN. Mr. President, out of order, I ask unanimous consent to insert in the RECORD an instructive article by the prominent journalist, Charles Merz, on A New Monetary Program for the Nation. The article appeared in the New York Times of January 21, 1934.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 21, 1934]

A NEW MONETARY PROGRAM FOR THE NATION—THE FIVE MAIN POINTS OF THE ROOSEVELT PLAN, THE PURPOSES BEHIND THE PROPOSALS TO CONGRESS, AND THE DEBATE THEY HAVE AROUSED

By Charles Merz

The dramatic events of the last week have shaped a new monetary program for the United States. It is embodied in a bill drawn under the President's direction and now pending before Congress. At five important points this measure proposes to change the existing situation:

1. It would fix the limits for devaluation of the American dollar at from 50 to 60 cents in terms of its present gold value.

2. Within these limits it would authorize the President to manage the dollar by making such changes in its value as he finds necessary in order to stabilize domestic prices or to protect American foreign trade.

3. It would impound in the Treasury the vast stocks of gold now held by the Federal Reserve banks and assure to the Government whatever profit may result from an increase in the dollar value of this metal.

4. It would use part of this profit to create a stabilization fund of $2,000,000,000 which could be used by the Treasury for

the purchase of gold, foreign currencies, and the securities of the United States Government itself.

5. It would provide ultimately for the return of the United States to a new and modified gold standard.

The present article is devoted to a discussion of these five points, to the debate they have aroused, and to their line of descent from the chief policies hitherto advocated by the Roosevelt administration.

I. DEVALUATION

If we begin with devaluation, let us first note that it does not involve any change in the appearance or relationship of the different coins and bills with which we are familiar. Whether the dollar is worth 50 cents or 60 cents or something in between, it will continue to represent 10 dimes, 20 nickels, 100 pennies. Physically it will be precisely the same dollar we now have in our pockets.

What will be changed, in case of devaluation, is the legal weight of the dollar in terms of gold. This weight is now set at 23.22 grains of fine gold. As long ago as last May Congress gave the President power to reduce this figure by as much as 50 percent. The new factor introduced last week is the proposal that the weight be fixed at no more than 60 percent in case of devaluation. Existing law gives the President his choice of any figure between 50 percent and 100 percent. The plan now before Congress would limit this choice to the narrower range of from 50 percent to 60.

Purpose of reduction

What is the purpose of reducing the gold content of the dollar to either 50 or 60 percent, when the public is at present forbidden to possess gold and when, as we shall note, the President actually proposes to stop coining it in future? The administration is acting on the belief that by reducing the theoretical gold content of the dollar it can increase prices of goods the dollar buys. Wheat is exchanged for dollars and dollars for wheat. If the dollar grows cheaper through reduction of its intrinsic value measured in gold or in foreign currencies, then (it is argued) more of the cheaper dollars will be needed to buy the same quantity of wheat and the price of wheat will rise.

There is considerable agreement, even on the part of those who are skeptical of the theory in its broader applications, that this is likely to happen in the case of certain commodities of particular importance to foreign trade. Thus, Dr. O. M. W. Sprague, formerly financial adviser to the Treasury, and more recently a critic of the plan for devaluation, agreed (in one of his articles published in the Times) that prices of goods exported or imported in large quantities are "directly responsive to changes in the value of the dollar as measured in foreign currencies." As the dollar falls in terms of British pounds, increasing the relative value of the latter, the price of cotton shipped to England tends to rise.

The trend of prices

That this has actually happened in the case of a number of commodities is suggested by the chart at the top of the page. The black line indicates daily fluctuations in the price of gold, measured in terms of dollars, during the last 3 months. The dotted line shows daily variations in Moody's index of the average price of 15 staple commodities: cotton, wheat, corn, wool, hogs, hides, sugar, coffee, cocoa, silk, rubber, copper, silver, steel scrap, and lead.

Most of these commodities are important either as exports or as imports. The index is therefore highly sensitive to dollar fluctuations. The chart shows the result. With considerable regularity the two lines follow the same course. When the price of gold rises—in other words, when the dollar falls in terms of gold—the average price of these commodities also rises. It falls with a decline in the price of gold; that is, with a gain in the value of the dollar.

Many critics of the legislation pending before Congress argue that here the matter ends. They do not believe that depreciation of the dollar has had, or is likely to have in future, a decisive influence in determining the prices of other commodities than those which are important in foreign trade.

An apparent discrepancy

They point out that while the dollar has fallen about 33 percent since the suspension of the gold standard by the United States last April the average of a long list of 784 commodities computed weekly by the Bureau of Labor Statistics has risen by less than 18 percent. They believe, moreover, that much of this rise is due to other influences than dollar depreciation. They call for a currency that will be stable in terms of gold and much closer to its present legal parity than 50 or 60 percent.

On the other side, and apparently in a majority in Congress, are the advocates of devaluation. They believe that England's departure from the gold standard checked the decline of prices in that country more than a year before the same result was achieved in the United States. They foresee a continuing rise of prices as the reduction in the gold value of the American dollar gradually makes its full influence felt. They believe that this rise will include, less directly, but inevitably, prices of other commodities than those exchanged in foreign trade. And they believe that such a rise is necessary in order to improve farm purchasing power, enable goods to be sold at a larger profit, and make possible the payment of domestic debts more nearly at the price level at which they were incurred.

II. MANAGEMENT

In the proposal to fix the gold content of the dollar somewhere between 50 and 60 percent of its present weight, the precise figure would be determined by the President. Why is he given this discretion?

Two reasons are offered by the authors of the plan. First, the President believes that because of world uncertainties it is not desirable in the public interest that an exact value be now fixed. There are negotiations to be undertaken with foreign nations necessarily concerned with the effect which the value of our currency may have on their own foreign trade. There are large elements of uncertainty in our domestic price structure. The President is not yet prepared to recommend a precise figure, and urges Congress to give him a margin of 10 points within which to turn around.

The second reason for this proposed grant of discretionary power inside the 10-point limit is that Mr. Roosevelt retains his faith in the wisdom of a managed currency. In various statements on monetary policy made since he entered office, he has said that he seeks "the kind of dollar which a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future." In other words, having once achieved a satisfactory price level, he would attempt to maintain it—avoiding violent fluctuations either toward higher or toward lower levels, with consequent booms or depressions.

It is plainly with this goal in view that the plan now before Congress proposes to give the President power (within the limits of a 50- to 60-percent value) to alter the gold content of the dollar from time to time * * * whenever and as the expressed objects of this section in his judgment may require. The significance of these words becomes apparent when it is noted that the first of the expressed objects is to stabilize domestic prices.

The process visualized

Under this grant of power the President could attempt to stabilize domestic prices by altering from time to time the gold content of the dollar—always within the 10-point margin specified. If prices began to fall he could endeavor to check the decline by reducing the number of grains in the theoretical gold dollar, thereby making it less desirable in terms of wheat and cotton, and thereby (at least in theory) rallying the prices of these and other commodities. If, on the other hand, commodity prices threatened to rise too rapidly, he could reverse this process.

The difference between a 50-cent dollar and a 60-cent dollar may seem comparatively slight, but is actually a difference of 20 percent. This is a much larger figure than appears in the variation of commodity prices during more normal times than those we have witnessed recently. In the 7 years intervening between midsummer of 1922, when the first post-war deflation was completed, and midsummer of 1929, on the eve of the stock-market panic, the lowest monthly average of commodity prices ever computed by the Bureau of Labor Statistics was 94.1 in June 1927, and the highest was 104.5 in March 1923, and again in November 1925.

There is a spread of only 11 percent between these top and bottom figures. This is considerably less than the 20-percent variation in the gold content of the dollar which the plan before Congress leaves within the discretion of the President.

By giving him explicit power to vary the weight of the dollar from time to time the plan gives him for the first time explicit authority (which he may or may not use) to experiment with a currency so managed as to achieve stability in terms of commodities.

III. IMPOUNDING GOLD

In the President's judgment it is necessary, in order to maintain a proper relationship between currency and prices, for the Government to be the sole custodian and owner of the base or reserve of precious metals underlying its currency. This leads us to the third point in the program now before Congress, namely, the impounding within the Treasury of the Nation's entire stock of monetary gold.

At the present time this stock, amounting in round numbers to $4,323,000,000, is distributed as follows. There is in the Treasury $446,000,000; the Federal Reserve banks hold $3,566,000,000; there is in circulation $311,000,000.

The Treasury's gold consists chiefly of coin and bullion held in trust or in reserve against gold certificates, United States notes, and Treasury notes of 1890. The Federal Reserve banks' gold is pledged (to the extent of about two thirds of the total sum) against notes issued by the Reserve System. The $311,000,000 technically classified as "in circulation" includes not only whatever amounts of gold are now in hoarding but also whatever amounts have been lost, destroyed, or sent abroad without knowledge of public authorities over a long period of years. The figure of $311,000,000 is simply the arithmetical difference between the total amount of gold known to have been coined in this country or imported and the total amount either sent abroad through regular channels or at present in the hands of the Treasury and the Federal Reserve System.

Transfer to the Treasury

The proposal now made, in the plan before Congress, is to transfer to the United States the ownership and possession of the very large amount of gold held by the Reserve banks. There is a difference of opinion concerning the ethics of this action. It is described by some Members of Congress as theft by the Government of something which does not belong to it. Many other Members defend the plan, insisting that the Nation's gold belongs more properly to the public as a whole than to the Reserve banks and that nothing is now proposed which would alter the assets of these banks in relation to their liabilities. It is significant that Governor Black of the Federal Reserve Board has expressed

the opinion that any enhancement of the value of the gold "arising solely through such monetary policy of the Government should inure to the Government."

The actual mechanics of taking over the gold would be as follows:

It would gradually be transferred physically to the Treasury's vaults in Washington, to the mints in San Francisco, Denver, and Philadelphia, and to the assay office in New York and elsewhere. (Part of it is already in these institutions, held there in safekeeping for the Federal Reserve banks.)

As the gold was transferred, payments for it would be made with gold certificates issued by the Treasury. But these certificates would not continue to be precisely what they are today—essentially warehouse receipts for the metal. Once the Federal Reserve banks had surrendered their gold, they could reclaim only such amounts of it (on presentation of their certificates) as were judged by the Secretary of the Treasury to be necessary to maintain the equal purchasing power of every kind of currency of the United States.

Position of the Reserve System

The transaction would not alter the position of the Reserve System. For the gold it turns in, it would receive certificates secured at all times, dollar for dollar, by gold in the Treasury. These certificates could be used as a backing for its own notes, and neither its liabilities nor its assets would be altered. Nor would its present power to issue additional notes be curtailed. The bill before Congress specifically amends existing law, in order to authorize the reserve banks to maintain reserves against their notes in gold certificates rather than in gold.

At the end of the process the reserve banks would have the certificates; the Government would have the gold. It is evident that, in case of devaluation, the Government would reap a profit from its ownership of the metal. For the dollar value of gold would be increased by a reduction in the amount of gold theoretically contained in each dollar unit. The plan before Congress expressly reserves this profit to the Government—at the same time casting upon the Government any potential loss which might subsequently be incurred through any decision to increase the gold content of the dollar.

With the gold now held by the reserve banks added to its own stock, the Treasury would have about $4,000,000,000. Devaluation to a 60-cent dollar would yield, in round numbers, a profit of $2,667,000,000. On the basis of a 50-cent dollar the profit would be $4,000,000,000.

IV. STABILIZATION

Out of this potential profit—to be realized when devaluation at a precise figure is formally proclaimed by the President—comes the fourth important change proposed last week: The creation of a stabilization fund amounting to $2,000,000,000.

The manner in which this fund would be managed is described in the pending measure. It would be used, within the discretion of the Secretary of the Treasury, for the purchase or sale, at home or abroad, of gold and foreign exchange, and such other instruments of credit or security as he may deem necessary * * * for the purpose of stabilizing the exchange value of the dollar at whatever figure might be decided upon by the President as the proper point for devaluation.

This purpose is similar to that which Great Britain seeks to accomplish through the manipulation of an equalization fund amounting, at present rates of exchange, to about $1,750,000,000. Great Britain has not formally devalued the pound; but there is a range within which the British Government desires to keep it, well below par, for the benefit of British foreign trade and the support of domestic prices.

Whenever the pound threatens to rise above the desired range, the managers of the equalization fund sell pounds for gold or foreign money, in order to depress the value of British currency in terms of foreign exchange. Whenever the pound threatens to fall below the desired range, the managers of the fund reverse this process.

Government securities

The bill proposing to establish our own fund is broadly enough drawn to authorize purchases not only of gold and of foreign currencies, but also of bonds of the United States Government. Such purchases may be made if they are regarded by the Secretary of the Treasury as essential to the stabilization of the dollar.

The President has estimated that within the next 6 months the Government will need to borrow $10,000,000,000, of which $6,000,000,000 is needed to cover new expenditures and $4,000,000,000 to redeem maturing obligations. Borrowing on this scale may tend to depress the value of Government bonds. Under the proposed plan, the Treasury would have power to support the market for its own securities, provided devaluation occurred at an early enough date to bring the stabilization fund into existence while the Government was still borrowing heavily.

Either a profit or a loss might result, of course, from the operation of the fund, depending upon the appreciation or depreciation of such securities and foreign exchange as the Treasury might purchase. The plan before Congress calls for an annual audit of the fund and a report to be submitted to the President.

V. NEW GOLD STANDARD

Finally, while a large part of the potential profit of devaluation would be utilized in the first instance in this manner, what would become of the actual gold taken over by the Treasury?

The plan provides that it shall be withdrawn from circulation and, together with all other gold owned by the United States, shall be formed into bars of such weights and degrees of fineness as the Secretary of the Treasury may direct. There would be no more eagles, double eagles, and half eagles. No gold shall hereafter be coined, and no gold coin shall hereafter be paid out or delivered by the United States.

The Nation's currency would continue to have the backing of an actual metallic reserve. But the gold standard now envisaged as an ultimate goal of the Roosevelt administration would differ in one important respect from the gold standard in effect before 1933.

It was one of the characteristics of this earlier standard, perhaps the only completely free gold standard in the world, that it imposed no restrictions internally or externally on the movement of gold. Such a system could be maintained only if the country's stock of gold were adequate to meet the demand. It was entirely adequate in normal times. But a stock valued at 4 billions could not possibly be stretched to cover 6 billions of paper currency and 43 billions of bank deposits, if all of the owners of paper currency and all of the owners of bank deposits suddenly wanted gold at once.

The experience of 1933

It was a panicky effort to convert credit into cash that brought on the banking crisis of last February, before the Roosevelt administration entered office, and this experience is responsible for the changes now proposed. Henceforth, if the present plan is enacted into law, the Nation's currency would have gold behind it but would not be convertible into gold. Gold coin would cease to be used as a medium of exchange within the United States (comparatively little use was made of it for this purpose before 1933); but gold in the form of bars could, with the approval of the President and the Secretary of the Treasury, be used by the Federal Reserve banks for the purpose of settling international balances.

It is interesting to note that in recommending this procedure the Roosevelt administration is pursuing a policy widely endorsed by financial opinion in other countries. Proof of the fact is to be found in the following resolution, unanimously adopted by one of the subcommissions of the World Economic Conference last summer:

"Under modern conditions monetary gold is required, not for internal circulation, but as a reserve against central bank liabilities and primarily to meet external demands for payments caused by some disequilibrium on foreign account. It is consequently undesirable to put gold coins or gold certificates into internal circulation."

International angles

It thus happens that a measure recommended by Mr. Roosevelt primarily because of national considerations is at the same time a measure which has received international support, because it promises greater economy in the use of gold, and thereby, in effect, an increase of the supply.

There are several passages in the message in which Mr. Roosevelt recommended his program to Congress showing at other points an interest in the international aspects of monetary control. The President expressed his "hope that, despite present world confusion, events are leading to some future form of general agreement." He emphasized for the first time since last May, the desirability of "some greater degree of stability of foreign exchange rates in the interests of our people." He spoke of the possibility of "a future agreement among the nations of the world for a redistribution of the world stock of monetary gold."

Such statements as these reveal a desire to avoid a war of currency depreciation and to seek instead, as rapidly as circumstances permit, the establishment of a new and perhaps greatly modified international gold standard.

The PRESIDING OFFICER. Morning business is closed.

ORDER OF BUSINESS

Mr. ROBINSON of Arkansas. I ask unanimous consent, after the conclusion of morning business and the remarks of the Senator from Ohio [Mr. FESS], of which he gave notice yesterday, that the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection?

Mr. SMITH. May I ask the Senator from Arkansas if he expects to have an executive session today?

Mr. ROBINSON of Arkansas. I do expect, following the order for which I am now asking, that the Senate will proceed to the consideration of executive business.

Mr. COPELAND. Mr. President, may I ask my leader, Would it be possible for me to work in a speech on the St. Lawrence Waterway Treaty?

Mr. ROBINSON of Arkansas. Yes; I apprehend that the call of the calendar for unobjected bills will take a comparatively brief time; and, following that, it is my intention to move that the Senate proceed to the consideration of executive business, in order that the treaty may be laid before the Senate.

Mr. COPELAND. Then, may I tell Senators that I hope to speak for not more than an hour on the subject, and I

should like to have an audience for the first 10 minutes. After that I am willing to have Senators consult their pleasure.

Mr. ROBINSON of Arkansas. We shall try to grant the request of the Senator from New York.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on January 20, 1934, the President approved and signed the act (S. 2125) to continue the functions of the Reconstruction Finance Corporation, to provide additional funds for the Corporation, and for other purposes.

ST. LAWRENCE WATERWAY MAPS

Mr. PITTMAN. Mr. President, on behalf of the Foreign Relations Committee I have had three maps prepared for the use of the Senate in the discussion of the St. Lawrence Treaty. I am simply inviting attention to them.

The first map, entitled "Great Lakes-St. Lawrence Seaway", shows the area tributary to the seaway as determined by the engineers and by the Interstate Commerce Commission, where joint rates meet, and so forth.

The second, or center map, entitled "Improvements to be made in connecting the channels of the Great Lakes and the St. Lawrence River under treaty pending before United States Senate", is an enlargement of the map which was submitted by the board of engineers of the Army as an accompanying document to the President's message. I have simply had it enlarged so it may be studied more easily.

The third map is a new map, not found in any of the reports. It has been prepared by the engineers at my request as Chairman of the Foreign Relations Committee. It shows the Mississippi water system. It also shows the development of the water system so as to increase the supply of water at low water on the Mississippi River, giving the figures at each junction and the amount of increase of water in the river. There will later be submitted a report from the board of engineers as to the amount of water necessary for the Mississippi River project.

LOANS BY FARM CREDIT ADMINISTRATION

Mr. ROBINSON of Arkansas. Mr. President, yesterday in the discussions in the Senate some mention was made of the progress of loans being made by the Farm Credit Administration, including loans made by the Federal land banks. I desire to have printed in the RECORD a memorandum which has been submitted by the Farm Credit Administration showing the rate at which loans are now being made, the number of loans closed between May 1 and December 31 of last year, the amount and number of loans approved as of January 17, 1934, the total loans closed and approved of January 20, 1934, the amount under that item being $992,490,523.

May I add that the loans closed between May 1, 1933, and December 1, 1933, aggregated about $210,000,000, of which $140,000,000 were land-bank loans and $70,000,000 were Commissioner's loans. Loans are being disposed of or closed at the rate of from $5,000,000 to $6,000,000 a day.

This information emphasizes the importance of the bill that was passed yesterday.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BRIEF STATEMENT OF MORTGAGE LOANS BY FARM CREDIT ADMINISTRATION

Number of applications received May 1, 1933, to January 17, 1934, 528,549 for $2,189,000,000.

Loans closed from May 1, 1933, to January 20, 1934, $290,401,900.

Present rate of closing from five to six million dollars a day, or one hundred to one hundred and twenty-five million dollars per month.

Loans closed May 1, 1933, to December 31, 1933, about $210,000,000, of which $140,000,000 were land-bank loans and $70,000,000 Commissioner's loans.

Loans approved but not closed as of January 17, 1934, 303,507, amounting to $702,088,623, of which $413,555,784 represented Federal land-bank loans and $288,532,839 represented Commissioner's loans.

Total loans closed and approved up to January 20, 1934, amount to $992,490,523.

About 90 percent of proceeds of loans were used by farmers for refinancing indebtedness. Of this amount more than one third was used to refinance mortgages and short-term notes held by commercial banks. About $70,000,000 loaned to farmers for this purpose. The remainder used to refinance debts due insurance companies, merchants, joint-stock land banks, miscellaneous creditors, and to pay taxes. Some scale-down of indebtedness effected in 17.3 percent of Commissioner's loans and 3.3 percent of land-bank loans. Average scale-down of debt by Commissioner's loans, where scale-down occurred, was 23 percent.

In addition to any saving in principal, farmers refinanced will save about 25 percent of previous annual interest payments. Saving to land-bank borrowers by reduction in interest rate on mortgages outstanding about $11,000,000 per year for next 5 years. Saving in interest on new loans closed to January 1, 1934, about $2,700,000 a year.

Applications still being received at rate of 12,000 to 14,000 per week. Banks current on appraisals. Considerable delay in effecting scale-downs where necessary to complete loan. Very important to speed passage of bill as much as possible to avoid interruption of refinancing program.

GOLD VALUATION OF THE DOLLAR

Mr. FESS. Mr. President, I am going to embrace the opportunity of answering a great portion of the mail that has come to my office during the last 2 or 3 days by the method of addressing the answers through the columns of the CONGRESSIONAL RECORD. That is due to the physical impossibility of attending to even a slight portion of the very heavy mail that has come in within the last 4 or 5 days, since the devaluation-of-the-dollar issue has been before the country.

As I read these letters, I think they are probably stimulated by the request that has been made over the air that Senators and Representatives should be addressed on the subject. The mail yesterday and today is comparable only with that which my office received when we were in the agitation for the cash bonus. At that time as many as 1,031 pieces of mail reached the desk in one of the five mails that are delivered every day. The mail yesterday and today has not been quite so enormous, but it expresses a sentiment and an intensity of feeling that is quite unlike that of the correspondence on the cash bonus.

Take it at random:

Please allow me to ask you to give your undivided support to the demand for the revaluation of the gold dollar and the remonetization of silver.

That is the general request. Some of the letters are not requests; they are like this:

As witnessed by our signatures below, we demand—please understand, *demand*—that you, as our duly appointed representative, representing this district, not the international bankers, central bankers, foreign interests, etc., favor the Reverend Charles E. Coughlin's unshackled commodity dollar.

That is signed by probably 50 different people.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. WHITE in the chair). Does the Senator from Ohio yield to the Senator from Illinois?

Mr. FESS. I do.

Mr. LEWIS. Before the able Senator goes further, will he allow me to take advantage of the statement he has made to insert in the CONGRESSIONAL RECORD the fact that the volume of mail to which the able Senator has alluded as oppressing him is very similar in amount to that which likewise comes to active Senators on this side, and equally accounts for our utter inability to reply?

Mr. FESS. I thank the Senator, because I assumed that that was true of every Member of the Senate.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. FESS. I do.

Mr. LOGAN. I ask what suggestion the Senator from Ohio may have to relieve this congested condition in our offices. I think I can speak for every Senator on this side of the Chamber when I say that he cannot read his mail; he cannot answer it; he cannot give attention even to the telegrams that come in. His office force is wholly insufficient to handle the routine matters that come into his office.

In addition to what the distinguished Senator from Ohio has, we have those who desire offices. There are several Democrats who would like to have offices these days. [Laughter.] We have all that in addition to what the distinguished Senator from Ohio has to contend with, I imagine, because I do not think he would try to get many offices for Democrats.

Mr. FESS. It would not be any use.

Mr. LOGAN. I should like to hear some constructive suggestion as to what can be done. We work day and night, and cannot do one tenth of the things we are expected to do.

Mr. FESS. Mr. President, I cannot give any suggestion of relief. The only thing I can say is that not desiring to ignore the correspondence, as no Senator would like to do, I am taking this method—which might be regarded as an imposition on the Senate—of answering the mail.

The congestion in Senators' offices on matters of office-seeking is not so serious as the congestion on matters of legislation. I have not very much sympathy for Democratic Senators who are burdened on that score, but I do have the sympathy that I have for myself, for every Senator who desires to answer all his correspondence. It is simply an impossibility.

I brought to the Senate Chamber these packages of mail that came to my office yesterday afternoon and this morning. They are simply enormous. Not all the letters are couched in the same language. They are not all one-sided, either. Some of the letters protest against devaluation of the dollar; but the vast mass of the correspondence urges, in rather unthinking terms, that support should be given to these propositions. Some of the letters even ask us totally to abdicate all responsibility of expressing judgment and vote as rubber stamps because the President has asked that such and such a thing be done.

Mr. President, I have never subscribed to that theory of legislation. While I do not want to ignore this vast mail, I am not going to run away from any threats that are being made, nor am I going to show disrespect for, or ignore, requests. I do not mean by that statement that I am going to do what is wanted of me, but I will state why I cannot do what is desired.

Mr. President, if I had had no experience of any sort in the discussion of the money question, I might be somewhat disturbed by this enormous volume of mail; but, bad as it is, it does not hold a candle to the excitement of 1896, when the free and unlimited coinage of silver at the ratio of 16 to 1 was announced as a cure-all for the economic ills from which we were suffering at that time.

When that theory was first announced, it swept the country just as the suggestion of the devaluation of the dollar is sweeping a certain class of thinkers in the country today; but it was more intense. It was the source of greater aggregations in the way of meetings and of greater demands. It was the occasion for a much finer type of oratory than we have had at this time anywhere, either in committees or on the floor of either Chamber.

It was on that occasion that, having been a teacher of finance in a university, I accepted challenges in debate ranging from college and university professors to Governors of the Western States. When I speak on the effort to bring about a fiat issue—whether it be by artificial decree of the Government in fixing a ratio or by the issuance of irredeemable certificates, it is fiat just the same—my judgment is not an impulse. It is not sudden. It is the result of study and open expression upon every occasion.

I was in Congress in 1913, when the Federal Reserve Act was passed. I was one of 37 Republicans in the House of Representatives who supported it, not only by my vote but by my voice. I offered an amendment to the Federal Reserve Act which was the only amendment of the 200 and more offered by Republicans that was accepted. That amendment was in these words:

After the word "repealed", strike out the period and add the following: "*Provided*, That nothing in this act shall be construed to repeal the parity provision of the act of March 14, 1900."

And then I quote that act in the amendment:

An act to define and fix the standard of value and maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

That is the amendment that was offered in the House of Representatives by a Republican, and the only one that was accepted by the Democrats; and it was to preserve the gold standard in the Federal Reserve Act. It is true that the distinguished Chairman of the Banking and Currency Committee in the House, who is now the greatly honored senior Senator from Virginia [Mr. GLASS], said he did not believe that that language was necessary in order to maintain the gold standard; that he rather thought the Federal Reserve Act did not operate to repeal the act of March 14, 1900, which placed the Nation on a gold basis; but he saw no particular harm in it. The amendment came to a vote, and after a discussion which lasted until 11 o'clock that night the vote was 299 for it and 68 against it.

When the bill came from the House to the Senate including that amendment, there was a change in the wording, but the change was not substantial. It still retained the gold standard in more specific terms than the bill had before the amendment was offered. So when the people of Ohio are propagandizing me to vote to devalue the dollar or to vote for the issuance of greenbacks, I do not hesitate to say that I cannot do it. That is not because it is a momentary opinion. It is my judgment that this is a great blunder, economic, governmental, and in every other way, except that if the devaluation were limited to debt-paying there might be some basis for that contention. However, in the last analysis it will not be beneficial even to the debt payer.

Mr. President, the proposal to devalue the dollar is only another form of repudiation to the degree to which the devaluation takes place. If we are to enter on the policy of devaluing the dollar, of course, I think everybody must agree that if it can be honorably done, the Government should take whatever profit is to be derived by that process.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. Does the Senator mean by that declaration to assert that once a monetary standard is fixed, it can never be changed so as to regulate monetary units as of less value than exist at the time the change is made?

Mr. FESS. No; I do not mean anything of the sort.

Mr. ROBINSON of Arkansas. Then what does the Senator mean?

Mr. FESS. I mean that if there is an obligation to pay a debt, and that obligation is represented by so many ounces of gold or grains of gold, it cannot be discharged by the payment of a reduced number of ounces or grains of gold. If the number is reduced, and the difference is represented by an issue of certificates, that part of it is fiat, and that much of the debt is repudiated.

Mr. ROBINSON of Arkansas. Then, so far as the power of Congress to coin money and regulate the value thereof is concerned, it is inoperative and ineffective insofar as obligations existing at the time of the exercise of the power are concerned?

Mr. FESS. Mr. President, I am not speaking of what Congress can do or what it cannot do. I have not entered upon the constitutionality of this sort of legislation. I am speaking of whether it is honest to undertake to scale down obligations by changing the medium by which the debt is paid without the consent of those to whom the obligations are due.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for one more question?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. If it is dishonest to exercise the power to coin money and to regulate the value thereof, a power vested in the Congress, then, under the Senator's viewpoint, that provision in the Constitution is inoperative unless the Congress chooses to do something dishonest. Is it not

rather the better viewpoint that all contracts are entered into with a fair understanding of the existence of this power, and of the likelihood of its exercise, if, in the public interest, it becomes necessary to exercise it?

Mr. FESS. Mr. President, a code of ethics which would permit the Government to take advantage of a contract but would not permit an individual to do so is something to which I do not subscribe. Of course the Government can coin money, and regulate the value thereof. The Government can fix the standard of weights and measures. The Government can say that instead of 60 pounds of wheat making a bushel, 30 pounds shall constitute a bushel. The Government can say that instead of 3 feet being a yard, 18 inches is a yard. But I say such a thing would be a dishonest proposal if we should undertake to apply it to contracts already made; and the Senator himself must admit that.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. Does not the Senator come back to the proposition advanced in my previous question, namely, that, in his opinion, once a standard of measurement or of value is fixed it cannot be changed honestly with respect to existing conditions or obligations? Is not that the effect of the Senator's contention, and does he not recognize that?

Mr. FESS. It is the effect, unless we are willing to admit that the Government can take property without consideration, can cancel an obligation without payment.

Mr. ROBINSON of Arkansas. I do not regard the exercise of the power to coin money and to fix the value thereof as a taking of private property.

Mr. FESS. Mr. President, I cannot understand the attitude of my friend from Arkansas.

Mr. ROBINSON of Arkansas. May I say that it is equally difficult for me to comprehend the attitude of my friend from Ohio? [Laughter.]

Mr. FESS. I am not responsible for the inability of my friend to understand plain, ordinary logic.

Mr. ROBINSON of Arkansas. Nor am I responsible for the inability of my friend from Ohio to understand plain logic. [Laughter.]

Mr. FESS. Plain logic can prove that the Senator cannot go out the door, and the Senator would rely upon plain logic in the face of the fact that he can go out of the door. I can prove to the Senator that he cannot pay his debts——

Mr. ROBINSON of Arkansas. The Senator will have no difficulty in proving that. I admit it. [Laughter.]

Mr. FESS. Mr. President, let us get back to the fundamentals. Here is a proposal to take $4,000,000,000 of gold and, by a Government decree, make it eight billion overnight without adding a single red penny to the wealth of the country, and with the difference, which is purely fiat, pay the obligations of the Government. Yet men say that is not dishonest, that that is not taking value without consideration. That is precisely what this proposal is. As I stated before, if we proceed to bring about devaluation, then, of course, if there is any way to do it, whatever profit comes out of it should go to the Federal Government.

Mr. President, citizens have written me at different times asking where there is any justification for doubling the value of the gold now in the possession of the Federal Reserve banks. I stated that there was no justification for it and that it should not be done. But if it is done, we do not cushion the guilt in any way by taking the profit from those in whose possession the gold was, increased in value by our own decree. That is not honest.

The only contention I can see for this proposal is that the Government is in a bad state in regard to its obligations and needs money, and if it can create by fiat $4,000,000,000, by a decree of this sort, it will have that much money to apply upon its indebtedness if it is not applied in some other form. Even if it does that, that is only temporary, it is only a partial payment, and we will still have to struggle against the dangers of a break-down of our national credit.

In reading the President's message and giving it the most careful analysis of which I was capable, and then reading the bill which was presented by the chairman of the committee, obviously prepared at the White House to carry into effect the message, I find that the proposal is to limit the devaluation to from 50 to 60 cents on the dollar. The question is not as to the degree to which it should be limited; it is whether there should be devaluation without recompense to those whose property is being taken and at the cost of every citizen who is selling services.

If we devalue to the extent of 50 to 60 cents, the only question I can see in that, aside from what I regard as dishonest, is the degree to which the valuation should go. The devaluation will have a range of 20 percent; and if stability is necessary, if the purpose of devaluation is to stabilize, with a variation of 20 percent there can be no stabilization. The man who is engaged in business, who is making a contract to be executed, say, 6 months or a year hence, wants to know what money will be worth when that contract is to be executed; and if he cannot know what it is to be worth, he is not going to risk any investment. The Damoclean sword of uncertainly as to the value of money is suspended over business today, is preventing expansion in business, and is a deterrent, if not an absolute obstacle, against substantial recovery.

There is talk about stabilization, but when there is the suggestion of a variation of 20 percent in costs, there can be no stabilization at all, for if a man feels that he is risking a loss of 20 percent in cost, he is not going to launch into business.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Ohio yield to the Senator from Michigan?

Mr. FESS. I yield.

Mr. VANDENBERG. I interrupt the Senator for the purpose of asking a question. We are confronted, are we not, by two alternatives? Under the action of Congress last spring, which I joined the Senator from Ohio in opposing, the President already has an opportunity to swing the lack of stabilization through 50 points.

Mr. FESS. Yes.

Mr. VANDENBERG. The pending proposal brings the President back to 10 points. Might it be said, then, that this proposal is at least a first step back toward some degree of stabilization?

Mr. FESS. Yes.

Mr. LEWIS. Mr. President, may I ask if the able Senators from Michigan and Ohio will kindly extend their confidential communications to this side of the Chamber, so that we may get the benefit of the wisdom they are imparting?

Mr. FESS. Mr. President, for the information of the Senator from Illinois, I will say that the Senator from Michigan asked whether stabilization within a range of 10 points would not be more acceptable, or would not be a step closer to what we want than a variation of 50 points, such as we now find to be possible. My reply to him was that it would be more acceptable.

The only contention I desire to make is that a 20 percent range is not stabilization. It is no assurance to any business risk; and it must be recognized that there is no progress in business outside of venturesomeness. The very element that makes for expansion in business is that of venture, the running of a risk. The element essential to a revival of business is more or less that of venture. No new business is launched that does not involve the element of venture.

If we now add to the venturesome element, which involves uncertainty as to what the result will be, the other element of unstable currency, so that the contractor obligated under a contract does not know what will be the worth of his money when it either is to be paid by him or received by him, he is not going to engage in a new enterprise. So stabilization within a 20-percent range is a step in the right direction, but it is not real stabilization. If it could lead to something definite, fixed, we all would welcome such stabilization.

Replying further to the Senator from Michigan, he has in mind, I am sure, the same conviction entertained by me as

to the present trend. I do not like it, but it is better than nothing. I do not want, however, to be put on the alternative side and be compelled to say I have got to accept this or else I have got to accept something worse. That is not sound procedure. The same idea is in the mind of the Senator from Michigan—I have not talked to him, but I think so—in regard to the Government taking over the profit. If the action proposed is to be taken, of course the Government ought to retain the profit, if it can be done legally and justifiably, rather than to allow the profit to go into the hands of those who are benefited by the decree of the Government. But I do not want to be put in a position, especially when there is neither rhyme nor reason for the act, of saying, "We are either going to have to commit an act of theft or else we are going to have to face great dangers in the future." That is not a sound principle on which to predicate any action.

The primal error was the original abandonment of the gold standard, which was done without rhyme or reason, and never up to this good hour has there been any explanation of why it was done. The error having been committed, there now are Senators on both sides of the aisle who will feel that devaluation probably is the best next step. So many who do not want to have such errors committed will find themselves in a compromising position, not wanting to vote for something they do not approve, and yet afraid not to cure in part a condition that now exists. I wish to say once for all that I do not qualify in the class that has to be strong armed by the statement, "If you do not do this, you are going to get something worse."

The limits of devaluation may be discussed from another standpoint, but before I come to that, Mr. President, I desire for a moment to consider the effect of this proposal on the present Federal Reserve System. As I previously stated, when a young man reading Twenty Years in Congress, by James G. Blaine, and the works of other writers on various subjects political in character, I was impressed, long before I ever thought of service in the Congress of the United States, by the argument that our national banking system must be revised; that under the then existing system it could only exist on the basis of a debt, as the currency was issued upon Government bonds, and the time would come when that system would have to be changed. When I entered Congress the revision of the banking system was one of the first subjects of major discussion, and, naturally, I was deeply interested in it. I do not want to see the system that has since been created broken down.

The step proposed, Mr. President, if I understand it correctly, is a direct assault on the very foundation of the Federal Reserve System. The Federal Reserve System was created in response to a wide general demand that currency be issued to correspond to the needs of trade. It was felt that as trade in certain seasons greatly expanded there ought not to be a fixed monetary system whereby the currency in circulation could not be increased; that there ought to be a system whereby if there should be demand for new currency, new currency could be safely issued, and if that demand should pass away then currency issued beyond the needs could be retired. It seemed that the Federal Reserve System, if properly operated, would do that very thing, and we thought the danger of financial crises had become a thing of the past; that the Federal Reserve System would be sufficient to respond to any needs of economic demand, and we therefore would avoid the cycle of periods of great prosperity being followed by years of severe depression.

The World War severely tested the Federal Reserve System, and yet, although there was an enormous overexpansion of credit which at times made it appear we were close to the abyss, we got through without any serious result to the System.

Then came the war-time inflation of business, with business being done on installments; when we followed the recommendation of a very popular writer that every man should not only have one automobile but should have two; when we lived on an artificial price scale that people were foolish enough to believe could be made permanent. This was continued until money flowed from the rural sections into the center of activity, as represented by the stock exchange, until the collapse was inevitable, although the symptoms of that danger had been foreseen and warnings had been issued by those high in the Government of the United States that danger was ahead. At that time the Federal Reserve System was again tested to such a degree of severity that some people even suggested that it had broken down. I hardly think that the statement that it has broken down is correct, although it is true that it could not handle such an artificial situation as had been created as the result of war inflation.

Now, Mr. President, an effort is being made to solve the problem that has come as an aftermath of the World War and to remedy the evils of the depression that is the direct result of the employment of unsound economic principles, not only of business but of banking by resorting to more unsound proposals and further suspension of fundamental principles.

We are now in the backwash of that war, and while it is true that the death of 10,000,000 of the flower of the world's manhood and the destruction of $100,000,000,000 of values and the mortgaging of much of the future, as the result of conducting the war, had a bad effect, the present occupant of the chair [Mr. BAILEY in the chair] now knows that no element in this backwash is so dangerous in its result as abandonment of sound principles of business. That is the calamity from which we are suffering today; and in this sea of mortgages, difficult to pay, it is now suggested that those mortgages should be paid by fiat money in a certain form, and that we should enter upon a new system of credit, the result of which no living man can foresee.

Mr. Young said yesterday, as I read his statement in the newspapers, that the expansion of credit by the act now proposed may reach from $30,000,000,000 to $40,000,000,000; Mr. Burgess stated that it may reach from $20,000,000,000 to $30,000,000,000; Professor Warren stated that those figures are too high, but that it may reach $7,000,000,000 and it may reach $17,000,000,000.

The field of variation, the realm of uncertainty in the mind of the authors of this proposal is 140 percent; he comes only that near being certain. It may be $7,000,000,000 and it may be $17,000,000,000—a variation of only $10,000,000,000, one and a half times the minimum, or a variation of nearly 150 percent.

Why does Professor Warren say that? Because he cannot know, as no other man can know, what the expansion of credit may be. Why does Owen D. Young say it will be from $30,000,000,000 to $40,000,000,000? It is because of the background of Mr. Young and his business experience. As will be recalled, he was the leading figure in the Dawes Commission, created to adjust the basis of Germany's payment of reparations, and later the head of the Commission which revised those figures, known as the "Young Commission." While Mr. Young cannot authoritatively state what the effect will be, I am more inclined to take the view of a man whose theory is reinforced by experience than the theory of someone who is in his cloister all the time.

I do not want to say anything unkind of my profession, but I cannot help but think of the famous statement of Brander Matthews, a distinguished professor of a great university. When he was asked why it was that so few college men ever became successes in business, he said, "I do not know, unless it be because they are so ignorant." [Laughter.] A hard statement to make; yet it is true that, while one can be absolutely certain in a theoretical way, his theory may never come within sight of the results attained in actual practice. And here we are launching upon a field of undetermined credit expansion which, if it is to reach the point which Mr. Young says it is likely to reach, then high prices instead of low prices will be the thing everybody will be complaining of.

There is another thing that is of very serious concern. The very breath of the Federal Reserve System is the authority for issuance of notes. To make those notes of current debt-paying legal-tender service there must be 40 percent of gold as a reserve upon which the value is based. If the remaining 60 percent can be maintained in gilt-edge

securities, 40 percent will be all that is necessary in gold; but if, for any reason, it is impossible to have the 60 percent in acceptable securities, industrials and others, then the gold backing has to be increased in that degree. Naturally, when business is prosperous the gold reserve will be at the minimum of 40 percent, but when business gets to the low stage which it reached in 1931 after the breakdown in central Europe, the gold reserve must be increased because the value of industrials decreases. We reached a point, as the distinguished Senator occupying the chair will recall, where instead of having 40-percent gold reserve we had 80. That was not because the gold was necessary except to satisfy the law when such securities were not available.

Then it was that we enacted an emergency measure and permitted the deposit of Government bonds instead of gold, and in that way released nearly a billion dollars of gold. But, Mr. President, a Federal Reserve note is worth a hundred cents, no matter where it is used in this or any other country, because it says on its face that it is redeemable in gold or lawful money. The only thing that makes it current is the redemption clause.

During the Civil War when we were in dire need of currency we issued greenbacks to the amount of $60,000,000, but we did not call them greenbacks, because we made them redeemable in gold on demand. That issue of $60,000,000 never declined cne cent, because at any moment it could be redeemed in gold.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Ohio yield to the Senator from Illinois?

Mr. FESS. I yield.

Mr. LEWIS. I should like the able Senator to give me his definition of lawful money. The Reserve note is payable in gold or lawful money. What does my able friend say is the meaning of "lawful money" when it is not gold?

Mr. FESS. Any money that is redeemable in gold under the act of 1900.

Mr. LEWIS. Does the able Senator feel, when the law says "gold or lawful money", that the words "lawful money" are not intended to mean money other than gold?

Mr. FESS. Mr. President, we have gold coins, silver coins, subsidiary coins in metals; we also have gold certificates, silver certificates—neither one of which is gold; and, in addition, we have national-bank notes, Federal Reserve notes, Sherman notes of 1890—a few of them—and Federal Reserve bank notes, which are not gold, but every dollar of which, under the act of March 14, 1900, is redeemable in gold. That makes them lawful money, and when it is said that they are redeemable in gold or lawful money, it means gold or money in existence which is redeemable in gold, and the Senator knows that to be so.

Mr. LEWIS. No; I cannot permit the Senator's expression to go unchallenged that I knew a thing and indicated something else.

Mr. FESS. Well, I will take it back.

Mr. LEWIS. The Senator ought to withdraw much of his speech, upon the same theory of the error he has fallen into.

Mr. FESS. No; I shall not withdraw anything at the suggestion of my friend except when I may refer to something he may have said.

Mr. LEWIS. I confess there is a great deal in what the Senator says as to the construction of the act of 1890.

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Illinois?

Mr. FESS. I will if the Senator has a question to ask but not for a lecture.

Mr. President, what does the bill which I am now discussing propose to do as it affects the issuance of Federal Reserve notes? Are they going to be issued on a gold base, as is now required under the law? No. Gold ceases to be a commodity; gold ceases to be monetary gold; gold might as well be thrown to the bottom of the sea; it is to have no use; it is to be taken out of the currents of trade and impounded. One cannot demand it, and, therefore, Federal Reserve notes have no redemption feature, and it is just the same as if gold were placed where it cannot be obtained.

What is the Government proposing as to the Federal Reserve notes heretofore issued, redeemable in gold and supported 40 percent by gold, and to the extent of the remaining 60 percent by securities? It is to take the gold coin and convert it into bullion, which is all right; to impound it in the Treasury, and then, for the profits which the Government has made out of seized gold, gold certificates, irredeemable, are to be issued in payment thereof, and upon this irredeemable certificate Federal Reserve notes are to be based and issued.

The scrip called a certificate is not money, because it cannot be redeemed except upon the option of the Secretary of the Treasury. A redemption based on the option of the Secretary of the Treasury, and not on the option of the one holding the scrip, is no redemption at all, as everybody knows. If for any reason the holder of that scrip could induce the Secretary of the Treasury to redeem it in gold, it would have to be in bullion and at a rate that nobody knows except the Secretary of the Treasury, because he is given the power to fix the amount that will be paid for the scrip.

Mr. President, I challenge anybody to say that that is not the very foundation stone of the Federal Reserve Act; and yet it is to be uprooted, root and branch. What is to become of the Federal Reserve notes? Are they anything but a promise? That is all. If a promise is the only thing to be considered of value, then let us start to issue greenbacks and do it to the extent that we can pay the running expenses of the Government and stop the burden of taxation. If we can create value to pay debts by issuing scrip irredeemable, then let the Government go to the limit.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Delaware?

Mr. FESS. I yield.

Mr. HASTINGS. I should like to inquire whether the Senator's conclusion is that the new currency is the kind of currency that has nothing back of it except the credit of the Government?

Mr. FESS. That is correct. That is all. The scrip upon which the Federal Reserve note is hereafter to be issued is a certificate which has back of it so much bullion, but the holder of it cannot demand bullion, let alone coin. He may ask for it and if the Secretary of the Treasury wants to give it to him he can do so. If he does not want to do so he will not do it and cannot be compelled to do it. If he does give it he will fix the amount he will pay.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. KING. I was interested in the statement of the Senator that bonds issued by the Government are a promise to pay, redeemable in whatever is the basic or primary money. Is there anything per se or fundamental back of the bonds of the Government, which aggregate today $25,000,000,000 or more, other than the credit of the country?

Mr. FESS. No. If the Senator wants to put United States bonds in the same category as legal tender, then his question is pertinent; but when he assumes that because a bond has nothing back of it except the credit of the Government and that therefore it should be treated as the currency of the country, I say that the two things are so widely different that I cannot see the analogy at all.

Mr. KING. Perhaps the observation just made by the Senator is entirely accurate. Nevertheless, if the Government of the United States has sufficient integrity and unimpaired financial strength and power as that its bonds, totaling billions of dollars, are current and purchased by the people, that people are willing to surrender their money for the purpose of purchasing the bonds, may we not assume that the Government, acting certainly with a modicum of wisdom anyway—even though the Democrats are in power—will be interested in preserving the credit of the country, so

that nothing will be issued, whether we call it irredeemable or not, that does not have back of it the honor, the integrity, and the unimpaired credit of this great Republic?

Mr. FESS. Mr. President, I am perfectly willing to concede all the Senator said as to the purposes of the Government. I am perfectly willing to concede that the Government will not of its own volition wish to repudiate its obligations. I have stated, and I state now, that I have never seen any utterance from the President that would indicate that he is for inflation, in the general sense of the term, of printing greenbacks or printing irredeemable money. But I stated previously, and I repeat that now, it is not a question of what the President's views toward inflation may be or are. The question is, What will be the eventuation of the policy of the President now as to gold? It is not what he wants to do. It is what he will feel compelled to do when the crisis is reached.

I did not want to enter this field of discussion, but I cannot feel at ease over the wild expenditures—wild in the sense of amount, because I do not mean in the form of expenditure. I cannot feel at ease when wondering how we are going to meet an obligation that is $3,000,000 an hour, $30,000,000 a day, counting 10 hours a day, 6 days a week, in violation of the N.R.A., every working day in the year, at the rate of $3,000,000 an hour. How are we going to meet it if it continues? That is what is already demanded of us, to say nothing about the rate of expenditure that is now going on. If the rate now in vogue keeps up it will be $15,000,000,000 a year instead of $10,000,000,000. I am assuming that rate will not keep up, but that we will require $10,000,000,000 stated in the President's Budget message.

I fear this is only a matter of relief at the expense of recovery, and, if my fears shall be realized, then next year we will have the same thing on our hands. Then what about the credit of the Government? I say to my friend from Utah that I do not charge him or his administration or anyone in authority—except now and then we will see a fugitive college professor probably who is favoring it—with wanting to repudiate. I do not charge that. I think they do not want to do that. My concern is, What will the policy compel them to do, and is there anyone here who can be entirely enthusiastic that the credit of the Nation is to be 100 percent all the time under these circumstances? What will be the effect on the credit of the Government when we want to sell our bonds?

I do not want to say anything that would in any way complicate the problem of the administration in its need for $10,000,000,000 that must be raised very soon. I am not so much concerned about the bond market, but I am concerned about the circulating media with gold ceasing to be both the media and the measure of value and the substitution of a variable quantity that ranges 20 percent and perhaps more. If anyone can get any encouragement out of such promises as that, they possess more credulity than I possess.

Mr. KING. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. KING. I hope I do not misunderstand the implications of the Senator. I do not quite follow him, if he means that the policy of the valuation of gold per se increases the expenses of the Government that will be an inducement to the party in power or to my friends upon the other side of the Chamber to be more extravagant or inordinate in supporting appropriations than if we adhered to the gold standard. Yet, if I have followed the Senator, his position is that, if we devalue the dollar, we are bound to spend more money next year, perhaps $15,000,000,000 instead of $10,000,000,000. I did not quite follow the Senator.

Mr. FESS. No, Mr. President; I did not mean to state what the Senator is stating. If I made any statement from which it could be inferred that the devaluation of the dollar is going to require us to be more extravagant, I did not mean that. I do mean, however, though I have not said it, that the devaluation of the dollar is a first step toward the payment of obligations with money that is not of the standard. That I mean, although I have not said it, and that may open the door for further issues of that sort, though not because anybody wants to do it; but what I meant was this:

I think the Senator agrees with me that the program of expenditure that he and I are supporting, because it is a matter of humanity to do it, involves a lot of waste and extravagance that ought to be corrected; but that, of course, always happens in cases like this and in cases of war. I do not see the end of that program unless we stop it, and just how to stop it when once started is a very difficult problem for us all.

Mr. President, there is another phase of devaluation that is less important economically or governmentally, and more important socially and politically than anything that has been said; and that is that if the theory of the devaluators is carried out it will increase the prices of commodities. That point is in dispute. My good friend the Senator from Montana [Mr. WHEELER], who is urging that we give recognition to silver at a fixed ratio, thinks devaluation of the dollar will not increase the price level. Nobody can be certain about it. Theoretically, it will. Practically, it remains to be seen. I should think anybody would concede that if we make 50 cents a dollar, when we go out to purchase goods with that dollar which is worth only 50 cents, we will have to pay a higher price for the things that are purchased. It is the old problem in arithmetic. If the divisor is decreased and the dividend left as it is, the quotient increases, or vice versa.

I think it is logical to believe that with the devaluation of the dollar there will be an increase in the price level. If there is not, then the whole theory upon which the proposal is based falls; for that is the one ostentatious and logical representation of those who are demanding it.

I think that is expressed in Professor Rogers' statement that devaluation will be beneficial to the farmer, and it will be beneficial to the debt payer. The farmer sells commodities. The price of his commodities will be increased. I think that is probably true. The debtor pays his debt in a dollar worth 50 cents. It is assumed that the commodity for which he had heretofore received a dollar he will now receive $2 for, and therefore, instead of his having $1 to pay on the debt he will have $2 to pay on the debt, which will make his debt paying easier. Of course, theoretically that may be true but, practically, the man who is in debt can pay only in the money that he has, and if he has not a commodity to sell for the money with which to pay his debt he will not in the long run benefit as a debt payer.

The dangerous thing here is that if this theory is correct, the man who now has a dollar worth 50 cents will find his purchasing power halved when he goes into the market. This procedure of decreasing the value of the dollar in order to pay debts and enchance the price of commodities may benefit some classes, but it is going to be a terrific injury to the vast majority of our people, because the great majority of Americans are rendering service in gainful occupations. They do not sell commodities; they sell services. Every man who works for wages will have a reflection of devaluation in the reduced purchasing power of his wages to the extent of the devaluation. Every man who works for a salary will have the same experience.

Go down to one of the department stores in this city. It is owned, we may say, by 15 men. They get a devaluation of the dollar in order to increase the price of their commodities. They employ 200 people. They increase the price of their commodities, and therefore 15 men benefit; but they increase it at the cost of the 200 people who do not sell commodities, but who sell services for wages and salaries. That represents vastly more than 50 percent of Americans, something like 78 percent; and it is proposed by this means, in the interest of increasing prices of commodities, to injure the 78 percent of people who do not sell commodities, but who sell services—something like 49,000,000 of our people.

Mr. President, that is the serious thing here. Not only that, there are over $17,000,000,000 of savings in the savings banks of America. That money has been deposited by the

finest type of American citizenship—the person who is frugal, who is industrious, who at the end of a week has budgeted his expenses and put by a little for a rainy day. That amounts to nearly $20,000,000,000 today. What is to be done with that vast amount of savings? If the theory of the devaluation of the dollar to 50 cents is carried out, the savings of those people will be cut to that degree.

What else? There are 60,000,000 of our citizens who have taken out life insurance. There is scarcely a family in America that does not have some form or other of life insurance. The total of those life-insurance policies is over $100,000,000,000. Those are the people who look forward to old age, to a rainy day. What is it proposed to do with the $100,000,000,000? How will the 60,000,000 people be affected? The value of their policies will be cut in direct proportion to the increase of the price of goods or the devaluation of the dollar. The holders of those insurance policies outnumber 4 to 1 the debtors of America; and yet, on behalf of the person who is unfortunate in his inability to meet his obligations, we are proposing to reduce the savings of this group of American citizens!

Mr. President, I think the social element of this proposal is most serious. I do not know what is to be the outcome of a policy that is to say to the American citizen, "Do not save. You are foolish. There is no rainy day. Uncle Sam will take care of you when you get old. The Government will support you when you are out of work. You are foolish to save. Why do you not spend?"

There is not a virtue in the world so unpopular as national frugality. There is not a vice so popular as the spending of money. Nobody likes the tight-fisted. Everybody admires the open-handed. The popular fellow is he who showers his path with money; but what is to be the end in its effects upon our civilization?

Mr. President, when we forget this frugal, industrious class that is the very backbone of America, I think it is a serious thing. I will go as far as anybody to relieve the debtor through scaling down the obligation, reducing the interest, and giving him more time, if it is done in the interest of the public.

I am against foreclosures, and the needless taking over of property for debts. I will join anyone in attempting to relieve that situation. But I can never be led to do any injury irreparable to the best class of American citizens, people who are the very backbone of the United States, in order to do a thing that is of doubtful wisdom. That is the feature of this matter which disturbs me.

I asked a friend of mine in New York to give me a statement of his expense account. I knew the salary he was getting; he is one of the low paid men in one of the big corporations in New York. He replied:

> My rent is $50 a month. I could get it cheaper in the suburbs, but it would cost me $10 in the way of commutation to get there. I am paying $15 a month on furniture purchased when I first married, $37 for food, $8 for insurance, $7 for light and gas, $6 for laundry, $4 for clothes, $2 toward unemployment relief, and I aim always to lay aside about $4 a month in savings. It sums up $133. My salary is $140 a month. That gives me $7 for incidentals, such as illness, pressing clothes, hair-cuts, and so forth.

Suppose we increase the cost of living by cutting the dollar in two; how much will that young man have left to pay on his debts? That case can be duplicated by a million cases of people paying small sums periodically in order that they may have a home sometime. Now, the proposal is to increase prices, by manipulation of the money, to such a point that a person like that either could not pay anything, or would have to reduce his standard of living below the American standard. That is not wise, it is indefensible upon any basis whatever.

Mr. President, these are the reasons I give to my constituents in Ohio as to why I cannot support such an indefensible program as is undertaken to be written here on the monetary question. I repeat, if devaluation must come, the profit, of course, should go to the Government, if that can be accomplished legally and honestly.

I also repeat, nothing is so important as to stabilize; but stabilization should be accomplished by an undoing of what has already been done, and we should not now claim that because we have destroyed the elements of stabilization by going off the gold standard we cannot do anything more than what is proposed here. That is a poor excuse. Stabilization is the most important thing to be accomplished, but this proposal will not bring it about.

Mr. President, I have a very warm friend in Toledo who has written me upon this subject, not knowing just what was the proper position to take, and he asked me to give him my reaction. My address today is not an answer to him, but I have an answer, which I desire to have incorporated in the RECORD for his benefit.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

JANUARY 19, 1934.

MY DEAR MR. CRANDELL: I have your letter inquiring as to my reaction on the proposed devaluation of the dollar. I can give it succinctly.

The abandonment of the gold standard and a substitution of the rubber dollar was the most severe stroke against the revival of industry that could have been taken. It created an uncertainty that prevented any business or industry from entering into a contract that would be executed 6 months hence or at any time in the future for the reason that one could not tell what the value of the dollar would be at that time. It would necessitate writing into the contract the terms upon which it was to be executed—that is, on the basis of the value of the dollar at the time the contract was made—which, of course would be regarded illegal by the group now in control. Hence the refusal of any industry to take any risk, either in enlargement or continuing production to fill a future contract. That difficulty accounts for the refusal of business to revive under the uncertainty of the value of the dollar.

While the Government made the gravest blunder in abandoning the gold standard, and thus creating this uncertainty, any movement to stabilize the dollar will be an improvement, as it is the sine qua non of recovery.

The proper course would have been to have avoided entering into such a maze of uncertainty by abandoning the gold standard; but, since that has been done, the proper course would be to resume the gold standard; but there has been a creation of such prejudice, much of which is due to a lack of understanding, against that movement that the next best step, if it could be taken, would be to resume payments on a gold basis at some fixed value.

Stabilization being essential to revive industry, it is argued, the only thing that is left that may be done under the present state of the public mind—that state being purely political—would be to devalue the gold dollar. I am opposed to it, first, because it is confiscation, on the one hand, and repudiation, on the other.

It is confiscation in that it is taking from the owner without his permission an article at $20.67 an ounce, for which the Government is offering to pay for foreign gold $34.45. The Government proposes by its own dictum to declare this gold, for which it pays $20.67 an ounce, to be worth in debt paying almost double that value, thereby creating by its fiat a profit of that amount with which it proposes to pay its own obligations as well as authorize all debts, public and private, to be defrayed by the devalued dollar.

In other words, the Government proposes the payment of debt by fiat paper in the form of bullion certificates, irredeemable, thus creating that much debt paying without increasing the wealth of the country by a single dollar. The proposal results in a confiscation by taking values without due process of law, and repudiation by debt paying through fiat certificates.

I am also opposed to it on the ground that in accordance with the theory of the program, the price of commodities is to be increased, which, in the final analysis will reduce in that degree the purchasing power of the dollar, which must fall most heavily on the vast majority of our people who are selling services instead of commodities. This is because salaries and wages do not go up with the cost of commodities, the result of the inflation of the dollar.

If we devalue the dollar, say, 50 percent, it means a 50-percent loss to labor, not because the nominal wage is reduced in dollars, but because the purchasing power of the dollar, which must be measured in the cost of living, will be reduced to the degree that the dollar is devalued.

Its chief hurtful effects will be reflected upon the break-down of the real wages of labor and what is known as the white-collared workers, and can be of nominal value only to the owner of commodities for sale and to the debtor, but in the last analysis, it will not be of real value to them. Its hurtful effects will extend to substantially all the people who are engaged in gainful occupations.

If a clerk in a store or a wage earner on the street is able to live on what he receives, and have a little left beyond the cost of living with which to pay on a home, he will under this scheme be compelled to extend all his wages for living expenses with nothing to be paid on a debt, or else reduce his standard of living to such a point that it will be in direct opposition to the stand-

ard which has become the envy of all of the people of other nations.

Then again, in all this there is a direct assault upon the foundation principle of the Federal Reserve System, which is permitted upon a gold basis with a 40-percent reserve to issue Federal Reserve notes to meet the trade demands. In this proposal we are eliminating the only feature, the redemption clause, that holds these Federal Reserve notes at par by substituting for the gold reserve written in the law bullion certificates. These certificates of themselves are worth nothing except the confidence that the holder might have in the Government's credit, which is a mere promise of the Government on identically the same basis as the greenbacks, since these certificates are irredeemable either on demand or in gold, the two necessary items to maintain the par value of currency.

Another most serious fact is that it is confiscation to the degree of the devaluation on all holders of insurance policies and owners of savings-bank accounts, which run beyond hundreds of billions of dollars and operate on more than 50,000,000 people, probably four times the debt represented by the mortgages that this proposal looks to scaling down. It will have a blighting effect upon all that large proportion of our population which, through industry and frugal habits, have laid aside something for the rainy day, which is represented not only by these insurance policies but by the nearly $20,000,000,000 in the various savings banks. To the degree that the price level is thus increased by the break-down of purchasing power through the devaluation of gold will be reduced these sums laid aside by this industrious class of our population, and in the final analysis it will operate upon the debtor as it does upon the creditor.

The Federal Reserve System loses its gold, for which is substituted the bullion certificate, irredeemable. This bullion certificate instead of gold becomes the basis of the issuance of Federal Reserve notes. This item destroys the very foundation on which the Federal Reserve System is built, and instead of basing the issuance of its notes to be used as currency upon a gold reserve required to be deposited in the Treasury, they will be issued on a basis of a certificate representing so much bullion deposited in the Treasury, which under the law ceases to have any value, because it is no longer a commodity for which there is an exchange price.

It is true that there is an effort to meet this irredeemable feature by writing into the proposal that within certain limits gold may be bought and sold, but that feature does not give value to the bullion upon which circulation can be safely based.

A gold certificate today is worth the $20 written on its face, because there is $20 worth of gold in the Treasury that up to the abandonment of the gold standard could at any time be demanded in payment of the certificate. That redemption feature, on demand, kept that certificate at 100 cents on the dollar. The same thing is true in the silver certificate, which by the act of 1900 was based on the gold standard, and the same thing is true of all the types of money we have had in use, except subsidiary coin—whether it be Federal Reserve note, Federal Reserve bank note, national bank note, Sherman note, silver or gold certificate. They were all redeemable in gold, which was the factor that made them pass throughout the world for 100 cents on every business counter in any corner of the globe.

I will, therefore, have to oppose such a procedure on the basis of common ordinary honesty in my desire to maintain the integrity of the Nation, and especially on behalf of the millions of wage earners and white-collared workers, including the debt payer, who is going to be reduced in his purchasing power to the extent of any increase in the cost of living due to this devaluation.

It is an amazing proposal wholly on the basis of the redistribution of wealth by the use of such a method of carrying on this enormous Government-spending program, which, if continued throughout the year, will reach $15,000,000,000, which, if unmodified, must lead to printing-press currency. When that step is taken we will be on the path that Germany took after the World War to the inestimable cost of all our citizens, with especially hurtful consequences to that class who had planned ahead of them for the future.

I am simply amazed over the lack of appreciation on the part of the average citizen to estimate these consequences. Mr. Bryan in his wildest dreams never approached anything equal to what is proposed here to be done.

Yours very truly,

——— ———.

Mr. FLOYD CRANDELL,
Toledo, Ohio.

Mr. FESS. Mr. President, one word in conclusion. Nearly all of the letters to which I have referred evidently have come in response to a request made that Representatives and Senators be written to and asked to support the President in his policy. Let me say once for all, I will support President Roosevelt devotedly in everything in which I think he is right. I supported him on 6 of his 10 major recommendations in the special session, in some cases with a good deal of doubt as to the result.

I could not support turning over the agricultural industry to a Cabinet officer, and I would not do so now. I could not support a suspension of the antitrust laws and a substitution of a gentlemen's agreement for them, and attempt to regiment all industry and place the direction of it in Washington, D.C.

I could not support what I should regard as the most indefensible of proposals, the changing of the terms of a contract with the people of the United States by taking out a clause of the contract without the permission of the holder of the contract.

It does not suffice to say, "There are bloody bonds", as many of these letters say. Bloody bonds. Never was there such a campaign of bond selling since the morning stars sang together as that inaugurated by an able Secretary of the Treasury, now a distinguished Senator in this body. I responded to that campaign and did as other Representatives did, for I was then a Member of the House. I went to my home from Washington, at my own expense, which was the least a man could do, in order to help sell those bonds. We asked people to buy until it hurt, and I know that people bought when they had to sacrifice the absolute necessaries of life in order to do so.

It does not do to say these are bloody bonds. That is only thoughtless passion, without the exercise of any judgment whatever. There can be no excuse for changing a contract which had been entered into 30 days before. I could not stand for that.

I cannot stand for anything I regard as unfair or dishonest, even though it is done by the United States. A code of ethics denounced in the transactions of men is not holy when exercised by the Government simply because the Government is doing it.

I supported the President with considerable intensity on the floor in the consideration of the Economy Act, a measure most unpopular in Ohio but one which was necessary as I saw it. Some wrongs were worked into that measure which ought to be corrected, and I shall use my influence to have them corrected, but I should vote against a repeal of the act itself.

In the future, as in the past, I will chart my course to support the President in everything in which I think he is right. When the President chose to take men off the dole and put them on a pay roll, I thought that was a wise course, and I so stated. The only difficulty about it is that we do not know where it will ultimately lead, and we must all realize the danger. I say here and now that in things in which I regard the President as correct, he will have no more loyal supporter than I am; but in matters in which I think he is wrong, I will not hesitate to say so here or anywhere else.

The very fact that men are asking us to give the President support without thinking or without study makes it necessary to analyze and criticize everything that is proposed, and I propose to follow that course.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2284) relating to contracts and agreements under the Agricultural Adjustment Act, and it was subsequently signed by the Vice President.

THE TARIFF

Mr. HATFIELD. Mr. President, I rise to make only a brief address and, finally, to ask that certain documents which I will present be incorporated as a part of my remarks.

The transformation from America's former method of progress, which has been the pride of her public men of the past during 150 years of development, surpassing other nations in economic and social progress, is to continue under the new monetary program as projected by the administration; it is typical of all its present policies.

The changes wrought by the "new deal" as it applies to the farmer and to big business, resulting in the elimination of the individual man and the small industrial group, underwriting and tolerating a monopoly at the expense of the consumer, are in keeping with the observations heretofore made by me. We have now new and strange transformations conceived by the "brain trust" and sent to the Congress as a part of the unfinished program to be finally made an integral part of the new deal. I have been wondering

Mr. President, what surprise is yet in store before this transformation is completed to the satisfaction of those responsible for the new deal. Are we now to have an enabling act conceived by these economic visionaries to authorize the Chief Executive of this Nation to undertake that Herculean task of lifting the face of nature?

If I understand the President's program aright, he contemplates making over the industrial structure of our Nation. The old America is in financial ruins we hear, and a new one is now being erected in modern Nehemiah fashion. Industrial recovery, handicapped by the uncertainties of business and finance, made so by regulation in the way of Government interference, now faces renewed perils in the proposal to classify all industry, agriculture included, in six groups, in accordance with the presumed economic importance of each branch of industry in the United States. Agriculture and mining, which some Members of this body may consider safe under the recovery program, face the possibility of tariff reductions under this plan if the formula now set forth by the administration is to be followed.

The details of this new tariff program, I find, have been set forth in considerable detail in articles which I have clipped from the New York Journal of Commerce. I do not know the writer of these articles, but I presume from a reading of them that he has but little interest in the subject of tariff other than from a news point of view. The stories merely set forth the facts, which are illuminating, and the articles are so informative that I shall later ask that they be made a part of my remarks and incorporated in the RECORD.

Mr. President, abandonment or sharp reduction of tariff protection for industries which have not shown themselves as well suited in American environment is contemplated as part of the program for the supposed rebuilding of a foreign trade, which foreign trade, according to the findings of the United States Tariff Commission, at its peak provided employment for less than 600,000 workers, this at a time when from ten to twelve millions of our people, formerly employed in domestic trade, are dependent upon either private or public aid. This reminds me of the old adage, "Penny-wise and pound-foolish."

The abandonment of certain industries now may prove as disastrous in the future as did the lack of encouragement and protection given to other industries, notably the chemical industry, in this country before the World War, which conflict demonstrated their vital necessity both in time of peace and war.

A complex plan for the classification of all domestic industries to determine the economic importance of each to the United States on which to base a long-range commission policy has been worked out, it is claimed, by those directly in charge of governmental affairs.

From the best information I can gather, no industrial leaders, representing either the employers or the employees, have been consulted regarding this plan by the wise men of this period, who, in most instances, have little if any practical knowledge of the subjects upon which they are passing judgment. Nor do they seem to be concerned if certain industries face a complete loss of their invested capital.

George N. Peek, former Agricultural Adjustment Administrator, recently ousted from the Department of Agriculture because of his inability to subscribe to the theories of the theorists in control, has been selected by the President to draw plans and specifications for the creation of a new foreign-trade administration to create markets in foreign countries for our agricultural products. Every avenue of trade abroad is to be explored in this campaign and in this country, and every individual industry is to be fingerprinted and dealt with under charts developed by the theorists in control.

The practical experience, however, will be, Mr. President, if we are to judge the future by the past, that the home trade is the only trade upon which the farmer can depend for a market for his products.

President Roosevelt, it is understood, plans to ask the Congress to enact legislation giving to him alone the power to set rates which may mean life or death for American industry—to manipulate tariff rates just as now he proposes to manage the currency of our country.

The president of the Pottery Workers Union of America informed me today that the pottery workers of this country are producing less than 50 percent of the pottery and china consumed by the American people yearly, due to cheap foreign competition which should be eliminated by an adequate tariff so that these workers would have at least 93 percent of the home market.

Our Nation has been sorely distressed, industrially and economically. If history correctly records the periodical depressions of the past some were as great or even greater in a distressful way to the generation of people who lived in those days. However, they did not theorize or carry on experimentations; they progressed out of such depressed periods through and by their own resourcefulness without interfering with any basic laws or by experimenting such as is the practice at the present time. This is sufficient to convince many of us that too much paternalism is a hindrance at this hour instead of an assistance. I do not feel, however, that the experiments now being made and those in contemplation will result in a greater degree of business improvement after they have been applied. The administration admits that the plans are nothing more nor less than continued experimentation. But when will this experimentation end?

I understand that the recently appointed Secretary of the Treasury has stated that the new program will give the administration a breathing spell—will lessen the tension until other steps are taken. I am wondering if the next step would be the early issue of non-interest-bearing bonds with which to redeem the outstanding obligations of the Government. I shall not be surprised if our financial experts tell us that we cannot raise sufficient revenue by taxation to meet the fiscal requirements of the Government.

The administration can hardly expect to increase returns from individual and corporate taxation if they continue to drive out of business such industries as do not qualify for continued existence under the plans of the theorists now in charge of the administration's mechanics.

Many of these industries are compelled to compete with the Government, financed with their own money, and in some instances it precludes them from doing business

Naturally those who believe in the theory of international free trade and have had no practical experience in the management or operation of industries cannot be expected to advocate or recommend tariff rates which will make it possible for American industry to furnish employment to American labor at wages which will permit American workers to retain the standards of living which are higher than those in operation in other parts of the world.

It is possible that some Members of the Senate may be interested in preserving or in maintaining the right of American industries to continue to operate in America; they may have overlooked the information contained in the articles to which I referred as printed in the New York Journal of Commerce during the past few weeks. For that reason, Mr. President, I ask that these articles be printed as a part of my remarks and inserted at this point in the RECORD. I also desire to have printed in the RECORD, as a part of my remarks, a copy of a radio address on this subject recently delivered by the Honorable Matthew Woll, vice president of the American Federation of Labor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ROOSEVELT TO SEEK WIDE TREATY POWERS ON RECIPROCAL TRADE—IS SAID TO WANT CONGRESS TO FOREGO RATIFICATION OF PACTS, TARIFF CHANGES—TARIFF LAW MACHINERY IS HELD CUMBERSOME—PROPOSAL BELIEVED TO CONTEMPLATE PLAN TO RAISE AND CUT RATES TO FORCE NATIONS INTO LINE

By Clarence L. Linz

WASHINGTON, December 10.—Congress will be asked to provide legislation granting authority to the President to make such changes in existing tariff rates as he may deem necessary as an

inducement to foreign governments to enter into reciprocal trade agreements with the United States, it was learned here tonight.

Consideration will be given to this proposal as an incident to the liquor tax and tariff legislation that will be given a public hearing jointly by the House Ways and Means and Senate Finance Committees tomorrow.

It is understood that draft legislation already has been prepared by the administration. If this is adopted, the President would be permitted to make rate changes without resort to the present rather cumbersome machinery of the flexible provision of the Hawley-Smoot tariff law which has as its yardstick differences in costs of production at home and abroad. At the same time, under present plans, the approval of Congress to the rate adjustments and even the proposed reciprocal trade pacts themselves would not be required.

LONG STUDY IS MADE

For more than a year, the activity dating back to before President Roosevelt entered the White House, Democratic leaders have been studying the matter. It is asserted that now, when it has been found that the offer of an exchange with foreign governments for entry into our newly created liquor market is not a sufficient inducement to obtain for us broadened markets for our products abroad, this legislation is needed more than ever.

Means whereby the legislation in question can be enacted into law with minimum of opposition have been engaging the attention of administration leaders, it is understood. Fear is expressed by some that it might be couched in language giving the impression that the authority to be conferred on the President would be limited to the liquor market when in fact it would permit rate manipulation generally.

It is realized by the administration that downward revision of the tariff law is virtually impossible and any move in that direction would lead to further inequities occasioned by logrolling within Congress. It also is realized that resort to the flexible tariff provision of the law would be difficult of speedy success.

RESISTANCE ABROAD DEVELOPS

While foreign governments have shown marked interest in securing larger liquor quotas, they are not inclined to sell out their markets to get them. It is pointed out, for instance, that whereas our annual imports of distilled spirits hardly exceeded 4,000,000 gallons in peak years, domestic production has been as high as 93,000,000 gallons (1917). In wines the maximum of importations was 10,500,000 gallons in 1910, which is about 33 percent greater than normal, whereas domestic production runs up to about 60,000,000 gallons. The picture in respect of beer imports is even a sorrier one.

What the administration advisers will ask Congress for, it is said, will be legislation patterned after the flexible-tariff provision freeing the President of the necessity of securing congressional approval of such tariff bargaining as he may undertake in the future.

It has been represented to the President by Members of Congress in the quite recent past that it perhaps would not be difficult to secure passage of legislation permitting negotiation of trade agreements if the administration will have incorporated in that legislation a proviso that bargaining pacts be subject to ratification by Congress.

ATTITUDE OF SENATORS

It is reported in informed circles that many Senators would approve reciprocal trade treaties giving the United States concessions abroad on agricultural products in return for tariff reductions in the chemical and metal schedules of our law in particular. However, it may be that rate reductions in the agricultural schedule may come also, it is rumored.

Administration leaders, admitting the futility of seeking a general revision of the tariff, have let it be known to representatives of foreign governments in Washington that in seeking reciprocal trade agreements, loopholes would have to be found whereby our tariff wall may be pierced or vaulted. Apparently the State Department has been successful in getting a foothold to negotiate trade agreements with Colombia and Brazil, although at a standstill with Argentina because of the complexities of the problems presented by the latter.

On the other side of the question there are some 60 or more industries that have made inquiries as to the possibilities of securing relief from import competition which they claim they cannot meet.

JOHNSON MAKES REPORT

About a dozen of these have been reported to the President by General Johnson. As a result, the President yesterday ordered the Tariff Commission to make an investigation with respect to imports of wood-cased lead pencils. This is the first action taken by the Chief Executive under section 3 (e) of the National Industrial Recovery Act, governing imports which become competitive to domestic products manufactured under codes or the terms of the President's reemployment agreement.

Before 1933 lead-pencil imports were chiefly from Germany, but this year there has been a large increase in shipments from Japan since, whereas less than 1,000 gross came from that country in 1929, the first 9 months this year the total reached 75,000 gross.

As a prelude to a definite move for this proposed legislation, Senator COSTIGAN, Democrat, of Colorado, former member of the Tariff Commission, induced the Senate to direct the latter to undertake the work of analyzing the composition of the import and export trade of the United States with each of the foreign countries with which we have important commercial relations.

NUMBER OF REPORTS MADE

The Commission has made a number of reports under the direction of the Senate, and these will be considered incident to the study that will be made of the testimony presented in the joint tax and tariff (liquor) hearings beginning tomorrow.

A list of tariff and other trade restrictions since January 1, 1922, by countries, a discussion of alternative sources of each, an analysis of the invisible items entering into the balance of trade with these countries, and other significant economic and competitive facts affecting our trade have been furnished.

The Commission also has furnished information under the following categories:

1. Tariff classifications, including grades and styles and articles in basket clauses of the law, with respect to which there were substantial imports from abroad in 1919 and/or 1929, but which have substantially lessened or ceased, and the cause thereof.

2. Articles of which imports in either 1927, 1929, or 1931 have represented less than 5 percent of the domestic production of similar articles.

FIFTY-PERCENT AD VALOREM RATES

3. Articles on which tariff rates exceed 50 percent ad valorem and the quantities and values imported, and the domestic production in the years named.

4. Dutiable articles, the imports of which have increased in quantity or value since 1929.

5. Statistics showing quantity and value decreases of United States exports.

6. Extent of the exportation of American capital to build factories abroad.

7. Value and quantity of imports which are more or less noncompetitive with domestic production and in which foreign countries possess advantages in production, including seasonal advantages, or as to which the foreign product has some unusual appeal to purchasers in the United States, particularly in the case of Canada, Spain, Belgium, Italy, Czechoslovakia, Mexico, Argentina, Russia, China, and Japan.

8. Ways and means for tariff bargaining as may appear relevant for most advantageously promoting expanded trade between the United States and foreign countries.

PEEK PLAN TO EXPORT SURPLUS FARM CROPS UP TO PRESIDENT—FAVORS SETTING UP FOREIGN TRADE ADMINISTRATION TO CARRY OUT PROGRAM—MAY FORM ANOTHER UNIT TO UNDERWRITE DEALS—EXECUTIVE COUNCIL ALSO CONSIDERS MOVE FOR ROOSEVELT TO ASK WIDE POWERS TO ACT ON TARIFF

By Clarence L. Linz

WASHINGTON, December 26.—A broad outline of policy for the development of new agricultural export markets was today placed before President Roosevelt by George N. Peek, former Agricultural Adjustment Administrator.

The report carries the results of the studies made by Mr. Peek and his associates at the direction of the President and contemplates, it is said, the setting up of a foreign-trade administration, which Mr. Peek will head, and possibly a corporation which would underwrite, in whole or in part, the sale of American agricultural products abroad.

SUGGESTS TARIFF POWERS

Coincident with this activity the President's executive council is understood to be working on a plan whereby Congress would give broad tariff powers to the President to enable him to carry out features of the Peek program.

The new foreign trade consultant declined to go into details of his proposals, following his talk with the President today, explaining that he is to return later in the week to go over the matter more fully.

For some weeks now representatives of the State, Commerce, and Agriculture Departments and of the Tariff Commission have been discussing the character of proposed legislation making possible the negotiating of reciprocal trade agreements with foreign nations, based on tariff-rate reductions, without requiring ratification by Congress.

While not overenthusiastic about the proposal, it is understood that the President has told its sponsors to go ahead and work it out to see what it looks like after it is reduced to writing. It is said to be the President's political instinct that Congress should be asked for nothing in the way of tariff revision beyond some obviously necessary changes in rates on wines, beer, and liquors.

The President is declared to realize that, unless it develops he is in complete control of the Congress, it might be a fatal mistake to set it to the task of making material changes in the tariff law. The same matter was before him last spring and all was in readiness to spring the plan on the Senate and House when the President is said to have sensed the possibility of a defeat of the legislation.

URGED TO ASK AUTHORITY

But the tempting possibilities of reciprocal trade agreements, made particularly manifest in the parceling out of liquor quotas, are being so attractively laid before him that the so-called "liberals" among his advisers are pressing Mr. Roosevelt to resort to this proposed departure from present tariff policies and ask Congress to divest itself of tariff rate-making powers, within certain specified limits, surrendering them to the Chief Executive.

The argument is that if it is useful to the Government to use the trading possibilities offered by our newly created liquor mar-

kets it certainly would be beneficial to the country to make permanent a system for bargaining for tariff benefits. The quota system, although much used in Europe recently, and is now applied to our liquor imports, is new to American foreign trade.

The President, since his inauguration, has leaned to the bargaining tariff principle, but his political astuteness kept him from pressing the matter strongly at the special session last spring and so far has kept him from reaching a determination as to what powers and in what manner, he would ask Congress in the form of appropriate legislation.

In order to effectuate the necessary administrative control to facilitate the negotiation of trade agreements, it is revealed in informed quarters, the sponsors of the plan propose that the President be empowered to prescribe more detailed classifications within any present tariff classification and to lower the applicable rates of duty within certain specified limits, presumably 50 percent. There is talk also of providing for the licensing of all importations of any general or detailed classification and for the allocation of American markets therefor on an allotment system.

FINDINGS SUGGESTED

For legal reasons, it is explained, the exercise of these powers should be made conditional upon the President making certain findings of fact. The proponents of the plan suggest that these findings be—(A) that such action is necessary to bring about satisfactory trade agreements, and (B) that such agreements adequately compensate the United States for any concessions granted in the domestic market.

The plan goes further than has been indicated in the gossip here, it is averred. It is declared by the tariff planners that if American export trade is to be restored to anything like its former proportions, the United States must enlarge its import markets and to do so must lower existing tariff barriers.

This leads directly to the setting up of a Government authority, possibly even the new Peek organization, which would survey the whole field of foreign and domestic commerce and arrive at conclusions as to the economic value of various industries. Some, it is pointed out, inevitably would be found, operating now under the protective tariff, to be uneconomic and should be sacrificed in order that a foreign country, producing similar goods at a lower price, might find a market for them here in order that such a country might be able to buy more of standard American products.

It is learned that the Tariff Commission has placed in the hands of Mr. Peek and his associates information showing not only our trade with foreign countries but the trade of the latter with each other, indicating markets abroad that might be opened or expanded for our goods and means for assisting them in getting their merchandise into our markets. This confidential document is said to be "one of the finest pieces of work" ever done by the Commission.

CITES NATIONAL PLANNING

"Standard American products" are denominated as agricultural products. It is pointed out that in respect to the latter there already has been undertaken a system of national planning with the attempt at avoidance of overproduction by acreage controls. Under the codes formulated by industries and the National Recovery Administration, there is the framework for national planning for the products of factories and mills.

Here is the start of allocation of all production among the different units of industry and agriculture. Therefore, it is argued, that if there is in fact to be national planning on so broad a scale, it is but natural that authority over import duties should be vested in the Government.

Because they consider tariff-making an essential part of the general scheme of things as they have worked it out, these liberals among the President's advisers are pressing the latter to approach Congress on the question of granting him authority to manipulate tariff rates when, in his discretion, this appears desirable. They contend that this would be no greater menace to industry, if menace it could be called, than the authority vested in the President under the National Industrial Recovery Act to dominate all industry. They add that if the program is to be carried out according to the general plans for economic recovery this new power is necessary.

TARIFF POLICY HERE NOW FACES CHANGE TO AID UNITED STATES EXPORTS—MAY DROP OR SHARPLY CURTAIL PROTECTION IN LINE WITH NEW UNITED STATES ECONOMIC POLICY—TRADES BEING CLASSIFIED TO DECIDE NEED OF DUTY—PURPOSE IS TO DETERMINE INDUSTRIES UNSUITED TO AMERICAN PROGRAM UNDER THE "NEW DEAL"

By Clarence L. Linz

WASHINGTON, January 1.—Abandonment or sharp reduction of tariff protection for industries "which have not shown themselves as well suited to American economic environment" is contemplated as a part of a program for the rebuilding of our foreign trade now being considered by the Executive Commercial Policy Committee of the Roosevelt administration.

A complex plan for the classification of all domestic industries to determine the economic importance of each to the United States, on which to base a long-range commercial policy, has been worked out by Committee experts, it was revealed here today.

This plan is believed to be the groundwork for the contemplated proposals to Congress which President Roosevelt last week made known he would present. It is an elaboration of the program which was to have been urged upon the National Legislature last spring.

PURPOSE OF PROGRAM

The primary purpose of the program appears to be the selection of those industries that legitimately may be "sacrificed" in the best interests of all, the President being authorized by Congress to be the judge. Leaders in House and Senate, it is learned, are awaiting the decision of the administration as to a new tariff policy before proceeding with the formulation of contemplated reciprocal trade legislation.

The experts of the Executive Commercial Policy Committee, of which Acting Secretary of State Phillips is chairman, have, in their memorandum, attempted to sketch a new line of principle to serve as the basis of a long-term policy. They assume that a bill is to be introduced in Congress to give the Chief Executive the power to modify existing duties upward or downward within limits, and to otherwise regulate imports, and the report is further intended to suggest the policy basis on which Congress and the country may be approached for the grant of power. In other words, it is a rough plan for the beneficial exercise of Executive power.

If the long-term commercial policy is to be established, it is contended, it will be essential that the Executive be vested with some measure of authority, not only to modify rates but to employ such other measures as may be deemed suitable for regulating import movement of goods.

POSITION OF CONGRESS CITED

The Executive alone, it is asserted, could develop a plan which represents the national outlook and which continuously demands necessary technical information. Tariff-making by Congress, it is pointed out, inevitably results in conflict and bargaining between local interests with no clear conception of the situation created for export industries.

Congress must pass on both the plan and the general policy and upon its execution, but cannot be expected to legislate details of a long-range plan, it is explained.

Each branch of the primary industries of the country (including in the term all agricultural and extractive industries) would be graded as a means of defining their place in the commercial policy scheme. Each industry would, after the fullest possible study, be placed in one of perhaps six broad grades or classes. These grades would be based upon a "complex basis", indicating the utility of the industry to the country and its proper place in the scheme of commercial policy.

Among the features of the industry suggested to be considered in grading, the following, it is said, will have a natural place: (a) economic suitability to the United States as measured primarily by past efficiency; (b) possible contribution to national defense; (c) wage levels and other indications of general social utility; (d) the number of people employed and size of vested interest represented; (e) geographical distribution; (f) alternative sources of foreign supply; and (g) mutual dependence for proper operation of each industry on others.

SUGGESTS GRADE PLAN

The report tentatively suggests that grades be developed somewhat as follows: Grade A would increase the normal export industries requiring substantial foreign markets if the economic relationships within the United States are to be brought into easy balance without large interior movements of operation embracing such products as exportable agricultural supplies (cotton, wheat, hog products, and apples) and those mass-production manufactures which have set the pace in raising wages and increasing per capita production of the country (automobiles, agricultural machinery, electrical apparatus, etc.). Some of the commodities in this grade might continue to carry protection; for others it would be wholly unnecessary.

Grade B industries might be those slightly less marked than those in grade A for general effectiveness, taking in industries which, on the whole, have shown the power to sustain themselves against foreign competition without assistance, which employ large numbers of workers and which turn out satisfactory products at reasonable prices. In this category would be various lines in the chemical and metal industries, much of our iron and steel production, staple textile industries, shoe industries, etc., the report suggests. Industries in this category, however, would be protected at this time of emergency from any marked increase in foreign competition.

INDUSTRIES IN GRADE C

Grade C would include industries that do not qualify under the preceding classifications on the ground of general effectiveness, but which are deemed in part or in whole essential to national defense—chemical industries, shipbuilding and, perhaps, certain minerals. But in some instances in respect of these commodities and services instead of tariff protection it is suggested in the report some form of subsidy arrangement might prove preferable.

Towards commodities in this grade, decision would have to be reached as to the minimum protection necessary to sustain the minimum deemed necessary for national defense, it is suggested by the experts. It might be found in the case of certain of these commodities advisable to supersede ordinary tariff arrangements by market allocation arrangements under which minimum domestic production would be assured without closing the market to foreign production and thereby maintaining unnecessarily high prices, they explained.

In connection with the whole grading process, but more particularly with the industries in this grade, it is admitted, account would have to be taken of the most available geographical sources of supply.

TRADES CONSIDERED UNSUITED

Grade D would cover a large variety of industries which have not shown themselves well suited to American economic environment. They might be assured of a certain maximum measure of protection but, beyond that, would be required to sustain themselves against foreign competition. This grade might be divided in two subgrades according as to whether the particular branch of the industry was an important factor in maintaining other branches, whether suited, or according to the numbers employed, etc.

In this intermediate grade D would come a great number of minor industries, and, as an example, textile specialties requiring too much changing of pattern and design to be successful in the United States are named. It is suggested also that there are certain types of glove manufacture and certain branches of agriculture, such as hides, falling in this category.

Grade E would include, under the plan, industries that have some foothold in this country but which, on the whole, are a burden because they possess so weak an economic basis or because they have exhausted their basis. It is averred that these industries at the present time often have the highest rates of duty and "despite that fact are only struggling along."

ITEMS ARE LISTED

"Manganese, chromium, quicksilver, laces, and other typical hand-labor industries and certain agricultural products, such as pineapples", are listed by Committee experts as evidences of what they have in mind.

"If it were not for long tradition through which the sugar industry has established so strong a place for itself," they added, that industry would probably be put in this classification. In these grades would probably come minor or luxury branches of industry requiring large amounts of hand labor and employing only small numbers of workers; for example, certain types of the "higher class woolens and certain types of wine and spirits production."

Grade F would embrace the commodities for the production of which the country is wholly unsuited and which are primarily at present on the free list—coffee, tea, tin, rubber, and bananas.

"Care should be taken", the report concludes, "against the expectation that the plan could be fulfilled in detail. Likewise care would have to be taken to make it perfectly clear that no immediate tariff adjustment was in contemplation."

LEADERS WILL URGE PRESIDENT TO FOREGO ASKING TARIFF POWER—SENATORS FEAR CONSEQUENCES FOR HOME STATE PRODUCTS UNDER SUCH PROGRAM—LONG LIST OF ARTICLES WOULD BE HIT BY PLAN—REPUBLICANS SEE DEMOCRATS FACED WITH STRONG PROTESTS ESPECIALLY ON ALL FARM GOODS

By Clarence L. Linz

WASHINGTON, January 14.—Fearful of the possible loss of the protection against foreign imports now accorded the commodities of their respective States, Members of the Senate were said tonight about to urge upon President Roosevelt that he refrain from asking Congress to grant him the broad tariff powers he favors.

This became known when it was indicated by the President that he awaited the return to Washington of Secretary of State Hull to go into the matter; that the report contemplating planned economy for the United States with the classification of all commodities into groups ostensibly for the survival of the fittest, and the Peek report proposing to create the foreign-trade administration, are already on the President's desk, and that the Senate Democratic policy and the Democratic steering committee recently held meetings at the Capitol at which these matters were discussed.

ARTICLES ARE LISTED

Long-staple cotton, olive oil, citrus fruits, winter vegetables, copper, asbestos, casein, cattle, and hides, among a multitude of things, were listed by the Senators as hardly entitled to the tariff protection made possible by the Hawley-Smoot tariff law, if the rules proposed by the commercial policy committee of the administration are to prevail.

The long-staple cotton duty of 7 cents per pound is a sort of fetish in Mississippi where, it is said, Senator PAT HARRISON, chairman of the Senate Finance Committee for perhaps the first time in 15 years, is experiencing political difficulties.

From the standpoint of California, tariff reduction on olive oil, oranges, lemons, citric acid, and even agar-agar is anathema to Senator MCADOO of that State, and he so indicated the fact, aided by the opposition also voiced by Senator HARRISON, in the meetings of the policy and steering committees.

Senator FLETCHER is jealous of the protection afforded the leading commodities (from a tariff, if not an economic standpoint) of Florida, including pineapples, citrus fruits, and winter vegetables.

ATTITUDE ON COPPER

The copper bloc in the Senate was elated when it secured tariff protection in the revenue bill for that commodity, having failed to get it in the tariff bill. They have felt that in its present position the copper duty would not be subject to reduction under the flexible-tariff clause, but under the administration's protective-tariff policy there is no such guaranty.

The home State interest of Senator ASHURST, of Arizona, in copper and asbestos, has heretofore been manifested. Senator WHEELER, of Montana, has a similar interest in the red metal, and he is joined by Senator KEY PITTMAN, of Nevada, President pro tempore of the Senate.

The 75-percent duty on hit-and-miss rag rugs is looked upon as an aid to Georgia, and Senator GEORGE, of that State, it is asserted, would not like to see it disturbed. This Senator also found it difficult not to accept the present high rates of duty on rayon.

Senator ASHURST does not like the idea of the possible invasion of winter vegetables from Mexico. The chance of a reciprocal trade agreement with that country that would open our doors to these has been under consideration by certain railroad officials who have in view increasing the refrigerator-car service of their roads in such event.

POSITION OF OTHER SENATORS

Senator TYDINGS, of Maryland, also is interested in the tomato tariff—and in rayon duties. Senators CONNALLY and SHEPPARD, of Texas, doubtless would receive the protest of their constituencies if cattle duties were to be disturbed.

The Senators named are members of the Democratic committee. The personnel of the all-powerful Democratic steering committee includes Senators JOSEPH T. ROBINSON, Arkansas; FLETCHER, Florida; ASHURST, Arizona; SHEPPARD, Texas; KING, Utah; MCKELLAR, Tennessee; GEORGE, Georgia; COPELAND, New York; WHEELER, Montana; TYDINGS, Maryland, with LEWIS, Illinois, and BLACK, Alabama, ex officio. Senator GEORGE alone of the group was absent from the meeting when about 45 minutes was devoted to the tariff matter.

The Democratic policy committee, which spent about the same amount of time on the same subject, it is said, consists of Senators ROBINSON, Arkansas; HARRISON, Mississippi; PITTMAN, Nevada; GLASS, Virginia; WALSH, Massachusetts; DILL, Washington; BARKLEY, Kentucky; WAGNER, New York; CONNALLY, Texas; BULKLEY, Ohio; BYRNES, South Carolina; GORE, Oklahoma; and MCADOO, California.

CONGRESS VIEWS OUTLINED

The feeling in Congress generally has been that agricultural rates under the new deal are sacrosanct and not to be disturbed. Now there is the feeling, for instance, that the influence held in some quarters responsible for saving the plate-glass duty from a reduction in the face of a Tariff Commission report said to justify a cut is capable of forcing a showdown on certain favored farmer rates.

It is only a step backward through automobiles, it is pointed out, through tires and brake linings, to textiles (tire fabrics) and long-staple cotton. Automobile manufacturers do not seek justification for tariff protection for their product. They are interested in finding markets abroad for automobiles and subscribe to the theory that one cannot sell in a country from which this Nation will not buy. On the other hand, in face of a 7-cent per pound duty, the Tariff Commission lists long-staple cotton in the group of "dutiable articles more or less noncompetitive and with respect to which foreign countries possess advantages."

Like the automobile manufacturers, President Roosevelt and his advisers are desirous of opening up foreign markets, but for agricultural products. Thus far a great deal of resistance has developed abroad to such program. Italy, it is asserted, is as much or more interested in increasing her United States markets for olive oil as in selling more women's wool felt hats and hat bodies here, now at the subject of tariff discussion.

REPUBLICANS LESS CONCERNED

Republican Senators, in lobby conferences that have been going following the airing of the administration's proposed new tariff program, declare that their Democrat colleagues have more to fear than they have. Republicans point out that in the drafting of the Hawley-Smoot law the Democrats in some instances were able to get tariff protection for their home State products without showing their own interest, and in other cases by joining in logrolling proceedings such as brought about the tariff on lumber and copper among other commodities.

Now they will have to do their own fighting because the onus is on their party.

The Peek report proposes the setting up of the foreign-trade administration, to which would be delegated some of the foreign-trade functions now possessed by the State and Commerce Departments in particular, and possibly also those of Agriculture. It could not be ascertained what part the Tariff Commission would play, but assuredly it will be prominently in the picture.

The Commission already has furnished very voluminous reports, on some of which, it is said, the planned-economy program was predicated. For instance, in this scheme the right of tariff protection would be questioned in the case of commodities not deemed particularly well suited to the economic environment of the United States.

REPORTS REFERRED TO

One of these reports tells also of dutiable articles of which imports have represented less than 5 percent of the domestic production; tariff classifications with respect to which imports have substantially lessened or have ceased; articles on which the tariff rates exceed 50 percent ad valorem; separate lists showing agricultural products carrying tariff rates in excess of 50 percent, the equivalent ad valorem of present rates based on average prices from 1920 to 1929 and, among other things, the extent of exports of capital from the United States employed in production abroad.

The discussions which prompted this story were not to be interpreted as exclusively defending the present existing and heretofore adopted tariff policies of the Government but rather to point out

the obstacles to the inauguration of a new and revolutionary program.

In foreign circles in Washington it is asserted that even with the limitations that are placed upon the Roosevelt administration, the so-called "exhaustive explorations" of commercial advantages discussed in official quarters are more exhaustive of foreign than of domestic possibilities.

REACTION IN COLOMBIA

In Latin America, it is reported here, the reciprocal trade agreement that was signed on December 15 by Acting Secretary of State Phillips and Dr. Fabrio Lozano Torrjos, on behalf of Colombia, is being ridiculed. El Spectator, of Bogota, contained a cartoon by Arango of a man crucified attacked by buzzards, apparently intending to show American domination.

"In Colombia", a report to Washington asserted, "the treaty had the worst reception imaginable, judged by the statements made by the press of all parties.

"The big complaint is against the development of Colombian national industries having been promoted under shelter of high tariff on imports which now, to satisfy the United States, is to be lowered, much to the detriment of those claiming to have made strong investments to establish new industries."

The treaty has not yet been made public, but it is said that on our part the United States covenants not to impose tariff duties on coffee and platinum, it being expected, of course, that there are other concessions, although probably of like character.

ROOSEVELT CONFERS WITH HULL ON POLICY OF RECIPROCAL TRADE—CUBA IS SAID TO HAVE FIGURED IN TALK WITH PROMPT MOVE SEEN ON SUGAR DUTY—REDUCTION ON RAWS UP TO 55 CENTS IS UNDER STUDY—PROCESSING TAX ALSO PROBABLE—TARIFF BOARD LISTS CHEMICALS, DYES FOR REDUCTION IN RATES

By Clarence L. Linz

WASHINGTON, January 21.—A picture of affairs in Latin America was presented to President Roosevelt late this afternoon by Secretary of State Cordell Hull, who returned to Washington today from his tour of South America and attendance at the Montevideo Economic Conference.

Invited to take tea with the President, the White House visitor is understood to have related in detail during a conference of about an hour and a half those things which are of particular interest to the United States developed by and revealed to the State Department head in his travels.

CUBAN SITUATION DISCUSSED

In this discussion, it is said, the Cuban situation loomed big. Mr. Hull returned to Washington about 5 days ahead of his schedule, it being presumed that this was occasioned by the Cuban situation and the desire of the President to initiate his proposed new tariff policies so as to be able to do something more or less spectacular evidencing our friendship for our neighbors on this hemisphere.

It was indicated late last week that the President was preparing to discuss with the Latin American Governments the matter of recognition for Cuba. It also was made manifest that we would take steps to give our approval to the new Government in Cuba within a week or 10 days. To accomplish both of these desires the President sought from the head of his Cabinet data concerning intimate viewpoints and political repercussions in the countries to the south of us.

It has been made known that just as soon as the Cubans set up a goverment strong enough to give evidences of some degree of permanency, the United States would want to take some forward steps toward aiding the island Republic with its economic problems. To that end renewed study has been given to the report of the Tariff Commission which, it is said, would justify a rate of reduction on Cuban raws of up to 55 cents per 100 pounds.

PROCESSING TAX SEEN

While it is probable that such reduction would be followed by the application of a processing tax of perhaps one half cent per pound upon all sugars, it is figured Cuban producers would benefit at least one fourth cent per pound on their exports to the United States based on a quota of 2,000,000 tons annually; this of itself would mean an added income to the Cubans of at least $10,000,000.

The main concern here at this particular moment is how to deal with South American countries. Brazil has been slow to accept proposals for a reciprocal trade agreement, perhaps deterred from speedy action by the sentiment in South America against such agreements, it having been said in the press of Colombia that the pact with that country threw open its markets to United States industrial products while offering little of real value in return.

It could not be learned whether the President discussed with Mr. Hull the matter of the enactment of the Johnson bill which would deny this market to new securities offered by defaulting nations. This was given consideration by the President last Wednesday and again on Thursday when Senate leaders visited the White House.

EFFECT ON SOUTH AMERICA

Such legislation would have a very definite effect upon South American countries.

The Peek plan, proposing coordination of all Government activities having to do with foreign trade and the creation of a foreign-trade administration, and the proposal of the Commercial Policy Committee for the classification of all industries of the United States into six major groups for tariff and reciprocal trade agreement purposes are on the President's desk awaiting to be taken up with Secretary Hull.

It was reported in Washington tonight that the State Department would oppose any elaborate plan for the coordination of activities such as was presented by George N. Peek, former Agricultural Adjustment Administrator, in a chart given the President.

For instance, if carried out literally, this program would bring into the proposed foreign trade administration the Tariff Commission, consular and commercial attaché activities of the Department of State, and foreign-trade functions of the Commerce and Agricultural Departments.

Such program would be far too ambitious to please other Government agencies. When whittled down to proper dimensions, it was asserted here tonight, the Peek organization would parallel the Agricultural Adjustment Administration or the National Recovery Administration.

PEEK STATUS STRESSED

That would leave intact the permanent agencies of the Government and leave the Peek organization an emergency agency.

Possibility is foreseen of setting up as a subsidiary of this a financing corporation which would receive monetary aid from the Reconstruction Finance Corporation to assist in the promotion of Russian trade. Other governments, it is pointed out, have provided aid to exporters to the extent of from one third to two thirds of the amount of sales to the Soviet. The Roosevelt administration has been giving some consideration to such plan, although nothing definite has been arrived at.

In the event of providing financing for sales to Russia, the terms of credit naturally would have to be worked out. It is said that the maximum allowance would be 4 years, in the case of capital goods, while on such things as cotton and commodities going immediately into production and sale the terms would range from a comparatively few months to the maximum of 4 years.

INTEREST IN LONG-RANGE PLAN

The proposal to group all industries under a national planning scheme has evoked a great deal of interest throughout the country, judging from the volume of letters received in Washington.

Experts working on Tariff Commission reports are developing units of industries that might well be spared without menacing the economic stability of the Nation. One group, it is indicated, has been giving attention to the chemical schedule finding any number of commodities which might suffer a slight loss of protection without menacing the industry. In fact, it is admitted that some branches of capital industries would find it extremely difficult to justify duties contained in the Hawley-Smoot Tariff Act.

Reference has been made to coal-tar products. Decreased imports in 1932 were attributed by the Tariff Commission to transfer of production to foreign-owned plants in the United States, production at these plants having increased substantially in recent years. There were practically no imports of low-priced dyes (sulphur, black, and indigo).

DYES ARE LISTED

It is stated that a separation could well be made in the paragraph of the law covering dyes, so that a rate lower than that prescribed might be provided for types of dyes which we do not manufacture in quantities sufficient to meet domestic requirements. It will be argued that high-priced dyes should not be made to bear the burden of resisting rates merely to bolster the domestic industry by inducing use of products in substitution of the imported ones.

Whiting has been selected among others as a commodity which, perhaps, does not warrant present protection.

The United States has imported as high as 80,000,000 pounds in 1 year. The chalk is imported and ground in the United States, and it is asserted this business could be left to Belgium, France, or the United Kingdom.

Manganese compounds and salts are referred to as products which might well be imported, if it is decided against fostering manganese production in the United States. Antimony oxide, antimony sulphides, and salts and compounds are listed as good subjects for admission from abroad if China or the United Kingdom is given entry into American markets.

The duty on menthol is so high, it is argued, as to discourage imports. It is charged that this duty has been made too high in the interest of hardwood distillation, the commodity now being produced synthetically. With a tariff of 18 cents per gallon, imports of synthetic methanol, which began in 1925 and reached a peak of 1,710,470 gallons in 1927, dropped almost to nothing in 1932.

BUTYL TARIFF HIGH

Similarly, the tariff on butyl acetate is so high that none comes in, although formerly considerable quantities were imported and there was rather a notable case of dumping of the product. Interest has been shown in the possibility of reducing the tariff on all solvents and solvent materials which are used in the paint and varnish and automobile industry. It is pointed out that in 1933 there was a shortage in production of acetic acid and imports from Canada were necessary. Imports were the highest on record and were attributed to the pick-up in the automobile industry.

Reports of the Tariff Commission, it is said, show many opportunities for tariff reductions to afford a market for foreign prod-

ucts. Warning is given, however, that for some of these, great care must be taken, because even a slight reduction might bring disastrous results in the home market.

Secretary of State Hull is not particularly concerned with such individual items just now, it is indicated, but is more interested in setting up a new foreign-trade policy for the Government. However, the knowledge that such a program is under consideration is concerning affected interests, who are attempting to figure out where they would stand under the operation of the Hull-Peek program.

PROTECT EMPLOYMENT OPPORTUNITIES FOR AMERICA'S WORKERS

(Radio address delivered by Matthew Woll, president America's Wage Earners' Protective Conference and vice president American Federation of Labor, Tuesday, Dec. 19, 1933)

To the worker, employment is of supreme importance. The right to "life, liberty, and the pursuit of happiness" loses much of its significance to the worker where he is denied the right to work. For regular employment means both security and self-support. It means a stable citizenship. Wage earners and small-salaried employees are indeed grateful for the many efforts being made to provide employment for the millions of those unemployed.

There are those who hold that it is impossible to restore economic equilibrium to the United States while the rest of the world is either in the throes of internal disruption or upon the verge of bankruptcy and that, therefore, economic as well as political isolation is more and more an anachronism. It is they who are most vociferous in their declamations that the cure for the present depression and for unemployment is the development of the export market.

Our attention is constantly directed to the estimated loss of $2,000,000,000 a year due to our reduced foreign trade. Varying and conflicting statements are prescribed as to the number of workers that would be reemployed, if exports were encouraged.

But what are the facts?

In 1929 the Ways and Means Committee of the Congress issued a report showing that there were some 45,000,000 American workers gainfully employed interested in or affected by tariff legislation. This report also made it very clear that there were but some 600,000 industrial workers actually employed, in peak times, in producing manufactured goods for export.

The United States Tariff Commission, in a report recently sent to the United States Senate, states. I quote:

"The number of factory workers engaged in producing articles for export fell from about 658,000 in 1929 (the peak year) to 364,000 in 1931, a decrease in round numbers of 300,000."

After referring to the total number of persons engaged in industrial and agricultural production for export employed in 1929, who were unemployed in 1931, the Tariff Commission further states. I quote:

"The aggregate decrease in employment resulting from the reduction in all exports (both agricultural and manufacturing) between 1929 and 1931 was, therefore, in the neighborhood of 500,000."

In other words, the Tariff Commission's investigation indicated in effect that if our exports were increased to the amount having prevailed before 1929, but 500,000 would be reemployed in both industry and agriculture. This represents less than 4 percent of our industrial workers who have been unemployed. Wage earners of America may, therefore, be rightly alarmed at the urgency of the proposal made to increase our exports when it is self-apparent that increased exports must necessarily be accompanied by an increase of imports and, therefore, a consequent and perhaps greater loss of domestic employment due to an enhanced foreign competition in our home market.

In hundreds of thousands of instances the question of tariff rates means employment or unemployment to American industrial workers. Raise tariff rates in certain commodities and you make possible continued employment and the maintenance of proper standards of living and conditions of life. Lower rates and the reverse happens. For these reasons great uneasiness prevails amongst hundreds of thousands of our industrial workers who are unable to understand the undue stress which is being laid upon the value of export trade.

Workers are also aware of the fact that our manufactured goods for export are produced mainly in mechanized mass-production factories, operated by concerns known for their indifference or hostility to labor and where labor costs are relatively small. The report of the Tariff Commission evidences that of the 294,000 industrial workers employed in 1929 in production of manufactured goods for export who were unemployed in 1931, 175,000, or 48 percent, were formerly employed in the production of metals, machinery, and automobiles. I need not dwell on the type of working conditions or the wages paid to these workers. The employers in the class just referred to are conspicuous for their evasion, if not denial, of the right of workers to organize and to bargain collectively—industrial relations made mandatory under the N.R.A.

The exigencies of the Recovery Act have focused more and more attention upon the proposal of arriving at reciprocal agreements whereby detailed and selected concessions are made in return for similar ones. These agreements are sought through bilateral treaty negotiations rather than multilateral arrangements. To date only one such treaty has been signed. Colombia has agreed to certain concessions on American goods in return for our promise to retain coffee and bananas on the free list. While this treaty has been signed, it must, of course, receive the required legislative ratification before it goes into effect.

This policy of reaching reciprocal agreements is one which may not be inconsistent with the Recovery Act. By a studied selection, a number of commodities can be found which are not produced in important quantities in the United States and which are regularly supplied in considerable quantities by foreign countries. Similarly, we ship certain articles to other countries without competing with important domestic industries within their borders. In this field, though greatly limited, trade may be fostered without injury to domestic industries of the contracting states.

However, labor is apprehensive and greatly disturbed lest authorization be given to agents of the Federal Government to enter into reciprocal trade treaties with foreign governments and, as an incentive to foreign nations, reduce or enable the reduction of our present tariff duties by 50 percent without further action either on the part of Congress or the Tariff Commission.

Such unrestricted legislative authorization would prove extremely dangerous. Then, too, a complicating factor lies in the so-called "most-favored-nation clause" in a number of existing treaties. On this subject, however, Secretary of State Hull made an important pronouncement at the Pan American Conference at Montevideo only a few days ago. For years the United States has maintained that the most-favored-nation clause automatically conceded to all countries which had this clause in a treaty with a given country the same concession which the latter country gave to another. Secretary Hull has now accepted what may be called the European view, which is that the other countries receive the concession only on condition that they make the same reciprocal concession for which the favor was granted.

In venturing into and applying the method or process of trade treaties with foreign governments it is essential that workers should have an opportunity to be heard. It is equally important that participation of labor, as at present made possible and available through an appeal to Congress and through direct representation on the Tariff Commission, should in no way be lessened, but be increased.

All evidence available leads to the conclusion that the President regards the recovery program as coming first; that tariff concessions must not be made at the expense of domestic recovery; and that he still looks upon domestic affairs as coming first, as expressed in his inaugural address. It is equally evident that he intends to steer our domestic economy upon a solid basis before dipping his oar too deeply into foreign waters.

Labor realizes that unfortunate delays are encountered in the present method of adjusting tariff rates through the Tariff Commission with the approval of the President. However, we believe much of the unnecessary delay is due entirely to restrictive rules and requirements of law which could and should be corrected so as to permit the rendering of decisions in a shorter space of time.

One of the causes for delay on the part of the Tariff Commission is the necessity, under the present rules, to make investigations in foreign countries. Several foreign nations resent our investigators' seeking information. In other cases, owing to the limited appropriations at the disposal of the Tariff Commission, conditions have so changed by the time the investigation is concluded and a decision is to be rendered that the industry in question has been irreparably injured.

This is not said in criticism of the personnel or the work of the Tariff Commission. Indeed, situations referred to are due solely to a procedure made mandatory by law. Many workers believe that great good would come by freeing the Tariff Commission of restrictive rules now in force. Certainly that method should be tried before any other procedure is followed and which may result in great apprehension, confusion, and doubt.

America's workers are also aware of the fact that our present tariff policy confers the greatest benefits upon those countries, especially the Asiatics, where labor conditions are the most repressive and intolerable.

American labor favors a tariff policy wherein imports will be valued on the basis of the value of the imported article in the United States—a policy better known as the "American valuation"—and not upon the depreciated as well as manipulated values of foreign countries.

Many foreign countries have monopolized industries. More are doing so. Soviet Russia has monopolized all industry and agriculture. Its Government is the sole producer and distributor of all things. Japan and other nations have monopolized the match industries of their countries. They prevent the entry into their countries of matches made in America. Japan also holds the world-wide monopoly on natural camphor. Germany holds a monopoly on many chemicals. These are but a few of many illustrations.

Indeed, the tendency toward state or national control of imports as well as exports is rapidly increasing and to such an alarming extent that the question may well be raised as to whether or not reciprocal trade treaties do encourage and strengthen foreign cartels and trusts and as against our national attempt to prevent monopolization at home.

As against all these agencies for increased export trade, reciprocal trade treaties, and other devices urged to that end, America's wage earners raise the more important issue of enlarging our domestic purchasing power and of increasing and protecting our home markets.

Government statistics clearly indicate that more than 93 percent of the products of American labor and American agriculture are consumed in America. While this is an average figure of all commodities and includes such important commodities as cotton, which is widely exported, it does indicate how great a domestic market we have in our own free-trade area. This great American consumption of American goods is largely due to the high standards of life and work which prevail in our country, and have been established in the main through the untiring efforts of American organized labor. Our present problem is rather that of extending this home consuming power in view of the constant losses which our producers of cotton, wheat, lumber, and other products have suffered and will increasingly suffer in the world markets by reason of a constantly growing competition from other nations.

There is little hope of recovery of our lost foreign trade, whether or not there is a change of political and governmental attitudes which have been or hereafter may be assumed on questions of foreign debts, tariff duties, allotment of domestic content, patent laws, and other devices used to regulate international as well as domestic trade and commerce.

Regardless of how we balance advantages and disadvantages, the fact remains that the foreign market is not so desirable as the home market, either for capital or for labor. Goods exported must be sold at world prices in competition with goods produced by poorly paid, pauper, or even forced labor—and the certain result of large exports is always that labor of the chief exporting countries, such as England and Germany, is forced to accept lower wages in order to be able to compete effectively in the foreign market. In other words, the predominance of the foreign over the home market totally destroys the benefits of the protection of labor. What the Nation needs, and is beginning to know it needs, is not great economic dependence upon the foreign market but exactly the opposite—greater economic independence.

Tariff legislation is of vital importance to American workers. Again, the proper interpretation and the enforcement of tariff legislation are also of vital importance to our industrial workers.

After several years of continued agitation, American labor was successful, during the last few years, in having inserted in the appropriation bills a requirement that Government moneys be used in purchasing materials the products of America.

Only recently our attention was called to the fact that one Government bureaucrat insists upon using Government moneys, appropriated for relief of the unemployed, to purchase asphalt produced in South America, where labor receives but a pittance for working 70 or 80 hours per week, because the cost of this South American asphalt per unit is a little cheaper. Thus, instead of the money being spent as Congress intended, we find hundreds of our engineers, our refinery workers, and our oil-field workers denied an opportunity of employment.

To spread employment among these American asphalt workers, the code authority has just recently found it necessary to issue an order reducing the working hours—these workers are paid by the hour—from 48 hours to 36 hours for a period of 3 months. Naturally, the weekly earnings of the American workers suffer a reduction of 25 percent.

In closing, I might well suggest that when we spend our money for American products we retain the products and the money in our own land, thus contributing to the relief of the millions of our own who are unable to secure employment.

STUDIES OF THE GREAT LAKES-ST. LAWRENCE SEAWAY (S.DOC. NO. 116, PT. 3)

The PRESIDING OFFICER (Mr. NEELY in the chair) laid before the Senate a message from the President of the United States, which was read, as follows:

To the Senate:

I transmit herewith for the information of the Senate a report on land and water transportation. The report includes an analysis of Interstate Commerce Commission data furnished by the Interdepartmental Board on the Great Lakes-St. Lawrence project.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 23, 1934.*

Mr. PITTMAN. I ask unanimous consent that the message of the President and the report, with illustrations, may be printed as a Senate document for the information of the Senate and that the message and report thereafter may lie on the table.

The PRESIDING OFFICER. Without objection the message and the accompanying report, with the illustrations, will be printed and lie on the table.

THE CALENDAR

The PRESIDING OFFICER. In accordance with the order previously entered, the calendar, under rule VIII, is in order.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Robinson, Ind.
Austin	Cutting	Keyes	Russell
Bachman	Davis	King	Schall
Bailey	Dickinson	La Follette	Sheppard
Bankhead	Dieterich	Lewis	Shipstead
Barbour	Dill	Logan	Smith
Barkley	Duffy	Lonergan	Steiwer
Black	Erickson	McAdoo	Stephens
Bone	Fess	McCarran	Thomas, Utah
Borah	Fletcher	McGill	Thompson
Brown	Frazier	McKellar	Townsend
Bulkley	George	McNary	Trammell
Bulow	Gibson	Murphy	Tydings
Byrd	Glass	Neely	Vandenberg
Byrnes	Goldsborough	Norris	Van Nuys
Capper	Gore	Nye	Wagner
Caraway	Hale	O'Mahoney	Walcott
Carey	Harrison	Overton	Walsh
Clark	Hastings	Patterson	Wheeler
Coolidge	Hatch	Pittman	White
Connally	Hatfield	Pope	
Copeland	Hayden	Reynolds	

Mr. FESS. I again wish to announce that the senior Senator from Rhode Island [Mr. METCALF], the junior Senator from Rhode Island [Mr. HEBERT], the Senator from South Dakota [Mr. NORBECK], and the Senator from Pennsylvania [Mr. REED] are necessarily detained from the Senate.

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

SUPERVISION OF FOREIGN COMMERCIAL TRANSACTIONS

The PRESIDING OFFICER. Under the agreement previously entered, the Calendar of Unobjected Bills is in order. The clerk will state the first bill on the calendar.

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was announced as first in order on the calendar.

Mr. JOHNSON. Mr. President, that bill is pending upon a motion to reconsider entered by the Senator from Arkansas [Mr. ROBINSON]. I agreed with him this morning that the bill should go over temporarily—that is, go over from this particular call of the calendar. There would be no difficulty, in my opinion, for the Senator from Arkansas and myself to agree upon the measure, but I was advised this morning that certain Departments of the Government that are now dealing with the measure desire a brief delay in order that they may reach their conclusions. I want to serve notice, however, that at the earliest opportunity, at the convenience of the Senator from Arkansas, I shall ask the Senate to proceed with the motion to reconsider and determine its policy in reference to this particular bill.

The PRESIDING OFFICER. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes, was announced as next in order.

Mr. WHITE. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (H.J.Res. 93) to prohibit the exportation of arms or munitions of war from the United States under certain conditions was announced as next in order.

Mr. JOHNSON. Over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1403) to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes, was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards was announced as next in order.

Mr. JOHNSON. Mr. President, the Senator from Vermont [Mr. AUSTIN], who opposes this bill, is at present engaged in one of the Senate investigations. He asked me to

consent that this bill go over, and I do so at his request and with the idea in mind that at the next calling of the calendar or in the interim, upon motion, the bill may be taken up.

The PRESIDING OFFICER. The bill will be passed over.

HARRY H. HORTON

The bill (S. 308) to authorize the award of a decoration for distinguished service to Harry H. Horton was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is hereby authorized to cause the recommendation for the award of a decoration to Harry H. Horton, formerly private, first-class, Medical Detachment, One Hundred and Forty-eighth Regiment Field Artillery, American Expeditionary Forces, for distinguished conduct in the vicinity of Malancourt, near Montfaucon, France, on or about October 12, 1918, to be considered by the proper boards or authorities, and such award made to said Horton as his said conduct merits.

THE CLASSIFIED CIVIL SERVICE

The bill (S. 583) relating to the classified civil service was announced as next in order.

Mr. FESS. Mr. President, will the Senator from Utah give a brief explanation of the bill?

Mr. KING. Mr. President, this measure is designed to correct a situation which, I think, to some Senators—certainly to myself—was rather objectionable. By Executive order there were blanketed into the civil service in the various departments, without examination by the Commission, a large number of individuals. This measure is to rescind that order so that those who were blanketed in will have to take an examination in order to retain their positions, just like other persons who now come into the civil service.

Mr. FESS. Mr. President, I think I am in sympathy with what the Senator wants to accomplish, but I should like to know a little more about the basis of the bill and its history.

Mr. McKELLAR. Mr. President, will the Senator from Utah yield to me?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I yield.

Mr. McKELLAR. I will say that this bill is to aid and build up the civil service rather than to detract from it. I say that for this reason, that those who were blanketed into the civil service were not required to take examinations, whereas in the future such blanketing will not take place, but employees must undergo a civil-service examination in all cases.

Mr. FESS. Will the Senator allow the bill to go over? I think probably I will agree to have it considered after I shall have had an opportunity to look into it a little further.

The PRESIDING OFFICER. The bill will be passed over.

MIGRATORY BIRD SANCTUARIES, ETC.

The bill (S. 1658) to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill go over.

Mr. WALCOTT. Mr. President, may I request the Senator from Utah to withhold his objection until I make a brief statement?

Mr. KING. I withhold the objection temporarily.

Mr. WALCOTT. Mr. President, I will explain briefly the purpose of this bill. There is no question about the very serious diminution in the number of our migratory waterfowl. Several years ago the Norbeck-Andresen bill was passed authorizing $8,000,000 to be expended for sanctuaries and refuges for migratory waterfowl, which constitute a great natural resource of the country. We have never been able to get more than a very small portion of that money; in all, only about $1,200,000 over some 6 or 8 years has been appropriated by the Congress. That is a very trifling sum for what is needed.

There are now available surveys according to which we would be enabled to buy at very low prices per acre marshlands, waste lands that are worth nothing for any other purpose, for the breeding, the rearing, and conservation of waterfowl by the million. The diminution in the number of waterfowl today is chiefly the result of the draining of their natural feeding areas, marshlands. In many instances the draining has been brought about by reclamation projects of the Federal Government, on many of which the people who have settled have lost everything they had.

If we can restore these areas, rewater them, and buy the marsh areas and swamp lands, lands that are not used for agricultural purposes, we can restore a very valuable food supply for the people of the United States, a tremendously valuable resource that ought to be self-sustaining and yield a tremendous dividend, not only in the form of food but in the creation of great recreational possibilities.

I am exceedingly anxious that the Senate give consideration to this measure. It seems to me of great importance, and I wish very much, indeed, that the bill could be considered at this time.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Washington?

Mr. WALCOTT. I yield.

Mr. DILL. This is the same bill, in another guise, over which the Senate fought for many weeks some years ago. Its authors have changed this measure so that instead of a Federal license one must procure a stamp from the post office, but the net result will be to put Federal game wardens in every State of the Union where migratory-bird sanctuaries are located. To that feature some of us are extremely opposed.

There are other features of this bill that need very careful consideration. It must be amended, in my judgment, if it is going to serve the sportsmen of this country in the way it is intended to serve them.

I wish to say to the Senator that it seems to me out of the question to take this bill up by unanimous consent. If it is taken up at some time so that amendments may be worked out and properly presented, that would be a different question; but certainly, I think, three fourths of our people, indeed three fourths of those who are for this bill, have not any conception of the fact that it is going to bring Federal game wardens into the States all over the Nation, a thing to which our people generally are much opposed.

Mr. WALCOTT. Mr. President, I may say that that is a very small factor in the bill. There are only 24 game wardens for the entire United States now attached to the Geological Survey. Such a small portion is reserved for that purpose that I would be willing to see that provision stricken out.

Mr. DILL. If the bill is passed, provision should be made that whatever money is to be used for the wardens should be turned over to the States and used for State game wardens in carrying out the enforcement under Federal supervision. The plan of having Federal game wardens in addition to the State and county game wardens is going to cause a tremendous lot of trouble and I think defeat whatever good there might be in the bill.

Mr. KING. Let the bill go over.

Mr. PITTMAN. Mr. President, I wish to say that in my opinion the bill under consideration is quite different from the bill that was so energetically attacked in the Senate a number of years ago. In the first place, the bill then under consideration, which was offensive to a great many of us in the Senate, attempted to deal with nonmigratory game as well as migratory game. It will be remembered that Senators said the farm boys would have to get Federal licenses to shoot rabbits. But the pending measure is limited exclusively to licenses to shoot migratory birds.

Be that as it may, whether it was proper for the United States Government to take charge of migratory birds, it did

take charge of them and the Supreme Court held the act to be constitutional, and so we have charge of them. We have a treaty with Canada which has been made for the purpose of trying to protect ducks and birds of that kind from extinction. There is no doubt we will obtain a treaty with Mexico along the same lines for the purpose of trying to preserve migratory birds and waterfowl.

The special Commission on the Conservation of Wild Life Resources had hearings and invited every game organization in the United States to be present. We invited all the game commissioners of the United States to be present, and practically all of them attended. There is no question that the natural sanctuaries for migratory birds in this country are practically gone. The marshes have been drained. Reclamation has destroyed many marshes. The encroachment of agriculture and of industry and of cities and population has practically destroyed the feeding and resting places of ducks passing from their northern summer homes to their winter homes in the southern part of the country.

We cannot get an appropriation from the Federal Government in sufficient amount to provide resting places, sanctuaries, and feeding grounds for these migratory birds. We have tried it, but Congress will not appropriate. There is but one way we can do it, and that is to raise the money directly. If anyone can think of a better way than to require the man who wants to shoot ducks and geese to buy a stamp for $1 and attach it to his State license, we have never heard of it. All this money is to be used for the purpose of acquiring and maintaining resting places, feeding and breeding grounds, and bird sanctuaries. Whether we should have it under the care of the State game wardens or under the care of the Biological Survey or under the care of special wardens is a matter that is quite immaterial to the main purpose of obtaining feeding and breeding grounds and sanctuaries.

I think this is a matter of vast importance. I know it is not desired to debate the measure now; but I think it well, as the Senator from Connecticut [Mr. WALCOTT] has called attention to the fact, that the bill is certainly worthy of consideration.

Mr. WHITE. Mr. President, I want to express my complete concurrence in what the Senator from Connecticut [Mr. WALCOTT] and the Senator from Nevada [Mr. PITTMAN] have said on this subject and about this proposed legislation. I think no one could be more restless under the invasion of States by Federal authority than I am. I should hate to see a swarm of Federal officials invading in increasing numbers my own State. I could not stand examination upon the detailed terms of this bill; but I know its great purpose, and with that I am in sympathy. It may have defects, but I submit to the Senator from Washington that these may be corrected. Injustices in the operation of the legislation, hardships which may result or defects which may appear, may all hereafter be cured; but we cannot bring back the migratory birds that have disappeared and that will continue to disappear through the months of delay in providing them with feeding and breeding and resting grounds.

No one who has been interested in the subject of our migratory-bird life can but be impressed with the disappearance of these migratory fowl. They have gone until but a small fraction of those that once flew the air and rested upon our streams and our lakes and our bays can now be seen. I should very much like to take a real forward step in this field of conservation.

I appeal to the Senator from Washington to let the bill be considered; and then as its deficiencies appear, let us remedy them, but in the meantime let us move to save the bird life of America.

Mr. DILL. Mr. President, I have, as other Senators have, a love of bird life, and I want to see something done in the matter of preserving it. However, I am so opposed to what may be done under the bill as it is written that I would not under any circumstances consent to its passage at this time if I could help it.

There is another thing about the bill that must be amended. There is nothing in the bill to prevent regulations permitting the use of these sanctuaries for shooting purposes. That is what was in the back of the minds of officials of the Department of Agriculture when the other bill was before the Senate. There are a number of amendments which should be incorporated in the bill before it is passed.

The PRESIDING OFFICER. On objection, the bill will be passed over.

TURTLE MOUNTAIN CHIPPEWA INDIANS OF NORTH DAKOTA

The bill (S. 326) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction be, and hereby is, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, notwithstanding the lapse of time, statutes of limitations, waiver, release, settlement heretofore made or directed by any act of Congress, to hear, adjudicate, and render judgment according to right and justice and as upon a full and fair arbitration, on any and all claims not heretofore determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States, arising under any treaty, ratified or unratified, act of Congress, agreement or understanding, verbal or written, Executive order, or treaty with any other tribes or nations of Indians by the authorized agents or representatives of the United States relating to, affecting, or violating the land occupancy or other rights of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota, including the band of Chief or Thomas Little Shell, and other isolated Bands of Chippewas of North Dakota and Montana.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition or petitions filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, and such suit shall make the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota party or parties plaintiff and the United States of America party defendant. The claim or claims of the band or bands aforementioned may be presented separately or jointly by petition, subject, however, to amendment. The petition or petitions shall be verified by the respective attorney or attorneys employed to prosecute such claim or claims under contract with the Turtle Mountain Band or Bands of Chippewa Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, papers, documents, reports and records, or affidavits on file in the Interior Department, or certified copies thereof, may be used in evidence; and the Departments of the Government shall furnish to the attorney or attorneys of said Turtle Mountain Band or Bands such treaties, agreements, papers, reports, correspondence, affidavits, or records as may be needed by the attorney or attorneys of said band or bands of Indians.

SEC. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time, statutes of limitation, waiver, or release, and any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel, but may be pleaded as a set-off in any suit; and the United States shall be allowed credit subsequent to the date of any law, treaty, or agreement under which the claims arise for any sum or sums heretofore paid or expended for the benefit of said Indians.

SEC. 4. That if the Court of Claims shall determine that the United States, under the provisions of any agreement or understanding, verbal or written, Executive order, law, or treaty referred to in section 1 hereof, has unlawfully appropriated or disposed of any property belonging to the said Turtle Mountain Band or Bands of Chippewa Indians, or its or their members, or to which the said Indians had the right of title by occupancy; or if the said court shall determine that the United States, under the provisions of any such agreement, Executive order, law, or treaty, herein referred to, under mistake of fact or duress obtained title to or the cession of any land from the said Indians for an inadequate consideration; or if the court shall determine that the United States obtained cessions of land from said band or bands of Indians without obtaining the consent of a majority of the male adult members thereof; or if the court shall determine that the United States, to the loss of said Indians, appropriated to its own use or to the use of any other Indian tribe or band, or permitted white settlers to occupy and acquire title under the public land laws of the United States, to any lands in North Dakota, the title and occupancy of which by long possession by the said Indians had been acknowledged by other tribes and by officials of the United States; or if a portion of the land so claimed by the said band or bands was taken from them by an Executive order for the benefit of any other band or tribe of Indians, without compensation to the said Turtle Mountain Band or Bands of Chippewa Indians, the damages shall be confined to the reasonable money value thereof at the time of such appropriation: *Provided*, That if the Court of Claims

shall determine that the United States, by reason of any delay on the part of its agents or authorized representatives, in submitting for ratification any agreement with the said Turtle Mountain Band or Bands of Chippewa Indians, for the purchase or cession of any land so occupied and possessed by them, or that the Congress of the United States, contrary to the understanding of or oral promise made to said Indians, unduly delayed the ratification of any such agreement whereby any such lands were ceded to the United States, to the detriment and loss of the said Indians, then the said court is hereby authorized to award and enter judgment, as justice and equity may demand, for damages due to such delay at 4 percent per annum of the stipulated or agreed amount set out in any such agreement ceding such lands to the United States, and to compute such interest from the date the said agreement was signed or executed by the said Indians; and with reference to all claims which may be the subject matter of the suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States and shall annul and cancel all claim, right, and title of the said Turtle Mountain Band or Bands of Chippewa Indians in and to such money or other property.

SEC. 5. Upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery in each instance, together with all necessary and proper expenses incurred in preparation and prosecution of the suit, to be paid to the respective attorneys employed by the said band or bands of Indians, and the same shall be included in the decree and shall be paid out of any sum or sums found to be due said band or bands of Indians. The court shall have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring suit hereunder.

SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit any other tribe or band of Indians deemed by it necessary or proper to final determination of the matters in controversy. A copy of the petition shall in such case be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

SEC. 7. The proceeds of all amounts, if any, recovered for said band or bands of Indians less, fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the judgment or decree: *Provided*, That actual costs necessary to be incurred by the Turtle Mountain Band or Bands of Chippewa Indians as required by the rules of the court in the prosecution of this suit shall be paid out of the funds of said Indians in the Treasury of the United States, upon proper vouchers, to be examined and approved by the Commissioner of Indian Affairs.

BILLS PASSED OVER

The bill (S. 1975) to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SMITH subsequently said: Mr. President, may I be permitted to say that the reason why the bill we have just passed over was permitted to go over without a statement from me is that I understand that the Senator from Arkansas [Mr. ROBINSON] has requested that there be a conference in reference thereto. I do not want the impression to go out that I sat here and allowed what I consider to be the most important bill affecting agricultural interests to go over upon a mere objection.

Mr. KING. Mr. President, I am prompted to make an observation in view of the objection which was made. I understood that the matter was in conference, and that during the discussion a day or two ago there was an understanding that there should be a conference and a consideration of the measure, and that no definite agreement had been reached, but would be within a short time. Therefore, I objected to the consideration of the bill today, in view of the understanding heretofore reached.

The PRESIDING OFFICER. Objection having been made, the bill will be passed over.

The bill (S. 163) for the relief of Capt. Guy M. Kinman was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ANTON W. FISCHER

The bill (S. 1651) for the relief of the estate of Anton W. Fischer was announced as next in order.

Mr. KING. Let that go over.

Mr. SCHALL. Mr. President, will the Senator withhold the objection until the report of the committee is read?

Mr. KING. I have no objection to withholding it.

Mr. SCHALL. May the clerk read the report of the committee? I am sure there is no objection to this bill.

Mr. LEWIS. Mr. President, may I address a parliamentary inquiry to the Chair for information?

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. LEWIS. I assumed to have an arrangement this morning with Senators on opposite sides, interested in the matter of the treaty, that we would proceed today with the arguments touching the St. Lawrence Treaty, my desire being that the eminent Senator from New York [Mr. COPELAND] should take the floor, and that the able senior Senator from Wisconsin [Mr. LA FOLLETTE] opposing, would follow. I have understood that that was to begin at 2 o'clock. May I ask what has transpired that interferes with that understanding as to an executive session?

The PRESIDING OFFICER. The Chair is informed that the arrangement was to consider unobjected bills on the calendar as soon as the Senator from Ohio [Mr. FESS] concluded his address.

Mr. LEWIS. Preceding entrance upon the discussion of the treaty?

The PRESIDING OFFICER. Yes. That is the Chair's information.

Mr. LEWIS. If such is the amendatory understanding, of course, I accede to that.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. SCHALL] has asked that the report on this bill be read.

Mr. KING. Mr. President, may I inquire of the Senator from Minnesota if he is sufficiently familiar with the facts to detail them briefly, in order that we may determine the merits of the claim?

Mr. SCHALL. Yes, Mr. President. This is an overtax of an estate in Winona to the amount of a few hundred dollars.

Mr. LOGAN. Mr. President, will the Senator from Minnesota yield?

Mr. SCHALL. I yield.

Mr. LOGAN. Having made the report in this case, I will state to the Senator from Utah that this man Fischer was compelled to pay nine-hundred-and-odd dollars in taxes. Afterward it was found that he had overpaid some $423. He had made claim for a refund. The Treasury Department held that he was entitled to a refund of $147 only, because the rest was barred by limitation. Recently the Court of Claims, in a decision, held that in a similar case the refund was not barred by limitation; so this man is clearly entitled to the money, and there is not anybody to dispute the fact.

Mr. KING. I withdraw the objection.

Mr. SCHALL. I thank the Senator.

Mr. KING. Let me ask the Senator from Kentucky whether this was merely a mistake of facts, or was it a mistake of law?

Mr. LOGAN. A mistake of facts. In making the calculation this man was overcharged in his tax. The same Department corrected the overcharge afterward and admitted the mistake, but said that they could not refund more than a part of the amount paid, because the rest was barred by limitation. Afterward the Court of Claims held that it was not barred by limitation; so this bill is to refund the balance of $275.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund, out of any money in the Treasury not otherwise appropriated, to the estate of Anton W. Fischer, late of Owatonna, Minn., the sum of $275.98, under existing rules and regulations, said amount having been illegally collected from said estate, as stated by letter of the Commissioner of Internal Revenue dated February 7, 1923.

BILL PASSED OVER

The bill (S. 172) for the relief of the First Camden National Bank & Trust Co., of Camden, N.J., was announced as next in order.

Mr. KING. I object to that bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

CHICAGO, NORTH SHORE & MILWAUKEE RAILROAD CO.

The bill (S. 1069) authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Chicago, North Shore & Milwaukee Railroad Co. for reimbursement for materials furnished and labor supplied in repairing Chicago and Eastern Illinois gondola car no. 93962 that was accidentally damaged on July 24, 1928, while spotted on Government tracks at Fort Sheridan, Ill., and to allow not exceeding $120.39 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $120.39, or so much thereof as may be necessary, for payment of said claim.

BILL PASSED OVER

The bill (S. 1504) for the relief of Walter J. Bryson Paving Co. was announced as next in order.

Mr. KING. I should like an explanation of that bill, Mr. President. Let is go over. I make the objection upon the ground that Mr. McCarl states that he finds no merit in the claim.

The PRESIDING OFFICER. The bill will be passed over.

BENJAMIN BRAZNELL

The bill (S. 1426) for the relief of the estate of Benjamin Braznell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to reopen and allow the claim of the Braddock Trust Co., executor of the estate of Benjamin Braznell, late of Pittsburgh, Pa., and refund the sum of $2,323.47, the balance of taxes illegally collected, under existing laws and decisions.

B. & O. MANUFACTURING CO.

The bill (S. 1782) for the relief of the B. & O. Manufacturing Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the B. & O. Manufacturing Co. under contract no. 12429, dated May 28, 1929, for extra expense in recutting material for trousers delivered to said company by the Navy Department, and to allow not to exceed $1,597.52 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,597.52, or so much thereof as may be necessary, to pay said claim.

WARREN J. CLEAR

The bill (S. 406) for the relief of Warren J. Clear was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Warren J. Clear, captain, United States Infantry, the sum of $737 in reimbursement for the loss by earthquake and fire of personal property in Tokyo, Japan, on or about September 1, 1923, while he was serving as an attaché, American Embassy, Tokyo, Japan.

WILLIE B. CLEVERLY

The Senate proceeded to consider the bill (S. 407) for the relief of Willie B. Cleverly, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words " sum of ", to strike out " $160 " and insert " 124.23 ", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Willie B. Cleverly the sum of $124.23 in full compensation for money expended by him in doctor's and hospital bills growing out of an injury which he received while in the performance of his duties as temporary surfman at the Point Allerton Station of the United States Coast Guard on January 13, 1924, at which time the said Cleverly was filling a vacancy in the personnel at that station.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1683) for the relief of the Standard Dredging Co. was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

DEPARTMENT OF FORESTS AND WATERS, COMMONWEALTH OF PENNSYLVANIA

The bill (S. 1115) to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check no. 2675700, drawn November 19, 1931, in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, for $345, the original check having been lost.

JOHN T. LENNON AND GEORGE T. FLORA

The bill (S. 1074) authorizing adjustment of the claims of John T. Lennon and George T. Flora was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to allow John T. Lennon and George T. Flora $25 each in full and final settlement of their claims for blood furnished May 4 and May 11, 1926, respectively, for transfusion to Harvey J. Shoppe, a patient in a Government hospital. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50 for the payment of such claim.

LEBANON EQUITY EXCHANGE, OF LEBANON, NEBR.

The bill (S. 750) for the relief of the Lebanon Equity Exchange, of Lebanon, Nebr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue be, and he is hereby, authorized and directed to receive, consider, and determine, in accordance with law but without regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by the Lebanon Equity Exchange, Lebanon, Nebr., for the refund of Federal income and profits taxes collected from the said Lebanon Equity Exchange for the year 1920 in excess of the amount properly due: *Provided*, That in the settlement of said claim there shall be no allowance of interest.

FRANCIS B. KENNEDY

The bill (S. 1079) authorizing adjustment of the claim of Francis B. Kennedy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Francis B. Kennedy, narcotic agent, as reimbursement for money (private funds) of which he was robbed while investigating charges against Frank De Mayo and others at Kansas City, Mo., May 28, 1928, and to allow in full and final settlement of said claim in the sum of not to exceed $350. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $350, or so much thereof as may be necessary, to pay said claim.

BILL PASSED OVER

The bill (S. 256) for the relief of Milburn Knapp was announced as next in order.

Mr. KING. I should like an explanation of that bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. STEIWER subsequently said: Mr. President, I was temporarily absent from the Chamber at the time Senate bill 256 was passed over. I think there is no objection to it. If there is any objection, I should like to obtain unanimous

consent to return to the bill in order to ascertain what is the nature of the objection, if any.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Oregon?

Mr. KING. I object. I shall be glad to talk with the Senator from Oregon about the bill, and I think there will be no difficulty concerning it at the next call of the calendar.

Mr. ROBINSON of Arkansas. Mr. President, I should also like to look into the bill.

The PRESIDING OFFICER. The bill has been passed over.

The bill (S. 1680) for the relief of the estate of George B. Spearin was announced as next in order.

Mr. KING. I should like an explanation of that bill, Mr. President.

The PRESIDING OFFICER. This bill was introduced by the Senator from New York [Mr. COPELAND].

Mr. COPELAND. Mr. President, in preparing for a speech I am about to make, I have not kept track of the calendar. If the bill may go over without prejudice, I shall be glad to make the explanation later.

Mr. KING. Yes.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

FARMERS' GRAIN CO., OF OMAHA, NEBR.

The bill (S. 751) authorizing the Secretary of the Treasury of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to refund, from moneys not otherwise appropriated, the sum of $2,186.36 to the Farmers' Grain Co., of Omaha, Nebr., this sum being paid illegally and through error by said company as income taxes to the Commissioner of Internal Revenue, and covered into the United States Treasury.

ELIZABETH B. EDDY

The bill (S. 1219) to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the legal representative of the estate of Elizabeth B. Eddy, widow of Charles G. Eddy, of New York, N.Y., the sum of $602.92, and the said sum is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes of this act.

BILL PASSED OVER

The bill (S. 1076) authorizing adjustment of the claim of the Franklin Surety Co. was announced as next in order.

Mr. KING. I should like an explanation of that bill, Mr. President. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

BEATRICE I. MANGES

The Senate proceeded to consider the bill (S. 376) for the relief of Beatrice I. Manges, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "sum of", to strike out "$5,000" and insert "$1,000, and $50 per month in an amount not to exceed $2,500", and in line 7, after the word "Ohio", to strike out "as damages" and insert "in full settlement of all claims against the Government", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Tresaury not otherwise appropriated, the sum of $1,000, and $50 per month in an amount not to exceed $2,500, to Beatrice I. Manges, of Cleveland, Ohio, in full settlement of all claims against the Government for injuries received November 7, 1918, when a United States Army truck collided with an automobile of which she was an occupant.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

C. M. WILLIAMSON AND OTHERS

The bill (S. 2) for the relief of C. M. Williamson; Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased; Lottie Redman; and H. N. Smith was announced as next in order.

Mr. KING. Mr. President, I will ask my friend from Idaho [Mr. POPE] to make an explanation of that bill, as to why there was any liability upon the part of the Government.

Mr. POPE. Mr. President, in 1910 the Government agreed to construct an irrigation project on the Fort Hall Indian Reservation and entered into contracts with the settlers. In the case of these claimants the contracts were carried out by them; the payments were made to the Government of some $22 an acre; but the Government failed entirely to comply with its part of the contract and furnish water to these claimants.

For a number of years water was furnished by the claimants themselves. Their laterals were dug, and they furnished the water to their own lands. Later on the Government, recognizing that breach of contract, constructed a siphon and furnished water for some of the settlers in that locality; and before that time—the time of the original construction—other settlers in the immediate locality were furnished water. The money was not returned which was paid by these settlers, and damages were incurred by reason of a direct breach of contract by the Government. That was recognized, and for two sessions of Congress the bill has been approved by the committees of the Senate.

The bill was passed by the Senate in the Seventy-first Congress and was also passed by the Senate in the Seventy-second Congress. It was approved by the House committee in the Seventy-second Congress, but did not receive consideration by the House. So we feel that the settlers are entitled to this relief.

Let me say further that the committee, in making its report, said that it had no doubt the full amount which was first asked, $13,000, would be awarded to the claimants in court privately, but that it had reduced the amount to $8,000 for the reason that an interest claim was included, and for the further reason that some pumps had been sold for $1,000. That is the reason why the reduction is made to $8,000.

Mr. KING. Mr. President, I should like to make two suggestions which I think are pertinent to this measure.

First, if there is any liability, ought not that liability to be a charge against the funds of the Reclamation Service? As I understand the Senator, the project is one which comes under the jurisdiction of the Bureau of Reclamation.

Mr. POPE. No; it is within an Indian reservation, under the direct control of the Government, and the contract was made by the Secretary directly with the settlers by virtue of the Government's control over Indian reservations.

Mr. KING. The Senator knows that on the Indian reservations there are a number of what might be denominated reclamation projects which were constructed in some instances by or under the direction of the Bureau of Reclamation. I was wondering whether this would fall within that category.

Mr. POPE. No; I think it would not. I was not familiar with the claim before the bill was introduced, but it does not fall within the reclamation law, as I understand it. There was an agreement made by the Secretary of the Interior directly with these settlers under the law relating to Indian reservations.

Mr. KING. Was it by an act of God—that is, the failure of nature to give enough of a snow supply to furnish water in the spring for irrigation purposes—or was it by reason of some default on the part of the Government?

Mr. POPE. It was by reason of a default on the part of the Government in two respects. In the first place, they represented to the settlers that this land was irrigable land, and that under the project to be constructed the water would be furnished to them, and they entered into a written contract to that effect. The settlers relied upon that, paid their money, kept up their payments, paid their assessments during all that period of time when they were not furnished water, and the Government recognized them. The Department of the Interior has approved this claim as being proper.

Mr. KING. Mr. President, I shall not object to the bill, but I want to make this observation, that I fear this will be an entering wedge to a large number of claims which will be presented, because we know that the Bureau of Indian Affairs, under past administrations, entered upon a large number of so-called "irrigation or reclamation projects" right in the teeth of physical evidence that they would fail, and right in the teeth of recommendations adverse to the projects made by competent engineers. The waste and extravagance and the folly of the Indian Bureau in many of these irrigation projects calls for the severest condemnation.

I know that many of the white settlers were induced to enter upon these lands under false representations, and I know that the Bureau of Indian Affairs failed to make good the representations which were made which induced a large number of people to settle upon the lands. However, it is a past transaction; but this is not the end of these claims which will be presented to the Government, I fear.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. M. Williamson; Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased; Lottie Redman; and H. N. Smith, in accordance with their respective interests, the sum of $8,824.10. Such sum represents the amount expended by them in installing a pumping plant and making necessary connections to bring water to their land, on the Fort Hall Indian Reservation, and the amount paid by them to the Idaho Power Co. during the years 1920 to 1927, inclusive, for power to operate said pumping plant.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N.J.

The bill (S. 1084) authorizing the adjustment of the claim of the Public Service Coordinated Transport of Newark, N.J., was announced as next in order.

Mr. KING. I would like to have an explanation of that.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. BAILEY], who introduced the bill, is not in the Chamber at the present time.

Mr. KING. I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

UNION SHIPPING & TRADING CO., LTD.

The bill (S. 1192) for the relief of the Union Shipping & Trading Co., Ltd., was announced as next in order.

Mr. KING. I would like to have an explanation of that.

The PRESIDING OFFICER. The Senator from New York [Mr. WAGNER], who introduced the bill, is not in the Chamber at the present moment.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

PENNSYLVANIA R.R. CO.

The bill (S. 1082) authorizing adjustment of the claim of the Pennsylvania R.R. Co., was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

POTOMAC ELECTRIC POWER CO., OF WASHINGTON, D.C.

The bill (S. 1083) authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D.C., was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Potomac Electric Power Co. for the balance necessary to reimburse it for the amount actually expended by said company in making electrical service connections from its mains to the control room on the east bascule draw span of the Arlington Memorial Bridge and to allow said company a balance of not to exceed $2,157.25 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,157.25, or so much thereof as may be necessary, for payment of said claim.

WILLIAM T. STILES

The bill (S. 1087) authorizing adjustment of the claim of William T. Stiles was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of William T. Stiles for blood furnished October 11, 1926, for transfusion to Charles E. Williams, a patient in a Government hospital, and to allow in full and final settlement of said claim an amount not in excess of $25. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25 for the payment of such claim.

FAIRMONT CREAMERY CO., OF OMAHA, NEBR.

The bill (S. 749) for the relief of the Fairmont Creamery Co., of Omaha, Nebr., was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ELIZABETH BOLGER

The Senate proceeded to consider the bill (S. 785) for the relief of Elizabeth Bolger, which had been reported from the Committee on Claims with an amendment, on page 1, line 4, to strike out "$5,000" and to insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay Elizabeth Bolger the sum of $1,000 in full settlement of all claims against the Government on account of personal injuries sustained as the result of the carelessness of the driver of Navy automobile no. 637, on April 5, 1919, in Brooklyn, N.Y.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTHONY J. LYNN

The Senate proceeded to consider the bill (S. 1429) for the relief of Anthony J. Lynn, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "a sum equal to" and to insert in lieu thereof the words "the sum of $254.40, said sum representing", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Anthony J. Lynn, formerly a private, Company G, Thirty-first Regiment United States Infantry, out of any money in the Treasury not otherwise appropriated, the sum of $254.40, said sum representing the whole amount of pay and allowances of which he was deprived by reason of proceedings against him in 1919 on false charges of burglary and the sentence of courtmartial rendered in such proceedings.

Mr. KING. I would like to have an explanation of that.

Mr. LOGAN. Mr. President, the explanation is very simple. The claimant here was a soldier in the Siberian Expedition in Russia. He was charged with robbery and burglary, was convicted, and sentenced to a Federal prison for 15 years, which sentence, I believe, was afterward reduced to 10 years.

Later the woman and her son who had testified against the man appeared before the proper Army authorities and admitted that they had sworn falsely. He was then granted a pardon, restored to the Army, and this is a bill to pay him his regular compensation from the time he was arrested until he was restored to the Army, $254.40.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WOODHOUSE CHAIN WORKS

The Senate proceeded to consider the bill (S. 177) for the relief of Woodhouse Chain Works, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$1,841.75" and to insert in lieu thereof "$352.93"; and on line 9, after the word "Department", to strike out the comma and the words down to and including the word "Germany", in line 3, page 2, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Woodhouse Chain

Works the sum of $352.93 in full settlement for extra work for which the Government agreed to pay under supplemental contract to contract no. 448 with the Navy Department.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KORBER REALTY, INC.

The bill (S. 1221) authorizing adjustment of the claim of Korber Realty, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Korber Realty, Inc., under lease no. VBr-806, dated April 28, 1931, on account of failure to restore to former condition quarters occupied during the period ended June 30, 1932, by the Albuquerque office of the Veterans' Administration, and to allow not to exceed $500 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500, or so much thereof as may be necessary, for payment of the claim.

SCHUTTE & KOERTING CO.

The bill (S. 1085) authorizing adjustment of the claim of Schutte & Koerting Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Schutte & Koerting Co., under contract NOs-2018, dated December 27, 1926, for certain experimental work in the manufacture of valves for submarines, and to allow not to exceed $7,337.10 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $7,337.10, or so much thereof as may be necessary, for payment of said claim.

WALTER THOMAS FOREMAN

The bill (S. 1075) for the relief of Walter Thomas Foreman, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LITTLE ROCK COLLEGE, LITTLE ROCK, ARK.

The bill (S. 1347) for the relief of Little Rock College, Little Rock, Ark., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to reopen and allow credit in the property accounts of the Little Rock College, Little Rock, Ark., in the sum of $1,451.41, representing certain articles of ordnance, quartermaster, and engineer property for which the said Little Rock College is held liable on reports or surveys, as follows: Nos. 7, 8, 11, and 12, approved January 13, 1926, and no. 10, approved January 5, 1926.

M'KIMMON & M'KEE, INC.

The bill (S. 1081) for the relief of McKimmon & McKee, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to McKimmon & McKee, Inc., successor to the Raleigh Insurance & Realty Co., of Raleigh, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $71.59 in full satisfaction of all claims for payment of premiums on policies of fire insurance written in 1918 by such Raleigh Insurance & Realty Co., covering certain goods of the value of $95,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry, of Raleigh, N.C.

JAMES R. YOUNG

The bill (S. 1089) for the relief of James R. Young was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to James R. Young, successor to the Union Trust Co., of Raleigh, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $226.25 in full satisfaction of all claims for payment of premiums on policies of fire insurance written in 1918 by such Union Trust Co., covering certain goods of the value of $245,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry, of Raleigh, N.C.

GREAT AMERICAN INDEMNITY CO. OF NEW YORK

The bill (S. 356) for the relief of the Great American Indemnity Co. of New York was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

E. WALTER EDWARDS

The bill (S. 1073) for the relief of E. Walter Edwards was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. WHITE subsequently said: Mr. President, may I call the attention of the Senator from Utah to Order of Business 211, Senate bill 1073, for the relief of E. Walter Edwards? I understood the Senator asked that the bill go over.

Mr. KING. I did.

Mr. WHITE. I merely desire to call attention to the fact that this measure is identical in fact and in principle with two other bills which we have just passed.

Mr. KING. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to E. Walter Edwards, successor to C. B. Edwards & Bro., of Raleigh, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $106.30, in full satisfaction of all claims for payment of premium on a policy of fire insurance written in 1918 by C. B. Edwards and Bro., covering certain goods of the value of $127,000, more or less, while in the process of being laundered for the United States Army by the Model Laundry of Raleigh, N.C.

Mr. LEWIS. Mr. President, may I ask the Senator from Arkansas whether the further call of the calendar cannot be suspended, so that Senators who have prepared addresses and have maps on the wall of the Senate may now proceed?

Mr. ROBINSON of Arkansas. I understand that the Senate has about completed the call of the calendar under its order, and I think we had better proceed to the end of the calendar.

Mr. LEWIS. Very well.

MARY AGNES RODEN

The Senate proceeded to consider the bill (S. 375) to reimburse the estate of Mary Agnes Roden, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$5,515.48" and to insert in lieu thereof "$5,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Sophie T. Walsh, administratrix of the estate of her deceased sister, Mary Agnes Roden, in full settlement of all claims against the Government of the United States for injuries received by said Mary Agnes Roden on December 11, 1926, when a United States mail truck collided with her at Lexington Avenue and Thirty-fourth Street, New York City.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NANNIE SWEARINGEN

The Senate proceeded to consider the bill (S. 1496) for the relief of Nannie Swearingen, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$5,000" and to insert in lieu thereof "$50 per month in an amount not to exceed $5,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $50 per month in an amount not to exceed $5,000 to Nannie Swearingen to compensate her for the death of her husband, who was struck by a Government-owned postal motor vehicle on November 26, 1926.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PATRICK HENRY WALSH

The bill (S. 170) for the relief of Patrick Henry Walsh was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Patrick Henry Walsh, of Weehawken, N.J., out of any money in the Treasury not otherwise appropriated, the sum of $3,000 in full satisfaction of all claims against the United States for damages on account of injuries resulting from being struck by a United States mail truck at Jersey City, N.J., on December 19, 1924.

AUXILIARY BARK "QUEVILLY"

A bill (S. 1934) conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the 4-masted auxiliary bark *Quevilly* against the United States, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I notice that the alleged negligence in this case, if there was any, occurred nearly 20 years ago. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

STEAMSHIP "W. I. RADCLIFFE"

The bill (S. 1935) to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I reserve the right to object. I ask for an explanation.

Mr. WHITE. Mr. President, this is a bill to authorize the owners of the steamship mentioned to go into court and undertake to establish their claim for injuries to the vessel. I think I am right in saying that a similar bill passed the Senate in the last session, but a mistake was made in the name of the ownership of the vessel, and this bill is introduced for the purpose of correctly stating the names of the owners of the vessel.

Mr. KING. When is it alleged that this collision occurred so as to warrant any judgment against the United States? I think it was away back in the time of the World War. There ought to be some statute of limitations. Some of these claims are hoary with age. Let it go over.

Mr. WHITE. Of course, if there is a statute of limitations, it will be pleaded in court.

Mr. KING. I do not want to revive it anyway.

The PRESIDING OFFICER. Under objection of the Senator from Utah, the bill will be passed over.

DELAWARE RIVER BRIDGE, NEW JERSEY

The bill (S. 2029) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for completing the construction of the bridge authorized by act of Congress approved August 24, 1912, to be built by the Pennsylvania Railroad Co. and the Pennsylvania & Newark Railroad Co. across the Delaware River near the city of Trenton, N.J., which has heretofore been extended by Congress to August 24, 1934, is hereby extended for a further period of 3 years from the last-named date: *Provided*, That it shall not be lawful to complete or commence the completion of said bridge until plans thereof shall again be submitted to and approved by the Chief of Engineers and by the Secretary of War.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

TOLL BRIDGES IN THE STATE OF OREGON

The bill (S. 1985) relating to the amortization of the construction cost of certain toll bridges in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of the act entitled "An act granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across the Umpqua River at or near Reedsport, Douglas County, Oreg.", approved June 13, 1933, the act entitled "An act granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Yaquina Bay at or near Newport, Lincoln County, Oreg.", approved June 13, 1933, the act entitled "An act granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Coos Bay at or near North Bend, Coos County, Oreg.", approved June 13, 1933, the act entitled "An act granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across the Siuslaw River at or near Florence, Lane County, Oreg.", approved June 13, 1933, and the act entitled "An act granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Alsea Bay at or near Waldport, Lincoln County, Oreg.", approved June 15, 1933, as requires the amortization of the cost of the bridges and approaches therein authorized within a period of not to exceed 15 years from the completion thereof, is hereby repealed.

The PRESIDING OFFICER. That completes the calendar.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

REFINANCING OF FARM DEBTS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBINSON of Arkansas. I move that the Senate insist upon its amendments, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. GOLDSBOROUGH, and Mr. TOWNSEND conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business for the consideration of the Great Lakes-St. Lawrence Deep Waterway Treaty.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed July 18, 1932.

Mr. COPELAND obtained the floor.

Mr. WALSH. Mr. President——

Mr. COPELAND. I yield to the Senator from Massachusetts.

Mr. WALSH. I recognize the importance of the subject, and would suggest the desirability of a call of the roll for the purpose of bringing Senators into the Chamber. I am unable for the time being to remain, however; and with the permission of the Senator from New York I should like to request that following his remarks an editorial published in the Baltimore Sun of January 22, 1934, and a letter dealing with the St. Lawrence waterway from H. M. Stratton, President, Donahue-Stratton Co., Milwaukee, Wis., addressed to me, be printed in the RECORD in connection with the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The editorial and letter appear in the RECORD at the conclusion of Mr. COPELAND'S remarks.)

Mr. COPELAND. Mr. President, I thank the Senator for suggesting a call of the Senate, but I think that is unnecessary. I know how busy the Senators are and how heavy the mail of their offices is, and I do not wish to call into the Chamber any Senators who are worthily occupied away from here.

I wish to speak about the controverted question of the St. Lawrence waterway as calmly as possible. I recognize that there are two sides to the question, and certainly every Senator has a right to take any position which his judgment causes him to assume.

I have long been an opponent of the proposed waterway, and, of course, what I shall have to say will be in opposition to the treaty.

If any argument in favor of the St. Lawrence deep waterway caused me momentarily to question the convictions I reached 25 years ago, I should take another glance at the map. That would give proof sufficient to me that no American should favor the project.

Even though Senators have other duties, I ask them to remain in the Chamber long enough to enable me to point out on the map of a portion of North America some of the things which enter into the consideration of this question.

We have here an excellent map of the United States and a part of Canada. I want Senators to see that after Lake Ontario discharges its waters into the St. Lawrence the river touches only 166 miles of our country.

I was born in the Great Lakes region. I spent the first 40 years of my life there. I have known many Canadians and loved them. Certainly there is no feeling of harshness or unfriendliness that could lead me to take the position that I do.

The waters of Lake Ontario are projected into the St. Lawrence River, and almost immediately we come to the Thousand Islands. These were described by a Canadian poet, who said:

> When the angels took Eden on high,
> Some flowers fell from the garden divine;
> Dropping into the great river,
> They became the Thousand Islands.

So here they are in all their beauty.

Just below the Thousand Islands we come to the international section of the waterway; and this is, in my section of the country, the hotly debated part of the whole project.

After 166 miles forming the boundary between the United States and Canada, where New York has equal riparian rights with Ontario, or the United States equal rights with Canada, the St. Lawrence River appears to desire to run away from Yankeeland. I wish Senators to see on the map that no part of the St. Lawrence River is within our boundaries, no part of it is within our country, and only for 1½ percent of its entire length does it border upon our country. Ninety-eight and one-half percent of the St. Lawrence will be found entirely within the Dominion of Canada. I am anxious to have the Senate appreciate that fact. I am anxious, too, to have Senators observe that the green line on the map, the boundary of our country, is in no way whatever related, except in this 1½ percent of its length, to the St. Lawrence River. The St. Lawrence is entirely outside our territory, except the limited section of the river touching the State of New York.

Another thing I wish Senators to observe is that the St. Lawrence River, running north and east, going away from the United States all the time, has a length of 1,185 miles to the Straits of Belle Isle, where the waters of the river enter the Atlantic Ocean. For only 166 miles of that distance are the waters of that river in contact with our country.

I will ask Senators also to observe that the point where the waters of the St. Lawrence enter the Atlantic Ocean is 1,000 miles east of Lake Ontario and 700 miles north of the boundary of the United States at the point of the river's source. The river goes as far north as Hudson Bay, which in my youth I thought was close to the North Pole.

I beg Senators to bear these facts in mind when they consider the expenditure of American money in the development of a waterway which is essentially a Canadian waterway. I have often referred to it as an all-British waterway.

I now wish to speak about distances, and while doing so will get away from the map.

If one were to go by this waterway from Lake Ontario to Portland, Maine, or Boston, his craft must sail 1,200 miles. By the shortest way, through the Gulf of St. Lawrence and north of Nova Scotia, it is 1,500 miles to New York Harbor. Two or three hundred miles additional must be included if the craft is to reach Philadelphia or Norfolk, while Savannah is more than 2,000 miles away from the Great Lakes.

I need not point out to the Senate that when there is such a steaming distance as that, with the cost of coal to consider, and the element of time to consider, it makes an almost impossible waterway so far as the Atlantic seaboard is concerned.

At this time I am not going to say more about that feature of the proposal, but perhaps a little later I may do so. I wish, however, if I may, to show by this map how far we are going afield when we talk about building a waterway, largely with American money, to carry traffic from the Great Lakes to the sea.

In order that I may get away from the map, I want to speak about another waterway, the New York Barge Canal. I am not going to press the matter; I, myself, have no enthusiasm for any deep waterway to the sea; but I want to take advantage of the opportunity of having the map before us. That will show Senators that proposed route from the Great Lakes to the Atlantic seaboard would require 1,500 miles' travel; this is in contrast to a route through the barge canal down the Hudson River to New York, a distance of 325 miles, of which distance 125 miles, the portion on the Hudson River, has already been deepened at Federal expense to carry ocean-going vessels. There is at Albany today a terminal which is being extensively used by vessels from the other side as well as by our own bottoms going to Albany, or sailing from Albany by way of the Hudson River. So we have to contrast a route from Canada through Canadian territory, 1,500 miles from New York, with a route which would be all-American, which would go through our own territory the short distance of 325 miles.

I may leave the map for a moment, but I hope Senators will never have obliterated from their memories the picture on the map, because, to my mind, a glimpse at the map is conclusive reason why we should be against this proposed waterway.

Mark the difference, if I may repeat, in distance between Lake Ontario and the ocean between the two routes. From Lake Ontario to Albany is 164 miles, and from Albany by the Hudson River, already dredged to carry ocean freighters, to the ocean is a distance of 150 miles, or a total of 314 miles. When a cargo is taken to Boston, New York, Philadelphia, Norfolk, or Baltimore, the distance is hundreds of miles less than by the all-British route.

The advocates of the Canadian plan place great emphasis upon the idea that it is much nearer by way of the St. Lawrence and the Great Lakes to Liverpool, where wheat would go, than it is by the all-American canal. It is stated, for instance, that the distance between Montreal and Liverpool is 2,760 miles, but that route is through the Straits of Belle Isle, north of Newfoundland, between Newfoundland and Labrador, and it cannot be used even during a considerable portion of the so-called "open" season; even when the lower part of the river is open it is impossible to go through the Straits of Belle Isle, for reasons which I shall attempt to demonstrate to the Senate.

The distance from Montreal to Liverpool, when the route taken is to the south of Newfoundland, is 3,007 miles. This route will have to be taken through a large part even of the open season. When a vessel goes down the river below Anticosta Island it must pass through the Gulf of St. Lawrence south of Newfoundland; it is not possible through a large part of even the open season, if I may repeat, to go through the Straits of Belle Isle. So the usual distance from Montreal to Liverpool is 3,007 miles, which is approximately the same distance as between New York and Liverpool, which is 3,166 miles. To put it in a word, the St. Lawrence route is 159 miles shorter than the all-American route; that is all. The Straits of Belle Isle are far removed from the United States and all our ports.

There is no United States port after leaving Massena, N.Y., where the Mellon aluminum works are located. There

is nothing to appeal to American commerce all the way from Lake Ontario to the shores of Europe.

Let me call attention to the fact, too, that the time consumed between Duluth and New York City by the St. Lawrence route would be 12 days, as contrasted with 7½ days over the all-American route.

If the Barge Canal, which Congress has already voted to take over, should be deepened sufficiently to take ocean vessels, which can now go to Albany, the trip could be taken in 7½ days. A ship sailing out of Lake Ontario would require to go around through the Gulf of St. Lawrence to New York 12 days. Through the Barge Canal to Albany down to New York there would be a saving of 4½ days. Anyone familiar with vessel transportation realizes how much greater is the expense involved where 12 days of sailing are necessary instead of 7½ days.

By the St. Lawrence it would take 4 days longer for a cargo from Duluth to go to the Panama Canal than by the New York route; it would take 4 days longer to go to Seattle, and practically the same time to go to Gibraltar.

Regarding this project, there will always be two schools of thought. The St. Lawrence route is held in high favor in the West, but many thinking Americans feel that if the money of the United States is actually to be expended in canal building it should be spent wholly within the borders of our country. The American plan would involve an initial expenditure of more money; but as I have already pointed out, it would be hundreds of miles shorter, and consequently the service rendered by it to shipping would be very much greater.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. Appreciating the fact that there may be a variance in any estimates, can the Senator give us an idea as to the probable difference in cost between the all-American route he has just been describing and the proposed St. Lawrence seaway?

Mr. COPELAND. I would say that, at the outside, the difference would not exceed $150,000,000.

Mr. CLARK. And that would all be spent in the United States in the employment of American labor and the purchase of American materials?

Mr. COPELAND. Yes; and would be for the relief of unemployment in America instead of for the relief of unemployment in Canada.

Mr. President, the American plan would cost a little more money, but the man is not born who knows how much the St. Lawrence plan will cost. I wish the Senate could see, as I did, a moving picture of the St. Lawrence River in the springtime at the break-up of the ice. I have the greatest respect in the world for engineers; to me they are the supermen, amazing men; I almost stand in awe of what engineers can do. But when I saw in that picture the great bergs of ice crashing through the waterway, breaking up ice of lesser thickness, I wondered how it would ever be possible for engineers, with all their skill and genius, to build controlling works to make possible the effective navigation of the St. Lawrence River.

As I have previously said, the all-American route would be very, very much shorter, and consequently navigation would be that much more expeditious. The all-American route would be open for a slightly longer season. If Senators know the climate of Quebec, if they have ever been to Quebec in attendance upon one of the ice carnivals, they know how tightly the waterways are tied up during the winter season.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I yield.

Mr. REYNOLDS. Is it not true that in view of the weather in the neighborhood of the proposed canal and the innumerable slides that have occurred there from time to time, in the opinion of the Senator it would be extremely difficult to arrive at a figure of cost of the canal within several million dollars?

Mr. COPELAND. I truly think so. I think it would be extremely difficult.

Mr. REYNOLDS. I should like to state for the information of the Senator that I have in mind the construction of the Panama Canal. When our Government made purchase of the Panama Canal, at which time I believe we paid the French Government $40,000,000 and at which time we paid for the Panama Railroad an amount approximating $10,000,000, it was estimated that completion of the Panama Canal according to the plans contemplated at that particular time would cost $139,000,000. Of course, I understand that several years thereafter, at which time General Goethals went there at the instance of the Government, he made an extremely accurate estimate of the cost of the canal, which was $375,000,000, and it actually did cost about $3,000,000 less than that, and he completed it, according to my information from the War Department, 1 year sooner than its contemplated completion.

But I bring to the attention of the Senator at this time that immediately after or about the same time our Government made purchase of the Panama Canal, it was then estimated that the completion would cost only $139,000,000.

Mr. COPELAND. That is correct. The able Senator is entirely correct in his figures as I understand it.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. Certainly.

Mr. PITTMAN. It has been reported by the Army engineers two or three times that the plans upon which the first estimates were made were not nearly as extensive as the plans upon which the second estimates were made and that therefore there was no relation whatever between the estimate of $139,000,000 and the estimate of $375,000,000, because our Government between the time of the estimates had decided, according to the Army engineers, to adopt a very much larger and more extensive plan. Be that as it may, undoubtedly the estimates of the last board of engineers were very accurate.

Mr. REYNOLDS. I quite agree with the Senator that the last estimates made were entirely accurate, but at the same time I should like to make inquiry of the able Senator from New York if it is not true that even after the ratification it would be possible to make certain changes that would increase the cost estimated at the present time? I think that one thing further to be taken into consideration is the fact that materials to be used may increase in cost. It has been said that the engineers who have figured on the various and sundry projects have not missed the point far, but at the same time we must take into consideration that the price of materials may change and the price of labor may change.

I beg the Senator's pardon for having interrupted him at such length.

Mr. COPELAND. I thank the Senator from North Carolina. He has added value to the argument. I had not intended to discuss at all the question of cost. I am familiar with certain figures, namely, those with reference to the Welland Canal, which was originally estimated at $40,000,000 and actually cost $128,000,000; the Manchester Ship Canal, which I have seen and admired, the original estimate of which was $40,000,000, while its ultimate cost was $80,000,000. The original estimate of cost of the Panama Canal was $140,000,000, and the ultimate cost proved to be $375,000,000. The Senator from Nevada [Mr. PITTMAN] has suggested, that was because conditions which were met as the work progressed made those increases necessary, but I assume we would have to take into consideration that that might well happen in connection with the canal now under consideration.

Mr. PITTMAN. Mr. President, will the Senator yield further?

Mr. COPELAND. Certainly.

Mr. PITTMAN. I do not like to have the Senator misunderstand me or, if he does misunderstand me, to unconsciously misinterpret what I said. I did not say it was by reason of additions to or changes in the plans. I said the estimate of $139,000,000 was based on one plan and that the estimate of $375,000,000 was based on an entirely different plan, a more extensive plan and completed plan. The $375,000,000 estimate was an accurate estimate and the actual cost came within that figure. I do not want it understood that it was because they kept making additions and changes that the cost increased.

Mr. COPELAND. Far be it from me to dissent from the facts. I have but one thought, and that is to attempt to have Senators see the general proposition as I see it, and to do that fairly and certainly not by distorting the language or expressed thoughts of others. But no man who ever built anything, I do not care whether it was a house or a boat or what it might be, has failed to find that it cost him more than was estimated in the beginning.

I know that in the construction of the Barge Canal through the State of New York the original estimate was $62,000,000 and it cost the State $176,000,000. I am not speaking about the original Erie Canal, but the widening and deepening of the canal in recent years. It cost nearly three times as much as the original estimate.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. I know the Senator does not desire to digress to a discussion of the question of cost because it is not included within the scope of his original address; but I should like to ask the Senator if he does not think the devaluation of the dollar must be taken into consideration in arriving at the estimate of cost? In order words, the engineers who made the estimates were not taking that into consideration at all, were they?

Mr. COPELAND. I think it is entirely proper for the Senator to make the suggestion. Therefore if we do not raise the original estimates we have to multiply them by two in order to meet the devaluated dollar.

I want to make more complete answer to a question asked a few moments ago by the Senator from Missouri. Other estimates have been made about the cost of the canal. I am not going to refer to Mr. Cooper's estimate. We have heard a lot about that. The general board of engineers placed it at $543,000,000; Dr. Moulton at $999,000,000; Mr. Cooper, since we have mentioned him, at $1,350,000,000. Mr. E. P. Goodrich, the consulting engineer, whom I happen to know, a man of great ability and the highest integrity—I would trust him as I would trust my family doctor and have confidence in his professional conclusions—has said that the St. Lawrence waterway will cost $1,054,000,000. As I have said, however, I had not thought to go into that phase of the question.

I was speaking about the American canal, which would involve a little more initial expenditure of money; and I think an estimate made on that particular enterprise—so short and with engineering conditions so common in engineering experience—would be very accurate. It may well be that the initial cost of the New York canal would be no more than the cost of the St. Lawrence waterway; but, at any rate, it would be hundreds of miles shorter. It would be open for a longer season. As between the canal in New York State and the St. Lawrence Canal, the difference in the season would be at least 3 weeks in favor of the former. I am saying that to the Senator from Washington, because he asked me the question, and that is the conclusion reached from such figures as I have been able to find.

For the purpose of the national defense the New York route would be of greater service to the Nation. The all-American route coincides with the present lines of railroad travel and leads to the same terminals on the seacoast. Such a canal development, it is thought, would be less disturbing to commerce and trade during the part of the year when either water route would be closed by ice.

A great many surveys have been made by the Federal Government, the New York State authorities, the Canadian Government, and recently by an International Joint Commission. The result of these surveys is that we have at our command a mass of scientific and statistical material.

With this before him it is possible for any citizen to master the problems involved and to form for himself a conclusion as to which route is preferable. Both are considered feasible from an engineering standpoint. There never has been any question of that on the part of any of the engineers who have investigated. Each has its particular advantages. Each has its engineering and scientific backers. It may be said in all truth that a given citizen may form his own conclusion and, no matter what it may be, find himself in company with thousands of distinguished citizens who take a like view. Unfortunately, he will find himself in opposition to other thousands of equally distinguished citizens who are just as insistent that the other route is preferable.

ICE AND FOG ON THE ST. LAWRENCE

Whichever way is determined upon, the most we can expect of such a canal is that it shall be serviceable for not to exceed 8 months of the year. In 50 years the latest the St. Lawrence was open for navigation was the 14th of December. Three times only was it open past the 8th of December. Usually it closes about the 20th of November.

During the same period the earliest date it ever opened was the 29th of March. One year it opened on the 3d of April. Usually it opens about the 20th of April and occasionally as late as the 1st of May. One year it was the 7th of May. As a matter of fact, then, the St. Lawrence can be depended on for only a little more than 7 months of the year.

It is not alone, however, the absence of ice in the river itself that insures safety of navigation between the Great Lakes and the sea. I speak from actual observation, having crossed the ocean twice between Montreal and Liverpool.

I well recall a certain Sunday morning in July 1896. The reason why I remember the month and the year is that when we got to Quebec newspapers were brought out to the boat, and they said that William Jennings Bryan had been nominated by the Democrats for the Presidency. I was the only person on the ship who had ever heard of him before, and that was merely by accident.

The ship I was upon was the first one that season to attempt the passage of the Straits of Belle Isle. You see, every ship before July went south of Newfoundland; so our ship was the first one that year to go through the Straits of Belle Isle. In spite of the fact that navigation opened on the 24th of April, there was so much ice and so much fog in the Gulf of St. Lawrence and off the Straits of Belle Isle that it had not been deemed safe to take the northern route until our ship attempted the passage.

Did you ever see a fog in those northern waters? A fog bank is just as real as a snow bank, and when the bow of the boat runs into it, it is cut off from view as if it had run into a huge drift of snow.

Well, finally, after several days of fog and ice, because we had to feel our way through the Gulf of St. Lawrence, we reached the Straits of Belle Isle. As we entered the Atlantic, my steward called me at daybreak. He said there was an iceberg in sight and that I had better get up and see it, because another one might not be sighted on the trip. As a matter of fact, we saw 75 icebergs during that day and the next.

If you know anything about an iceberg, with nine elevenths of its bulk under water, and nobody knows how it may project under the water from its sides, and you have fog, you know very well that you are not going to make any time on your steamship. As a matter of fact, the temperature of the water was being taken every few minutes, in order to determine whether or not we were approaching ice, because it was so foggy that we could not see the icebergs.

No candid person conversant with the physical conditions of the lower St. Lawrence, and of that route to the sea, can fail to acknowledge that through a greater part of the year there is not uninterrupted passage between Montreal and the open ocean. I speak of this in no spirit of disparagement, but simply to bring to mind the embarrassments and dangers of this particular route, as compared with another one equally available which is not burdened by these objections.

EXPORT TRADE

The most ardent advocates of the St. Lawrence route are the wheat producers of the Northwest. If the proposed canal were to be used exclusively for the exportation of wheat and flour, I should frankly admit that the St. Lawrence route is superior to the all-American.

If the waterway from the Great Lakes to the sea were to be used exclusively for the carriage to Liverpool in cargo lots of automobiles, furniture, or stoves from Detroit or other western ports, I should say that the St. Lawrence route is preferable. For any cargo that is to be taken in bulk from any one port on the Great Lakes directly to Liverpool, I should admit at once the superiority of the St. Lawrence route.

If there could be profitable operation of a one-way service between the Great Lakes and Liverpool, the St. Lawrence would hold first place. Unfortunately for the advocates of the St. Lawrence route, water traffic cannot succeed on a one-way basis. Unfortunately for the St. Lawrence route, water traffic to and from the Great Lakes is not confined to bulk cargoes or to export trade. A very large percentage, probably in excess of 75 percent of the traffic between the Great Lakes and tidewater, is sure to be of package freight for domestic distribution.

WHEAT EXPORTATION

I was born on a farm. All my early life I spent in a home dependent on wheat. My nearest relatives today are farmers, raising more or less wheat for which they get more or less money—mostly less. My father was in the milling and grain business. Certainly I cannot be accused of any lack of interest in the wheat farmer. If I believed the St. Lawrence waterway would lighten the burden of the American wheat grower, I would be for it, no matter what the New York Chamber of Commerce, frequently referred to in this debate, might think about my stand.

May I say in passing that I had conviction on this subject long before I lived in New York and doubtless before I ever knew there was such a body as the New York Chamber of Commerce. My sense of fairness and personal acquaintance with many members of that great institution, however, give me a greater degree of respect for the chamber than apparently held by some Members of the Senate. Certainly I am not aware that the New York organization has been at all offensive in the statement regarding the St. Lawrence project. I speak of this because reference has been made on repeated occasions to the New York Chamber of Commerce as if it were the great beast back of this opposition to the canal. I have not had that particular pressure brought to bear upon me, but sometimes I am overlooked by New Yorkers.

For myself, I think it would be better if we settled the issue upon its merits without undue excitement over what its proponents or opponents may attempt by use of propaganda.

A discussion of a waterway to the sea would amount to nothing unless its possible relationship to wheat exportation were given particular attention. This I shall attempt to discuss briefly.

The American wheat farmer is confident that the St. Lawrence Canal will benefit him materially. He has dreams of cheap freight rates and greater revenue in consequence.

It must be admitted that every dollar saved on freight charges is a dollar made for the farmer. He will benefit directly by economies of this sort. This is true of export trade, as it is of domestic. This I shall concede, of course.

The exigencies of the World War created an unheard-of demand for American wheat. For the 4 or 5 years before the war the exports from the United States averaged about 100,000,000 bushels annually. In 1915 there was a jump to 335,000,000.

The war interfered with European—particularly Russian—production, a condition continuing till the end of 1923. Since that time there has been gradual improvement in foreign wheat crops. In consequence, by 1925 our exports fell to 108,000,000 bushels, including flour converted into terms of bushels of wheat. It was better than this in 1926 and 1927, but has now declined to about 135,000,000.

AMERICAN WHEAT A DECLINING CROP

But this does not tell the whole story. A study of Canadian wheat prospects as against American is most illuminating.

In 1910 Canada planted 8,000,000 acres with wheat and exported 56,000,000 bushels. By 1928 she planted 25,000,000 acres and exported 422,000,000 bushels. In 1931 she exported 50 percent more wheat than the United States. She is rapidly outstripping us in wheat growing and exportation. The Dominion has 80,000,000 acres of the best wheat land on earth ready for wheat when there is a demand for it. She now has 27,000,000 acres of wheat against our 55,000,000. In spite of our increase in population, there has been a steady decline in our acreage of wheat, while at the same time there has been a trebling of the production of wheat and the number of acres in wheat in Canada. With cheaper lands and labor and greater productivity in Canada, we are in real danger.

Contrast the figures I have given with conditions in the United States. In 1910 we had 45,000,000 acres in wheat, jumped to 75,000,000 in the one year, 1919, and have settled back year by year, until at present we have only about 55,000,000 in wheat acreage.

In short, our increase in wheat production is practically nil, in spite of the great increase in population, while Canada has trebled her acreage and products in less than 20 years. That progressive nation will continue to increase her acreage and exports of wheat.

To me the logic of the situation is irresistible: Within a very short time the United States will disappear as a wheat exporter. Because blood is thicker than water and because of materially lower prices of production, Great Britain will prefer to import Canadian wheat and eventually the Liverpool market will be lost to us.

My nature is such that I would rather a thousand times preach the gospel of hope than that of despair. But, after all, it is sensible to meet issues as they are, and not play the ostrich by shutting eyes to the truth.

With the increasing production of wheat in Russia, the Argentine, and Australia, as well as in Canada, how can we hope to maintain our former position as an exporter of wheat? Long before the St. Lawrence project could be finished we would find other uses for our land and for the wheat we produce. Australia has doubled her production in 10 years, South America is increasing rapidly, and nobody knows what Russia may produce. The domestic market must be depended on for the absorption of our wheat crop.

May I say in this connection that we have neglected the domestic market? Within a few years our domestic consumption of wheat and wheat products has decreased 120,000,000 bushels, and is declining at the rate of six or seven millions annually.

I regret this, because, as a physician, I am interested in preserving and bettering the public health. Regardless of what current statistics may show as to the sickness and death rates, there can be no doubt that the underfeeding, or improper feeding, particularly of the children, must result disastrously. The next generation will suffer for the deprivations of this period. Nothing could give greater guaranty of good health and long life than a material increase in the consumption of bread and milk.

You may think this statement has little to do with the St. Lawrence Canal. But, after all, it is closely related to it. If our people were properly fed, there would be no wheat to export, and then we would not worry over the treaty.

In what to me is always a fascinating volume, the "Yearbook of Agriculture", are some interesting plates. I want Senators to look at these plates, in order to see the shifting of wheat acreage.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. REYNOLDS. The Senator just spoke of a very interesting part of the subject which he has under discussion in regard to wheat. I might state to the Senator, for his information, that I have been informed that Australia alone is thoroughly capable of growing a sufficient amount of wheat to supply adequately the needs of every country of continental Europe. I might state, further, that although Russia for the past several years has had occasion to import several million bushels of wheat—in 1930 I think the importations amounted to something like 25 or 30 million bushels—Russia being in area twice the proportions of the United States, it has been estimated by reliable people familiar with the subject that if they were to cultivate all the land that is peculiarly adapted for the raising of wheat, that one country alone would be able to supply the needs of the entire world. I am in hearty accord with the Senator when he says that the time will come when we will not be a wheat-growing country, that our lands will be utilized in other directions.

I can very well see, I might say to the distinguished and able Senator from the State of New York, that the people of Canada are vitally interested in seeing this waterway completed, because Canada at present is the wheat-growing country of the world, and it is quite natural for us to feel and to know as a matter of fact, that the Canadian people are desirous of this waterway being completed in order that they may be provided with better facilities for making exportations of their grain.

Mr. COPELAND. I agree with the Senator, and directly I shall show that this St. Lawrence project is of tremendous importance to the wheat growers of Canada—of Saskatchewan, Alberta, and Manitoba. It will be valuable to them because they will have advantages which our farmers do not have, by reason of the lower railroad rate which they enjoy, and which I will discuss in a moment.

I wish now to refer to the Agricultural Yearbook. On pages 141, 142, and 143 of the 1933 issue are maps showing the distribution of wheat acreage in the years 1869, 1889, 1899, 1909, and 1929.

I give these references so that readers of the RECORD, who may, perhaps, be interested, may refer to this handbook, which is a public document and available to any citizen.

The maps on the wall show the distribution of wheat acreage in the United States, and since this waterway is to be a Canadian waterway, it is right that we should glance at the maps a moment.

The great sections here on the map [indicating], Manitoba, Saskatchewan, and Alberta, are the great productive wheatlands of the world, I may say. There is acreage there sufficient to do exactly what the Senator from North Carolina suggested—to raise enough wheat to supply the whole world, if they want to, because in addition to the 27,000,000 acres under cultivation there are 80,000,000 more acres of the richest wheatlands in the world lying in those Provinces of Canada.

It is certainly remarkable how the areas of wheat production have shifted during a period of 60 years. The bulk of wheat available for export is now produced in an area incapable of benefit by any waterway from the Great Lakes to the sea.

I wish every wheat farmer in America had a copy of this Government publication and could see for himself what is happening to the industry. Let me quote from page 143 of this report:

> The hard winter wheat region had expanded still more by 1929 when it constituted the most important wheat-growing region of the United States, and produced the great bulk of wheat available for export.

The figures show that in 1930, out of a total production in the United States of 524,000,000 bushels, 56 percent of the whole, or 293,000,000 bushels, came from the soil of Nebraska, Kansas, Oklahoma, and Texas. Surely, with the Missouri and Mississippi Rivers and the Gulf, these States cannot be very enthusiastic over a waterway to the Atlantic. With greater interest than any other section, because it raises the exportable wheat, this area must look south and not east. Manitoba, Alberta, and Saskatchewan, in Canada, have far more at stake in the St. Lawrence waterway than any wheat-growing section of the United States. Consequently, they have far more interest in the St. Lawrence project than has any wheat section in the United States.

I am often surprised at the enthusiasm over the recognition of Russia, when I think that all Russia need do is to consider the meager cost of feeding the labor, with no thought whatever of what they shall pay labor. They can sell wheat in Liverpool at 20 cents or 10 cents a bushel above the cost of production and yet undersell by 50 percent any other country in the world. But all of us living in the Western Hemisphere and interested in wheat exportation have reason to shudder over what Russia, with its soil, climate, and serf labor, will do in supplying wheat for the world.

Certainly that country can give Europe its full supply. It is only because of blood relationship that the colonies of Britain will suffer less than we do.

FREIGHT RATES ON WHEAT

May I return now to discuss the freight rates and to consider briefly the relative advantages of the St. Lawrence project to Canada and the United States. Comparison of freight costs and facilities may be interesting.

Duluth in our country and Fort William in Canada are the extreme western lake ports through which wheat is shipped for domestic consumption in the home country or for export to Europe. The rates by water from these two cities to the Atlantic seaboard are approximately the same.

Whether a canal is built or not, then, Americans and Canadians are on the same basis so far as water transportation is concerned. But they are not on the same competitive basis when we consider the rail rates from points of production to the lake-head.

There is little difference between the rates from the Dakotas to Duluth, but Montana and other points farther west are at a considerable disadvantage. For example, the rate from Butte, Mont., is 44½ cents per hundred, while it is only 26 cents from Alberta and Saskatchewan points. This gives the Canadian shipper an advantage of about 18 cents a hundred, or about 11 cents per bushel.

In addition, the Canadians have the benefit of the differential rate afforded her colonies by Great Britain.

What do these figures prove? They show conclusively that the St. Lawrence waterway will not better the prospects of the American wheat farmer. He will continue to be on the present basis of competition with his neighbors across the line. As the Canadians increase their acreage, the cheaper rail rates in Canada, to a considerable extent, and the sentimental tie between England and her colony, to a greater extent, will cause Canadian exports of wheat to increase still more while ours continue steadily to decline.

There is no hope, as I see it, that the digging of a canal to the sea will help the American farmer to dispose of his wheat. There is one advantage, however, although it must be shared with the Canadian wheat exporter. I refer to the possibility of loading a ship at the lake-head and sending it directly to Liverpool. This will save the "fobbing" charges—elevator service, storage, brokerage, insurance, and so forth—at Buffalo and New York, or in Montreal, as the case may be. Perhaps a few cents a bushel might be saved in this way. This amount, added to the saving by water transportation over all rail or part rail to New York, might amount in normal times to 4 or 5 cents a bushel. But I seriously doubt it because of my conviction that the St. Lawrence Canal would be so essentially a one-way route that the present rates could not be materially reduced.

In calling attention to the better freight rates over the Canadian National Railways, which are operated by the Government, it is proper to refer to the losses incurred in

the operation of these lines. This deficit averages about $60,000,000 per year.

The wheat farmers get the benefit of lower rates, fixed in the charter of the National Railways at 26 cents a hundredweight, but the National Railways carrying the wheat are operated at a loss of $60,000,000, made up by general taxation in Canada.

Mr. REYNOLDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. COPELAND. I yield.

Mr. REYNOLDS. With particular reference to what the Senator from New York has just said, I wish to say I am under the impression that our Government has loaned the railroads of this country about 3,000 million dollars. I will ask the Senator if that is the correct amount.

Mr. COPELAND. I do not know the exact amount. I will say it is a lot of money.

Mr. REYNOLDS. About $3,000,000,000. It strikes me that by providing competition for those railroads, in which our Government is financially interested, we are thereby tending to prevent our Government from collecting the principal or the interest upon that enormous loan.

Mr. COPELAND. This diversion causes me to say that if we really want to give employment to American labor by some such project as we are proposing, and to provide more shipping facilities that can be used throughout the year, we had better take the money and build three freight railroads between Boston and Chicago, which could be done for less money than the proposed canal would cost.

As I said a moment ago, the loss of the National Railroads of Canada is about $60,000,000 per year. Were the proper proportion of this loss added to the rates on wheat, there would be less advantage to the Canadian shipper.

But no matter how it is figured, the fact remains that no waterway to the sea can possibly overcome the growing menace of Canadian competition in wheat exportation and the effect of the shifting wheat production in our country. As it is to assist the marketing of this commodity, particularly, that America has an interest in the waterway, we should face the facts as they are. To do so now will save heartburnings in the future.

THE ST. LAWRENCE A ONE-WAY ROUTE

I view the St. Lawrence route as one bound to be limited in its uses almost exclusively to eastbound traffic. Its value to Americans is confined to the advantage it offers in the exportation of bulk cargoes from the Great Lakes. If there is enough wheat to fill a ship, or if one port should have enough automobiles or any other product, to complete a cargo for Liverpool, it would go somewhat quicker, if not more cheaply, than by the American route. But that is all that can be said for the St. Lawrence waterway. For the shipping of domestic freight to or from the West, the Canadian project has almost no value to America.

One has but to study the Montreal traffic situation to see how valueless the St. Lawrence is to the American merchant receiving goods from the East.

We do not have to imagine it. There is a waterway there now in actual operation. Barges go back and forth through the canals of the St. Lawrence. So we do not have to resort to imagination. We can make use of figures of a waterway actually in use.

In a recent year, of the lake carriers arriving in Montreal with grain, coal, and flour, no less than 2,670 returned westward without cargoes. There was absolutely nothing for them to take west. These are the official figures obtained from the Lachine Canal office, Montreal.

The boats in question came down from the Great Lakes carrying cargoes and went back empty, just exactly as vessels would do if the proposed waterway is built. They will go from the Great Lakes, down the St. Lawrence River and over to Europe, and will come back empty, or else carry cargoes we do not want, brought into competition in shipload lots with American production.

There need be no expectation of better conditions merely as a result of deepening and widening canals which are already in existence.

To my mind, it is absurd to think the St. Lawrence route would profit the Great Lakes ports, or the great western population of our country. A one-way water system could never pay, and this route could never be anything but a one-way system. What is produced in Europe that the Midwest wants in ship-cargo lots? Regardless of the doubtful advantages to the decreasing exportation of wheat, what else is there to expect from a through line to Europe, entering the sea a thousand miles from our own eastern and southern Atlantic seaboard?

The American railways carrying freight to and from tidewater are handling goods for domestic consumption. If I am correctly advised, 85 percent of all the traffic is of this type.

If this is true, the only kind of a waterway that will benefit the great masses of American shippers is one which will cheapen or facilitate the carriage of freight for domestic consumption. There is but one route to serve this purpose. It is the one which coincides with present-day railway development.

There are several reasons for this statement. In the first place, any waterway from the Great Lakes to the sea will be open, at best, but 8 months in the year. During the other 4 months, and usually nearly 5 months, the railways must be depended on as they are at present.

This being true, is it not wise to parallel the railway lines as nearly as possible? Then the same terminals at tidewater, the same brokers, the same bankers, the same offices, can be used the year round. There can be no doubt, it seems to me, that satisfactory trade arrangements can be made best by such a plan, if we are to engage in such an enterprise at all.

As a nation we have determined upon the Illinois-Ohio-Missouri-Mississippi waterway. With a policy of internal canals already established, it is illogical to go beyond our borders with another route to the sea.

I can see the reason for the Mississippi and Missouri developments through the heart of our country, but contrast those developments, Mr. President, with a waterway which leaves immediately the boundary of our country and runs a thousand miles east and seven hundred miles north of the United States at the source of the river. I cannot understand how it is possible for anyone, after even a glimpse at the map, to favor the St. Lawrence waterway.

LABOR AND THE CANAL

Is it not well to suggest, too, that it is pretty venturesome in a time like this to impose on the railroads the competition of the seaway? As the Senator from North Carolina has just suggested, they owe us $3,000,000,000. How are they ever going to pay if they are to be still further embarrassed? How will they ever repay the billions they owe our country?

Shipping from over all the world might be attracted by the novelty of fresh-water navigation, but I doubt it. Salt-water sailors, you know, Mr. President, are not fond of fresh water. To attempt to take a sea-going vessel into the Great Lakes would frighten the average deep-water sailor so that he would have to be put on double rations for the rest of the voyage.

Nobody has studied the economic possibilities sufficiently to know with reasonable certainty what might happen if the St. Lawrence waterway should be opened. One of the protests we have made in New York against this project has been that no economic survey has been made. I was told on the floor of the Senate last year, when I called attention to this, "Oh, yes, an economic survey was made on the last day of the hearings." So I took the hearings and I found that on February 10, 1933, the last hearing was held, at which the "economic survey" was presented to members of the Senate committee.

The subcommittee met, pursuant to the call of the chairman, at 11 a.m.

"At 11 a.m."; and I find at the end the words—

Whereupon, at 11:50 a.m., the hearing was closed and the committee went into executive session.

Therefore, for a period of 50 minutes the economic survey was presented, presumably. As a matter of fact, no Member of the Chamber, in my opinion, has yet thoroughly studied the economic conditions and possibilities associated with the building of this proposed canal.

If the waterway proved to be popular there would be such an upset in railroad traffic as to drive thousands of workers into the already too long bread lines. I can see how the maintenance of road men, the operatives of the railroads, their clerks, and other employees associated with them would go into the bread lines—coal miners and car builders would be without labor. That would surely happen if the brilliant prophecies regarding the St. Lawrence Treaty advocates should be realized.

As a matter of fact, the authors of the treaty gave little hope to American labor in writing the document, and, even though it has been repeated here time and time again, for the purpose of my own discussion I call attention to article 3 of the treaty. When I speak in private conversation of article 3 and say that the facts I am about to relate are contained there, always I am told, "No; that is not in the treaty; that could not be in the treaty." But what does the treaty say?

Insofar as possible in respect to the works to be constructed by the Commission, the parts thereof within Canadian territory—

And most of the work in the international section, where the money is to be spent, would be in Canadian territory——

Mr. LA FOLLETTE. Mr. President, I cannot permit the Senator's statement to go unchallenged. I inquire if the Senator has seen the letter of the Assistant Chief of Engineers, General Pillsbury, on that subject, a letter addressed to the chairman of the Power Authority of the State of New York, in which he shows conclusively that only one fifth of the work to be done with United States funds expended for Canadian labor and materials will be on the Canadian side of the international boundary line?

Mr. COPELAND. Let me take the language of the treaty exactly as it is. The treaty continues—

Or an equivalent proportion of the total works—

Therefore at least one half of the work in the international section will be paid for out of the funds of the United States to Canadian labor, to Canadian engineers, and for Canadian material.

Mr. LA FOLLETTE. No; the Senator is absolutely mistaken insofar as the official figures are concerned. In that connection, if the Senator will permit me to do so, I should like to read a letter from General Pillsbury to the chairman of the New York Power Authority, dated October 20, 1933. It is as follows:

In accordance with your request for information on the percentage of funds furnished by the United States under the Great Lakes-St. Lawrence Deep Waterway Treaty which will be expended for American labor, material, and so forth, I take pleasure in advising you that of the total amount of estimated expenditures of American funds of $257,992,000 for both navigation and power work approximately 80 percent will be expended by the United States engineers with United States labor and United States materials. The remainder under the terms of the subparagraph (b) of article 3 of the treaty will be for work executed by Canadian engineers and Canadian labor and with Canadian materials for work within Canadian territory to be constructed by the temporary St. Lawrence International Rapids Section Commission. Approximately 60 percent of the total cost will be expended on work in the State of New York.

Mr. COPELAND. Has the Senator finished?

Mr. LA FOLLETTE. I have.

Mr. COPELAND. Very well, Mr. President. I do not care what any engineer or anybody else has written; I wish to put in the RECORD and have Senators hear what the treaty says. This is what we have before us, not the report upon it of some engineer. Quoting from page 3 of the hearings, in article 3 of the treaty, paragraph (b), it is provided:

That, insofar as is possible in respect to the works to be constructed by the Commission, the parts thereof within Canadian territory, or an equivalent proportion of the total of the works, shall be executed by Canadian engineers and Canadian labor and with Canadian material.

Mr. President, I may not know much about the English language, but I do not have to have an engineer tell me what that means. It means that at least half the work done in that canal, whether on the Canadian side or on the American side, shall be paid for out of funds supplied by the United States Government for Canadian engineers, Canadian labor, and Canadian material.

Mr. LA FOLLETTE. Of course, Mr. President, if the Senator from New York wishes to set himself up as an authority over and above the engineers who have studied this project, who have made estimates, who have broken the figures down into their component parts, and have officially stated not only to the representative of the Senator's own State, the New York Power Authority, but to the President of the United States upon their responsibility to him as Commander in Chief of the Army, that 80 percent of the funds are to be spent in American territory for American labor and materials and under the direction of American engineers, I cannot hope to argue with him on the subject; but it does seem to me that the opponents of this treaty should give some consideration to the fact that these reports which have been made to the President of the United States at his direction, and upon which he himself has spent a great deal of time, and which he has transmitted to the Senate under the official responsibility of his office, should have consideration rather than the opinion of any Senator, even one so distinguished as is the Senator from New York.

Mr. COPELAND. I am very much obliged for the encomium just applied to me in the remarks of the Senator from Wisconsin, but I am not talking about any opinion given by an engineer or by anybody else. I assume that the Senator from Wisconsin has taken refuge back of the entire cost of the canal, considering all phases of it. I frankly said that I am discussing the International Rapids section of the canal, and that is the section which is of the greatest interest to my State.

Mr. LA FOLLETTE. The International Rapids section is the section that I am now talking about, and that is the section to which the Assistant Chief of Engineers' letter is, in part, directed.

Mr. COPELAND. I am not surprised that the Senator from Wisconsin or anyone else who is so determined upon the ratification of the treaty should find all the reasons he can to sustain his position. I want to say for the RECORD in order that anybody who may read the RECORD in the future may understand my position, that I am not depending upon what any engineer says or upon any statement which has been sent in from outside by anybody, lawyer or Senator. I do not care who may have given the statement to the Senate, I wish to state for the RECORD that we find in the treaty what I have referred to, and the treaty is what we have before us. We are considering the treaty, not what somebody thinks about the treaty. We are considering the language of the treaty, and the treaty itself provides that—

Insofar as is possible in respect to the works to be constructed by the Commission, the parts thereof within Canadian territory, or an equivalent proportion of the total of the works shall be executed by Canadian engineers and Canadian labor and with Canadian material.

Mr. LA FOLLETTE. Mr. President, if the Senator will yield further, of course the Senator understands, as we all do, that the estimates upon which the treaty is predicated were worked out by the joint board of engineers. All the allocations of cost, every phase of the actual construction work, are part and parcel of the treaty because it is upon the basis of the study made by the joint board of engineers that the treaty is predicated.

Mr. COPELAND. I do not think that has a thing to do with the discussion of article 3 of the treaty.

Mr. LA FOLLETTE. Of course it has, because the joint board of engineers and the Corps of Engineers of the War Department are the ones who have worked out the allocations of cost. They are the ones who know how the project

is to be built and how the costs are to be divided. Their statement is conclusive as to how much money is to be spent for Canadian labor and Canadian material.

The fact remains that if the treaty is ratified, in order that the United States Government may assume its fair share of the cost of the project, two dams must be built across the International Rapids section of the river; and in return for the credit which Canada gets for having built, solely out of her own treasury, the Welland Canal at a cost of $128,000,000 and other improvements, the United States must make an expenditure to equal that of the Canadian Government on the projects which she has built heretofore out of her own money, but which become integral parts of this waterway if it shall be completed.

The Senator is utterly mistaken in his statement that 50 percent of the costs of the construction in the international rapids section will be expended for Canadian labor and Canadian material. The boundary line runs down the river in the international rapids section. It curves back and forth. The engineers have worked out to the last cent what proportion of the work will be on the Canadian side of the boundary line and what proportion of the work will be on the American side of the boundary line. After having made those estimates, they have submitted them upon their responsibility to the Senate and to the Congress. I submit that their statements, after this study and after having worked this out in detail, are worthy of the greatest weight in view of the integrity and the character of the work which the Corps of Engineers have done in the past.

If the Senator from New York desires to impeach the integrity and ability of the United States Corps of Engineers, he impeaches their integrity and their ability upon every project for rivers and harbors that has been built in this country since 1902. He impeaches their integrity and their ability to work out estimates not only upon this waterway, but upon every harbor, upon every river, for every project for flood control, which has been constructed under their jurisdiction.

So far as I am concerned I think it does not come with good grace for Senators representing States where millions upon millions of dollars have been expended upon the estimates of this splendid Corps of Engineers, to attempt now, for the purpose of beclouding the issues involved in the treaty, to impeach either their integrity or their professional ability and standing.

Mr. COPELAND. Mr. President, I had supposed the Senator was going to make his speech when I got through. But I have been much interested in it. The only trouble is that it does not apply any more to what I was saying than it does to a discussion of politics on the planet Mars. I have not impeached the Army engineers. There is no one in the Chamber who thinks more highly of them or who has defended them in season and out of season more vigorously than I have. It is perfectly absurd to talk of such a suggestion having come from what I have said. I am discussing the treaty which is before us. I am not discussing what the Senator from Wisconsin thinks about the treaty or what some engineer may have told him about it. I am talking about the language of the treaty, and I am discussing the international section of the treaty. Having listened to the eloquence of the Senator from Wisconsin, I shall now proceed with my own discussion.

In article III of the treaty, which relates to the international rapids section of the canal, provision is made that all parts of the work within Canadian territory or an equivalent proportion of the total work shall be executed by Canadian engineers and Canadian labor and with Canadian material and that all such costs are "to be paid out of funds which the United States hereby undertakes to furnish as required by the progress of the work." I leave it to posterity to read the RECORD and judge whether or not I have made a fair statement of the facts in attempting to place before the Senate the argument I have presented.

If the waterway proves to be popular there would be such an upset in railroad traffic as to drive thousands of workers into the already too-long bread line, but as a matter of fact, the authors of the treaty give little hope to American labor in writing the document, as I have already indicated by reading from the treaty itself and not from something that somebody wrote about the treaty.

If this waterway is an employment project, it is for Canadian unemployed and not for American unemployed. I can hear the cry of a distressed man in any language, but in this time of American suffering, our common interest dictates that we must first care for our own, especially when our need is greater than that found in our neighboring country.

To spend $200,000,000 for Canadian employment is far more generous than we can afford to be in these times. I pray we may never disregard their needs when we are able to assist. But certainly we must not deprive them or our own household of the bread of life.

In letter and effect this treaty has overlooked labor. It must be rewritten if it is to be socially just.

MONTREAL THE BENEFICIARY

There is another thing which must not be overlooked: Why take a chance on building up in a foreign country the chief North American seaport? This is a question of burning interest to every seaport in the United States.

Montreal has grown and prospered until it has become the second port on this continent in point of freight tonnage. As I have suggested, it is now the principal grain port of the world. If the St. Lawrence waterway is developed, Montreal must rush forward by leaps and bounds. It will become the chief transshipment port in North America, if the prediction of the St. Lawrence's advocates are realized.

If the Great Lakes should really become a second Mediterranean, there will be mixed cargoes in which package freight will predominate. These cargoes must be broken up and transshipped. Unless steamship lines to all parts of the world begin or end in each of the large lake ports, there will be assembled on each ship sailing from the Great Lakes to Liverpool, packages which must be sent by other carriers to their respective destinations. Not every cargo can be bulk cargo. Unless confined to grain, automobiles or some one commodity, shipped in quantities large enough to fill a ship, most of them will be mixed cargoes.

COASTWISE SHIPPING LAWS

In this connection let me call your attention to the coastwise shipping laws. A foreign ship is not permitted to shop along in American ports, picking up a little cargo here and more there. It must land in or clear from one port only.

Since package freight would make up at least 75 or 80 percent of the business there would be no inducement under present laws for foreign liners and even tramp ships to go into the Great Lakes for cargoes. I can see that an immediate demand would be made to break down our restraining laws and permit coastwise traffic.

What would Andrew Furuseth say to this? Our old friend, Senator La Follette, the elder, would call down to us from the battlements of heaven to protect the American sailor.

If our coastwise laws were amended in the manner suggested, the lower standards of pay and living imposed on the labor of foreign ships would make American competition impossible.

On the other hand, there would be no inducement to American shipping to use a route to the Great Lakes which demanded 1,500 miles of extra steaming to carry coastwise freight to and from the seaports of the United States. No matter how we look at it, there would be little encouragement for the owners of bottoms, foreign or American, to use the route.

In the last analysis it would be a one-way system, perhaps, of remotely valuable use to the exporter of wheat. Certainly all of us are such good Americans that we should hate to see shiploads of furniture, plumbing supplies, cement, and other products of foreign manufacture brought in to compete with the makers of similar articles in the Central and Western States and other parts of the United States.

TRANSSHIPMENT

But whatever ships might sail the inland seas there would be a great preponderance of package freight. This means that somewhere on the waterway, or in Liverpool, there must be rearrangement of the cargo. If the freight is intended for an American port or for South America, of course, the transshipment would be made before crossing the ocean.

Such transshipments would naturally be effected at tidewater, and the first such port, to which and from which sail vessels to all ports of the world, is Montreal. In this port, then, would be the breaking of cargoes, with the consequent commercial development of a great center outside the boundaries of the United States. Our national prosperity would suffer in consequence.

Canada has achieved political independence. With her new-found political and diplomatic freedom has come worthy dreams of commercial development. Already she has perfected arrangements for a powerful steamship line to the West Indies. Mail subventions are in her hands to use and she has started on her way as a worthy competitor to the United States. For us to make possible the building of the St. Lawrence Canal would be to play into her hands and to assist her perfectly proper ambitions.

There can be no doubt that in time of war, which God forbid, the waterway should be one which is a protection and not a menace to the national defense. To me this seems self-evident. I shall not enlarge upon this phase of the subject.

We are striving to build up an effective and permanent American merchant marine. Why should we lay plans to hamper it by this blow against our own shipping interests?

To give Montreal commercial supremacy on the Great Lakes-to-the-ocean waterway would result in what? It would encourage Canadian and British steamship lines to continue their routes into the Great Lakes, with a view to picking up more and more of our shipments. Inevitably American interests would suffer seriously from this invasion of our natural and national rights.

If it is built at all, the waterway to the sea should be built where it will guarantee the use of American carriers and American ports. Otherwise our own country will be the loser. To build the St. Lawrence Canal is the first step toward the destruction of our merchant marine. It will defeat any effort to gain supremacy on the Atlantic. As I see it, no American patriot who has carefully studied the question and has awakened to its possibilities could think of such a thing as the promotion of the St. Lawrence Canal.

I say that without any intent whatever to offend one who takes an opposite view. But it seems to me that where one is fully informed regarding what may happen as a result of building the St. Lawrence waterway, he cannot really support it.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Washington?

Mr. COPELAND. Yes.

Mr. BONE. I believe the Senator will agree with me in the statement, in connection with the one he has just made about cargoes being carried in foreign bottoms, that when cargoes originating within the interior of the country reach tidewater, they may be, and frequently are, carried in foreign bottoms; and all of our American ports at tidewater are now open to foreign ships. I am wondering—and I am just asking this question; perhaps the Senator may care to answer it—whether it would be worse for the country were those cargoes to be carried from an American port on one of the Great Lakes rather than from a port at tidewater on the great ocean gateways on the Atlantic or Pacific coast. In other words, if the foreign bottom is going to carry the freight, the only difference between that sort of a transaction if it were from a seaboard port and one from an interior port would be that the American rail lines might have the rail haul from the interior to the seaboard port. I am wondering if the Senator agrees with the conclusion that one would be as bad as the other.

Mr. COPELAND. Whatever use might be made of the waterway from the Great Lakes for package freight, which is what we are speaking of, I assume that if these cargoes were picked up in cargo lots and it were a foreign ship—unless we should modify our coastwise laws, it would have to be a full cargo—then at tidewater it would discharge its cargo and break it up into those parts that were to go to other parts of the world than the destination of the ship. If such a cargo got to tidewater at Montreal, there would be the necessity there, in my judgment, of taking that freight by rail to the Atlantic seaboard, because of the unwillingness of our vessels to make that long steaming trip of 1,500 miles into the St. Lawrence River. If there could be lines of vessels running from every port on the Great Lakes—from Chicago, from Milwaukee, from Detroit, from Cleveland—so that every part of the world could be reached with full cargoes, there would then be no necessity of transshipment, and the cargo would go through to its destination; but there could not be those full cargoes with a foreign ship unless perchance it should be of a cargo of grain, because in all probability there would not be enough material in one port to fill a ship. I am sincere in this belief that the first thing that would be done would be an attempt on the part of foreign shipping to break down our coastwise laws so that they could shop along and get their full cargoes. In that event perhaps they could get full cargoes which would actually go past Montreal into some port abroad.

Mr. BONE. Of course the Senator realizes that that would be impossible without the sanction of Congress.

Mr. COPELAND. Oh, yes; but the same pressure that crowded through this treaty would be applied to changes in the coastwise shipping laws.

Mr. BONE. And this country, in common with, I think, practically every country in the world, has shipping laws that forbid vessels flying foreign flags to traffic between domestic ports; and I can hardly conceive of this country or any other country agreeing to such a change in its shipping laws. Of course, a foreign vessel coming into an American port on the Great Lakes would have to content itself with touching one port, and not carry freight or passengers between ports.

Mr. COPELAND. I may say to the Senator from Washington that I am very earnest in my desire to impress upon him and upon others that the only cargo I can think of that would be benefitted by this route would be wheat. I think there is no question about that. I have conceded that all the way through. Yet I have attempted to show that the shifting of the growth of hard winter wheat into the Southwest is making it less and less likely that the port of Duluth or Chicago would be used. My judgment is that the Missouri and the Mississippi and the Gulf would get that traffic. But if wheat were loaded upon any ship, whether a foreign ship or an American ship, for Liverpool, then a direct and fairly short route would be available for 7 months of the year which would carry the wheat through to Liverpool at an advantage over present methods of transportation.

When it comes to package freight, however, I cannot conceive how any use can be made of the waterway into the Great Lakes, because the foreign bottom would have no incentive to go there, for, unless the coastwise shipping laws could be done away with and the foreign ship could shop along to get a cargo, there would be very few full cargoes to take out of the Great Lakes.

So far as the American ship is concerned, my contention is, if I may repeat myself, that it is necessary to go such a roundabout way—1,500 miles up the coast into the Gulf of St. Lawrence, and then the long route from there into the Great Lakes—that the steaming expenses and the maintenance of the ship would be so great that there would be no incentive to do it. So the conclusion of my argument is, and it is my own conclusion, that this would fail as a waterway.

Mr. BONE. May I ask another question? If, for instance, it were desired to deliver freight to one of the points

on Lake Michigan, does the Senator think it would be cheaper to land it in the port of New York and ship it by rail from there to Chicago than to steam up the Atlantic coast and then through the St. Lawrence and through the Lakes to Chicago? I do not know, and I am asking the Senator if he has any figures that would indicate any difference in the cost?

Mr. COPELAND. That is exactly what I think. I think that the additional cost of going up this roundabout way for a very limited period of the season would not make it attractive to ships from Seattle and other points in the West to go through the Panama Canal and on up the coast to take the St. Lawrence route.

CONCLUSION

To my mind, next to famine and pestilence, no greater calamity could befall the Nation than to have our people lose sight of the spiritual values and devote themselves wholly to material things. Unless we continue to practice the virtues and to uphold the standards of those pious folk who founded the Republic, we might readily become decadent.

The Declaration of Independence stressed what its author declared to be inalienable rights, particularly, life, liberty, and the pursuit of happiness. The Constitution was adopted to establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty.

In the background of these great instruments of human rights, is that primary declaration, the Decalogue. There can be no hope of happiness, justice, tranquillity, or the blessings of liberty, unless as a people we observe the admonition of these fundamental statements, whether God made or man made: "Thou shalt not covet thy neighbor's house, * * * nor anything that is thy neighbor's."

Unless we live up to these ideals we must fail as a Nation. It is upon the universal recognition of these spiritual values that our fate is fixed. America must never depart from these formulas of conduct and aspiration. We must not disregard these if we would hold an honorable place in the family of nations and thrive in the fair land God has given us.

I deem it wise to make this declaration of high purpose. Otherwise, what I have said today may seem so materialistic that I might be accused of possessing no sense of spiritual values.

We have before us many problems of great material concern to our country. Unless they are solved wisely there will be unhappiness among our people. We may hope and strive to solve them without impairing the welfare of the several States and other nations. But for the sake of our own prosperity and the happiness of the people, we must seek to protect what we earnestly believe to be our own rights.

It is because I anticipate criticism that I speak about spiritual values and mention our relationship as a nation to the peoples of other countries. We do not covet our neighbor's house or anything that is his. But, my countrymen, we must insist upon those rights, privileges, and advantages that are essentially our own. It is to that thesis and to that alone that I have addressed myself.

We do not choose, never have chosen, and never will choose, to stand in the way of the national and commercial aspirations of any nation so long as they are essentially and rightfully hers. But we would not be worth our salt as a nation unless we demanded for ourselves those things that are ours by inheritance, tradition, and right. We would be untrue, each to his own State and to the Nation itself, if we did not seek to impress upon the Congress the course which will best "establish justice, insure domestic tranquillity, provide for the common defense, and promote the general welfare."

I shall be accused of being chauvinistic—I have been already this afternoon—that I am thinking of New York alone. I hotly deny this. What is good for New York in the matter under discussion is good for the American people. If this treaty were limited to the development of hydroelectric power out of our boundary waters, I should favor it with all my heart. I stayed up many a night to further legislation for the building of Boulder Dam. My State had no direct interest in that project. But it seemed to me a thing of national concern, because of the possible benefits for a great section of our common country.

I would favor a treaty with Canada for power development on the great river even though it would benefit Ontario just as much as New York. I would favor the canal if I felt it would really advance the interests of the Northwest. But, for the reasons I have given in part, I must declare myself as against a project which in my humble judgment would harm the country and by its disastrous economic effects do damage far in excess of any possible benefits.

(The editorial and letter submitted by Mr. WALSH at the beginning of Mr. COPELAND's speech and ordered to be printed in the RECORD are as follows:

[From the Baltimore Sun, Jan. 22, 1934]

A WIDE DISPARITY

In considering the arguments for and against the St. Lawrence waterway, one would be saved much trouble in arrival at the truth if he could simply adopt the thesis of Senator SHIPSTEAD, of Minnesota—that the opposition is inspired by the railroads and bankers for their own sinister ends. But admitting that these interests may be up to all kinds of deviltry, there remains to be explained a divergence between figures of cost issued by the War Department and those compiled by other investigators, the Brookings Institution, for example.

This divergence in estimate is so great as to make it impossible for searchers after the facts to accept the Senator's easy method of disposing of the whole business. The War Department's report to the President puts the net cost of the project at $182,726,250, assuming that New York is to pay $89,726,750. But in the survey of the Brookings Institution it is pointed out that the War Department's report embraces only the cost of the improvements in the St. Lawrence River and interconnecting lake channels. The cost of suitable lake harbors and requisite port facilities was not included. These improvements, however, are essential to the enterprise, and their cost must be paid by the taxpayers of Canada and the United States. They are an integral part of the undertaking.

The Brookings Institution's report consequently embraces expenditure for these improvements in its total, thus making the inclusive cost assignable to navigation, $600,000,000, with an additional outlay of $400,000,000 for power development, which brings the cost up to $1,000,000,000. That is so wide a disparity, compared with the estimates of the War Department, as to justify concern as to the accuracy of the latter. And not only is there this large variation in estimates of cost, but there is similar difference of views on estimated savings in transportation and in the amount of prospective traffic. Views diverge on the extent to which sea-going vessels will operate through the waterway and on other factors which must be given weight in determining the value of the project to shipping.

Taking the estimate of saving on shipment of grain, the Brookings Institution finds that the taxpayers would be contributing $2 a ton in order that the shipper might save 83 cents a ton. And this is aside from the question of the possibly disastrous effects of the waterway upon the railroads of the East, which the administration is enough concerned about to suggest that they should be permitted to charge rates that would enable them to establish sinking funds with which to pay off their bonds. Nor does it touch the competition the canal would set in motion with the Atlantic seaboard ports, disturbing the business structure upon which they have been built up. All in all, there is far too much involved in this enterprise for action to be taken on the Shipstead theory that the devilish interests are the whole opposition. There needs to be examination of facts.

MILWAUKEE, WIS., *January 16, 1934.*

The Honorable DAVID I. WALSH,
The United States Senate,
Washington, D.C.

MY DEAR SENATOR: I am writing you in connection with the St. Lawrence waterway. This project has been tremendously popular in most of the Middle Western States bordering on the Great Lakes and those outlying States from or to which products might be shipped via this route, and it has been sold to the people of this large territory on the theory that it will produce immense savings in cost of transportation of agricultural products, principally grain. Many wild guesses have been made of the savings which could be accomplished, all of which have been grossly exaggerated, and none of which apparently have taken into consideration the tremendous changes which have taken place in the past 10 or 15 years in the amount of export grain that is likely to move, and in the improved facilities and lower cost of transportation. No student of the situation as it now exists can possibly set up estimates in respect of grain that will

come anywhere near saving in cost of transportation the amount which it will cost to carry the investment which it is now proposed to make in this project.

On page 967 of the hearings before a subcommittee of the Committee on Foreign Relations of the United States Senate, Seventy-second Congress, part 2, will be found a statement which I forwarded to the subcommittee giving certain facts in connection with transportation of grain. My statements were purposely most conservative, as I allowed for a possible movement of 50 million bushels of United States grain via the St. Lawrence route, and estimated the annual carrying charge on the navigation project at not less than $15,000,000 per annum (Moulton, who is undoubtedly the best authority in the United States today, estimated it at $40,000,000 per annum).

The record of the season of navigation of 1933 is now available, and it discloses that not one single bushel of United States grain moved via the St. Lawrence route, although during the entire season vessel freight was abundant and very cheap. During this season a normal movement of Canadian grain took place at an average rate for the season of approximately 4 cents per bushel from Fort William to Montreal. I think it is a reasonable estimate that the Canadian movement provided for less than 25 percent of the Canadian vessel tonnage available for this route.

In my statement of December 12, 1932, I hinted at the efforts of our Government to reduce production to a domestic basis, and since that time, as you know, many millions of dollars have been collected in processing taxes from our citizens and paid to producers in an effort to curtail production and reduce surpluses of agricultural commodities, including wheat, and during this time our United States wheat prices have averaged from 20 cents to 30 cents per bushel higher than Canadian or Argentine or those countries competing for European or oriental wheat business. We may, therefore, quite definitely relinquish the idea that United States grain for export will provide tonnage for the St. Lawrence seaway, and even if it did in considerable amounts, there is not the slightest prospect of any saving to the United States producer in transportation costs.

Grain has been relied upon to produce approximately 60 percent of the traffic on all of the estimates that have so far been prepared of a possible movement via the St. Lawrence seaway, but the trend in the movement of grain is so definitely established, and the possibilities of savings on other commodities so extremely unlikely, that it would seem impossible for anybody except the most visionary person to anticipate within the next decade any volume of traffic that would represent a saving amounting to anywhere near the annual cost of carrying the investment which it is proposed to make, and it would furthermore seem that the present state of our Government's finances would make it imperative that no project of this magnitude be undertaken unless beyond any question of a doubt it could produce savings, with a safe margin for every contingency, that would justify the investment.

A 27-foot channel, if it is constructed, will just be a foot in the door. It will admit only a very limited use of the seaway by ocean vessels (Moulton estimates only 13 percent of the tonnage now operating on regular schedules out of Montreal) and by the time it is completed there will be a great campaign for a deeper channel and another large expenditure of money.

Public sentiment in those States directly concerned in this matter is still so influenced by data prepared when conditions were vastly different than they are now that it is almost considered heresy for those who live in this area to oppose it. I live, and am established in business, and the facilities which I control, and the nature of my business are such that if the proposition had any merit so far as grain is concerned, that would help the producer, my business certainly would increase; but I am so convinced of the unsoundness of this project that I am writing to you in the hope that you will be able to fairly and impartially decide this question purely on its merits, and I am convinced that if it is so considered that your position will be against any such undertaking at this time.

Sincerely yours,

H. M. STRATTON.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the St. Lawrence waterway project by Mr. D. B. Robertson, for the Railway Labor Executives' Association, before the Senate Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY D. B. ROBERTSON FOR THE RAILWAY LABOR EXECUTIVES' ASSOCIATION BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE ON THE ST. LAWRENCE WATERWAY PROJECT

I appear here as a representative of the Railway Labor Executives' Association, which is composed of the chief executives of the 21 standard railway labor organizations. The statement which I shall make represents the views of railway labor with respect to the pending St. Lawrence Waterway Treaty now under consideration by this committee.

First I desire to read to the committee a short statement prepared by a special committee of the association and approved by the association at a meeting held on November 16:

"*Members, Railway Labor Executives' Association.*

"SIRS AND BROTHERS: Having been appointed as a committee to investigate and report upon the subject of the St. Lawrence Waterway Treaty now under investigation by the Senate Committee on Foreign Relations, we beg to submit the following for consideration:

"For some time past the Railway Labor Executives' Association has shown considerable interest in the subject of unfair competition in the transportation industry, which included motor transportation service, pipe lines, and waterways. At a meeting of the association held at Washington, D.C., June 3–4, 1932, the following action was taken with regard to expenditure of public funds for the purpose of improving waterways for transportation purposes:

"'Moved and seconded that this association go on record as opposed to the expenditure of public funds for the purpose of deepening waterways for transportation purposes, as ample facilities now exist to handle all the transportation and more than the Nation requires, and copy of this resolution be furnished William Green, president American Federation of Labor. Carried.'"

"It was understood that the above action was not intended to interfere with the improvement of waterways in the interest of flood control, and in transmitting copy thereof to President Green of the American Federation of Labor, this point was made clear. The action of the association was acknowledged by President Green.

"In view of the policy already declared by the association, together with the fact that, in our opinion, present economic conditions and the status of the transportation industry of the Nation neither requires nor justifies any expenditure of public funds to create additional water transportation facilities, we recommend that for reasons, some of which are enumerated below, this association authorize the chairman, in conjunction with the executive committee, to arrange for an early appearance before the Senate Committee on Foreign Relations for the purpose of opposing, on behalf of this association and the railway employees represented thereby, the adoption of the St. Lawrence Waterway Treaty and the construction of the St. Lawrence shipway:

"First. Is not justified by economic necessity.

"Second. Would adversely affect labor conditions in the railroad industry in the United States and Canada and would greatly increase unemployment.

"Third. The present transportation plant and personnel is ample to handle the present and anticipated needs of the country for many years to come.

"Fourth. Any alleged necessity for waterway transportation is illusory. The net results of waterway transportation projects thus far have been to increase the cost of Government and taxation upon the people.

"Fifth. The construction of a St. Lawrence shipway would doubtless involve the United States and Canada in many international complications.

"Sixth. The net result to railway employees of the construction of a St. Lawrence shipway would be to tax railway employees in order to subsidize an enterprise that would eventually eliminate them from railroad service.

"Seventh. The construction of a St. Lawrence shipway would contribute toward the breaking down of our present rail transportation system and would nullify the efforts already made by the United States Government to protect our rail transportation system and the millions of its outstanding securities now held by insurance companies, financial institutions, and individual citizens.

"Respectfully submitted.

"D. B. ROBERTSON,
"C. J. MCGLOGAN,
"H. J. CHAPMAN."

Although this statement expresses the position of railway labor, the following additional remarks which might serve to clarify that position are respectfully submitted:

Testimony already presented to this committee, which has been given Nation-wide publicity, has in many respects stated the views of railway labor. It has been said, for example, that there exists no economic necessity for the waterway since the existing transportation facilities are far in excess of current needs and will be ample for many years to come. To this statement we fully subscribe. Car shortages are now a thing of the past, and are quite unlikely to recur at any time in the future. Surplus railway cars available for immediate use at the present time number approximately half a million, while about a quarter of a million additional cars, temporarily out of service, could quickly be made serviceable. At no time since the brief hectic period following the war has the demand for cars exceeded the available supply. Motive power likewise is and has for the past decade been more than adequate to care for the traffic offered for movement. In short, there is not now and there has not been since agitation for this St. Lawrence waterway started, any shortage in the facilities of the railroads to handle any and all the traffic to be moved.

At this point it seems appropriate to call attention to the fact that any original justification for the construction of a St. Lawrence deep waterway from a transportation standpoint was based on conditions that no longer exist. The International Joint Commission appointed by the Governments of the United States and Canada, which first studied and recommended the project in its report in 1921, stated that it would be valuable for the purpose of supplementing our inadequate railway facilities. At that time the railroads of the country had just been returned

to private ownership and control after their administration by the Government during the war. They were temporarily in need of large capital commitments for improving roadbed and structures and for additional facilities of all kinds. This condition passed, however, within a few years.

Let me mention another fact which, from our point of view, is vital to railway employees. Every ton of freight diverted from the railroads has its effect upon the job of some employee, and continued diversions result in the loss of jobs. In the United States and Canada at present there are many hundreds of thousands of unemployed railway workers, men trained by years of experience in the field of transportation. Most of these are idle because of the prevailing depression it is true, but many are without jobs because of the loss of traffic to highways and waterways which are enjoying substantial subsidies from the Government. Just how many railroad men have lost their jobs because of the waterway-development program of the Federal Government it would be impossible to say, because of other conditions which also exist, but it can be said without fear of successful contradiction that the number is very large.

Railway employees do not wish to be understood as objecting to anything that constitutes a forward step or which contributes to the public generally. They have submitted without protest in the past to technological improvements in the science of railroading which resulted in a reduced need for man labor. For example, 1,167,000 employees in 1931 moved about the same ton-miles of freight as it took the equivalent of over 2,000,000 men to move in 1913. If railway employees thought that the creation of waterways at public expense made available a better transportation service or a less costly one, all items considered, they would not and could not with good grace complain. But they are convinced that waterway service is not better than rail service, but is far inferior. They are also convinced that when all costs are taken into consideration, this inferior service is more expensive than railroad service.

A curious anomaly enters this waterway picture which is often overlooked. I refer to the fact that railway employees who are fortunate enough to have jobs are being taxed for the facilities which are striking at the foundations of their livelihood. Every railway employee earning more than the amount exempted from income tax pays into the Federal Government a sum of money each year. In addition, he pays his share of the other Federal taxes which others are obliged to pay. A part of the money he contributes is used by the Government to develop and operate waterways. Many proponents of public developments dismiss the tax argument with the suggestion that most of those who benefit are not in the income-paying class, and that the burden of expense falls upon a relatively small group possessed of wealth. In other words, that it is an indirect way of redistributing wealth so that all the people may derive some of its benefits. We do not deny the force of this as a general proposition, nor that the theory under ordinary circumstances works out that way, although we all participate indirectly in Federal taxation, through added living costs.

Here, however, is a different situation. Railway employees, as a group, pay substantial Federal taxes. A part of the taxes they pay are used by the Federal Government to subsidize a competing agency which, because of this subsidy, can transport goods for less than the railroads, and can consequently divert traffic from them. Railway employees depend for their jobs upon the traffic handled by the railways, and reductions in traffic volume mean reductions in forces or in rates of pay, or both. Thus the Government indirectly is using the taxes paid by railway employees to destroy them, which is a most unconscionable situation.

In addition to the taxes paid by employees, there are the taxes paid by the railway companies themselves and by the institutions and individuals who own their securities. These taxes likewise are being directed by the Government to a use which is detrimental to the railways. They are not being put to an economical use, for there is yet to be produced any proof that waterway transportation is better or cheaper than rail transportation, when all elements are weighed in the balance.

Now comes forward a proposal for further jeopardizing the railroads, their employees, and their investors. It is proposed by the treaty here under consideration to take more of the moneys paid by the taxpayers into the Federal Treasury and apply them toward a new competitor for the railroads; a new method for diverting traffic from the rails and cutting more employees from the railroad pay rolls; a method out of which they create no source of Federal income, but, on the contrary, further impair the ability of the American railroads to serve as a source of Federal taxation.

Testimony already in this committee's record indicates that, in spite of the fact that the proposed new St. Lawrence waterway would divert traffic from the rails, it would not result in any appreciable saving to shippers, particularly to shippers of agricultural commodities. It has been stated here that the rate on wheat now in effect via existing water routes from upper lake ports to Liverpool is 8 cents a bushel. The State Department in July of this year referred to an estimate made in 1926 that the waterway would result in a saving of 6 cents a bushel in transportation costs. At present the Montreal to Liverpool rate is 3½ cents a bushel. Obviously ocean carriers are not going to come inland as far as upper lake ports for wheat cargoes and charge less for the complete service than they now charge from the port of Montreal. I do not appear here as a rate expert equipped to discuss freight rates but merely wish to urge the committee to scrutinize closely the claims made by the proponents of this waterway.

Permit me to state that the railway labor organizations view with growing impatience the expeditions of the Federal Government into the field of transportation. They fail to see any economic benefit to anyone except some favored shippers from these expeditions and see clearly a great detriment in them to themselves and to the taxpaying public generally. If it is the purpose of the Government to make seaports of the present lake ports, what is to prevent the cities up and down the Mississippi and other inland rivers later from demanding similar treatment? It seems to railway labor that until it is more clearly shown that water transportation is superior to rail transportation, both in quality and price, the Government should proceed slowly in sinking vast sums of public funds into the rivers of this country.

I have said that the benefits from waterways flow principally to a selected few who can take advantage of the service. On the Ohio River it is estimated that 95 percent of the traffic consists of the property of large corporations owning and operating their own facilities. On the New York Barge Canal a large part of the traffic consists of the products of large motor, oil, and sugar corporations some of whom own their own barge equipment. It is interesting to note in this connection that when one purchases a Detroit-made automobile in New York City he must pay f.o.b. Detroit prices plus the rail freight rate to New York. The fact that the automobile might have moved into New York via water in the manufacturer's own vessel and by public right of way, without toll, does not result in any benefit to the New York purchaser. The manufacturer pockets the difference between the railroad rate and what it cost him to transport the car himself. I understand this is also true with respect to other commodities transported on the New York Canal and other waterways.

The railway labor organizations urge this committee to consider carefully the results which might flow from the ratification of this treaty and the development of the proposed waterway. We hope the committee will give thought to the effect this canal would have on the employees of the roads affected. The hundreds of thousands of railway employees who have lost their jobs in the past 2 years, partly because of the subsidies given railroad competitors by the Government, and the million who still have their jobs—though some are on a part-time basis—will not look with favor upon a project which not only increases the costs of Government but will delay, if not entirely prevent, the return to service of many who are unemployed, and will undermine the jobs of those who are fortunate enough to be employed at the present time.

We respectfully urge that all consideration of the project should be postponed, at least until the existing depression is over and normal economic conditions reestablished. Conditions of today are so uncertain that the matter cannot be adequately or soundly considered until they are past. Otherwise, the discussion of the contemplated project under the unprecedented conditions of the present depression is likely to assume the form of hypothetical suppositions. Even with the return of the country to normal activities, no proper consideration can, in our opinion, be given to the St. Lawrence deep waterway until our own domestic transportation problem is solved. We now have an excess of uncoordinated facilities, both of steam railways, truck and bus lines, and waterways, which urgently require uniform regulation and constructive treatment.

The present railroad situation is well known. The Government is attempting to assist the carriers through loans made by the Reconstruction Finance Corporation; the regulation of motor transportation is receiving the earnest consideration of various governmental and private agencies; the railroad employees last February voluntarily accepted a reduction in wages in order to assist the railroads to carry on during the depression.

The Federal Government has already advanced almost one half a billion dollars of its own funds to maintain the solvency and insure the continued operation of the railroads. More than 700,000 of the operating staff of the railways are now without employment and those still employed are working part time. While coping with these deplorable conditions we surely cannot properly consider the authorization of another huge waterway project, which will indisputably divert traffic from railways, render more difficult the maintenance of their financial solvency, and increase the volume of unemployment among the working forces. We believe that any proposal which tends to increase existing transportation facilities should be most carefully considered and approval withheld pending the clarification and settlement of the entire transportation problem. We feel that the first duty of the country is to rehabilitate and put on an efficient and profitable operating basis our existing transportation facilities before adding new ones. Unless this is done, the Government, in the case of the steam railroads, cannot hope to obtain payment of amounts now loaned to them and the railroads will doubtless undertake to further curtail employment in an effort to meet fixed charges and avoid receivership.

At this time to approve of the St. Lawrence Waterway Treaty would involve the expenditure of large sums of money and the building up of additional transportation facilities which, in the opinion of railway employees, would be most unwise and without economic justification. It is our opinion that instead of adding any new complications to the present transportation problems we should undertake to solve those now confronting us.

DECEMBER 2, 1932.

Mr. DAVIS. Mr. President, numerous statements have been made on this floor indicating the profit which will accrue to American labor in the future as a result of the St. Lawrence waterway construction program. However, Mr. Robertson, a profound student of transportation, speaking for 21 railway labor organizations, declares that—

> Present economic conditions and the status of the transportation industry of the Nation neither require nor justify any expenditure of public funds to create additional water transportation facilities.

The Senate has considered a great variety of arguments for and against the waterway, such as statements concerning needed fortifications, the possible internationalization of Lake Michigan, the formation of over 2,000 miles of new seacoast and the development of 30 great port cities, the specifications of the treaty of 1909, the engineering problems, the preparatory costs, possible savings in transportation costs, the potential uses of the canal, the diversion of waters from Georgian Bay into the St. Lawrence, the question of hydroelectric power, and many others.

Now that we have had an opportunity to think of many of the specific details relating to the waterway we may be in a position to consider the project in relation to our present national emergency. There are, without doubt, certain attractive features in this proposal. It may very well be that sometime in the future conditions will be ripe for this development. At the present time, however, I am convinced that the project does not meet the needs of our Nation.

In charting national policy we must always look to the future. This is in accord with the current report of Joseph B. Eastman, Federal Coordinator of Transportation. Our transportation problem involves our lake and ocean carriers, our automobile and bus facilities, and our airways, as well as our railroads. The competitive interests of all of these must receive profound consideration. The railroad problem is but one of numerous transportation issues, but after 8 months of study by a large group of transportation specialists, working with the sanction of the administration, the Eastman report on railroad coordination has no immediate suggestion for action. Will it be wise for the Senate to take action on this waterway project at this session when there is no general agreement, even among specialists, as to the general outlines of our future transportation program? Will it be expedient for the Senate to ratify a treaty which will bind us to a new transportation policy for our entire Nation before the general plan involving all our transportation facilities shall have received extended study and general acceptance by those qualified to give judgment?

The new waterway project is essentially a plan to increase our transportation facilities. Other considerations are involved, but the fundamental issue concerns distribution outlets. At the present time there is no conclusive evidence which indicates that we now need more national transportation. If in the future this need should become apparent, the problem can then be considered. At the present time, with an airways program incomplete, with bus travel problems unsolved in relation to other carriers, and with railroad investments suffering and railroad employees distracted with the thought of a possible unemployment crisis, we have enough to think about without burdening ourselves with problems which do not demand an immediate answer.

On January 4 President Roosevelt, in his Budget message, indicated that it would be necessary to borrow $10,000,000,000 in the next 6 months and that our national debt will extend up to almost $32,000,000,000 in 1935. Since the Budget message was transmitted to the Senate additional appropriations have been requested. One of these is for the St. Lawrence waterway. Authorities differ as to its cost. Estimates vary all the way from two hundred and fifty to one thousand million dollars. The immediate problem of our Government is to find revenue with which to discharge the obligations which have already been accepted. Loans will have to be secured from loyal citizens of our country. Bond issues will have to be floated successfully. As a matter of expediency, is it wise for our Government to continue to assume new financial responsibilities over and above the present requirements of a heavy Budget before proper provision has been made to provide for our present commitments? Is it not time to take stock of ourselves and of our ability to pay? It is no partisan consideration which leads me to ask this question, but, rather, thought for our national welfare.

With the war debts in default, with the national income cut in half, with a national debt incomparably greater than ever before, and with a need to borrow $10,000,000,000 in the next 6 months, is it economically sound for the Senate to sanction a treaty which calls for additional appropriations?

Sound credit and stable government are today the first requirements for business stability and national recovery. With 10,000,000 able-bodied and willing workers still unemployed, with relief measures uncertain, with the specter of unemployment staring railroad labor in the face, this seems to be an inopportune time to press any unnecessary transportation project upon the American people.

The National Recovery Act was passed for the purpose of relieving industry from the evils of cutthroat competition, and various codes have been enacted to promote that end. This seemed necessary because of the huge surpluses which exist on every hand. Our depression has frequently been referred to as a "famine of plenty." We weep because we have too much of everything. We should remember that we not only have surpluses of oil, coal, cotton, wheat, and other commodities, but, according to unimpeachable authority, we have at the present time an excess of transportation facilities. As there are now more transportation facilities than there is traffic, the St. Lawrence waterway would be just another unfair method of competition, costly to taxpayers, and a menace to railway labor. It is preposterous to put our Nation on a restricted-production program, which means that we shall have less to transport in every way, and at the same time ask the Nation to finance a new and unnecessary water-transport system.

Ours is a depression because of plenty. We weep because our barns are bursting with unused grain and our banks are filled with money which no one can borrow. We weep because we have so much cotton that we have to turn under every third row; so many hogs that we slaughter our brood sows by the million; so much corn that farmers have been compelled to burn it for fuel; so much coal that miners are lucky if they get 2 days' work in 7; and so much oil that the major part of it runs away from us and is wasted. Surrounded by too much of everything, including transportation, we now consider the possibility of stretching the national credit to build an unneeded waterway. If we do this thing, we shall have cause to weep.

Mr. LA FOLLETTE. Mr. President, I attempted to obtain the floor at the time the Senator from New York concluded his speech. At this late hour I would not attempt to make a full answer to the statements which the Senator made; but there are several which I do not wish to go unchallenged on the record today.

The Senator started his speech by reviving the long-since and well-buried all-American canal project. If I understood him correctly, he stated that he thought that it would cost about $150,000,000 to deepen the all-American canal sufficiently to permit vessels of 25-foot draft to pass from the Hudson River to the Great Lakes.

I hold in my hand Document No. 7 of the Committee on Rivers and Harbors of the House of Representatives for the Sixty-ninth Congress, second session, and this document contains a letter of transmittal from the then Chief of Engineers, General Jadwin. I should like to call attention to the table on pages 2 and 3 of this document, which makes some comparison between the St. Lawrence route and the all-American route, but in particular I wish to call attention to the fact that the estimated cost, as carried in this document, for the all-American canal, to which the Senator has just referred, is $506,000,000.

I also wish to point out that although the Senator from New York has indicated he is very anxious to have this water power developed, that he has been advocating here

this afternoon an alternative route to that of the Great Lakes-St. Lawrence waterway, which will cost $506,000,000 and not $150,000,000, as he indicated, and which will not result in the development of a single kilowatt-hour of electricity if it should be built.

Another point I wish to direct the attention of the Senate to is the question of fog, of which the Senator from New York made much in his speech. It seems rather surprising to me that the Senator, who lives in the city of New York, if I remember correctly, should raise a question concerning fog-hours as an argument against the St. Lawrence waterway. I wish to point out that fog-hours in this country along the Atlantic seaboard begin with 198 fog-hours annually at Savannah; 229 fog-hours per year at Charleston; 264 fog-hours per year at New Orleans; 373 fog-hours per year at Baltimore; 378 fog-hours per year at Norfolk; whereas at Montreal, which is now at the end of deep-water navigation on the St. Lawrence River, the fog-hours are 100 per year. At Point Peter, opposite Kingston, they are 212 fog-hours per year; at Toronto they are 440 fog-hours per year; whereas in the harbor of New York the fog-hours, on the average, are 1,064 per year.

In one breath the Senator maintains that because of the number of fog-hours per year it is impossible to navigate successfully the St. Lawrence waterway, and in another section of his speech he is apprehensive that if the waterway is opened it will result in making Montreal the greatest port on the American continent. The Senator knows, as does every Senator who has studied the geography of this situation, that every ton of cargo that enters the harbor of Montreal must pass down the St. Lawrence River and pass Belle Isle. Concerning his one trip down this route the Senator very graphically described the fog, but I assume he knows that his beloved New York has 1,064 fog-hours per year.

The Senator also reiterates the statements which have been made again and again by the opponents of this treaty. In one breath they contend that the waterway will not produce any traffic and in the next breath they contend that it will work great hardship upon the railway transportation systems of this country. In one breath the Senator says that there will be no wheat shipped from the great Northwest over the St. Lawrence waterway if it is opened. In the next breath he says that the shipment of all of this grain which will flow down the waterway will work a great detriment to our American railroads.

The Senator evidently has ignored, as have so many Senators who are opposing this treaty, the official summary of information which was transmitted by the President of the United States with his message to the Senate for consideration in connection with this project. This information, as every Senator knows, was gathered by four executive departments of this Government. So far as I know, not a single statement contained in those reports, nor in those summaries, has been successfully challenged by any person.

I desire to quote briefly from page 6 of Senate Document No. 110:

> The completion of the Great Lakes-St. Lawrence seaway will enable 70 percent of the world's ocean-going freight cargo tonnage to reach the Great Lakes and St. Lawrence River ports which serve the important industrial, agricultural, and commercial area described above. The potential export and import tonnage which will move via the seaway, based on 1929 conditions, is conservatively estimated in a special study prepared by the War Department at 13,000,000 tons, and the savings in transportation costs, as compared with present available routes, at approximately $79,000,000.
>
> * * * * * * *
>
> These savings and the basis for the figures arrived at are shown in detail in the report of the War Department.
>
> The report referred to is now being printed.
>
> On the basis indicated therein, it is shown that in 1929 there might have been moved over the proposed seaway a total of exports of 7,741,500 tons with a possible saving of $44,810,923, and an import movement of 5,742,333 tons with a possible saving of $34,082,207.
>
> * * * * * * *
>
> This saving of over $70,000,000 a year affecting both the producer and the consumer is based entirely upon foreign commerce. As stated above, our water-borne foreign commerce is only one fifth of the total water-borne commerce of the United States.

Mr. President, the Senator from New York continues to reiterate the opinion that the completion of the St. Lawrence seaway will injure the railroads of this country, which was also indicated in the brief remarks of the Senator from Pennsylvania, who also shares the apprehension that it will injure the railroad employees of this country.

I refer again to this official summary of information transmitted to the Senate by the President of the United States, after a most exhaustive survey by the departments of government which are in possession of the information necessary to formulate these conclusions, and I desire to read from page 8 as follows:

> Interstate Commerce Commission figures show that railroad freight ton-miles increased from an average of 167,712,000,000 in the 5 years, 1901–05 to an average of 430,378,000,000 for the 5 years, 1926–30, and that, with the exception of the abnormal war period, the rate of increase has been remarkably steady, with no sign of diminution. This is significant in view of the fact that recent years have been characterized by increasing competition on waterways and highways. The trend would indicate a demand for about 650,000,000,000 ton-miles of freight traffic in 1950, an increase of 200,000,000,000 ton-miles as compared with the 1929 peak.

Not satisfied with having worked out this prediction upon the basis of the average annual increase, the Department undertook a different calculation based on the increase in population and the increase in per capita ton-miles of traffic. They concluded:

> A similar analysis based on population growth and increase in per capita ton-miles of traffic suggests approximately the same conclusion and warrants the conviction that by 1950 the increase in traffic offered to the country's transportation agencies will be at least 30 times the probable traffic via the seaway. If the comparison is limited to the railroads paralleling the proposed seaway, it appears that increased demands for traffic will exceed the potential traffic of the seaway at least 10 times over.

Mr. President, the same arguments which have been made against the opening of this seaway could have been made and, I have no doubt, were made against the opening of the Panama Canal. Certainly the Panama Canal offers a remarkable example and demonstration of what competition between water-borne and rail traffic may produce, insofar as it affects the railroads of the country. In 1915, when the canal was opened, it had a traffic of approximately 4,888,000 tons. In 1929 it had a traffic of approximately 30,000,000 tons. It was during this period, and I hope Senators will bear this in mind, that the western roads—which are more directly in competition with the Panama Canal and water-borne commerce that comes through it than others—experienced the greatest increase in their business and in their earnings of any period in their history.

I want to point out that the western railroads during this period had the all-time peak of their earnings, being $336,000,000 in 1929, which was 48 percent more than they had ever earned as net in any period prior to the opening of the Panama Canal.

Of course this project, which is to be permanent and for all time, cannot be judged by this year of depression, and it goes without saying that we are justified in taking averages and normal periods in contemplation of a project which will be of service for all time to come.

Therefore, after most careful consideration of the project from the point of view of the effect upon the railroads and upon railroad employees, I am convinced that the building of the waterway will not throw a single railroad employee out of work and will not injure a single railroad in the United States. On the contrary, I am confident that this waterway, like the Panama Canal, will carry the heavy, bulky commodities which are low-revenue producers for the railroads, but which at the same time will stimulate and increase the traffic for railroads of the higher-revenue type of freight.

The Senator from New York expresses an opinion as to the attitude which my father would take upon this project if he were alive and in this body today. Since his death

I have never presumed to speak for my father upon any question upon which he had not already taken a public position. But I think it may be of some interest to the Senator from New York to know that the first time the St. Lawrence seaway project was ever endorsed in a political platform in this country was in 1920, when it was endorsed by the Progressives of Wisconsin. It was in the platform upon which my father was elected to the United States Senate in 1922. It was in the platform upon which he became an independent candidate for President in 1924, and upon that platform the standard labor organizations of the country supported my father for President. No person in this country, prior to his death, had ever given more time or consideration to this project than had my father, and he was one of its most ardent advocates.

The Senator from New York also mentions the Seamen's Act. The Senator's statement indicates that he does not understand the Seamen's Act if he has any apprehension that the opening of the seaway will operate in any manner against American sailors upon American ships. One of the principal sections of the Seamen's Act was the provision which did away with the right of foreign vessels to keep their crews upon board in a safe harbor of the United States. This has resulted in an equalization of wages which has put American shipping on a more competitive basis with foreign shipping than any other step which has been taken by this country.

In the second place I want to point out that 80 percent of the water-borne commerce of the United States is domestic commerce. If this seaway is opened we are justified in assuming that a great percentage, at least 80 percent, of commerce upon the seaway will be coastwise commerce open alone to ships of American registry and flying the American flag. I likewise believe we are justified in assuming that this commerce will benefit ports along the Atlantic seaboard, the Gulf, and the Pacific.

Mr. President, the Senator from New York repeats his demand made in the speech which he delivered last spring for more economic surveys of this project. This project has had more study, has had more official reports rendered upon it, than any other project which has ever been contemplated or under consideration by any government in the world. Every one of the studies and every one of the reports from official sources has been favorable for the completion of the project. But now the Senator from New York refuses to study the economic surveys which have been prepared at the direction of the President of the United States and transmitted to the Senate and printed so that they might be readily accessible to Senators who care to give the treaty a fair consideration.

Of what avail is it to have these studies made if Senators like the Senator from New York refuse even to give them a reading before they take the floor to oppose this treaty?

Here is a recent survey by four departments of the Government, officially made at the direction of the President of the United States. The results of the survey have been transmitted for the consideration of Senators. They completely sustain this project upon every point of attack; and yet the Senator from New York rises in the face of these overwhelming statistical, economic, and engineering data and asks for more.

Mr. President, it seems to me that before Senators impeach the intelligence of the President of the United States in transmitting this message to the Senate with this new material gathered at his direction, they should at least do him the honor of reading this material and giving it their unbiased and impartial consideration.

MOUNT PLEASANT INDIAN SCHOOL, MICHIGAN

As in legislative session,

Mr. VANDENBERG. Mr. President, as in legislative session, and on behalf of the senior Senator from Montana [Mr. WHEELER], who is Chairman of the Indian Affairs Committee, I report back favorably, without amendment, Senate Bill 2152, granting certain property to the State of Michigan for institutional purposes; and I submit a report (No. 202) thereon.

This is a bill to transfer the property of the Mount Pleasant Indian School at Mount Pleasant, Mich., from the Federal Government to the State government. I desire to make a brief statement in connection with it.

This happens to be an emergency matter so far as the State of Michigan is concerned. The Indian school has been closed, and never will be reopened. The few Indians involved have been assimilated into the regular educational system. Therefore, this property is remaining idle. The State of Michigan by legislative act has offered to close it into its own institutional system, and put it to work for the benefit of the people of Michigan. The program has the unanimous support not only of the committee but of the Secretary of the Interior and of the Commissioner of Indian Affairs.

I have spoken to the senior Senator from Arkansas [Mr. ROBINSON], the able majority leader, and to the minority leader, the Senator from Oregon [Mr. MCNARY], and there seems to be no objection to the present consideration of the bill. Therefore, as in legislative session, I ask for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON of Arkansas. I have no objection.

The VICE PRESIDENT. The Chair hears no objection.

The Senate proceeded to consider the bill, which was read, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby granted to the State of Michigan for institutional purposes the property known and designated as the "Mount Pleasant Indian School", located at Mount Pleasant, Mich., such grant to include the land and buildings and such equipment as may be designated by the Secretary of the Interior: *Provided*, That this grant shall be effective at any time prior to July 1, 1934, if before that date, the Governor of the State of Michigan on behalf of the State files an acceptance thereof with the Secretary of the Interior: *Provided further*, That right is reserved by the Secretary of the Interior to retain until July 1, 1934, dormitory and other space needed for the housing and care of Indian pupils now accommodated at said school: *Provided further*, That as a condition precedent to this grant Indians resident within the State of Michigan will be accepted in State institutions on entire equality with persons of other races, and without cost to the Federal Government.

COMMITTEE SERVICE

As in legislative session,

Mr. ROBINSON of Arkansas. Mr. President, as in legislative session, I ask that the Senator from Tennessee [Mr. BACHMAN], the Senator from New Hampshire [Mr. BROWN], and the Senator from Montana [Mr. ERICKSON] be assigned to the Committee on Commerce to fill vacancies on behalf of the majority.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

SENATOR FROM PENNSYLVANIA

As in legislative session,

Mr. ROBINSON of Arkansas. Mr. President, on March 2, 1933, the Governor of Pennsylvania, Mr. Pinchot, addressed to the President of the Senate a letter relative to the certificate of election of the junior Senator from Pennsylvania [Mr. DAVIS]. In the letter he stated:

I am enclosing herewith a separate communication addressed to you and through you to the Senate of the United States. I request that the contents of this separate communication shall not be made public until after a verdict shall have been reached in the case now pending against the said JAMES J. DAVIS in the District Court of New York or until such time as the Senate of the United States shall deem fit and proper for its publication.

Thereupon the following entry was made in the Journal as of Friday, March 3, 1933:

CREDENTIALS OF SENATOR FROM PENNSYLVANIA

The Vice President laid before the Senate the credentials of JAMES J. DAVIS, duly chosen a Senator by the qualified electors of the State of Pennsylvania, for the term beginning March 4, 1933, which were read and ordered to be placed on file.

The Vice President laid before the Senate a communication from the Governor of Pennsylvania enclosing a separate communication to the Senate with a request that its contents be not made public until such time as the Senate may deem fit and proper, which was ordered to be placed on file.

Mr. President, there has been no publication of the contents of the separate communication. It is in the files of

the Senate. The verdict in the case referred to has been returned. I move that the Secretary of the Senate be directed to return the separate communication referred to in the record mentioned to the Governor of Pennsylvania. He will then be at liberty to send an open communication to the Senate or to publish the contents of his letter if he chooses to do so.

The VICE PRESIDENT. Without objection, the order will be entered. The Chair hears no objection.

EXECUTIVE ORDERS RELATING TO VETERANS' REGULATIONS

As in legislative session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, ordered to lie on the table, as follows:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith certified copies of the following Executive orders which were approved by me on January 19, 1934:

Executive Order No. 6565 (Veterans' Regulations No. 1 (c)).

Executive Order No. 6566 (Veterans' Regulation No. 6 (b)).

Executive Order No. 6567 (Veterans' Regulation No. 9 (b)).

Executive Order No. 6568 (Veterans' Regulation No. 10 (c)).

Executive Order No. 6565 amends Executive Orders No. 6156, June 6, 1933, and No. 6229, July 28, 1933.

Executive Order No. 6566 amends Executive Order No. 6232, July 28, 1933.

Executive Order No. 6567 amends Executive Order No. 6158, June 6, 1933.

Executive Order No. 6568 amends Executive Orders No. 6098, March 31, 1933, and No. 6234, July 28, 1933.

These veterans' regulations were issued in accordance with the terms of title I, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 23, 1934.*

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. DILL, from the Committee on the Judiciary, reported favorably the nomination of John D. Clifford, Jr., of Maine, to be United States attorney, district of Maine, to succeed Frederick R. Dyer, resigned, which was ordered to be placed on the calendar.

Mr. SMITH, from the Committee on Agriculture and Forestry, reported favorably the nomination of Willis R. Gregg, of New York, to be Chief of the Weather Bureau of the Department of Agriculture, which was ordered to be placed on the calendar.

EXECUTIVE CALENDAR

Mr. ROBINSON of Arkansas. I ask that the Senate proceed to consider the Executive Calendar.

The VICE PRESIDENT. Without objection, the nominations on the calendar will be considered.

INTERSTATE COMMERCE COMMISSION—FEDERAL TRADE COMMISSION

Mr. ROBINSON of Arkansas. I ask that the first two nominations on the calendar—that pertaining to the Interstate Commerce Commission, and that pertaining to the Federal Trade Commission—be passed over for the day.

The VICE PRESIDENT. Is there objection? The Chair hears none.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Ralph W. Wescott to be comptroller of customs, district no. 11, Philadelphia, Pa.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of Joseph B. Keenan, of Ohio, to be Assistant Attorney General.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUERTO RICO

The Chief Clerk read the nomination of Blanton Winship, of Georgia, to be Governor of Puerto Rico.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Benjamin J. Horton, of Puerto Rico, to be attorney general of Puerto Rico.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE JUDICIARY

The Chief Clerk read the nomination of George F. Alexander to be district judge, division no. 1, District of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of J. Earl Major to be United States district judge, southern district of Illinois.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Robert A. Cooper to be United States district judge, district of Puerto Rico.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Anacleto Diaz, of the Philippine Islands, to be associate justice of the Supreme Court of the Philippine Islands.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Leonard S. Goddard, of Tennessee, to be associate justice of the Supreme Court of the Philippine Islands.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John W. Holland to be United States attorney, southern district of Florida.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Lawrence S. Camp to be United States attorney, northern district of Georgia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of J. Saxton Daniel to be United States attorney, southern district of Georgia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joseph M. Donnelly to be United States attorney, western district of Michigan.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James H. Baldwin to be United States attorney, district of Montana.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James O. Carr to be United States attorney, eastern district of North Carolina.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Marcus Erwin to be United States attorney, western district of North Carolina.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Powless W. Lanier to be United States attorney, district of North Dakota.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Emerich B. Freed to be United States attorney, northern district of Ohio.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Francis Canny to be United States attorney, southern district of Ohio.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William R. Smith, Jr., to be United States attorney, western district of Texas.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Thomas Gaffney to be United States marshal, division no. 2, district of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Adam M. Lewis to be United States marshal, northern district of Florida.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George A. Meffan to be United States marshal, district of Idaho.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of John J. Murphy to be United States marshal, district of Massachusetts.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William B. Fahy to be United States marshal, eastern district of Missouri.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William F. Goucher to be United States marshal, district of Rhode Island.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James R. Wright to be United States marshal, northern district of Texas.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Albert A. Sanders to be United States marshal, district of Wyoming.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. ROBINSON of Arkansas. Mr. President, no. 121 on the Executive Calendar—the nomination of Robert A. Cooper to be United States district judge, District of Puerto Rico—has just been confirmed by the action of the Senate. There is a vacancy. There is necessity for the immediate functioning of that officer, and he is ready to sail at once. I therefore ask unanimous consent that the President be notified of the confirmation of that particular nomination.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 5 o'clock and 18 minutes p.m.) the Senate, in executive session, took a recess until tomorrow, Wednesday, January 24, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 23, 1934

UNITED STATES ATTORNEYS

Clinton R. Barry, of Arkansas, to be United States attorney, western district of Arkansas, to succeed William N. Ivie, whose term expired January 20, 1934.

Maurice M. Milligan, of Missouri, to be United States attorney, western district of Missouri, to succeed William L. Vandeventer, whose resignation is effective at the close of January 31, 1934.

J. Howard McGrath, of Rhode Island, to be United States attorney, district of Rhode Island, to succeed Henry M. Boss, Jr., whose term expired December 16, 1933.

MEMBERS OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

The following-named persons for reappointment as members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1934:

Harvey C. Couch, of Arkansas.

Jesse H. Jones, of Texas.

Frederic H. Taber, of Massachusetts.

C. B. Merriam, of Kansas.

John J. Blaine, of Wisconsin.

Charles B. Henderson, of California, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1934, vice Wilson McCarthy, resigned.

REGISTERS OF THE LAND OFFICE

George J. Love, of Alaska, to be register of the land office at Anchorage, Alaska, vice J. Lindley Green.

Mrs. Mary G. Rose, of Nevada, to be register of the land office at Carson City, Nev., vice Miss Clara M. Crisler, term expired.

Arthur J. Ewing, of Idaho, to be register of the land office at Coeur d'Alene, Idaho, vice William Ashley.

Ira H. Masters, of Idaho, to be register of the land office at Blackfoot, Idaho, vice Ezra P. Monson.

Thomas F. Corbally, of Montana, to be register of the land office at Great Falls, Mont., vice Murdock Donald Nicholson.

William H. Canon, of Oregon, to be register of the land office at Roseburg, Oreg., vice Hamill A. Canaday, term expired.

Fred S. Minier, of South Dakota, to be register of the land office at Pierre, S.Dak., vice Guy Francis Barnes.

George E. Stone, of Washington, to be register of the land office at Spokane, Wash., vice Arthur Wellington Doland.

Loraine Rollins, of Wyoming, to be register of the land office at Evanston, Wyo., vice Joseph T. Booth, term expired.

Theodore Wanerus, of Wyoming, to be register of the land office at Buffalo, Wyo., vice J. Ira Kirby, term expired.

William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo., vice Mart I. Christensen, term expired.

POSTMASTERS

ALABAMA

Thomas S. Christian to be postmaster at Alexander City, Ala., in place of W. H. Carlisle, removed.

James G. Brown to be postmaster at Atmore, Ala., in place of J. S. Mathis, resigned.

James F. Creen, Jr., to be postmaster at Blue Mountain, Ala. Office became Presidential July 1, 1933.

Charles W. Horn to be postmaster at Brantley, Ala., in place of C. W. Horn. Incumbent's commission expired January 15, 1933.

Francis G. Rowland to be postmaster at Childersburg, Ala., in place of F. A. Brewer, resigned.

Samuel J. Sanders to be postmaster at Fayette, Ala., in place of J. R. Fowler, resigned.

Ernest D. Manning to be postmaster at Florala, Ala., in place of J. W. Snipes, resigned.

Herman Pride to be postmaster at Georgiana, Ala., in place of M. D. Majors, removed.

Lewis A. Easterly to be postmaster at Hayneville, Ala., in place of L. A. Easterly. Incumbent's commission expired December 18, 1933.

Julian J. Chambliss to be postmaster at Hurtsboro, Ala., in place of M. W. Simpson, resigned.

William C. Stearns to be postmaster at Lanett, Ala., in place of H. M. Gay, resigned.

John W. Johnson to be postmaster at Langdale, Ala., in place of J. W. Johnson. Incumbent's commission expired February 28, 1933.

Maurice F. Law to be postmaster at Linden, Ala., in place of H. F. Little, deceased.

William M. Moore to be postmaster at Luverne, Ala., in place of A. R. Byrd, removed.

Benjamin F. Beesley to be postmaster at McKenzie, Ala., in place of B. F. Beesley. Incumbent's commission expired February 23, 1930.

Roy L. Nolen to be postmaster at Montgomery, Ala., in place of R. A. Lifsey, resigned.

Jesse B. Adams to be postmaster at Ozark, Ala., in place of C. M. Cox, deceased.

James R. Moody to be postmaster at Russellville, Ala., in place of G. W. Graves, removed.

Bettie T. Forster to be postmaster at Thomasville, Ala., in place of B. T. Forster. Incumbent's commission expired May 29, 1932.

Ferne W. Rainer to be postmaster at Union Springs, Ala., in place of M. E. Forsyth, resigned.

Roy G. Carpenter to be postmaster at Winfield, Ala., in place of James McDonald, resigned.

Benjamin L. Edmunds to be postmaster at West Blocton, Ala., in place of R. M. Bearden, resigned.

ARKANSAS

Benjamin F. Love to be postmaster at Mountain Home, Ark., in place of I. J. Morris, resigned.

James H. Nobles to be postmaster at Parkdale, Ark., in place of N. P. Atkin, resigned.

George O. Yingling to be postmaster at Searcy, Ark., in place of C. A. Kelley, removed.

Clyde P. Flatt to be postmaster at Siloam Springs, Ark., in place of M. S. Klopfenstein, removed.

Isaac H. Steed to be postmaster at Star City, Ark., in place of M. W. Russell. Incumbent's commission expired May 25, 1932.

Thomas B. Gatling to be postmaster at Bearden, Ark., in place of W. V. Trautman, removed.

Herbert A. Whitley to be postmaster at Bradford, Ark., in place of L. A. Callis. Incumbent's commission expired April 23, 1932.

Mabel Edith Whaley to be postmaster at Sulphur Springs, Ark., in place of Lena Hodges, resigned.

CALIFORNIA

Annie G. Bedford to be postmaster at Anderson, Calif., in place of A. G. Bedford. Incumbent's commission expired February 5, 1933.

Jay K. Battin to be postmaster at Angwin, Calif., in place of J. K. Battin. Incumbent's commission expired December 19, 1932.

Palmer C. Risley to be postmaster at Arrowhead Springs, Calif. Office became presidential July 1, 1933.

Joseph G. Petar to be postmaster at Bolinas, Calif. Office became presidential July 1, 1933.

Blanche E. White to be postmaster at Chatsworth, Calif., in place of B. E. White. Incumbent's commission expired September 30, 1933.

Ida M. Fink to be postmaster at Crows Landing, Calif., in place of I. M. Fink. Incumbent's commission expired December 18, 1933.

James R. Kilkenny to be postmaster at Dixon, Calif., in place of Brock Dickie, deceased.

Bessie L. Rogers to be postmaster at Esparto, Calif., in place of B. L. Rogers. Incumbent's commission expired December 18, 1933.

Bertha V. Eaton to be postmaster at Florin, Calif., in place of B. V. Eaton. Incumbent's commission expired December 10, 1933.

Ada E. Bradley to be postmaster at Custine, Calif., in place of A. E. Bradley. Incumbent's commission expired December 16, 1933.

George J. Nevin to be postmaster at Huntington Park, Calif., in place of W. L. Cleveland, deceased.

Harold V. Tallon to be postmaster at Jackson, Calif., in place of H. V. Tallon. Incumbent's commission expired November 20, 1933.

William H. Rapp to be postmaster at Loyalton, Calif., in place of W. H. Rapp. Incumbent's commission expired December 16, 1933.

Susie K. Smith to be postmaster at Mecca, Calif., in place of S. K. Smith. Incumbent's commission expired October 10, 1933.

Alva A. Fields to be postmaster at Modesto, Calif., in place of D. W. Morris. Incumbent's commission expired December 18, 1933.

James H. Pearce to be postmaster at Oilfields, Calif. Office became Presidential July 1, 1933.

Genevieve Frahm to be postmaster at Palmdale, Calif., in place of Genevieve Frahm. Incumbent's commission expired December 18, 1933.

Josephine Purcell to be postmaster at Represa, Calif., in place of Josephine Purcell. Incumbent's commission expired December 18, 1933.

Grace E. Patterson to be postmaster at Samoa, Calif., in place of G. E. Patterson. Incumbent's commission expired December 19, 1932.

Roy J. Summers to be postmaster at San Simeon, Calif. Office became presidential July 1, 1932.

E. Louise Holmquist to be postmaster at Tarzana, Calif. Office became presidential July 1, 1933.

Richard M. Wood to be postmaster at Thermal, Calif., in place of W. P. Rouse, resigned.

Hazel Hooker to be postmaster at Waterman, Calif., in place of Hazel Hooker. Incumbent's commission expired October 31, 1933.

Edna M. Sheridan to be postmaster at Monte Rio, Calif., in place of E. M. Sheridan. Incumbent's commission expired February 12, 1933.

Charles A. Graf to be postmaster at Winters, Calif., in place of O. A. Woods, removed.

COLORADO

William B. Sutley to be postmaster at Center, Colo., in place of J. M. Deitrich, resigned.

Julio C. Averill to be postmaster at Cragnor, Colo., in place of G. H. Felton. Incumbent's commission expired December 10, 1932.

Joseph B. Sella to be postmaster at Estes Park, Colo., in place of B. J. Wright. Incumbent's commission expired December 14, 1932.

Michael J. Brennan to be postmaster at Erie, Colo., in place of W. B. Edwards. Incumbent's commission expired February 25, 1933.

Arthur J. Elmgreen to be postmaster at Evergreen, Colo., in place of N. M. Mickey. Incumbent's commission expired December 13, 1932.

Robert E. McCunniff to be postmaster at La Jara, Colo., in place of I. B. Richardson, resigned.

Grace M. Crouse to be postmaster at La Veta, Colo., in place of C. C. Coleman, removed.

Frank Brady to be postmaster at Manassa, Colo., in place of E. C. Van Fradenburg, resigned.

Edna A. Kennedy to be postmaster at Peetz, Colo., in place of F. E. Arnett. Incumbent's commission expired December 13, 1932.

Grace E. O'Neill to be postmaster at Platteville, Colo., in place of Siegfried Salomon, deceased.

Lulu C. Marold to be postmaster at Saguache, Colo., in place of Daniel Vigil, deceased.

Matthew W. Huber to be postmaster at Victor, Colo., in place of H. G. Moore, deceased.

James G. Evans to be postmaster at Wray, Colo., in place of V. V. Vining. Office became Presidential January 9, 1933.

Roy Staley to be postmaster at Arvada, Colo., in place of R. L. Newton, deceased.

Thomas H. Hargreaves to be postmaster at Holyoke, Colo., in place of R. L. Anderson. Incumbent's commission expired June 19, 1933.

William B. Giacomini to be postmaster at Sterling, Colo., in place of C. J. Funk, resigned.

Ben B. Beshoar to be postmaster at Trinidad, Colo., in place of J. S. Grisham. Incumbent's commission expired December 18, 1933.

CONNECTICUT

William S. Scranton to be postmaster at East River, Conn. Office became Presidential July 1, 1933.

Charles E. Gray to be postmaster at North Stonington, Conn., in place of C. E. Gray. Incumbent's commission expired November 20, 1933.

DELAWARE

Inga K. Tubbs to be postmaster at Selbyville, Del., in place of L. R. Hill, removed.

FLORIDA

Fred H. Gibbons to be postmaster at Archer, Fla., in place of F. H. Gibbons. Incumbent's commission expired January 9, 1934.

Jefferson Gaines to be postmaster at Bocagrande, Fla., in place of Jefferson Gaines. Incumbent's commission expired October 31, 1933.

Elmer N. Burnett to be postmaster at Brewster, Fla., in place of Benjamin Burnett, deceased.

Charles A. Miller to be postmaster at Crystal River, Fla., in place of C. A. Miller. Incumbent's commission expired January 9, 1934.

Edward L. Powe to be postmaster at De Land, Fla., in place of M. C. Douglas, resigned.

Hermina C. Hammers to be postmaster at Fort Barrancas, Fla. Office became Presidential July 1, 1933.

Elmer W. McCreary to be postmaster at Gainesville, Fla., in place of L. C. Lynch, deceased.

Adam E. Koehler to be postmaster at Jacksonville Beach, Fla., in place of A. E. Koehler. Incumbent's commission expired October 31, 1933.

Burdett Loomis, Jr., to be postmaster at Pierce, Fla. Office became Presidential July 1, 1933.

J. Herman Manucy to be postmaster at St. Augustine, Fla., in place of E. R. Groff, removed.

Maude M. B. Martin to be postmaster at Sebastian, Fla. Office became Presidential July 1, 1932.

Oscar C. McDaniel to be postmaster at Sneads, Fla., in place of B. B. Wilson, resigned.

Girard N. Denning to be postmaster at Winter Park, Fla., in place of L. M. Chubb, resigned.

Emma S. Fletcher to be postmaster at Havana, Fla., in place of E. S. Fletcher. Incumbent's commission expired January 9, 1934.

Frederick S. Archer to be postmaster at Howey In The Hills, Fla., in place of F. S. Archer. Incumbent's commission expired September 30, 1933.

Myrtis Lawson to be postmaster at Jasper, Fla., in place of W. L. Bryan, resigned.

Dudley H. Morgan to be postmaster at River Junction, Fla., in place of D. H. Morgan. Incumbent's commission expired January 9, 1934.

Morton O. Brawner to be postmaster at Pensacola, Fla., in place of M. E. Clark. Incumbent's commission expired October 10, 1933.

GEORGIA

Ruth D. McClure to be postmaster at Acworth, Ga., in place of Karleene Fowler, removed.

Cleo H. Price to be postmaster at Adairsville, Ga., in place of C. W. Satterfield, resigned.

George E. Youmans to be postmaster at Adrian, Ga., in place of G. E. Youmans. Incumbent's commission expired January 9, 1933.

George B. McIntyre to be postmaster at Ailey, Ga., in place of G. B. McIntyre. Incumbent's commission expired November 12, 1933.

Dan L. Gibson to be postmaster at Albany, Ga., in place of N. B. Brimberry, resigned.

John G. Gruber to be postmaster at Alma, Ga., in place of B. S. McMahan, removed.

Chester Maynard to be postmaster at Austell, Ga., in place of E. C. Ware, removed.

Henrietta E. Butt to be postmaster at Buena Vista, Ga., in place of H. E. Butt. Incumbent's commission expired October 31, 1933.

Arthur C. Little to be postmaster at Carnesville, Ga., in place of C. P. Sanders, resigned.

Guy H. Wells to be postmaster at Collegeboro, Ga. Office became Presidential July 1, 1932.

Robert H. Manson to be postmaster at Darien, Ga., in place of R. H. Manson. Incumbent's commission expired May 23, 1933.

Wylie West to be postmaster at Decatur, Ga., in place of G. M. Greely, resigned.

Oliver F. Deen to be postmaster at Douglas, Ga., in place of A. W. Haddock, removed.

William A. Adams to be postmaster at Fitzgerald, Ga., in place of W. A. Adams. Incumbent's commission expired February 28, 1933.

Mary V. Lynch to be postmaster at Fort Screven, Ga., in place of M. V. Lynch. Incumbent's commission expired September 30, 1933.

Augustus B. Mitcham, Jr., to be postmaster at Hampton, Ga., in place of C. W. Fields, resigned.

Glossie A. Dunford to be postmaster at Helena, Ga., in place of G. A. Dunford. Incumbent's commission expired March 2, 1933.

Fannie M. Vaughn to be postmaster at Jeffersonville, Ga., in place of F. M. Vaughn. Incumbent's commission expired September 30, 1933.

Charles Clements to be postmaster at La Fayette, Ga., in place of J. A. Allen, resigned.

Jane M. Wilkes to be postmaster at Lincolnton, Ga., in place of J. M. Wilkes. Incumbent's commission expired June 19, 1933.

Rhesa S. Farmer to be postmaster at Louisville, Ga., in place of R. H. Clark. Incumbent's commission expired December 20, 1930.

Aligene B. Howard to be postmaster at Ludowici, Ga., in place of F. L. Chapman, removed.

Peyton T. Anderson to be postmaster at Macon, Ga., in place of F. D. Stephens, deceased.

Edward A. Tigner to be postmaster at Milledgeville, Ga., in place of H. T. Cline, resigned.

Marion Lucas to be postmaster at Savannah, Ga., in place of Marion Lucas. Incumbent's commission expired May 23, 1933.

Susie M. Lunsford to be postmaster at Smithville, Ga., in place of S. M. Lunsford. Incumbent's commission expired May 23, 1933.

George T. Groover to be postmaster at Statesboro, Ga., in place of W. H. Blitch, resigned.

Mamie G. White to be postmaster at Stone Mountain, Ga., in place of J. P. Freeman, resigned.

Bertha L. Boyd to be postmaster at Union Point, Ga., in place of A. G. Lunceford, resigned.

Tilden A. Adkins to be postmaster at Vienna, Ga., in place of T. A. Adkins. Incumbent's commission expired May 22, 1933.

Charles H. Orr to be postmaster at Washington, Ga., in place of G. A. Poche, resigned.

Sim A. Gray to be postmaster at Waynesboro, Ga., in place of R. E. Fulcher. Incumbent's commission expired December 19, 1931.

Robert B. Bryan to be postmaster at Wrightsville, Ga., in place of R. B. Bryan. Incumbent's commission expired November 12, 1933.

Hardy S. McCalman to be postmaster at Buchanan, Ga., in place of A. R. Hutcheson, resigned.

Fred J. Forbes to be postmaster at Cave Spring, Ga., in place of A. N. Tumlin, resigned.

Louzier J. Wood to be postmaster at Cuthbert, Ga., in place of H. J. Knowles, deceased.

Levi P. Grainger to be postmaster at Blackshear, Ga., in place of L. E. Sweat, removed.

Sara B. Green to be postmaster at Fairburn, Ga., in place of M. W. Parker. Incumbent's commission expired June 19, 1933.

Stanley L. Morgan to be postmaster at Fayetteville, Ga., in place of M. M. Lewis. Incumbent's commission expired February 28, 1933.

Arley D. Finley to be postmaster at Hazlehurst, Ga., in place of J. H. Boone, removed.

W. Brantley Daniel to be postmaster at Millen, Ga., in place of E. A. Herrington, resigned.

Arthur B. Caldwell to be postmaster at Smyrna, Ga., in place of W. V. Cobb, removed.

Myrtle Louise Walker to be postmaster at Soperton, Ga., in place of B. H. McLarty, resigned.

HAWAII

Henry K. Pali to be postmaster at Kaunakakai, Hawaii, in place of H. E. Apo, removed.

Margaret de Coite Souza to be postmaster at Makauno, Hawaii, in place of Alfred Ornellas, removed.

Antonio D. Furtado to be postmaster at Lahaina, Hawaii, in place of M. K. Bruss, removed.

IDAHO

Anna R. Briggs to be postmaster at Atlanta, Idaho. Office became Presidential July 1, 1933.

Ida M. Helton to be postmaster at Homedale, Idaho, in place of I. M. Helton. Incumbent's commission expired December 11, 1933.

Homer W. Woodall to be postmaster at Soda Springs, Idaho, in place of H. W. Woodall. Incumbent's commission expired January 15, 1933.

Claude Ballard to be postmaster at Fairfield, Idaho, in place of Robert Leaper. Incumbent's commission expired September 18, 1933.

Benjamin F. Shaw to be postmaster at Grangeville, Idaho, in place of A. O. Edwards. Incumbent's commission expired February 9, 1933.

ILLINOIS

John G. Rehwald to be postmaster at Altamont, Ill., in place of L. M. Gieseking, removed.

Jacob Heid to be postmaster at Cairo, Ill., in place of J. E. Miller. Incumbent's commission expired January 14, 1931.

Naomi C. Reiter to be postmaster at Cherry, Ill., in place of R. W. Colver, deceased.

Ernest J. Kruetgen to be postmaster at Chicago, Ill., in place of A. C. Lueder, resigned.

Pearl W. Blackwelder to be postmaster at Litchfield, Ill., in place of O. G. Striegel, resigned.

Charles L. Hodge to be postmaster at Mason, Ill., in place of R. D. Gibson, resigned.

Virginia D. Wall to be postmaster at Nebo, Ill., in place of W. J. Thornton, resigned.

Ralph Van Matre to be postmaster at Olney, Ill., in place of J. B. Porter, resigned.

Arthur B. Caughlan to be postmaster at Pittsfield, Ill., in place of A. L. Kiser, resigned.

Palmer E. Cogdal to be postmaster at Tallula, Ill., in place of P. H. Callaway, removed.

Ira Dezouche to be postmaster at Wayne City, Ill., in place of Wallace Leach, resigned.

Edward J. Welflin to be postmaster at Wheeling, Ill. Office became Presidential July 1, 1932.

INDIANA

John C. Evans to be postmaster at Bloomingdale, Ind., in place of E. H. Newlin, deceased.

Mary W. Lawrence to be postmaster at Earlham, Ind., in place of M. W. Lawrence. Incumbent's commission expired December 18, 1933.

Ernest R. Presser to be postmaster at Lapel, Ind., in place of D. E. Conrad, removed.

Henry Wyrick to be postmaster at Maywood, Ind. Office became Presidential July 1, 1932.

Harry S. Glump to be postmaster at New Harmony, Ind., in place of H. D. Long, deceased.

Myrtle A. Schreiber to be postmaster at New Palestine, Ind., in place of M. A. Schreiber. Incumbent's commission expired December 17, 1932.

Fred J. Merline to be postmaster at Notre Dame, Ind., in place of F. J. Merline. Incumbent's commission expired December 18, 1933.

William J. Zehner to be postmaster at Tipton, Ind., in place of C. L. Grishaw, deceased.

Earl M. Miller to be postmaster at Princeton, Ind., in place of A. M. Johnson, removed.

IOWA

Arthur A. Dingman to be postmaster at Aurelia, Iowa, in place of A. A. Dingman. Incumbent's commission expired December 18, 1933.

Price G. Thompson to be postmaster at Casey, Iowa, in place of W. W. Gundrum. Incumbent's commission expired January 9, 1933.

Thomas J. McManus to be postmaster at Keokuk, Iowa, in place of J. R. Irwin, resigned.

Rollin J. Gilchrist to be postmaster at Marengo, Iowa, in place of Frank Cook, removed.

Amelia Sondag to be postmaster at Portsmouth, Iowa, in place of Amelia Sondag. Incumbent's commission expired December 13, 1932.

Edward M. Bratton to be postmaster at Shellsburg, Iowa, in place of E. M. Bratton. Incumbent's commission expired December 13, 1932.

John I. Haldeman to be postmaster at Shenandoah, Iowa, in place of H. O. Day, resigned.

Arthur O. Reinhardt to be postmaster at Van Horne, Iowa, in place of A. O. Reinhardt. Incumbent's commission expired December 20, 1932.

Harry A. Northup to be postmaster at Audubon, Iowa, in place of G. S. Thomas, resigned.

Harry A. Gooch to be postmaster at Sioux City, Iowa, in place of W. H. Jones, deceased.

KANSAS

George O. Hunt to be postmaster at Belle Plaine, Kans., in place of R. E. Chapman, removed.

Albert F. Cassell to be postmaster at Beverly, Kans., in place of R. W. Ellenberger, removed.

Charles E. Drumm to be postmaster at Centralia, Kans., in place of C. O. Brown, Jr., removed.

Max Y. Sawyer to be postmaster at Galena, Kans., in place of F. J. Smith, resigned.

Thomas W. Sloan to be postmaster at Garfield, Kans., in place of F. L. McDowell, resigned.

Arley M. Kistler to be postmaster at Leon, Kans., in place of E. M. Boland, resigned.

Marvin A. Raven to be postmaster at Linn, Kans., in place of S. F. Lull, resigned.

Henderson E. Six to be postmaster at Lyons, Kans., in place of N. S. Wiggins, resigned.

Grace E. Wilson to be postmaster at Milford, Kans., in place of G. E. Wilson. Incumbent's commission expired January 8, 1933.

Walter R. Ives to be postmaster at Mount Hope, Kans., in place of J. A. Porter, removed.

George E. Smysor to be postmaster at Mulvane, Kans., in place of T. C. Conklin, resigned.

David H. Pugh to be postmaster at Tampa, Kans., in place of D. H. Pugh. Incumbent's commission expired December 16, 1933.

Amos A. Belsley to be postmaster at Wellington, Kans., in place of N. M. Cox, deceased.

Richard S. Ikenberry to be postmaster at Quinter, Kans., in place of H. W. Joy, removed.

Arthur H. Pendergrass to be postmaster at Rosalia, Kans. Office became presidential July 1, 1933.

KENTUCKY

Sara G. Friel to be postmaster at Ashland, Ky., in place of J. F. Hubbard, removed.

Charles B. Cox to be postmaster at Benton, Ky., in place of H. A. Riley, resigned.

Walter McKenzie to be postmaster at Eubank, Ky., in place of Maude Wesley, removed.

Rebecca B. Forsythe to be postmaster at Greenup, Ky., in place of E. E. Warnock, deceased.

Robert E. Johnson to be postmaster at Lawrenceburg, Ky., in place of J. B. Searcy, deceased.

Amelia B. Samuels to be postmaster at Lebanon Junction, Ky., in place of R. C. Duvall, resigned.

Martha J. Combs to be postmaster at Manchester, Ky., in place of William Rice, resigned.

James Purdon to be postmaster at Maysville, Ky., in place of Clarence Mathews, removed.

Peter T. Colgan to be postmaster at Middlesboro, Ky., in place of J. M. Miller, deceased.

Robert L. Case to be postmaster at Mount Olivet, Ky., in place of C. H. Throckmorton, removed.

Marie C. Hagan to be postmaster at New Haven, Ky., in place of J. P. Graham, resigned.

Ollie M. Lyon to be postmaster at Olive Hill, Ky., in place of E. P. Counts, resigned.

Jennie S. May to be postmaster at Stone, Ky., in place of J. S. May. Incumbent's commission expired December 20, 1932.

Homer B. Burks to be postmaster at Upton, Ky., in place of G. R. Ireland, resigned.

Mary Breckinridge, to be postmaster at Wendover, Ky. Office became presidential July 1, 1933.

Virginia C. Reynolds to be postmaster at Carlisle, Ky., in place of G. D. Scott, resigned.

Herman P. Yates to be postmaster at Kuttawa, Ky., in place of A. D. Thomson, resigned.

Mattye M. Burns to be postmaster at Morehead, Ky., in place of H. C. Lewis. Incumbent's commission expired December 14, 1932.

Fred Acker to be postmaster at Paducah, Ky., in place of R. P. Cornelison, resigned.

LOUISIANA

Blanche V. Williams to be postmaster at Angola, La., in place of B. V. Williams. Incumbent's commission expired December 19, 1932.

Ruby M. Ivey to be postmaster at Benton, La., in place of R. M. Ivey. Incumbent's commission expired October 10, 1933.

Joseph C. Ballay to be postmaster at Buras, La., in place of J. C. Ballay. Incumbent's commission expired February 15, 1933.

Harry Preaus to be postmaster at Farmerville, La., in place of Harry Preaus. Incumbent's commission expired May 2, 1932.

William C. Reynolds to be postmaster at Ida, La., in place of W. C. Reynolds. Incumbent's commission expired November 20, 1933.

Lucille M. Wilton to be postmaster at Laplace, La., in place of E. L. Mire, removed.

Olivier Dufour to be postmaster at Marrero, La., in place of Olivier Dufour. Incumbent's commission expired May 23, 1933.

Albert C. Locke to be postmaster at Marthaville, La., in place of A. C. Locke. Incumbent's commission expired February 9, 1933.

Florida I. Fagot to be postmaster at Metairie, La. Office became presidential July 1, 1932.

Zollie J. Meadows to be postmaster at Ruston, La., in place of H. D. Wilson, resigned.

William S. Montgomery to be postmaster at Saline, La., in place of W. S. Montgomery. Incumbent's commission expired December 18, 1933.

Isidore A. Currault to be postmaster at Westwego, La., in place of I. A. Currault. Incumbent's commission expired May 26, 1932.

Elias C. Leone to be postmaster at Zwolle, La., in place of E. C. Leone. Incumbent's commission expired December 18, 1933.

Ernest B. Miller to be postmaster at Denham Springs, La., in place of E. B. Miller. Incumbent's commission expired January 8, 1934.

Edwin R. Ford to be postmaster at Jonesville, La., in place of E. R. Ford. Incumbent's commission expires February 1, 1934.

Annie B. Netterville to be postmaster at Newellton, La., in place of Jason Taylor. Incumbent's commission expired February 9, 1933.

Sylvester J. Folse to be postmaster at Patterson, La., in place of S. J. Folse. Incumbent's commission expired January 8, 1934.

Ada K. Allums to be postmaster at Plain Dealing, La., in place of A. K. Allums. Incumbent's commission expired January 8, 1934.

MAINE

Charles W. Abbott to be postmaster at Albion, Maine, in place of C. W. Abbott. Incumbent's commission expired December 11, 1932.

George H. Williams to be postmaster at Alfred, Maine, in place of G. H. Williams. Incumbent's commission expired December 11, 1932.

Walter O. Dunton to be postmaster at Boothbay Harbor, Maine, in place of C. E. Sherman, removed.

George W. Leonard to be postmaster at Brunswick, Maine, in place of L. A. Brown, resigned.

Arnold D. Chase to be postmaster at Kezar Falls, Maine, in place of E. W. Sawyer, deceased.

Charles P. Lemaire to be postmaster at Lewiston, Maine, in place of J. O. Fisher, resigned.

Edna M. Ellis to be postmaster at North Anson, Maine, in place of L. S. Isbell, resigned.

David H. Smith to be postmaster at Darkharbor, Maine, in place of D. H. Smith. Incumbent's commission expired December 18, 1933.

Hattie M. Higgins to be postmaster at Mapleton, Maine, in place of H. M. Higgins. Incumbent's commission expired January 16, 1934.

MARYLAND

Theodore M. Purnell to be postmaster at Berlin, Md., in place of D. W. Babcock, removed.

Thomas B. T. Radcliffe to be postmaster at Cambridge, Md., in place of W. H. Medford, resigned.

William B. Usilton to be postmaster at Chestertown, Md., in place of W. G. Smyth, removed.

Edwin S. Worthington to be postmaster at Darlington, Md., in place of E. S. Worthington. Incumbent's commission expired December 18, 1933.

Lewis H. Stoner to be postmaster at Emmitsburg, Md., in place of Grace Rowe. Incumbent's commission expired January 18, 1933.

Frank Vodopivec, Jr., to be postmaster at Kitzmiller, Md., in place of S. S. Bender, removed.

John E. Morris to be postmaster at Princess Anne, Md., in place of R. M. White, removed.

Charles W. Klee to be postmaster at Westminster, Md., in place of H. M. Kimmey, deceased.

LeRoy C. Barrick to be postmaster at Woodsboro, Md., in place of W. B. Cutshall, removed.

Charles W. Carney to be postmaster at Mount Savage, Md., in place of F. C. Lambie, resigned.

Charles L. Connell to be postmaster at Western Port, Md., in place of John Rankin, resigned.

MASSACHUSETTS

John H. McDonald to be postmaster at Andover, Mass., in place of J. C. Angus, deceased.

George G. Henry to be postmaster at Ashfield, Mass., in place of G. G. Henry. Incumbent's commission expired December 16, 1933.

John F. Saunders to be postmaster at Baldwinsville, Mass., in place of W. P. Abbott. Incumbent's commission expired December 8, 1932.

Joseph P. Bartley to be postmaster at Barrowsville, Mass. Office became Presidential July 1, 1933.

Matthew D. E. Tower to be postmaster at Becket, Mass., in place of M. D. E. Tower. Incumbent's commission expired December 16, 1933.

Charles L. Goodspeed to be postmaster at Dennis, Mass., in place of C. L. Goodspeed. Incumbent's commission expired December 16, 1933.

Mildred D. O'Neil to be postmaster at Hyannis Port, Mass., in place of M. D. O'Neil. Incumbent's commission expired December 11, 1933.

Arthur L. Cushing to be postmaster at Island Creek, Mass., in place of Margaret Poole, resigned.

Mary M. Langen to be postmaster at Lancaster, Mass., in place of M. M. Langen. Incumbent's commission expired May 2, 1932.

Myra H. Lumbert to be postmaster at Pocassett, Mass., in place of M. H. Lumbert. Incumbent's commission expired December 16, 1933.

Florence S. Roddan to be postmaster at Randolph, Mass., in place of A. J. Maguire. Incumbent's commission expired January 8, 1933.

Mary E. Joseph to be postmaster at Truro, Mass., in place of M. E. Joseph. Incumbent's commission expired December 8, 1932.

Raymond F. Gurney to be postmaster at Wilbraham, Mass., in place of R. F. Gurney. Incumbent's commission expired September 18, 1933.

Eva Fitzpatrick to be postmaster at Allerton, Mass., in place of L. H. Fuller. Incumbent's commission expired March 2, 1933.

Clarence S. Perkins to be postmaster at Essex, Mass., in place of C. S. Perkins. Incumbent's commission expired December 16, 1933.

John E. Roche to be postmaster at Orange, Mass., in place of L. G. Lathrop, removed.

Nellie G. McDonald to be postmaster at Ward Hill, Mass., in place of N. G. McDonald. Incumbent's commission expired September 18, 1933.

MICHIGAN

Edson Porter to be postmaster at Blissfield, Mich., in place of O. T. Mallory, deceased.

Gerald R. Pitkin to be postmaster at Brighton, Mich., in place of Earl Brown, resigned.

Robert E. Lee to be postmaster at Byron, Mich., in place of H. G. Whitehead, deceased.

Marian A. Cleary to be postmaster at Clawson, Mich., in place of M. A. Cleary. Incumbent's commission expired December 7, 1932.

Mason A. Wright to be postmaster at Gaines, Mich., in place of C. T. Murphy, resigned.

Glenn O. Donner to be postmaster at Garden City, Mich. Office became presidential July 1, 1933.

Herbert E. Gunn to be postmaster at Holt, Mich., in place of H. E. Gunn. Incumbent's commission expired December 8, 1932.

William H. Cuthbertson to be postmaster at Ludington, Mich., in place of C. W. Perry, retired.

Mary E. Devins to be postmaster at Michigamme, Mich., in place of G. J. Murray, resigned.

George D. Mason to be postmaster at Montague, Mich., in place of G. D. Mason. Incumbent's commission expired December 16, 1933.

Peter Trudell, Jr., to be postmaster at Negaunee, Mich., in place of Peter Trudell, Jr. Incumbent's commission expired January 15, 1933.

Eva A. Wurzburg to be postmaster at Northport, Mich., in place of E. A. Wurzburg. Incumbent's commission expired December 16, 1933.

Louis J. Braun to be postmaster at South Range, Mich., in place of L. J. Braun. Incumbent's commission expired December 7, 1932.

Jerome Wilhelm to be postmaster at Traverse City, Mich., in place of M. O. Champney, removed.

Frank R. White to be postmaster at Webberville, Mich., in place of W. C. Oesterle, resigned.

Morton G. Wells to be postmaster at Byron Center, Mich., in place of M. G. Wells. Incumbent's commission expired December 16, 1933.

Patrick H. Schannenk to be postmaster at Chassell, Mich., in place of P. H. Schannenk. Incumbent's commission expired December 16, 1933.

Cyrenius P. Hunter to be postmaster at Gagetown, Mich., in place of C. P. Hunter. Incumbent's commission expired December 16, 1933.

Charles W. Tallant to be postmaster at Shelby, Mich., in place of G. L. Runner, removed.

John F. Lyons to be postmaster at White Cloud, Mich., in place of W. E. Kunz. Incumbent's commission expired September 18, 1933.

MINNESOTA

Anna C. Dallaire to be postmaster at Ah-Owah-Ching, Minn., in place of A. C. Dallaire. Incumbent's commission expired December 20, 1932.

Isaac R. Lamppa, Jr., to be postmaster at Embarrass, Minn., in place of I. R. Lamppa, Jr. Incumbent's commission expired December 20, 1932.

Edward C. Ellertson to be postmaster at Gully, Minn., in place of E. C. Ellertson. Incumbent's commission expired December 20, 1932.

Viola M. Terrell to be postmaster at Holdingford, Minn., in place of A. J. Schroeder, removed.

Joseph L. Gilson to be postmaster at Ivanhoe, Minn., in place of J. L. Gilson. Incumbent's commission expired January 11, 1933.

Joseph R. Keefe to be postmaster at Redwood Falls, Minn., in place of C. A. Luscher, removed.

Mathias J. Olson to be postmaster at Wolverton, Minn., in place of M. J. Olson. Incumbent's commission expired December 18, 1933.

Svend Petersen to be postmaster at Askov, Minn., in place of Svend Petersen. Incumbent's commission expired January 16, 1934.

John N. Peterson to be postmaster at Beltrami, Minn., in place of J. N. Peterson. Incumbent's commission expired December 18, 1933.

Cora O. Smith to be postmaster at Bayport, Minn., in place of C. O. Smith. Incumbent's commission expired January 22, 1934.

Arvid J. Lindgren to be postmaster at Orr, Minn., in place of A. J. Lindgren. Incumbent's commission expired December 18, 1933.

Edith B. Petersen to be postmaster at Tyler, Minn., in place of N. F. Petersen, deceased.

MISSISSIPPI

Margaret Henry to be postmaster at Anguilla, Miss., in place of Margaret Henry. Incumbent's commission expired June 14, 1933.

Will N. Guyton to be postmaster at Blue Mountain, Miss., in place of W. N. Guyton. Incumbent's commission expired February 28, 1933.

Harry L. Callicott to be postmaster at Coldwater, Miss., in place of H. L. Callicott. Incumbent's commission expired June 14, 1933.

James M. Thames to be postmaster at Decatur, Miss., in place of J. M. Thames. Incumbent's commission expired February 11, 1933.

Ernest A. Temple to be postmaster at Electric Mills, Miss., in place of E. A. Temple. Incumbent's commission expired December 19, 1933.

Finley B. Hewes to be postmaster at Gulfport, Miss., in place of F. B. Hewes. Incumbent's commission expired February 12, 1933.

Pink H. Morrison to be postmaster at Heidelberg, Miss., in place of P. H. Morrison. Incumbent's commission expired March 5, 1932.

Alline Jolly to be postmaster at Hickory, Miss., in place of Alline Jolly. Incumbent's commission expired June 14, 1933.

Walter E. Dreaden to be postmaster at Lambert, Miss., in place of W. E. Dreaden. Incumbent's commission expired February 15, 1933.

Burnell B. Hatten to be postmaster at Lyman, Miss., in place of B. B. Hatten. Incumbent's commission expired June 14, 1933.

Benjimin P. Albritton to be postmaster at McComb, Miss., in place of W. W. Holmes. Incumbent's commission expired February 28, 1933.

William M. Alexander to be postmaster at Moss Point, Miss., in place of Lamar Herrin, resigned.

Carson Hughes to be postmaster at Oakland, Miss., in place of Carson Hughes. Incumbent's commission expired June 14, 1933.

John W. Woodward to be postmaster at Oxford, Miss., in place of J. W. Woodward. Incumbent's commission expired April 5, 1930.

Johnnie L. Posey to be postmaster at Philadelphia, Miss., in place of J. L. Posey. Incumbent's commission expired February 28, 1933.

R. Ben Linn to be postmaster at Pickens, Miss., in place of R. B. Linn. Incumbent's commission expired October 2, 1933.

George D. Pylant to be postmaster at Purvis, Miss., in place of J. G. Daly, removed.

Henry B. Edwards to be postmaster at Shuqualak, Miss., in place of H. B. Edwards. Incumbent's commission expired February 14, 1931.

Tommie A. Hamill to be postmaster at Sturgis, Miss., in place of T. A. Hamill. Incumbent's commission expired June 14, 1933.

Lillie B. Carr to be postmaster at Sumner, Miss., in place of L. B. Carr. Incumbent's commission expired February 28, 1933.

Walter L. Collins to be postmaster at Union, Miss., in place of W. L. Collins. Incumbent's commission expired February 9, 1931.

Clyde E. Day to be postmaster at Brookhaven, Miss., in place of S. W. Swalm, removed.

Pearl S. Anderson to be postmaster at Centreville, Miss., in place of J. G. Carr. Incumbent's commission expired May 23, 1933.

Grace B. McIntosh to be postmaster at Collins, Miss., in place of B. D. Robertson, resigned.

MISSOURI

Felix P. Wulff to be postmaster at Argyle, Mo., in place of G. H. Bathe, Jr., resigned.

Ralph R. Breckenridge to be postmaster at Bosworth, Mo., in place of I. A. Sack, resigned.

Kenneth C. Patton to be postmaster at Clarksville, Mo., in place of Fred Fielder, removed.

William R. Taylor to be postmaster at Fulton, Mo., in place of F. D. Williams, resigned.

Harry F. Yeager to be postmaster at New London, Mo., in place of B. G. Bottorff, resigned.

John C. Hains to be postmaster at Slater, Mo., in place of G. D. Harris, resigned.

Jesse A. Twyman to be postmaster at Triplett, Mo., in place of C. C. Stobaugh, removed.

Mahlon H. White to be postmaster at Warsaw, Mo., in place of R. B. Petts, resigned.

Gertrude R. Maupin to be postmaster at Watson, Mo., in place of B. G. Ozenbaugh, removed.

Nettie Morgan to be postmaster at Camdenton, Mo. Office became Presidential July 1, 1932.

Alexander Rankin to be postmaster at Tarkio, Mo., in place of C. H. Duncan, resigned.

MONTANA

Hugh H. Waldron to be postmaster at Froid, Mont., in place of J. O. Dahl, deceased.

Jean W. Albers to be postmaster at Redstone, Mont., in place of J. W. Albers. Incumbent's commission expired December 18, 1933.

Flossie A. Marsh to be postmaster at Sheridan, Mont., in place of C. W. Marsh, deceased.

Thelma F. Holst to be postmaster at Westby, Mont., in place of T. F. Holst. Incumbent's commission expired April 24, 1933.

NEBRASKA

Joyce Hubbard to be postmaster at Ashby, Nebr., in place of Joyce Hubbard. Incumbent's commission expired September 18, 1933.

Astor B. Enborg to be postmaster at Bristow, Nebr., in place of A. B. Enborg. Incumbent's commission expired December 16, 1933.

Russell Mooberry to be postmaster at Dorchester, Nebr., in place of Russell Mooberry. Incumbent's commission expired May 12, 1932.

John A. Gibson to be postmaster at Mullen, Nebr., in place of J. A. Gibson. Incumbent's commission expired January 18, 1933.

Edwin A. Baugh to be postmaster at Oakland, Nebr., in place of E. A. Baugh. Incumbent's commission expired December 16, 1933.

Ernest J. Kaltenborn to be postmaster at Waco, Nebr., in place of E. J. Kaltenborn. Incumbent's commission expired February 25, 1933.

Minnie M. Morrow to be postmaster at Winside, Nebr., in place of M. M. Morrow. Incumbent's commission expired December 20, 1932.

NEW HAMPSHIRE

Sarah J. Moore to be postmaster at Alstead, N.H., in place of S. J. Moore. Incumbent's commission expired December 16, 1933.

Harriette H. Hinman to be postmaster at North Stratford, N.H., in place of H. H. Hinman. Incumbent's commission expired December 16, 1933.

NEW JERSEY

George M. Beaman to be postmaster at Keansburg, N.J., in place of H. T. Ackerman, deceased.

Agnes Despreaux to be postmaster at Middletown, N.J. Office became Presidential July 1, 1932.

Ella M. Fables to be postmaster at Whippany, N.J., in place of V. M. Kitchell, deceased.

NEW MEXICO

Agnes C. Evans to be postmaster at Shiprock, N.Mex., in place of A. C. Evans. Incumbent's commission expired December 15, 1931.

NEW YORK

Daniel W. Hanley to be postmaster at Albion, N.Y., in place of C. M. Bartlett, resigned.

W. Edward Sweetman to be postmaster at Ardsley on Hudson, N.Y., in place of F. W. Ravekes, removed.

John J. Navins to be postmaster at Barrytown, N.Y. Office became Presidential July 1, 1932.

Joseph S. Annable to be postmaster at Bayport, N.Y., in place of H. C. Truex, resigned.

Hanna A. Williams to be postmaster at Belleville, N.Y. Office became Presidential July 1, 1932.

Levi S. Davis to be postmaster at Berkshire, N.Y., in place of A. M. Ball, removed.

Frederic M. Buckley to be postmaster at Boonville, N.Y., in place of C. A. Musser, resigned.

Charles F. Bergner to be postmaster at Callicoon, N.Y., in place of Adam Metzger, resigned.

John C. Monahan to be postmaster at Canandaigua, N.Y., in place of William Tracey, deceased.

Burdette G. Dewell to be postmaster at Catskill, N.Y., in place of W. B. Donahue, resigned.

Benjamin B. Tooker to be postmaster at Center Meriches, N.Y., in place of J. T. McLain, removed.

Oscar D. Ayres to be postmaster at Central Valley, N.Y., in place of T. W. Grahlfs, resigned.

Thomas F. J. Hannan to be postmaster at Chappaqua, N.Y., in place of Walter Carr, removed.

Philip J. Dwyer to be postmaster at Chittenango, N.Y., in place of D. T. Evans, resigned.

William J. Casselman to be postmaster at Clayton, N.Y., in place of J. E. Swartwout, removed.

Howard G. McGee to be postmaster at Copake, N.Y., in place of E. E. Fuller, removed.

Walter S. Blade to be postmaster at Delanson, N.Y., in place of W. C. Wilber, removed.

Leona Fortner to be postmaster at Dryden, N.Y., in place of M. G. Colwell, resigned.

Clayton I. Burch to be postmaster at Earlville, N.Y., in place of S. B. Cloyes, deceased.

Wayne H. Wright, to be postmaster at East Aurora, N.Y., in place of F. O. Persons, removed.

Samuel B. Cline to be postmaster at East Hampton, N.Y., in place of D. C. Talmage, removed.

Joseph C. Zuklin to be postmaster at East Islip, N.Y., in place of Rudolph Silha. Appointee declined.

Austin A. Crary to be postmaster at East Rockaway, N.Y., in place of R. J. Higgins, resigned.

Charles W. Thompson to be postmaster at Eaton, N.Y., in place of A. J. White, resigned.

Emily C. Stevens to be postmaster at Eldred, N.Y., in place of John Sparks, resigned.

Thomas J. McMullen to be postmaster at Ellenville, N.Y., in place of W. L. Fuller, resigned.

Nettie Kass to be postmaster at Greenfield Park, N.Y., in place of Nettie Kass. Incumbent's commission expired May 31, 1933.

Lloyd C. Vunk to be postmaster at Hagaman, N.Y., in place of J. A. Crager, removed.

Matthew F. Dixon to be postmaster at Hamilton, N.Y., in place of I. S. Sears, resigned.

Raymond C. Nellis to be postmaster at Hastings, N.Y. Office became Presidential July 1, 1932.

Francis J. Kelly to be postmaster at Hornell, N.Y., in place of R. M. Hackett, retired.

Roscoe H. Whiter to be postmaster at Ilion, N.Y., in place of C. R. Chismore. Incumbent's commission expired April 18, 1932.

John V. Kellogg to be postmaster at Interlaken, N.Y., in place of L. M. Johnson, removed.

Thomas V. O'Connell to be postmaster at Island Park, N.Y., in place of W. E. Howard, resigned.

Albert J. Griffiths to be postmaster at Keuka Park, N.Y., in place of E. W. Cushman, resigned.

Grace S. G. Davies to be postmaster at Lake Kushaqua, N.Y., in place of G. S. G. Davies. Incumbent's commission expired January 30, 1933.

Gustav I. Gehweiler to be postmaster at Lake Ronkonkoma, N.Y., in place of James Agnew, removed.

Clyde S. Edmister to be postmaster at Lisle, N.Y., in place of B. B. Howland, removed.

Zoa I. Van Gorder to be postmaster at Minetto, N.Y., in place of H. A. Ranous, removed.

William McNeal to be postmaster at Montgomery, N.Y., in place of William McNeal. Incumbent's commission expired February 24, 1931.

Louis C. Donovan to be postmaster at Mount Morris, N.Y., in place of J. C. Dickey, deceased.

John C. Morgan to be postmaster at Naples, N.Y., in place of J. H. Huntington, resigned.

Daniel Shaw to be postmaster at New Paltz, N.Y., in place of Perry Deyo. Incumbent's commission expired December 20, 1932.

Dennis Shannon to be postmaster at New York Mills, N.Y., in place of Catherine Jamieson, removed.

August F. Biesel to be postmaster at Niverville, N.Y. Office became Presidential July 1, 1933.

Benjamin Lomench to be postmaster at North Bellmore, N.Y. Office became Presidential July 1, 1932.

Hiram C. Denton to be postmaster at Northville, N.Y., in place of James Carpenter, resigned.

Hugh M. Bulger to be postmaster at Norwich, N.Y., in place of A. N. Cobb, resigned.

William E. Farnsworth to be postmaster at Oakfield, N.Y., in place of C. L. Griffin, resigned.

Floyd C. Bennett to be postmaster at Otego, N.Y., in place of H. G. Brown, resigned.

John J. Cassidy to be postmaster at Port Jefferson, N.Y., in place of C. H. Floyd, removed.

Hugo Kreitzberg to be postmaster at Port Jefferson Station, N.Y., in place of J. P. Walker, resigned.

Francis M. Daly to be postmaster at Pulaski, N.Y., in place of Andrew Murray, resigned.

Dennis T. Dillon, Jr., to be postmaster at Raquette Lake, N.Y., in place of Dennis Dillon, resigned.

Alice A. Sherman to be postmaster at Shelter Island, N.Y., in place of E. C. Griffing, resigned.

Thomas J. Reilly to be postmaster at Silver Springs, N.Y., in place of B. M. Clark, removed.

Nora E. Feeley to be postmaster at Skaneateles Falls, N.Y., in place of E. A. Cronauer, resigned.

Edmund L. Weston to be postmaster at Syracuse, N.Y., in place of James McLusky, deceased.

Raymond J. Slattery to be postmaster at Trudeaus, N.Y., in place of M. E. Wroten, deceased.

Jesse S. Crane to be postmaster at Vestal, N.Y., in place of E. A. Frey, removed.

Chauncey H. McLean to be postmaster at Wallkill, N.Y., in place of Daniel Van Alst, resigned.

Thomas F. Clancy to be postmaster at Wantagh, N.Y., in place of Agnes Siems, removed.

Oliver C. Cone to be postmaster at Waterloo, N.Y., in place of J. C. Shanks, deceased.

Mabel B. Williams to be postmaster at Westhampton Beach, N.Y., in place of A. E. Nichols, Jr., resigned.

Dennis A. Ferris to be postmaster at Windham, N.Y., in place of James Richtmyer, resigned.

Walter J. Reynolds to be postmaster at Woodhull, N.Y., in place of L. C. Husted, removed.

William A. Gardner to be postmaster at Amsterdam, N.Y., in place of J. M. Reid, retired.

James P. Bruen to be postmaster at Bedford Hills, N.Y., in place of Irving Barrett, resigned.

Wentworth S. Colwell to be postmaster at Cold Spring, N.Y., in place of Leon Pralatowski, removed.

William L. McGranaghan to be postmaster at Hancock, N. Y., in place of W. R. Churchill, resigned.

Dennis W. Daly to be postmaster at Lockport, N.Y., in place of T. F. Walker, deceased.

Fannie Schwartz to be postmaster at Long Beach, N.Y., in place of L. O. Wilson, removed.

Edward J. McSweeney to be postmaster at Long Lake, N.Y., in place of E. J. McSweeney. Incumbent's commission expired December 16, 1933.

Katherine M. Nortz to be postmaster at Lowville, N.Y., in place of H. M. Lanpher, removed.

John A. Donahue to be postmaster at Newburgh, N.Y., in place of A. E. Brundage, removed.

Howard M. Curtis to be postmaster at Richfield Springs, N.Y., in place of W. G. Bullion, resigned.

Anthony J. Kennedy to be postmaster at Suffern, N.Y., in place of A. E. Butler, transferred.

Daniel J. Coutu, Jr., to be postmaster at Sunmount, N.Y., in place of W. L. Bouchard, removed.

John T. Clark to be postmaster at Tuxedo Park, N.Y., in place of E. L. Kent, removed.

Julia H. Roche to be postmaster at Unionville, N.Y., in place of J. H. Roche. Incumbent's commission expired April 24, 1933.

NORTH CAROLINA

Handy C. Allred to be postmaster at Alamance, N.C. Office became Presidential July 1, 1933.

Willis M. Manning to be postmaster at Bailey, N.C., in place of S. M. Vick, resigned.

T. Coleman Galloway to be postmaster at Brevard, N.C., in place of R. L. Nicholson, resigned.

G. Leslie Hensley to be postmaster at Burnsville, N.C., in place of C. L. Brown, resigned.

Samuel T. Stough to be postmaster at Davidson, N.C., in place of J. L. Sloan, deceased.

Carroll E. Kramer to be postmaster at Edenton, N.C., in place of M. S. Elliott, resigned.

Erastus B. Huffine to be postmaster at Elon College, N.C., in place of C. A. Hughes, resigned.

Nathan W. LeGrand to be postmaster at Hamlet, N.C., in place of Jenks Terry, removed.

Thomas N. Kerns to be postmaster at Huntersville, N.C., in place of S. M. Mullen, resigned.

Oscar L. Phillips to be postmaster at Matthews, N.C., in place of W. H. Stewart, resigned.

Frances G. Thompson to be postmaster at Morven, N.C., in place of F. G. Thompson. Incumbent's commission expired January 5, 1933.

Carl L. Williamson to be postmaster at Raleigh, N.C., in place of W. B. Duncan, resigned.

Paul Green to be postmaster at Thomasville, N.C., in place of K. L. Long. Incumbent's commission expired January 11, 1933.

J. Francis Tron, Jr., to be postmaster at Valdese, N.C., in place of J. V. Benfield, resigned.

Bertie L. Matthews to be postmaster at Vass, N.C., in place of C. L. Tyson, removed.

Hugh M. McArn to be postmaster at Laurinburg, N.C., in place of Carl McLean. Incumbent's commission expired December 18, 1933.

Wilbur R. Dosher to be postmaster at Wilmington, N.C., in place of F. T. Tucker, resigned.

NORTH DAKOTA

Henry D. Mack to be postmaster at Dickey, N.Dak., in place of H. D. Mack. Incumbent's commission expired February 23, 1933.

George W. McIntyre, Jr., to be postmaster at Grafton, N.Dak., in place of V. A. Tallackson, resigned.

Hugh Roan to be postmaster at Portal, N.Dak., in place of Hugh Roan. Incumbent's commission expired February 28, 1933.

Damian A. Preske to be postmaster at St. Michael, N.Dak. Office became Presidential July 1, 1933.

OHIO

Joseph A. Link to be postmaster at Carthagena, Ohio, in place of J. A. Link. Incumbent's commission expired December 7, 1932.

A. Hulse Hays to be postmaster at Circleville, Ohio, in place of G. P. Foresman, resigned.

Nathan A. McCoy, Sr., to be postmaster at Columbus, Ohio, in place of J. R. Geren, transferred.

Fred A. Kenney to be postmaster at Delta, Ohio, in place of W. H. Lambert, deceased.

Clifford B. Hyatt to be postmaster at Killbuck, Ohio, in place of C. B. Hyatt. Incumbent's commission expired December 7, 1932.

James E. Gallagher to be postmaster at Lancaster, Ohio, in place of J. W. Huddle, removed.

Fred W. Justus to be postmaster at Massillon, Ohio, in place of G. H. Shauf, deceased.

Harry E. Miller to be postmaster at New Concord, Ohio, in place of W. C. Trace, removed.

John Maurer to be postmaster at New Philadelphia, Ohio, in place of J. W. Mathias, deceased.

Edwin Sommers to be postmaster at Ottawa, Ohio, in place of S. O. Kerr, resigned.

OKLAHOMA

Berry M. Crosby to be postmaster at Bixby, Okla., in place of J. B. Sample, removed.

Pauline M. Angevine to be postmaster at Dewey, Okla., in place of T. P. Shira, resigned.

James Jones Quarles, Jr., to be postmaster at Fairfax, Okla., in place of R. R. Dodd, removed.

James W. Blye to be postmaster at Hennessey, Okla., in place of S. A. Snyder. Incumbent's commission expired January 22, 1931.

Jackson Willis to be postmaster at Maysville, Okla., in place of C. F. Ritcheson, resigned.

Roy McGhee to be postmaster at Miami, Okla., in place of Wayne Anderson, removed.

Laura L. Bennett to be postmaster at Mountain Park, Okla., in place of O. E. Dale, resigned.

James T. Norton to be postmaster at Nowata, Okla., in place of F. W. Galer, deceased.

Theodore C. Bowling to be postmaster at Pryor, Okla., in place of E. M. Harding, resigned.

David S. Williams to be postmaster at Purcell, Okla., in place of E. M. Moore, resigned.

George W. Shed to be postmaster at Sasakwa, Okla., in place of D. G. Wood, removed.

John C. Bennett to be postmaster at Tishomingo, Okla., in place of R. C. Fleming, removed.

George L. Watkins to be postmaster at Tulsa, Okla., in place of J. M. Adkison, resigned.

James McK. Williams to be postmaster at Walters, Okla., in place of R. W. Wallace, resigned.

Brooke L. Wallace to be postmaster at Wayne, Okla., in place of E. B. Henderson, removed.

OREGON

John Q. Buell to be postmaster at Chiloquin, Oreg., in place of J. Q. Buell. Incumbent's commission expired December 7, 1932.

Sadie B. Jones to be postmaster at Oakridge, Oreg., in place of S. B. Jones. Incumbent's commission expired December 8, 1932.

Early Phillips to be postmaster at Scio, Oreg., in place of J. S. Sticha, deceased.

PENNSYLVANIA

Samuel M. Rathman to be postmaster at Adamstown, Pa., in place of S. M. Rathman. Incumbent's commission expired January 14, 1933.

Clyde A. Plank to be postmaster at Aspers, Pa., in place of J. J. Rex. Incumbent's commission expired September 30, 1933.

Marvin F. Birely to be postmaster at Blue Ridge Summit, Pa., in place of C. L. Albert. Incumbent's commission expired January 19, 1933.

Beatrice M. Sanchez to be postmaster at Canadensis, Pa., in place of I. E. Megargel, resigned.

Marion S. Macomber to be postmaster at Delta, Pa., in place of A. G. Dunlap, resigned.

Chester P. McCoy to be postmaster at Elmora, Pa., in place of C. P. McCoy. Incumbent's commission expired February 28, 1933.

Charles A. Williams to be postmaster at Gettysburg, Pa., in place of J. H. Eckert, retired.

Stanley C. Croop to be postmaster at Hunlock Creek, Pa. Office became Presidential July 1, 1932.

James P. King to be postmaster at Kittanning, Pa., in place of H. B. Henderson, deceased.

Edith M. Phelps to be postmaster at Ludlow, Pa., in place of E. M. Phelps. Incumbent's commission expired April 27, 1930.

George B. Wilcox to be postmaster at Portland, Pa., in place of G. B. Wilcox. Incumbent's commission expired January 11, 1932.

John L. Gates to be postmaster at Quincy, Pa., in place of C. W. High. Incumbent's commission expired February 25, 1933.

Byron E. Smith to be postmaster at St. Marys, Pa., in place of B. E. Smith. Incumbent's commission expired January 19, 1933.

Alameda S. Keesy to be postmaster at Schenley, Pa. Office became Presidential July 1, 1933.

Frank G. Ketner to be postmaster at Shillington, Pa., in place of Frank Shupp, removed.

Rose C. Pierson to be postmaster at Villa Maria, Pa. Office became Presidential July 1, 1932.

Louise S. Cortright to be postmaster at Lackawaxen, Pa., in place of L. S. Cortright. Incumbent's commission expired January 8, 1934.

Eva Leedom to be postmaster at Primos, Pa. Office became Presidential July 1, 1931.

PUERTO RICO

Concepcion Torrens de Arrillaga to be postmaster at Anasco, P.R. Office became Presidential July 1, 1932.

Leonor G. Rodriguez to be postmaster at Guayanilla, P.R., in place of L. G. Rodriguez. Incumbent's commission expired December 8, 1932.

Luis E. Kolb to be postmaster at Utuado, P.R., in place of L. E. Kolb. Incumbent's commission expired January 8, 1933.

RHODE ISLAND

John J. O'Connor to be postmaster at Ashton, R.I., in place of David Ross, resigned.

John J. McCabe to be postmaster at Pontiac, R.I., in place of J. J. McCabe. Incumbent's commission expired December 11, 1932.

SOUTH CAROLINA

Thomas B. Hallman to be postmaster at Aiken, S.C., in place of E. E. Brown. Incumbent's commission expired April 5, 1932.

Dana T. Crosland to be postmaster at Bennettsville, S.C., in place of D. T. Crosland. Incumbent's commission expired January 8, 1933.

Luther C. Davis to be postmaster at Georgetown, S.C., in place of T. J. Karnes. Incumbent's commission expired May 26, 1930.

George N. Burnett to be postmaster at Greenwood, S.C., in place of H. E. Tolbert, removed.

John W. Willis to be postmaster at Lynchburg, S.C., in place of J. W. Willis. Incumbent's commission expired December 14, 1932.

James M. Muirhead to be postmaster at Mount Pleasant, S.C., in place of A. H. Goblet, removed.

Paul H. Norris to be postmaster at Parris Island, S.C., in place of P. H. Norris. Incumbent's commission expired December 11, 1933.

Lindsay C. McFadden to be postmaster at Rock Hill, S.C., in place of A. R. Barrett, resigned.

Palmer A. Matthews to be postmaster at Winnsboro, S.C., in place of M. M. Stewart, resigned.

John B. O'Neal to be postmaster at Fairfax, S.C., in place of J. B. O'Neal. Incumbent's commission expired January 11, 1934.

SOUTH DAKOTA

Granvel N. Collins to be postmaster at Camp Crook, S.Dak., in place of H. F. Brewer. Incumbent's commission expired December 12, 1932.

George M. Foltz to be postmaster at Herrick, S.Dak., in place of A. F. Glaser, resigned.

Anna A. Dithmer to be postmaster at Kadoka, S.Dak., in place of C. L. Corrington. Incumbent's commission expired February 28, 1933.

TENNESSEE

John J. Parran to be postmaster at Bolivar, Tenn., in place of H. W. Black, resigned.

James F. Anderson to be postmaster at Cleveland, Tenn., in place of B. C. Brown, removed.

William B. Olds to be postmaster at Cottagegrove, Tenn., in place of E. R. Kilgore, removed.

Vola W. Mansfield to be postmaster at Dunlap, Tenn., in place of S. H. Hixson, resigned.

William Gupton to be postmaster at Nashville, Tenn., in place of O. F. Minton, transferred.

Amy G. Sylar to be postmaster at Ooltewah, Tenn., in place of Belle Whittenburg, removed.

Ethel N. Stanfield to be postmaster at Signal Mountain, Tenn., in place of J. H. Bootson, removed.

Irene M. Cheairs to be postmaster at Spring Hill, Tenn., in place of I. M. Cheairs. Incumbent's commission expired March 3, 1931.

James B. Goodwin to be postmaster at Trezevant, Tenn., in place of J. G. Holmes, resigned.

William P. Stone to be postmaster at Lynchburg, Tenn., in place of P. L. Hayes, resigned.

Alfred H. Gill to be postmaster at Silver Point, Tenn., in place of W. J. Julian, resigned.

Lemuel F. Bell to be postmaster at Springfield, Tenn., in place of J. H. Calloway. Incumbent's commission expired June 19, 1933.

TEXAS

Kenneth McKenzie to be postmaster at Alba, Tex., in place of W. W. McChristian, resigned.

James O. Allen to be postmaster at Arp, Tex., in place of Della Gordon, resigned.

Prentice A. Hayes to be postmaster at Barstow, Tex., in place of F. P. Ingerson, deceased.

Earl E. Frost to be postmaster at Bridgeport, Tex., in place of J. F. House, resigned.

William T. Burnett to be postmaster at Brownsville, Tex., in place of G. W. Dennett, resigned.

Minnie P. Irving to be postmaster at Center Point, Tex., in place of M. P. Irving. Incumbent's commission expired September 16, 1933.

Nadyne Goodman to be postmaster at Collinsville, Tex., in place of Etta Varley, removed.

Kathleen H. Corn to be postmaster at Crockett, Tex., in place of W. T. Cutler. Incumbent's commission expired December 19, 1931.

Tom S. Kent, Jr., to be postmaster at Grapeland, Tex., in place of W. T. Pridgen. Incumbent's commission expired March 21, 1932.

Roy S. Lively to be postmaster at Irving, Tex. Office became Presidential April 1, 1924.

Georgia C. Wolfe to be postmaster at Lefors, Tex., in place of G. C. Wolfe. Incumbent's commission expired September 16, 1933.

Philpott Karner to be postmaster at Mexia, Tex., in place of Isidore Newman, deceased.

Benjamin F. Hobson to be postmaster at Paducah, Tex., in place of A. E. Dumont, resigned.

Mary M. Ferrel to be postmaster at Roby, Tex., in place of M. M. Ferrel. Incumbent's commission expired December 20, 1932.

Theodore M. Herring to be postmaster at San Angelo, Tex., in place of T. M. Herring. Incumbent's commission expired June 19, 1933.

John A. Nicholson to be postmaster at Sanger, Tex., in place of H. D. Greene, resigned.

John L. Brunner to be postmaster at Taylor, Tex., in place of A. P. Hicks, deceased.

James P. Sharp to be postmaster at Tioga, Tex., in place of J. I. Dunn, deceased.

Walter J. Huff to be postmaster at Trenton, Tex., in place of M. B. Earnheart, deceased.

Pearl B. Monke to be postmaster at Weinert, Tex., in place of P. B. Monke. Incumbent's commission expired December 8, 1932.

Gilbert McGloin to be postmaster at Corpus Christi, Tex., in place of Gilbert McGloin. Incumbent's commission expired May 29, 1932.

Willie N. Cargill to be postmaster at Eddy, Tex., in place of C. J. Lewis. Incumbent's commission expired March 21, 1932.

Lonnie Childs to be postmaster at Fairfield, Tex., in place of T. B. Newman. Incumbent's commission expired January 31, 1933.

Richard L. Hall to be postmaster at Greggton, Tex. Office became Presidential October 1, 1933.

Thomas M. White to be postmaster at Hamilton, Tex., in place of Kathryne Witty. Incumbent's commission expired February 25, 1933.

Arch A. Gary to be postmaster at Henderson, Tex., in place of G. W. L. Smith, deceased.

Charles R. Conley to be postmaster at Iredell, Tex., in place of H. B. Strong, deceased.

Esther L. Berry to be postmaster at Joinerville, Tex. Office became Presidential July 1, 1933.

Harry S. Merts to be postmaster at McAllen, Tex., in place of W. I. Witherspoon, removed.

Willie L. Nelson to be postmaster at Mount Vernon, Tex., in place of Marion Zercher, resigned.

William P. Lawrence to be postmaster at Quitman, Tex., in place of L. W. Garrett, resigned.

Marcus E. Cannon to be postmaster at Thornton, Tex., in place of W. R. Holton, removed.

UTAH

Heber J. Sheffield, Jr., to be postmaster at Kaysville, Utah, in place of H. J. Sheffield, Jr. Incumbent's commission expired January 26, 1933.

VERMONT

Kenneth A. Tudhope to be postmaster at North Hero, Vt., in place of J. T. Tudhope, resigned.

Anson S. Hawkins to be postmaster at South Shaftsbury, Vt., in place of G. E. Martin, removed.

VIRGINIA

Benjamin F. Britt to be postmaster at Boykins, Va., in place of N. A. Mannes, resigned.

Ira D. Newcomb to be postmaster at Clarksville, Va., in place of P. L. Cooper, resigned.

Henry C. Swanson to be postmaster at Danville, Va., in place of S. W. Collie, retired.

Burley M. Garner to be postmaster at Emporia, Va., in place of T. J. Crickenberger, removed.

Herbert B. Brockwell to be postmaster at Ettrick, Va., in place of M. N. Lafoon. Incumbent's commission expired January 29, 1933.

David J. Garber to be postmaster at Fort Humphreys, Va., in place of R. W. Walker, deceased.

George W. Mitchell to be postmaster at Gladys, Va. Office became Presidential July 1, 1933.

Emmett L. Allen to be postmaster at Glenallen, Va., in place of E. L. Allen. Incumbent's commission expired January 5, 1932.

Lucy M. Wing to be postmaster at Greenway, Va. Office became Presidential July 1, 1933.

Margaret H. Hardy to be postmaster at McKenney, Va., in place of M. H. Hardy. Incumbent's commission expired February 25, 1933.

Peter D. Holland to be postmaster at Moneta, Va. Office became Presidential July 1, 1933.

Joseph W. Harvey to be postmaster at Montrose, Va., in place of J. W. Harvey. Incumbent's commission expired February 28, 1933.

Harrison H. Dodge to be postmaster at Mount Vernon, Va. Office became Presidential July 1, 1932.

John W. Burger to be postmaster at Natural Bridge, Va., in place of Gladys Mitchell, resigned.

Leslie N. Ligon to be postmaster at Pamplin, Va., in place of W. C. Franklin, resigned.

Ashton W. Gray to be postmaster at Petersburg, Va., in place of J. A. Johnston, transferred.

James V. Lewis to be postmaster at Prospect, Va., in place of T. R. Cocks, resigned.

Joseph F. Judkins to be postmaster at Surry, Va., in place of H. T. Munt, removed.

Frank L. Mitchell to be postmaster at Vinton, Va., in place of F. C. Moore, resigned.

R. Tyler Bland to be postmaster at West Point, Va., in place of M. O. Pumphrey. Incumbent's commission expired February 25, 1933.

WASHINGTON

James B. Robertson to be postmaster at Kettle Falls, Wash., in place of J. B. Robertson. Incumbent's commission expired February 8, 1933.

William E. Field to be postmaster at Quincy, Wash., in place of J. L. Field, deceased.

John Maloney, Jr., to be postmaster at Skykomish, Wash., in place of L. P. McIntyre, removed.

Pearl B. Burrill to be postmaster at Snoqualmie Falls, Wash., in place of P. B. Burrill. Incumbent's commission expired January 9, 1933.

James E. Clark to be postmaster at Ryderwood, Wash., in place of J. E. Clark. Incumbent's commission expires January 28, 1934.

WEST VIRGINIA

S. Cleveland Underwood to be postmaster at Bethany, W.Va., in place of M. B. Carman, resigned.

Emmett C. Andrick to be postmaster at Elizabeth, W.Va., in place of S. H. Mitchell, deceased.

Thomas T. Bambrick to be postmaster at Hollidays Cove, W.Va., in place of J. A. Ferguson, removed.

Fred A. Burt to be postmaster at Mannington, W.Va., in place of J. D. Charlton, removed.

Justus O. Eakin to be postmaster at New Martinsville, W.Va., in place of L. V. McIntire. Incumbent's commission expired January 9, 1932.

Mack Kiger to be postmaster at Paden City, W.Va., in place of L. F. Fagert, removed.

Wilbur S. Moore to be postmaster at Pine Grove, W.Va., in place of H. M. Watson. Incumbent's commission expired December 10, 1932.

William L. Brice to be postmaster at Wheeling, W.Va., in place of F. E. Cowl, removed.

John J. Walker to be postmaster at Follansbee, W.Va., in place of C. B. Dodd, resigned.

Anna M. Stephenson to be postmaster at Parkersburg, W.Va., in place of J. W. Bee, removed.

James J. Lovell to be postmaster at Point Pleasant, W.Va., in place of H. F. Lewis, resigned.

WISCONSIN

John J. Riordan to be postmaster at Beloit, Wis., in place of L. F. Rosenthal, retired.

Frank R. Hughes to be postmaster at Chippewa Falls, Wis., in place of J. A. Watson, removed.

Arthur G. Hoskins to be postmaster at Dodgeville, Wis., in place of J. C. Pile, resigned.

Henry E. Steinbring to be postmaster at Fall Creek, Wis., in place of H. E. Steinbring. Incumbent's commission expired January 21, 1933.

Arthur H. Gruenewald to be postmaster at Oshkosh, Wis., in place of E. P. G. Schlerf, removed.

Peter P. Dandoneau to be postmaster at Rhinelander, Wis., in place of C. L. Calkins, removed.

Nicholas Lucius, Jr., to be postmaster at Solon Springs, Wis., in place of Nicholas Lucius, Jr. Incumbent's commission expired December 18, 1933.

George W. Shenkenberg to be postmaster at Waterford, Wis., in place of A. J. Topp. Incumbent's commission expired February 25, 1933.

Will Riley to be postmaster at Darlington, Wis., in place of A. H. Krog. Incumbent's commission expired January 9, 1933.

Oliver E. Neuens to be postmaster at Fredonia, Wis., in place of J. W. Kane, deceased.

Leo M. Meyer to be postmaster at Loyal, Wis., in place of H. G. Tucker. Incumbent's commission expired September 30, 1933.

Earl D. Young to be postmaster at Melrose, Wis., in place of Frank Wachter, removed.

Levy Williamson to be postmaster at Mineral Point, Wis., in place of E. N. Harris, transferred.

Louis W. Kurth to be postmaster at Neillsville, Wis., in place of B. J. Brown. Incumbent's commission expired September 30, 1933.

Hilary T. Karis to be postmaster at Norwalk, Wis., in place of F. M. Neumann. Incumbent's commission expired January 21, 1933.

Edmund J. Piechowski to be postmaster at Redgranite, Wis., in place of J. E. Finnerty, removed.

Stephen J. McShane to be postmaster at Rice Lake, Wis., in place of H. W. Field, deceased.

Charles F. Heald to be postmaster at Sheboygan Falls, Wis., in place of R. M. Nichols, resigned.

WYOMING

James J. McDermott to be postmaster at Arvada, Wyo., in place of J. J. McDermott. Incumbent's commission expired December 16, 1933.

Edward N. Greff to be postmaster at Chugwater, Wyo., in place of F. A. Beard, resigned.

John F. Cook to be postmaster at Cody, Wyo., in place of A. P. Libby, removed.

Myra E. Geer to be postmaster at Cokeville, Wyo., in place of A. J. Schils, deceased.

Minnie C. Corum to be postmaster at Encampment, Wyo., in place of M. C. Corum. Incumbent's commission expired December 16, 1933.

Frederick W. Chamberlain to be postmaster at Greybull, Wyo., in place of F. F. Bristow, resigned.

Andrew Morrow to be postmaster at Kemmerer, Wyo., in place of J. H. Mantle, resigned.

Henry J. Wendt to be postmaster at Lander, Wyo., in place of J. G. Bruce, resigned.

Allen T. Frans to be postmaster at Meeteetse, Wyo., in place of A. T. Frans. Incumbent's commission expired September 18, 1933.

Lilian M. Blackwell to be postmaster at Shoshoni, Wyo., in place of R. E. Chittick, Jr., resigned.

Dorsey T. Shoemaker to be postmaster at Torrington, Wyo., in place of L. E. Eaton, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 23, 1934

ASSISTANT ATTORNEY GENERAL

Joseph B. Keenan to be Assistant Attorney General.

UNITED STATES DISTRICT JUDGES

George F. Alexander to be district judge, division no. 1, District of Alaska.

J. Earl Major to be United States district judge, southern district of Illinois.

Robert A. Cooper to be United States district judge, District of Puerto Rico.

ASSOCIATE JUSTICES, SUPREME COURT, PHILIPPINE ISLANDS

Anacleto Diaz to be associate justice of the Supreme Court of the Philippine Islands.

Leonard S. Goddard to be associate justice of the Supreme Court of the Philippine Islands.

GOVERNOR OF PUERTO RICO

Blanton Winship to be Governor of Puerto Rico.

ATTORNEY GENERAL OF PUERTO RICO

Benjamin J. Horton to be Attorney General of Puerto Rico.

UNITED STATES ATTORNEYS

John W. Holland to be United States attorney, southern district of Florida.

Lawrence S. Camp to be United States attorney, northern district of Georgia.

J. Saxton Daniel to be United States attorney, southern district of Georgia.

Joseph M. Donnelly to be United States attorney, western district of Michigan.

James H. Baldwin to be United States attorney, district of Montana.

James O. Carr to be United States attorney, eastern district of North Carolina.

Marcus Erwin to be United States attorney, western district of North Carolina.

Powless W. Lanier to be United States attorney, district of North Dakota.

Emerich B. Freed to be United States attorney, northern district of Ohio.

Francis Canny to be United States attorney, southern district of Ohio.

William R. Smith, Jr., to be United States attorney, western district of Texas.

UNITED STATES MARSHALS

Thomas Gaffney to be United States marshal, division no. 2, district of Alaska.

Adam M. Lewis to be United States marshal, northern district of Florida.

George A. Meffan to be United States marshal, district of Idaho.

John J. Murphy to be United States marshal, district of Massachusetts.

William B. Fahy to be United States marshal, eastern district of Missouri.

William F. Goucher to be United States marshal, district of Rhode Island.

James R. Wright to be United States marshal, northern district of Texas.

Albert A. Sanders to be United States marshal, district of Wyoming.

COMPTROLLER OF CUSTOMS

Ralph W. Wescott to be comptroller of customs, district no. 11, Philadelphia, Pa.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 23, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Infinite God, our Father, the Creator and Judge of all the earth; Thou who dost look with mercy on what we are and who reveals what we may be, we pray that Thou wouldst enable us to translate our visions into realities. Grant us largeness of thought, of aspiration, and of liberty. Heavenly Father, may our labors be made musical by the melody of brotherhood. Hearken, O Lord God, we beseech Thee, that with hearts of oak and with breasts of steel our entire citizenship may be summoned in the name of humanity and of good government to cleanse our country of the breeding grounds of crime, which are our greatest public peril. O Thou who art holy and just, we plead for a recovery that shall free our Nation's arteries from these cesspools of iniquity from which come floods of terror, leaving broken hearts and shattered hearthstones in their train. O hasten the dawn of our deliverance. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6670. An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on January 18, 1934, the President approved and signed a joint resolution of the House of the following title:

H.J.Res. 228. Joint resolution to provide for certain expenses incident to the second session of the Seventy-third Congress.

VETERAN RELIEF—ITS RELATION TO CITIZENSHIP

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered before the Chamber of Commerce at Roanoke, Va., January 22, by Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

Mr. WOODRUM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. President, members and guests of the Roanoke Chamber of Commerce, I greatly appreciate the opportunity to address you here today, recalling, as I do with much pleasure, my previous visit to Roanoke when I spoke on Armistice Day 1931, before many of your veterans and other citizens of your splendid city.

Because of my relation with veterans' affairs, it is but natural that I should choose for discussion with you veteran relief, and

I wish to touch upon a phase of it which has not been given the emphasis I believe it rightly deserves; that is, its relationship to citizenship.

All down through the years from earliest Rome through Elizabethan England and in our own country the problems of veterans' relief has persisted in ever-increasing reverberations, but the emphasis has always been upon the Government's obligation to the veteran, and the matter of the citizen's obligation to his Government has not in my judgment been given the consideration it merits.

I feel strongly that, so far as our country is concerned, there is need for greater interest on the part of our citizens in their own country in the exercise of the rights of citizenship and a more thorough understanding of the machinery of government.

Taken in its full implication the very word "citizen" acquires the dignity of a title. In fact one writer has characterized it as such. He says, "The highest title in the new order of nobility will be neither 'merchant' nor 'scholar', nor yet 'gentleman' in its conventional sense, but 'citizen'—a title rich in its suggestion of public spirit, the recognition of the claims of human brotherhood, the merging of the individual into the higher life of the community, of the Nation, of humanity itself."

However, we are apt to be very casual in our use of this title, giving no thought to the responsibility it connotes. When we say that a man is a citizen of New York, we intend to indicate merely his residence, not his capacity.

Responsibility as a citizen is not a passive one. It is not enough to live our own lives uprightly; it is imperative that we take an active part in the affairs of our community, bringing all our courage and resourcefulness to bear against any evil or unfortunate occurences which may arise; and in the face of such conditions it is necessary to consider one's self not merely as a citizen of the immediate community but as an integral factor in the welfare of the whole country.

It is this particular attitude that I have in mind in relation to our veterans. For many months past so much has been uttered and written on the subject of veteran relief, voicing deprecation of the burden of its maintenance, the subject had come to be looked upon in many quarters almost as a national grievance, and demands for alleviation of this burden upon the taxpayer grew increasingly insistent and vociferous until the enactment by Congress of the act to maintain the credit of the United States and Public, No. 78. These acts, as most of you no doubt are aware, gave the President broad powers of regulation governing veteran relief and specified certain reductions in payments to veterans and their dependents. Revision of the laws has been effected upon sound principles and comprehending the character of military service, equality in benefits for similar service, consideration of the degree of disability sustained, and financial need for Government aid where direct service origin is not a factor.

It is interesting to note that after the application of the provisions of these new regulations there are still upon our rolls over half a million living veterans and the dependents of over 265,000 deceased veterans who are in receipt of monthly pensions, and 47,000 veterans still remain in our hospitals and homes. Liberalizing regulations approved by the President just last week will serve to increase these totals.

All men who acquired their disabilities in the military or naval service, as well as the dependents of those whose deaths are due to their service, will continue to be adequately cared for, while others of the more seriously disabled veterans are entitled to either a pension, hospital, or domiciliary care.

However, benefits and medical care are now restricted as regards veterans whose partial disability is in no way due to their service; and this procedure, which is in direct consonance with the earliest traditions and customs of our country, coincides with the popular demand of today as influenced by the exigencies of the major national emergency through which we have been passing. Previous to the passage of this legislation and the President's action, hundreds of letters came to me from all over the country voicing strenuous objection to payments being made to veterans who saw no actual combat service; veterans who were able-bodied enough to care for themselves; veterans legally rated as partially disabled, yet able to follow employment requiring physical fitness; and, finally, objection to the domicile in national homes of veterans in receipt of the maximum rate of pension.

It was quite evident that the general feeling was that since thousands of other citizens of our country also were in need of aid through no fault of their own, the veterans who were not disabled by reason of their service should revert to their original status of citizens and meet their difficulties in that capacity along with the others.

It is in such circumstances as these that the true character of citizenship is best manifest. It is quite generally conceded, I believe, that the highest duty and privilege of citizenship is service to one's country in time of great emergency, and it is quite as necessary for us to recognize a national emergency when it occurs in time of peace as when it involves war with another nation. We are passing through just such an emergency, and each difficulty must be met with courage and patience, and a steadfast determination to win through—which shall persist in spite of all obstacles, for we shall win through. America has never failed or quite, and she will not do so now, but whatever is accomplished under the wise and courageous leadership of our President must be achieved by the united and devoted efforts of all the citizenry.

There has never been a time in the history of our country when patriotism and unselfish consideration of the welfare of the country as a whole was more urgently needed than it is today, and it behooves each of us to give earnest consideration to his or her attitude and endeavor as a citizen.

We are apt to take our patriotism for granted and our citizenship as a status rather than as a personal responsibility, but to be effective in either, we should be constantly active, vigilant, and diligent. Patriotism is not a thing to don like a garment in peace time or to buckle on like a sword in time of war, but must be innate and permanent, not superficial or transitory. Patriotism we see as the very basis of good citizenship. It comprehends and connotes love of country and reverence for its laws; recognition of civic duties; and, defense of country in time of war, not alone as a duty but as the highest privilege of citizenship in fulfillment of an acknowledged obligation to the Government for benefits and protection enjoyed as a citizen.

Service to one's country cannot be evaluated in dollars and cents, but should be spontaneous, without thought of reward. Neither can our gratitude to those who served be rated in such a manner. To the veteran who comes through war unscathed, suffering no impairment, the Government owes its gratitude but—until the time comes, if it should, when assistance is needed—nothing more than it owes to any other loyal citizen. We take pride in providing care and relief for those who have become disabled as the result of rendering war service, but we should as a Nation take equal pride in not seeking Government relief unless we need it.

The principle that service to one's country must thereafter be rewarded by the country, irrespective of need, is contrary to the most elementary tenets of good citizenship, but such expectation with increasing fulfillment has been so widely prevalent after each war in which we have engaged, it has finally attained the prestige of a tradition. We need to get back to that community of interest and ideals upon which our country was founded—based upon the principle that the welfare of the individual was assured only by the welfare of the group. The instinct of self-preservation—aside from any sentiment—taught our forefathers the necessity of standing together. We need to get back to that unity of purpose which perforce held the Colonies together against the menace of outside foes.

We think of ourselves too much only as individuals instead of units in a social whole and correspondingly visualize and pursue our interests more or less selfishly, oblivious of the community of interest which should prevail. There is a clear call to us all today in the conditions which have become more and more prevalent, constituting a menace not only to our ideals and traditions but actually to our security as a nation. On every hand we hear or see evidence of unrest or disregard for the laws of the land, of this or that racket, and one of the most disturbing features prominent in these conditions is the fact that so many of the participants are the young. Someone has said, "The worst that war has done is not the murder of a million bodies but the maiming of a million souls"; and when we stop to consider the moral deterioration that has developed among the youth of the country for lack of schooling, occupation, home care, and employment, we must realize that the maiming of these millions of souls is comparable to the devastation of war. This unrest is not going to be stilled except by a conscientious, deliberate, and determined effort on the part of the citizenry.

Perhaps some of you are even now asking yourselves, "What can I do about it?" and I assure you there is need for each of us to do something very definite about it if we are to fulfill our duties and avail ourselves of our privileges as citizens. There is need for a new spirit of public service and unselfishness that will predominate and so bring about the overthrow of the self-seeker and the greedy—a new and higher standard of civic relationship and civic responsibility.

A good citizen mindful of his country's tradition should consider the significance of its position among the nations of the world as well as its potentialities as an individual nation and, building day by day on this background, assist in preserving the integrity and prestige of his government.

That this responsibility is being widely neglected is evident on every hand. Disregard of law, ridicule of our Congress, of the judiciary, and other men in high public office are prevalent, all of which tend to destroy that confidence in those responsible for the machinery of our Government, which, if carried to the extreme, will undermine the very foundations of good government.

We all know that the American people are much attached to their Government and in every great emergency they have come forward to its defense in the fullest measure. Yet in time of peace, the tendency is to belittle, and interest wanes in those fundamentals of good Government that are essential to its progress and stability. If we are to continue as the great Nation that we have a right to be, it is necessary that there be developed among our people a greater interest in public affairs, a greater appreciation of the value of citizenship.

Patriotism should be an integral part of our every feeling at all times, for it is merely another name for those qualities of soul which make a man in peace or in war, by day or by night, consider his duty to his fellows, and to the Nation through which his and their loftiest aspirations may find fitting expression.

Young America should be taught to love America, to support its Constitution and its laws; to learn that the violation of its laws is desecration of all that is good, and destructive of those high ideals fought for by the fathers of our Nation. Next to love of country should come respect for our institutions and for those who are charged with the responsibility of government. It is equally important, of course, that those selected for public

service should be able to command the confidence essential to inspire proper respect.

However, all these ideals and principles should have their inception in the home and be fostered to the utmost in the schoolroom. I am afraid we expect too much from our teachers in comparison with the compensation and position awarded them. It is of the utmost importance that the initial impression given to the children of America emanate from teachers whose ideals are based upon the true ideals of Americanism, and they should receive salaries commensurate with their responsibilities.

I am of the opinion that the responsibilities patiently and capably borne by the teachers of America are greatly underestimated by the public generally—and certainly as a class they are notoriously underpaid. That the entire educational system of our country has been seriously affected by the prevailing conditions is indicated in the results of a country-wide survey made by the United States Commissioner of Education showing that 800 public schools are closed entirely and 11,000 are operating on a school year of less than 6 months.

When we realize that the entire number of schools operating on full schedule is so utterly inadequate to care properly for the youth of our country, the spectacle of these silent schoolrooms is little less than appalling. There is no activity of our country of greater or more far-reaching importance than efficient functioning of the school. Citizenship is born there. Opportunity and facilities for at least a high-school education should be available to every child in the United States, and it should be so completely and freely accessible that no boy or girl need be deprived of its benefits for lack of textbooks or other necessary school supplies. There is no question but that schools are the very foundation of our citizenship and what young America is taught in them will be the basis of what they do and say later in life.

Notwithstanding our vast and varied national endeavors, I believe the Federal Government has had too little active participation in the function of education, and it is highly gratifying to note indications that under the present administration the scope of Federal participation in educational matters may be broadened, and its activities increased.

Two definite steps in this direction are seen in the educational work now being conducted in the Civilian Conservation Corps, and in the recent establishment of the National Workers' Education Bureau. In the Civilian Conservation Corps, educational advisers will determine at first hand the desires and needs of the corps in educational matters, and efforts will be made to provide such instruction as the members of the corps will be able to acquire in what would otherwise be their idle time, evenings, and rainy days when the regular outdoor work cannot be carried on. The National Workers' Bureau is providing summer courses for workers, and special instruction for the teachers to train them to meet the workers' needs, for instruction in English, social science, current economic problems, and all those things that are closely related to their daily lives.

In a word, the National Workers' Bureau hopes to prepare these young people for intelligent citizenship by giving them a comprehensive knowledge of what is going on around them in social, industrial, and economic activities, and teaching them to think for themselves.

The work is projected through State superintendents of education, and the classes are held in public schools in the regular vacation periods. I feel that this is a highly important work, holding unpredictably splendid possibilities for the future, and I, for one, shall follow the results of its efforts with intense interest.

I feel most earnestly that every step of our educational progress should be outlined in a definite national policy which would include practical instruction in the machinery of government—civic, State, and national—and in order that all educational activities of the country might be properly coordinated, the Government's policy should prescribe minimum requirements which would need to be met by all States wishing their educational programs to be accredited under the Federal system.

We are prone to manifest much pride in our institutions of learning; and while this pride is a worthy one, I do not feel that we are doing nearly enough in the way of education. We have not nearly enough schools; and in those that we have, we do not give our young people adequate preparation for the business of living. Education has been defined as "preparation for the art of living", but, too often, it is merely a sort of intellectual interior decorating.

Education should furnish a definite pattern for living, at least outlining something of the mechanics and technique of that most intricate process; and, with all the cultural embellishment that a boy or girl can and will absorb, there should be always a definite groundwork of some craft, trade, or profession through which they may not only be able to obtain a livelihood but contribute something of practical usefulness to the community of which they are a part. In other words, they should be taught how to be good citizens.

To be a good citizen requires the closest possible adherence to the ideals of Americanism, loyalty in the utmost to those responsible for government, obedience to the laws of the land, and cheerful performance of any public duty required.

We see today entirely too many manifestations of a spirit that is the antithesis of good citizenship. Are we to conclude that the existence of such conditions indicates lack of solidarity in American life; and, if so, must we blame that lack on our long adherence to the melting-pot policy conceived in unselfishness and pursued in the development of that freedom which is the cornerstone of our national structure? Is this precious and dearly bought freedom degenerating into a laxity that is penetrating and polluting the most vital elements of our national life?

The economic depression has been a fertile field for these elements to prosper, and with such fertilization discontent has spread, with acute occurrences, in this country as well as many others, and these occurrences, while sporadic and more or less transitory in character, are not to be ignored with impunity.

Never before has there been greater need or greater opportunities for the manifestation of Americanism, inviolate and militant, to combat and neutralize the activities and influence of antagonistic forces which would destroy the very fabric of our social structure and tear down the ideals we have reared through the years of our development. Our country was founded on certain great principles fundamental in character. It seems to me in times like those through which we are passing, it is imperative to consider these principles and see to it that we shape our lives in accord with them.

The form and functions of our Government are the result of the independent activity and thought of the people, but with the lapse of time we have settled back into our own more restricted lines of endeavor, leaving the activities of the Government in the hands of a few who have made such matters more or less their life work. It is time that we not only participate individually and actively in the various functions of our civic and national life, but it is more than time that we should establish a definite system, national in scope, which should insure the proper education and preparation of our youth for such eventual duties.

There is a close relationship between education, citizenship, and veterans' relief. The fact that we have a veterans' problem to deal with is due to the fact that we have had either national or international conflicts, which have made it necessary that our citizens be called to the colors. It may be too much to expect within a reasonable time, even with a perfect system of education and the development of the highest type in the standards of citizenship, that we should be able in the future to avoid such conflicts. It is the sincere desire, most certainly, of those who have served in previous conflicts that we may reach such a point. Most assuredly we should make every endeavor to do so.

For these reasons I have developed in this talk to you the matter of education and citizenship, because I feel that there is a marked and direct relationship that will have a most important influence on the future of our country as well as of the other nations of the world.

And now, my friends, before I bid you good night, I wish to thank you for your attention. I earnestly hope that some of you may perceive as a result of these remarks new opportunities for service to your fellow men in your community and that together we may strive hopefully on, keeping ever in mind that ideal, so aptly phrased by the immortal Tennyson:

"Ah! when shall all men's good
Be each man's rule, and universal peace
Lie like a shaft of light across the land,
And like a lane of beams athwart the sea,
Thro' all the circle of the golden year?"

TO PROHIBIT EMPLOYEES OF NATIONAL POLITICAL COMMITTEES FROM HOLDING GOVERNMENT POSITIONS

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. In that time, Mr. Speaker, I ask the Clerk to read a resolution which I have sent to the desk.

The Clerk read as follows:

House Joint Resolution 241

To prohibit members and employees of any national political committee from holding Government positions

Resolved, etc., That no officer, member, or employee of a national committee of any political party shall be eligible to hold any Government position, directly or indirectly, under the jurisdiction of any department, bureau, board, commission, or independent agency of the Government.

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

IMPEACHMENT OF FEDERAL JUDGE IN MINNESOTA

Mr. SHOEMAKER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SHOEMAKER. Mr. Speaker, on yesterday I introduced a resolution to impeach a Federal judge in the State of Minnesota for enjoining the State of Minnesota from

investigating blue-sky stock transactions by a banking group headed by Wiggins' Chase National Bank of New York. Yesterday afternoon this same judge issued an additional injunction restraining Hennepin County, the county in which the city of Minneapolis is located, from going ahead to investigate stock sales that have been put over. Stock which sold to the people of the State of Minnesota at millions of dollars, at $100 a share, are now selling at $6 a share. Our blue-sky commission started an investigation of stock sales in the State of Minnesota, and this Federal judge has enjoined them from going ahead, either criminally or civilly, against those robbers.

I ask unanimous consent, Mr. Speaker, to introduce into the RECORD another telegram which I received this morning setting forth the later injunction which followed the original, issued several days ago.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The telegram referred to is as follows:

F. H. SHOEMAKER,
1005 House Office Building,
Washington, D.C.:

Additional injunction today restraining Hennepin County Attorney Goff from starting any action against Northwest Bancorporation. Such proceedings by bank corporation are an admission of guilt. If you can follow suggestions, you will render Minnesota a service. Can you put it over? Answer.

S. T. WOLFE.

NAVY DEPARTMENT APPROPRIATION BILL—FISCAL YEAR 1935

Mr. AYRES of Kansas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7199) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1935, and for other purposes; and pending that motion I should like to ask the gentleman from Pennsylvania [Mr. SWICK] if we cannot agree now upon some limit for general debate. I may say to the gentleman from Pennsylvania that I have made inquiry of the timekeeper and found that the gentleman from Pennsylvania [Mr. SWICK] has used 2 hours and 31 minutes, and we have used 2 hours and 14 minutes on this side. I am hopeful, if it meets with the approval of the gentleman from Pennsylvania, that we can agree on 2 hours and 15 minutes, 1 hour to be controlled by the gentleman from Pennsylvania and 1 hour and 15 minutes by myself.

Mr. SWICK. That will be perfectly agreeable to this side.

Mr. AYRES of Kansas. Then, Mr. Speaker, I ask unanimous consent that general debate on this bill continue for 2 hours and 15 minutes, 1 hour to be controlled by the gentleman from Pennsylvania [Mr. SWICK] and 1 hour and 15 minutes by myself.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Kansas [Mr. AYRES].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 7199, the Navy Department appropriation bill, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. AYRES of Kansas. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I wish to commend Mr. Arthur Brisbane for statements under his signature, appearing in the newspapers of the country on yesterday morning. I will read what Mr. Brisbane said:

Once more be it said, the Government, instead of insisting on bond issues and gigantic interest payments, could and should issue its own currency and pay bills with that. The Government's promise to pay, on green paper bearing no interest would be exactly as good as its promise to pay—plus interest—on yellow paper, and issue currency, instead of a crippling bond issue would help Government credit. A Government, free of a four or five hundred million dollar annual interest load, would have better credit than with that annual interest burden added to its other obligations.

Who are the congenital usurers, money lenders, and interest grabbers that persuade the President to issue bonds, instead of currency? If the currency would be "inflation" then the bonds would be inflation, plus the added inflation of ten billions in interest charges, added to the ten billions of principal, before the debt could be paid off. An unnecessary interest burden might be the last straw on Uncle Sam's back, leading to a real smash and a dollar really cheap.

In truth and in fact, the Government's interest burden this year will amount to approximately a billion dollars. So Mr. Brisbane raises this question: Why should the Government pay that billion dollars in interest? I want to quote in substance what Mr. Edison said a few years ago when he was asked to go to Muscle Shoals and inspect that project for Mr. Henry Ford, who was contemplating leasing it from the Government for 99 years.

While he was at Muscle Shoals, the New York Times quoted this recognized man of genius and wonderful inventor, whose analysis will be respected by everyone, as follows:

If the currency is issued, $30,000,000, for financing the finishing construction of Muscle Shoals work, it will be the proper thing to do. Once the currency method is tried in raising money for public improvements, the country will never go back to the bond method.

Make it perfectly clear that I am not advocating any changes in the banks and banking. Banks are a mighty good thing. They are essential to the commerce of the country. It is the money broker, the money profiteer, the private banker, that I oppose. They gain their power through a fictitious and false value given to gold. Gold is a relic of Julius Caesar, and interest is an invention of Satan.

Gold is intrinsically of less utility than most metals. The probable reason why it is retained as the basis of money is that it is easy to control. And it is the control of money that constitutes the money question. It is the control of money that is the root of all evil.

Gold and money are separate things, you see. Gold is the trick mechanism by which you can control money.

Gold is not money until the people of the United States and other nations put their stamp of approval on it. It is not the gold that makes the dollar. It is the dollar that makes the gold. Take the dollar out of the gold, and leave it merely yellow metal, and it sinks in value. Gold is established by law, just as silver was, and gold could be disestablished, demonetized by law, just as silver was. When silver was demonetized the former so-called "dollar" became worth about 50 cents.

There is a complete set of misleading slogans kept on hand for outbreaks of common sense among the people. The people are so ignorant of what they think are the intricacies of the money system that they are easily impressed by big words. There would be new shieks of fiat money, and paper money, and greenbackism, and the rest of it—the same old cries with which the people have been shouted down from the beginning.

But maybe we have passed beyond the time when the thoughtful 2 percent—you know, I gather from my questionnaire that only 2 percent of the people think [and Mr. Edison smiled broadly]—maybe they cannot shout down American thinkers any longer. The only dynamite that works in this country is the dynamite of a sound idea. I think we are getting a sound idea on the money question. The people have an instinct which tells them that something is wrong, and that the wrong somehow centers in money. They have an instinct, also, which tells them a proposal is made in their interest or against them.

Now, as to paper money, so-called; everyone knows that paper money is the money of civilized people. The higher you go in civilization the less actual money you see. It is all bills and checks. What are bills and checks? Mere promises and orders. What are they based on? Principally on two sources—human energy and the productive earth. Humanity and the soil—these are the only real bases of money.

Do not allow them to confuse you with the cry of "paper money." The danger of paper money is precisely the danger of gold—if you get too much, it is no good. They say we have all the gold of the world now. Well, what good does it do us? When America gets all the chips in a game the game stops. We would be better off it we had less gold. Indeed, we are trying to get rid of our gold to start something going. But the trade machine is at present jammed. Too much paper money operates the same way. There is just one rule for money, and that is to have enough to carry all the legitimate trade that is waiting to move. Too little or too much are both bad. But enough to move trade, enough to prevent stagnation on the one hand and not enough to permit speculation on the other hand, is the proper ratio.

Then you see no difference between currency and Government bonds? Mr. Edison was asked.

Yes; there is a difference. but it is neither the likeness or the difference that will determine the matter; the attack will be directed against thinking of bonds and currency together and comparing them. If people ever get to thinking of bonds and bills at the same time the game is up.

Now here is Ford proposing to finance Muscle Shoals by an issue of currency. Very well; let us suppose for a moment that Congress follows his proposal. Personally I don't think Congress has imagination enough to do it, but let us suppose that it does. The required sum is authorized—say $30,000,000. The bills are issued directly by the Government, as all money ought to be. When the workmen are paid off they receive these United States bills. When the material is bought it is paid in these United States bills. Except that perhaps the bills may have the engraving of a water dam instead of a railroad train and a ship as some of the Federal Reserve notes have, they will be the same as any other currency put out by the Government; that is, they will be money. They will be based on the public wealth already in Muscle Shoals; they will be retired by the earnings of the power dam. That is, the people of the United States will have all that they put into Muscle Shoals and all that they can take out for centuries—the endless wealth-making water power of that great Tennessee River—with no tax and no increase of the national debt.

But suppose Congress does not see this, what then? Mr. Edison was asked.

Then Congress must fall back on the old way of doing business. It must authorize an issue of bonds. That is, it must go out to the money brokers and borrow enough of our own national currency to complete great national resources, and we must pay interest to the money brokers for the use of our own money.

That is to say, under the old way, any time we wish to add to the national wealth we are compelled to add to the national debt.

Now, that is what Henry Ford wants to prevent. He thinks it is stupid, and so do I, that for the loan of $30,000,000 of their own money the people of the United States should be compelled to pay $66,000,000—that is what it amounts to with interest. People who will not turn a shovelful of dirt nor contribute a pound of material will collect more money from the United States than will the people who supply the material and do the work. That is the terrible thing about interest. In all our great bond issues the interest is always greater than the principal. All of the great public works cost more than twice the actual cost on that account. Under the present system of doing business we simply add 120 to 150 percent to the stated cost.

But here is the point: If our Nation can issue a dollar bond, it can issue a dollar bill. The element that makes the bond good makes the bill good also. The difference between the bond and the bill is that the bond lets the money brokers collect twice the amount of the bond and an additional 20 percent, whereas the currency pays nobody but those who directly contribute to Muscle Shoals in some useful way.

If the Government issues bonds it simply induces the money brokers to draw $30,000,000 out of the other channels of trade and turn it into Muscle Shoals; if the Government issues currency, it provides itself with enough money to increase the national wealth at Muscle Shoals without disturbing the business of the country. And in doing this it increases its income without adding a penny to its debt.

It is absurd to say that our country can issue $30,000,000 in bonds and not $30,000,000 in currency. Both are promises to pay; but one promise fattens the usurer, and the other helps the people. If the currency issued by the Government were no good, then the bonds issued would be no good either. It is a terrible situation when the Government to increase the national wealth, must go into debt and submit to ruinous interest charges at the hands of men who control the fictitious values of gold.

Look at it another way. If the Government issue bonds, the brokers will sell them. The bonds will be negotiable; they will be considered as gilt-edged paper. Why? Because the Government is behind them, but who is behind the Government? The people. Therefore it is the people who constitute the basis of Government credit. Why then cannot the people have the benefit of their own gilt-edged credit by receiving non-interest-bearing currency on Muscle Shoals, instead of the bankers receiving the benefit of the people's credit in interest-bearing bonds?

The people must pay anyway; why should they be compelled to pay twice, as the bond system compels them to pay? The people of the United States always accept their Government's currency. If the United States Government will adopt this policy of increasing its national wealth without contributing to the interest collector—for the whole national debt is made up on interest charges—then you will see an era of progress and prosperity in this country such as could never have come otherwise.

I wish every Member of Congress—House and Senate—would take the time to read this statement carefully. It is the best statement on the important issues before the people today that I have ever read.

PAY NATIONAL DEBT WITH NEW MONEY

I know that if you were to make the statement here this morning that we could issue $22,000,000,000 in money and take up all the Government bonds, many of our people would be alarmed and say: "Why, that will call for $220,000,000,000 of inflation; it will absolutely destroy our country." And according to the present banking set-up that argument could not be satisfactorily answered. It could cause, I admit, a potential inflation of $220,000,000,000. But there is a way of correcting this situation. We could pay off the national debt, if it were desired, and not have a dollar of inflation. Here is the way I would do it if it were within my power to do it. At least, I can suggest how it may be done.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SHALLENBERGER. Did the gentleman mean to state $220,000,000,000?

Mr. PATMAN. Yes. Twenty-two billion dollars is the amount of our national debt and the banks can expand each dollar 10 times, so this could call for a potential inflation of $220,000,000,000. The banks can lend $10 to every $1 of actual money in their possession.

Today we have in circulation, theoretically, $5,000,000,000 in money. The banks of the country hold less than $1,000,000,000 in their vaults to pay their depositors, but that is not all the money they have. They have approximately $2,000,000,000 with the Federal Reserve System that they can get very quickly for the purpose of paying their depositors. The banks owe their depositors approximately $40,000,000,000.

Now, suppose we were to adopt a program of gradually retiring the national debt with new money—and it should be done gradually; it should not be done quickly—in the end we will have paid $22,000,000,000 to the holders of Government tax-exempt interest-bearing bonds. They will get this payment in new money. This money will go very quickly to the banks in the country and be deposited. Then instead of the banks having on deposit $40,000,000,000 they will have on deposit $62,000,000,000; and instead of having $3,000,000,000 with which to pay those deposits they will have $25,000,000,000, a ratio of 1 to 2½.

As you issue this money and put it in circulation you can prevent inflation by raising the reserve requirements of the banks, so you can say then that no bank can issue more than $2.50 for every $1 of reserve; and there would not necessarily be any undue inflation at all. Why should there be? As you increase the volume of money you raise the reserve requirements of the banks. You can absolutely prevent undue inflation; and then instead of people having to rely upon borrowing money from the banks and paying interest on it they could have sufficient money for hand-to-hand transactions and not be reduced to barter.

MONEY FOR TRADE AND PRODUCTION

Furthermore, the people who hold $22,000,000,000 in bonds when they receive this money will want to put it to some useful purpose. In order to do this they will have to invest it; it will be forced into the channels of production and trade rather than being invested in tax-exempt interest-bearing bonds.

WHAT IS THE ANSWER?

Now, if there is any answer to this argument, I wish somebody would make it. I have heard this question discussed all over the country by the greatest economists and financiers, and I have every reason to believe that it is sound. I see no reason why it is not sound.

Why should the Government pay interest on its own obligations? Think of the inconsistency of the Government issuing a $1,000 bond and selling it to a bank here in Washington, and the bank in Washington taking the same bond, which is a debt that is secured by the credit of this Nation, to the Treasury, and getting $1,000 in new money, with the exception of 5 percent that is left there as a reserve.

SECURITY BEHIND MONEY

What secures this new money? Nothing on earth except the Government obligation, which is a Government debt. In other words, the money is issued upon a debt of the Government. So why issue that bond? Why not issue the money and let it be paid directly, for upon it there will be no interest? Let me repeat, Why issue a bond, sell the bond, and then issue money upon the bond or collateral security? Why not issue the money in the first instance?

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. O'CONNOR. The gentleman is touching upon a subject to which some people in this country have given a great deal of thought—why the Government should pay interest on its obligations. Some of our best economists cannot understand that, because the Government can take the money. Furthermore, the people are more concerned with the return of principal than they are with the earning of interest, especially after the experience of recent years. Now, instead of retiring the national debt by new currency, why should not the Government educate the people of America to take its obligations without interest? Because many people cannot understand why the Government ever should pay interest on its obligations. However, I could not go as far as the gentleman in issuing currency. Why could not the Government reissue obligations without interest?

Mr. PATMAN. What is the difference in the main? The gentleman says he would be willing for the bonds to be issued without interest. They are negotiable; they will be used as money.

Mr. O'CONNOR. They might be termed bonds. They might not be redeemable out of the Treasury for certain periods of time, unlike currency.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KVALE. Will the gentleman tell the Committee what he thinks is the essential difference between small, non-interest-bearing bonds in circulation and currency of like denomination?

Mr. PATMAN. There is no difference except this: If currency is issued it may be used by the banks for the issuance of additional deposit currency while the bonds could not be used for that purpose.

There are many ways in which we can do this, either by the issuance of bonds of small denomination, non-interest-bearing bonds, or the issuance of money. Regardless of what you call the obligations so issued, the same principle is involved. The people do sufficient business with the Government to safely authorize such currency issue to be redeemable in services or used for taxpaying purposes. It could be made good for the purchase of stamps or any kind of mail service, payments due the Reconstruction Finance Corporation, taxes due the Treasury, including income, inheritance, alcoholic beverage, gasoline, check, and tobacco, and for many other purposes.

FEDERAL RESERVE BANKS

I want to say a word about the Federal Reserve System. The Federal Reserve member banks have never invested more than $160,000,000 in the System. It cannot be claimed that they have been doing the enormous business they have on that small capitalization. This is insignificant; it is nothing compared to the fifty to one hundred billion dollars worth of business done by these institutions. Mr. W. P. G. Harding, Governor of the Federal Reserve Board, on June 28, 1922, testified before the Banking and Currency Committee of the House, and in this testimony he made certain statements.

Mr. Chairman, I ask unanimous consent to insert as a part of my remarks certain extracts from his testimony, as well as Mr. Edison's quoted statement.

The CHAIRMAN. Is there any objection to the request of the gentleman from Texas?

There was no objection.

SPECIAL PRIVILEGES

Mr. PATMAN. He testified that the member banks had only invested some 3 percent of their capital and surplus in the Federal Reserve banks. They were not required, as contemplated by the law, to invest at least 6 percent, and Mr. Harding stated that it is not the intention of the Federal Reserve Board to ever call upon those member banks for the other 3 percent because the Federal Reserve banks do not need it. Why? Because they are backed by the credit of this Nation. Every Federal Reserve note that they have issued is not redeemable by the Federal Reserve banks. No. They do not promise to redeem them. Those notes are redeemable by the Government of the United States. It is a mortgage on all the property of all the people of this Nation. It is a mortgage on all the incomes of all the people. It is a blanket mortgage. They get the benefit of the Government credit; therefore it enables them to do business on this very small, insignificant capitalization. They also use this great privilege free of charge and pay no taxes, except on the small amount of real estate they own.

The Federal Reserve banks during the last 2 or 3 years have purchased $2,437,000,000 worth of Government securities. This is the amount that they held at the end of December. What did they buy those securities with? They bought those securities with Government credit; they bought Government obligations with Government credit, and the Government is paying the Federal Reserve banks interest on obligations that were bought with the credit of the Government. Is that right? Can you justify it? Is there any way on earth that you can give an excuse for that kind of thing? You cannot. There is no way to do it. The Federal Reserve banks will get enough each year as interest on those bonds to pay one half their entire paid-in capital stock. In other words, the equivalent of a 50-percent dividend is given to them each year on Government obligations alone and not have their $160,000,000 invested at all. There is no way for you to give a reasonable excuse for the continuance of such a situation.

TAKE OVER FEDERAL RESERVE SYSTEM

The Federal Reserve banks, I believe, should be taken over by the Government. I think the activities of the Federal Reserve banks and the Reconstruction Finance Corporation should be coordinated in some way so that the credit of this great Nation can be used in the interest of all the people instead of allowing it to be used for a special few.

[Here the gavel fell.]

NATIONAL INCOME FELL 40 PERCENT IN 4 YEARS

The Bureau of Foreign and Domestic Commerce of the Department of Commerce has just made public a report showing that total income distributed to individuals throughout the Nation was $81,000,000,000 in 1929, but dropped to $49,000,000,000 in 1932, a decline of 40 percent.

Wages have suffered most severely in the general decline since 1929, with a falling off of 60 percent in those industries in which it was possible to segregate this item. Salaries dropped 40 percent, much less rapidly than wages, with the most severe curtailment occuring in 1932.

A significant divergence in declining trends is apparent as between labor income and property income; by 1932 the former had fallen off 40 percent, while property income distributed receded by 30 percent.

Wages totaled $52,867,000,000 in 1929; $48,688,000,000 in 1930; $41,027,000,000 in 1931, and $31,595,000,000 in 1932.

Income distributed by agriculture dropped from $6,341,000,000 in 1929 to $3,442,000,000 in 1932. In mining the drop was from $2,123,000,000 in 1929 to $851,000,000 in 1932. The figures for manufacturing were $18,157,000,000 in 1929 and $8,373,000,000 in 1932, while income paid out by construction decreased from $3,135,000,000 in 1929 to $864,000,000 in 1932.

INTEREST PAYMENTS REMAIN STATIONARY

On the other hand, interest payment remained almost stationary during the 4 years of the report, being $5,687,000,000 in 1929, $5,826,000,000 in 1930, $5,662,000,000 in 1931, and $5,506,000,000 in 1932. This part of the report shows that the people will meet their contractual obligations if it is at all possible for them to do so. It further shows that there was more money paid out each of the years for interest than there was actual money in circulation.

Mr. CARY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, next to the group of persons who spend all of their time thinking up ways to exploit the consumer, I believe the most dangerous are those who, under the guise of protecting the consumer, attempt to destroy honest industry. In the latter group are those who write books for personal profit exposing industry.

On behalf of the consumer these self-appointed protectors, who, as far as is known, have contributed nothing to

the progress of this country, would with one stroke destroy industry and set themselves up as the supreme court to render decisions as to the worth of consumer products.

Strange as it may seem, I believe that a very large part of our manufacturers who make goods for public consumption are honest and have the consumer's interest at heart. How could they survive and prosper if they did not please the consumer? After all, merit is the gage of consumer acceptance.

I do not believe in discontinuing the service of advertising, for it is through this service that the consumer is kept informed and publications maintain their high standards. It may be necessary to control advertising to some extent, but it must not be killed as a consumer's service.

There has been an inspired clamoring for food and drugs legislation. To bring this about a few horrible examples of bad products and trade practices have been exhibited throughout the country by a Government department. A considerable sum of money has been expended in this campaign to stir up a feeling against our present Pure Food and Drugs Act, which is recognized by legal authorities throughout the world as an effective measure for consumer protection. Other countries have studied this law and have used it as a model for their food and drugs laws.

Yet the public would be led to believe that they have been unprotected; that they have been victims of a conspiracy on the part of food and drugs manufacturers to flood the country with deleterious products and poisonous foods. The fact is that no country in the world has a higher standard for food and drugs than has the United States.

Ownership of the industries in this group is represented by thousands of consumer stockholders. They give employment to millions of consumers in their own and allied industries. Millions have been invested by these industries in research and methods to improve their products and to bring them to the public conveniently and fresh.

It is difficult to believe that opponents of the suggested drastic legislation are all disreputable and dishonest manufacturers. They do have a selfish interest, perhaps, just as those zealots who write books for profit have a selfish interest. If the latter succeed in killing the service of advertising, the public would depend upon them for information about products of every description.

Let us have food and drug legislation that will stamp out fakes, frauds, parasites, deceivers, but let us have legislation that is not only fair to the public but to the people who try to do business with the public. Let us amend the Food and Drugs Act and let us have a Food and Drug Administration that can enforce the law and not one that spends so much of its time drafting and lobbying for new legislation designed to put honest industry in a strait-jacket.

PENDING FOOD AND DRUG LEGISLATION

One question involved in the dispute over proposed new food and drug legislation is whether we shall have legislation by Congress and enforcement by courts, as now, or legislation and enforcement by a Government officer in the Department of Agriculture.

The Federal food and drugs law was enacted in 1906. It prohibits the shipment or sale in interstate commerce of adulterated and misbranded food and drugs. Under it, the Government has instituted over 22,000 cases, and truthfulness on packages, labels, and circulars has, in the main, been achieved.

A criticism of the existing law is that it does not apply to advertising—that a manufacturer may make claims through the press and over the radio that he does not and cannot make on cartons and labels. It is easy to understand this criticism. Legislation to curb it seems necessary, although the codes of the various industries affected provide for such control.

Another complaint of the present law is that it does not apply to cosmetics, which have developed into a major industry since the law was enacted.

Instead of offering amendments to the existing law to effect changes in these various respects, or instead of a new bill to meet the same purposes, the Department of Agriculture brought out and sponsored a bill to repeal the existing law, change the entire theory underlying it, and set up a new, intricate, and involved law which would vest in the Secretary of Agriculture broad and almost unsupervised legislative, executive, and judicial powers. It is known as the "Tugwell bill."

Briefly stated, the criticism of the Tugwell bill is that it is a skeletonized bill which defines in general, broad terms, spheres of authority, and then empowers a Government officer, by regulations of his own making, to round out and expand (1) the legislative provisions of the bill, (2) the executive powers, and (3) the judicial functions.

The bill was heard before a subcommittee of the Senate Committee on Commerce in Washington on the 7th and 8th of last December. Many witnesses, representing publishers, advertising agencies, manufacturers of foods, drugs and cosmetics, trade associations, women's clubs, other groups, and the public, spoke in opposition to the bill as drawn. With few exceptions, if any, the speakers declared their agreement with the avowed purposes and aims of the bill, and addressed their criticisms to specific provisions of the proposed legislation.

THE REVISED TUGWELL BILL (S. 2000)

On January 4 Senator COPELAND introduced in the Senate a new bill drawn in the light of criticisms and suggestions expressed at the hearings. This new bill, identified as Senate bill no. 2000, is evidence of the validity of many of the criticisms made of the Tugwell bill.

The Copeland bill is a revision of the Tugwell bill, which it has followed, section for section. In some sections the language is retained.

The substantive provisions of the old bill are changed somewhat in the new bill. As in the case of the original Tugwell bill, the purpose and effect of this new measure can be stated in a few words: (1) Bureaucratic domination and control of the food, drug, and cosmetic industries is retained, hidden somewhat, but any careful analysis of the new bill discloses this fact; (2) it is even more adapted to the prevention of self-administration of drugs than if the original bill had been enacted; (3) there are more complete provisions to secure a reversal of existing court decisions than are found in the original bill; (4) the regulations of advertising is to be transferred to the Department of Agriculture and in as great an extent as in the original bill. Publishers and advertising agencies are still permitted to evade responsibility by turning State's evidence.

The purpose and effect of the revised Tugwell bill insofar as its substantive provisions are concerned are the same as the original.

The procedural provisions of the revised Tugwell bill are changed in some particulars.

There has been retained in the new Tugwell bill the provisions of the old bill relating to permits, factory inspection, multiple seizures, penalties for technical violations, injunction proceedings, provisions relating to exports, and publicity.

The definition of advertising still includes representations of opinion, bringing in a wide range of discretionary interpretations that will tend to suppress even necessary descriptive expressions in advertising copy.

The term "palliation" included in this bill does not convey any specific meaning in law, as no definite knowledge exists as to the exact pathological effects of certain drugs upon the human system.

The requirement that the label be supported by demonstrable scientific facts, subjects all labels to a discretionary determination of the basis for such facts.

Under the misbranding section, a drug is deemed to be misbranded solely because it may fail to carry a word or statement which may tend to avoid adulteration or misbranding as viewed by the administrators of the law. The discretionary interpretations that may result from the application of this provision provide no assurance to the manufacturer that his label may be acceptable for any extended period of time.

Food standards are still to be prescribed by regulations promulgated by the Secretary. It may be pertinent to ask

why such standards cannot be determined at the time the bill is drafted. Surely the manufacturer—with millions of dollars invested in scientifically developed processes for foods—is entitled to reasonable assurance that his investment may not be worthless at the scratch of a pen.

Manufacturers should have no objection to a declaration of substances possessing stimulant-depressant properties, but the wisdom of granting discretionary powers to a Secretary for the determination of other drugs to come within this category should be seriously questioned.

A drug is deemed to be misbranded if it fails to bear complete and explicit directions for use. It should be noted that the completeness and explicitness of the directions are solely to be determined by regulations promulgated by the Secretary, whose discretionary powers are then further broadened to include such indefinite requirements as the determination of what may be dangerous to health, dosage, or "methods of administration." The Secretary must then become prescribing physician for the administration of all drugs.

If an advertisement is unmistakably false, it is not within the province of the Secretary to declare it legal because of its appearance in a scientific publication. Yet provision is made in this bill specifically exempting such violations.

The exemption of minor violations from the institution of libel or injunction proceedings is, of course, at the discretion of the Secretary, with no requirement actually limiting his powers however minor the violation may be. To afford protection to industry it would seem desirable that some provision be included to prevent arbitrary or capricious actions of the administration in these "minor" instances. There is no reason to suppose that all officials will remain impartial and unprejudiced in the administration of this law.

Relative to seizures, protection is afforded administrative officials against damage suits resulting from the discretionary application of provisions of the law. In an equitably drafted law no cause for action would arise against an administrative official. This provision, therefore, encourages oppressive and bureaucratic interpretations under the cloak of immunity from personal liability.

The practice of instituting simultaneous seizures in many jurisdictions would be continued to the injury of legitimate industry without tangible benefits to the public interest. Multiple seizures should be authorized only in such cases where adulteration is immediately dangerous to public health.

Industry is entitled to some protection against the despotic acts of bureaucracy, and if the law cannot be so written that it is specific in its application, then the acts of administrative officials resulting from discretionary interpretations should be answerable in a court of law.

No protection is afforded the formulae and the secret processes that constitute the most valuable asset of the large majority of manufacturers in the food, drug, and cosmetic industries because of the restrictions of the term "patentable processes." The dissemination of information outside of the scope of administrative office being limited only to such "patentable processes" assures these industries no protection whatsoever.

The delegation of the power to legislate to a board of five members designated by the President is a grant of congressional prerogative open to question as to its constitutionality. The requirement that members of this board are to aid and advise the Secretary in the promulgation of regulations for the protection of public health is clearly legislative in character, such right of legislation heretofore remaining in the hands of Congress. The designation that members should be selected for their distinguished scientific attainment is indeed interesting in view of the fact that none of the members can have a financial interest in the manufacture, advertising, or sale of any food, drug, or cosmetic. It would be difficult to name an individual of such "scientific attainment" who remains utterly detached from the commercial phase of pharmacy or medicine. In fairness to industry, some representation should be provided upon any board whose duties are to determine the practical application of regulations promulgated by the Secretary. The intricate problems arising in the manufacture and marketing of not only drugs but foods and cosmetics warrant some consideration toward the selection of competent members who have some knowledge of business practice.

It is my belief that the logical solution of the problem of further safeguarding the consumer in a manner justly considerate of the problems of the manufacturer in conforming to such safeguarding will be found in H.R. 6376, which I introduced in the House of Representatives on January 4, 1934.

THE BLACK BILL (H.R. 6376)

The purpose of this bill is to correct defects existing in the Food and Drugs Act of June 30, 1906, and to modernize the act in order that adequate protection may be secured for the consuming public. At the same time it safeguards against fantastic legislation and preserves all of the present adequate provisions of the Food and Drugs Act as interpreted by the courts. The Black bill offers amendments to the present law which would:

First. Extend the provisions of the Food and Drugs Act to cosmetics, beauty preparations, and devices to affect the structure or functions of the body.

Second. Require manufacturers, packers, sellers, or distributors of products to place their true names and addresses thereon.

Third. Provide that notice and hearing be given by the Government to persons primarily responsible for alleged violations of regulations under the statute, prior to the institution of prosecutions, with reasonable opportunity to such persons to effect compliance with official rulings and provide for a certification of compliance by the Secretary.

Fourth. Limit prosecutions for alleged violations to one court action, but with power in that court to enjoin the interstate sale of articles involved pending decision of the controversy.

Fifth. Give emergency powers to the Government to effect summary protection of the public interest by impounding drugs flagrantly misbranded.

Sixth. Give jurisdiction over the advertising independently of the label of foods, drugs, and cosmetics to a bureau of the Department of Agriculture, that bureau, after due notice and hearing, to issue cease and desist orders against advertising found to be false, with provision that prompt compliance with such cease and desist orders be made upon penalty of prosecution and punishment by fine or imprisonment.

I believe the public would be better served by a bill couched in plain, understandable, and explicit terms, with as little opportunity as possible left for its alteration by regulation and varying departmental ideas. I believe H.R. 6376 accomplishes this purpose. [Applause.]

Mr. SWICK. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I was unfortunately unable to be here during the latter part of last session. Early this session, however, I asked the Chairman of the Committee on Expenditures in the Executive Departments—and I have requested him to be present today—if he would not call a meeting of that committee in order that I, the ranking Member on the minority thereon, might know what bills or resolutions had been referred to it. Last year it was suggested that as I had had 11 years of service in the Congress I should have some more important committee assignment than heretofore and that I be placed on the Committee on Expenditures, which was no longer to be a merely dormant one but would probably sit much of the time. I accepted this assignment willingly since it appeared to be an important one.

When I courteously suggested to the chairman of the committee that a meeting thereof be called, so that I might obtain some information as to what was in prospect, there was an apparent unwillingness on his part to accede to my suggestion. A few days later I repeated my request and his reply was "What do you want to do, uncover graft and cor-

ruption?" I answered, "No, indeed; the country cannot stand that sort of thing, but I do wish to question the advisability of some of these current expenditures, and the methods used in making them." He demanded to know what I had in mind. I said, "Well, whether or not it really is sound policy to continue giving more of the Federal funds to wealthy States and wealthy towns which should be able to provide for their own."

When interviewed by representatives of the press, I suggested that they talk personally with the chairman, for whom I have real personal liking and a great deal of respect. He is indeed a lovable man and I believe that he would make a remarkable investigator if allowed to act in that capacity. To them he stated in effect that I was looking for a cheap show. In reply to that insinuation I would ask those who have served with me for 11 years when I have ever forfeited their respect by seeking for notoriety. No; it is not that, but as ranking minority member on this committee I certainly feel some responsibility to those who placed me there and to the country at large to see to it, if possible, that these current huge expenditures be fairly examined.

It is a fact that towns with tax rates of less than $20—wealthy towns with not a dollar of indebtedness—are taking money from the Federal Treasury, which is faced with a debt of $32,000,000,000; and last Saturday I had to vote to split the dollar in half and for other features of the monetary revaluation bill because I must needs back up the President, lest the bankers whom he has excoriated fail to help in the great financial operations now in prospect.

When is a nation bankrupt? Just how much can we owe? With more than $3,000,000,000 of ordinary expense every year and with less than $3,000,000,000 of income, after having killed the goose that laid the golden egg and gave us $2,250,000,000 in income and corporation taxes—having locked the barn door of banking and business after the horse had been stolen, and, as a friend wrote me the other day, "locked it so tight that we cannot use the barn any more"—what is our present situation?

We courageously voted that our President should have all the money which he demanded for relief, namely $3,300,000 last year. When November arrived he found that the same thing existed as had existed under the former administration—that organization, planning, governmental red tape, and all that sort of thing had prevented the spending of all but a comparatively small amount for actual relief of unemployment.

I recall that on January 25 of last year I made a brief speech on the floor of this House and cited the failure of the Home Loan Bank, whereupon the gentleman from South Carolina said to me with much emphasis, as you may recall, "After March 4 things will move." After March 4 that same gentleman was made chairman of the new Home Owners' Loan Corporation Board. Things were certainly supposed to move then. Did they? Oh, what a record. Up to the middle of December—and I have figures available to prove it—scarcely any relief had been given to distressed home owners. There was more organization, there were more rules and regulations, and more and more delays, but foreclosures went on and on. The actual results of most of these relief measures were most disheartening. Federal banks bursting with money, but member banks not daring to borrow. The chairman of the R.F.C. tells the banks to loosen up; the Comptroller of the Currency travels about making speeches and urging banks to do business, even advising the making of loans on good character.

It has been stated that the failure of the recovery program of the N.R.A.—or the proportion of its failure—is to be laid to the banks because they have not properly cooperated. But just visit your own banks after the national-bank examiner has been there, putting the fear of God into them by such instructions as this: "Don't you dare to lend another dollar on real estate as security or to that person whose credit is based on real estate", and after they have been subjected to criticisms which have actually resulted in banks withdrawing from business because they did not dare to carry it on. Agencies of the Government are working at cross-purposes, gentlemen. Within the last few days I have once more learned that banks in my own district have still borrowed nothing from the Federal Reserve bank to help business in their communities. When is the fear which has restrained them from doing so to disappear? Not so long as these governmental threats and this spending spree continue.

Then I look over the P.W.A. program, for which I voted last year. I was very willing to vote a grant of 30 percent of the cost of municipal projects which would result in local improvements and be worth while in future years. But last November came and the P.W.A. had woefully failed to function as it was intended that it should function in all those many, many months. Someone had to think of something else at once. Perhaps if Mr. Hoover had proposed it he would have been reelected President; that is, if the Democratic Congress could have been persuaded to back him up. They thought of practically giving away a huge sum of money—$400,000,000—and giving it away in a hurry. Some of it must reach the people's pockets by Christmas. You and I have many letters from constituents praising Mr. Roosevelt because their Christmas was made happier, and I rejoice with those who received this needed aid. There is no question of that need in countless instances. But that is only one side of the picture. Many wealthy communities and units promptly jumped in and grabbed a lot of this relief money, spending it on things which they, as municipalities, should never have spent it for. The same is true of individuals. Possibly a million men have been placed on C.W.A. pay rolls who would not have had a job even in good times. It cannot be denied that in countless instances the deserving have failed to secure help because those who were not deserving got it. "Canned music" had thrown many musicians out of employment. That they needed work is unquestionable, but many have been given jobs simply to furnish entertainment for the public. Shades of the Caesars. That is what happened in Rome in the days of the public circuses.

[Here the gavel fell.]

Mr. SWICK. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. I may appear to be critical. I am critical of many of the methods which have been employed, but I am, nevertheless, backing the President. I even voted for his revolutionary proposals when many of my friends thought that I should not. If he asks for a billion dollars more, even if it is to be spent in the same manner, I shall probably vote as he requests. God knows I shall have to; he is the only President I have. If this is the only method of relief which he offers, I must support it, for the need is great.

Neveretheless, I do want a meeting of the Committee on Expenditures. Gently, oh, so gently, have I requested it. There are only 6 of the minority party against 15 of the majority on that committee, so what show have we got? I simply wish to call Mr. Hopkins down here and find out from him if it is not in fact true that greedy, rich municipalities that did not need this relief money have been taking it—taking it from those which did—and spending it on useless projects. Now, most of the P.W.A. projects are in a different category. They are permanent and worthwhile.

So, Mr. Chairman, this is the gist of my remarks this afternoon.

Confronted with only one method of bringing direct relief to our people, I am voting with the President. Just the same, I should like to have Mr. Hopkins and a few others appear before a real congressional committee, to pass on the advisability or inadvisability of giving away vast sums of money without due consideration and reasonable restraints. And my friend, the gentleman from Missouri [Mr. COCHRAN], would, I am sure, be the one most anxious and able to settle the question as to whether this has been done and how we are to proceed in the future.

Since we had our little discussion I have received scores of communications asking me to investigate scandals in different localities. The newspapers have lately been filled with comments and criticisms along the same lines. There

is certainly nothing secret about this now, and our committee was created to pass on expenditures by the Executive and, as a corollary, should hear reasonable and proper complaints. I observe that this morning's newspapers have called this giving-away proposition "the politicians' paradise." Municipalities complain because they were urged, or commanded, in the strongest terms to present C.W.A. projects in great haste, before they could properly consider the situation. Now, after they have got projects started and materials purchased they are ordered to "taper off" on employment. This tapering off will be most difficult to do, and hopes, but recently aroused, are now to be shattered.

Mr. KNUTSON. Will the gentleman yield?

Mr. GIFFORD. Yes; I yield.

Mr. KNUTSON. I do not think there is any politics in the C.W.A., because in Minnesota no man can get a job unless he is a Farmer-Laborite. [Laughter.]

Mr. GIFFORD. I said that if Mr. Hoover had only thought of this giving away money, I think he would have been elected. I do not know whether there is any politics in it or not, I do not know what the motive was, but you on the other side of the House feel happy about it. One Member over there said to me, "Well, we put something over on you that time, did we?" Well, I think you did, and you may have made a lot of votes. But, has our Government come to that?

Now, as I say, I asked the chairman to call this meeting. He well knows what I would do, if I were chairman. Perhaps I should thank heaven that I am in a position where it ought not to worry me; but it does. It is my duty to see that this committee performs its functions. I represent a section of the country where the people do their own thinking. I know that they expect me to do the same and do my duty.

I hope that the leaders on the other side have not taken the stand of asking the chairman of the committee not to call it together. The President himself is trying to clean house of the politicians who are using his administration for profitable practices. The indications are that he wishes matters to be aired and debated. Why, then, do you further resist this request? You are 15 to 6 on the committee and can whitewash any investigation if you choose to do so. [Applause.]

[Here the gavel fell.]

Mr. AYRES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, another distinguished orator is added to the heavy artillery on the Republican side, the gentleman from Massachusetts [Mr. GIFFORD] joining the ranks; but able as he is, he is so lacking in information that his shots at the administration do not even make a small dent. When Congress met a few weeks ago, the guns of the enemy were trained on the administration. We heard from General FISH, General CROWTHER, General TABER, and others. Now comes the gentleman from Massachusetts [Mr. GIFFORD]. Like the previous attacks, the gentleman from Massachusetts fails to make an impression, owing, I think, to his lack of understanding of the operations of our relief agencies.

Mr. GIFFORD. Will the gentleman allow me to interrupt him, and I will not interrupt him further? I meant to have stated that not a single Member on my side of the House has spoken to me in regard to this, nor has any one of the Republican leaders said anything about it.

Mr. COCHRAN of Missouri. While I did not yield to the gentleman, and do not want this taken out of my time, it is evident from what has just been said that the gentleman proceeded on his own initiative. The gentleman seems peeved because I have not called a meeting of the Committee on Expenditures to investigate the spending of money by the Public Works Administration and the Civil Works Administration. He wants an investigation, but he cannot produce any evidence of fraud of any kind. He seeks information that is contained in the monthly reports of the Administrator of the P.W.A. and the Administrator of the C.W.A. Then the gentleman complains because some of the towns of his district with small tax rates, wealthy towns, having no debts, are taking money from the C.W.A. at a time, he says, when the Government is facing an indebtedness of $32,000,000,000. Why does the gentleman complain here about what the officials in his towns do? They were not forced to accept the money. They accepted it, or it would not have been allocated. If the gentleman would stop for a moment to reason, he could realize why they accepted the money. I will advise him. Being wealthy communities, as he says, naturally they pay taxes to the United States Government. The money is being allocated to all cities and towns for relief purposes; and if they did not accept their portion of this money, the officials would find themselves in the position of paying taxes to be distributed among other cities and towns, with no direct benefit to them.

So what do they do? Like all other cities, they ask for their share. The gentleman spoke of the P.W.A. and made the statement that November came and this Administration did not function. If he will consult the record, he will find that nearly all the $3,300,000,000 was allocated by November. It has all been allocated now and the Administrator has warned States, counties, and cities that if they do not proceed with the improvements for which money was allocated he will revoke the grant. Is there any evidence there that the Public Works Administration has not functioned? It not only has functioned but is functioning now and, when Congress grants additional money for public works, it will be in a position to allocate immediately this money as applications are being approved daily and are held in abeyance awaiting action by Congress. Of course, we will not act until the President sends in his request, but we are informed that will be along in a very short time.

It is hard for me to conceive that the gentleman, who has been here so long and who has rendered such valuable service in the past, does not know how fast the Public Works Administration acted upon applications filed by the States and local communities. I can tell him that if he will just look at the record he will see that what I tell him is true and that, when weather permits, the projects not already started will be started. In the meantime the mills have been contacted and are now turning out material to be used in these projects. Look up the record of the Army Engineers and see if they have loafed on the job. They were ready, and practically all the large contracts have been let. "Gently I have asked for a meeting of the committee. I want to talk to Mr. Hopkins. I want information about those greedy, wealthy municipalities that took C.W.A. money", said Mr. Gifford in his speech. What information can Mr. Hopkins give him other than to say that the wealthy municipalities requested the money and it was allocated. It is from the officials of the municipalities that he should secure his information. The gentleman said he hoped the leaders on the Democratic side had not taken a stand against a committee meeting. The gentleman can be assured they have not. I accept the entire responsibility and I have no apology to make. I told the gentleman to produce some facts and he could have a meeting.

As the gentleman knows, I like to go fishing; that is my hobby. I am willing to go on a fishing expedition any time; but if I do, I am going to insist that the gentleman furnish the bait. [Laughter.] As soon as the gentleman, in the opinion of the chairman of the committee, furnishes any evidence that is worthy of consideration, there will be a meeting of the committee. But there is not going to be a meeting of the committee, as far as I am concerned, simply for the purpose of letting the gentleman throw mud at the administration.

Now, as to the P.W.A. and the C.W.A., everybody admits that the money is spent fast. The P.W.A. has done a wonderful job although my city has so far been denied money for our post office, a project for which Congress not only authorized the money but appropriated the money, and it was taken under authority granted in the Economy Act by the President and used for the Civilian Conservation Corps. There was a reason for the failure of the Director of the Budget and the Administration of Public Works in not allo-

cating the amount asked for this project by the Treasury Department. The P.W.A. is willing to give us the $3,100,000 Congress appropriated, but the Treasury Department now says it needs $5,350,000 to complete the job. I hope the controversy will soon be settled, and I think it will. The P.W.A. allocated money for projects authorized by Congress and we should not condemn the Administrator for that. He simply expedited the project to place the unemployed to work. That is what we gave them the money for. If you are in doubt as to this, consult the hearings before the committees. Everybody admits, if we had had time to work out a program, that probably we would have got more benefit out of the Civil Works Administration than we really will get, but in October last 11 percent of the people of the United States were on the unemployed relief roll, and something had to be done. What were we going to do? We had a man in the White House who figured out a way to go, and rather than simply have these people walk up week after week and receive a contribution from the local, State, and Federal relief rolls, they devised the C.W.A. Is it not better to let a man earn a few dollars so that he can walk home at night holding his head up and say that he has earned this money to feed his children rather than to have him go into the breadline and beg something from a charitable organization?

As far as I am concerned, I am willing to spend twice the amount that we have spent, if it is necessary, to feed the unemployed in this country. If you had not put the men to work, it would have been necessary to allocate the money through relief agencies, because the people must be fed. You are going to have lots of complaints. The gentleman from Massachusetts [Mr. GIFFORD] says that I have had them from St. Louis. I have not. I received only one complaint from his State, and he had a copy of the letter. The gentleman would break down the C.W.A., which would mean he would put 4,000,000 men back in the bread line to beg for their families. I can only say that those who oppose such a policy as we have inaugurated temporarily must never have felt the pinch. The President knows what he is doing. Let us help him rather than impede his progress. If any official—Federal, State, or local—has misused this fund—money advanced to feed the poor—no penalty is too severe.

Yesterday we heard something on the floor of the House about protecting ourselves from those without; from those on the outside. Build a great Navy, we were told. I am for that. I have always voted for it, although I live a thousand miles from the sea. Build a great Navy, we were told, so that we would be in a position to protect ourselves. I am not afraid of anyone on the outside. My thought is what will happen on the inside if we fail to see that our citizens receive proper food and shelter.

I was at a luncheon not long ago to a distinguished former Member of this House from the Republican side of the aisle, and I heard him make a very interesting speech. He made one remark that I shall always remember. He was speaking off the record—it did not appear in the press—but I do not think he will object if I repeat it. He said: "Let me tell you something, gentlemen. You cannot expect the people of this country to wave the American flag and to sing The Star-Spangled Banner on an empty stomach"; and you cannot. We do not want any trouble within the boundaries of our own country, but we cannot have all the luxuries on one side of the street and poverty on the other and at the same time expect everyone to be peaceful and happy.

The man in the White House is trying to do something for the unfortunate people of this country who have been placed in an unfortunate position not through their own choosing, and, as I said before, I believe it is the duty of all of us to cooperate with him. If we can find any fraud, let us find it; but do not come around here throwing mud, when the gentleman himself admits that he has absolutely no evidence to present to the committee. Call a meeting of the committee! If I did, where would we start, with nothing to start on? The Government practically stepped out of the picture when the allocation was made to the States. If there has been fraud, or if the money has not been properly used, then fault lies with the State and local officials handling the funds, not with the Civil Works Administrator.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes; always to my friend from New York.

Mr. SNELL. I do not know anything about this controversy, and I am not a party to it, but I did have something to do with establishing the Committee on Expenditures. If there ever was a time when I think there is an obligation on that committee, it is now, and for this reason: Three quarters of the expenditures being made are not under the control of the Committee on Appropriations, nor are they considered by that committee. I think the gentleman and his committee have an opportunity and duty to keep track of it. I am not throwing any mud at anybody. I simply believe that now is the time when the obligation which rests upon the gentleman's committee should be fulfilled, to keep track of these expenditures to as great an extent as possible. Just get the facts, regardless of anything else. For instance, I should like to have the gentleman give me the information of how much the C.W.A. has spent up to the present time in every State in the Union, just for information.

Mr. COCHRAN of Missouri. The gentleman should know that Mr. Hopkins—I never met the gentleman but once in my life——

Mr. SNELL. I never did either.

Mr. COCHRAN of Missouri. Mr. Hopkins issues a monthly report and tells you how much money he puts into every State in the Union. He tells you everything that is done by the Civil Works Administration. What more could you ask?

Mr. SNELL. I have never happened to see it.

Mr. COCHRAN of Missouri. As I understand the situation, when the allocation is made to a State, it is left to the honesty of the State officials to disburse the money. Mr. Hopkins has issued regulations which limit the spending of this money. They are very broad, but he keeps the States within the limits of the regulations, and tells you all in his report.

Mr. SNELL. I think that is true, but I did not know that they issued that. I shall call for it today.

Mr. COCHRAN of Missouri. They issue it every month. One came to my office yesterday. In fact, it was delivered to the office of every Member. I have never asked for it, because it is sent to me as it is to you.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. GIFFORD. We are just getting the November 30 report, 2 months late.

Mr. COCHRAN of Missouri. Probably that is due to the congestion in the Government Printing Office. The report might have been down there a month ago. Then again that might not be the cause. This is no little undertaking, and reports must be had from the States before the monthly report is issued. That seems reasonable.

Mr. SNELL. Considering the number of billions that are being spent by outside sources, independent commissions that do not come under the control of the Committee on Appropriations, does not the gentleman think his committee should meet?

Mr. COCHRAN of Missouri. The committee is going to meet, but as we all know, the President is going to ask for more money; and when that request comes along in a few days, then the Appropriation Committee will get an accounting and all the information it desires.

Mr. SNELL. That is all I ask. I think the gentleman's committee should look it over.

Mr. COCHRAN of Missouri. Wait a moment. The committee is going to meet, but the gentleman knows as well as I do that a great many of the functions of that committee were taken from it when we passed the Economy Act.

Mr. SNELL. I know that certain ones were taken away, but the general overlooking of these expenditures is still left with the gentleman's committee.

Mr. COCHRAN of Missouri. I realize that. The gentleman can depend upon the committee to do its duty.

Mr. SNELL. That is all I ask. I have nothing special in mind.

Mr. COCHRAN of Missouri. Is the Committee on Expenditures expected to go from department to department and ascertain the amount of money that is spent and what it is spent for? That is what we have the General Accounting Office for, and recent developments certainly disclose that General McCarl is on the job. He has hundreds of employees looking after these appropriations, and but recently added many more employees so he could check up on the P.W.A. and C.W.A. expenditures.

Mr. SNELL. I think there is an obligation on the gentleman's committee to look after these expenditures. That is all.

Mr. COCHRAN of Missouri. I spent the entire summer here. As the Members of the House know, I am here every day. To this hour, I have not had one complaint showing the illegal expenditure of any of the emergency funds. Show me where this money has not been properly handled by Government officials, and see how busy the committee will get. I might further add, up to this hour I have received no evidence that any State or local official has been guilty of fraud in handling this money.

Mr. GIFFORD. Will the gentleman yield for a question?

Mr. COCHRAN of Missouri. I yield.

Mr. GIFFORD. Having tried to interpret my views for me, in spite of the fact that I have voted and will vote for further expenditures, I should like to ask the gentleman if he favors giving more funds of the C.W.A. to wealthy towns and communities that do not have a dollar of indebtedness and have a low tax rate and do not need the money?

Mr. COCHRAN of Missouri. I will favor voting such expenditures as the President of the United States asks for, and I am willing to leave it in his discretion as to how he is going to help the unemployed. As to the wealthy municipalities and towns in the gentleman's district or any other district the responsibility rests with them not me. They are as much entitled to ask for their share of the money as any other town if they desire to do so.

In conclusion I should like to ask the gentleman once more if he has any information at all that will be of value to the Committee on Expenditures if that committee should hold a meeting?

Mr. GIFFORD. I have a lot of complaints.

Mr. COCHRAN of Missouri. Oh, complaints! Anonymous letters.

Mr. GIFFORD. No; letters that would be satisfactory to the chairman, I am sure.

Mr. COCHRAN of Missouri. I will appreciate it if the gentleman will let me see them. Mr. Chairman, no one is going to place me in the position of refusing to conduct a proper investigation. Of course, we know that other than to give the unemployed work it is not necessary to carry on some of the C.W.A. program. It is a move to help the unemployed, a move to take the citizen off charity; that we do not deny. In normal times an official would be placed in jail for carrying on some of these projects, but these are not normal times. Everyone seems to realize what the purpose of the C.W.A. is but the gentleman from Massachusetts. To make my position clear to all, I will plead with the President not to curtail the C.W.A. until at least next June. I fear the result if we do not go on with this program. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COCHRAN] has expired.

Mr. COCHRAN of Missouri. Under leave to extend my remarks in the RECORD I include the following, which was received from the Federal Civil Works Administration:

FEDERAL CIVIL WORKS ADMINISTRATION,
1734 NEW YORK AVENUE,
Washington, January 23, 1934.

Hon. JOHN J. COCHRAN,
304 House Office Building, Washington, D.C.

DEAR CONGRESSMAN: In response to your telephone request of this afternoon, I am sending you herewith a list of advances from C.W.A. funds made to the States through January 20; a description of the types of projects being carried on by State and local authorities; a list of projects being carried on under the supervision of Federal bureaus, together with an explanation of the method of administering them.

We trust that this is the information you desire.

Sincerely yours,

BRUCE MCCLURE,
Secretary Federal Civil Works Administration.

Total C.W.A. advances made through Jan. 20, 1934

Alabama	$6,555,000
Arizona	1,878,000
Arkansas	5,660,000
California	17,212,000
Colorado	2,513,000
Connecticut	3,538,000
Delaware	395,000
District of Columbia	1,950,000
Florida	8,500,000
Georgia	8,053,000
Idaho	2,305,000
Illinois	21,652,000
Indiana	11,322,000
Iowa	6,673,000
Kansas	6,450,000
Kentucky	5,892,000
Louisiana	7,425,000
Maine	1,970,000
Maryland	3,447,000
Massachusetts	9,477,000
Michigan	14,050,000
Minnesota	8,665,000
Mississippi	3,683,000
Missouri	8,865,000
Montana	2,735,000
Nebraska	2,700,000
Nevada	635,000
New Hampshire	1,370,000
New Jersey	9,385,000
New Mexico	1,208,000
New York	30,470,000
North Carolina	5,190,000
North Dakota	1,798,000
Ohio	26,340,000
Oklahoma	7,310,000
Oregon	2,670,000
Pennsylvania	19,635,000
Rhode Island	1,780,000
South Carolina	5,060,000
South Dakota	4,338,000
Tennessee	6,576,000
Texas	16,458,000
Utah	2,607,000
Vermont	1,145,000
Virginia	5,053,000
Washington	7,268,000
West Virginia	6,160,000
Wisconsin	18,560,000
Wyoming	1,198,000
Total	357,279,000

FEDERAL CIVIL WORKS PROJECTS

In order to put 4,000,000 men to work in 1 month on public projects that were economically and socially desirable, it was necessary to make use of all available facilities.

It was thought that the State organizations using the powers and assistance of city, county, and State governments would be able in the time allotted to assign not more than 3,500,000 people. Some procedure other than relying upon State and local Civil Works administrations needed to be evolved in order to put the remaining 500,000 men to work in the several States in the time allotted. Accordingly, it was decided to administer this part of the employment program from the Washington office of the Civil Works Administration.

The President had already asked the Federal departments to give their utmost cooperation to the Civil Works Administration. While the Civil Works Administration had knowledge of a few projects, such as improvements to the public health and the control of pest mosquitos which it desired to carry out, it immediately asked the various departments to appoint liaison officers who acquainted the bureau chiefs with the problems and relayed their suggestions for desirable work to the Federal-project department of the Civil Works Administration.

The response of the departments was excellent and resulted in the presentation of a large number of suggested undertakings. Whenever one seemed to be desirable it was explored in some detail. If it still appeared feasible it was approved. Once a given undertaking was approved as a project, a request was made to some Federal department to be responsible for its administration throughout the States.

The attempt was made to secure this cooperation from the Federal department which it might be reasonably supposed would normally have undertaken the work had the appropriation been made directly by Congress in the ordinary course of events. An example will illustrate this point. It was agreed that it was desirable to reduce considerably, if not eradicate entirely, the disease

of malaria which is prevalent in the Southern States. To this end the Bureau of the Public Health Service was called into consultation and asked to submit estimates regarding the number of men and the cost for other than labor expenses that would be required to make a creditable attempt at malaria control on a Nation-wide basis. The estimates were approved and the Public Health Service was asked to assume administrative responsibility for the project. It employed 30,000 men in hundreds of separate localities in 14 different States.

In putting this program into effect, no money was actually given to the Federal Departments except a small amount to cover supervisory personnel and travel expenses. The projects were put in operation by sending an order to each State Civil Works Administration to furnish to an accredited representative of the Federal Department, the number of men agreed upon at the rates of pay prescribed and to honor suitable vouchers for other than labor expenses in the authorized amount.

The designation "Federal Civil Works project" indicates primarily a distinction of administration, because the work actually is done locally with local people. Some work that is undertaken is of such a nature that to be useful at all it should be coordinated throughout the several States in which it is being carried on. An example of this kind of project is the one for reducing the acid content of the water of certain tributaries to the Ohio River. Unless all the States bordering upon these waterways took the same precautions, it would be futile for any of them to do so. The project is being carried on by the Public Health Service cooperating with the United States Bureau of Mines and the several State health and mining departments concerned.

Since all of the work done under Civil Works must be done on public property, it was thought advisable to have some improvement work done on Federal Government property as well as on the property of State and local governments. Accordingly general improvement work which would not otherwise have been done was undertaken; for example, at the experiment stations in several of the bureaus of the Department of Agriculture, at Army and Navy posts and stations, and at Government fish hatcheries. Some of the independent offices and establishments have been aided in carrying out their work. In this category would fall the Tennessee Valley Authority, the Subsistence Homesteads Division, and the special Soil Erosion Service.

Approximately 90 projects of this kind are under way at thousands of work locations throughout the various States.

TYPES OF PROJECTS

In the following the types of projects which can be carried on by State and local Civil Works administrations are described. The general rules governing the choice of projects are indicated and lists are given, classified by types which are indicative of what is being done. They are, however, by no means exhaustive.

By far the largest part of the projects are those originated by local subdivisions. It is intended that the Civil Works projects shall fall in a field that lies between normal governmental expenditure on the one hand and the type of construction ordinarily carried forward by the Public Works Administration on the other. They are projects that can be operated on force account, can be picked up quickly and completed with rapidity. The time limit set on all projects was February 15. This made these requirements of force account, flexibility, and early completion that have had most to do with the determination of the types of projects carried forward.

At a meeting of the special board of public works on November 14, it was decided that certain projects not feasible for prosecution by the Public Works Administration be referred to the newly created Civil Works Administration. These projects are returned to the States and an application is made in the usual manner for their initiation as Civil Works projects. A great number of them which might not otherwise have been developed are being prosecuted through use of Civil Works workers.

It is required that they all be of social and economic utility and that they all have permanent value. Many of them are the sort of project that serves a community need, but that the community might find difficulty in bonding itself to provide. A classified list of projects in operation will more clearly than anything else indicate the scope of Civil Works activities.

The projects are classified as follows:

A. Streets, roads, and highways.
B. Schools and universities.
C. Parks and playgrounds.
D. Public buildings and equipment.
E. Improvement to public lands.
F. Pest control.
G. Sanitation.
H. Waterways and water supply.
I. Utilities.
J. Administrative, professional, and clerical.

Classification A—Streets, roads, and highways

Civil Works projects are a means of carrying on necessary road work which could not be carried out under the regular budget of the State or municipality or is not provided for by the Bureau of Public Roads or the Public Works Administration. This type of project is more than just a means of providing work and all efforts are being directed toward producing constructive results in this field.

1. Roadways:
(a) Reclaiming public lands for highway purposes and clearing right-of-way, brush cutting, etc.
(b) Grading, filling, leveling, widening, straightening, shouldering.
(c) Paving, resurfacing.
(d) Improving intersections, banking, and eliminating dangerous curves.
(e) Concrete and masonry constructions—bridges and underpasses.
(f) Building and repairing ditches, culverts, retaining walls, and curbs.
2. Sidewalks, pathways, and parkways:
(a) Building, repairing, and relaying.
(b) Grading and filling.
3. Landscaping:
(a) Constructing and painting guard rails and fences.
(b) Planting trees and shrubbery, trimming same.
4. Traffic:
(a) Painting and installing traffic signals.
(b) Painting and installing street signs.
(c) Building and marking parking spaces, traffic circles, safety signs, etc.
5. Materials for roadways:
(a) Concrete, macadam, sand, gravel, and rock, also cinders and asphalt.
(b) Quarrying, hauling, excavating, digging, and dredging.

Classification B—Schools and universities

Due to overcrowded conditions and general lack of funds on the part of the various local boards of education, there is a great field for worthwhile projects in this category. Projects so classed include work not only on the actual school buildings but also all work done on the ground and equipment belonging to them.

1. Buildings.
(a) Small construction jobs that can be finished in required time.
(b) Repairing, painting, and reroofing.
(c) Plastering, plumbing, and lighting.
(d) Furniture and fixtures renovated.
2. Grounds and equipment.
(a) Building and improving athletic fields and grandstands.
(b) Resurfacing tennis courts.
(c) Improving dressing rooms and field houses.
(d) Constructing and repairing swimming pools and hockey rinks.
(e) Grading and beautifying school grounds.
(f) Laying walks and paths.

Classification C—Parks and playgrounds

This includes all types of work on the grounds and provides an excellent field for good projects.

1. Improvement of grounds.
(a) Clearing, grading, filling, and brush removal.
(b) Roadways, walks, bridle paths, and streams.
(c) Drainage, gutters, and sewers.
(d) Landscaping, fences, railings, and signs.
(e) Lighting and traffic-signal system.
2. Recreational facilities.
(a) Swimming pools, bathing beaches, wading pools, and bathhouses.
(b) Golf courses, handball and tennis courts.
(c) Playgrounds, athletic fields, and skating rinks.
(d) Picnic grounds, shelters, band stands, outdoor theaters, tool houses, field houses, and camp sites.

Classification D—Public buildings and equipment

A great deal of extraordinary work in the repair and maintenance of public institutions has been instigated through civil-works projects. This includes work on airports, armories, bridges, city halls, community houses, courthouses, docks, fire houses, garages, hospitals, homes for aged and indigent, libraries, lodging houses, markets, museums, orphanages, police stations, jails, repair shops, sanitariums, schools, stables, storehouses, toolhouses, workshops.

Equipment includes tractors, graders, ditchers, concrete mixers, trucks, asphalt mixers, steam rollers, sprinklers, small tools, fire hydrants, police signals and fire boxes, etc.

1. Construction and repairing:
(a) Foundations, concrete.
(b) Roofing.
(c) Plumbing and lighting.
(d) Plastering, papering, painting.
(e) Demolition of old buildings.
2. Equipment:
(a) Painting.
(b) Servicing.

Classification E—Improvement to public lands

This classification offers a broad field for a great variety of projects of real value in communities of all sizes and locations and covers a multitude of subjects, such as: Airports, cemeteries, dumps, marsh lands, fair grounds, golf courses, natural amphitheaters, State- or community-owned farms, fish hatcheries and experimental stations, national forests, swimming pools, beaches, and community subsistence gardens, as well as the land around public buildings.

The establishment of community centers may also be included as a unit by itself, being made up of clubhouses, week-end camp buildings, athletic and camping facilities, recreation halls, playgrounds, development of bathing and boating facilities, and agricultural demonstration plots.

1. Improvements:
(a) Grading, leveling, filling.
(b) Repairing, painting buildings and fences, digging wells, and building dams on State-owned farms.
(c) Landscaping and lighting.
2. Forests:
(a) Building and improving trails, trail signs, and fire warnings.
(b) Removing brush and dead trees; erosion control.
(c) Establishing camp sites.
(d) Improving water system and reducing fire hazard.
(e) Forest pathology (tree surgery).

Classification F—Pest control

To provide the proper direction for pest-control projects, the Civil Works Division has obtained the cooperation of the following Federal Departments:

Department of Agriculture—Biological Survey, Agricultural Engineering and Economics, Plant Industry, Plant Quarantine, and Animal Industry.

Treasury Department—Public Health Service.

In some cases this work may be carried out under the direction of corresponding State or local departments. Local Civil Works authorities have called on such local departments as may be able to advise upon the initiation and/or undertake the direction of projects of this nature. State agricultural colleges and experimental stations have been especially helpful in pointing out specific local pests to be combated, as well as in supervising projects.

1. Insect control:
(a) Mosquitoes (malaria control), drainage, oiling, steam clearing.
(b) Grasshopper eradication; poisoning.
(c) Tick eradication, dipping, poisoning, quarantine.
(d) Japanese beetle control; poisoning, quarantine.
(e) Moth control and others.
2. Rodent control:
(a) Rat eradication; poisoning, trapping, laboratory control work.
(b) Prairie dog and gopher eradication.
(c) Others.
3. Animal disease control:
(a) Inoculation and quarantine (livestock).
(b) Predatory animals; poisoning and trapping.
4. Plant control:
(a) Eradication of ragweed, poison ivy, other poisonous weeds, flowers.

Classification G—Sanitation

Wherever possible, sanitary operations should be of a community-wide nature. Communities may make a Civil Works project of a survey of their sanitary conditions to determine their adequacy before starting projects. (See classification J—Administrative, professional, and clerical.)

1. Excavation and drainage:
(a) Sanitary and storm sewers, manholes, catch basins.
(b) Ditching, cleaning creek beds, filling.
2. Construction:
(a) Sewage disposal and incinerator plants, sewer outlets.
(b) Sanitary privies, septic tanks, filter extensions, cisterns.
3. Repairing and painting:
(a) Sanitary plants.
(b) Trucks, wagons, and equipment.

Classification H—Waterways and water supply

Projects of this nature are advisable where the labor cost is the major factor in the total cost of the project. This is especially true in the improvement of reservoirs, watersheds, and the manual labor involved in the laying of water mains.

1. Waterways:
(a) Rivers, canals, lakes, streams.
(b) Widening, straightening, deepening, damming, dikes, and levees (building, repairing, and cleaning).
2. Watersheds and reservoirs:
(a) Clearing, filling, cutting fire lanes.
(b) Planting, landscaping, riprapping.
(c) Development of flood control and irrigation districts, soil erosion.
3. Waterworks:
(a) Filter plants, chlorination plants, aeration plants (building and repair).
(b) Pumping stations, walls, auxiliary systems.
(c) Landscaping grounds.
4. Distributing system.
(a) Laying and repairing water mains.
(b) Erecting and inspection of hydrants.
(c) Erecting, repairing, and painting pressure tanks.

Classification I—Utilities

1. Street-car lines.
(a) Maintenance of equipment, removal of old tracks.
2. Gas Works.
(a) Installation and repair of mains and equipment.
3. Electric light, power, and heating plants.
(a) Installation and care of fire alarms and police boxes.
(b) Conduits and electric cables.
(c) Roadways and bridge lighting.

Classification J—Administrative, professional, and clerical

The possible projects under this classification are so numerous that only an outline can be included here. The variety of researches and surveys which can be undertaken by Civil Works divisions are almost limitless.

Some examples of actual projects undertaken under this head are as follows:

a. Personnel in various local C.W.A. administrative offices; clerks and machine operators in Weather Bureau stations; surveying and relocating boundary lines; plotting streets; drafting charts, maps, and diagrams; revising legal codes in cities and towns. Other work utilizing white-collar workers with a technical training, artists, architects, engineers, translators, etc.

b. Extra clerical and accounting help in public offices; repairing and indexing books, maps, photographs, paintings; filing, transcribing, and copying old records; all projects calling for research or statistical surveys are supervised by the Federal Civil Works Administration to prevent duplication.

Mr. AYRES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Chairman, being one of the newer and younger Members of this Congress, it does not behoove me to join in this affray with the powers that be. I do not want you to understand that I am so conceited that I think I can stand here and debate against those men. It just happens that I had asked for a little time to discuss a matter and call the attention of this House to a matter which has just been discussed. It so happens that I am a member of the Committee on Expenditures that has just come under fire. I wish to say, as a member of that committee, that I have implicit faith in the chairman of that committee and I am willing to abide by him and his judgment in regard to the actions of that committee.

One of the criticisms that was directed at Congress in the last campaign was the fact that during the last 4 years there was too much committee work and not enough action on the floor of this House.

I rose for the purpose of calling the attention of Congress to a very serious situation that is facing many millions of people in this country. That has to do with the discontinuance of the C.W.A. I received a letter last week from the secretary of the Federal Civil Works Administration, and I ask unanimous consent, Mr. Chairman, to insert that letter in my remarks, together with a copy of the telegram referred to in the letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The letter and telegram are as follows:

FEDERAL CIVIL WORKS ADMINISTRATION,
1734 NEW YORK AVENUE,
Washington, January 19, 1934.

The Honorable RANDOLPH CARPENTER,
United States House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN CARPENTER: We are in receipt of your kind letter of January 15, enclosing copy of the telegram from the mayor of Junction City, Kans.

The Civil Works program can be continued beyond February 15 only if an additional appropriation is made for that purpose.

You may be interested in the enclosed copy of telegram sent by Mr. Hopkins to the State administrators.

Very truly yours,

BRUCE MCCLURE,
Secretary Federal Civil Works Administration.

[Telegram]

JANUARY 18, 1934.

To all State Administrators:

Due to the fact that average weekly wages for Civil Works is in excess of original estimated weekly pay rolls it is necessary to reduce the hours worked per week on local, State, and Federal projects to keep within the money available. You are herewith instructed that effective January 19, 1934, all per-diem workers are to be put on a work week as follows: In cities over 2,500 population, maximum 24 hours per week. In cities under 2,500 and open country, a maximum of 15 hours per week. All clerical, supervisory, and professional workers, a maximum of 30 hours per week with proportionate wage adjustment. This does not include administrative workers in administrators' offices. This applies to all Civil Works and Civil Works Service employees and must be made effective everywhere on this date since disbursing officers will be instructed not to pay wages for work in excess of the hours provided herein. From this date no name shall be added to any pay roll except in actual replacement of a worker fully terminated and finally paid off. Notify all your counties by wire today of the contents of this telegram. Wire today reduction in dollars on your weekly pay roll accomplished this action. This telegram supersedes all prior instructions.

HARRY L. HOPKINS, *Administrator.*

Mr. CARPENTER of Kansas. Now, if we would turn these millions of men, who are now employed, out into the streets in the middle of winter, it seems to me that would be one of the greatest calamities that could happen to this country. I am opposed to turning out these millions of men, who are now being given useful employment by this Government, into the cold and into the bread lines at this time of year. It will be the very same thing as taking a hungry man in and placing him at a table to eat, with a nice big feast before him, and then, when he got about half way through, take it all away from him. You might take an exhausted man home that you had picked up cold and exhausted along the road and put him in a nice warm bed, and, in the middle of the night, come and throw him out.

We have heard a great deal of talk about war and the reason for a larger Navy. We know that we may be faced with war any morning; any day. It may come upon us with the suddenness of an automobile accident or like unexpected sickness. If we were thrown into war, we would be up here clamoring with all the patriotism we could muster to vote for $5,000,000,000 here and $5,000,000,000 there, and we would not blink an eye and every cent of that would be going out for destruction. The only result would be crippled and maimed soldiers which would require the Government and taxpayers of this country for years afterwards to take care of them; but here is a case where the money is spent for useful purposes, for constructive purposes, and for purposes that each community has needed for years. Every cent of money that has been spent is going to a good cause. The people of this country do not want any dole. They want to work for their money. We are not going to let people starve in this country. You have heard that time after time, and we, as citizens, do not propose to let the needy starve. Oh, it is fine to appropriate money and let the contractors take all the money, but this is the first time when Government money has gone out to the forgotten man, the little man at the bottom. Here is relief starting at the bottom and going up instead of starting at the top and going down. Of course, we should not spend any more money than we need to. We should try to balance our Budget and save our money in times when we are making it so that we will have it on hand in times of sickness and when we need it. That is the position of this country today. A nation is nothing but a cooperative society anyway, organized to help the people obtain some protection or some benefit that they could not obtain alone.

I have thought in the last few years that we were trending toward socialism in this country. I thought perhaps it would come in 50 or 75 years. I now think it will come probably a great deal sooner than that. There is only one thing that will save us from socialism in this country, and that is the success of Roosevelt and his "new deal."

I want to call the attention of the Members of this House to a letter I received from a standpat G.O.P. veteran who was wounded on the battlefield of the Argonne, who has a bullet next to his heart now because it cannot be removed, whose compensation was cut, and who is getting along during these times the best he can. Let me read you what he says about conditions in general:

> There is sure some worthwhile conversation politically to tune in on these days. Now, both you and Mac know about how I stand politically. As far as the Democratic Party as a whole is concerned, I have never been able to see where it has been so hot in the past. It sure is comical to hear some of the brethren orate on the Jeffersonian principle idea. Said orator, who, if hard pressed, would be at a loss to explain. As to whether the bid for fame in that instance was based on the shinning up of Mount Shasta or the invention of a new-fangled kitchen mousetrap. All I can say at this late date is that if Thomas was guilty of some of the things that some of his political opponents accused him of, is that he was some stepper. However, at this time personally, my lack of faith in the Democratic Party is only exceeded and superseded by my entire lack of faith, trust, and confidence in the Republican Party. (May no shades of my G.O.P. ancestors be glancing over my shoulder as I type that statement.) And the dismal yelps and howls of some of the hidebound, shell-backed, age-old Republicans in our little city are sure peaches and cream to ye scribe's ear, and would make "Me Too" White's eulogy of the Ku-Klux Klan sound like a beer-salesman's address at a German picnic in comparison.
>
> And now eliminating both pro and anti factions from the conversation, I will give you the truth of the matter, at least in this vicinity. And that is that. I do not believe that the United States Government ever expended any large amount of money wherein a large percentage of the money expended reached the place intended or was of more material benefit. In this vicinity, Randolph, this Government work is a godsend. And believe me, the men employed sure appreciate it, and in the great majority of cases are showing that appreciation by doing a real day's work. There have been several home loans made here that have likewise been lifesavers. Just what the end will be is of course all guesswork for a fellow of my caliber. But sink or swim, win, lose, or draw, believe me, I remove my hat to President Roosevelt and this Democratic administration. They did not just sit down and say, "Now, if that isn't just too bad." Not much; they just grabbed root and commenced to growl and tug and dig. The old preamble to the Democratic platform, we view with alarm, has joined dodo bird or is being sung to the tune of "Who's afraid of the big, bad wolf," etc. And, say, that naval program, boy, oh boy, what-a-what-a building program! The best guaranty for peace in this hemisphere and the Pacific that I have seen since we scrapped our battle fleet in '21. The recognition of Soviet Russia, a master stroke of retaliatory (as regards Japan) and trade diplomacy, repealing the prohibition law, and, etc., etc. And here is where the shoe sure pinches many a Republican foot: Here is an administration that is really trying to carry out its campaign and platform pledges, and may the saints preserve us, it had to be a Democratic President and a Democratic administration! And that, Randolph, is just how the average, fair American regards this administration, regardless of what his politics may have been.

Now, I hope all of us will back the President in the recommendation I understand he is going to make to continue the C.W.A. [Applause.]

Mr. SWICK. Mr. Chairman, as a minority member of the Appropriations Committee and of the Subcommittee on Naval Appropriations, I would be most uncharitable if I failed to acknowledge the utmost consideration and courtesy extended to me by the gentleman from Kansas [Mr. AYRES], the able and genial chairman of the subcommittee, with whom I have had the pleasure of working during the past 6 weeks. The work of conducting the hearings incident to the preparation of the Navy Department appropriation bill was carried through to its conclusion with one thought in mind, that of providing for an efficient and effective first line of defense, and I believe the bill before you today is the best that could be offered, and hope it will meet with your approval.

I am told that an amendment will be offered by the Committee on Naval Affairs which will bring our Navy up to the full treaty strength. I am in hearty accord with such an amendment, as I have always been a firm believer in maintaining a first line of defense second to none.

During the course of the hearings I was interested in learning that the Navy Department, like all other Departments, had contributed to the redemption of the Democratic pledge to reduce the regular expenses of the Government 25 percent. It had been able to keep within its reduced budget by using so-called "emergency funds" allotted to it from the funds provided by Congress under the N.R.A. to carry on projects that would ordinarily have been financed in the regular way. I have no criticism to make of this work, which has helped to provide jobs and reduce the unemployment. I believe the Naval Establishment should be maintained at the highest possible point of efficiency.

I regret that the appropriations for the activities of the Naval and Marine Corps Reserves could not be larger.

I had hoped that we might give them more money this year than we were able to give them. However, they are placed on a parity with the other branches, as you will notice from this statement made by Admiral Block that it was the decision of the President that the National Guard, Marine Corps Reserve, and the Naval Reserve should have a uniform number of paid drills during the fiscal year 1935. The President himself set this number at 36. So that the 36 paid drills incorporated in the bill for 1935 are in conformity with his decision that the Army, Navy, and Marine Corps should have the same number of paid drills.

I do insist, however, that the present administration's policy of operating under a two-Budget system is ridiculous and misleading. In most instances the work and material paid for by the Navy Department out of funds allotted it

by the N.R.A. were necessary and routine projects, and would have been provided for in the regular appropriation bill had we been operating under a single-Budget system.

And here I want to place in the RECORD certain testimony in reference to the hedge clause. Examining these witnesses we found that 15 companies had bid on fuel oil. The three lowest bidders had hedged their bids about with these hedging clauses. The following information was submitted to the committee by Admiral Peoples:

Under schedule 989, opened November 17, 1933, covering delivery of fuel oil at various points on the east coast during the 3 or 6 months' period January 1 to June 30, 1934, a total of 15 bids were received. Three of these bids contained the so-called "hedge" clause. An analysis of bids showed that at many points the only bids received contained this hedge clause or that it was incorporated in the lowest bid. As it was considered that the hedge clause had been inserted because of possibility of price changes during the period the contracts would be effective, decision was reached to reject all bids and readvertise on a monthly basis.

It is interesting to know what they put in this hedging clause; and in order that the RECORD may show what it is, I insert a typical one at this point.

Subject: Restrictive provisions inserted in certain bids on fuel oil by bidders.

COLONIAL BEACON OIL CO., MEXICAN PETROLEUM CORPORATION, STANDARD OIL CO. OF NEW JERSEY

"If the National Industrial Recovery Act, any code, regulation, or interpretation thereof, or any future governmental law, regulation, or order, or the depreciation of the currency of the United States by the reduction in the gold content of the dollar, the issue of fiat money, inflation, expansion of credit, or otherwise, shall directly or indirectly increase the cost of the seller in furnishing the products called for herein, or shall direct that such products shall be sold at minimum prices which shall be an increase over the prices provided herein, it is agreed that, upon 30 days' written notice by seller to buyer, the prices in this contract shall be revised from time to time to include such increase. Seller's statement of its increased costs and of their application in increasing prices hereunder shall be conclusive upon buyer, but buyer may cancel this contract as to any items affected by such costs at the end of such 30-day period by giving to seller at least 15 days' advance written notice thereof. However, in no event shall the revised prices be more than seller is willing to quote generally at the time of delivery on new business for the same products, quantities, territories, kinds of customers, and handling and delivery conditions as provided in this contract."

2. No awards were made under schedule 989 covering east-coast fuel-oil requirements January 1, 1934, to June 30, 1934, because of the above-quoted clauses appearing in the bids. East-coast fuel-oil needs are now being met by month-to-month purchases until firm offers for a longer period can be obtained.

3. In fact, the Comptroller General of the United States in a decision to the Secretary of the Treasury dated December 11, 1933, held that such a conditioned bid was indefinite and uncertain and not responsive to the advertised specifications, as the bid attempts to incorporate therein terms and conditions not offered by the Government to all bidders as a basis of competition. Consequently such a bid may not be accepted.

The only actual savings or reductions in expenditures in the Navy so far as the taxpayer is concerned were those brought about by reduction in the pay of personnel and the reduction in ration allowances, neither of which, in my opinion, is justified.

The uncertainty of the Government's financial policy, fear of inflation, and issuance of fiat money have made it difficult for the Navy Department to secure bids for supplies over an extended period. When bids are secured, they are frequently accompanied by a hedge clause, which would increase the bid prices by reasons of increased costs due to operation of the N.R.A. and other causes incident to so-called "recovery plans." By reason of this fact, the policy of letting contracts for 3- or 6-month periods was necessarily discontinued. Prices quoted in certain instances ranged from 40 percent to 66⅔ percent in excess of former prices; consequently, it was decided to make monthly purchases until conditions become more settled.

After hearing the chiefs of the various bureaus, every one of them men of ability and all of them conversant with their arm of the service and the details connected therewith, it became very evident that the economy program of the administration meant only this: a more complicated system of accounting, involving two drawing accounts with the Treasury of the United States, one of which was written in black ink, the other in red.

I do not believe it a good practice, or fair, to continue the policy of hoodwinking the taxpayers of the United States by attempting to show a balanced Budget through the means of a complicated accounting system. We all know that the national debt is increasing by leaps and bounds and will continue to do so for many months to come, as has been indicated by the President when he so frankly informed Congress that we will have a $7,000,000,000 deficit at the close of this fiscal year. Why not face the facts and present them honestly, without subterfuge?

I cannot refrain from comparing the weeks required by this subcommittee for consideration of a routine supply bill with the remarkably short time required by this House to dispose of a bill passed last Saturday affecting the monetary gold stock and monetary system of the United States.

In the consideration of the Navy supply bill we had access to the experience of men identified with the Navy for years, together with the recorded history of former committee hearings, and yet, despite these enlightening helps, more than 6 weeks on almost daily hearings were required to perfect the bill.

Now, in the case of House bill 6976—a measure that proposes to make drastic changes in the Nation's monetary system and to place the sum of $2,000,000,000 at the disposal of the Secretary of the Treasury, with practically no restrictions on what he shall do with that vast sum of money—considerably less than 1 week was required by the committee in charge for its consideration. In fact, I doubt much if the committee crossed a "t" or dotted an "i" in the bill.

The Navy appropriation bill which you have before you stands on its own feet. It is not bolstered up by weeks of propaganda.

The so-called "gold bill", giving unprecedented and exceedingly dangerous powers to an official who is only a political appointee—one who has been rewarded for his political activities rather than one who is in office by reason of the votes of the electroate—was passed with little consideration, because it embodied the much-propagand'zed impounding of gold and devaluation of the dollar. I personally am quite willing to impound the gold and to revalue the gold dollar, but I could not by my vote grant the Secretary of the Treasury or any other individual the right to play with $2,000,000,000 belonging to the United States. Father Coughlin, who is recognized as a monetary expert by the administration, one of very few men called as a witness before the committee, in his radio address January 20, 1934, said:

Our Constitution proclaims that Congress and Congress alone has the right to coin money and regulate the value thereof.

He also said:

The will of the American people is that Congress shall retain that right by keeping the control of gold and by regulating its value from time to time when necessary, not abdicating this right into the hands of an appointed Secretary over whom they have little control.

He also criticized the internationalization of our gold. I have always believed that, as far as possible, we should keep our own gold in the United States and out of the hands of the international bankers.

I trust that this bill as passed by the House will be shorn of its autocratic powers and tempered with justice and safety at the other end of the Capitol.

I respect and admire the fearless and tireless manner in which the President has labored unceasingly since his inauguration to bring about national recovery. His has been a difficult task. I dare say no man in the United States has worked harder than he to accomplish his purpose.

Mr. Chairman, like the majority of men in the House I am past the half-century mark in life. I was blessed with a mother and a father who were typical of the sort of God-fearing people who make up the backbone of this great Nation. No man is infallible—that word can only be used in conjunction with the name of the Great Architect of the Universe. It is an insult to the intelligence of every Member of this House to say that we must accept the mandates of any individual citizen, regardless of his position, be it high

or low, without the right of comment or criticism. I have pledged allegiance to the Constitution of the United States and shall do what I believe is right for my country, regardless of the demands of any individual, party, or group of individuals. When the time comes that Congress adopts the policy of being a rubber-stamp, then representative government ceases to exist in these United States. [Applause.]

Mr. AYRES of Kansas. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, I hope what I say will be heard over at the White House and in the Navy Department.

Yesterday when CARL VINSON, Chairman of the Naval Committee, had finished his address on the subject of a great Navy, I asked him the question what his attitude would be, and his committee's attitude, on the removal of the fleet from Pacific waters to Atlantic waters at this particular time. He said he would not be willing to express his own opinion or the opinion of his committee on the subject, because that was a matter of Executive determination.

As a member of the Pacific-coast congressional delegation, I stand before you and protest the removal of the Pacific Fleet, which is our entire fleet, both the battle force and the scouting force, from Pacific waters to Atlantic waters. You will ask me what my reasons are. I am not raising the hue and cry of war. I am the last man in this House or in this country that will vote for war other than a war of defense; but, gentlemen, conditions are bad on the Pacific coast and in international affairs so far as the Far East is concerned. Would it not be far better to bring this fleet around to the Atlantic coast for maneuvers, not this spring, but the next spring or the following spring? These things can be done in years to come when times are not so ticklish in international affairs.

What do we find our condition to be today? We have not settled the Philippine situation by a long shot in this House or in the Senate or with the Philippine Legislature. This matter is now pending, and it is a serious situation. The Philippine Islands are populated by more than half Japanese. We have just recently witnessed the spectacle of the Japanese Government retiring from the League of Nations, and yet they have retained their mandated islands that were given to them while they were members of the League of Nations. We do not know whether the Japanese have put defenses upon those islands situated in Pacific waters. The Japanese will protest that they are a peaceful people. I admire the Japanese for what they have accomplished in the last 50 years. It was an American admiral that opened the Japanese Nation to the world, and they have done great things since that time. The Japanese have diplomatically protested the location of our fleet in the Pacific waters.

This fleet is not in my congressional district, even though I do represent many miles of the Pacific coast. This is not in my congressional district, and I do not speak from the standpoint of commercial advantage by reason of keeping the fleet in Pacific waters; but I tell you, gentlemen, that the Japanese protest the appearance of the fleet there, and they have apparently convinced the State Department and the Navy Department that in order to alleviate the critical feeling in Japan, which has been built up through newspaper publicity and propaganda in Japan, that our fleet should be brought around through the Panama Canal to the east coast at this time. But this is all a misnomer, so far as the Japanese Government is concerned, because their nation is completely censored. Nothing can be published in any newspaper in Japan unless it is properly censored by the proper Government officials. Consequently if there are articles being published in newspapers on the subject of the maintenance of our fleet in Pacific waters, that talk is generated by the propaganda bureau of Japan in order to keep the Junker party, the militaristic and naval party, in power in Japan. Is this the time to remove our fleet when this party is in control? The Japanese people are a people who desire peace, but these people are being controlled at the present moment by the wrong sort of leaders—by executives who have built up machinery for war.

I remember when Woodrow Wilson declared war upon the Central Powers, he drew the distinction that he was not declaring war upon the German people, because they were a good people, but he was declaring war upon the German Government, the government that had brought about a situation that had caused the war, and he said he would stamp out that kind of government and return to the German people a popular government.

The Japanese have disregarded the nonaggression Kellogg Pact. The Minister of the Japanese Government, Mr. Hirota, has just addressed their Parliament, the full text of which speech is in the morning papers, and in which he obliquely complains of the Russian attitude toward themselves. We have recently recognized Russia. This apparently has been offensive to Japan. All of these things are occurring at this present moment and very recent history.

I tell you, gentlemen, this is no time—and I speak for peace—to remove the Pacific Fleet to the Atlantic waters. This is no time to remove the fleet through that little bottle neck, the Panama Canal, and into the expanses of the Atlantic waters.

There is another thing to be remembered. In my State there are over 100,000 Japanese, half of whom are native born and supposed to be citizens of this country under our rule of law, but under the imperial rule of Japan these people are still citizens of His Imperial Majesty.

[Here the gavel fell.]

Mr. SWICK. I yield an additional 5 minutes to the gentleman. I want to ask the gentleman a question.

Mr. DOCKWEILER. Yes.

Mr. SWICK. Has the gentleman taken into consideration the cost of transferring the Navy from the Pacific to the Atlantic?

Mr. DOCKWEILER. Yes. I have tried to get that figure, but I have not been able to get it so far. It will be quite expensive to remove the fleet from the Pacific to the Atlantic.

Mr. SWICK. I can give it to the gentleman. According to the best figures available now, it would cost approximately $4,000,000.

Mr. TABER. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from New York.

Mr. TABER. I want to say to the gentleman that I am not very much of an admirer of the administration, but I do not believe that the Navy Department will at any time permit the removal of the fleet from any place where it is needed for the defense of the United States.

Mr. DOCKWEILER. In answer to the gentleman's question, I am not the kind of citizen who insists upon the keeping of the fleet in any particular locality just because it will produce commercial profit for that particular place. I believe every one of us in this Congress, as well as every other citizen, should rely upon the judgment of the Navy Department and the heads of that Department when they make any of these moves that apparently have some bearing upon the efficiency of the Navy or the Army. But, Mr. Chairman, I am fearful that Washington does not understand the real undercurrent on the Pacific coast. For this reason I have risen to make these remarks.

We have a situation in California, as I commenced to say, of over 100,000 Japanese. Their citizenship is quite dubious, as I have explained. Under the imperial rule they are still subjects of His Imperial Majesty across the Pacific waters, and yet we construe those who are native born as citizens of our own Government. Now, what kind of patriotism can we expect this to produce from such persons?

Also there is a distinct, diplomatic movement right now in my State and with the State Department here to relieve the Japanese and the Chinese of the embargo on immigration that is against them. They want to be placed under a quota, and I have this morning signed a letter to the President which, as I recall, was also signed by practically every one of the 21 Members of Congress from the State

of California, protesting the relaxation of the present statutory condition so as to permit any Japanese or any Chinese to come into the State of California or into this country, even under a quota system.

Of course, the Japanese say this is offensive to their natives, and that at home their local writers write this up and picture themselves as being discriminated against. Of course, Mr. Chairman, in California we have to discriminate against them. If they come in under any conditions, they cannot intermarry under our laws. If they come in under any conditions, they cannot expect social equality so far as our State is concerned. They cannot be assimilated as citizens under our laws. Consequently, is it not better for them that they do not come into our State, whether they are Chinese or Japanese?

Mr. Chairman, this is the position of California and myself, particularly, because I am a native son of that great State. I started 20 years ago to fight the encroachment of Orientals into my State. We have fought the fight and successfully, and we have prevented further encroachment by immigration of Chinese or Japanese into our State. Now, Mr. Chairman, they will come to Congress and ask for a modification of these immigration laws.

I warn you that the Japanese are going into the next conference in London in 1936, and they are going to ask for one thing. They are going to ask for the elimination of the aircraft carrier and the naval aircraft division between navies.

[Here the gavel fell.]

Mr. SWICK. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Mrs. KAHN].

Mrs. KAHN. Mr. Chairman, I was very glad to hear the gentleman from Pennsylvania say that an amendment is going to be introduced to bring our Navy up to treaty strength. It is just about time that we did something in this direction.

I need hardly tell the House how strongly all my life I have been in favor of national defense. When I say I am in favor of a strong national defense I do not mean in any sense that I am in favor of war. I abhor war in every way, shape, and manner. I feel our only protection against war is in an adequate national defense.

I hold in my hand now a copy of the San Francisco Examiner, which is running a series of war pictures, previously censored, that to my mind are the most potent argument in favor of national defense. These pictures are a timely reminder of what an inadequate national defense does, and are most opportune, lest we forget the price we paid for unpreparedness. Let us not err that way again.

Certainly, with unemployment a major problem, the stimulation given to industry by this program will be a real stimulation, not a false one. It will be a permanent stimulation, not a temporary one, putting men back to work at their own jobs in almost a hundred related industries.

I trust in the next fiscal year to see all appropriations for national defense in every branch increased, rather than decreased, for our own protection and for our prestige. [Applause.]

Mr. AYRES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. WEIDEMAN.]

Mr. WEIDEMAN. Mr. Chairman and gentlemen of the Committee, I fully agree with the sentiments expressed by the lady from California, who has just taken her seat, concerning her attitude on war. There is no glory in war. I am going to vote for this naval bill and for any other proper naval or Army bill that comes before this House. [Applause.] I will do that because we can have no peace unless we have an adequate defense. Let profits of war be conscripted. I hope when the bill is presented to this House to conscript the profits made out of war in the future it will receive approval, because, if it is necessary to conscript human lives in the conduct of a war, it is all the more necessary that no one be allowed to make any money or a profit out of war. If we do this we will not have so many advocating war.

If the theory of war is correct, a necessary defensive war should make patriots, and not war millionaires. Let us properly take care of the human wreckage cast upon our shores as a result of our last war for democracy before we allow ourselves to be drawn into another slaughter.

Now, I want to bring to the attention of the House a most vital matter—not a matter of potential destruction but a measure of construction. That is the continuation of the Civil Works Administration. I believe that a bill will be brought in asking the House to continue the C.W.A. until May 1. I think that is the only or chief remedy that has helped the depressed cities of the country and it should be extended beyond May 1 if necessary. I realize that there may be a difference between the rural communities and the urban as to their viewpoint of the C.W.A. For instance, spring is coming along. I understand from men representing the rural districts that the farmers are having difficulty in getting labor due to the fact that the wages by the Government in C.W.A. work is in excess of what the farmer pays his farm hands in some sections of the country. This will make it difficult for him to get sufficient help to work his farm. For this reason I believe the Administrator of this law should cooperate with both sections of the United States and of the various States and that when the quotas of the various States are reduced the reductions should be made from the rural sections. The reason for this is that the farms can take up the excess labor sooner than the industrial areas, due to the busy season on the farms being in the spring and summer. The quotas should be continued in the cities until industry is further established to again take up and absorb the unemployed.

I think, however, that is a matter of administration. I want to call the Administrator's attention to the future allocation of funds, that there should be some discrimination used in allocating this fund—that the cities should be favored.

If you will help in the reestablishment of our industrial centers we will be in a better position to pay a higher price for your farm commodities. There is no purchasing power in pauperism. The morale of the entire country is being restored rapidly by allowing men the chance to work and earn an honest living for their families. It is much nobler to give a man a pay check so he can buy in an open market than to give him unwillingly a welfare check for a few groceries.

Mr. KNUTSON. Will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. KNUTSON. Does not the gentleman think that larger sums could be better used to provide more and better highways?

Mr. WEIDEMAN. I agree with the gentleman. There is no reason why the funds could not be used for highways—for more and better highways. I would be in favor of a liberal allowance for materials so men could be put to work and improve our national highways and to build new highways. I am in favor of building highways to enable the people to travel from one end of the country to the other in Detroit-built automobiles, the finest produced in any country of the world.

Now, I have not asked for one penny for my district from the P.W.A. I am one of those who believe that we should not make a grab at public funds every time the pork barrel is passed around. I should like more money for materials to enable us to build roads that all the people of the Nation can enjoy.

Now, Mr. Chairman, I ask unanimous consent to insert a telegram that I have received from the city clerk of Detroit and a letter from William Cohen, C.W.A. administrator for the city of Hamtramck.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WEIDEMAN. Now, I want to read this telegram:

DETROIT, MICH., *January 22, 1934.*

CARL M. WEIDEMAN,

United States Representative, House Office Building:

It is impossible for Detroit to proceed in a businesslike way with C.W.A. projects because of the suspension of funds for materials.

We urge your assistance in promptly securing such legislation as will make funds available for carrying on all present projects and further commitments. We appreciate your cooperation of the past.

RICHARD W. READING, *City Clerk.*

HIGHLAND PARK, MICH., *January 15, 1934.*

Hon. CARL WEIDEMAN,
Care House of Representatives:

Would be serious to stop C.W.A. Do all in your power to continue same. Morale of the people would be ruined.

R. RAY MARKLAND,
Mayor Highland Park, Mich.

HAMTRAMCK, MICH., *January 19, 1934.*

Hon. CARL M. WEIDEMAN,
House Office Building, Washington, D.C.

DEAR SIR: May I take this opportunity of calling your attention to the absolute necessity of Congress making adequate provision for the continuance of the C.W.A. program in Michigan.

As director of the C.W.A. in the city of Hamtramck I have personal knowledge of the tremendous benefit to this community as a result of the C.W.A. work.

Our Hamtramck C.W.A. employees receive approximately $34,000 weekly, all of which is spent for the necessities of life which have been so long denied them.

All of the projects upon which the C.W.A. workers are employed are of a permanent and lasting nature and are projects which were necessary for the welfare and benefit of the community at large. Most of the projects consist of work which has long been delayed by the administration, due to lack of funds.

At a recent meeting of the Hamtramck retail merchants it was unanimously agreed that their business has increased considerably, due to the additional sales made possible by the money spent by C.W.A. employees.

Approximately 1,800 residents of the city of Hamtramck are now employed on Hamtramck C.W.A. projects. At least 1,100 of these were formerly receiving dole from the welfare department. Said employees are no longer dependent on charity but are earning their own living, and an attitude of optimism toward the future has almost completely dispersed the dark clouds of pessimism which formerly prevailed.

It is the consensus of opinion that the C.W.A. program has shown tangible beneficial results and is one of the most, if not the most, helpful measures yet adopted by the United States Government in combating this depression.

On behalf of the city of Hamtramck, its residents, citizens, and business men, and those who have finally found their independence through employment on C.W.A. projects, I urge you, as our Representative, to assist with all the power at your command in passing the necessary legislation to continue the C.W.A. program.

Thanking you, I remain,
Very truly yours,

WM. COHEN,
Hamtramck Director, C.W.A.

The gentleman from Massachusetts [Mr. GIFFORD] said that none of this money should be given to cities that have no tax burden. Up to this time I have failed to read of any notice from anybody in Massachusetts saying that they do not want this C.W.A. money. They are still taking it. As far as Detroit is concerned, we are getting on our feet. The automobile industry is picking up. I talked yesterday with a representative of the Pittsburgh Plate Glass Co. He said that their factory, making automobile glass, is working to capacity to fill the orders for the automobile plants. But notwithstanding that, we are not yet on our feet. The few thousand men thrown out of employment by the curtailment of the C.W.A. last week were thrown on the welfare relief roll. I think you should give us more time to rehabilitate ourselves, and I think you should appropriate some more money for the C.W.A. work, even after May 1, until we can get our industry started again. We are willing to bear with the gentlemen from the agricultural districts. I think the Representatives from the cities went along with you, hook, line, and sinker, all the way. We will do so in the future. We want to help you, and we will go the full limit for you. In addition, we are asking you when this bill comes up to go along with us, and I think it should be brought to the attention of the administration that the farmer should not be handicapped by putting too much of C.W.A. labor in rural districts in competition with this farm labor. The farm and the factory must recover from this depression together. We have a mutual problem.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. AYRES of Kansas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H.R. 7199, the naval appropriation bill, and had come to no resolution thereon.

REFINANCING OF FARM DEBTS

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 6670 to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill H.R. 6670, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The Senate amendments are as follows:

Page 1, line 3, strike out all after "That" down to and including "charter" in line 5, and insert "there is hereby established."

Page 1, line 7, after "The", insert "principal office of the corporation shall be located in the District of Columbia and the management of the corporation shall be vested in a."

Page 1, line 8, strike out "of such corporation shall consist" and insert "consisting."

Page 1, line 10, strike out ", the" and insert "of the Farm Credit Administration, hereinafter in this Act referred to as the 'Governor', and the."

Page 1, line 10, strike out all after "Commissioner" down to and including "cause" on page 2, line 10.

Page 2, line 17, after "bylaws", insert ", rules, regulations."

Page 2, lines 17 and 18, strike out "to the charter of the corporation" and insert "thereto."

Page 2, line 19, after "corporation", insert "authorized under this act."

Page 2, line 23, after "compensation", insert "and duties."

Page 2, line 25, after "corporation", insert "by this act, to require bonds of them and fix the penalties thereof and dismiss them at pleasure."

Page 3, line 2, strike out all after "paid," down to and including "amended", in line 7, and insert "but the rate of compensation of such agents, officers, and employees of the corporation shall be subject to the limitation contained in section 66 of the Farm Credit Act of 1933: *Provided*, That no person shall be appointed as an agent, officer, or employee of the corporation under this act at a salary of $4,000 or more per annum except with the advice and consent of the Senate."

Page 3, line 13, after "powers", insert "as may be."

Page 3, line 15, strike out all after "this" down to and including "thereto", in line 17, and insert "act."

Page 4, lines 8 and 9, strike out "and made available to the governor" and insert "to the corporation."

Page 4, line 11, after "issue" insert "and have outstanding at any one time."

Page 4, line 11, after "an", insert "aggregate."

Page 4, line 12, strike out "in the aggregate."

Page 4, lines 12 and 13, strike out "at any one time outstanding."

Page 4, line 20, strike out "States," and insert "States."

Page 4, line 21, after "and", insert "such bonds."

Page 4, lines 21 and 22, strike out ", on account of such guaranty."

Page 6, line 4, strike out "a" and insert "any."

Page 6, line 4, strike out all after "bank" down to and including "amended," in line 6.

Page 6, line 7, strike out "value;" and insert "value issued under the Federal Farm Loan Act, as amended."

Page 6, line 7, after "exchange", insert "such."

Page 6, line 11, strike out all after "cash," down to and including "amended," in line 13, and insert "such consolidated farm-loan bonds."

Page 6, line 14, strike out "price" and insert "prices."

Page 6, line 15, strike out "and."

Page 6, line 17, after "bonds", insert ", and to invest its funds in mortgage loans made under section 32 of the Emergency Farm Mortgage Act of 1933, as amended."

Page 7, lines 9 and 10, strike out ", but this provision shall not apply to the issuance of any bond to refinance" and insert "except for the purpose of refinancing."

Page 7, lines 15 and 16, strike out "or under section 32 of the Emergency Farm Mortgage Act of 1933."

Page 7, lines 17 and 18, strike out "or the Land Bank Commissioner, as the case may be."

Page 8, lines 22 and 23, strike out "Upon issuance of the charter of the Federal Farm Mortgage Corporation, the" and insert "Until February 1, 1936, the."

Page 8, line 25, strike out all after "of" down to and including "bonds" on page 9, line 4, and insert "the Federal Farm Mortgage Corporation either in cash or in bonds of the corporation at his election. Not to exceed $600,000,000 of the bonds and proceeds thereof."

Page 9, lines 6 and 7, strike out "but the face value of bonds which may be issued for such purposes shall not exceed $600,000,000" and insert "in addition to the amounts transferred to such corporation under section 3 of such act."

Page 11, line 4, after "Governor", insert ", with the approval of the Secretary of the Treasury."

Page 11, line 16, after "is", insert "further."

Page 12, strike out all after line 10 down to and including line 21, and insert:

"SEC. 16 (a). The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended, is further amended by inserting before the semicolon after the words 'section 13 (a) of this act' a comma and the following: 'or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act.'

"(b) Paragraph (b) of section 14 of the Federal Reserve Act, as amended (U.S.C., title 12, secs. 353–358), is further amended by inserting after the words 'bonds and notes of the United States' a comma and the following: 'bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding 6 months.'"

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER.

NAVAL APPROPRIATION BILL

Mr. AYRES of Kansas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 7199, the naval appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the naval appropriation bill, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. AYRES of Kansas. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, being connected with the Committee on the Judiciary of the House, I am in a position to appreciate the pressure being exerted on the Federal Government by the States, by subdivisions of the States, and by the people to take over a larger and larger share of governmental responsibility and just now of enforcing the criminal laws of this country. I believe every student of the situation, regardless of his politics, will not fail to be apprehensive as to the probable effect upon the governmental capacity of the people of the Federal Government doing for the people so many things during this emergency which the people, through their State governments and their smaller units of government and as individuals have formerly done for themselves. I believe it will be agreed that there is a law of nature, universal in its application, under which power to do things is lost by the people who cease to do them. That law is stated most generally, I believe, that nature will not waste her energy. I believe we all appreciate the necessity—I think I do—of the Federal Government doing now most of the extraordinary things that are now being done by it dealing with the economic situation of this country; but the doing of those things by the Federal Government tends to have the people for whom those things are done want their Government to do many other things. This economic program, justified by necessity, creates for them a mental attitude of dependence, a lack of self-reliance, a lack of courage, a lack of determination to take care of their own affairs. In the presence of a situation like that it seems to me the clear duty of public officials and Members of Congress, of everybody, to hold to the people of the State all of the governmental responsibility which they have the governmental capacity to discharge. It must be evident to every student of the present situation that when we come to abandon, as we shall, the present method of doing things, it is going to require people of a great deal of governmental capacity to take up and carry on where the Federal Government is going to have to leave off, and to take care of the governmental responsibilities of the people.

WHAT IT IS ALL ABOUT

I believe, too, that every student of what it is all about—this living on this earth for a brief time—must agree that what it is all about is evidently nature's effort to develop people. Certainly it is Nature's plan to develop people by forcing people to do things that are difficult. For these reasons I am anxious, having concern for the future governmental capacity of the people, that the people shall not shift the enforcement of the criminal law to the Federal Government, and that the agents of the Federal Government shall not reach out and take those responsibilities from the people. It is not the mere matter of sending somebody to the penitentiary or of hanging somebody or who or what agency of government shall do it that is involved. The question is shall we leave to the people something to do that will enable that people to develop their capacity to govern against the day when they are going to have to tackle the biggest job the people of any country ever tackled. That is just plain, ordinary, common horse sense. It is largely through the governmental agencies of the States, which function largely through officers chosen directly by the people in the political subdivisions, such as counties and cities, that State governments operate. Everybody who has any sense knows that we cannot continue to run this Government and its economic and political machinery by somebody in Washington telling everybody what to do and letting them have a part of their own money back in order to induce them to do it. There is a vast difference between a governmental arrangement where public officials are selected to effectuate the public will and a governmental arrangement where appointed officials substitute theirs for the public will and effectuate that substituted will through bureaucratic organizations. The latter, we may concede, tends for the moment toward a more efficient government, but at so great a draft upon the governmental capacity of the people as to warn of its danger and of the necessity to abandon it as soon as the emergency is ended.

EFFICIENCY OF GOVERNMENT DEPENDS UPON THE GOVERNMENTAL CAPACITY OF ITS CITIZENS

Since the efficiency of government such as ours is dependent upon the governmental capacity of its citizens, it is my contention that while acting through concentrated governmental power in order more effectually to deal with a great emergency, the destructive tendencies of such arrangement should be counteracted as far as possible by leaving with the people of the States the doing of all governmental things within their power which are not necessary to be done by the Federal Government in order effectively to deal with the emergency.

Now, I have called attention to a community that I have been studying. I had something to say about it the other day. I have been watching with great interest the city of Chicago undertaking to deal with its problem. Chicago attracted national attention a few years ago by reason of the fact that it was gangster-ridden and apparently gangster-controlled. Every person who has been to Chicago lately, who has watched the signs of the times there, and who is familiar with the situation at all, knows that those people have grown tired of being bossed by a lot of gangsters. What made them grow tired of it? It was the gangster who made them grow tired of it. The Federal Government might have gone after these racketeers, but it is my contention, not my contention merely, it is a fact, that the Federal Government would thereby have robbed the people of Chicago, and robbed itself of the chance to have the type of citizen in Chicago which their fight against these criminals is developing. The getting rid of these gangsters is not important, but the struggle of the people, the development of the people in getting rid of the gangster is the important thing. The strength which they get, the consciousness of responsibility, the strength of an aroused civic decency, is the important thing; and the depredations and tyranny of the

gangster apparently were the only things that could give it to them.

Cities may be a little slower than the appointed agents of the Federal Government. Great results do not come quickly. It takes a good while to bring about great results. The regeneration of the people of a great city is a great result. That is another one of nature's notions about how it does things. We may not like it, but there is nothing we can do about it. When we see people beginning to be stimulated, aroused, making an effort, I do not care if it is a feeble effort, if it is in the right direction for an agency of a supergovernment to come in and let those people sit down and relax where they were, is an act against the best interests of this country.

On yesterday I had called to my attention an editorial published in one of the Chicago papers. It made reference to some observations which I have recently made concerning the effort of Chicago to rid itself of the gangsters. It is a short editorial. It is one that is constructive and helpful to all, and I ask unanimous consent to extend my remarks to insert the editorial.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

Mr. SUMNERS of Texas. I refer to Chicago because it is our outstanding example familiar to the people of all the country.

The editorial referred to is as follows:

[From the Chicago Daily News, Saturday, Jan. 20, 1934]

CHICAGO AS A NATIONAL EXEMPLAR

If the ears of Chicago burned yesterday, they had unusual occasion. A friendly voice from another State was raised in commendation of the city's morale in fighting crime. It was a reversal of experience and therefore the more gratifying. But no false modesty can induce a good Chicagoan to say the praise was unmerited. Representative HATTON W. SUMNERS, of Dallas, Tex., a lawyer and for years a public prosecutor, made the floor of the House of Representatives a rostrum for depicting Chicago as an example of self-reliance and effective energy in dealing with the racketeers and other criminal denizens of its underworld.

Mr. SUMNERS, who is Chairman of the House Judiciary Committee, formed his laudatory impressions of Chicago and its citizenship last summer while participating in that committee's investigation of local crime conditions. His timely point, driven home and illuminated by reference to Chicago, is that danger lies in the increasing dependence of American citizenship upon Federal aid even in local affairs. He sees the probable development of a flabby and resourceless spirit in States and municipalities if the tendency to shift burdens to remote shoulders is not checked, if there is not a revival of courage and self-confidence on the part of local governments. He is by no means alone in that disturbing appraisal of current trends.

Against that fear he sets as encouragement and inspiration the story of Chicago's awakening. Chicago, he asserts, affords the most magnificent demonstration to be found on the continent of the ability of its people to govern themselves.

Some may take exception to that sweeping tribute and discount its unmeasured terms as Texan eloquence. It is qualified by Mr. SUMNERS' statement that Chicago yet has much to do. Every Chicagoan knows the truth of that, and if the Texan's praise is fully to be justified that truth must be borne constantly in mind. There is no question, however, that the civic morale is higher today than it has been for years. The arrogance has gone out of the underworld. Its tail is between its legs.

Coincidentally with Mr. SUMNERS' congratulatory words President Frank J. Loesch, of the Chicago Crime Commission, declared at the commission's annual meeting that the last year had been notable for the vigorous warfare waged on organized crime by local authorities. Criminals have been driven to desperation by police and public prosecutors. The city is riding the lawless elements by which it once was ridden. National recognition of its fight against crime should stimulate Chicago to maintain that fight and also its fight against political corruption, against franchise fraud. Acclaimed as exemplar of self-reliant courage, Chicago must not fail to live up to that role.

Mr. BRITTEN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. BRITTEN. Will the gentleman give the name of the newspaper?

Mr. SUMNERS of Texas. It is the Chicago Daily News.

Now, in order that I may not detain the House any longer than necessary, I am going to ask unanimous consent to revise and extend my remarks, and then I am going to read a speech that I made last fall before the Flag Association of the United States when they were discussing the suppression of crime, and I discussed the "Responsibility of the people for the suppression of crime."

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

THE PEOPLE ARE THE GOVERNMENT

Mr. SUMNERS of Texas. I discussed the responsibility of the people for the suppression of crime. I do not like to be continually discussing this subject, but it happens to come to me and other members of the Committee on the Judiciary as it probably does not come to the rest of you gentlemen.

There may be crooked officials who make copartnership with hijackers, and kidnapers, and racketeers, and murderers, but these officials have been selected by the people. That more or less intangible thing spoken of as the "government" cannot select public officials. It cannot tell them what to do. It cannot discharge them for breach of faith. It cannot sit on juries. It cannot convict criminals. It cannot create the necessary public opinion. Such a government does not exist aside from the people who possess all its powers, operate its machinery, formulate its will, and create the public opinion and public purpose which is its supreme law and dynamic force. It has no agencies except the people through which to correct any condition. The people possess all the power there is, and therefore fundamentally and basically all the responsibility there is.

The only government we have is myself and you, my neighbors and your neighbors, just we, the people. Every failure of such a government is my failure and your failure, the failure of the people. There is nothing more absurd than the favorite indoor sport of the American people, "cussing" the Government.

We got started wrong insofar as the suppression of crime is concerned, and rather naturally so. Many of our ancestors were fugitives from governmental oppression. In the effort to protect the individual against the crimes of the State, we have so weakened the State by legislation, by judicial construction, and by the attitude of public opinion and public sympathy that money and organization give to crime a large element of immunity from punishment.

There is much truth in the saying that technicalities which used to make justice in spite of law, with us make law in spite of justice.

With us, the proper presumption of innocence and burden of proof have been distorted beyond all rational proportions. Revolting against the old custom of torturing defendants to force confessions, we have not only secured the defendant from being put to any involuntary examination, but we have gone so far that even under circumstances where every social duty imposes the obligation to make an explanation, and every impulse of an honest person would be to explain any reference in argument or otherwise to the failure of the defendant to avail himself of the privilege and natural duty to testify, is held to be reversible error.

In many of the States now in the trial of criminals supplied with plenty of money, the trial judge, instead of having the necessary power to control the trial, sits in a reserved seat refereeing a battle between lawyers, witnessing a judicial farce.

Whose business is all this? It is the people's business. It is their responsibility. Of course, there is the responsibility of leaders, but the people choose their leaders. There can be no leaders without followers.

There can be no decent governmental conditions among a people who permit newspapers to come into their homes which place before their children as men of courage and as heroes these dirty rats, lost to every sense of true courage and civic obligation, who, by political corruption, machine guns, and cowardly assassination make the lives and homes and property of supposed-to-be-free American citizens insecure. There can be no decent governmental conditions while these supposed-to-be-free American citizens are afraid to testify as witnesses, shirk their obligations as jurors. There is one other thing, the people must put into their proper place these murderer and hijacker aid societies,

these old sisters and sisterettes who, whenever a jury has had the courage to rid society of one of these people who has forfeited his right to live, begin bedeviling the Executive to undo the work of a courageous jury.

The time has come when as a responsible, self-governing people, we must begin intelligently taking care of the business of a self-governing people.

It is perfectly evident that we have been getting away from the "I and we" notion of government, and shifting to the "they and it" notion of government, and as we have done so we have been moving further and further toward the condition at which we have arrived.

WHAT PRICE JAZZ

We could not be bothered. We had all got young. Instead of pointing the youth of the country to persons of stable, sound judgment, meeting the serious responsibilities of life, youth became the ideal. Everybody got a horn. On with the jazz; getting a little gasoline to go somewhere, to leave there to go somewhere else, in such a hurry to see some distant mountain that we did not have time to look at the mountain we were passing.

We have refused to heed the admonition of sound-thinking, serious students of public problems, and have yielded the public forum to those who would bite a dog anywhere in order to make the front page of the public press.

There is no mystery why organized crime walks the streets of our great cities unafraid. We have refused to make our contribution to the formation of an advised, conscious of responsibility, intelligent public opinion, which is the only safe guide for government among a free people. We have applied in its stead in no small measure the theories of some persons who evidently got overheated in the process of education; too much temperature, too many college degrees, too many theories, too much fermentation, and too little of the sunshine of common sense in their curing. They are supposed to have been doing our thinking for us. As a matter of fact, much of what they have paraded, as the result of their original thinking, are schemes and theories which they have dragged from the junk heap of discarded failures.

If perfection and the absence of criminal inclination are the normal state of man, such theories as that these emenies of society ought to be sent to hospitals instead of punished, would not be so absurd. But we all have criminal inclinations. People cannot live together on this earth if the aid to self-control of a reasonable certainty of punishment for crime is withdrawn.

Confucius was evidently a man who walked about the world with his eyes open. He said that knowledge without thought is labor lost. These people have been losing a lot of labor. He said also that thought without knowledge is dangerous.

PEOPLE ARE BEGINNING TO THINK AGAIN

These are dangerous times. We are trying to think now. Our faces are turned toward higher ground. Of course, we are still willing to escape our difficulties, to pass them on to somebody else, but we are beginning to realize, however, that we will not be able to do so. There is nobody else.

We will not be able to turn over the suppression of crime to public officers while we take a vacation from civic duties. We are under the lash of necessity. This task which we are going to have to put our shoulders to is not going to be such a bad thing for us. This sort of thing which we are going to have to do is as essential to the development of a great people as is the necessity to struggle in order to break through an opposing football team essential to the development of a great football team. The great epochs in the world's history are those, and only those, when the people, with a high purpose and a will that would not yield, have fought their way through great difficulties to the consummation of great victories. We have the chance, the challenge, the necessity to make this the greatest age of all time.

May I follow through with this football illustration? Great football teams are not made great by weak opposition. Neither are they made great by having the captain do all the playing. Just as the youth learns how to play football by playing it, people learn to govern by governing, how to suppress crime by suppressing it, by working at the job themselves. It is the universal law of life. Nowhere, except in government, is there failure to recognize this fact, and it is in the realm of government that this age is registering its colossal failure. Governments are not accidents. They are governed by natural laws which people must respect. We may be able to go places faster than our ancestors went, but we are not following their example when we beg to shift the responsibility of local domestic government and personal responsibilities to a great Federal bureaucracy, and when we cower in the face of an organized, superimposed government of criminals.

It is not in the development of government or of any other such thing per se that nature is concerned. It is in the development of people that nature is concerned. That is what it is all about, this living on this earth for a brief space of time. Whatever operates against the development of people operates against the plan of nature, and in violation of the laws of nature which have been provided to make certain the cooperation of human beings in carrying out nature's plan. Human beings who refuse to cooperate must pay the penalty. We are paying it—this scourge of crime.

DIFFICULTIES, THEIR PLACE IN THE SCHEME OF THINGS

It is for this development of people that such difficulties as suppressing crime are provided. Difficulties are nature's gymnastic paraphernalia provided for the development of people. These difficulties in government are a part of that equipment. Government could have been made a fool-proof, self-perpetuating thing. Everything could have been made all right, but we would have been as a field of cabbages. No great character ever came out from the Tropics, where he had only to climb a tree for his breakfast, and pull off a few leaves on the way down to make himself a full-dress suit.

The right of the States to govern was never important, but the necessity of the States to govern always was important and always will be important, because they are the agencies of government in which the private citizen has the greater power and the greater responsibility.

The best way to study a big question is to reduce it to such dimensions as to bring it as an entity within the scope of human comprehension. These general problems of law enforcement and the effect upon individuals and communities of the presence or absence of the sense of responsibility of the people have come several times under my personal observation. I am not discussing theories; I am discussing what I have seen.

I was prosecuting attorney of Dallas County when we were completing the task of emerging from wild-west conditions. A condition obtained in one of the best village sections of the county which was highly unsatisfactory to many of the people there, but they did not want to come out into the open in their opposition. Some of them were merchants. They were afraid of the hurt to their business. As far as they would go at first was to tell me in confidence of conditions and ask for their correction. They wanted somebody else to clean up their local condition. In that state of public attitude nothing effective could be done about it. I watched the evolution of that people through the several stages from that in which they would not do right because it would probably cost them money and might involve some personal danger to them, from a feeling of dependence and helplessness to that when those same persons were standing up courageously in open meeting putting themselves and their money to the task. Persons developed into leaders who never knew before they had that ability. There developed during that struggle a community solidarity, a consciousness of responsibility, and a militant decency. With the accomplishment, which was easy then, came a sense of community power, of courage, and of self-respect, which through all the intervening years has been their glory and their salvation.

Several years ago this community was visited by a terrible cyclone. Many of its people were killed and many more wounded, with corresponding property loss. I heard of it very early next morning. It was my old home. I was preparing to go out with a relief expedition from Dallas. Be-

fore we could get away a committee came in from the stricken community and told us that they appreciated what we were proposing to do, but that they had taken care of the situation. In an hour and a half after the storm the citizens had taken care of their dead, got their wounded to the hospitals, estimated their damages, taken stock of their resources, and without any pose, with ability and resolution, set about the work of relief and reconstruction.

I have recently been to Chicago. There was a great fair in progress, but there was something greater than the fair going on in Chicago, which had for me too strong a competition in interest for me to spend more than an afternoon at the fair. The people of Chicago, under the lash of necessity—when I speak of the people of Chicago I mean the individual citizens of Chicago—with a new-born courage are awakening into action, into consciousness of responsibility, and are feeling the thrill of power. They are beginning to demonstrate the capacity of that people for self-government. How long their difficulties, their necessities, this task of the criminal shall be required to break the lethargy of that people and make them to be the type of citizens which the general necessities of Chicago require, no one can forejudge. But they are moving in the right direction.

It is not the war on gangsters which is important; it is not the ridding of that community of gangsters which is important. The gangsters, under the circumstances, are the best asset Chicago has. They are the nasty tasting dose of medicine which a sick community had to have. These gangsters are not the disease; they are the evidence of the disease and of nature's effort to cure it. They have not happened accidentally. There is no result without an antecedent adequate cause. That cause lies deep. If that community had been civicly healthy, these rats could not have lived in their midst.

The great thing is not getting rid of these gangsters but getting rid of that something in the attitude, in the purpose, in the courage of these people which made these gangsters possible. The development of decent attitudes among the people, the development of leaders among those who never knew before they had the capacity to lead, in a sentence it is the redemption of the people of Chicago resulting from the inescapable necessity to struggle to free themselves from the power of these criminals which is the thing of importance.

THE FEDERAL GOVERNMENT COULD HAVE ROBBED CHICAGO OF ITS CHANCE

That is why I opposed the Federal Government going into Chicago and robbing that people of the supreme opportunity to develop themselves, and to demonstrate their ability to win a great victory, and in that winning redeem themselves and stand forth as a great people, to stand forth for all time as a great testimonial to the capacity of Anglo-Saxon people to govern themselves.

Of course, Chicago is not going to get rid of these criminals permanently any more than a farmer cultivating his fields, ridding them of the weeds which would choke out his crops, gets rid of all the weeds for all time. It is the weeds and the hazards and difficulties in raising crops which makes good farmers, just as the hazards of a golf course makes a good golfer. No farmer need have fear that he will ever get his fields so clean and in such perfect condition that he will deteriorate as a farmer because there is nothing to do. Nature takes care of that in the fields of corn, and in the fields of government.

I suppose a grown man could carry the football for his young son through the line to the goal better than the boy could do it, and if the big thing was getting the ball to the goal that would be the sensible thing to do, but the thing of importance is the physical and mental development which nature gives to the young boy as a reward for his struggle to place the ball behind the enemy's goal line.

Even if it were conceded that the Federal Government, or any other agency, could suppress crime, which it cannot, and take care of all the other things which are of concern to the people, and thereby relieve the people of the necessity to do it, that would no more prove it a good thing to do than would the fact that the father could be more effective in placing the ball behind the goal line prove that he ought to do it while his young son sat on the side line and watched.

I have no apology to offer for continuing to use this illustration because the laws of nature are the same everywhere and are universal in their application. The thing, however, which makes this football illustration inapt in an important particular is that there is with us in the suppression of crime, fundamentally considered, no father and not even an Uncle Sam, in the sense that we have fictionized that bewhiskered caricature. We have no king. We have no hereditary nobility, no ruler by divine right. Our Government is not an "it"; it is not a "they." There is no government other than ourselves—myself and you—the people. Whenever we take a vacation from the discharge of our duty to govern we pay the price in corruption, in inefficiency, in the hijackers, kidnapers, in the reign and rule of crime of every sort.

We have been taking a vacation in this country. That is what is the matter with us. Not until the last few months has it been possible to bring to public consideration anything which burdened thinking and required the serious consideration of serious matters. There are a number of indications that we are at the end of the vacation.

In order that I may not be misunderstood, I want to say that I realize that, by reason of certain surrenders to the Federal organization when the States came into the Union and that the States maintain no border patrol, there are certain Federal responsibilities, but most of these can be cared for by compacts among the States without necessitating a duplication of State and Federal police personnel, and without going any further than we have gone toward converting our Federal courts into police courts adjudicating matters of internal police control.

But I want to warn you now that, unless the people set their faces against it, the time is not far distant when the Federal Government will be stepping in, and as a result the States and the communities and the private citizens will be stepping out, not in the same degree, perhaps, but in the same way as occurred with regard to prohibition. It is not only in government that this may be observed but it is everywhere in life. Divide responsibility between the greater and the lesser and the lesser loses his share by surrender or by usurpation.

ONLY BY GOVERNING CAN CAPACITY TO GOVERN BE PRESERVED

There is no way under heaven or among men by which the capacity of a people to govern can be preserved and developed except by governing. There is no way to have the people in their private lives and in their homes before their children stand forth as an influence in behalf of things which are the antithesis of crime and cowardice and in favor of good and efficient citizenship except for them to be an actual, courageous force in the suppression of crime in their community. In this we see the practical philosophy of preserving the power of local government and the responsibility of the private citizen. It is that responsibility which is the great developer of good citizenship and of governmental capacity, which is the only foundation strong enough to bear the weight of a great governmental superstructure such as we have.

We might burn our Constitution and tear down our capitols, but if we preserve the governmental capacity of our people they would build again. But if the capacity of the private citizen to govern is lost through its nonuse, the Constitution dies, and our capitols become monuments of our failure. This we know, nature will not give greater power where the power possessed is not used. It will not waste its energies. The fish in the Mammoth Cave have no eyes. Tie your arm by your side and it withers. The active, determined, courageous discharge of the obvious duty of the private citizens, who, in fact, are this Government, is not only necessary in order that the shameful reign of crime shall end in this country, but it is necessary because of its effect upon these private citizens and upon their capacity to preserve the governmental institutions of a free people. [Applause.]

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. CANNON of Wisconsin. The gentleman referred to the Chicago gangster a moment ago. Is not the crime condition throughout our Nation, particularly in Chicago, due to the judiciary more than anything else? How does the gentleman account for the fact that in the city of Chicago, where they have approximately 3,000,000 people, they have around 65 or 70 criminal court judges, while in the city of Milwaukee, where they have almost 1,000,000 people, we only have one criminal court judge, and we have the model city of the United States as far as crime is concerned?

Mr. SUMNERS of Texas. Let us assume that Milwaukee is the model city. I have heard many good reports about it. But I want to answer the gentleman's question. When we get right down to the bottom of it, the responsibility is not the judges, because the judges do not get their own jobs by their own volition. The judges are either appointed by somebody whom the people elect, or the people elect those judges. I know it is not the right way to court public applause. The right way to do it is to abuse somebody else and tell the people they are all 100 percent right and somebody else is wrong, but that does not get us anywhere. Only an aroused, determined private citizenry can do it. In a sense, the Government is the agent of the people, but in just as definite a sense, the people are the agents and instruments of the Government. Governments are provided for in nature just the same as human beings are. People have to have government. That shows it is provided for in the scheme of things. Let me illustrate; I have to go to the farm for my illustrations. I do not see how you town-raised people ever did get any real information. Suppose I ride by somebody's farm, and I do not like the way that farm is being conducted. It is rundown; the crops are not being properly cultivated. I am the one who hired the people who work that farm, I am the one who tells the people who work that farm what they must do and what they may not, and I am the only one who can discharge them. Would it lie within my mouth to go around criticizing the owner of the farm because the thing was not done right? I know we get a lot of satisfaction cussing the Government, but we, the people, employ the persons who operate the Government.

ONLY A PEOPLE CAPABLE OF SELF-GOVERNMENT CAN DEFEND THEIR LIBERTY

And we, the people alone, can tell them what to do. We alone are the people who can discharge them. If there is anything being done wrong in the operation of the Government fundamentally, we, the people, are to blame and not that intangible thing which people love or ought to love with that holy love called patriotism. Only a people possessed of power and conscious of responsibility can guard that government and perpetuate its institutions. A people bottle-fed and rocked to sleep by the hand of a great Federal bureaucracy cannot do it. Neither can the great Federal bureaucracy do it. The plan of God in nature is made sure of final execution as well by the limitations placed upon human capacity as by the capacity given to human beings.

I see where we are drifting and I do not like it. I do not want to see the people of this country turning over to the Federal Government the protection of the lives and property of the people of this country. I want to see the people of this country retain all of the governmental responsibility which they can discharge because only such a people can keep a country free. I have no pet theories about this matter. Only a deep concern for the happiness and security of my people and of my country prompts me to speak. When a people weaken from lack of exercise, of their governmental muscles, if I may use that expression, then they are easy marks and become the prey of any scoundrel who gets into public office or into positions of economic power. But when you have got a strong people, conscious of governmental responsibility, growing stronger and more capable all the while through the discharge of that responsibility, if we are not the right people in Congress, they take us out and put the right people here. They do the same thing in other positions of public importance and power. But I do not care what else you have. If we permit the great body of American citizenship to lose their governmental power by its nonuse, I do not care who your statesmen are, what their capacity is, I do not care how eloquent they are, I do not care what may be the wisdom of the man who holds public office, this country cannot preserve its institutions—no people can preserve their liberty who lose the strength to defend it. We have no kings; we have no hereditary nobility. In this country we have nobody to govern except the people. There is not anything more destructive than this notion abroad in this land—on to Washington for everything the people may want! This creation of an attitude of national dependence upon a great Federal bureaucracy is one of the most dangerous things that a free people can do. I am supporting this recovery program, but I am not unmindful of the price we will have to pay for having got ourselves in a condition which makes this program necessary, and I am not unmindful of the high type of citizenship which will be necessary to deal with its aftermath if we are to avoid disaster. [Applause.]

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. WADSWORTH. I am prompted to put an inquiry to the gentleman from Texas because I recognize in him—and I am sure he will take this in good part—the type which has been somewhat submerged recently—the Jeffersonian Democrat. I might like to count myself in if a Jeffersonian Democrat stands for the principles which the gentleman from Texas has just enunciated.

The gentleman from Texas has touched upon an issue which I believe is the most vital and fundamental to be confronted by our people for many a year; and I am wondering what comment or thought may come from the gentleman from Texas when he recalls, in connection with the centralization of power at Washington and the atrophying of the power of self-government which may be inflicted upon the people as its result, that the President of the United States in his annual message to the Congress delivered before this House but a few days ago, openly indicated that this whole new program embarked upon incident to the emergency shall become the permanent policy of the United States.

Mr. SUMNERS of Texas. I shall answer the gentleman very candidly my own opinion about it.

Here is what I think about these times, and what I say about this is not said in a controversial way, if I am able to diagnose this particular period in which we are—it is the recurrence of a very interesting phenomenon to be found not infrequently in the governmental history of Anglo-Saxon peoples; crises come in the history of all peoples. Frequently they result from the failure of the people to do what they could have done safely when they ought to have done it. Anyway they get themselves up against a crisis that exceeds the capacity of ordinary Anglo-Saxon governmental machinery functioning as it ordinarily functions with distributed responsibility and a slow pick-up, because our governmental system has a slow pick-up and it has a distributed governmental responsibility.

Ours is a very old system of government. Through long processes of time certain governmental instincts seem to develop.

Our people seem instinctively to sense the existence of a crisis which exceeds that capacity of their governmental system functioning in the ordinary way. In such a situation instead of permanently changing their system of government they have the genius to concentrate governmental power, give to the agency into which the concentration has gone all the power that a dictator could have, which carries with it as quick a pick-up as a dictatorial government could have, but at the same time they are able to retain the power—I am talking about power now—retain the power over the exercise of the delegated power, and retain the power to recapture and redistribute this concentrated power

when the crisis shall have ended. What will happen in the future only time can tell, but I do not believe we will permanently operate under the present arrangement. As I see it, the present arrangement is the offspring of a great crisis and must disappear with the going of that out of which it grew. Doubtless we will salvage something, possibly much, out of this experience, but it is not a governmental revolution. It is not new in Anglo-Saxon governmental experience. There is a fairly well defined course which is run. Anyway we had better begin to get ready for a parallel swing back toward the other extreme from that toward which we have been moving. [Applause.]

[Here the gavel fell.]

Mr. AYRES of Kansas. Mr. Chairman, I yield the balance of my time—5 minutes—to the gentleman from Louisiana [Mr. WILSON].

Mr. SWICK. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. WILSON].

Mr. WILSON. Mr. Chairman, I would not at this time refer to the pending election contest from Louisiana if it had not been that the gentleman from Mississippi [Mr. COLLINS] took the matter up yesterday.

On the first day of the present session of this Congress, the Committee on Elections No. 3 was instructed by a resolution unanimously approved by this body to determine the prima facie question and the ultimate right and privilege of Mrs. Bolivar E. Kemp and J. Y. Sanders, Jr., to a seat in the House of Representatives.

This resolution was introduced for the sole reason that the issues involved effect the rights and privileges not only of the citizens of the Sixth Congressional District of Louisiana and the State of Louisiana but also of every congressional district and every State in the Union.

This is not based upon the operation of political factions, but because vital and important legal questions are involved.

I deeply regret that conditions have arisen making this action necessary and imperative. I infer from the speech delivered on yesterday by my colleague from Mississippi [Mr. COLLINS] that his conclusion is that the committee in its report has not correctly construed the law, and that the decision unanimously reached is not sustained by the Constitution and laws of the United States or of the State of Louisiana. In that connection, I differ with the gentleman from Mississippi, and I confine my statement to an outline of the law, as I see it.

The issues now before the House relate to an election to fill a vacancy in the office of a Representative in Congress. Now what does the Constitution and laws provide in connection therewith.

Section 2 of article I reads:

When vacancies happen in the representation from any State, the executive authority thereof shall issue writs of election to fill such vacancies.

Section 4 of article I reads:

The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time, by law, make or alter such regulations, except as to the places of choosing Senators.

Now it has been unanimously held that where a State has enacted legislation as directed by the Constitution the laws of the State govern and control the election procedure.

The Hoge case has been cited in support of the action of the Governor of Louisiana in calling an election to be held in 7 days to avoid the opportunity given by the laws of Louisiana to select their nominees in a primary election. What are the facts?

The actual decision has the opposite effect and supports the conclusions rendered by Elections Committee No. 3 of the present Congress.

The John Hoge case (Pennsylvania):

It appears to the committee that, though by the second section of the first article of the Constitution of the United States it is made the duty of the executive authority of the respective States to issue writs of election to fill vacancies, yet, by the fourth section of the said article, it is made the duty of the legislature of each State to prescribe the times, places, and manner of holding such elections. It appears, however, that several elections to supply vacancies in Congress have been held heretofore in Pennsylvania; yet, on examining the laws of that State, it appears that no law exists prescribing the times, places, and manner of holding elections to supply such vacancies as may happen in the representation in Congress.

The State of Louisiana had enacted laws prescribing the time, place, and manner of holding elections to supply vacanicies in the representation in the Congress.

The inference is that the only reason why the Committee on Elections at that time and the House of Representatives upheld the executive order of the Governor of Pennsylvania was that there was no law in Pennsylvania fixing the time, manner, and place of holding elections.

Mr. MONTET. Mr. Chairman, will the gentleman yield?

Mr. WILSON. I yield.

Mr. MONTET. In the Pennsylvania case did it appear that the people of the State have been imploring the Governor to call an election for 3 months before he did it?

Mr. WILSON. I am not sure about that.

Mr. MONTET. It is true in the Louisiana case, is it not?

Mr. WILSON. Yes; that is true; they had appealed for the calling of the election.

Mr. MONTET. Will the gentleman yield?

Mr. WILSON. I yield.

Mr. MONTET. Is it not also true that in the case pending before us now, the Kemp-Sanders case, despite the implorations made on the Governor by the people of the Sixth Congressional District for months and months, that 3 days before the Governor actually issued the call for the Kemp election he made a public statement on the 24th day of November that he would not call an election?

Mr. WILSON. I do not know whether that is in the record or not, but it would not matter so far as the legality of this question is concerned.

Mr. MONTET. Is that not a fact?

Mr. WILSON. Is that in the hearings?

Mr. MONTET. Yes.

Mr. WILSON. Yes.

Mr. BANKHEAD. Will the gentleman yield?

Mr. WILSON. Yes. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I must confess that under ordinary circumstances I would be inclined to look with extreme disfavor upon a precedent which refused to accept the apparently bona fide credentials of the Governor and secretary of state showing that a person was entitled to a seat in this House; but if I understand the facts in this case, that contention was waived by the agreement of both parties to this contest; is that not true?

Mr. WILSON. That is correct. It was to go to the committee for a report upon the legality of the election and whether or not either party should be seated.

Mr. BANKHEAD. So far as this record is made up, Mrs. Kemp in this case waived, as I understand it, by agreement, her right to insist upon being immediately sworn in as a Member under her credentials.

Mr. WILSON. That is what I understood from my colleague, Mr. FERNANDEZ, who spoke on that subject.

Mr. COX. Will the gentleman yield?

Mr. WILSON. Yes; I yield.

Mr. COX. Will the gentleman support the committee report?

Mr. WILSON. Yes. I have but a short time, and what I want to do is to get into the RECORD my construction of the law.

Mr. COX. Very well. I will not detain you.

Mr. WILSON. It comes now to the fact that the sole contention, as I understand it in this case, is whether or not the Congress of the United States will uphold the order of the Governor of Louisiana as being legal when he called this election to be held within 7 days, after the 6 months had elapsed, since the vacancy occurred.

THE GENERAL ELECTION LAW OF LOUISIANA

Now, what are the provisions of the law of the State of Louisiana in this case? It says:

That it shall be the duty of the Governor, at least 30 days before every general election, to issue his proclamation giving notice thereof, which shall be published in the official journal.

The board of supervisors of election of each parish shall give 15 days' notice of every general election by advertisement in the official journal of their parish, if there be one, and by posting at four public places in the parish if there be no official journal in said parish. But no default by the Governor or parish board of supervisors of election to issue said proclamation shall deprive the people of their right to hold an election as fixed by law or vitiate said election when held.

SECTION 6. Be it further enacted, etc., in case of vacancy in said office of Representative in Congress between the general election, it shall be the duty of the Governor by proclamation to cause an election to be held according to law to fill such vacancy. Elections shall be held in the precincts and at the polling places hereinafter defined and hereinbelow directed to be established.

It shall be held according to the laws of the State of Louisiana. That is the direct declaration to us.

Mr. COX. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Georgia.

Mr. COX. In what respect did the election in which Mrs. Kemp was supposed to have been elected fail to follow the State law?

Mr. WILSON. That is what I am getting to now. In the State of Louisiana, as probably in every other southern State, the primary election is the election. That is the controlling factor. Of course, there is no opposition after the primary election is over.

LOUISIANA PRIMARY ELECTION LAW

Be it enacted by the Legislature of Louisiana, That all political parties shall make all nominations for candidates for the United States Senate, Members of the House of Representatives in the Congress of the United States, all State, district, parochial, and ward officers, members of the Senate and House of Representatives of the State of Louisiana, and all city and ward officers in all cities containing more than 5,000 population, by direct primary elections.

That is the mandatory provision of the Louisiana law.

That any nomination of any person for any of the aforesaid mentioned offices by any other method shall be illegal, and the secretary of state is prohibited from placing on the official ballot the name of any person as a candidate for any political party not nominated in accordance with the provisions of this act.

Mr. COX. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Georgia.

Mr. COX. How did the action of the committee, giving Mrs. Kemp the nomination, affect the right of any other elector of the district to offer for the office in the general election?

Mr. WILSON. The gentleman from Georgia knows that the nomination at a Democratic primary under the emblem of the Democratic Party, which is the rooster in Louisiana, is equal to election, and to tell someone outside after this ticket is prepared that anybody may go in and write his name on it is useless.

Mr. COX. I am not antagonistic to the position the gentleman has taken, but as Mrs. Kemp had no such nomination, how did the fact that two committeemen came together and offered her the nomination deprive any other citizen of the district of the right to participate in that election?

Mr. WILSON. Because this nomination prohibited any other name going on the ticket as the candidate of the Democratic Party.

Mr. COX. But that is a part of the machinery down there. How could the action of that committee be construed as a nomination that would operate against anyone else participating in the election?

Mr. WILSON. Because the tickets were printed with that name only.

Mr. BLANCHARD. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. The only way any candidate could have his name placed on the ballot is by writing it in? The only way he could receive a vote is by having his name written in?

Mr. WILSON. Oh, yes; by having the name written in.

Quoting further the primary election law:

SEC. 9. That whenever a special election is held to fill a vacancy for an unexpired term caused by death, resignation, or otherwise of any officer, the respective committees having authority to call primary elections to nominate candidates for said office shall have full authority to fix the date at which a primary election shall be held to nominate candidates in said special election, which date shall not be less than 10 days after the special election shall have been ordered.

Mr. KNUTSON. Will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Who called the primary that nominated Mr. Sanders?

Mr. WILSON. That was a mass meeting of citizens of the Sixth District.

Mr. KNUTSON. It was not a legally constituted organization?

Mr. WILSON. It was a mass meeting called for the purpose of holding an election. The claim for legality of the action of the committee presenting the nominee is based upon the exceptions made in the primary law after a primary election has been called.

[Here the gavel fell.]

Mr. SWICK. Mr. Chairman, I yield the gentleman from Louisiana 3 additional minutes.

Mr. WILSON. The only conditions under which a name may be certified as a party nominee on a Democratic ticket in Louisiana is set out under section 6 of the Primary Election Laws of Louisiana:

That all vacancies caused by death or resignation or otherwise among the nominees selected by any political party, under the provisions of this act, shall be filled by the committee, which has jurisdiction over the calling and ordering of the said primary election, and in the event that no person shall have applied to become a candidate for a political office within the time fixed by law, or the call of the committee ordering the primary, or in any other event wherein the party shall have no nominee selected under the provisions of this act, the committee calling the primary shall select the nominee for any position named in the call of the committee and shall have full authority to certify said name as the nominee of the said party.

There is no way under the law or under this provision of law whereby anyone's name can be placed upon that ticket as the nominee of the Democratic Party except after a primary has been called and a vacancy occurs by death or resignation or there may be some office for which no one has offered as a candidate.

So, Mr. Chairman, I have simply taken this time to clear up the matter so far as I can and give my construction of the law on account of what was said about the case on yesterday.

The Governor of Louisiana had waited more than 6 months after the vacancy occurred. He had had plenty of time to have given all opportunity to anybody who wanted to be a candidate, but he calls the election to be held within 7 days, with no time for a primary and the committee makes the certification without having ordered a primary, when the direct provision of the law is that no such certification can be made except by the committee calling a primary and after the primary election had been called. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks made earlier in the day, and if I can secure them in time to include some statistics from the C.W.A.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GIFFORD. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SWICK. Mr. Chairman, I yield 3 minutes to the gentlewoman from Kansas [Mrs. MCCARTHY].

Mrs. MCCARTHY. Mr. Chairman, the Department of Agriculture recently issued a report giving the results of the wheat allotment plan.

The results were somewhat discouraging, and because of this fact I have introduced two bills, which, to my mind, would help to correct the situation. One of my bills is a bill to license the producer and the other one provides a tax on expansion of acreage.

The first bill would give the Secretary of Agriculture the power to license producers who do not reduce their acreage. The theory behind this measure is that such licensing power would be used only when necessary to hold down threatened expansions. In the event the Secretary of Agriculture would decide that reduction of acreage was not necessary, he would not be compelled to exercise this licensing authority. Use of the tax plan on additional acreage is also optional.

I will now give you some information about this report issued by the Department.

The 11 principal wheat States went along with the Department's program and greatly reduced their acreage.

For example, in the State of Kansas 97 percent of the wheat farmers reduced their acreage the agreed 15 percent. In these 11 wheat States 33,000,000 acres is the amount of winter wheat planted last fall as compared with thirty-six and a half million acres, which is the annual average during the base period, 1929 to 1931. This reduction, 77 percent of the gross reduction expected, shows that the winter-wheat States are responding well to the adjustment plan. On the other hand, taking the Nation as a whole, 41,000,000 acres of wheat were seeded this fall as compared with the 42,500,000 for the fall of 1932, giving a reduction from last year's planting of only 4 percent for the entire Nation. As compared with the base period, fall plantings are 7.2 percent less.

These figures mean a great deal to a Member from the greatest wheat State in the Nation. Closer study shows that while wheat-State farmers have practically all pledged to control acreage, farmers in the eastern Corn Belt, on the northern edge of the Cotton Belt, and in the Northeast have increased their wheat acreage, their reason, of course, being that they hope to realize the higher prices resulting from the reductions of the regular wheat farmers.

One bill I have introduced places a per-acre tax on plantings in excess of that during the base period, the tax being paid into the wheat allotment fund.

The other measure I propose is simply to give the Secretary of Agriculture the power to place under license all farmers not cooperating in a production-control plan if they display evidence of extending their wheat acreage or other surplus crop above the amount ordinarily raised by them in their regular rotation of crops. Neither plan would work a hardship on anyone, but would give assurance to those farmers who have contracted to reduce their operations in a given product that they would not be penalized for joining in a great program to control production and raise the level of farm prices. This measure is similar to the one giving licensing powers to the N.R.A. Administrator, and such power should also be valid for the A.A.A.

The benefits of the allotment plan have been made clearly apparent to the wheat industry. Farmers have received 65 to 75 cents per bushel for their grain instead of 24 to 30 cents. Wheat producers are now receiving the first installment of the $102,000,000 adjustment payment. Their incomes have been doubled, and for the first time in 10 years they feel they are attaining permanent stability through the adjustment program. For the good of this industry it is important that the plan not be jeopardized by actions of a minority not dependent on wheat, and in return the wheat farmer is, no doubt, willing to restrain from expanding his production of hogs, or other products, as the case may be.

[Here the gavel fell.]

Mr. SWICK. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Chairman, there are just a few observations I want to make on the Kemp case, inasmuch as it was discussed yesterday and again today.

It is an important question, and I am pleased that the gentleman from Alabama [Mr. BANKHEAD] asked a question with reference to the prima facie right of a person to be administered the oath of office when credentials are presented from a sovereign State in the proper manner.

I am glad this matter has been cleared up, because I believe the RECORD should be kept absolutely straight and that it be made clear that any individual who comes with proper credentials should not be denied the right to take the oath of office.

There have been, of course, two notable exceptions to the general procedure, and I question at least one of them; the decision of the House in the Berger case, where the oath was denied. In the other case, the Utah case, I am not familiar enough with it to speak with any degree of knowledge.

Now, I want to present three propositions for consideration. The first is the prima facie right of a person to take the oath of office unless there are objections, constitutional or legal, against it. Secondly, the propriety of Congress going back of an election and determining whether or not the nomination is properly made, and thirdly, the election itself.

In connection with the propriety of Congress investigating the nomination, I want to call your attention to the case of Wise against Young in the Fifty-fifth Congress:

> The contestee introduced much in his answer and something in his testimony concerning the manner of the contestant's nomination. Now, in the case of Lowry against White it was well said:
>
> "In contested cases it is improper to consider allegations in the testimony intended to show simply by what means the person became a candidate." And so we dispose of that question. (Hinds Precedents, vol. 2, sec. 1103.)

In the same connection I desire to call your attention to the Federal Corrupt Practices Act of 1925, which specifically excludes from its operation primaries and conventions of political parties, recognizing to that extent a lack of jurisdiction by Congress to legislate concerning such instrumentalities for the selection of candidates.

If we are to pass on the legality of the situation in Louisiana, in the Sixth Congressional District, the failure on the part of the Governor of the State to call an election in ample time so that the primary or the run-off primary might be held, then I think the conclusion is quite clear that there is no legal election in this case.

As has been so well stated, the law is specific that no candidate unless nominated in accordance with the laws of the State of Louisiana can have his name placed on the ballot.

Again, I repeat that if we are to go back of the election there is only one conclusion we can arrive at and that is that the election was not proper and not legal.

Mr. COX. Will the gentleman yield?

Mr. BLANCHARD. I yield.

Mr. COX. It is not a fact that the precedents of the House and the Senate are that either body has the right to pass upon the right of a candidate to sit in that House, and to go back of the election?

Mr. BLANCHARD. The Senate has its rules and it is a fact they do go back of the election.

Mr. COX. And the precedents of the House are all in support of that proposition.

Mr. BLANCHARD. On the question of the election itself I cite this provision of the Louisiana law:

> That in case of vacancy in said office of Representatives in Congress between the general elections, it shall be the duty of the Governor, by proclamation, to cause an election to be held according to law to fill such vacancy.

That pertains not to the primary election but to the election to fill the vacancy.

The language is significant "To cause an election to be held according to law." What law? Not a law promulgated by the Governor of Louisiana, but a law promulgated by the legislature, a law in existence in the State where this arises.

And by any process of reasoning we must in this case, if we are to examine the primary election laws in Louisiana, conclude that the people were foreclosed from having any right to hold a primary election, and on the question of the election itself there was no legal election on the basis of this law.

Mr. TERRELL of Texas. Mr. Chairman, will the gentleman yield?

Mr. BLANCHARD. Yes.

Mr. TERRELL of Texas. I want to ask the gentleman two questions that are easily answered. Do the election laws of Louisiana require that in a special election the candidate must be nominated before his name is put on the ticket?

Mr. BLANCHARD. I answer that as I answered the gentleman from Georgia [Mr. Cox], that the law specifically says that any candidate nominated in any other way than by the laws of the State of Louisiana—and they refer to the primary election laws—is not entitled to have his name on the ballot.

Mr. TERRELL of Texas. I do not think the gentleman has answered my question clearly.

Mr. BLANCHARD. I think I did.

Mr. TERRELL of Texas. I want to know if the laws require that a person to be elected in a special election has to be nominated in the primary?

Mr. BLANCHARD. My contention is that he must assuredly be selected in the primary.

Mr. TERRELL of Texas. The other question is, Does the law require the Governor to call an election far enough in advance to have the primary election held?

Mr. BLANCHARD. It presupposes——

Mr. TERRELL of Texas. "Presupposes" is not the law.

Mr. BLANCHARD. The gentleman has a right to his interpretation. There are interpretations—and they will be found in the brief and argument submitted to this committee—which contend that this election could be held without the necessity of a primary election, but they base their conclusions on what they regard to be the law of the State of Louisiana. That is not my conclusion, however. Yesterday in the argument on this same point, the question was raised as to whether or not under the Governor's proclamation the primaries could be held in time to permit an election prior to the convening of Congress on January 3. That is not controlling. We had a case in the State of Wisconsin in the Fifth District, now represented by my able colleague, Mr. O'MALLEY, where there was no representation for a period of 2 years.

It is always unfortunate when a district is without representation, but the Governor of Louisiana had ample time to provide a date for the election so that primaries could be held, and his failure to issue the call in proper time is surely no reason why we should overlook the laws governing the case. This House cannot be held responsible for the laws passed by a State, but we are responsible when it comes to an interpretation of those laws.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired. The Clerk will read the bill for amendment under the 5-minute rule.

The Clerk read as follows:

Naval training stations: For maintenance, operation, and other necessary expenses, including repairs, improvements, and care of grounds of the naval training stations which follow:
San Diego, Calif., $155,150.
Newport, R.I., $46,813.
Great Lakes, Ill., $227,503.
Norfolk, Va., $215,950.

Mr. CONDON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CONDON: Page 7, line 22, after the words "Rhode Island", strike out "$46,813" and insert "$191,211."

Mr. CONDON. Mr. Chairman, it is apparent from this naval appropriation bill and the remarks of the distinguished chairman of the subcommittee on yesterday that the Navy is about to be greatly enlarged and brought up to the strength authorized by the London Naval Treaty. This is what many of us, who believe in an adequate Navy, have long sought for but scarcely hoped to see. The consummation of this patriotic purpose will be not the least of the crowning glories of this administration of which it now seems there are to be many. It further appears quite clearly from the speech that followed later in the day by the able Chairman of the great Committee on Naval Affairs that steps will be taken without delay to authorize the immediate building of much needed ships in all categories. This announcement brought a favorable response from the House and there is no doubt but that its publication in the press has by this time brought a like favorable response from the country.

The American people want a great Navy, and they will no longer tolerate, much less support, the pursuit of a mistaken policy, based upon a misunderstanding of the policies of other nations, which has prevented too long the building of the Navy to treaty strength.

Naturally I am for that kind of a Navy, and I was happy to hear what was said here yesterday in the direction of our getting it in the not distant future. But when I looked further into this bill I was much surprised to find little, if any, consideration given to the present and future needs of the most essential part of such a Navy, namely, the enlisting and training of an adequate enlisted personnel.

Ships without men are as useless and silly as guns without ammunition. And yet this bill gives scant consideration to this vital need. In this matter the subcommittee is still thinking in terms of the false economy of last year which stripped all but one of our naval training stations of apprentices in training and practically stopped all recruiting throughout the country. I am informed that this policy has now been scrapped and that it is the intention of the Department to resume training activities in preparation for the increased demand for men that must come with the completion of these new ships. If that is true, the training stations must be reopened and put on an active operating basis, and it must be true if we are not going to have another long list of empty expensive ships of war rotting at their docks waiting for the junk pile.

In this regard let me say a word about the naval training station at Newport, R.I., which I am sorry to say has been grossly overlooked by this committee. This station is now on a bare maintenance basis. No recruits are being trained there. This was in accord with the economy program of last spring. Unless the committee reconsiders its action and appropriates at least the amount contained in the last appropriation bill no recruits will be trained there this year. In other words, Newport will continue on a so-called "economy basis." Why? If there is a reasonable answer, I have not heard it.

The other three stations, San Diego, Great Lakes, and Hampton Roads, by this bill receive approximately the same appropriation as in the last supply bill. It is difficult, and I undertake to say here impossible, to justify this discrimination on any basis of economy or sound naval policy. I do not know the adequacy of these other stations for training purposes. I assume that they are needed, and I make no criticism of their treatment by the committee. But I do know the character and high quality of the facilities at Newport. I do know the favorable and unique situation which this station enjoys for training our naval apprentices. I do know the high competency and the splendid history of this station in producing the fighting men of our Navy since 1883.

It was in that year that the station was established by Secretary of the Navy William E. Chandler on land ceded to the United States by the State of Rhode Island without compensation. Its location there has ever since been considered by those competent to judge, a wise decision. There are many reasons for this but I shall mention but a few of them. Its location on Narragansett Bay is in proximity to shipping of every description and thus the new recruit is introduced to a point of view of nautical life unsurpassed elsewhere. Narragansett Bay has long been a favorable concentration point for the fleet in the North Atlantic and ships are constantly calling there, thus facilitating easy delivery and reception of personnel. New York is within easy steaming distance, as are related stations at Portsmouth, Boston, and New London. The station itself has a high record for healthfulness and is an ideal place from this standpoint for the training of young men.

All of these natural advantages are important, but equally important is the fact that over the years since 1883 the

Government has invested millions of dollars here in developing and bringing up to a high state of efficiency the physical plant of an up-to-date, modern naval-training station. It was testified in the hearings before the committee by Admiral Leahy (p. 142) that the investment was $4,729,076.

The barracks at this station are all of brick construction, fundamentally staunch, and good for years of use in the future. While this station remains closed these fine modern buildings are empty and idle, a source of expense to the Government without yielding the slightest return, and inevitably deteriorating and depreciating notwithstanding all efforts at maintenance. What excuse is there, what can there be, for neglecting to utilize such facilities in the face of the intention of the Department to train, at Hampton Roads, 4,812 recruits this coming fiscal year, partly in old war-time frame buildings, which are difficult to maintain and expensive to heat, as testified to at the hearings by Captain McCain on page 145?

If there is such an excuse, I hope the committee will let the House know of it. It neither appears in the hearings nor in the report of the committee.

How can the failure to provide for the resumption of training at Newport be justified on any plea of economy or otherwise when the Great Lakes station has had its full appropriation of 1934 restored, and this in spite of a contrary Budget estimate and without any request therefor by the Department? The argument made by the committee in its report to support its action can be made with even greater force and cogency for Newport. I suggest that the committee reconsider its action in this matter and restore the 1934 appropriation of $191,211 for Newport. Let it leave to the further reflection of the Department the matter of reopening this station, as it has done in the case of the Great Lakes, according to its own report, on page 8, as follows, referring to Great Lakes:

> The committee has added to the Budget a total of $376,697, in order that the Department may be free to reopen the station if upon further reflection it should decide to pursue that course.

I am asking for fair play in this matter and no favors. I am completely willing to leave the question of the usefulness and efficiency of the Newport station to the sound judgment of the Department, because I am convinced of the unsurpassed qualifications of that station to perform this essential service to the Navy. This very matter has been inquired into before by naval experts, and, after full and exhaustive investigation, they reported their findings, which are a matter of public record. In January 1923 the so-called "Rodman Board" reported as follows:

> The board recommends that training activities on the Atlantic coast be centered at the naval training station at Newport, R.I.

That report, signed by 4 admirals and 3 captains of the Navy, was approved by the Secretary of the Navy on June 26, 1923, and to my knowledge has never been superseded by any subsequent report based upon an investgiation of comparable scope and character as the Rodman inquiry.

Improvements at other training stations, it is true, have been made since the above date, making them more competent to perform efficient training service, but in no particular has Newport suffered the loss of any of the natural and material advantages that appealed so strongly to the expert minds of this board at that time.

In the face of this evidence it seems to me that the committee ought to fairly reconsider this matter and restore the appropriation of 1934, and I hope that the chairman will accept the amendment.

The same consideration ought to have been given to Newport as has been given to the Great Lakes, and again I repeat I have no criticism whatever to make of the appropriation that has been made for the Great Lakes. I am asking for fair play in this matter and no favors. I appreciate the fact that this country ought not to spend a single unnecessary dollar for any part of maintaining its great Naval Establishment unless that dollar can bring back to the country something of value. I am not asking anything for Newport merely because it happens to be in my district. I believe that Newport is incomparably the best station on the Atlantic coast to train these men. I am completely willing to leave that question in the discretion of the Department and let them say whether or not this station should or should not be open during the year 1935. Admiral Rodman and his associates declared this training station was the only training station on the Atlantic coast at which ought to be centered the training of apprentices of our Navy.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. CONDON. Yes.

Mr. HEALEY. Can the gentleman tell us what part of the country most of the apprentices are recruited from that have been trained at Newport?

Mr. CONDON. The Newport Training Station, I am informed, serves New England, New York, and New Jersey. Boys coming from that particular section of the country were always trained at Newport.

Mr. HEALEY. So that quite an item of expense would be involved in sending those recruits elsewhere?

Mr. CONDON. I am reliably informed that it is more expensive to send recruits from that section of the country, particularly New England and New York, to Hampton Roads or to any of the other stations than it is to send them to Newport. That makes a very substantial increase in expense for the station at Hampton Roads and the one at Great Lakes.

Mr. HEALEY. Is it not a fact that the amount of the increased appropriation you have asked for in your amendment, $144,000, will not be saved by not using the facilities at Newport, but that the depreciation of those facilities, plus the expense of sending those recruits elsewhere will more than amount to the sum you have asked?

Mr. CONDON. It is quite likely that will happen.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. CONDON] has again expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. CONDON. I yield.

Mr. MARTIN of Massachusetts. I should like to join in urging the adoption of the amendment which has been offered by the gentleman from Rhode Island [Mr. CONDON]. I live in a State in very close proximity to the Naval Station at Newport, R.I. It is easily accessible to thousands of recruits from New England who join the Navy. It is ideally equipped, and it is in the interest of economy that this station be continued. I sincerely trust the amendment offered by the gentleman from Rhode Island will be agreed to.

Mr. AYRES of Kansas. Will the gentleman yield?

Mr. CONDON. I yield.

Mr. AYRES of Kansas. The gentleman spoke a moment ago about the extra expense of sending recruits from New England and New Jersey and New York to Norfolk. Is the gentleman aware of the fact that after recruits have been trained at Newport it is necessary to send the major portion of them to Norfolk anyway, either to join with ships based there or for transfer to the Pacific via naval transport?

Mr. CONDON. I do not understand it is necessary to send those men to Norfolk to get additional training aboard ship. I have talked with officers at Newport and it is my understanding that ships come into Newport regularly, and have taken on apprentices from the naval station for their fleet training. I talked this matter over with the Assistant Secretary of the Navy, Mr. Roosevelt, last spring, and he was not then in a position to tell us there was going to be any saving by concentrating the training at Hampton Roads on the Atlantic coast. He was not able to controvert our argument that there was a distinct saving in having these men from the northeastern section of the country trained at Newport.

Mr. MILLARD. Will the gentleman yield?

Mr. CONDON. I yield.

Mr. MILLARD. About how many men are trained there?

Mr. CONDON. The training station has been closed for the past few months.

Mr. MILLARD. But I mean when it is in full operation.

Mr. CONDON. They have trained as high as 2,600 men at Newport, as I understand it.

Mr. MILLARD. All from the section of the country to which the gentleman referred a moment ago?

Mr. CONDON. All from the Northeastern States; yes, sir.

Mr. AYRES of Kansas. Mr. Chairman, as much as I think of the gentleman from Rhode Island [Mr. CONDON] and as much as I think of the good citizens of Newport, at the same time I must oppose the amendment offered by the gentleman from Rhode Island for the reason that it is absolutely unnecessary to open the Newport Training Station. In the first place, under this bill we will have a training station operating on the Pacific coast at San Diego. We will have a training station at Chicago, which is in the center of the United States, as near as it can be placed, assuming that the department will reopen it, and we will have one on the Atlantic coast at Norfolk. That is all that are necessary. Those three training stations can accommodate and train over 19,000 recruits a year—19,088, to be exact. There will not be more than 10,000 recruits trained next year, so what is the use of going to the expense of opening another training station on the Atlantic coast? In other words, it is time for us to begin to think of confining appropriations to the necessities or essentials in order to have enough to provide for the Navy in an efficient way and not be making appropriations where it is not necessary simply to satisfy a local demand.

Now, on that score the gentleman ought not to have any complaint. Newport is very well taken care of. For instance, Newport has a naval hospital where we spent in 1933 $187,151. Newport has a Navy purchasing office where we spent in that year $36,977.55; it has a Navy torpedo station where the 1933 expenditures totaled $3,190,410. It has a naval station, not a training station but a naval station, for which the 1933 expenditures totaled $262,252, and a naval war college, all at Newport, for which the expenditures during 1933 amounted to $739,656, or, all told, $4,416,448. Newport has no ground for complaint—or at least no just ground—that it is not being fairly treated. It is an absolutely useless expenditure to open up the Newport Training Station, because, as I said, with the training station on the Pacific coast, the one in the interior at Great Lakes, and the one on the Atlantic coast at Norfolk, we will have more than enough accommodations for the training of recruits. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. CONDON].

The question was taken; and on a division (demanded by Mr. CONDON) there were ayes 19 and noes 42.

So the amendment was rejected.

Mr. SABATH. Mr. Chairman, I move to strike out the figures in line 24.

Mr. Chairman, the gentleman from Rhode Island [Mr. CONDON] made a splendid effort, worthy of his reputation, in behalf of his training station, and I want to compliment him upon the comprehensive way in which he presented the facts. I wish I could have supported his amendment; but being at all times for strict and rigid economy, I could not conscientiously do so.

I feel that the committee, under the leadership of the able gentleman from Kansas [Mr. AYRES], has been eminently fair in making appropriations and recommendations, and I myself have cause to be and am thankful to him and to his subcommittee for the splendid way they have treated the great Middle West.

Before leaving Washington some weeks ago I called attention to the fact that the Middle West was again being discriminated against when the Navy Department eliminated the appropriation for the Great Lakes Training Station. Therefore I am indeed thankful and greatly appreciate, and I know the people of the Middle West will greatly appreciate, the fact that there has been provided the sum of $227,503 for the purpose of reopening the Great Lakes Training Station.

I am sure no one will charge me with being desirous of supporting large appropriations for the Army and the Navy; nevertheless, I believe that we are legislating in the right direction when we provide for the reopening of the Great Lakes Training Station. During the war and up to a year ago I think more young men were trained at that station than at any of the other stations.

Invariably the Great Lakes region gets but little in comparison with the South and the East; so this little appropriation will be thankfully received.

I shall not dwell longer upon the need for this appropriation. I am not fearful of any of these statements I hear and articles I read from time to time about the approaching dangers of war. Such things appear invariably just preceding the time we have a military or a naval bill before us. There are a certain number of gentlemen in Japan who like to hear themselves talk. Why, to me it is amusing that these gentlemen even could contemplate for one moment provoking war with this great powerful Nation of ours. So it is not through the prompting of such statements that I support this item, but it is for the purpose of enabling the young men of the Middle West to be trained in their own section of the country and to save them and their parents all unnecessary expenditures of going way down East or way out on the coast. I feel the reopening of this station will be of great help and economical benefit in general.

During general debate today I was amused when I heard these gentlemen from the East, especially the gentleman from Massachusetts, demanding with vigor and determination that there be an investigation.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Well do I remember his attitude and the attitude of the other Members on his side of the House when in 1930, and long before that, I demanded upon this floor honest investigation of certain nefarious practices and conduct. Invariably when the opportunity was given me to secure a vote of the House, I did not see him backing my arguments or hear his voice voting with me for any of those much-needed investigations.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SABATH. Yes; I am glad to yield to the gentleman from New York.

Mr. TABER. Will the gentleman tell us some of the investigations he brought up on the floor? I think the House will be interested to hear of them.

Mr. SABATH. Yes; I shall be pleased to explain some of them to the gentleman. I asked for and urged and insisted upon an investigation of the stock exchange in 1929. Day after day on the floor of the House I pleaded that we investigate that den of incorrigible gamblers, as well as the damnable investment bankers who brought wreck, ruin, and sorrow to America.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Not now. I shall be glad to yield in a minute.

I also demanded in 1930 an investigation of the Federal Reserve Board. That was the time when most of us thought the Federal Reserve Board should be a little more liberal in accepting for rediscount the $2,000,000,000 of finance corporations' paper, short-term municipal bonds, and mortgages on homes, which would have saved the Nation from the resultant destruction and the closing of hundreds of small banks; but under the leadership of the party to which the gentleman belongs, which is, happily for America, a decadent party, I could not secure any favorable consideration notwithstanding my continuous appeals.

I also requested and urged an investigation of the Treasury Department, as the gentleman knows, when we desired to find out who were the beneficiaries of the $3,000,000,000 of tax refunds under Mellon's and Mills' Republican administration; but we could not secure any favorable action or cooperation from the gentlemen on the other side of the aisle.

The gentleman also remembers, perhaps, that in 1932 I asked for the investigation of the Post Office Department in the matter of unconscionable air mail contracts, exorbitant leases, and the purchase of undesirable sites. True, we did pass that resolution and secured a few votes for it on the Republican side. Of course I was grateful for that. But since that time it has been demonstrated that the investigation should have been conducted more thoroughly by the House Committee, with enlarged powers and more facilities, so that it would not have been necessary for the Senate committees to investigate, as they are doing, not only the air mail contracts, but also the stock exchange. I do not mean to infer that the House Post Office Committee was derelict. It did very well indeed with the facilities at hand.

I think it would have been better had the House listened to me and voted a reasonable appropriation for such investigations.

I also demanded and insisted upon an investigation of the Reconstruction Finance Corporation when the unwarranted loan of $95,000,000 was made to Mr. Dawes' bank. I am reliably informed that we are going to lose between $50,000,000 and $55,000,000 on that single loan; but to date I have not seen or heard any of the Members on the Republican side asking or advocating any such investigation.

As the gentleman knows I also made a strenuous effort to secure an investigation of the moving-picture industry. That was during the last session of Congress. The gentleman knows how the Republicans were whipped into line by Mr. Hays, Mr. Hilles, Mr. Mayer, Judge Henning, and a few other leading Republicans; and I was voted down.

Last but not least, I recall that very few gentlemen on the Republican side helped by voting for the resolution to investigate the gigantic bankruptcy-receivership ring throughout the United States, which investigation is now going on with the approval of the general public, including the American Bar Association. It is hoped that I have briefly given the gentleman [Mr. TABER] some of the investigations I have sponsored and some of which were ordered by the House without the assistance or approval of any leading Republicans. I hope I will in the near future have opportunity to dwell at length upon what has been accomplished by these investigations, which were all for the general public good and not for selfish political purposes, as the proposed investigation of the C.W.A., the administration of which agency is in the State of Illinois and elsewhere in the Middle West, unfortunately, in the hands of Republicans.

Mr. Chairman, I ask unanimous consent to proceed for 1 more minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. SWICK. Mr. Chairman, I object.

By unanimous consent, the pro forma amendment was withdrawn.

Mr. DELANEY. Mr. Chairman, I move to strike out the last two words for the purpose of making a statement to the committee.

My reason for making the statement at this time is because I am compelled to leave. For this reason I wish to call to the attention of the committee an amendment I should like to offer to the bill. The section of the bill dealing with Naval Reserves reads as follows:

NAVAL RESERVE

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve and pay, allowances, and subsistence of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay officers and enlisted men of the Fleet Naval Reserve for the performance of not to exceed 48 drills per annum or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, $2,745,509, of which amount not more than $150,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage; not more than $81,000 shall be available for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department; not less than $614,196 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, not more than $397,914 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve, and of such total sum $978,491 shall be available exclusively for and on account of Naval and Marine Corps Reserve aviation: *Provided*, That no appropriation contained in this act shall be available to pay more than one officer of the Naval Reserve and one officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively, the pay and allowances of their grade for the performance of active duty other than the performance of drills or other equivalent instruction or duty, or appropriate duties, and/or the performance of 15 days' active training duty, and other officers above such grades employed on such class of active duty shall not be entitled to or be paid a greater rate of pay and allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay: *Provided further*, That no appropriation made in this act shall be available for pay, allowances, or traveling or other expenses of any officer or enlisted man of the Naval or Marine Corps Reserve who may be drawing a pension, disability allowance, disability compensation, or retired pay from the Government of the United States; and "retired pay" as here used shall not include the pay of transferred members of such reserve forces.

I should like to offer an amendment on page 13, raising the appropriation from $2,745,509 to $2,776,761 for this reason:

The Naval Reserve appropriation contains a proviso to the effect that only one Naval Reserve officer above the rank of lieutenant and one Marine Corps Reserve officer above the rank of captain employed on active duty may receive the pay of their grades, as contemplated by basic law governing the Naval Reserve, and that all other officers employed on active duty in connection with necessary Reserve activities, shall receive only the pay of a lieutenant of the Navy of 10 years' service.

This proviso would appear to constitute legislation contrary or in addition to existing law. It was first contained in the Naval Reserve appropriation for the fiscal year 1933; it was repeated for the fiscal year 1934; and it appears to be the intention of the committee to continue this proviso indefinitely, since it is again repeated for the fiscal year 1935.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. COCHRAN of Missouri. The gentleman will remember that we fought this thing out once before and learned that it was not subject to a point of order. Therefore it will be necessary to accomplish the objective by amendment. The committee does not feel at this time that they should make any change whatsoever. So these Reserve officers who are drawing lieutenants' pay or captains' pay are deprived of the rights they otherwise would enjoy in regard to pay.

Mr. DELANEY. That is true.

Mr. COCHRAN of Missouri. There is absolutely nothing that can be done as far as changing the law except by amendment, as it was carried in the previous appropriation bills, and is not subject to a point of order. The committee declines to accept an amendment.

Mr. DELANEY. I made that statement at the beginning of these remarks.

Of the 31 Naval Reserve officers on necessary active duty in connection with Naval Reserve activities throughout the country, 17 are affected by this proviso, of whom 4 are of the rank of captain, 2 are of the rank of commander, and the balance are of the rank of lieutenant commander. The duties performed by all of these officers are most necessary, and are in accordance with rank. If an officer of the Regular Navy should be assigned to the same duties it would be necessary that one of approximately the same rank be designated. However, due to the greater familiarity of the Reserve officers themselves, with the various features of their work, Regular Navy officers could not perform the work with equal efficiency.

The injustice of compelling a captain of the Naval Reserve to accept the pay of a lieutenant, and on top of that the reduction of 10 to 15 percent applied to all Government employees, is too patent to need discussion, and too iniquitous to be retained in this bill.

The entire Naval Reserve resents this stigma which has been placed upon them, in that theirs is the only branch of all the Federal service whose officers are not considered worthy to receive the pay of their rank.

In the event of the elimination of the proviso, an additional $31,252 would be required in the total amount of the appropriation.

The changes are as I have indicated above. That is all I desire to say, except to voice my protest against this legislation at this time.

The Clerk read as follows:

Instruction: For post-graduate instruction of officers in other than civil government and literature, and for special instruction, education, and individual training of officers and enlisted men at home and abroad, including maintenance of students abroad, except aviation training and submarine training otherwise appropriated for, and for the care and operation of schools at naval stations, Guantanamo Bay and Tutuila, for the children of Naval and Marine Corps commissioned, enlisted, and civilian personnel, $159.772;

Mr. GOSS. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GOSS. Line 16, after the word "for", down to and including the word "personnel" in line 20. I understand this provides for the current operation of schools at naval stations in Cuba, Guantanamo Bay, Tutuila, and Samoa. It seems to me this is putting the old nose of the camel under the tent. It is new legislation that has not been covered before in bills, and it seems to me that we should not create the precedent in this bill of establishing new schools for enlisted men, officers, or others without having the Military Affairs Committee go into the subject. It seems to me that is an injustice to other parts of the world where we have naval stations. It would perhaps be an injustice to naval stations in our own land. I want to ask the chairman if this is not brandnew language, simply putting the camel's nose under the tent, in this appropriation bill rather than having hearings before the committee and determining a policy in reference to this matter?

Mr. AYRES of Kansas. We had hearings before the committee. There is no question but what the language to which the gentleman refers is subject to a point of order. It is relatively a very small matter. It will only cost $1,600.

Mr. GOSS. I understand it only costs $1,600 this time, but next year we will have another bill come in without proper hearings, and that will make this a uniform practice in connection with all of our naval stations, Mr. Chairman, and therefore I am going to make the point of order so it will be handled in the proper way.

The CHAIRMAN. The gentleman makes the point of order that the provisions referred to are legislation on an appropriation bill, and the Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

NAVAL RESERVE

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve and pay, allowances, and subsistence of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay of officers and enlisted men of the Fleet Naval Reserve for the performance of not to exceed 48 drills per annum or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, $2,745,509, of which amount not more than $150,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage; not more than $81,000 shall be available for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department; not less than $614,196 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, not more than $397,914 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve, and of such total sum $978,491 shall be available exclusively for and on account of Naval and Marine Corps Reserve, aviation: *Provided*, That no appropriation contained in this act shall be available to pay more than one officer of the Naval Reserve and one officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively, the pay and allowances of their grade for the performance of active duty other than the performance of drills or other equivalent instruction or duty, or appropriate duties, and/or the performance of 15 days' active training duty, and other officers above such grades employed on such class of active duty shall not be entitled to or be paid a greater rate of pay and allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay: *Provided further*, That no appropriation made in this act shall be available for pay, allowances, or traveling or other expenses of any officer or enlisted man of the Naval or Marine Corps Reserve who may be drawing a pension, disability allowance, disability compensation, or retired pay from the Government of the United States; and "retired pay" as here used shall not include the pay of transferred members of such reserve forces.

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last two words.

I wish to commend the committee for restoring in this bill the funds to provide for 36 drills instead of 24 now enjoyed by the Naval Reserve. I am very much interested in the Naval Reserve, because of the fact that in the city of Atlanta, which I have the privilege of representing, although it is located 300 miles from the Atlantic Ocean, we have a unit of the Naval Reserve which for 3 consecutive years has won the title of being the best-trained unit in the United States. The late Admiral Rabey presented to that unit in Atlanta the trophy which they won for the third consecutive time this last summer.

I think it is to the credit of this fine group of young men who give up their hours in the evening, men who are employed in the regular vocations of business and devote their time to studying the tactics of the Navy so that in time of need they can come to the assistance of our Government. They are entitled to special credit, since they have no method of securing training on the water, being 300 miles away from the ocean, except when they are on a cruise each summer. These men give up their vacations each year for the purpose of fitting themselves to answer the call of this great Government should they be needed. I wish to pay this tribute to that fine group of men and to assure the committee that I hope next year they will be able to restore to them 48 drills, which they ought to have.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the pro forma amendment.

The committee has been very liberal to the Naval Reserve and they have not only increased the number of drills of the Naval Reserve, but they have increased the flying hours, although the estimate did not provide for this.

Mr. AYRES of Kansas. We increased the drills from 24, the number to which they have been administratively restricted this year, to 36, and we increased the Budget esti-

mate for the flying hours from 30 to 45 hours. We have been very liberal with the Naval Reserve, in my judgment.

Mr. COCHRAN of Missouri. The gentleman from Atlanta speaks of being 300 miles away from the sea. We have a Naval Reserve in our city and we are 1,000 miles away from the sea. They are very much interested in their work. As the gentleman knows, and I have called it to his attention on numerous occasions, I realize the situation that confronts the committee, but I do want to express the hope that when the situation will permit the committee will provide for the 48 drills.

Mr. AYRES of Kansas. I may say further to the gentleman from Missouri that we also have provided for the 15-day cruises.

The pro forma amendment was withdrawn.

Mr. DOBBINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOBBINS: On page 13, beginning in line 18, after the word "provided", strike out the remainder of that line and the following lines down to and including all of line 5 on page 14.

Mr. DOBBINS. Mr. Chairman, this amendment would strike out the proviso against which the gentleman from New York [Mr. DELANEY] protested a few minutes ago.

This amendment is offered for the purpose of striking out of the paragraph the words which limit the pay of 17 reserve officers who are detailed to active duty, ignoring the fact that they have earned and are entitled to enjoy a rank higher than that of lieutenant. These officers have the positions to which they are now assigned because they deserved the promotions that brought them this rank. There are 17 of them, not enough to have numerous friends on the floor of the House, but that is no reason they should not have justice in the matter of pay. They are doing the work now.

Mr. AYRES of Kansas. Will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. AYRES of Kansas. Does the gentleman know there is not a single one of these officers who is compelled to accept this duty which he is performing now? Not even the President of the United States could compel one of these men to serve on active duty in time of peace. It is entirely voluntary on their part.

Mr. DOBBINS. There is hardly an officer of this Government who is drafted into service, but the Government needs their services or it would not be utilizing them. The Government is utilizing the services of these men and declining to give in return, by reason of this provision, a fair rate of pay to them.

I have heard no explanation of why a captain or a commander or a lieutenant commander who is assigned to this work and who is performing this duty should receive the pay of a lieutenant who has only had 10 years of service in the Navy. I cannot conceive of any explanation.

It seems to me, Mr. Chairman, if the Government is to utilize the services of these men, it should pay them according to their worth. Of course, it may be argued that the pay is high. The pay of any senior officer of the Army or Navy when he has attained a high degree of proficiency and efficiency may seem to some rather high, but they are performing services that merit that pay. One of them is acting as adviser of the Naval Affairs Committee of the other body in this building. He is capable and competent and is a lieutenant commander and yet receives only a lieutenant's pay.

It seems to me, Mr. Chairman, this proviso should be eliminated.

Mr. AYRES of Kansas. Mr. Chairman, I rise in opposition to the amendment just offered.

I may say, Mr. Chairman, so far as I am personally concerned—and I am inclined to think I speak for the balance of the committee, although I cannot state that positively—I do not see any need to have any Reserve officers in active service, with the possible exception of 1 administering Marine Reserve and 1 administering Navy Reserve affairs, and yet we have 31.

In the first place, we have about 381 surplus regular naval officers who could perform these duties just as well as the Reserve officers who are now performing them, and save this expense.

The National Guard, which is a much larger organization than the Naval Reserve, has not more than five officers performing active duty and receiving pay for it.

As chairman of the committee I may say that if anyone on the floor of this House should offer an amendment that no Reserve officer shall receive pay for the performance of continuous active duty, I should not object to it for a single moment, except, as I said, one with the Navy and one with the Marines as general administrative officers. We do not need any more. We have plenty of Regular officers who can perform these duties, and there is no need of building up an organization of this kind and using officers of the Reserve to perform active duty.

Mr. WADSWORTH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am impelled to say a few words about this after hearing the chairman of the committee in charge of the bill mention his opposition to the placing upon active duty of any Reserve officers at all, and citing the National Guard as a comparable situation.

As a matter of fact, under the National Defense Act, National Guard officers may, and nearly all of them do, take out Reserve commissions in the same grade which they occupy in the Guard itself. As Reserve officers they are eligible for being ordered to active duty, and while on active duty, of course, they draw the pay of their grade.

I think the chairman of the committee is misinformed as to the number of National Guard officers thus placed from time to time upon active duty. There is a very considerable number of them, because it is the policy of the War Department, within its appropriations, to encourage as many National Guard officers holding Reserve commissions to go on duty for limited periods in order to weld them into the Army of the United States, as contrasted with the old policy which existed before the World War, and so long advocated and insisted upon by the old-fashioned Regular Army of keeping every citizen soldier in the background and refusing to give him a chance.

So National Guard officers, holding Reserve commissions, attend the Army schools. They go to Benning for 3 months, they go to the Signal Corps for 3 months, they go to the Field Artillery school for 3 months at a time, and serve with the General Staff for a year at a time, and while there they draw the pay of their grade.

The policy laid down by the chairman of the committee in charge of this bill, if put into effect, will run absolutely contrary to the policy of the Army. The effort of the War Department is to popularize the Army and bring it closer to the people. The policy proposed by the chairman of the committee is to take the Navy away from the people and not let Naval Reserve officers serve with the Navy in any capacity in time of peace upon an active-duty status. It would be a great pity, and the amendment offered in this particular case will cure one of the grievances, one of the injuries, which from time to time is inflicted upon citizen sailors, as it used to be inflicted upon citizen soldiers by the professional services.

In this bill they are employed in active service, and in the same breath they say they are not worth the price of their grade. These men are sensitive.

Mr. AYRES of Kansas. Will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. AYRES of Kansas. Does the gentleman mean to say that there are Reserve officers in the Army serving on permanent active duty?

Mr. WADSWORTH. They are ordered into active duty for various reasons.

Mr. AYRES of Kansas. I mean continuous active duty. We provide in this bill for Naval Reserve officers to be on active duty in the sense the gentleman means.

Mr. WADSWORTH. Why discriminate in regard to the pay?

Mr. AYRES of Kansas. We do not. This is permanent duty.

Mr. WADSWORTH. That makes it worse, if it is permanent duty.

Mr. AYRES of Kansas. I should agree with the gentleman if the duty were of a necessary character. The gentleman is referring to another class of duty than that here in question. If I am not mistaken, the Army has no reserves on permanent continuous duty.

Mr. WADSWORTH. It depends on how you define "permanent." The officers succeed each other.

Mr. AYRES of Kansas. We are talking about two different things altogether.

Mr. WADSWORTH. The principle is the same in respect to pay.

Mr. AYRES of Kansas. It would be if it were necessary active duty in both cases. I am in agreement with what the gentleman has said as regards the class of duty he speaks of. But I am opposed to reserves being put on permanent active duty which can be performed by a regular naval officer at a saving to the Government. In other words, my aim is to do the same as is done in the National Guard.

Mr. WADSWORTH. The gentleman is not succeeding in getting it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and on a division (demanded by Mr. DOBBINS], there were 17 ayes and 42 noes.

So the amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 13, line 1, after the comma, strike out the sum "$2,745,509" and insert "$3,038,047."

Mr. WADSWORTH. Mr. Chairman, a brief explanation will suffice. The figures I propose will permit the holding of 48 drills per year as compared with 36. If I am correctly informed, the past year the men were allowed to be paid for 24 drills. My plea is to put them on the statutory base, restoring it to 48 drills a year. The reason for that plea is this. It is these 48 drills which keep these men together, and keep their incentive held up during the long months of the year when they come in contact so very, very seldom with the naval authorities themselves. These weekly or nearly weekly drills are the ones which inbue into the men the basic training. I think it is fair to say that a very serious state of affairs arose in both the guard and the Naval Reserve as a result of the paid drills being cut in two, from 48 to 24. The amount involved is very small, compared with the total sums we are dealing in these days, and the money is exceedingly well spent, to my mind. The 48 drills are necessary for the maintenance of the discipline and basic training of these units, and I had hoped the committee would see fit to restore the statutory number of drills for the fiscal year 1935.

Mr. GOSS. Mr. Chairman, I ask recognition in support of the amendment, for many reasons. One reason is that this is the first of the supply bills coming out on national defense, and I take it that as the naval bill goes so will the Army bill go. If we have 48 drills in the Army bill, we want 48 drills in the Navy, because they are going to be treated alike.

Last year this Congress passed a new National Guard Act, which federalized the National Guard, with certain restrictions, which the membership will remember, and made the National Guard a component part of the Army. All of us know that the Regular Army is small enough. Perhaps in this territory of the United States it is just about twice the size of the New York police force. Surely, when we have federalized the guard, we do not want to cripple it to the extent of giving them 36 drills a year instead of 48.

It is well known by all the membership here that the people who come to make up our National Guard and the Reserve of the Navy, for the most part, are men who work in industry, men who work in stores. They are civilians. We ask them to give up 2 weeks of their time every year to go to camp and train for active duty. What encouragement are we going to hold out to them for becoming more proficient in their line of duty unless we give them the proper number of drills throughout the fall, winter, and spring months to put them into good training so that they can make the best out of their summer practice. I appeal to the House at this particular time, because if we put back the 48 drills in the National Guard and the Naval Reserve it will cost the Government only 3½ million dollars for the next year. That surely is little enough to spend on the national-defense item in these strenuous times, with ships and men trained and ready to perform their duty. I ask gentlemen sincerely to support the amendment of the gentleman from New York. The amount is very small in this bill, $292,538. It is little enough to put us on record as to supporting 48 drills in this bill, so that the House can be at least consistent when the War Department appropriation bill comes on the floor to support the 48 drills in that bill.

Mr. AYRES of Kansas. Mr. Chairman, of course, no one is in a position to say what will be done in connection with the War Department bill. All of the services should be treated alike. The President has recommended that they all be treated alike and he has proposed 36 drills. I think we have been very liberal in this matter. We have increased the drills from 24, the number to which the Reserves have been administratively limited to this year, to 36. In this connection let me read a paragraph from our hearings. On page 168 of the hearings, in response to a question I asked, Admiral Bloch, the Navy Budget officer, made this statement:

May I state that it was the decision of the President that the National Guard and the Marine Corps Reserve and the Naval Reserve should have a uniform number of paid drills during the fiscal year 1935. The President himself set the number at 36, so that the 36 paid drills incorporated in the estimate for 1935 are in conformity with his decision that the Army, the Navy, and the Marine Corps have the same number or 36 paid drills.

To increase the number to 48 would mean an increase in expenditure of roundly $3,500,000 for all services.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. AYRES of Kansas. Yes.

Mr. GOSS. That is for both the War Department and this bill.

Mr. AYRES of Kansas. Yes.

Mr. GOSS. This bill actually increases $292,538.

Mr. AYRES of Kansas. That is true; I mean for an increased number of drills for the three services. It seems to me we should not go beyond 36 drills at this time. It would occasion an extra expense that ought not to be incurred, and, therefore, I hope that the amendment will not be agreed to.

Mr. TRUAX. Mr. Chairman, I rise in support of the amendment. I agree with all that has been said about the efficiency of the National Guard units in the various States. As a matter of fact they are the backbone of our first line of defense in case of emergency. I happen to be quite familiar with the Ohio National Guard, with practically all of its higher officers, and having had the direction of the Ohio State Fair for 6 years, it was my privilege to employ the Ohio National Guard each year to police that fair. We always received more efficient service than we could receive from the local police.

These boys are not alone from the stores and the factories, but many of them are from the farms and from the rural communities. I personally have in my possession a number of letters from the boys in the Ohio National Guard, stating that up until the time of the inauguration of the C.W.A. program, they and their families lived upon the meager drill pay received from the Government.

I happen to know of instances in my home town where families of 4 or 5 or 6 actually weathered the storm through this little drill pay check that came in to these boys. Suppose it does cost a few hundred thousand or a million or so dollars, in these days when we are spending millions and billions of dollars to put people to work and keep them at work, I think every one of my colleagues will agree with me that this money should be appropriated. My

colleagues will also agree that if by any circumstance whatsoever the C.W.A. work should be discontinued at this time or in the near future, God only knows what might happen to this country. You are deluged with letters, as I am, from people who are employed on C.W.A. projects. As far as I am concerned, I expect to support any amount that may be asked for by the President of the United States to keep these men at work and give them a chance to have a job instead of a dole. Here is an opportunity to keep men on the pay roll, to give them an income so that they do not have to obtain C.W.A. jobs or do not have to be put on a dole. For one, I heartily concur with the amendment and expect to support it.

Mr. AYRES of Kansas. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. AYRES of Kansas. I understood the gentleman to say he was ready to support the President on any matters of this kind. The gentleman heard what I read a moment ago, that the President himself had determined that 36 drills would be sufficient.

Mr. TRUAX. I would reply to the gentleman by saying that I would vote on this amendment the same as I voted on the Economy Act——

Mr. AYRES of Kansas. In other words, the gentleman will support the President when he feels like it——

Mr. TRUAX. Please allow me to answer in my own way.

Mr. AYRES of Kansas. Certainly.

Mr. TRUAX. I shall vote on this amendment the same as I voted when the Economy Act was before this House. I felt it was an injustice to war veterans. I felt that the President was misinformed on it, and I think since then he has partially rectified the mistake by liberalizing the act to the extent of $21,000,000.

Mr. AYRES of Kansas. I suppose, pursuing the same reasoning, the gentleman assumes the President has been misinformed with reference to these drills?

Mr. TRUAX. I do not presume to say what the President thinks, nor to be his spokesman. I am reciting actual conditions as I know them, and I expect to vote for this amendment for that reason.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. AYRES of Kansas) there were ayes 33 and noes 43.

So the amendment was rejected.

Mr. DOBBINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOBBINS: Page 14, line 3, after the word "than", insert the following: "the average between that authorized for their own grades and that".

Mr. DOBBINS. Mr. Chairman, this amendment is in the nature of a compromise between the amendment I formerly offered, which was rejected by the committee, and the position advanced by the chairman of the subcommittee. It is a concession to the opinion of the chairman, in that he feels that Reserve officers should not be detailed to permanent active duty. It is also a concession, and I think a just concession, to the right of those men who are so assigned to be paid something according to their worth. This amendment, if I may explain it to the committee, provides that an officer above the rank of lieutenant, who is so assigned, shall receive half the difference between the lieutenant's pay and the rank which he enjoys. In other words, a captain who is assigned to this work shall receive pay midway between that of a lieutenant and the pay of a captain. Now, it is said that these positions are unnecessary. If they are, the way to get rid of them is to abolish the positions and not to penalize the men who are doing the work in those positions. It is just as logical to say, and I can agree with the principle, that there ought not be any Republicans in this House; but the Almighty, in His wisdom, has sent a few of them here, and while they are here they should be paid.

In other words, when assigned to the work from the Reserve, some of these officers are doing the same work as a captain in the Navy, but they are being paid according to the pay of a lieutenant in the Navy. I do not think they should be penalized, because they wish to perform this service. Every one of us is here because he wishes to perform some service to his Government. They are occupying positions which the machinery of this Government has provided, and they should be paid according to their rank. I have not heard one word of explanation why a captain, with many years to his credit, much more experience to his credit, and more ability to his credit, should be subject to the humiliation of drawing a lieutenant's pay when he is assigned to this work; and I do not expect to hear any. This is a compromise. Perhaps I am not talking in a compromising tone of voice. However, this amendment recognizes the contention that these officers, who, through circumstances not within their control, are occupying positions which somebody thinks ought not exist at all, for that reason alone should not receive as much as others who are occupying similar positions. But the amendment also does make some difference between the pay of a captain and the pay of a lieutenant in those positions. A captain in the Navy and a lieutenant in the Navy are as far apart in rank as a colonel and a captain in the Army.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DOBBINS] has expired.

Mr. AYRES of Kansas. Mr. Chairman, of course I could not accept a compromise of that kind. In the first place, my contention is that we do not need these officers on active duty at all. I have nothing to say against the individuals affected. They may be and probably are very fine gentlemen and thoroughly patriotic, and all that, but we do not need them, and if we allow them to be continued on active duty I think they ought to be well satisfied with a lieutenant's pay. We are not seeking to reduce any man's pay under $4,158. They may draw that maximum rate as Reserve officers on active duty. As I said before, we have a surplus of regular officers who could take their places. We have a surplus of 381. I am just as much opposed to this compromise as I was to the original proposition. I hope the amendment will not prevail.

Mr FADDIS. Mr. Chairman, I rise in support of the amendment.

Under our system of national defense we do not maintain a large standing Army. It is one of our national characteristics that we object to a large standing Army and a large Navy. Therefore we try to make up this lack somewhat by taking into our armed forces the civilian components of the Army. It is quite obvious that in order to maintain these civilian components in any degree of efficiency they must be given something to bring their morale up to the state where it should be. They must not be discouraged or they cannot exist as an efficient organization.

These men for the large part are men who give their vacations to this kind of training. They furnish their own uniforms; and when all is said and done the pay they receive will little more than cover their actual expenses of training and equipment. So it is no more than just, and I think it is no more than proper encouragement to these civilian components, that they receive as liberal treatment as possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

ENGINEERING

For repairs, preservation, and renewal of machinery, auxillary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus; repairs, preservation, and renewals of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus used to operate machinery belonging to other bureaus; searchlights and fire-control equipments for antiaircraft defense at shore stations; maintenance and operation of coast signal service; equipage, supplies, and materials under the cognizance of the Bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, accident prevention, pay of classified field force under the Bureau; incidental expenses for

naval vessels, navy yards, and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books and periodicals, stationery, and instruments; services, instruments, machines and auxiliaries, apparatus, and supplies, and technical books and periodicals necessary to carry on experimental and research work; maintenance and equipment of buildings and grounds at the engineering experiment station, Annapolis, Md.; payment of part time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $20 per diem for any person so employed; in all, $15,564,127: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $1,575,000.

Mr. OSIAS. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the Resident Commissioner of the Philippine Islands?

There was no objection.

Mr. OSIAS. Mr. Chairman, the Senate Committee on Territories and Insular Affairs this morning met and deliberated on the problem of independence for the Philippines. A decisive action was taken. It consists of extending the time of the Philippine Independence Act (Public, No. 311, 72d Cong.) to October 17, 1934. This important action and the historic announcement of the distinguished chairman, Senator TYDINGS, constitute a triumph of democracy within the meaning of the highest traditions of the American people. They signify, too, a victory for the Filipino people. They are a recognition of the Filipino people's right to determine their fate and liberty, their independence and destiny.

On January 15, 1934, on the very floor of Congress, I rose, pleading for an extension of time by about 9 months, which will be up to October 17. Having asked for this extension of time, in the absence of a definite proposal from the Quezon Mission, in face of the danger of not having any kind of Philippine independence legislation, I am naturally pleased with the action taken by the Senate committee. I feel that it will be welcome news to the preponderant majority of the Filipino people.

I might add that the decision of the Senate committee is in conformity with the views of over two thirds of the Members of the Seventy-second Congress that approved the Hare-Hawes-Cutting law on January 17, 1933, and with the present temper of the Seventy-third Congress. It also accords with the report of the Ninth Philippine Independence Commission headed by Messrs. Osmeña and Roxas, who unanimously recommended acceptance of the Independence Act or the Hare-Hawes-Cutting law, emphasizing that such action would not jeopardize the rights of the Filipino people subsequently to petition Congress for desired and desirable modifications.

The Senate committee's decision to extend the time of the law by 9 months is a fundamental proposal demanding solidarity of sentiment and unity of action. It is a way out of the present dilemma and a means to achieve the freedom and independence of the Philippines.

Mr. Chairman, I ask unanimous consent to include in my remarks at this point the statement of Senator TYDINGS for the Senate committee on the Hare-Hawes-Cutting Act.

The CHAIRMAN. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

Senator TYDINGS' statement follows:

At the meeting of the Territories and Insular Affairs Committee this morning (January 23), the question of independence for the Philippine Islands was discussed and the following action taken:

1. That there will be no new Philippine legislation in reference to ultimate independence at this session of Congress. However, it was the sense of the committee that the Hawes-Cutting bill would be amended in one particular only and that is to extend the time of the bill which was January 17, 1934, when the Philippine Legislature must move to carry out its provisions to October 17, 1934, and that no other changes in the Hawes-Cutting bill will be considered.

2. Under the Hawes-Cutting bill passed last year the Philippine Legislature was required if it desired independence to take action prior to January 17, 1934. This the legislature refused to do one way or the other and consequently the Philippine people have had no opportunity to accept or reject the Hawes-Cutting bill.

3. As the elections to the Philippine Legislature are to be held this coming June, and as the last legislature did not act on the Hawes-Cutting bill at all, it was the sense of the committee that an extension of time to give the new legislature a chance on it was fair and the only action the committee would take to alter or consider alterations to the general subject matter.

4. Therefore, it is the committee's desire to give the Filipinos one more chance to accept or reject the Hawes-Cutting bill, if after the new elections the legislature again fails to take action or acts adversely upon the provisions of the Hawes-Cutting bill, it will be notice to Congress that the people of the Philippines do not desire independence and desire to continue with their present status.

5. It is the overwhelming opinion of Congress that the Hawes-Cutting bill is the fairest bill to both nations which can be passed and if the Filipino people do not want it, no better bill can be written and passed.

6. It should be recalled that President Roosevelt in his last campaign on two occasions stated he favored the Hawes-Cutting bill and that this statement of the President makes the above observations complete as far as the two branches of Congress dealing with it have to do.

Mr. OSIAS. Senator TYDINGS said the committee's action was final, and that it placed determination of their destiny squarely before the Philippine people.

Congress retains an open mind about modification of the Hawes-Cutting bill at some future period—

He declared—

however, we must first know if the Filipinos want independence. Perhaps in a few years it will be found some of the provisions of the bill are unfair either to the Philippines or to the United States; in that case Congress would have no objection to consider the objections, with a possibility of modifying the measure if it was deemed advisable.

Mr. TYDINGS, in announcing the committee's action, said it emphatically represented his personal views as well.

The Clerk read as follows:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1934, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay, $27,515,049, including not to exceed $1,170,297 (none of which shall be available for increased pay for making aerial flights by more than 8 nonflying officers or observers, to be selected by the Secretary of the Navy) for increased pay for making aerial flights; rental allowance, $5,589,216; subsistence allowance, $3,511,677; in all, $36,615,942; officers on the retired list, $6,003,774; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, $3,000; pay of enlisted men on the retired list, $4,631,886; interest on deposits by men, $3,000; pay of petty officers (not to exceed an average of 6,760 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 5,910), seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Fish Commission, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay for men for diving, and cash prizes (not to exceed $75,000) for men for excellence in gunnery, target practice, and engineering competitions, $60,611,606, and, in addition, the Secretary of the Treasury is authorized and directed upon request of the Secretary of the Navy, to make transfers during the fiscal year 1935 from the clothing and small stores fund to this appropriation of sums aggregating not to exceed $2,000,000; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed $15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water- or air-borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, $878,194; pay of enlisted men undergoing sentence of court-martial, $57,960, and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors and assistant directors—pay, $402,272; rental allowance, $15,552; subsistence allowance, $14,191; pay retired list, $121,361; in all, $553,376; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval

Reserve, $10,573,590; reimbursement for losses of property as provided in the act approved October 6, 1917 (U.S.C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U.S.C., Supp. VI, title 34, sec. 983), $5,000; payment of 6 months' death gratuity, $90,000; in all, $120,027,328, and no part of such sum shall be available to pay active-duty pay and allowances to officers in excess of four on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards as authorized by law: *Provided*, That during the fiscal year ending June 30, 1935, no officer of the Navy shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 13, 1908 (U.S.C., title 34, sec. 867): *Provided further*, That no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Feet Naval Reserve without additional expense to the Government;

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of making an inquiry of the chairman.

Is this the section that carries the limitation on the number of officers and enlisted men of the Navy?

Mr. AYRES of Kansas. That is right.

Mr. GOSS. I recall that last year in the hearings it was developed that some 5,000 marines were assigned to able-bodied seaman duty with the Navy. How many are on such duty now because we do not have enough sailors to man our ships?

Mr. AYRES of Kansas. I do not recall the number, but I do not think any appreciable change has occurred since last year. I have not the figures right at hand, but my recollection is the number is about the same as it was last year.

Mr. GOSS. So that we still have to call upon some 5,000 marines to do able-bodied seamen's duty on our battleships, cruisers, and so on.

We are proceeding with a new program of naval construction, and it will be further extended by the bill reported out by the Naval Affairs Committee. How many officers and men will we be short of meeting that construction program with the language of limitation contained in this section?

Mr. AYRES of Kansas. That all depends upon the policy to be adopted as to the number of ships to be kept in active commission and the extent to which we are willing to raise the present complements. For the present, I do not believe we will be short any men. This bill contemplates that the enlisted personnel will be raised to 82,500. In other words, the appropriation provides for 82,500 enlisted men by the close of the fiscal year.

Mr. GOSS. I would like to call attention particularly to the proviso contained in lines 7 to 12 on page 21:

Provided, That if the number of warrant and commissioned warrant officers and officers in any Staff Corps holding commission on July 1, 1934, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act.

Now, it is apparent from the language of the bill that we are imposing certain limitations in this act on the number of personnel, not only of warrant officers and enlisted men, but also of officers. If, as the gentleman says, we have some 5,000 marines doing able-bodied seamen's duty, should not the limitations be removed, or have other limitations been put on the number of officers and sailors necessary to man our warships?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield.

Mr. TABER. The limitation appearing on pages 20 and 21 is entirely with reference to staff officers, that is officers of the Medical Corps, the Dental Corps, the Supply Corps, and so forth.

Mr. GOSS. This proviso mentions warrant, and commissioned warrant officers, and officers. It is not limited to the staff.

Mr. TABER. Yes; but the limitation in the bill is applicable only to staff officers.

Mr. GOSS. What are we going to do when these new ships are put into commission? I ask the chairman where are we going to find these officers and enlisted men?

Mr. AYRES of Kansas. The construction to which the gentleman refers is all replacement construction. However, we have a surplus of officers at the present time, I may say to the gentleman from Connecticut.

Mr. GOSS. Even with 200 line officers on duty with the C.C.C.?

Mr. AYRES of Kansas. Yes.

Mr. GOSS. And with the two-hundred and odd medical officers on duty with the C.C.C.?

Mr. AYRES of Kansas. Yes; we still have a surplus.

Mr. GOSS. So the gentleman thinks the Navy is overmanned with officer personnel?

Mr. AYRES of Kansas. I do. There is no doubt about it.

Mr. GOSS. How much is it overmanned?

Mr. AYRES of Kansas. I should say several hundred.

Mr. GOSS. But we have 400 with the C.C.C. organizations. The gentleman is not overlooking them, is he?

Mr. AYRES of Kansas. No.

Mr. GOSS. What I am trying to find out is whether we will have a sufficient personnel to man these new ships.

Mr. AYRES of Kansas. We are overly supplied at this particular time. I see no occasion to be alarmed about future requirements. They will be available, I am sure, if and when needed.

Mr. GOSS. What about the enlisted personnel? It seems a crime to have to take enlisted men of the Marine Corps, men especially trained, devil dogs, as they have been called, to do ordinary seamen's duty.

Mr. AYRES of Kansas. As the gentleman well knows, there is nothing unusual about that. Marines aboard ship have always been assigned battle stations.

Mr. GOSS. But they are supposed to be doing Marine Corps duty rather than able-bodied seamen's duty.

Mr. AYRES of Kansas. They have always performed naval duties in addition to their duties as marines.

Mr. GOSS. If we got into a scrap would we have enough men to man our ships?

Mr. AYRES of Kansas. I am sure the gentleman understands that it has never been the policy to maintain full complements in times of peace.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

Subsistence of naval personnel: For provisions and commuted rations for enlisted men of the Navy, which commuted rations may be paid to caterers of messes in case of death or deseration, upon orders of the commanding officers, at 50 cents per diem, and midshipmen at 75 cents per diem, and commuted rations stopped on account of sick in hospital and credited at the rate of 66 cents per ration to the naval hospital fund; subsistence of men unavoidably detained or absent from vessels to which attached under orders (during which subsistence rations to be stopped on board ship and no credit for commutation therefor to be given); quarters and subsistence of men on detached duty; subsistence of members of the Naval Reserve during period of active service; subsistence in kind at hospitals and on board ship in lieu of subsistence allowance of female nurses and Navy and Marine Corps general courts-martial prisoners undergoing imprisonment with sentences of dishonorable discharge from the service at the expiration of such confinement; in all, $13,408,072.

Mr. TABER. Mr. Chairman, I move to strike out the last word for the purpose of calling the attention of the House to a certain situation. This relates not only to the particular item that has just been read, but also relates to the entire supply features of the bill. This appears on page 200 of the hearings on the bill. This bill was gotten up on the basis of prices back in the fiscal year 1933, as I understand it.

Mr. AYRES of Kansas. Will the gentleman yield?

Mr. TABER. I yield.

Mr. AYRES of Kansas. I think the gentleman is in error. I think it is based upon prices obtaining in 1932.

Mr. TABER. Nineteen hundred and thirty-three, I said. The gentleman from Connecticut here suggests 1932, but I did not.

Mr. AYRES of Kansas. I say 1932 also; late in 1932.

Mr. TABER. Late in 1932; all right. At the present time if we were to go into the market to buy these supplies, the

Department tells us we would have to pay from 20 to 25 percent additional, and if we were to go ahead and operate on the basis of present prices, we would have to have from 13 to 15 million dollars more money. That situation means just this, either prices are going to collapse and go down to where they were a year or a year and a half ago, or else we are going to have to passa deficiency approproation in order to meet this situation. I am not going to offer an amendment to meet this situation, but I think the House and the country should know as we approach consideration of these different items what is in store for them later on.

The pro forma amendment was withdrawn.

The Clerk read as follows:

AVIATION, NAVY

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1934, $672,152; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities, accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, $10,066,800, including $120,000 for the equipment of vessels with catapults and including not to exceed $100,000 for the procurement of helium, and such sum shall be transferred to and made available to the Bureau of Mines on July 1, 1934, in addition to which sum the Bureau of Mines may use for helium-plant operation in the fiscal year 1934 the unexpended balance of funds transferred to it for such operation in the fiscal year 1933, and the Bureau may lease, after competition, surplus metal cylinders acquired for use as helium containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $20 per diem for any person so employed, $1,773,368; for new construction and procurement of aircraft and equipment, spare parts and accessories, $6,131,000, of which amount not to exceed $2,400,000 shall be available for the payment of obligations incurred under the contract authorization carried in the Navy Appropriation Act for the fiscal year 1934; in all, $18,643,320; and the money herein specifically appropriated for "aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $971,200: *Provided further*, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1936, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of $2,800,000: *Provided further*, That the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to transfer not to exceed in the aggregate $24,000 from this appropriation to the appropriations "pay, subsistence, and transportation, Navy", and "pay, Marine Corps" to cover authorized traveling expenses of officers and enlisted men in connection with flying new airplanes from contractor's works to assigned station or ship, including travel to contractor's works and return of personnel to station of duty, and the amount so transferred shall be in addition to any limitations contained in the appropriations "pay, subsistence, and transportation, Navy", and "pay, Marine Corps": *Provided further*, That no part of this appropriation shall be expended for maintenance of more than six heavier-than-air stations on the coast of the continental United States: *Provided further*, That no part of this appropriation shall be used for the construction of a factory for the manufacture of airplanes: *Provided further*, That the Secretary of the Navy is hereby authorized to consider, ascertain, adjust, determine, and pay out of this appropriation the amounts due on claims for damages which have occurred or may occur to private property growing out of the operations of naval aircraft, where such claim does not exceed the sum of $500.

Mr. AYRES of Kansas. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On pages 35 and 36, after the comma in line 23, page 35, strike out all of the matter down to the word "and", in line 2, page 36.

Mr. AYRES of Kansas. Mr. Chairman, this clause, which appears in the 1934 appropriation act, was left in the print inadvertently. It is perfectly obvious it will be ineffective as to next year and should be omitted.

The committee amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. JONES: Page 35, line 22, strike out the words "and such sum" and insert in lieu thereof "which sum of $100,000."

Mr. AYRES of Kansas. Mr. Chairman, I will accept the amendment.

The amendment was agreed to.

The Clerk read down to and including line 13, page 46.

Mr. AYRES of Kansas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 7199, the naval appropriation bill, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—MAINTENANCE OF CREDIT OF THE UNITED STATES (H.DOC. NO. 224)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed.

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith certified copies of the following Executive orders, which were approved by me on January 19, 1934:

Executive Order No. 6565 (Veterans' Regulation No. 1 (c)).

Executive Order No. 6566 (Veterans' Regulation No. 6 (b)).

Executive Order No. 6567 (Veterans' Regulation No. 9 (b)).

Executive Order No. 6568 (Veterans' Regulation No. 10 (c)).

Executive Order No. 6565 amends Executive Orders No. 6156, June 6, 1933, and No. 6229, July 28, 1933.

Executive Order No. 6566 amends Executive Order No. 6232, July 28, 1933.

Executive Order No. 6567 amends Executive Order No. 6158, June 6, 1933.

Executive Order No. 6568 amends Executive Orders No. 6098, March 31, 1933, and No. 6234, July 28, 1933.

These veterans' regulations were issued in accordance with the terms of title I, Public, No. 2, Seventy-third Congress "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 23, 1934.*

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H.R. 6670) entitled "An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. GOLDSBOROUGH, and Mr. TOWNSEND to be the conferees on the part of the Senate.

APPOINTMENTS

The SPEAKER announced the following appointments:

Pursuant to the provisions of title 34, section 1081, United States Code, the Chair appoints as members of the Board of Visitors to the Naval Academy the following Members of the House: Mr. BULWINKLE, of North Carolina; Mr. BOLAND, of Pennsylvania; Mr. CADY, of Michigan; Mr. FREAR, of Wisconsin; Mr. CARTER, of Wyoming.

Pursuant to the provisions of title 16, section 715a, United States Code, supplement VI, the Chair appoints as members of the Migratory Bird Conservation Commission the following Members of the House: Mr. MCREYNOLDS, of Tennessee; Mr. BOLTON, of Ohio.

Pursuant to the provisions of title 16, section 513, United States Code, the Chair appoints as members of the National Forest Reservation Commission the following Members of the House: Mr. DOXEY, of Mississippi; Mr. WOODRUFF, of Michigan.

Pursuant to the provision of title 24, section 236, United States Code, the Chair appoints as Directors of the Columbia Institute for the Deaf the following Members of the House: Mr. BLOOM, of New York; Mr. FOCHT, of Pennsylvania.

Pursuant to the provision of title 20, section 43, United States Code, the Chair appoints as Regents of the Smithsonian Institution the following Members of the House: Mr. GOLDSBOROUGH, of Maryland; Mr. CRUMP, of Tennessee; Mr. GIFFORD, of Massachusetts.

MEMBERS OF COMMITTEES

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution and move its immediate adoption.

The Clerk read as follows:

House Resolution 234

Resolved, That CHARLES A. PLUMLEY, of Vermont, be, and he is hereby, elected a member of the Committees on Military Affairs and World War Veterans' Legislation;

That CHARLES D. MILLARD, of New York, be, and he is hereby, elected a member of the Committee on Elections No. 2.

The resolution was agreed to.

FOREIGN MARKET FOR AMERICAN COTTON

Mr. PARKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a letter from Hon. William Murphey, president of the Citizens and Southern National Bank of Savannah, Ga., and an editorial from the Savannah Morning News, with reference to providing foreign markets for the disposition of American cotton.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PARKER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

THE CITIZENS AND SOUTHERN NATIONAL BANK,
Savannah, Ga., January 19, 1934.

Hon. HOMER C. PARKER,
Congressman First District of Georgia,
House of Representatives, Washington, D.C.

MY DEAR HOMER: I have been reading in the papers every day of different proposals made to the Congress of the United States concerning the control of cotton production in this country, and I am forced to write this letter to ask if anyone is giving any consideration whatever to the foreign market for our cotton.

Normally the South produces about 15,000,000 bales of cotton annually. The production, buying and selling, financing, and distribution of this cotton give occupation to approximately 2,000,000 farm families, to the railroads, boat and ship lines, gins, compresses, warehouses, port facilities, merchants and bankers, and to several million workers. American mills consume about 6,000,000 bales. The exported balance normally brings between four and six hundred million dollars annually to the South to feed lifeblood into all of its economic enterprises. This is new wealth created and obtained.

If we are to abandon our foreign market for cotton and then solve the surplus problem only by reducing again and again the quantity produced, not only will economic collapse result in the South but several million workers now employed in the South will be turned loose to seek jobs elsewhere in competition with other labor.

I hope that the Members of Congress for the cotton-producing States will get together and insist that instead of ruining our basic crop production and abandoning our outside markets to the other nations of the world that we take steps to broaden our market and bring into the South this new wealth which is so much needed.

Sincerely yours,

WILLIAM MURPHEY.

[From the Savannah Morning News, Jan. 22, 1934]

BUILD FOREIGN COTTON MARKET

Considerable thought to the problem of increasing the foreign market for American cotton has been given by William Murphey, president of the Citizens and Southern National Bank, as evidenced by his recent communication to Senator WALTER F. GEORGE and Congressman HOMER C. PARKER, inquiring whether anyone is giving any consideration whatever to the foreign market for our cotton.

The conclusion drawn from his letter is that, instead of concentrating entirely on crop reduction as a panacea for the surplus-cotton problem, attention should be directed to means of stimulating world demand for cotton. He sees grave danger of economic collapse in the South if we are to abandon our foreign market for cotton, and then solve the surplus problem only by reducing again and again the quantity produced and turning loose several million workers to seek jobs elsewhere in competition with other labor.

Mr. Murphey's reasoning convincingly demonstrates that the problem is being tackled at the wrong end and that, instead of curtailing production, intensive study should be directed to promoting exportation to other countries. If a merchant finds he has too large a stock of goods on hand, he does not start chucking part of it into the furnace, but turns his thoughts to creating a greater demand and increasing the number of his customers. It seems logical that Uncle Sam should pursue a similar policy in connection with his surplus cotton. As pointed out by Mr. Murphey, the South normally produces about 15,000,000 bales of cotton annually. American mills consume about 6,000,000 bales. The exported balance normally brings between four and six hundred million dollars annually to the South. It behooves the South, therefore, to safeguard and broaden its market for cotton, since far less than half of the cotton produced is consumed in our own country.

Glancing back at the statistics at the close of the 1932–33 season on July 31, we find that England was Savannah's best customer during that year, having absorbed 145,830 bales. France took 3,080 bales and the remainder of the European continent divided 98,697 bales, while the Far East's buying of Savannah cotton, which the previous year had been Savannah's best customer, was limited to 17,597 bales.

An encouraging view of the situation was taken in the review of the 1932–33 season by the New York Cotton Exchange, the annual year book of which said: "While the expansion of the supply was being checked by reduced production in the United States, world consumption of cotton recorded a very great increase. The increase occurred entirely in American cotton, since many mills used American cotton in place of foreign growths because of the relative cheapness of the American staple. The total consumption of foreign cottons was a little less than that of the previous season. World consumption of American, together with a small amount destroyed, aggregated 14,435,000 bales, as against 12,568,000 the season before. World consumption of foreign cotton totaled 10,367,000 bales, as against 10,501,000 the season previous. Hence world consumption of all cottons was 24,802,000 bales, as compared with 23,069,000 in the previous season. The consumption of 24,802,000 was highly encouraging, considering the severe trade depression throughout the world and the fact that the normal consumption in pre-depression years was only 25,000,000 bales. In consequence of the reduced production and the increased consumption, the world all-cotton carryover at the close of the 1932–33 season was only 16,247,000 bales as compared with 17,412,000 the year before."

THE HOUSE SURRENDERS THE CONSTITUTIONAL OBLIGATION OF CONGRESS TO CONTROL AND REGULATE MONEY

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including some editorials, which I quote therein.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, the House of Representatives, in its hasty, ill-considered deliberation on the far-reaching monetary bill, which passed the House Saturday, brought severe criticism upon itself. This criticism against the House is not only because it passed the bill but the manner in which it passed it. The leadership in control of the House refused to permit the committee in charge of the bill to have any reasonable time to consider the bill. Then, when the bill was brought upon the floor Saturday, the House did not conduct itself as a serious deliberative body. It is such conduct as this which leads the people to lose confidence in representative government.

There was no occasion for the House to conduct itself as it did. The leadership of this House had fair warning that the committee in charge of this bill wanted time to study the contents of the bill and to hear expert witnesses upon the bill.

Let us review the record on that subject. In the proceedings of the House on January 18, Mr. BYRNS, majority leader, undertook to obtain the unanimous consent to start the program to railroad this bill through the House. Mr. SNELL, the minority leader, appealed to him and to the House to give the committee in charge of this bill sufficient time to consider it. Let me quote from the words of Mr. SNELL, on page 880 of the RECORD of January 18:

I may say to the majority leader, considering the importance of the bill and how vitally it affects not only the present generation but several generations to come, it seems to me that the

Committee on Coinage, Weights, and Measures has not yet had sufficient time to secure the information that should have been given to the committee and, in my judgment, is absolutely necessary before we pass on such an important measure.

Mr. MCFADDEN, of Pennsylvania, in column 1, page 882, in the RECORD of the 18th, offered the objection which denied unanimous consent. Under the rules of the House, this denial of unanimous consent for the request of the majority leader, Mr. BYRNS, could only stay the matter for 24 hours. Immediately after Mr. MCFADDEN offered this objection, the Rules Committee was called together and began to prepare a rule which could be presented the next day to bring this bill up for immediate consideration. Thereupon the Committee on Coinage, Weights, and Measures went into immediate session. The committee wanted a longer time. The committee instructed the Chairman of the Coinage, Weights, and Measures Committee to appeal to the Rules Committee, at least, to give the Coinage, Weights, and Measures Committee until Monday to consider the bill. The chairman, Mr. SOMERS, made such an appeal to the Rules Committee. It was in vain. The Rules Committee insisted upon bringing the bill up for final consideration Saturday.

The minority members of the Coinage, Weights, and Measures Committee wanted to bring in witnesses whose knowledge of this subject is unquestioned. Among the witnesses who would have been called were Newton D. Baker, a former Democratic Secretary of War; Mr. Houston, a former Democratic Secretary of the Treasury; prominent economists associated with some of the leading universities of America; and outstanding men in American finance. Of this list of witnesses there was not a single one to whom any partisan bias or prejudice against the bill could possibly be credited. We, in the minority, in presenting these names, refrained from calling in any prominent Republicans, who might also be students of finance. We did this because we sincerely wanted light and advice on this bill, and we did not want anyone to be able even to point the finger of partisan suspicion toward any witness who might appear before the committee. We could not have the witnesses because the Democratic leaders in control of the House, thereby in control of the Rules Committee, would not permit us to have sufficient time to deliberate over this bill.

Warning was not only given to the leadership of the House that time should be given for the consideration of this bill from the Republican Members of the House, but a similar warning came from the Democratic press of this country. In this connection, I wish to quote an editorial from the Baltimore Sun of January 20, a Democratic paper which supported Mr. Roosevelt in the campaign and has been and is now one of the outstanding Democratic papers in the country. I quote:

LOOK BEFORE YOU LEAP

One of the most encouraging signs appearing on the legislative horizon since Congress met is the disinclination of a few Members of the House and Senate to be stampeded into immediate acceptance of the President's recommendations for a new monetary policy. If the only question involved were the question of dollar devaluation the case for a thorough scrutiny of the monetary program might not be so impressive. Devaluation, as Roy A. Young, governor of the Boston Federal Reserve Bank, told the Senate committee yesterday, is an accomplished fact in general, although the precise rate remains to be determined. And it would be supererogatory to make too much of a fuss over water that is already over the dam.

But there are a great many other things that are involved in the bill the administration is asking Congress to pass by Tuesday. Some of the sections, as Mr. Young said, commit us permanently to an irredeemable currency. Adoption of those sections would mean not a simple change in the gold value of our currency but a complete reversal of the whole theory upon which our monetary system has been built up. Members of Congress who want to know what it is all about before making a commitment of such tremendous consequence are showing a commendable sense of their legislative responsibilities.

Nor is the reversal of our monetary policy the only issue on which more light is needed before final action on the monetary program. The bill embodying the President's recommendations covers a great variety of things. It proposes to vest in the Secretary of the Treasury alone a perpetual authority over the $2,000,000,000 stabilization fund to be created from the paper profits of dollar devaluation. It proposes to ratify and confirm everything the President and his advisers have done under the Emergency Banking Act and the Thomas inflation amendment to the Farm Relief Act. Congress, as Representative MCGUGIN of Kansas said in the House on Thursday, cannot vote intelligently on these matters without some time for study and examination.

Mr. MCGUGIN might have added to his catalog of questions on which time for study is necessary the proposed reforms in the system of issuing bonds and short-term securities which Secretary Morganthau has asked to have tacked on to the monetary bill. Mr. Morgenthau's request, submitted at the eleventh hour, envisages an authorization for the increase of the short-term debt from $7,500,000,000 to $10,000,000,000. Under the same program the Secretary of the Treasury would also be empowered to offer long-term securities to the banks without advertising for public subscriptions. These are changes of policy potentially far-reaching in their implications.

It may be that the changes can be shown to be desirable. But it is to be remembered that our short-term debt is already unwieldly and that its increase by one third would add materially to the weight of the problem of refinancing that hangs over the Treasury. It is to be remembered further that the banks are already loaded up on Federal securities and that to authorize the Treasury to issue a banking loan of the proportions envisaged in the recent Budget message might create a situation in which one half of the banking resources of the country would be tied up in Government bonds. Congress ought to know whether this is good banking and good public financing before accepting such a proposal.

With the desire of the administration to expedite the consideration of the monetary program it is easy to sympathize up to a certain point. Current monetary uncertainties are interfering with Government financing and with the operations of private business. It is important to end them at the earliest practicable moment. But the need for monetary certainty is not so great as to override all the ordinary precautions of representative government. Congress ought at least to look before it leaps.

In the CONGRESSIONAL RECORD of January 18, on page 881, as a minority member of the Committee on Coinage, Weights, and Measures, which was considering this bill, I made the following statement in the House and directly to Mr. BYRNS, majority leader:

If the House will give the Committee on Coinage, Weights, and Measures an opportunity to proceed in an orderly manner, as every other committee has had the opportunity to do, it will report this bill promptly. I think the committee should have the opportunity of holding not to exceed 2 days of legitimate hearings. If we cannot have this, of course, we shall have to bring the bill in without any consideration.

In the face of appeals for a reasonable time to consider this bill from both Republican and Democratic members of the committee, and from the minority leader, Mr. SNELL, and from the Democratic press, the Democratic leadership of the House, through its control of the Rules Committee, forced this bill into the House for consideration on Saturday before the committee or the general Membership of the House had had a reasonable opportunity to consider this important and far-reaching legislation. Then, laying the party lash upon an overwhelming majority, the bill was forced through the House on Saturday. Not only did this majority force this bill through the House, trampling under foot every amendment offered, but did so with little or no consideration of the merits or demerits of the amendments. The House not only overrode these amendments without reasonable consideration of the contents of the bill or merits of the amendments, but conducted itself in a manner wholly unbecoming of a legislative body. I call your attention to an editorial comment from this outstanding Democratic paper, the Baltimore Sun. I quote an editorial from the Sun of Monday, January 22, which pertains to the conduct of the House in the consideration of this bill:

THE LEGISLATIVE PROCESS

In passing the gold reserve bill, the House of Representatives acted more like a boss-controlled party convention than a serious legislative assemblage. Here was a measure which proposed not only to devalue the dollar but also to reverse the whole direction of our monetary policy. It was a bill which in the opinion of not a few informed students of banking proposed to nullify the theory of the Federal Reserve Act and to invest a single public official with power to manage in perpetuity a fund of $2,000,000,000 set up for the express purpose of jiggling the money markets.

Yet the House adopted it as a national convention might adopt a platform couched in meaningless platitude. The bill had been rushed through committee without adequate hearings, chiefly because the committee which handled it wanted to get ahead of another committee bursting with ambition to consider it. It came to the floor in such questionable form that the very chairman of the group reporting it announced that after its passage he was "going

to call his committee together to study ways to perfect it." The debate on the floor was dull and perfunctory, and was limited to 8 hours on the bill itself, with an additional hour on the gage rule under which the bill was forced to an immediate passage. The only amendment to arouse the slightest interest was a silly proposal by Representative PATMAN prohibiting the use of exported gold to aid the Bank for International Settlements or to assist any foreign institution.

The vote of 359 to 40 by which the bill was adopted at the end of this travesty was the sort of verdict which a mob of superheated delegates might be expected to register on orders from a group of bosses in a smoke-filled room. It was not the sort of thing to be expected from a body of seriously intentioned legislators desirous of directing their action to the ends of national welfare. This is not to say that the bill for which the House fell over itself to vote is undesirable or that, with certain perfecting amendments to which Chairman SOMERS, of the Coinage Committee, may or may not have been referring, it is not adapted to the purposes of the moment.

The point is that neither the committee nor the Members of the House had any opportunity to satisfy themselves on this point. They simply took a leap in the dark of monetary experimentation because the White House cracked the whip. The Members of the House, which is supposed to be the great popular branch of the National Legislature, left the real responsibilities of a popular assemblage up to the Senate. We have heard a great deal in recent months about the delegation of legislative power. The manner in which the House passed the buck to the Senate on a measure as momentous as any to come before a momentous Congress is one of the supreme acts of delegation in our national history.

If we are to go into this monetary experiment with our legislative eyes open, it is now up to the Senate to open them. The Senate Banking Committee has started out very well. It has inaugurated a series of hearings at which the pros and cons of the President's program are being discussed in orderly and measured fashion. Should the committee and the Senate carry on in the same tempo and on the same level, Senators and citizens as well may know more about this thing before its inevitable adoption. To this illumination of a difficult question, neither the administration nor its fondest supporters can reasonably object. If the President's program is as well prepared to stand the test of experience as they say, it ought to be able to stand the test of a few days' debate in a Congress which the administration controls.

If it is fit to challenge the verdict of history, it ought at least to be able to challenge a little legislative illumination.

The bill has been passed by the House. Now, if parliamentary government in America is to retain reasonable public respect, the Congress must depend upon the Senate. In support of this statement I offer an editorial from another great Democratic paper, which was most friendly to Mr. Roosevelt in his campaign and is now friendly to his administration. That paper is the New York Times. Following is the editorial in the New York Times of January 23:

HOW NOT TO LEGISLATE

The full report of the proceedings of the House of Representatives on Saturday, January 20, as printed in the CONGRESSIONAL RECORD presents an extraordinary picture of legislative hurry and confusion. The business was consideration of the President's monetary bill. Of it two different prints were in the hands of Members. They did not agree in either pagination or phraseology. Many sincere efforts were made by Representatives like Mr. WADSWORTH, of New York, Mr. LUCE, of Massachusetts, and Mr. BEEDY, of Maine, to elicit from the Democrats in charge of the measure explanations of some of its ambiguous clauses. All was in vain. The time was too short or knowledge was lacking. When debate was cut off and the bill was about to pass, Mr. BEEDY stated: "I do not think there are 10 Members in this House who can go back to their constituents and intelligently explain the provisions of the bill."

Along the same trend of thought I present an editorial from another newspaper, the Philadelphia Inquirer:

IT IS UP TO THE SENATE

In rushing the administration gold bill to passage late Saturday the House did exactly as it had been expected to do. Debate had been limited to 3 hours, but was extended to more than 7 hours by discussion of amendments. However, in view of the sketchy treatment which the highly important legislation was accorded by House committees, the debate on the floor could hardly be called thorough and exhaustive.

While the House was sweeping the bill through, the Senate Banking and Currency Committee was hearing additional vigorous opposition to the measure from prominent financial advisers. And in the volcanic debate in the House enough opposing views of the Republican minority were aired to bring from Representative BEEDY, Maine Republican, the remark that anyone who could vote for the measure after the proceedings "has an elastic conscience and an india-rubber brain."

While the 360 to 40 vote in the House forecasts an administration victory in the Senate, there should be on the Senate floor a wide and thorough discussion of a proposal which goes beyond the emergency measures of the Roosevelt recovery program and into a permanent financial policy, as yet untried, centralizing tremendous power in the Secretary of the Treasury.

The Nation realizes as well as Congress that the President should have strong support in his emergency measures to rout the forces of depression. But on questions of permanent monetary policy, bearing tremendous possibilities for the country's financial future, there should be a stop, look, consider warning posted in the Senate.

Among the things which the House did in its turbulent conduct was to defeat an amendment which would have made section 10 legislation to meet an emergency instead of permanent legislation. In doing so there was taken away from Congress and placed in the hands of the Secretary of the Treasury permanent control over money. The House did this notwithstanding the fact that the Constitution vests in the Congress and the Congress alone the power to control and regulate the value of money. When the House did this it had fair warning of what it was doing. I offered an amendment which would have made this power temporary instead of permanent. Also by this amendment during this temporary period the power would have been vested in a board of five composed of the President, the Sectary of the Treasury, the Governor of the Federal Reserve Board, and two other members to be appointed by the President. I tried as best I could to give the House fair warning as to what it was doing by passing this bill with section 10 as it was in the bill without any amendment. In column 1, page 979, in discussing this subject, I said:

This bill seeks to turn over the full control of the power of money into the hands of one man, the Secretary of the Treasury, not only this Secretary of the Treasury but all Secretaries of the Treasury which may come after him. The framers of the Constitution in their wisdom placed, not in the President of the United States, but in the Congress the power to coin money and regulate the value thereof. When we provide a $2,000,000,000 fund for the Secretary of the Treasury to use to beat up or down American money, to beat up or down the currency of every other country, we have placed in the hands of one man the economic destiny of 126,000,000 American people. In doing so we have betrayed our constitutional obligation to retain in the hands of Congress the power to control money.

The House not only had these statements from me but it also had the following statement from an outstanding authority, the Committee for the Nation, before it on two different occasions, once in column 1, page 968, of the RECORD of January 20, and another time in column 1, page 1004. I quote from the Committee for the Nation:

Regulating the purchasing power of our United States money imposed as a duty by the Constitution upon the Congress is the highest act of sovereignty. Permanent relinquishment of this function by Congress to one Cabinet member is so momentous a step that it should have full discussion before being taken.

However, the House was in no frame of mind to pay any regard to its constitutional obligations. The crowd was in action. The merciless power of organization votes was controlling the proceedings of the day.

The conduct of the House in giving over this control of money to the Secretary of the Treasury and deserting its own constitutional obligations has brought upon it the unanimous criticism of the leaders of all shades of monetary reform. Among those who have insisted that the wrong done by the House must be corrected by the Senate are Frank Vanderlip, Committee for the Nation, Owen D. Young, Walter Lippmann, Rev. Charles Coughlin, Dr. Edwin W. Kemmerer, Dr. H. Parker Willis, and James P. Warburg.

In fact, there seems to be few if any who favor this surrender of Congress of its constitutional obligation except him, whoever he may be, who prepared the original draft of this bill, and the majority Membership which drove it through the House with section 10 in its original form. Even those who drove it through the House do not defend this surrender of Congress of its constitutional obligation over the control of money on any ground of righteousness or wisdom. The defense offered by the majority in the House for its conduct in this matter is party loyalty. Certainly this is a poor excuse for Congress to surrender its constitutional functions. Party loyalty or party cooperation is highly essential and highly desired in an emergency but

I submit that it cannot justify congressional betrayal of a constitutional obligation upon Congress.

FEDERAL OLD-AGE COMPENSATION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech delivered by my colleague from Kentucky [Mr. BROWN].

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of my colleague from Kentucky [Mr. BROWN]:

I am speaking tonight under the auspices and by the courtesy of the National Old Age Pension Association, headed by Dr. J. E. Pope, who has given much valuable time and service to this worthy cause. It is the purpose of the National Old Age Pension Association to foster legislation which will provide, in a meager way, for those persons past the age of 65, who are unable to take care of themselves, and to care for those between the ages of 40 and 65 who, by reason of physical or mental inability, cannot earn a livelihood.

In the mind of the average business man or woman, the first question asked will undoubtedly be the cost of such pension laws. May I at this time set your minds at east as to any additional cost over and above that now entailed by our present poorhouse system.

The Bureau of Labor statistics has stated that, in the poorhouses of America, the average cost of caring for an inmate is $336 per year. For approximately this same sum, we can give relief to dependent old age from the horror of being compelled to accept degrading shelter in pauper institutions. It is not necessary to argue, in this age of realization of social responsibility, that it would be better to pay a direct pension to the aged than to force them into the humiliation of accepting their livelihood in poorhouses, especially when the cost is not appreciably different.

There may be those who will argue that such laws will put a penalty on thrift and will encourage shiftlessness and lack of foresight by removing the incentive for saving. This argument has no basis of fact, especially in an age of economic maladjustment which has thrown into the breadline approximately one third of the population of this country. We have just emerged from an age of rugged individualism, an age that has accepted no responsibility for the welfare of others but has lauded and cheered those who could carve out fortunes for themselves regardless of the manner or means used in piling up their millions. The heroes of the past have been masters of finance who could reach out into the public income and grab off from the earnings of others multiplied millions for themselves. To such extremes did we go in the direction of rugged individualism that, in the year 1928, we had in this country 43,184 millionaires, and in the same year we witnessed the beginning of the greatest bread line in the history of our country, for in that year we had approximately 3,000,000 unemployed men. The bread line grew until one third of the population of our country was dependent upon charity or the Government for their livelihood. I would not want to belittle wealth or the accumulation of wealth. I am inclined to agree with the old farmer who, hearing many people speak of tainted money, remarked to his wife that "the trouble with tainted money, Martha, is 'taint ours." However, recognizing the property rights of American citizenship and their right to store up this world's goods for themselves, we must recognize another fundamental principle of government, and that is this: That a government's primary obligation is to take care of that portion of its citizenship which is unable by circumstances or surroundings to take care of itself.

I lay this down as a fundamental tenet in every form of successful government, that any government which fails to see to it that the lowliest of its citizenship has at least an opportunity for the minimum benefits of life has failed in its first and last duty as a government. You can trace the history of governments as far back as the human mind has ever recorded, and you will find no exception to this rule in the history of the lives of governments. Indeed, the first government known to the human mind was the family, and it is a poor father who would allow one of his children to starve while he heaped an excess of necessities and luxuries on the others. The next government known was a combination of families, called a tribe, and it was a poor chieftan who would allow a portion of his tribe to starve; and if he allowed this condition to exist, it did not take the tribe long to depose him. When tribes became multiplied into cities and nations, the law did not change. Whenever a government failed to take care of the minimum needs and wants of its citizenship, the government ceased to exist. What reason is there for paying tribute in taxes or in loyalty to a government which recognizes no responsibility to its citizenship in distress? Multiply the families and tribes of the past until they become 48 great States, headed by a Government at Washington, D.C., and you have not repealed the primal law that government must take care of such portions of its citizenship as are unable by circumstances or surroundings to take care of themselves.

We are emerging now from that age of rugged individualism and embarking upon an era of social responsibility and cooperation. This Nation has suffered through 12 years of governmental supervision which ignored the rights of the weak and heaped benefits into the arms of the strong. We have reached the anomalous position of a nation that has a surplus of everything imaginable and yet finds a third of its population thrown out into the cold and into the bread line by the inequalities of its economic system. We see the wisdom of Shakespeare's statement when he said, "They are as sick who surfeit with too much as they who starve with nothing." With the ability to produce in superabundance in every line of industry and in every trade or profession, we find from 12 to 15 million people in this country out of employment and most of them through no fault of their own. Thrifty people, who have spent a lifetime at their job, find themselves in the bread line and facing a bleak old age with no provision possible through their own efforts to support themselves. This is partially the result of maldistribution in our economic system and partially the result of the elimination of jobs through machine improvements. Over 900,000 positions have been eliminated in manufacturing establishments; 350,000 in railroad transportation service; and over 800,000 in agriculture, and yet, with this decreased labor force, every branch of industry and agriculture produces more than before the elimination of these workers.

Within the last 10 years, many thousand banks have failed; fortunes have been swept away on the tide of the depression on every hand, and those who now are on the verge of 60 find themselves dependents through forces over which they had no control. With more of everything than all the people can use, we still have those among our citizenship who argue that the Government owes no responsibility to see to it that the unemployed man has a job, that the sick have medical aid, that those in tender youth are protected from the greed of industry which would blight their youth, that the aged are taken from the poorhouses and the bread lines, and that, generally, we accept the social responsibility of citizenship in the sense of a community of interests where greed will not be allowed to run riot and leave in its wake as wreckage a great portion of the citizenship of our country.

The President of the United States has led the way for a school of political thought which recognizes, as a social responsibility of government, the duty to help solve these problems which now confront our Nation. He has said that the gain that this Nation will make will be made in the name of 120,000,000 people, and he did not leave out of consideration in this gain which he hoped for America a solitary portion of our citizenship. His program has taken care of the unemployed; it has offered relief to the needy; it has given a spur to industry; it has pumped life into the veins of agriculture; it has fostered labor as no administration in the history of our Nation; and I am sure that in that program there must be some place for the furrowed faces and limp hands of those who have toiled almost threescore year and ten and find themselves now, by the shortsightedness of the economic system of which we are a part, left as wreckage of a machine age, to beg on the streets or live out the few remaining years of their lives in the squalid conditions usually existing in our poorhouses. It is said that education is the debt that the present owes to the future, and certainly it may truly be said that old-age pensions constitute the debt that the present owes to the past. Old-age pensions constitute the debt that the present generations owe now and always will owe to those persons now living who have contributed to the building of this country; and the way we can best pay that debt to the builders of America is to care for them when they no longer can care for themselves.

Through our workmen's compensation laws in the various States, we recognize that each separate portion of the human body has a definite value. We say by law that when industry causes a workman to lose his hand such industry must pay a definite sum for this loss. We say that an eye is worth a definite amount, that a foot and each toe thereon has a definite separate value. It is not logical and sensible that, if we recognize the value of each separate portion of the human body, we should also recognize that when industry has used up all the energy and all the ability of the human frame and casts out the useless hull, some provision should be made to take care of the used-up human body? In other words, if each separate portion of the human body has a value set by law, should not the whole human body, when exhausted and completely demolished insofar as service and ability to work are concerned, have some definite value placed thereon, and should not some provision be made for its care when it no longer can provide for itself?

Old-age pensions are not alone sponsored and favored by those who hope personally to profit, but they have been actively supported, first, by Franklin D. Roosevelt when, as Governor of New York, he signed the State's first old-age pension law, and even now the First Lady of the land is one of the foremost advocates of an old-age pension law for the District of Columbia. Gov. James M. Cox, of Ohio; Governor Lehman, of New York; Arthur Brisbane, the famous editorial writer; and many other prominent individuals, who will not need support through this means, are fostering this legislation as a necessary step in a social program which recognizes the responsibility on the strong to provide minimum necessities for the unfortunate who can make no provision for themselves.

This is not a radical or socialistic departure from past practices of government. Indeed, Kaiser Wilhelm had old-age pension laws for Germany, and no one would accuse the Kaiser of being unduly socialistic. Forty-one foreign nations have old-age protection, in one form or another, on a national basis. In this country, we have

left the matter of old-age pensions to the States, which is a very unsatisfactory way of handling a social need. Twenty-six States of the Union have old-age pension laws, but in practically all of these States, the requisites of citizenship are from 10 to 15 years' residence, and in a land of shifting population this leaves a great portion of our old people unable to qualify for State relief. It is no more expensive to collect the money on a national basis and thus relieve the States of the expense of operating separate organizations for dispensing such relief. If you ask me where we shall get the money, of course, there is provision made under the plan of the National Old Age Pension Association for a small portion of the incomes of those who earn to go to this fund to take care of it, but the answer always to all calls for social relief can be made in this manner, that wherever social needs exist, money should be collected where the money is and spent where the need exists. This is a safe principle in schools and in any other form of governmental aid to its various branches of citizenship.

May I summarize my remarks by saying that old-age pensions cost less in dollars and cents than poorhouses; that a government owes a duty to every portion of its citizenship which is unable to take care of itself, regardless of the cause of the inability; that in one way or another we shall pay this debt; that as a portion of our great program of social reform and cooperative effort in advancing the interests of our Nation as a whole, we cannot forget those who toil and labor as long as energy is left, and who find themselves without a sufficient portion of this world's goods to tide them over the span between the age of 65 and the grave. This is a responsibility which no unselfish man or woman would fail to recognize. We are meeting our obligations to other portions of our citizenship who by misfortune have been deprived of those things which contribute to the fullness of life, and, as a part of the program of the "new deal" with its motive to make life fuller for America's citizenship, is it not entirely proper that we should add a certainty of contentedness and security to the declining years of life by saying to the aged of America that "when your hands can no longer work and your mind is clouded with age, we who have grasped the torch which you have carried will see to it that you are provided in an honorable way with at least the necessities of life"?

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2284. An act relating to contracts and agreements under the Agricultural Adjustment Act.

ADJOURNMENT

Mr. AYRES of Kansas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 24, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE, RADIO, AND FISHERIES

(Wednesday, Jan. 24, 10:30 a.m.)

Hearings on H.R. 104.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, Jan. 24, 10 a.m.)

Continuation of the hearing on H.R. 6836, to regulate motor carriers.

COMMITTEE ON NAVAL AFFAIRS

(Wednesday, Jan. 24, 10:30 a.m.)

Continuation of hearing on H.R. 6604.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, Jan. 24, 10:30 a.m.)

Hearings on H.R. 4223 and H.R. 4368.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

304. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 17, 1934, submitting a report, together with accompanying papers and illustration, on a preliminary examination of San Diego Harbor, Calif., authorized by the River and Harbor Act approved July 3, 1930 (H.Doc. 223); to the Committee on Rivers and Harbors and ordered to be printed with an illustration.

305. A communication from the President of the United States, transmitting certified copies of various Executive orders amending certain veterans' regulations which were issued in accordance with the terms of title 1, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government" (H.Doc. 224); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FULMER: Committee on Agriculture. H.R. 1517. A bill to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes; without amendment (Rept. No. 336). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. GREENWAY: A bill (H.R. 7235) to authorize the sale of land on the Camp McDowell Indian Reservation to the city of Phoenix, Ariz., for use in connection with its water-supply development, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H.R. 7236) to provide for the commemoration of the Battle of Big Dry Wash, in the State of Arizona; to the Committee on Military Affairs.

Also, a bill (H.R. 7237) to provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona; to the Committee on the Public Lands.

By Mr. VINSON of Georgia: A bill (H.R. 7238) to amend section 5 of the act of March 2, 1919, generally known as "War Minerals Relief Statutes"; to the Committee on Mines and Mining.

By Mr. PEYSER: A bill (H.R. 7239) to amend the Criminal Code; to the Committee on the Judiciary.

By Mr. FORD: A bill (H.R. 7240) to authorize the Reconstruction Finance Corporation to adjust interest rates and maturities on obligations, arising under subsection (a) of section 201 of Emergency Relief and Construction Act of 1932, held by it, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOWARD: A bill (H.R. 7241) to authorize the Secretary of the Interior to convey the lands and property used for the United State Indian School at Genoa, Nebr., to the State of Nebraska; to the Committee on Indian Affairs.

By Mr. McCLINTIC: A bill (H.R. 7242) to amend Public Law No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", and Public Law No. 78, Seventy-third Congress, entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on World War Veterans' Legislation.

By Mr. HEALEY: A bill (H.R. 7243) to amend the Home Owners' Loan Act of 1933 by adding after section 4 thereof a new section; and to authorize home-mortgage loans, and to appropriate the sum of $500,000,000 therefor, and for other purposes; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H.R. 7244) amending the Civil Service Retirement Act; to the Committee on the Civil Service.

Also, a bill (H.R. 7245) making income from United States securities subject to the income-tax laws of the United States; to the Committee on Ways and Means.

By Mr. MURDOCK: A bill (H.R. 7246) to define and fix the standard of value and to regulate the coinage; to the Committee on Coinage, Weights, and Measures.

By Mrs. McCARTHY: A bill (H.R. 7247) to place the production and marketing of wheat on a sound commercial

basis and to prevent unfair competition and practices in putting wheat into the channels of interstate and foreign commerce; to the Committee on Agriculture.

By Mr. FORD: A bill (H.R. 7248) to assure the persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching; to the Committee on the Judiciary.

By Mr. DUNCAN of Missouri: A bill (H.R. 7249) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affears.

By Mr. McSWAIN: A bill (H.R. 7250) to further provide for the national defense; to the Committee on Military Affairs.

By Mr. CELLER: A bill (H.R. 7251) to authorize the construction and use of an underground pneumatic-tube service; to the Committee on the Post Office and Post Roads.

By Mr. McCORMACK: A bill (H.R. 7252) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. SMITH of Washington: A bill (H.R. 7253) to promote the health of the people of the United States and to encourage the dairy industry in the interest of the general welfare; to the Committee on Agriculture.

Also, a bill (H.R. 7254) to amend an act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine", approved August 2, 1886, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. HOWARD: A bill (H.R. 7255) for the relief of the Winnebago Indians residing in school district no. 17, Thurston County, State of Nebraska; to the Committee on Indian Affairs.

Also, a bill (H.R. 7256) for the relief of the Omaha Indians residing in school district no. 16, Thurston County, State of Nebraska; to the Committee on Indian Affairs.

By Mr. FITZPATRICK: A bill (H.R. 7257) authorizing the President of the United States to extend the time for awarding decorations to the participants of the World War; to the Committee on Military Affairs.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 7258) to amend Public Law No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", and Public Law No. 78, Seventy-third Congress, entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on World War Veterans' Legislation.

By Mr. CELLER: A bill (H.R. 7259) to amend Public Law No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", and Public Law No. 78, Seventy-third Congress, entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on World War Veterans' Legislation.

By Mrs. McCARTHY: A bill (H.R. 7260) to place the wheat-producing industry on a sound economic basis, and to provide additional revenue for extraordinary expense incurred by reason of a national emergency; to the Committee on Agriculture.

By Mr. McLEOD: A bill (H.R. 7261) to amend Public Law No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", and Public Law No. 78, Seventy-third Congress, entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on World War Veterans' Legislation.

By Mr. GASQUE (by request): A bill (H.R. 7262) granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine insurrection, or the China relief expedition, and their widows and dependents, and for other purposes; to the Committee on Pensions.

By Mr. JEFFERS: A bill (H.R. 7263) to provide redress for employees in the competitive classified service of the United States in matters of removal, reduction in rank or salary, suspension from duty, and other disciplinary actions; to amend section 6 of the act of August 24, 1912 (38 Stat. 555), and for other purposes; to the Committee on the Civil Service.

By Mr. CANNON of Wisconsin: Joint Resolution (H.J.Res. 238) authorizing the issuance of notes and silver to honor President Franklin Delano Roosevelt; to the Committee on Coinage, Weights, and Measures.

By Mr. CELLER: Joint resolution (H.J.Res. 239) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also joint resolution (H.J.Res. 240) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. TRUAX: Joint resolution (H.J.Res. 241) to prohibit members and employees of any national political committee from holding Government positions, and for other purposes; to the Committee on the Judiciary.

By Mr. McCORMACK: Joint resolution (H.J.Res. 242) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. CHAPMAN: Joint resolution (H.J.Res. 243) to provide for the replacement of certain markers in Arlington National Cemetery; to the Committee on Military Affairs.

By Mr. LUCE: Joint resolution (H.J.Res 244) to make available to Congress the services and data of the Interstate Reference Bureau; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of South Carolina, memorializing Congress through the Federal Public Works Administration to undertake the development of the Santee-Cooper River hydroelectric and navigation project, and urging its relation to the national plan of recovery now under way; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARENS: A bill (H.R. 7264) for the relief of M. N. Lipinski; to the Committee on Claims.

Also, a bill (H.R. 7265) granting the consent of Congress to the State of Minnesota, Scott County and Carver County, in the State of Minnesota, to construct, maintain, and operate a bridge across the Minnesota River, at or near Jordan, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Nebraska: A bill (H.R. 7266) authorizing the Treasurer of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasury; to the Committee on Claims.

By Mr. DIES: A bill (H.R. 7267) to authorize the presentation of the Distinguished Service Cross to Robert H. Wyche; to the Committee on Military Affairs.

By Mr. DOCKWEILER: A bill (H.R. 7268) for the relief of Alice Shriner; to the Committee on Claims.

Also, a bill (H.R. 7269) granting a pension to Cora E. Kuderski; to the Committee on Pensions.

By Mrs. GREENWAY: A bill (H.R. 7270) for the relief of A. E. Shelley; to the Committee on Claims.

Also, a bill (H.R. 7271) for the relief of Mary F. Platten; to the Committee on Claims.

Also, a bill (H.R. 7272) for the relief of John W. Adair; to the Committee on Claims.

Also, a bill (H.R. 7273) for the relief of George Stoll and the heirs of Charles P. Regan, Marshall Turley, Edward Lannigan, James Manley, and John Hunter; to the Committee on Claims.

Also, a bill (H.R. 7274) for the relief of Edward P. Oldham, Jr.; to the Committee on Claims.

Also, a bill (H.R. 7275) granting a pension to Rafael Lugo; to the Committee on Pensions.

Also, a bill (H.R. 7276) for the relief of James P. Liakopulos; to the Committee on Military Affairs.

Also, a bill (H.R. 7277) for the relief of Jessie Blout; to the Committee on Claims.

Also, a bill (H.R. 7278) for the relief of W. I. Johnson; to the Committee on the Public Lands.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 7279) for the relief of Porter Bros. & Biffle and certain other citizens; to the Committee on Claims.

By Mr. KLOEB: A bill (H.R. 7280) for the relief of Paul Winters York; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H.R. 7281) granting an increase of pension to Nancy A. Welch; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7282) granting a pension to Anson H. Longwith; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7283) granting a pension to Sarah Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7284) granting an increase of pension to Jennie Kohn; to the Committee on Invalid Pensions.

By Mrs. McCARTHY: A bill (H.R. 7285) for the relief of Harry Elward Moore; to the Committee on Naval Affairs.

By Mr. McCORMACK: A bill (H.R. 7286) for the relief of George Luftman; to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H.R. 7287) for the relief of Edward H. Cotcher; to the Committee on Military Affairs.

By Mr. MARSHALL: A bill (H.R. 7288) granting a pension to Marilla Andrews Buckwalter; to the Committee on Invalid Pensions.

By Mr. MURDOCK: A bill (H.R. 7289) for the relief of H. A. Soderberg; to the Committee on Claims.

By Mr. PEYSER: A bill (H.R. 7290) authorizing the President to present a gold medal to George M. Cohan; to the Committee on the Library.

By Mr. ROMJUE: A bill (H.R. 7291) authorizing the city of Hannibal, Mo., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH: A bill (H.R. 7292) for the relief of the Boston Store Co., a corporation, Chicago, Ill.; to the Committee on Claims.

By Mr. VINSON of Kentucky: A bill (H.R. 7293) granting an increase of pension to William Hargis; to the Committee on Pensions.

By Mr. WITHROW: A bill (H.R. 7294) granting a pension to William Edward Coughlin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1733. By Mr. BUCKBEE: Petition of Winnebago County Civil Works Administration Work Committee, urging continuance of the Civil Works Administration program; to the Committee on Appropriations.

1734. By Mr. BURNHAM: Petition signed by 57 residents of San Diego County, Calif., urging the restoration to all veterans who were actually disabled in the Military or Naval Service their former benefits, rights, privileges, ratings, schedules, compensation, presumptions, and pensions heretofore enjoyed by them and existent prior to the enactment of the said Economy Act; to the Committee on Pensions.

1735. Also, petition signed by 308 residents of San Diego County, Calif., urging the restoration of pensions, hospitalization, and care of veterans of the Spanish-American War as same existed prior to the enactment of Public, No. 2, Seventy-third Congress; to the Committee on Pensions.

1736. By Mr. DONDERO: Petition of the Detroit Federation of Post Office Clerks of Local No. 295, Detroit, Mich., demanding that all employees in the service of the Federal Government, who have 30 years or more service, be retired without prejudice or discrimination; to the Committee on the Post Office and Post Roads.

1737. By Mr. FITZPATRICK: Petition signed by Mr. and Mrs. T. Bullochus, of 2401 Fenton Avenue, Bronx, New York City, N.Y., and a number of other residents of the Bronx, urging Congress to stand behind the President on his monetary program; to the Committee on Coinage, Weights, and Measures.

1738. By Mr. GOODWIN: Letter dated January 19, 1934, from A. W. Brandt, commissioner, department of public works, division of highways, State of New York, making a plea for a further grant to the Highway Department of the State of New York, together with a folder from the American Association of State Highway Officials showing the necessity for such grant, and increasing the appropriations under the National Recovery Act to cover highways; to the Committee on Appropriations.

1739. By Mr. HILDEBRANDT: Resolution of the Associated Commercial Clubs of Black Hills, urging that appropriations be made, and provisions included, in the Budget presented to Congress for continuance of the operations and activities of the experiment farm at Newell, S.Dak., after July 1, 1934; to the Committee on Agriculture.

1740. By Mr. KENNEY: Petition of Mount Carmel Guild of Jersey City, N.J., registering protest of 120,000 Catholic women, members of the Mount Carmel Guild of the Diocese of Newark, N.J., protesting against the passage of House bill 5978, known as the "birth-control bill"; to the Committee on the Judiciary.

1741. Also, petition of the legislative committee of the Newark Diocesan Federation of Holy Name Societies, representing upward of 100,000 men, with headquarters in the city of Newark, State of New Jersey, protesting against the passage of House bill 5978, which is an amendment to the Criminal Code relating to birth control; to the Committee on the Judiciary.

1742. By Mr. KOPPLEMANN: Petition of the Veterans' Law Observance Union, of Meriden, Conn., protesting against existing regulations affecting war veterans' benefits and asking remedial legislation; to the Committee on World War Veterans' Legislation.

1743. By Mr. GLOVER: Resolution of Senator Marvin B. Norfleet, of Arkansas; to the Committee on Education.

1744. By Mr. KVALE: Petition of Grant County farmers, Grant County, Minn., favoring enactment of the Frazier bill and striking against the payment of either interest or principal of debts and against being refinanced until a rate of interest comparable to rates charged foreign governments be granted to farmers of the United States, and that debts be scaled down to compare to present farm-land values and commodity values as compared to the time loan was made; to the Committee on Banking and Currency.

1745. Also, petition of American Legion Post, Mora, Minn., endorsing American Legion legislative program; to the Committee on World War Veterans' Legislation.

1746. Also, petition of substitute letter carriers of Minneapolis, Minn., and members of branch no. 9, National Association of Letter Carriers, asking restoration of pay cut and relief of condition of substitute postal carriers; to the Committee on Ways and Means.

1747. By Mr. LINDSAY: Petition of Hawley & Hoops, confectionery manufacturers, New York City, opposing excise tax on candy; to the Committee on Ways and Means.

1748. Also, petition of Francis L. Pruyn, New York City, favoring passage of House bill 5632, the duck stamp bill; to the Committee on Agriculture.

1749. By Mr. RUDD: Petition of Hawley & Hoops, New York City, favoring the repeal of the excise tax on candy; to the Committee on Ways and Means.

1750. Also, petition of J. T. Matchett Co., Brooklyn, N.Y., favoring the repeal of the present excise tax on candy; to the Committee on Ways and Means.

1751. By Mr. SADOWSKI: Petition of the Detroit Board of Commerce, advocating relief from automobile taxation and encouragement of motor-car ownership; to the Committee on Ways and Means.

1752. Also, petition of the Michigan House of Representatives, asking aid and assistance to the bean growers of the State of Michigan; to the Committee on Agriculture.

1753. Also, petition of the Michigan House of Representatives, asking the enactment of the Sumners House bill 5950; to the Committee on the Judiciary.

1754. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to aid and assist industry, and particularly the small business man; to the Committee on Banking and Currency.

1755. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to establish uniform rules and regulations for the movement of all commodities in interstate commerce; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, JANUARY 24, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

EXECUTIVE REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of George M. Brennan, of Illinois, to be Intermediate Credit Commissioner in the Farm Credit Administration, which was ordered to be placed on the calendar.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Stephen M. Driscoll, of St. Albans, Vt., to be collector of customs for customs collection district no. 2, with headquarters at St. Albans, Vt., in place of Fred B. Thomas, which was ordered to be placed on the calendar.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of Clinton R. Barry, of Arkansas, to be United States attorney, western district of Arkansas, to succeed William N. Ivie, whose term expired January 20, 1934, which was ordered to be placed on the calendar.

LEGISLATIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

DISPOSITION OF USELESS PAPERS IN GOVERNMENT PRINTING OFFICE

The VICE PRESIDENT laid before the Senate a letter from the Public Printer, transmitting, pursuant to law, a list of papers on the files of the United States Government Printing Office that are not needed in the conduct of business and have no permanent value or historical interest, and also calling attention to a letter from the Public Printer of February 25, 1933, on the same subject, and asking for action looking toward the disposition of such useless papers, which was referred to a Joint Select Committee on the Disposition of Useless Papers.

The VICE PRESIDENT appointed Mr. HAYDEN and Mr. VANDENBERG the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from Bernard Cash, commander Spanish War Veterans, Department of Utah, praying for the restoration of pension laws in force before the passage of the so-called "Economy Act", which was referred to the Committee on Appropriations.

He also laid before the Senate petitions of sundry citizens of the State of California, praying for the passage of legislation to restore to all veterans who were actually disabled in the military or naval service the benefits, rights, privileges, ratings, schedules, compensation, presumptions, and pensions enjoyed by them prior to the enactment of the so-called "Economy Act", which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of E. B. and F. E. Willis, of Erie, Pa., favoring the passage of legislation remonetizing silver and improving the monetary system, which was ordered to lie on the table.

He also laid before the Senate a resolution of Local Union No. 8, United Brotherhood of Carpenters and Joiners, of Philadelphia, Pa., favoring the passage of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes, which was ordered to lie on the table.

Mr. CAPPER presented a petition numerously signed by sundry citizens of Arkansas City, Wichita, the Veterans' Administration Home, Garden City, and Dodge City, all in the State of Kansas, praying for the abolition of the pay cut affecting Federal employees under the provisions of the so-called "Economy Act", which was referred to the Committee on Appropriations.

Mr. ROBINSON of Arkansas presented the following resolution of the Senate of the State of Arkansas, which was referred to the Committee on Appropriations:

Senate Resolution 4 (introduced by Senator Norfleet)

Whereas there now exists a staggering indebtedness in the State of Arkansas, incurred for educational purposes of various characters, outstanding in secured and open-account form, outstanding against property of affected school districts, and taxpayers therein are required to pay same, causing an enormous drain of taxes and revenues; and

Whereas our Federal Government was organized along the lines of a free people and with the guaranty of those things dear to the hearts of freemen and necessary in the enjoyment of the privileges so extended, amongst which is the acquisition of an education provided by the State, and burdensome taxation now exists by reason thereof which, when coupled with other contemporary taxation derived from the public purse of the citizenship of the State, constitutes a measure of payment unbearable to all affected: Therefore be it hereby

Resolved by the senate in special session duly assembled in January 1934, That the Federal Government be hereby memorialized as a part of its $16,000,000,000 program of public relief to assist the State program of education as to assisting payment of said indebtedness, so that posterity may be thus served while relieving the present distress occasioned by the burdensome indebtedness existing for educational purposes of the affected children of the State; and that a copy of this resolution be forwarded by the secretary of this senate to each Arkansas Representative and Senator in the National Congress.

Mr. CAREY presented a joint memorial of the Legislature of the State of Colorado, favoring the creation and establishment of an additional Federal land-bank district comprising the States of New Mexico, Colorado, and Wyoming, which was referred to the Committee on Banking and Currency.

(See joint memorial printed in full when presented by Mr. ADAMS on the 23d instant, p. 1128, CONGRESSIONAL RECORD.)

Mr. CAREY also presented the following joint memorial of the Legislature of the State of Wyoming, which was referred to the Committee on Naval Affairs:

THE STATE OF WYOMING,
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA,
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of Enrolled Joint Memorial No. 2, senate, of the special session of the Twenty-second Legislature of the State of Wyoming, being original Senate Joint Memorial No. 2, approved by the Governor on December 27, 1933, at 3:36 p.m. In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming.

Done at Cheyenne, the capital, this 4th day of January, A.D. 1934.

[SEAL]

A. M. CLARK, *Secretary of State.*
By C. J. ROGERS, *Deputy.*

Enrolled Joint Memorial 2, memorializing Congress to enact legislation transferring certain oil lands in Natrona County, Wyo., from the jurisdiction of the Navy Department to the jurisdiction of the Department of the Interior

Whereas on April 30, 1915, by Presidential Executive order of that date certain lands in Natrona County, Wyo., were withdrawn from entry and by departmental letter "N" of May 8, 1915, naval petroleum reserve no. 3 was created therefrom embracing approximately 9,440 acres; and

Whereas by the act of June 4, 1920, volume 41, chapter 228, pages 812–813, the Secretary of the Navy was directed to take possession of all properties within the naval petroleum reserves as are or may become subject to control and use by the United States for naval purposes under the provisions of an act of Congress approved February 25, 1920 (85 Stat.L. 437), entitled "An act to provide for the mining of coal, phosphates, oil, oil shale, gas, and sodium on the public domain", and to serve, develop, use, and operate the same in his discretion directly or by contract or otherwise; and by the act of February 25, 1928 (vol. 45, ch. 104, p. 148), jurisdiction over and the administration and enforcement of all oil and gas leases on lands in naval petroleum reserves issued pursuant to the provisions of sections 18 and 18A of the act of February 25, 1920, commonly known as the "General Leasing Act", were transferred to the Secretary of the Navy; and

Whereas section 35 of the said General Leasing Act provides that 37½ percent of all amounts derived by the Federal Government from bonuses, royalties, and rentals on leased oil or gas land or deposits within the public domain shall be paid at stated intervals by the Secretary of the Treasury to the State within the boundaries of which such leased lands or deposits are located for the use by said State or the subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, and that 52½ percent of the amount derived from such bonuses, royalties, and rentals shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress known as the "Reclamation Act", approved June 17, 1902; and

Whereas, subject to section 35 of the General Leasing Act, all moneys accruing to the Federal Government from bonuses, royalties, and rentals from naval petroleum reserve land shall be deposited in the United States Treasury as miscellaneous receipts; and

Whereas neither the State of Wyoming nor the said reclamation fund receives any benefit from or part of the amount derived by the Federal Government from bonuses, royalties, or rentals on said lands within said naval petroleum reserve no 3; and

Whereas, by the enactment of the said acts of June 4, 1920, and February 25, 1928, the Navy Department of the United States is empowered to enter into the business of producing petroleum and its products from the said naval petroleum reserves; and if such operations shall be engaged in by the Navy Department, one of the results thereof will be to deprive the State of Wyoming annually of tax revenues, and this although the quality of the petroleum producible from said lands in naval petroleum reserve no. 3 is such that neither the petroleum nor the gas produced from these lands can be used by the Navy except for purposes of exchange or sale; and

Whereas naval petroleum reserve no. 3 is approximately 1,000 miles distant by air line from the western seaboard and approximately 2,000 miles by air line to the eastern seaboard, rendering it impractical for the Navy to use this petroleum as a dependable fuel supply in time of war: Now, therefore, be it

Resolved by the Senate of the Twenty-second Legislature of the State of Wyoming in special session assembled (the house of representatives concurring), That the Congress of the United States be, and it is hereby, petitioned and memorialized to enact legislation restoring the public lands within the external boundaries of naval petroleum reserve no. 3 to the public domain of the United States and transferring the jurisdiction over and the administration thereof, and of all leases thereof, to the Secretary of the Interior and revoking and repealing any and all Executive orders and acts of Congress creating or confirming the creation of said naval petroleum reserve no. 3; and be it further

Resolved, That a copy of this memorial be transmitted to the President of the United States, to the Secretary of the Navy, to the Secretary of the Interior, to the United States Bureau of Reclamation, and to each of the Members of the Wyoming delegation in Congress.

OSCAR BECK,
President of the Senate.
WM. M. JACK,
Speaker of the House.

Approved 3:36 p.m. December 27, 1933.

LESLIE A. MILLER, *Governor.*

Mr. CAREY also presented the following joint resolution and joint memorial of the Legislature of the State of Wyoming, which were referred to the Committee on Finance:

THE STATE OF WYOMING,
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA,
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of enrolled Joint Resolution No. 2, senate, of the special session of the Twenty-second Legislature of the State of Wyoming, being original Senate Joint Resolution No. 16, approved December 27, 1933, at 3:34 p.m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming.

Done at Cheyenne, the capital, this 5th day of January, A.D. 1934.

[SEAL]

A. M. CLARK, *Secretary of State.*
By C. J. ROGERS, *Deputy.*

Senate joint resolution memorializing Congress to provide relief for the oil industry, the farmers, the unemployed, business, and the people generally by providing an adequate tariff or tax on oil that will place the domestic-oil industry on a competitive basis with imported oil as shown by the reports of the Tariff Commission

Whereas business generally, not only in Wyoming but throughout all the oil-producing States, affecting over 22,000,000 people, has been directly depressed by the long-distressed condition of the oil industry, and which depressed condition has now become very serious; and

Whereas excessive importations of foreign oils continue to flow into our country, constantly increasing in volume until the flood has reached alarming proportions; and

Whereas in the year 1932, in Wyoming alone, the total production of crude oil was over $11,800,000 less than for the year 1929, which tremendous loss would have been saved had there been a tax or a tariff of $1.03 per barrel on crude oil, thereby placing domestic oil on a competitive basis with importations as shown by the latest report of the Tariff Commission; and

Whereas the rentals and annual royalty income have been reduced millions of dollars yearly, which increasing loss continues to add to already unbearable burdens; and

Whereas the schools of Wyoming have suffered severely in the loss of nearly $125,000 in gross oil royalty receipts in the single year of 1932, compared with the gross royalties received in 1929; and

Whereas not only have our royalty owners and the schools sustained severe losses, but also banking, transportation, manufacturing, industry, utility, and every type and character of business have been adversely affected by the distressed condition of the oil industry and by the great loss in purchasing power due to the taking of our domestic markets by the importation of cheap foreign oil; and

Whereas the general unemployment situation has been very greatly aggravated by the thousands of oil-field workers, geologists, land men, lease men, scouts, and office employees forced out of employment, and by the thousands now unemployed, but formerly employed by businesses dependent on the oil industry, the third largest industry in the Nation: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring therein), That the Congress of the United States be, and it is hereby, memorialized to give relief to the distressed oil industry, and thereby to the Nation generally, by immediately levying an adequate tax or tariff upon imported petroleum and its refined products that will enable our domestic-oil industry to meet importations of foreign oil and its refined products on a competitive basis as shown by the report of the Tariff Commission; be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, and to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States, and to each of the United States Senators and Congressman representing the State of Wyoming.

OSCAR BECK,
President of the Senate.
WM. M. JACK,
Speaker of the House.

Approved, 3:34 p.m. December 27, 1933.

LESLIE A. MILLER, *Governor.*

THE STATE OF WYOMING,
OFFICE OF THE SECRETARY OF STATE.

UNITED STATES OF AMERICA,
State of Wyoming, ss:

I, A. M. Clark, secretary of state of the State of Wyoming, do hereby certify that the annexed is a full, true, and correct copy of enrolled Joint Memorial No. 3, senate, of the special session of the Twenty-second Legislature of the State of Wyoming, being original Senate Joint Memorial No. 3, approved by the Governor on December 27, 1933, at 3:38 p.m.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Wyoming.

Done at Cheyenne, the capital, this 5th day of January, A.D. 1934.

[SEAL]

A. M. CLARK, *Secretary of State.*
By C. J. ROGERS, *Deputy.*

Enrolled Joint Memorial 3, memorializing the United States Veterans' Administration and the Hospitalization Committee to provide facilities for the care and treatment of Wyoming veterans and others in need of hospitalization by the opening of the Veterans' Administration facility at Cheyenne, Wyo.

Whereas the Federal Government has expended $1,250,000 in the construction, erection, and furnishing of a Veterans' Adminis-

tration facility for the care and treatment of the veterans of the State of Wyoming and adjacent territory; and

Whereas such institution is now completed, equipped, and ready for occupancy, and is equipped to accommodate 106 bed patients; and

Whereas large numbers of veterans in each county in the State are in need of hospital care and treatment, the exact number of which cannot be estimated at this time, as such veterans are required to apply directly to other Government hospitals for treatment, and are obliged to travel great distances to receive the same, and in many instances are obliged to wait for indefinite periods of time before accommodations are available therefor: Now, therefore, be it

Resolved by the Senate of the Twenty-second Legislature of the State of Wyoming in special session assembled (the house of representatives concurring). That the United States Veterans' Administration and the Veterans' Hospitalization Committee be, and they are hereby petitioned and memorialized to open the hospital situated at Cheyenne, Wyo., at the earliest possible date, so as to provide facilities for the care and treatment of the veterans of this State and surrounding territory who are in need of such hospitalization and entitled to such treatment under existing laws; be it further

Resolved, That certified copies of this memorial be forwarded to the Honorable Frank T. Hines, Director of the United States Veterans' Administration and Chairman of the Veterans' Hospitalization Committee, in Washington, D.C., and to the Wyoming delegation in Congress.

OSCAR BECK,
President of the Senate.
WM. M. JACK,
Speaker of the House.

Approved 3:38 p.m. December 27, 1933.

LESLIE A. MILLER, *Governor.*

Mr. BARBOUR presented a resolution adopted by the United Women's Republican Clubs of Monmouth County, N.J., favoring the declaration of an embargo on arms by the United States, which was referred to the Committee on Finance.

He also presented a resolution adopted by the United Women's Republican Clubs of Monmouth County, N.J., favoring the ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

FOUR-POINT PROGRAM OF AMERICAN LEGION

Mr. WALSH. Mr. President, I present for notation in the CONGRESSIONAL RECORD and appropriate reference petitions endorsing the American Legion's so-called "four-point program" regarding veterans' legislation.

My petitions are from the New Bedford Post of the Disabled American Veterans of the World War; the Adams (Mass.) Post, No. 160, American Legion Auxiliary; and the following American Legion posts, all in the State of Massachusetts: Adams Post, No. 160; Bunker Hill Post, No. 26, Charlestown; Charles C. Kennedy Post, No. 275, Chicopee Falls; Ipswich Post, No. 80; Lynn Post, No. 6; Lynnfield Center Post, No. 131; Herbert F. Akroyd Post, No. 132, Marlborough; North Attleboro Post, No. 49; Alberton W. Vinal Post, No. 313, North Chalmsford; Orleans Post, No. 308; Plymouth Post, No. 40; Reading Post, No. 62; Springfield Post, No. 21; Tenth District Council, Massachusetts, Rockland; Worcester County Council, Uxbridge; Charles H. Alward Post, No. 133, Wayland; Wellesley Post, No. 72, Wellesley; and West Springfield Post, No. 207.

In addition, I have received a number of letters from veterans themselves endorsing the program. I ask that one of the letters and a telegram may be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, the petitions will be received and referred to the Committee on Appropriations, and permission is granted to print the matter referred to in the RECORD.

The telegram and letter were referred to the Committee on Appropriations and are as follows:

[Telegram]

BOSTON, MASS., *January 22, 1934.*

Senator DAVID I. WALSH,
Washington, D.C.:
Please give the Legion four-point program your earnest support.
JOHN B. WARREN.

WELLESLEY POST NO. 72, THE AMERICAN LEGION,
Wellesley, Mass., January 12, 1934.

Hon. DAVID I. WALSH,
Washington, D.C.

DEAR SIR: The Wellesley Post No. 72, American Legion, heartily endorses the four-point Legion program, and respectfully requests your cooperation in enacting this legislation.

Yours very truly,

RAY A. TYLER, *Adjutant.*

REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 1405) for the relief of John Z. Lowe, reported it without amendment and submitted a report (No. 203) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 1632) providing for the recognition and enrollment as Cheraw Indians of certain Indians in the State of North Carolina, reported it with amendments and submitted a report (No. 204) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

A bill (S. 2473) granting jurisdiction to the Court of Claims to hear the case of David A. Wright; to the Committee on Claims.

A bill (S. 2474) granting a pension to Mary E. Ferris; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2475) forbidding the payment of ransom or reward in kidnaping cases; to the Committee on the Judiciary.

A bill (S. 2476) to increase the efficiency of the Veterinary Corps of the Regular Army; to the Committee on Military Affairs.

By Mr. GOLDSBOROUGH:

A bill (S. 2477) to amend paragraph (1) of section 3, as amended February 28, 1920, and March 4, 1927 (U.S.C., title 49, sec. 3), of the Interstate Commerce Act (U.S.C., title 49, ch. 1); to the Committee on Interstate Commerce.

By Mr. WALSH:

A bill (S. 2478) for the relief of M. Grace Murphy; to the Committee on Claims.

A bill (S. 2479) for the relief of James C. McCormick; to the Committee on Finance.

A bill (S. 2480) for the relief of Frank P. Hoyt; and

A bill (S. 2481) for the relief of Thomas J. McDonald; to the Committee on Military Affairs.

A bill (S. 2482) for the relief of Carl John Johnson;

A bill (S. 2483) for the relief of Francis Benedict Skiffington; and

A bill (S. 2484) authorizing the appointment and retirement of Francis Joseph Thomas as an ensign in the United States Navy; to the Committee on Naval Affairs.

By Mr. McGILL:

A bill (S. 2485) for the relief of Mrs. Henry V. Faris; to the Committee on Claims.

A bill (S. 2486) for the relief of Frederick H. Pollman; to the Committee on Military Affairs.

By Mr. WHEELER:

A joint resolution (S.J.Res. 75) making funds available for grasshopper control; to the Committee on Appropriations.

By Mr. McCARRAN:

A joint resolution (S.J.Res. 76) to amend section 7 of article I of the Constitution of the United States; to the Committee on the Judiciary.

MARION K. GRIGGS

Mr. McADOO submitted the following resolution (S.Res. 153), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Marion K. Griggs, widow of Walter H. Griggs, late a member of the Capitol Police under supervision of the Sergeant at Arms, a

sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

DISCRIMINATION AGAINST MINORITY GROUPS IN GERMANY

Mr. TYDINGS submitted the following resolution (S.Res. 154), which was referred to the Committee on Foreign Relations:

Whereas the present Government of the German Reich has deprived certain groups of its citizens of many of their civil and political rights and has imposed upon them restrictions, pains, and penalties harsh and severe in nature; and

Whereas among the groups so discriminated against by said Government are approximately 600,000 Jewish citizens of the Reich and the great number of Christians of partly or wholly Jewish descent; and

Whereas it is manifest that, as regards the Jewish citizens of the Reich and such Christians of Jewish descent, the actual causes for the discriminations against them are their religious beliefs or professions and their racial origin, neither of which is a ground reasonably affecting their rights and privileges as citizens of a modern State; and

Whereas on many historic occasions, beginning in the year 1840 and continuing down to the year 1919, intercessions have been made by the United States on behalf of citizens of States other than the United States oppressed or persecuted by their own governments or peoples, including nine separate occasions on behalf of Jews in foreign states, indicating that for nearly 100 years the traditional policy of the United States has been to take cognizance of such invasions of human rights; and

Whereas the German Reich stands pledged to the United States to accord to its "nationals who belong to racial, religious, or linguistic minorities" * * * "the same treatment and security in law and in fact as the other nationals": Now, therefore, be it

Resolved, That the Senate of the United States express its profound feelings of surprise and pain, as representatives of the people of the United States, upon learning of the discriminations and oppression imposed by the Reich upon its minority groups, including its Jewish citizens; and be it further

Resolved, That the Senate of the United States express its earnest hope that the German Reich will speedily alter its policy. restore to its minority groups the civil and political rights of which they have been recently deprived, and undo, so far as may be, the wrongs that have been done them.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY—EDITORIAL FROM THE GAELIC AMERICAN

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD and to lie on the table an editorial appearing in the Gaelic American for January 20, 1934, entitled "Defeat St. Lawrence Seaway Treaty."

There being no objection, the editorial was ordered to lie on the table and to be printed in the RECORD, as follows:

DEFEAT ST. LAWRENCE SEAWAY TREATY

The St. Lawrence Seaway Treaty, in spite of President Roosevelt's deserved popularity, will probably not be ratified by the United States Senate. The waterway project is, to a certain extent, in the line of progress, but it must be considered that it will be controlled by Canada where the St. Lawrence empties itself into the sea. At any moment, if any crisis should arise between the two countries, the canal could be closed to American shipping.

Under these circumstances it is no wonder that American statesmen are unwilling to expend a fabulous sum of money on a project which cannot be controlled by Uncle Sam. Besides diverting traffic from our Atlantic ports, the proposed waterway would internationalize Lake Michigan, which is wholly in United States territory.

Undoubtedly the proposed canal would boost Montreal and other Canadian cities at the expense of New York, Boston, and other Atlantic ports. New York would be the heaviest loser as the traffic of the Midwestern States would be diverted via Canada. The project would only benefit Canada primarily, and it is doubtful if it would, to any great extent, be advantageous to the farming communities of the Midwestern States. Any project that is bound to divert traffic from New York, Boston, Philadelphia, and many other Atlantic ports, is of very doubtful benefit to the American people.

If the United States and Canada were under one government, the St. Lawrence Canal would not be so objectionable. Until such time as Canada becomes an integral part of the United States the St. Lawrence waterway scheme should be postponed. There seems no sense in giving a political and trade rival advantages which exclusively belong to the United States. Undoubtedly a St. Lawrence waterway would injure many American vital interests and take away from the importance of the great city of New York. No national government should be a party to an arrangement which would enrich Canada at the expense of the United States. There are alternate routes from the Middle West to the sea, and they should be utilized in preference to a foreign-controlled canal. The route also hits railway traffic, and when it is considered that the railways are practically the blood arteries of the country, nothing should be done at the expense of the taxpayers to reduce them to a haphazard existence. When it is considered that the railways absorb tens of thousands of employees and that widows, orphans, and charitable institutions are dependent on the dividends from railway investments, nothing should be done to decrease the earning capacity of this great American institution.

The St. Lawrence Canal scheme should not be made a party question. Senators, regardless of party, should vote on the project from national, not party motives. It must not be forgotten in this connection that foreign trade is decreasing and that it is bound to decrease still further in the near future. Foreign countries, that once got large supplies of food and raw material from the United States, are now producing food enough to supply their own wants. Canada has practically a monopoly of the English market in grain and other foodstuffs. For the future the countries of the world will be more self-contained and will turn more to the cultivation of the soil and the rearing of cattle, sheep, and pigs. Exports, except certain manufactured articles, are bound to decrease more and more every year. Should the St. Lawrence Canal be dug there is more than a probability that it would turn out to be a white elephant.

The United States Senate in the past killed many treaties, which were regarded as alliances with foreign countries. Such a treaty was the League of Nations, sponsored by Woodrow Wilson, who had a strong leaning toward internationalism. The present Senate may add to its prestige by refusing to ratify a treaty which involves a fabulous sum of money which could be expended to better advantage in some all-American enterprise. The St. Lawrence Seaway Treaty is a good treaty to reject.

THE N.R.A. AND PUBLIC UTILITIES

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in today's edition of the Washington Herald, entitled "Utilities Use N.R.A. Club Over Public Plants."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, Jan. 24, 1934]

UTILITIES USE N.R.A. CLUB OVER PUBLIC PLANTS—POPULAR GOVERNMENT LEAGUE SCORES INCLUSION OF CIVIC UNITS UNDER PROPOSED CODE

The Power Trust was charged yesterday with fomenting, under cover of an N.R.A. blue-eagle banner, a war of extermination against publicly owned electric plants.

The National Popular Government League, which made the charge in a bulletin to its membership, denounced the plan of N.R.A. and the Trust to make the public plants voluntary subscribers to the pending power-industry code.

WOULD END YARDSTICK

Inclusion of these plants would put them at the mercy of power-trust forces which are persistently debauching city elections on the public ownership of utilities issue, the league charged.

It would thus smash the yardsticks President Roosevelt is setting up to measure and regulate electric rates.

Reform claims of the trust, whose agents would have 9 memberships on the code-enforcement authority out of a total of 12, were ridiculed by the league. Its bulletin said:

"The National Electric Light Association changed its clothes and forgot to take a bath.

"We have reason to believe that if given the powers asked for in this code the utility executives would continue their warfare against public plants clothed with the sanction and authority of the United States Government.

"VOTES INFLUENCED

"Practically every municipal election for a public power plant over the Nation in 1933 has been debauched by the power companies exactly as under the National Electric Light Association."

Secretary of Interior Ickes, the Federal Power Commission, and some Senators are fighting the code as projected. Another opponent of the plan for inclusion of public plants likened it to "asking a lamb to join an organization of 10 wolves."

UNITED STATES MONETARY SYSTEM

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of House bill 6976.

The motion was agreed to, and the Senate proceeded to consider the bill (H.R. 6976) to protect the currency system of the United States, to provide for a better use of the monetary gold stock of the United States, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Bulkley
Ashurst	Bankhead	Bone	Bulow
Austin	Barbour	Borah	Byrd
Bachman	Barkley	Brown	Byrnes

Capper	Gibson	McAdoo	Schall
Caraway	Glass	McCarran	Sheppard
Carey	Goldsborough	McGill	Shipstead
Clark	Gore	McKellar	Smith
Connally	Hale	McNary	Steiwer
Coolidge	Harrison	Murphy	Stephens
Costigan	Hastings	Neely	Thomas, Utah
Couzens	Hatch	Norris	Thompson
Cutting	Hatfield	Nye	Townsend
Davis	Hayden	O'Mahoney	Trammell
Dickinson	Hebert	Overton	Tydings
Dieterich	Johnson	Patterson	Vandenberg
Dill	Kean	Pittman	Van Nuys
Duffy	Keyes	Pope	Walcott
Erickson	King	Reed	Walsh
Fess	La Follette	Reynolds	Wheeler
Fletcher	Lewis	Robinson, Ark.	White
Frazier	Logan	Robinson, Ind.	
George	Lonergan	Russell	

Mr. HEBERT. I desire to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate. I ask that this announcement may stand for the day.

Mr. LEWIS. I announce the absence of the Senator from Oklahoma [Mr. THOMAS] because of illness. I desire also to announce that the senior Senator from New York [Mr. COPELAND], the junior Senator from New York [Mr. WAGNER], and the Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

Mr. BORAH. Mr. President, may I ask the Senator from Florida a question?

Mr. FLETCHER. Certainly.

Mr. BORAH. Does the Senator propose to go forward with the bill today?

Mr. FLETCHER. Yes; it is now before the Senate——

Mr. BORAH. I know it is now before the Senate.

Mr. FLETCHER. And I should like to go right on with it, if we can.

Mr. BORAH. Mr. President, the hearings upon this bill came to the Members of the Senate late yesterday afternoon, and this morning is the first opportunity I have had to familiarize myself with the hearings. I shall not interpose an objection, but I will ask the Senator to consider the fact that we have had no opportunity whatever to consider this bill as it is now amended, and we have had no opportunity to read the hearings. If the members of the committee desire to go forward for a day or two with the bill while other Senators can familiarize themselves with it, possibly we can get along.

Mr. FLETCHER. The hearings were printed from day to day so far as we could have them printed. The bill has been under consideration in the Senate Banking and Currency Committee for over a week, and the hearings have been available day after day, but, of course, they were not completed until the last day, and were not all printed and available until late yesterday. I think we can refer to the hearings as we go along in the debate, and I think we can get along very well under conditions as they are.

Mr. BORAH. If it is the Senator's purpose to go ahead, very well.

Mr. FLETCHER. The bill, I know, proposes very important legislation, and we want to consider it thoroughly, but it is highly desirable to speed it as much as we can.

Mr. BORAH. May I ask is there a report accompanying the bill?

Mr. FLETCHER. Yes; the report accompanying the bill is on the desks of Senators.

Mr. President, I will state that the Senate Committee on Banking and Currency have had the bill under consideration and we have been holding constant hearings on it for more than a week. Those hearings are now available in printed form. Of course they have not been printed very long, because we have just concluded the hearings.

This is a very important measure and it is desirable that it be acted upon as soon as the Senate can reasonably do so. I do not mean to cut anybody off from any discussion or from offering any amendments in any way, but it is important in the public interest that we proceed with the consideration of the bill. The committee adopted certain amendments to the bill, which appear in the printed form now on the desks of Senators. Those amendments we will take up as we come to them.

Mr. President, at this juncture I ask unanimous consent that the formal reading of the bill may be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The PRESIDING OFFICER (Mr. LOGAN in the chair). Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

Mr. FLETCHER. The substantial amendments are indicated in the printed copy of the bill. The first amendment is found on page 2, beginning in line 15. The House provision refers to section 16 of the Federal Reserve Act, and proposes to amend it by striking out, for instance, the word "gold" where it appears in the last sentence in the first paragraph of said section and inserting in lieu thereof the words "lawful money." Then it proceeds to change some 8 or 9 or 10 paragraphs in the Federal Reserve Act in the same manner. The Senate committee, in its amendments, proposes to insert in lieu of that provision the amendment appearing on page 3, beginning in line 18, which simply expands this provision and makes clear and plain just what we are doing. Instead of saying that in certain paragraphs of the Federal Reserve Act we will strike out a certain word and insert some other word, and so on through the different paragraphs, we provide that "the third sentence of the first paragraph as amended shall read as follows", and we then set forth the phraseology covering the specific provision in extenso; that is to say, instead of amending a certain paragraph by striking out a certain word and inserting certain other words, or removing a comma, or something like that, we propose to indicate the change in the paragraph so as to have it "read as follows", so that one having the bill before him need not be under the necessity of referring to the original act while reading the bill in order to ascertain definitely what change is made.

The Senate committee amendment simply clarifies the provision in the House bill and extends it by setting forth in the bill itself the entire effect of the change which is made. There is no difference in principle between the House provision and the Senate provision. The Senate provision gives the paragraph complete as amended. I think there will be no difference of opinion about this amendment. It conforms to the House text in principle and substance, but it elaborates and clarifies and expands the House text so as to put into the bill the full effect of the desired change. I think we can all agree that that is the better method.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Nebraska?

Mr. FLETCHER. I yield.

Mr. NORRIS. In order to make it perfectly clear, I want to ask the Senator if there is any difference in meaning or in legal effect between the House bill and the Senate committee amendment in that respect?

Mr. FLETCHER. None at all. They are the same. The Senate committee amendment simply elaborates the proposal so as to show exactly what is the effect of the intended change. It sets out the language as it will read when the amendment is adopted. I think there can be no difference of opinion about agreeing to that amendment. There is no doubt that it embodies an improvement in the phraseology.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Florida if the committee were unanimous in respect to this amendment.

Mr. FLETCHER. Yes; we were.

Mr. GLASS. Mr. President, because of the confusion in the Chamber and the audible conversation, I have been unable to follow the Senator from Florida in his statement. I am not even sure of the amendment he is now discussing.

Mr. FLETCHER. I am inviting attention of the Senate to the amendment on page 2. The House provision refers to different paragraphs in section 16 of the Federal Reserve Act and amends those paragraphs. The Senate committee

sets out the full effect of the amended provision. We provide that the paragraph as amended "shall read as follows", and then set out in extenso the paragraph as amended. I think there can be no objection to agreeing to that amendment.

Passing to the next amendment, which appears on page 14 of the bill, we find section 10 (a), which is changed by creating a board called the foreign-exchange board for the purpose of administering the stabilization fund thereinafter provided for. That board is proposed to be substituted for the Secretary of the Treasury. Under the terms of the bill as it came to the Senate, the Secretary of the Treasury was to administer the stabilization fund. The amendment would create a board of five members, and its members are named as the Secretary of the Treasury, the Governor of the Federal Reserve Board, the Comptroller of the Currency, and two others to be appointed by the President, by and with the advice and consent of the Senate.

There will be, of course, differences of opinion with regard to that provision. It is a very important and vital amendment. The committee, by a vote of 12 to 8, as I remember, inserted this amendment. All members of the committee reserved the right to vote on the floor of the Senate as they please and to take such position with reference to the amendment as they may determine for themselves.

The main point is whether we shall have the stabilization fund administered by the Secretary of the Treasury or whether we shall set up a board of five members to administer the fund. I need not dwell upon that at length now, because it will call for discussion later on when we reach the amendment. I may mention the views of some to the effect that it will be very difficult and confusing and unsatisfactory to have a board handle this fund. Senators know the nature of the fund. It is a confidential fund and must be handled very carefully.

There are various reasons why it should not be under the control of any group of men particularly. It is very desirable that it should be under the control and in the hands of those who know the necessity for using it. It will have to be used promptly, if at all. This proposed amendment will bring about a difference of opinion, no doubt. The provision as originally written put a large responsibility on the Secretary of the Treasury, but somebody has to be charged with that responsibility. It is important that the fund be administered by someone who will know how to handle it and be able to handle it expeditiously when it is needed to be handled. It is not desirable that it should be administered in such a way that the operations of the fund might become public or information reach outsiders.

However, I am simply stating the point that the fund is to be administered either by the Secretary of the Treasury or placed in the hands of a board of five members. There ought to be one unified source of authority, it seems to me.

Mr. McKELLAR. Mr. President, may I ask if the committee were unanimous with reference to the amendment?

Mr. FLETCHER. As I remember the vote, it was 12 to 8 in favor of the amendment.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question? I do not know whether he would care to answer it or not. Has the Senator himself formed an opinion as to the practicability of five men, constituted as this amendment proposes the board shall be constituted, performing the functions which would devolve upon them under the statute?

Mr. FLETCHER. My own opinion about the matter is that it would be undesirable to have such a board. We have had a good many experiences with boards of 5 members or 7 members, as the case may be; and we have generally found great differences of view and conflict and delays and all that sort of thing happening when a board acts on matters where one person really ought to act. I think it is desirable that that amendment should be rejected, and that the Secretary of the Treasury should have the authority to handle this stabilization fund.

Mr. NORRIS. Mr. President——

Mr. FLETCHER. I yield to the Senator from Nebraska.

Mr. NORRIS. Assuming that we should adopt that amendment, would there be any confliction then? I notice that at the bottom of page 13 there is the following proviso——

Mr. ROBINSON of Arkansas. Of which bill—the House bill?

Mr. NORRIS. The House bill. That is the only bill we have before us, I think.

Mr. FLETCHER. Yes.

Mr. NORRIS. The proviso is as follows:

> That the Secretary of the Treasury may sell the gold which is required to be maintained as a reserve or as security for currency issued by the United States, only to the extent necessary to maintain such currency at a parity with the gold dollar.

Will that provision conflict with the duty that is imposed on the board in the next section?

Mr. FLETCHER. It is very likely that there would be some conflict there. There might be.

Mr. NORRIS. If this fund is in the control of this board, I should think there would necessarily have to be a provision amending the proviso I have just read, if I understand the matter. In other words, if the board only can handle this fund, would it not conflict with the duty that would be imposed on the Secretary of the Treasury by that proviso to handle it?

Mr. FLETCHER. This particular fund is what is known as "the stabilization fund." This board, if constituted, is supposed to handle that fund alone. That would not necessarily be in conflict with the other provision, I think, respecting the amendment of section 3699 of the Revised Statutes. There is always, however, danger of some conflict between interests, especially when we have five members of a board to deal with. For instance, it was intimated in our hearings that there would be some possible conflict between the Treasury and the Federal Reserve Board and the Federal Reserve banks, and that sort of thing—the whole Federal Reserve System. The governor of the Federal Reserve Board would be on this board, and it is possible that there would be conflicting interests there as to the operation of the Federal Reserve System and the operation of the Treasury. So it seems to me wiser not to incur that sort of danger.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. I yield.

Mr. VANDENBERG. In a matter of this magnitude and this paramount importance, might it not occasionally be useful if there were conflict in respect to these decisions, so that we might know they were vigilantly under supervision?

Mr. FLETCHER. It might not be particularly harmful one way or the other, but that is one thing that was pointed out in our hearings. The suggestion was made by more than one person that there might possibly be some conflict between the Federal Reserve System and the Treasury growing out of this legislation.

The next amendment refers to the same question—that is, the amendment on line 13, to insert the word "sole", so that it would read:

> For the sole purpose of stabilizing the exchange value of the dollar in relation to the currencies of foreign governments, the Board * * * is authorized—

And so forth. That, of course, is in line with the preceding amendment. If this board is established, this amendment perhaps would be in order; but my own opinion is that there is no occasion for it, and that it would be inadvisable and harmful to insert the word "sole" in line 13.

Then section 10 (a) is amended in other respects so as to conform to the provision with reference to a board. Instead of saying "the Secretary of the Treasury" all the way through, as the original bill did, if a board should be established it would be necessary to change other provisions of the bill so as to provide for the board doing this, that, or the other, instead of the Secretary of the Treasury.

Those are amendments that would be in order only in case the Senate adopts the first amendment to section 10, which I submit ought not to be done.

The amendment at the top of page 16 provides that—

All the powers conferred by this section shall expire 2 years after the date of enactment of this act, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated; but the President may extend such period for not more than 1 additional year after such date by proclamation recognizing the continuance of such emergency.

That is not a vital amendment, it seems to me, and so far as I am concerned I do not make any opposition to it. I think perhaps it would be worth while to accept that amendment if it is insisted on. While perhaps it would be just as well not to amend the bill in that way, I make no great contest about that amendment. I do not consider it very vital. In other words, it limits the time of operation of this stabilization fund to 2 years unless sooner determined by the President, and then he may extend it by proclamation for another year.

The other amendment on page 16 is to the same effect, to limit the time within which the President may, if he decides to do so, to bring about the devaluation that is suggested. That amendment appears in line 22 on page 16—

Except that such powers shall expire 2 years after the date of enactment of the gold reserve act of 1934—

And so forth. Practically the same limitation is placed on this authorization as in the stabilization matter. I do not think that amendment is very vital. It is perhaps just as well not to have it, but at the same time I make no particular protest against it. I think it would not be harmful one way or the other. For that reason, as I say, if the Senate feels inclined to agree to that limitation, I shall make no objection to it.

On page 14, in line 22, there is an amendment. The Senate committee struck out the following provision in the House bill:

And a general report on the operation of the fund shall be made by the President to the Congress within the period beginning 90 days before and ending 90 days after the expiration of 3 years from the date of enactment of this act.

The Senate committee agreed to strike that provision out of the House bill; in other words, to limit the report on this stabilization fund to the President. The Secretary of the Treasury would report to the President, and would not necessarily make a general report to Congress of the operations of the fund. Of course, if Congress wants to get the report from the President, it may do so at any time. There are plenty of means whereby Congress can be informed with regard to the operation of this fund without the Secretary of the Treasury making a public report to the Congress, as required by that provision. In other words, the report will be made to the President, and we think it ought to end there.

So the committee, I think without any dissent at all, voted to strike that provision out of the House bill, and leave it to read:

An annual audit of such fund shall be made and a report thereof submitted to the President.

Those are the substantial amendments to the bill.

Referring now to the bill generally, its provisions may be summarized as follows:

It transfers to the United States the ownership and possession of all Federal Reserve bank gold, including that held by the Federal Reserve Board and Federal Reserve agents, and provides for payment therefor in gold certificates.

It authorizes the Federal Reserve banks to maintain reserves against Federal Reserve notes entirely in gold certificates.

It clarifies the Government's power to regulate the acquisition, transporting, melting or treating, import, export, or earmarking of gold.

It provides forfeiture of gold withheld, acquired, transported, melted or treated, imported, exported, or earmarked in violation of this bill or regulations of the Secretary of the Treasury, and also a penalty equal to twice the value of the gold.

The bill provides that no gold shall hereafter be coined, and that no gold coin shall hereafter be paid out or delivered by the United States, and that all gold coin of the United States shall be withdrawn from circulation and formed into bars. There is provision for releasing gold bars to pay foreign balances, and for industrial, professional and artistic uses, and for other purposes not inconsistent with this bill.

The bill provides that no currency of the United States shall be redeemed in gold except to the extent permitted in regulations issued by the Secretary of the Treasury with the approval of the President, but that gold certificates owned by Federal Reserve banks shall be redeemed at such times and in such amounts as in the judgment of the Secretary of the Treasury are necessary to maintain equal purchasing power of every kind of currency of the United States and that the reserve for United States notes and for Treasury notes of 1890 and the security for gold certificates shall be maintained in gold bullion equal to the dollar amounts required by present law.

It establishes a method of accounting for the gain or loss in value of Treasury gold occasioned by any change in the weight of the gold dollar.

It clarifies present laws which authorize the purchase and sale of gold by the Secretary of the Treasury.

It establishes a stabilization fund and appropriates $2,000,000,000 for the purpose, but only out of the profits on devaluation, which are directed to be covered into the Treasury under this bill.

It limits the President's power to fix the weight of the gold dollar to weights between 50 and 60 percent of the present weight and makes it clear that his various powers under paragraph (b) (2) of the Thomas amendment are continuing and distinct.

It approves and confirms action taken by the President and the Secretary of the Treasury under the act of March 9, 1933, and sections 43 and 45 of the act of May 12, 1933.

Those are the principal features of the measure, and referring to those, and the amendments which have been mentioned, I submit the measure to the Senate.

Mr. NORRIS. Mr. President, from the Senator's remarks I got the idea that the amount held as security, for instance, for what are ordinarily known as "greenbacks", $150,000,000 in gold, it is to remain intact as it is now. Or will it be $150,000,000 worth of gold with the value of the dollar reduced?

Mr. FLETCHER. I do not quite understand.

Mr. NORRIS. Under the present law $150,000,000 is held in the Treasury as security for the so-called "greenbacks."

Mr. FLETCHER. Yes.

Mr. NORRIS. Will that $150,000,000 remain as it is now, with the gold content of the dollar as it is, or will it be the new gold dollar? The Senator used an expression to the effect that that would remain as it is now; and if so, I was wondering why it should remain as it is now.

Mr. FLETCHER. Mr. President, I think this provision, on page 11 of the bill, covers the point which the Senator raises:

And provided further, That the reserve for United States notes and for Treasury notes of 1890, and the security for gold certificates (including the gold certificates held in the Treasury for credits payable therein) shall be maintained in gold bullion equal to the dollar amounts required by law, and the reserve for Federal Reserve notes shall be maintained in gold certificates, or in credits payable in gold certificates maintained with the Treasurer of the United States under section 16 of the Federal Reserve Act, as heretofore and by this act amended.

Mr. NORRIS. That makes it plain.

Mr. GLASS. Mr. President, does it exactly make it plain to the Senator from Nebraska? The $150,000,000 in the Treasury now is there not only as security for outstanding notes but the outstanding notes are redeemable in gold. Under this bill nothing is redeemable in gold.

Mr. BORAH. Mr. President, if I may ask the Senator from Virginia a question, does the Senator regard this measure as an inflationary measure?

Mr. GLASS. In a large sense it is an extremely inflationary measure. If the Senator will look at the hearings of the 22d, he will note that even the President's spokesman, Mr. Rogers, said that under it we might have inflation to the extent of 17½ billion dollars.

Mr. BORAH. I have just been reading in the last 10 minutes from Dr. Rogers' statement and what he says interested me.

Mr. GLASS. If the Senator will examine further, he will note that Mr. Owen D. Young, who gave, I think all members of the committee will agree, at least one of the most enlightening statements we heard, figured it out that under the bill as it is drawn the Secretary of the Treasury alone might inflate the currency to the extent of between 32 billion and 40 billion dollars.

Mr. BORAH. And the Secretary of the Treasury might not inflate it a dollar. That is the trouble.

Mr. GLASS. Yes; he may not inflate it a dollar.

Mr. BORAH. That is precisely where we left it last spring. We, as a Congress, have a responsibility in this matter and should meet it by doing our plain duty under the Constitution.

Mr. GLASS. If he should use the stabilization fund solely for foreign-exchange purposes, as the bill coming to us purported to provide, he would not inflate.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. I am sure the Senator from Virginia does not intend to misquote Mr. Young. I think what Mr. Young said was that there was a possibility of an expansion of reserve credit, which is quite different from an expansion of the currency, to the amount to which he referred. Nobody claims that under this bill there could be any such inflation of the currency as is suggested.

Mr. GLASS. I understood the question of the Senator from Idaho to be whether there would be inflation under the bill. There is no material difference between inflation of credit and inflation of the currency.

Mr. BORAH. Mr. President, may I ask the Senator from Kentucky this: Does the Senator from Kentucky agree with the construction of the bill placed upon it by Professor Rogers?

Mr. BARKLEY. In the main I do. What Professor Rogers was referring to was the ultimate maximum possibility of an expansion of credit facilities and reserves in the Federal Reserve banks by reason of the transactions which would be possible under the use of this stabilization fund by the Secretary of the Treasury. In other words, the economists figure out, by some rule of mathematics, that if the Government should use $2,000,000,000 in the purchase of foreign exchange, bills of acceptance or gold, to the extent permitted, and that should find its way into the Federal Reserve banks, based upon that there could be an expansion of what they call reserve credit, depending, of course, upon the rapidity with which it is turned over, and depending upon the demands of business, all of which, of course, relates itself to the velocity with which business recovery is brought about in the United States, and the velocity with which we engage in foreign transactions in an effort to stabilize the dollar in foreign exchange.

Mr. BORAH. Does the Senator believe that this bill will give rise to an inflation of the currency?

Mr. BARKLEY. Not necessarily; and I do not think there is anything in the bill, of itself, which tends toward an inflation of the currency, for this reason: There is nothing in the bill which changes the functions of the Federal Reserve banks in the issue of currency. There is nothing in the bill which in any way deals with the ordinary currency of the country, except to make a change in its redeemability in gold to some extent. Under the present law the Federal Reserve banks can issue Federal Reserve notes and Federal Reserve bank notes based upon acceptable assets, for which there must be a 40 percent gold reserve, as the Senator knows. That may be in gold bullion or it may be in gold certificates. As a matter of fact, at this time the Federal Reserve banks hold about $900,000,000 of gold certificates which are used in lieu of gold as a coverage for the Federal Reserve notes and Federal Reserve bank notes which are now in circulation.

The only difference this measure makes in that is that they may issue their entire circulating medium in the form of Federal Reserve bank notes and Federal Reserve notes, based upon gold certificates in lieu of gold, after the title and possession of the gold is transferred from the banks to the Treasury; but there is not a line in the bill which authorizes the Federal Reserve banks to issue another dollar of currency which they cannot now issue.

Mr. GLASS. Mr. President, I am sure that upon reflection the Senator from Kentucky would want to revise that statement. The Secretary of the Treasury might so operate this $2,000,000,000 stabilization fund as to vastly increase the reserves of the Federal Reserve banks, and the volume of currency issued by the Federal Reserve banks is altogether based upon the reserves held by the Federal Reserve banks.

Mr. BARKLEY. Based upon the reserve of 40 percent gold, of course, and 60 percent commercial assets, as provided for in the original Federal Reserve Act. We must distinguish here between an inflation of the currency or an expansion of the currency, and an inflation or an expansion of credit. There is a very distinct difference, and, as a matter of fact, the Federal Reserve banks might expand their credit without the enactment of this measure at all, depending entirely upon whether business recovers or not.

Mr. BORAH. An expansion of credit would give rise to an expansion of credit currency, would it not?

Mr. BARKLEY. It might possibly do so in the sense that more acceptable assets would be in the possession of the Federal Reserve banks, but that might happen under any condition, without the passage of the proposed bill, if business were to revive or recover to any extent comparable with what it was 4 or 5 years ago. I am speaking about the actual creation of more money.

Mr. BORAH. What I am seeking to ascertain is, What is the object and purpose of the bill? Is it proposed to put a larger volume of currency in circulation or is it not?

Mr. BARKLEY. There are three or four objects. The Senator from Florida [Mr. FLETCHER] I thought had explained the principal objects of the bill. One of the objects of the bill, of course, is to put the title to all of the monetary gold in the United States in the Government of the United States.

Mr. BORAH. Let us stop there. What is the object and purpose of putting the title to this gold in the Treasury of the United States?

Mr. BARKLEY. Well, that is a long story also. [Laughter.]

Mr. BORAH. But it is the key purpose of the bill, is it not?

Mr. BARKLEY. In my view, we have approached, or we are rapidly approaching, the time when the Government of the United States ought to possess the title to the gold, which ultimately is the basis for our currency, whether we are actually on a gold standard or whether we are not; and that the time is rapidly approaching, if it has not already arrived, when there is not enough gold in the world to operate as the basis for all the circulating money that the world needs in the transaction of its business.

Mr. BORAH. That time has long since arrived.

Mr. BARKLEY. Yes; I agree with that statement. Therefore, in order to conserve the gold, to impound it as the nucleus of the circulating medium that we have so long expressed in terms of the gold-standard fetish, it should be in the possession of, and the title to it should be held by the United States, which I think will tend to regularity, which I think will tend to a greater confidence, and as the ultimate endorser and guarantor of all the money that is in circulation, the United States is entitled to the possession of and to the title to this gold.

Mr. BORAH. But if, as a matter of fact, there is not sufficient gold to redeem the currency of the country, what is

the difference whether it is in the hands of the Federal Government or in the hands of the Federal Reserve banks?

Mr. BARKLEY. I think one difference would be that it would be much more difficult to hoard it, to withdraw it, and to send it to foreign countries, if the Government of the United States had the title to it and the possession of it, in order to conserve it for the use of the people of this country.

Mr. BORAH. Well, yes. Mr. President, what I am seeking to ascertain is whether this is an inflationary measure or whether it is not. I can understand how it can put more money into banks, but will it put more money into circulation among the people? We have enough money in the banks now; how do you propose to get it out?

Mr. WALCOTT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. BORAH. I yield.

Mr. WALCOTT. As bearing on the question which the Senator from Idaho has just asked, permit me to quote exactly from the record Mr. Young's testimony, appearing on page 273 of part 3 of the hearings before the Committee on Banking and Currency of the Senate:

Mr. YOUNG. We are speaking about the expenditure of a gold profit which inevitably, when spent, increases the reserves of our banking system, unless it be spent to buy governments from the Federal Reserve bank. That is the only way this profit can be spent by the Treasury without increasing our bank reserves, namely, the purchase of governments from the Federal Reserve bank itself. Then the fund, which goes to the Federal Reserve bank, becomes inert and does not go in the credit market.

Then again:

Mr. YOUNG. If you spend $3,000,000,000—

And I am putting in the words "for instance", because that is not the exact amount, but an estimated amount—

in the purchase of governments other than from the Federal Reserve bank, you have increased excess reserves of the banks by $3,000,000,000, and provided a credit basis of 8 to 10 times that amount.

And again:

Mr. YOUNG. It is not the expansion of credit that we need. It is the use of credit which we need. We now have eight or nine billions of inert potential credit in our banking system and we cannot get it used.

Mr. BORAH. Mr. President, let us compare that with Dr. Rogers' who speaks more authoritatively, I presume, so far as the authors of the bill are concerned.

Mr. BARKLEY. What page?

Mr. BORAH. On page 251 of the hearings before the Committee on Banking and Currency. Dr. Rogers says:

Besides increasing the world's monetary gold stock, raising the price of gold exerts two major economic influences:

The first is, it depresses the dollar on the foreign-exchange markets of the world. That is what we have had so far.

And, too, it creates a profit the utilization of which constitutes a direct inflationary influence of first magnitude.

What does Dr. Rogers mean by that?

Mr. WALCOTT. I do not know.

Mr. BORAH. Unless the Government authorities go into the open market, as they have been doing when the gold belonged to the Federal Reserve banks, I do not know how they are going to create any inflationary effect at all.

Dr. Rogers further says:

From the second of these influences—that is, this gold profit which will be created when and if we get devaluation—the utilization of the gold profit, the stimulus is still held in reserve. From it much is to be anticipated once the profit is realized through the determination of at least the minimum limit of devaluation and is used. It has to be used before you are going to get the benefit from it.

And how used? How do they propose to use this profit which they make by reason of this devaluation to effectuate inflation of which Dr. Rogers speaks? Will some member of the committee answer? I am asking these questions for the reason that, as I said this morning, I only secured the committee hearings last evening and this morning.

Mr. BARKLEY. Mr. President, of course Dr. Rogers is assuming the ultimate maximum possibility of the use of this profit which is predicated upon the devaluation of the gold dollar. If we may assume that the Government were to take over $4,000,000,000 worth of gold at present prices and devalue the dollar to the extent of 50 percent, that would, of course, create $8,000,000,000 in gold of the new value, representing a $4,000,000,000 profit.

Two billion dollars of that is set aside as the stabilization fund, and that seems to be the fund that sticks in the craws of many people. I can appreciate the fact that if the Government took that $2,000,000,000 in profit and bought $2,000,000,000 worth of its own securities held by the Federal Reserve banks, taking that much of what they call reserve credit out of the banks, and canceling it by the payment of these $2,000,000,000 in bonds, it would be a swapping of Government credit for Federal Reserve bank credit, the result being a cancelation of $2,000,000,000 worth of public debt.

According to their theory that would not only not increase the reserve credit held by the Federal Reserve banks for the transaction of their business but it might even withdraw from them at least $2,000,000,000 worth of possible reserve credit, or at least the two transactions would cancel each other and there would be no increase in what they would call Federal Reserve credit. We have to keep in mind the distinction between that and actual currency.

I can also appreciate that if the Government uses the $2,000,000,000 to buy acceptances and foreign exchange that finally finds its way into the Federal Reserve banks—which it would, of course, in the ordinary transactions of international commerce and exchange—that there would be added that much of possible reserve credit which might be drawn upon in the future, in the velocity of business, of commercial transactions so as to multiply itself in possible reserve credit to the country.

But that does not necessarily result in any increase in actual money that is in circulation; that would depend upon the demands of business and the requirements of commerce, and the application by the Federal Reserve banks, through the Federal Reserve Board, for more money based upon the needs of the district which they represented.

Mr. GLASS. Mr. President, in other words, it was testified that the Federal Reserve banks do not need any greater credit facilities than they have. The reserves already held would enable the Federal Reserve banks and member banks to increase credits by $9,000,000,000. What the Senator from Kentucky means is that if these reserves were increased, as he has indicated, it would not necessarily mean an expansion of the currency, but it would enable the Federal Reserve banks not only to increase their credits to $9,000,000,000, to which they are able to increase them now, but according to Professor Rogers it would enable them to increase their credits $17,000,000,000, and according to Mr. Young it would enable them to increase their credits between $30,000,000,000 and $40,000,000,000.

Mr. BORAH. Does the Senator from Virginia believe that the result of the operation of the terms of this bill will give a rise to the price of commodities?

Mr. GLASS. Oh, certainly I do not. It may temporarily, just as the enactment last May of the emergency bill enabled the speculators to speculate in commodities and send the prices up, but the prices pretty soon came down.

Mr. TOWNSEND and Mr. GLASS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. BORAH. I yield first to the Senator from Delaware, and then I will be glad to yield to the Senator from Virginia.

Mr. TOWNSEND. I should like the read in this connection the following extract from the testimony of Professor Rogers:

Literally out of thin air does such a profit appear. Suddenly the Government finds itself in the possession of entirely new funds, which have come from no one and have to be returned to no one. Hence, their expenditure, just as that of newly created greenbacks, is in the first instance purely inflationary. In other words, entirely new purchasing power is added to that already in existence and is pitted against existing supplies of commodities and securities.

Mr. BORAH. Yes. I have some trouble about how to make money out of thin air. If you get this money you take it from somebody.

Mr. BARKLEY. Mr. President, of the course, if the Senator from Idaho will yield further, that is a result that cannot be avoided. If we are to devaluate the dollar, whether we devaluate it 10 percent or 6 percent, there is created out of "thin air" by legislative act or by the act of the Government additional purchasing power on the part of somebody. If the gold were left in the Federal Reserve banks and we devaluated it, and did not provide for the accrual of that profit to the Government, it would go to the Federal Reserve banks. It is bound to go to somebody; it is bound to go to anybody who has possession of the gold that we are devaluating, because if I have now a thousand dollars' worth of gold, according to its present valuation as bullion, and we devalue to the extent of 50 percent, I will have 2,000 of gold dollars that we have devaluated. Of course, that profit is going to somebody.

The Federal Reserve banks unanimously agreed that it should go to the Government; and all the testimony before the committee—and I will say that, so far as the public testimony was concerned, outside of that of Professor Rogers and Professor Warren, it was all brought to the committee largely upon the suggestion of those who either oppose the proposed legislation altogether or who desire to amend it, whereas the proponents of the bill desired to get the bill out on the floor here and did not undertake or desire to delay its consideration in the committee by bringing a lot of witnesses to Washington—but even those who opposed the bill, including Mr. Owen D. Young, for whose views I have so great respect that I sometimes think I must be wrong when I am in disagreement with him, admitted that the profit growing out of the devaluation ought not to be given to the banks; that it did not result from any activity of theirs but that it ought to go to the Government. Governor Black, of the Federal Reserve System, and all the men connected with the Federal Reserve System, and everybody else who was in a position to speak with any authority, took the position that this profit ought to go to the Government. Of course, it is created out of thin air, regardless of whether the gold is transferred to the Treasury or not. Whenever we cut the gold content of the dollar we by legislative act or by executive proclamation create a value that did not before exist in terms of the dollar.

Mr. BORAH. I do not think so; I do not think we can create values out of "thin air."

Mr. GLASS. Mr. President, I think the Senator from Kentucky should have made another distinction. He ought to have said that Governor Black and all the Federal Reserve authorities and Mr. Young were opposed to devaluation in the beginning.

Mr. BARKLEY. I do not understand that they ever said that they were opposed to it; they accepted devaluation as practically an accomplished fact.

Mr. FLETCHER. As something which had already been done.

Mr. BARKLEY. As something which had already been done.

Mr. GLASS. It has already been done abroad, but it has not been done here at home. The Senator from Kentucky has suggested that if a part of this gold should be given to the Government the profit would be used to purchase bonds. How could it be used to purchase bonds? How could it be used for any purpose except as a barometer of an arbitrary outstanding volume of currency? The Treasury cannot pay it out, because if it were paid out to anybody that person immediately would become a felon and would be fined or put in jail for possessing it. How would the Government use $2,000,000,000 to redeem all of its bonds or to redeem any of its currency? The fact of the business is that the bill puts this country upon an irredeemable currency basis and an irredeemable bond basis.

Mr. BORAH. I am in entire sympathy with the devaluation of the gold dollar if it will do two things: If it will increase the volume of circulating medium and raise the prices of commodities in this country. If it will not do that—and no one has appeared before the committee to say that it will do that—I want to know what it is all about.

Mr. FLETCHER. If the Senator will allow me to interrupt him, I think all the witnesses who appeared before the committee said that it would tend to raise prices.

Mr. GLASS. There were some who testified that it would not.

Mr. BORAH. I want to say that even Professor Rogers, after his remarks as to a possible inflation of $17,000,000,000, finally concludes, when asked by the Senator from Michigan a question, in this way. Senator COUZENS asked the question—

> So your conviction is that when and if we do devaluate there will be a substantial price rise domestically?
>
> Mr. ROGERS. I think that it will come, Senator. I do not think there is anybody in the world that can answer that dogmatically, but I should expect that if we had our money system controlled with reasonable care that rise would come certainly over a period of 6 months or probably a year. That would be my anticipation, because, as I say, a dogmatic answer is impossible.

So the most pronounced advocate of inflation before the committee, when it comes to answering the question as to what the effect of this measure will be upon the price of commodities and increasing the volume of currency, admits that it is pure speculation; he has no conviction about it that he is willing to announce as a conviction; and there has been no one before the committee, so far as I have been able to read, who is willing to state that the enactment of this measure will mean an increase in the price of commodities in the United States.

Mr. BARKLEY. Mr. President, will the Senator allow me to interrupt him there?

Mr. BORAH. I yield to the Senator from Kentucky.

Mr. BARKLEY. Some of the witnesses who objected to devaluation objected on the ground that the bill, if enacted, will increase commodity prices, and therefore will be an injustice to men with fixed incomes and salaries. There was a lengthy discussion in the committee, engaged in, I think, by Professor Warren, and perhaps touched upon by Professor Rogers, as to whether an increase in the price of commodities should precede an increase in wages and salaries or whether an increase in wages and salaries should precede an increase in the price of commodities; but he stated that, as a rule, throughout all financial history in every country, an increase in commodities had preceded an increase in wages and salaries, and had to do it, because an increase in the price of commodities, theoretically, at least, brought greater profit to those who engaged in manufacturing.

Mr. BORAH. Mr. President, I have had to read these hearings very hurriedly, and I take the Senator's statement, of course, as correct; but, insofar as I have read them, when it comes to the question of whether the action proposed to be taken will raise the price of commodities even those who are opposing the bill upon that theory are simply speculating upon the proposition. They entertain fears that it may raise prices, but give no basis for their fears.

Mr. GLASS and Mr. BULKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. BORAH. I yield first to the Senator from Virginia, and then I will yield to the Senator from Ohio.

Mr. GLASS. It was simply in response to the theoretical conjecture that the bill would raise commodity prices that those of us who were opposed to it asserted—and the assertion remains uncontradicted to this moment—that should it raise commodity prices it would raise them so far ahead of the probability or even the possibility of adjusting wages and fixed salaries and other credits through the commodity prices thus theoretically raised that it would create, as it has done in every country that has ever tried it, a condition of destitution that is almost indescribable, such as that which afflicted the middle classes of Europe, among the wage earners and the salaried people in this country.

Mr. BARKLEY. Mr. President, the Senator does not contend that that result came after deflation in the countries of Europe. It came as a result of the use, the almost indefi-

nite use, of the printing presses and the printing of money which became worthless. But after the European countries did devaluate, in those that did devaluate my understanding is no such dire results came as those described by the Senator from Virginia.

Mr. GLASS. If the Senator will simply read the review of Dr. Henry White, one of the founders of Cornell University and for years at the head of the department of economics at Cornell, who was twice Ambassador to Germany and once Ambassador to Russia, he will there find a historical recitation of the almost indescribable and entirely shocking destitution that was brought about; and if he will just read the history of France recently when it devalued the franc he will find the same thing.

Mr. BULKLEY. Mr. President——

Mr. BORAH. I yield to the Senator from Ohio.

Mr. BULKLEY. Mr. President, I do not intend to discuss whether an increase in prices would be a good thing or a bad thing. I think the Senator from Idaho is merely inquiring as to whether the devaluation of the dollar is likely to cause an increase in prices. I take it that he is inquiring whether there will be an increase in prices as expressed in United States currency and not in the gold price.

Professor Warren did bring some very important evidence before the committee on that point. The dollar, as will be understood, has been devalued already; the price of gold in the United States has risen between February and December 56 percent, as expressed in terms of the United States dollar. The price of gold, expressed in the terms of the pound, increased 5 percent during the same period. So that we might say the price of gold has remained practically stationary in England and has increased in this country by about one half. What effect has that had upon the price of commodities? These are the figures Professor Warren submitted to the committee, not as a conjecture as to what might happen but actual prices that have been established.

Cotton has increased in price——

Mr. BORAH. He did not give cotton as an illustration of the argument which he was making, I hope. Take out the other crops and where would cotton have been? It was a check from the Treasury that did that. The prices of farm commodities have not been increased by reason of the gold policy.

Mr. BULKLEY. I was going to read the price changes in several products he mentioned. Cotton increased in England 6 percent and in the United States 68 percent. Cottonseed oil fell in England 29 percent and advanced in the United States 26 percent. Wheat went up in England 8 percent and in the United States 51 percent. Copper went up in England 10 percent and in the United States 63 percent. Tallow declined in England 7 percent but advanced in the United States 50 percent. Silver advanced in England 11 percent and in the United States 67 percent.

Mr. BORAH. If he will go out on the American farm he will learn something that he did not learn in the books, and that is that the prices of those commodities have not risen at all except where they were aided in some way other than the money question.

Mr. GLASS. Exactly so; and it was testified that a multitude of other considerations entered in to affect prices. If we plow under all the cotton, of course cotton will go up. If we kill all the sows in the country, of course pork will go up. [Laughter.]

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. WHEELER. With reference to copper, of course I happen to know something. Its price has nothing to do with reducing the gold content of the dollar. As a matter of fact, just recently the price of copper has been higher in London than in the United States. The price of gold has nothing to do with the price of copper except insofar as the proportion of copper we export abroad is concerned.

It is impossible for me to see that the mere reducing of the gold content of the dollar is going to raise the price of commodities in this country unless we are going to issue currency upon it. Unless we are going to issue more currency and put more credit in circulation then there will be no rise in commodity prices if the gold is just taken care of.

Mr. KEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New Jersey?

Mr. BORAH. I yield.

Mr. KEAN. I would like to say to the Senator that on the gold basis a large number of American products are lower than they were a year ago.

Mr. BORAH. Mr. President, I shall make this suggestion, and then I shall not detain the Senate further at this time. The country is interested in this measure not so much because it transfers the gold from the Federal Reserve System to the Treasury. I doubt its wisdom, but it is not a controlling fact with me. The people of the country may take either side of that question. The country is interested to know whether or not it is going to increase the volume of circulating medium and whether or not there is reason to believe that it is going to increase the price of commodities. Let those who are in position to explain the bill, those who heard the witnesses, those who studied the measure, give us some assurance upon these questions before we are asked to vote. That is my supreme interest in the bill, and I must say I can find little assurance.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. I yield.

Mr. CONNALLY. I am not a member of the committee; but, like the Senator from Idaho, I am seeking information. If the gold content of the dollar is cut to 60 percent, there will be 40 percent of the gold stock free in the form of profits.

Mr. BORAH. In the form of what?

Mr. CONNALLY. In the form of so-called "profits".

Mr. BORAH. Yes; so-called "profits."

Mr. CONNALLY. What is to hinder that gold being utilized to increase the volume of money by the issuance of gold certificates or gold currency?

Mr. BORAH. Has the Senator any assurance or is there anything in the bill to give me any assurance that that is going to be done?

Mr. CONNALLY. I do not say there is going to be any such assurance, but what is to prevent that thing being done?

Mr. GLASS. Mr. President, will the Senator from Idaho let me answer that question? The act of May 12 affirming the proclamation of the President is to prevent it, because if we issue any gold certificates and anybody is caught with them, he will be put in jail and fined. [Laughter.]

Mr. BORAH. The question is, What is there in the bill that gives us any assurance that the currency is going to be issued based on the surplus amount of gold? I should really like to know what this bill promises, or at least proposes in the way of raising the price of commodities. What is there in the bill which gives relief to those who must have better prices or suffer complete economic ruin.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Florida?

Mr. BORAH. I yield.

Mr. FLETCHER. May I suggest to the Senator that we could be here for 6 months listening to the views and theories of experts, college professors, economists, financiers, and all that sort of thing. These expert financiers and bankers have brought upon Europe and the United States the holy mess in which we find ourselves now. I do not pay much attention to the theories and expressions of opinion from alleged experts. One has to base his con-

clusions upon his own thought, his own mind, his own conscience. That is my opinion about it. We could be here for 6 months listening to different views and expressions of opinion, and we would find them all crossing each other.

Mr. BORAH. I want to know from those who have studied the bill, if we can ascertain it, what they believe the bill will do. Do not forget that last spring we were asked to delegate certain powers for the purpose of increasing the volume of the circulating medium, thereby raising the prices of commodities. We know what has happened. I want to know whether we are again going to do that same thing. In the first place, Congress should perform its duty under the Constitution to coin money and regulate the value thereof; but if it is determined to delegate power, let us know what power we are delegating.

Mr. FLETCHER. I will say to the Senator that it is vitally important not only to the United States but to the world that there should be reached a point of stabilization of currency, stabilization of exchange. This bill leads to that point. The President said on July 3 to the Economic Conference in England, and he said on October 22 in his address to the people here, that he is going to raise the price level, and that the thing needed for that purpose is to accomplish a stabilization basis.

This will be one result absolutely arising under the bill. We have in this country today over $4,000,000,000 of gold. That is the total amount—nearly 40 percent of all the gold in the world. The monopolistic theory, which is the system under which we are operating now, based on history and based on experience, is that we can issue two and one half times, in dollars or currency, the amount of basic money. Therefore we have the possibility of issuing in currency two and one half times the amount of basic gold. We can base upon that also 12 times that amount in credit in dollars—12 times the basic dollar in credit. That is safe. That has been the practice. It has been proven to be safe.

Mr. BORAH. No; it is not safe and has not been proven to be safe. One of the things that brought us to our present difficulty is the fact that we assumed—the world assumed—we could issue a vast amount of currency upon a very small amount of gold. When the first economic or financial cloud appears in the sky everybody hunts for gold and the crisis comes. When the demand for gold came the world had about $11,000,000,000 to meet four hunderd billion demand.

Mr. FLETCHER. Yes; there is something in that, I grant, but the formula under which we have been operating is that $2.50 in currency may be issued for $1 of basic metal, and 12 times that amount may be issued in credit.

Now we are going to decrease the gold content of the dollar. We are going to stabilize it at some figure—either 50 or 60 percent of its former value, or something of that sort. We are going to have $2,000,000,000 of profit here, apparently. That is the estimate that everybody is making about it. Of course that can form the basis of additional currency. There is no doubt about that. There can be expansion under that; but the thing we are driving at is to raise the price level, which the President says he will do; and we can depend on that, I think. When we get to the point of stabilizing the currency we shall have laid the foundation for that, and that is all that is needed to be done; and that is one thing that is accomplished here.

Mr. GLASS and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho has the floor. Does he yield; and if so, to whom?

Mr. BORAH. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, may I remark that an examination of the hearings will show that perhaps the greatest exchange expert in the world, who has an international reputation, Mr. Stewart, testified before the committee that so far from bringing about stabilization of the currency this bill would do just the reverse, and create friction and retaliation throughout the world.

Mr. BARKLEY. Mr. President, in that connection, his suggestion was that if we did what England is now doing it might create friction. The truth is that England now has a stabilization fund of about $1,750,000,000 which is being used for so-called "stabilization purposes." Although they have denied the statement in the press, it has been frequently stated that they are using, or have used, some of that fund for the purpose of buying American dollars so as to offset our campaign to reduce the value of the American dollar in European exchange.

Whether that is true or not is not material; but it was in that connection that Mr. Stewart did say that for us to attempt to do the same thing that England is now trying to do might create some friction.

Mr. GLASS. Mr. President, anybody who will read the hearings will see that Mr. Stewart textually and specifically said that this bill would not bring about stabilization.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. Does the Senator wish to take the floor?

Mr. SHIPSTEAD. I do not wish to take it away from the Senator from Idaho.

Mr. BORAH. I am through. I yield the floor.

Mr. SHIPSTEAD. Mr. President, I should like to ask some member of the committee what is the gold coverage of our currency today in percentage.

Mr. BARKLEY. The minimum coverage is 40 percent, but as a matter of fact, it is about 80 percent.

Mr. SHIPSTEAD. That is what I wanted to know. If we devalue the dollar by 50 percent, then we will have 160 percent coverage. Is that right?

If we now have 80 percent of coverage for our currency and we devalue the dollar by 50 percent—if it were done today we would have 160-percent coverage, as I understand. Is that correct?

Mr. FLETCHER. Yes; that is correct, I think.

Mr. SHIPSTEAD. I am asking for information. I hope the members of the committee will not blame those of us who have not sat in the hearings for asking some questions. We desire information earnestly.

Mr. BARKLEY. If the Senator will yield, in that connection, of course, the Senator must keep in his mind the fact that this bill does not change in any way the functions of the Federal Reserve System, which at present is issuing a large proportion of the currency in circulation in this country. The bill provides that this gold shall be turned over to the Treasury and title vested in the Treasury and that gold certificates shall be issued to the Federal Reserve banks dollar for dollar—not the new dollar but dollar for dollar—according to the gold content of the dollar at this time, so that the Federal Reserve banks will get back no more gold certificates in return for the gold than the present value of the gold based upon our statutes, which is $20.67 an ounce. They will get gold certificates that will not represent any devaluation at all, and their status will be no different after devaluation than it is now. They could go ahead and issue currency just as they do now upon gold certificates. They are not required to issue it upon actual bullion. They can issue it upon bullion or upon gold certificates representing bullion.

As I said awhile ago, the Federal Reserve banks now have over $900,000,000 of these gold certificates as a part of the basis for the Federal Reserve currency that is now in circulation. While theoretically devaluation to the extent of 50 percent would create more gold dollars upon which currency might be issued by authority of Congress by the Secretary of the Treasury or the Federal Reserve Board, as a matter of fact they will have no more of a basis for the issuance of currency after devaluation than they have now, because the gold certificates they will obtain will represent the present value of the gold and not the future value of the devaluated dollar.

Mr. GLASS. Mr. President, the Senator from Kentucky has just made a speech in favor of contraction rather than expansion. He is for the transfer of the gold from the Federal Reserve banks to the Treasury, there apparently to remain dormant except as to this stabilization fund derived from the so-called "profits."

Let me call the attention of the Senator from Minnesota to this aspect of the case:

Suppose that gold were left with the Federal Reserve banks. After devaluation it would immensely increase the reserves of the Federal Reserve banks; and if on a 50-percent basis, it would supply the Federal Reserve banks with the actual facilities for increasing their currency issues and their credit accounts just 100 percent. If, however, it is transferred to the Treasury, nobody knows what will happen. We will simply have to conjecture as to what will happen.

While I am on my feet and talking about gold certificates, let me say that the gold certificates proposed to be given to the Federal Reserve banks are fraudulent. They are not gold certificates.

What is a gold certificate? What is it worth except as a barometer of outstanding issues? What is it worth if it cannot be used to redeem outstanding notes and to give the people of America who carry their currency in their pockets, and in the banks, and in their savings accounts, confidence in the worth of their currency?

In short, the gold certificates as we now understand gold certificates, as the statutes describe gold certificates and authorize their use, are to be taken away from the Federal Reserve banks. They are not to be left there. All of their gold and all of their real gold certificates—warehouse receipts for gold—are to be taken away from them, and they are to be handed back so-called "gold certificates" that will not be gold certificates at all.

Mr. SHIPSTEAD. I thank the Senator.

I should like to ask the Senator from Kentucky [Mr. BARKLEY] a question. How much gold, approximately, is in the Federal Reserve banks now?

Mr. BARKLEY. Mr. President, there has been no exact statement, but in the neighborhood of four billions; I think $4,300,000,000. It is in that neighborhood.

Mr. SHIPSTEAD. We will call it, in round numbers, $4,000,000,000. That is taken out of the Federal Reserve banks and delivered to the Treasury; and, as I understand, the Treasury then will issue so-called "gold certificates" in the same amount and deposit them back in the banks and pay them for the gold.

Mr. BARKLEY. That is right.

Mr. SHIPSTEAD. Those gold certificates will not be redeemable in gold, as I understand.

Mr. KING. Theoretically, in bullion.

Mr. BARKLEY. Theoretically, they will be redeemable in bullion, but as a matter of fact, they will not be. Of course, there would be nothing to be gained by the Treasury Department taking possession of the gold and issuing gold certificates for it if the next day the banks could come back and get the gold.

Mr. SHIPSTEAD. I do not want to argue with the Senator. I am just trying to get some information.

As I understand, the Federal Reserve banks can issue currency against these so-called "gold certificates" in order to put money in circulation and expand the currency.

Mr. BARKLEY. Yes; that is right.

Mr. SHIPSTEAD. What I cannot understand is this: At the present time we have 80 percent of gold coverage in the Federal Reserve banks. There is a margin of 40 percent upon which additional currency can be issued. The amount of currency in circulation can be doubled. If it is possible to put money in circulation in that way, why is it not done?

Mr. BARKLEY. I think the answer to that question is that as a matter of fact, even in the days of our greatest so-called "prosperity", the Federal Reserve banks never did exhaust their power to issue currency. I have forgotten the exact figures, but I think that at the peak of our circulating currency we had something like $7,000,000,000 in circulation. We now have about $5,800,000,000 in circulation. Even when we had the largest amount of actual money in circulation in this country, however, the Federal Reserve System had not yet exhausted its power to issue currency, because the amount of money issued by the Federal Reserve banks depends upon the demands of business in the districts where these Federal Reserve banks are located.

Mr. SHIPSTEAD. Certainly.

Mr. BARKLEY. And, of course, the original theory of the Federal Reserve System was that we were creating a flexible monetary system which would respond to the demands of business. When there was a great demand for an expansion of the currency there would be a method by which it could be issued and circulated, and when there was no demand for it the currency would automatically retire from circulation.

It is true, as I have said heretofore and as I understand this bill, that no specific expansion in the circulation of money is provided for in the bill, because the Federal Reserve banks get back dollar for dollar in certificates. Whatever may be said about the certificates, they are certificates, and the banks can issue money upon them. They get back dollar for dollar which would represent their present gold holdings, and therefore they could issue up to an amount that would be equal to a 40-percent coverage upon the entire amount of gold they hold. If they now have $4,000,000,000 in gold, they could issue $10,000,000,000 in circulating money in this country; but they have never done so. They might do so if business required it.

Mr. SHIPSTEAD. They can do it now if business requires it.

Mr. BARKLEY. They can do it now if business requires it, and they can do it under this bill; and they can do no more under this bill in the way of issuing currency than they can do now with actual gold in their vaults.

Mr. GLASS. Mr. President, how is the currency under this bill outside the Federal Reserve System to be issued, and to whom, and for what purposes?

Mr. BARKLEY. I do not recall any provisions of this bill that changes the present law with respect to ordinary Treasury notes and silver certificates. We do not deal with that subject at all. It goes on just as it has been going.

Mr. GLASS. The Senator from Idaho a while ago wanted to know definitely where there was any specific authority in the bill to increase the outstanding currency issues.

Mr. BARKLEY. There is none, as I interpret the bill, for an increase in actual circulating paper; but there is no need for it. On the theory that the Federal Reserve System is an adequate system of currency flexibility, there would be no need of it until the powers of the Federal Reserve System for the issue of currency and the circulation of money throughout the United States had been exhausted.

Mr. SHIPSTEAD. Mr. President, will the Senator from Kentucky permit me to ask him a question?

Mr. BARKLEY. Certainly.

Mr. SHIPSTEAD. I beg the Senator to believe that I am not asking these questions to be obstructive.

Mr. BARKLEY. I regret that on a subject like this nobody has the last word. I inquired a few days ago of a very distinguished witness how many schools of economics there were in this country, and his reply was, "Just as many as there are economists", and I think that is almost true. I regret, of course, that men here, even those who have studied the subject all their lives, disagree as to theory and as to practice. All I can do is to answer as best I can, but I cannot guarantee to the Senator that my answers will be exact or absolutely correct.

Mr. SHIPSTEAD. I do not ask that of the Senator. I ask the Senator to give me what information he has, because I need it.

As I understand it, there is hope that there will be expansion of the currency when this bill is enacted, because the supply of gold will be doubled, and currency will be issued through the Federal Reserve banks to people who come to the banks to borrow.

As I understand it, there is twice as much gold now, before the dollar is devalued, as is necessary to cover the currency; so if it is to be possible, under the system that is to be in effect when this bill is enacted, to get some currency in circulation, we can do that now, because it is based upon borrowing from banks. Is there anything to lead the Senator to believe that people will go to the banks and

borrow money after this bill shall be enacted, when they will not borrow now, so as to put money into circulation?

Mr. BARKLEY. That, of course, involves some conjecture. It would not happen unless business should improve, and I hope it will improve. My theory is, and my belief is, that the devaluation of the gold dollar, and the stabilization of the gold dollar, at whatever it may be devalued, whether at 50, 55, or 60 percent, will bring about, not overnight, of course, not in a week, but gradually, over a reasonable period of time, an increase in the prices of commodities. That increase in the prices of commodities will justify manufacturers in employing more men, and in increasing wages ultimately, not overnight, however. You cannot go up hill as fast as you go down. I have never seen or heard of any vehicle in the world which will go up hill as fast as it can go down. One of the troubles with our people is that we are all impatient; we want to recover overnight. We want to recover in a week what we lost in 4 years, and we cannot do it. But if we stabilize the dollar at a figure somewhere in the neighborhood of its present international exchange value, which is about 62 cents, if we stabilize at 60, or even at 50, I believe that ultimately there will be inaugurated a process by which there will be an increase in the velocity of business, an increase in the purchasing power of the American people, an increase in their ability to live according to the standards which we have set for American citizenship; and that increase in velocity, and that stimulation in business, will stimulate borrowing power and lending inclination on the part of business and on the part of banks, and, in return, it will reflect itself in a demand by the member banks for more money from the Federal Reserve banks, and by the Federal Reserve banks for more money from the Federal Reserve Board, which of itself automatically will increase the amount of money in circulation in this country.

I realize that if we devaluated the dollar, and left the gold in the possession of Federal Reserve banks, their coverage would be increased by 100 percent, and they theoretically could issue more money; instead of $10,000,000,000, they could issue $20,000,000,000, upon the amount of gold they have now. But even though they had the power to issue a hundred billion dollars, they would not do it, as I conceive it to be their duty and their function, unless the demands of business were such as to make it advisable or necessary for them to increase the amount of circulating money, dependent upon the demands of business in the United States.

Mr. SHIPSTEAD. Mr. President, if the Senator will permit me, if, for instance, our coverage now had dwindled down to 20 percent of the coverage required by law; if we had only 20 percent of gold to cover our currency——

Mr. BARKLEY. That would be an impossibility, because the law requires a minimum of 40 percent. They cannot have any less than 40 percent.

Mr. SHIPSTEAD. I believe it did drop to 37 at one time.

Mr. BARKLEY. It did not stay at that figure long.

Mr. SHIPSTEAD. Let me put it in another way. Suppose we had issued enough currency to absorb all of our gold down to 40 percent, and there still was a great demand for money, borrowings from the banks, and, in order to keep within the law and extend these borrowings by banks, an issuance of currency on the basis of 40 percent, we come and say that we must devalue the dollar by 50 percent in order that we can issue the currency to meet the demands of business. I should understand that, because the demand for currency would be there.

As I understand it, we now have twice as much gold as we need upon which to issue currency and meet the demand, if it were here. So far as I can see, these banks get back the same amount of dollars in gold certificates that they turn over in gold, and they have the same amount of basis of currency, and how can they issue any more than they can now?

Mr. BARKLEY. They cannot; that is, they cannot issue any more than they *could* issue now.

Mr. SHIPSTEAD. How can they put more money into circulation than they can now? As I understand it, it is hoped that this bill will in some way result in more money being put into circulation—result in expansion of currency.

Mr. BARKLEY. As a purely mechanical process of actually printing it and putting it into circulation, of course they could not, and they cannot. One of the troubles of the country now is shortage of credit. We know that many banks have become mere depositories, they are not functioning any longer as banks, and it is for that reason that the Reconstruction Finance Corporation has been compelled to lend over three and a half billion dollars to American business. It is for that reason that we have extended their time for another year, because so far banks have not resumed their functions as banks and have not resumed the extension of credit necessary to the revival of American business. Whether it is due to any fault of their own, or because they have been burned and are afraid of the fire, or whether they are waiting for business itself to recover sufficiently to guarantee that any business that borrows money can repay it, I am not in a position to say; but we do know that that is the situation.

Mr. SHIPSTEAD. Is it not a fact that our banking system is not functioning because we have two kinds of money, one based upon coin and the other based upon confidence? The greatest volume of our money has been that based upon confidence, controlled by our credit system, in the form of credit money, in the form of bank checks.

Mr. BARKLEY. That is quite true. It has come in modern times to be true that bank deposits represent really a form of circulating medium as completely as a $20 bill, and a decline in bank deposits, of course, results in a decline of the potential amount of circulating money which is used in the payment of debts and in the transaction of business. But that is a thing which cannot be controlled by legislation, except insofar as legislation may unchoke the channels of commerce, and free the situation to the extent that business will of itself move on and thereby create greater circulating medium in the form of bank checks and bank deposits.

Mr. FESS. Mr. President, will the Senator from Minnesota permit me to ask a question?

Mr. SHIPSTEAD. In just a moment. The credit system has not functioned since 1929.

Mr. BARKLEY. I would not say that it has not functioned; it has not functioned completely. It has functioned in part.

Mr. SHIPSTEAD. People will not borrow, and banks cannot lend if people will not borrow, so our credit system has been in a comatose condition. The foundation of it is confidence, confidence in the future, certainty, and we have been trying for 4 years to get the credit system to operating, so that we could inflate credit. Those who are opposed to inflation of the currency by what they call fiat money have never had any fear of inflation of the credit system, and they have made heroic efforts to inflate that system, and have been about as successful as a man would be in inflating a rubber tire with a hole in it, or in reviving life in a corpse.

Mr. BARKLEY. As a matter of fact, many of those who oppose monetary inflation have not only favored credit inflation, but have brought it about, in large measure, especially up to 1929.

Mr. SHIPSTEAD. Up until that time.

Mr. BARKLEY. Yes.

Mr. SHIPSTEAD. But since 1929 there has been no ability to extend any credit except the credit of the Government of the United States.

Mr. BARKLEY. Of course it is a difficult thing to drive a peg at any point and say that all on this side is expansion and all on the other side is inflation. It is difficult to draw a hard and fast line so as to say where expansion ends and where inflation begins, either as to money, or as to credit.

Mr. FESS. Will the Senator from Minnesota permit me to ask the Senator from Kentucky a question?

Mr. SHIPSTEAD. Yes.

Mr. FESS. I should like to ask the Senator from Kentucky a question with respect to the amount of currency. I note we have in circulation $1,157,000,000 plus in gold and certificates issued on gold coin or gold bullion. What will become of those certificates?

Mr. BARKLEY. Of course, about $900,000,000, or nearly $1,000,000,000, of that is now held by the Federal Reserve banks as a basis for currency. There is nothing in this section of the bill taking over this gold that refers to gold certificates. There is no change in the status of the gold certificates in that section of the bill which requires the transfer of gold bullion or monetary gold from the Federal Reserve banks to the Treasury.

Mr. FESS. In other words the circulation will not be reduced by the amount of the outstanding gold certificates?

Mr. BARKLEY. No, sir.

Mr. FESS. Secondly, will there be any authority to issue currency outside of the Federal Reserve Board?

Mr. BARKLEY. The same that is now in existence.

Mr. FESS. Just the same?

Mr. BARKLEY. Yes.

Mr. FESS. Only that it will be based upon the certificate?

Mr. BARKLEY. Based upon the certificate instead of the metal.

Mr. FESS. I have this question to ask: The report of the Committee on Banking and Currency of today, accompanying the bill, says that the Federal Reserve notes in circulation amount to $3,344,000,000 plus. Forty percent of that, which is the gold reserve necessary, would only be $1,340,000,000. That means that the Federal Reserve System have issued notes only upon about one third of their holdings. In other words, they could issue three times the amount of note circulation that now exists.

The question I wish to ask is: If inflation is the point we are getting at, where do we have any suggestion that there will be any increase of currency by this proposed act, when the Federal Reserve Board has the authority to issue three times what it already has issued, and the only basis for increasing the circulation is in the Federal Reserve Board?

Mr. BARKLEY. I made the statement a while ago that, as a matter of fact, the Federal Reserve System had never at any time since its establishment exhausted its powers to issue money, and that the exercise of that power provides a flexible situation, depending upon the demands of business, and I roughly estimated their coverage at this time at something more than 80 percent. I think it is certainly nearer to 95 percent. It is about 3 for 1, rather than 2 for 1; and they could issue anywhere from 2½ to 3 times as much currency as is now in circulation in Federal Reserve notes or in Federal Reserve bank notes if the requirements of business made it wise or desirable.

Mr. FESS. I agree exactly with the Senator from Kentucky that circulation responds to the demands of business; and that if more money were to be pumped into circulation and there were no demand for it, it would not have any particular effect. What I wanted to refer to was brought up in the colloquy between the Senator from Iowa and the Senator from Kentucky as to increasing the currency. In the first place I want it understood that I do not believe that the mere issuing of currency is going to create anything like prosperity. I never have been a believer in that theory. But at the same time I believe those who think the passage of this measure means a large increase of currency in circulation have no basis for that belief.

Mr. BARKLEY. I do not think the pending bill is specifically an inflationary measure so far as increase in the volume of actual money in circulation is concerned.

Mr. FESS. But it will result in inflation of credit.

Mr. BARKLEY. It does contain the possibilities of an expansion of credit, and I do not look upon that with any alarm at all. I do not share the fears of those who think that a credit system and a banking system which has never yet exhausted its powers, even in the most prosperous times, if we refer even to 1928 or 1929, is going to run wild in its operations under the provisions of this bill or of any other bill that Congress might pass, or of any recovery program that might be inaugurated.

Mr. FESS. I agree with the Senator. The point I tried to make yesterday is that the expansion is in credit and not in currency.

Mr. BARKLEY. Whether anybody looks upon an actual increase in circulating money with assurance or with dread is due to the viewpoint of the particular person who believes in it and wants it, or who does not believe in it and does not want it. But, as I have heretofore said, the bill proposes to make no change whatever in the ordinary functions of either the Treasury or the Federal Reserve System in the issue of circulating money.

Mr. FESS. I do not agree with the Senator from Kentucky that there is not danger in the expansion of credit. I think there is.

Mr. BARKLEY. I said that I did not believe there was any danger in the expansion of credit that will come about under the terms of the pending bill. I believe there is a species of credit expansion which is dangerous.

Mr. SHIPSTEAD. Will the Senator permit another question?

Mr. BARKLEY. Yes.

Mr. SHIPSTEAD. I believe the Senator said there was a possibility of having a greater expansion of currency after this bill shall have been passed than there is now.

Mr. BARKLEY. No; I said there was not.

Mr. SHIPSTEAD. I beg the Senator's pardon. I did not understand him, then.

Mr. BARKLEY. I said there was a possibility of a further expansion of credit; but, as a matter of fact, any revival of business, any increase in our foreign trade that will result in greater activity in foreign exchange, will in itself increase credit and credit reserves.

Those who have opposed this bill and the use of the proposed stabilization fund on the ground that it will expand credit overlook the fact that if we in this country were to return to normal conditions—I do not mean the conditions of 1929, but any average of prosperity and business activity—that of itself would increase the credit reserves in all the banks of the country, because they would have greater deposits, they would have possession of more bills of exchange and acceptances, and all forms of paper that represent commercial and industrial transactions. It seems to me it would be entirely beside the question to say that the only thing that offers any opportunity for an expansion in credit is the use of the proposed stabilization fund in the purchase of foreign exchange in order to keep our dollar on a stable basis.

Mr. SHIPSTEAD. I am not quarreling with what the Senator has to say, and I am not opposing the bill. I am asking for some information.

Mr. BARKLEY. I understand that.

Mr. SHIPSTEAD. I believe so long as we take gold from private citizens we ought to take it from the banks. There is no reason why it should be taken from private citizens and the banks be allowed to keep it.

I have no quarrel with the committee on the question of the stabilization fund, because I think we are 3 years late in establishing such a fund. The British Government has used its stabilization fund with which to lower the exchange value of the pound, in my opinion, to our detriment; and we should have met that attack upon our own exchange value and our own money 3 years ago, at the time the British started it.

Mr. BARKLEY. We did not then know as much as we know now, I suppose; at least as much as I hope we know now.

Mr. SHIPSTEAD. I should like to ask the Senator another question. When the British devalued the pound from $4.86 to $3.22, and held it there for quite a long time, the records affecting the British economic system show that the action thus taken did not change the domestic purchas-

ing power of the pound. The devaluation only affected it in respect to foreign exchange. The British stopped the deflation. The pound bought in the British domestic market what it bought before it was devalued. I do not know what the exact ratio between the pound and the dollar is today. The pound today equals $5, as I understand.

Mr. BARKLEY. Yes. It went up to $5.25, I believe, or it went down to $5.25, whichever it is.

Mr. SHIPSTEAD. Our action with respect to our money, of course, has affected the dollar in foreign exchange. I fail to see how it has affected the domestic purchasing power of the dollar here, any more than the lowering of the pound in foreign exchange affected the purchasing power of the pound in Great Britain. I cannot see where it has had any effect upon the purchasing power of the American dollar. With all due respect to the witnesses who testified before the committee about the rise in certain commodities, I think they have overestimated the influence of the foreign-exchange devaluation of the dollar. I think it has had a very beneficial effect, and I think it is shown that our exports have been increasing since we devalued the dollar in foreign exchange. On the question as to whether it has had any effect on the domestic purchasing power of the dollar I should like to have some further enlightenment.

If we are going to have a devalued dollar, is there any assurance that the domestic purchasing power of the dollar will be decreased so we will have a cheaper dollar here—something on a parity with what the dollar is in foreign exchange? If we can do that, I think we would have a rise in the price level, and if we have a rise in the price level, then our credit system will begin to function, and banks will loan money, because people will want to borrow; the credit system will be revived, and we will have a revival of buying and selling, and of commerce. But I should like to have some more information as to how this is going to restore that confidence which it is hoped will be the basis on which the credit system is going to be revived.

If the Government takes $4,000,000,000 in gold from the Federal Reserve banks and pays them back $2,000,000,000 for that gold, and if the Government then has $2,000,000,000 in gold and it were to issue against that gold a certain amount of currency in the form of Treasury notes, making them legal tender for the payment of Government contracts or the payment of Government salaries, I can see how, instead of borrowing, the Government will put more money in circulation. But if we are going to depend on the banking system to put money in circulation and expand the currency, I do not see how that is going to be done unless people will borrow from the banks, and with the uncertainty of economic conditions in this country very few people can borrow from the banks or will borrow from the banks unless they have Government contracts. If there is anything being bought in connection with the purchase of which large credit is needed that is not for Government contracts that is directly or indirectly for Government contracts under the credit expansion of Federal credit that we are now experiencing, I should like to know what it is.

Mr. BARKLEY. Of course, the Senator's question, if it is a question, covers a very large and varied field. But getting back to the British situation, of course, we all recognize that when England went off the gold standard the pound was worth about $4.86, which is the normal value of the pound in terms of the American dollar. Immediately the value of the pound went down until $3.25 would buy a pound. At the same time, while there was no very great reflection on domestic prices in the British Isles as a result of that devaluation, England began not only to benefit from the standpoint of her trade with the United States but she was enabled to invade markets all over the world that we could not invade in competition with her because they could manufacture at a lesser price in terms of foreign exchange. We have to consider all our foreign commerce in terms of foreign exchange; we cannot consider it in terms of domestic value or the purchasing power of the dollar or of the pound. So Great Britain, when her pound went down to $3.25, was enabled to invade the markets of the world in competition with us and to undersell us. Of course, that was a great benefit to the English people, and it probably had some effect in maintaining prices at the approximate level where they were prior to the devaluation of the pound or prior to the time when England went off the gold standard.

Mr. SHIPSTEAD. I agree absolutely with the Senator on that point. Now, I should like to ask the Senator another question. Is it the Senator's opinion, and is it the opinion of the committee and of the Treasury, that the benefit to come through this bill will come from the fact that if we devaluate the dollar in terms of foreign exchange it will so stimulate our foreign business as to help a revival of business here and cause people to come to the banks to borrow money and so bring about an expansion of the currency?

Mr. BARKLEY. In part that is true, and, as a matter of fact, as proof——

Mr. SHIPSTEAD. The Senator does not have to prove it; I believe, to some extent, that is true.

Mr. BARKLEY. As a matter of fact, we know that the very day when the dollar began to go down in value as compared to the English pound and to the franc and to the lira and the currencies of other European countries, our exports began to increase. Some may say they would have increased anyway. I cannot prove that they would not have increased anyway, but neither can others prove that they would have increased without regard to the reduction in the value of the American dollar. We do know that, coincident with the reduction of the value of the American dollar in international exchange, our exports increased, and they have increased every month for the last 4 months, not only over the previous month but over the same month of 1932. So, I say, it is a fair deduction that it has been and will be of continued benefit in that respect, and, inasmuch as in normal times foreign trade represents about 10 percent of our entire trade and fixes the value of our domestic consumption, I think that that fact is one that is to be very seriously considered in appraising the total benefits that are calculated to come from the enactment of this proposed legislation. I do not claim that that is the only benefit, but it is one.

Mr. SHIPSTEAD. I agree with the Senator. I have no doubt we have benefited in foreign trade from the devaluation of the dollar, and we are going to continue to benefit. The Senator says he does not think that is the only benefit we are going to have. I should like, without taking up too much time, to have someone explain how we are going to get any other benefit. I should like to know as much about this measure as I can.

Mr. BARKLEY. I would not undertake to catalog all the possible benefits, but I think one of the benefits that will come as the result of this proposed legislation is that the American people will know that their gold, which is the basis of their circulating medium, is in the possession and the control of the Government of the United States. Why was it necessary for the President to issue a proclamation forbidding the exportation of gold from the United States, including gold in the Federal Reserve banks as well as gold in my pocket or in yours, Mr. President, or anywhere else in the country? It was because of the fear that there might be such a depletion of the gold supply of the United States that it would not operate as a sufficient basis for the circulating money of the United States.

I think from a practical standpoint, from the standpoint of psychological effect, and from the standpoint of ultimate responsibility—for, after all, the Government of the United States is behind every dollar that is in circulation, whether it be issued by the Federal Reserve System or not—that it will tend to promote a greater confidence among the people of this country that the thing upon which, at least theoretically, our currency is based, in addition to their confidence in the Government, is in a place where it may be preserved by the Government of the United States, which is responsible ultimately for every dollar that is in circulation.

Mr. SHIPSTEAD. I thank the Senator for that suggestion, and I see his point. However, is it thought necessary

under this bill for the Treasury to take over the gold because the embargo on gold has not been effective?

Mr. BARKLEY. No; I do not say that; I would not say it has been ineffective. I think in the main it has been effective; but if the gold ought not to be in such hands as without any corruption or any collusion or any unpatriotic motive on the part of anybody it can slip out of our country, then the title and possession of it ought to be at a place where that cannot happen, because I believe—and there are many people who disagree with me and I do not claim to be an expert especially with respect to money—that we have reached a time in the history of the world where there is not enough gold in the world to do the business of the world. There is only about $11,000,000,000 worth of gold in the entire world and France and the United States own and possess today over $8,000,000,000 of it. We have over $4,000,000,000 of gold and France has over $4,000,000,000. There is probably a maldistribution of the monetary gold of the world. I do not know just how that maldistribution can be corrected, but I believe that when we consider the increase in population throughout the world the increase in business in the world, the increase in international transactions, which represent international trade and commerce, which in turn represent prosperity in every country that is an exporting nation, there is not enough gold in existence to afford a sufficient basis under present conditions for the circulating money of the world.

Therefore, whatever gold there is ought to be preserved. If we are to continue to remain a worshipper of the golden fetish as the foundation of our money, then we ought to possess it and control it and determine who shall have it and under what circumstances. So I think that from the psychological standpoint, in addition to the practical benefits, that it will be greatly beneficial to the people of the United States in increasing their permanent confidence in the stability of our currency and in the ability of the Government to control it. I do not know whether or not that answers the Senator's question.

Mr. SHIPSTEAD. I have been enlightened, and I am very grateful to the Senator from Kentucky. As I understand him, then, Mr. President, there are several benefits to come from the enactment of this bill. One is that we are going to have a stabilization fund so that we can counteract attacks by foreign governments and foreign banks upon our currency through the medium of foreign exchange. Then we are going to take out of the banks the gold and put it in the Treasury, because the Senator thinks that will have a good psychological effect and help to restore confidence. If the committee and the Senator are correct in that view, then I would be inclined to believe that it will have some effect upon the business of the country because our business is based upon credit, and the foundation of credit is confidence, and if we can restore confidence, I am inclined to believe our credit system will begin to function. Now is there any other benefit to be derived from the passage of this bill?

Mr. BARKLEY. The Senator, in other words, is seeking a bill of particulars. I appreciate the Senator's sincerity in seeking information and enlightenment, and I am sorry that I am such a poor reed upon which he may rely.

Mr. SHIPSTEAD. I think the Senator is doing very well.

Mr. BARKLEY. I do not know that if I were required to prove it I could do so——

Mr. SHIPSTEAD. I do not ask the Senator to prove it.

Mr. BARKLEY. Any more than I can prove why I believe in the Christian religion, but I do believe in it; it is just one of those intangible things that we cannot prove by any experience or knowledge of our own; but I do believe, as I said awhile ago, that over a period of time, affording opportunity for the alchemy to begin to work, there will be a gradual increase in the price of commodities. There has been an increase in the price of commodities as a whole in the United States domestically since the dollar began to decline in exchange value.

I do not think there is any doubt about that, although it has not declined in exchange value to the extent to which it may be possible to devaluate under this bill. Without any such devaluation it has now gone down in foreign-exchange value, which measures, of course, its value in international transactions which have a profound effect upon domestic prices, such as the price of cotton and wheat and many other commodities that sell upon the world market; and there has been a gradual increase in the price of domestic products in this country since the dollar began to decline, and that increase in price has gone on and probably been accelerated to some extent since October, when the gold-purchasing operation was begun.

I realize how difficult it is for the average man to understand the economics of the gold-purchasing program which has been carried on by the Government since October. A man met me on the street one day and said, "How do you decrease the value of the American dollar if you pay for the gold that goes into it?" It is perfectly easy to understand how a man would get confused about that matter, but, of course, he overlooked the fact that the gold in the dollar is valued at $20.60 an ounce in the United States, and that the higher the price of the raw gold in the American dollar, the lower by comparison becomes the value of the dollar as a medium of exchange—not necessarily the physical gold in the dollar, but the gold as a symbol, which, after all, is what it is. It is the medium by which I sell my horse. Instead of taking my horse to the Senator from Minnesota and swapping it for his cow, I sell my horse for dollars and take them to the Senator from Minnesota and buy his cow with them.

Mr. CONNALLY. Mr. President, may I ask the Senator from Kentucky a question?

Mr. BARKLEY. Certainly.

Mr. CONNALLY. The Senator spoke of the value of the dollar in foreign exchange. As to exportable crops or any exportable surplus here, does not the international dollar immediately fix the value of those commodities?

Mr. BARKLEY. Absolutely.

Mr. CONNALLY. As to the domestic trade there is always a lag; that is, it takes the domestic dollar some time to catch up with the foreign-exchange dollar?

Mr. BARKLEY. Yes; but the foreign-exchange dollar is up at once as soon as there is an international transaction.

Mr. CONNALLY. Certainly, and that is why I say, as to any export commodity that we ship abroad that the international dollar immediately lifts the domestic dollar to its level as to those commodities.

Mr. BARKLEY. Yes; because as to all commodities where we have an exportable surplus, the price is fixed for the domestic product according to the world price and then automatically the domestic dollar goes up with the international dollar.

Mr. CONNALLY. In other words, unless the domestic price goes up to the foreign price, the goods would stay here instead of being exported?

Mr. BARKLEY. Certainly.

Mr. CONNALLY. The export market being higher and worth more in our money, the domestic market has to come up to its level or force us to keep the product here?

Mr. BARKLEY. That is true.

Mr. SHIPSTEAD. Mr. President, I merely want to remind the Senator from Kentucky that farm commodities which have increased in price are commodities which have a Government subsidy in one form or another. Hogs, cattle, and dairy products which have not had the benefit of a Government subsidy are lower or were a few weeks ago than they have been for more than 40 years. What puzzles me is how devaluing the dollar would raise prices domestically in the United States. Those prices should have gone up, but instead of that they have constantly gone down.

Mr. BARKLEY. I think the Senator and all of us have to keep in mind that the artificial methods, by which the prices of certain basic crops that were carried in our Agricultural Adjustment Act have been stimulated, were not intended as a permanent remedy for agriculture. They were intended as an emergency measure to peg, at least in some degree, the price, not only of the basic crops which were

covered in that act, but to increase them pending the arrival of the time when the normal processes of consumption and trade and demand throughout the world, including the United States, would come in and substitute themselves for the artificial respiration which has been injected into the lungs of agriculture by those processes.

Mr. DILL. Mr. President, may I ask the Senator from Kentucky a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Washington?

Mr. BARKLEY. I shall be glad to answer the Senator's question if I can.

Mr. DILL. What changes does the bill make in the security that is behind the paper money that will be issued in the future?

Mr. BARKLEY. It makes no change at all so far as ordinary currency is concerned outside of Federal Reserve notes and Federal Reserve bank notes. We did not touch that subject. It makes a change in the security of Federal Reserve notes or Federal Reserve currency. The Senator probably was not in the Chamber when I undertook to explain it a while ago. At the present time the Federal Reserve banks may issue Federal Reserve currency based upon a minimum of 40-percent gold coverage and 60 percent of acceptable collateral. That 40 percent of gold coverage may be represented by gold or gold certificates. Nine hundred million dollars of that gold coverage today is represented by gold certificates that have been issued by the Treasury and are held by the Federal Reserve banks. The gold certificates are based upon gold bullion in the Treasury, like the silver certificates are based upon silver bullion in the Treasury.

The only difference is that the Federal Reserve banks can issue all their currency based upon gold certificates, which they could do even now, but which they never have done. There is no other difference at all.

Mr. DILL. The gold certificate is backed by gold?

Mr. BARKLEY. Yes; the gold certificate is backed by gold in the Treasury, and that backs the certificate issued by the Federal Reserve banks.

Mr. DILL. There is nothing in the bill authorizing a greater degree of printing-press money?

Mr. BARKLEY. Absolutely not.

Mr. NORRIS. Mr. President, I want to ask the Senator from Kentucky a question. The Senator has stated several times in the debate that the Federal Reserve banks issue Federal Reserve notes and Federal Reserve bank notes; that they are backed by 40 percent deposit of gold and the balance is backed by other securities. As I remember the act, the Senator is mistaken in his statement of that fact. I should like to find out whether he is right or whether I am right. The Federal Reserve banks, as I understand, issue two kinds of currency—Federal Reserve notes and Federal Reserve bank notes. Only one of those is backed by a deposit of gold. The other is backed by United States bonds.

Mr. BARKLEY. That is true. Let me read section 16 of the Federal Reserve Act, which I think might well be put in the RECORD at this point. Section 16 of the Federal Reserve Act reads as follows:

> Federal Reserve notes, to be issued at the discretion of the Federal Reserve Board for the purpose of making advances to Federal Reserve banks through the Federal Reserve agents as hereinafter set forth and for no other purpose, are hereby authorized.

Mr. NORRIS. There is no gold there?

Mr. BARKLEY. No. I continue reading:

> The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal Reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in gold on demand at the Treasury Department of the United States in the city of Washington, D.C., or in gold or lawful money at any Federal Reserve bank.

Mr. NORRIS. That does not change the fact that there is no gold deposit for their security.

Mr. GLASS. Oh, yes; that is repealed by this bill.

Mr. BARKLEY. It is repealed to the extent that they are not redeemable by gold in the Treasury.

Mr. NORRIS. That is not the point I am making. The Senator stated several times that the issues of currency by the Federal Reserve bank have as security for that money a 40-percent deposit of gold. That does not apply to all the issues of the Federal Reserve banks.

Mr. BARKLEY. The Federal Reserve notes are the notes that are based upon the 40-percent coverage of gold.

Mr. NORRIS. Then the Federal Reserve bank notes have no gold behind them.

Mr. BARKLEY. They are based upon Government obligations, somewhat after the fashion of the old national-bank currency.

Mr. NORRIS. Yes.

Mr. CAREY. Mr. President, I should like to ask the Senator from Kentucky how he accounts for the fact that the value of agricultural commodities, with the exception of tobacco, has gradually decreased since July, if devaluation of the dollar would increase the price of commodities.

Mr. BARKLEY. Of course, I do not concede that all agricultural commodities, with the exception of cotton, have gradually decreased in value. I do think that immediately upon the inauguration of the recovery program, after the 4th of March and after the adjournment of Congress, there was an injection of probably entirely too much confidence in the minds of the American people that the depression was all over, and they went too far, not only in the immediate increase in the price of commodities but also in the increase in the price of securities, which could not have been maintained and ought not to have been brought about. In that respect I think there has been a recession, due to the overactivity of the American people, not only in commodities but securities, brought about by this rather sudden and unexpected and, at least for a number of years, unusual feeling of exhilaration and confidence on the part of the American people. I think it was a perfectly natural process which has corrected itself.

Mr. CAREY. How does the Senator account for the steady decline in the prices of hogs with the agricultural adjustment program going on and the devaluation of the dollar? The price of hogs is decreasing daily.

Mr. BARKLEY. I think the price of hogs is not controlled so much by an international situation. Pork is more of a domestic product. While I think we do export some pork and other meats, it is undoubtedly true that it is brought about by a combination of things.

For instance, corn went up while hogs were going down. That is not the natural process. Corn and hogs usually go along together; but corn went up and hogs went down, which is somewhat of a reversal of the usual economic partnership, as we might say, of hogs and corn. There also was, and still is, a shortage in the purchasing power of the people who eat corn, who consume hog products; and there is also probably a failure to eliminate the surplus entirely, even with the Agricultural Department's program of shortening the unsalable surplus of hogs.

Of course, the purchase of pigs and of hogs by the Department of Agriculture did not destroy them.

Mr. CAREY. It destroyed 6,000,000 of them.

Mr. BARKLEY. It prevented their growth into a larger supply of meats, but that food had to be consumed by somebody in this country. It had to be gotten off the market. It had to be gotten out of the smokehouses. It had to be gotten out of the refrigeration plants; and the process of consuming a surplus of hog meat, even under a program where a department of the Government is undertaking to shorten the future supply by a premature slaughter of hogs, could not be expected to take effect immediately. I think in all probability there is still an unpurchasable surplus of hog meat in the United States, to which the lessening of purchasing power as a whole, and the temporary glutting of the markets, it may be, by the hogs slaughtered by the Government, has made a decided contribution.

That is only a theory of mine. I would not offer that as an exact answer to the Senator's question, but I do think these considerations have entered into the matter.

Mr. CAREY. Then I understand the Senator to say that the purchase of gold has raised prices.

Mr. BARKLEY. On the whole, yes; I think it has.

Mr. CAREY. I think the figures show that this is not the case in agricultural commodities.

Mr. BARKLEY. Oh, in some agricultural commodities that is true. What the Senator says about hogs is true likewise about cattle. Cattle are low as compared to cotton and wheat and corn. There has been a decline in some agricultural products; but on the whole agricultural products have increased from 5 to 10 percent, as I am informed, since October, when this gold-purchasing process began.

Mr. CAREY. How much of a decrease has there been since July? Does the Senator happen to know?

Mr. BARKLEY. I think from the peak of July, which was brought about, I think, by the reasoning I indicated awhile ago, they are probably on the average between 5 and 10 percent below that.

Mr. CAREY. A little more than that, according to the figures available.

Mr. BARKLEY. I would not attempt to be exact about it; but I think we might as well in frankness admit that they are not as high as they were at the peak.

Wheat went up to a dollar and a quarter a bushel. Of course, that was at least in part an artificially stimulated increase in the price of wheat. Corn also went up. Then they fell back when, in July, it was recognized that we had gone too fast; and the reaction from that artificial stimulation or that overconfidence, whichever it may have been, or both, naturally dragged back with it not only the price of commodities but the price of securities.

Since July, however, there has been a gradual increase in the price of many of the products of agriculture, and there has been an increase in the price of securities. While I do not think that is any criterion by which to go, and I do not think that is a measure of prosperity, yet it does in some degree reflect the confidence or lack of confidence among the people. There has been a gradual increase in these prices until in some instances they have almost approximated the high prices of July.

Mr. CAREY. Does not the Senator think the prosperity of agriculture should be made a basis of prosperity?

Mr. BARKLEY. I certainly think that is true.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. Yes, sir.

Mr. VANDENBERG. I am referring to the testimony of Professor Rogers on page 253. I understand that Professor Rogers is one of the sponsors of the bill.

Mr. BARKLEY. I do not know that that is a correct statement. Professor Rogers stated that he did not draw the bill and that he did not participate in its drafting, but that he did sit in a conference and discuss the bill after it had been drawn, as I recall.

Mr. VANDENBERG. I did not intend to impute criminal instincts to the authorship.

Mr. BARKLEY. But in the sense that he favors the bill I suppose he might be regarded as its sponsor.

Mr. GLASS. In the sense that it reflects his theory, he is the author of the bill.

Mr. VANDENBERG. All right. I am challenged by the statement of Professor Rogers on page 253, about the middle of the page, that this operation—

> Would give * * * almost complete assurance of early uncontrollable—

That is the word I am emphasizing—

> uncontrollable credit expansion.

Does the Senator agree with Professor Rogers that there is uncontrollable expansion in this bill?

Mr. BARKLEY. No; I do not, and I do not recall that the professor used the word "uncontrollable." I do not say that that is not correct; but these hearings were printed without an opportunity for any of the witnesses to revise or correct any stenographic mistakes. Whether he used the word "uncontrollable" or not I do not personally recall. I do not think this bill offers the opportunity for uncontrollable credit expansion in the sense that it never could be gotten under control or never could be limited. The witness who gave the most optimistic or pessimistic view of that, as the case may be—depending upon whether one wants it or does not want it, or believes in it or does not believe in it—only estimated that there might be a possible expansion of reserve credit to something in the neighborhood of $34,000,000,000.

Mr. VANDENBERG. Entirely aside from the mathematics, if this is not a typographical error, would the Senator from Kentucky find himself given any pause by the prophecy that uncontrollable expansion is involved in this bill?

Mr. GLASS. Mr. President——

Mr. BARKLEY. The Senator from Virginia desires to answer the Senator's question.

Mr. GLASS. To be entirely fair, as I am sure the Senator from Michigan would want to be, if the Senator will pursue Professor Rogers' testimony a little further he will see there that Professor Rogers says also that the bill affords means of controlling the currency.

Mr. VANDENBERG. I do find that, Mr. President, and yet at the same time I find this unequivocal statement.

Mr. BARKLEY. On the same page again, if the Senator will read further, down near the bottom, Professor Rogers uses this language:

> Now, in just a brief summary—

Of what he had previously said—

> as an economic measure the bill before you provides, among other things—of course, this is not complete:
>
> First, a low gold value of the dollar, once devaluation is accomplished; second, increased definiteness as to the range of fluctuations in the gold value of the devalued dollars; third, a large gold profit with potential inflationary influence, once devaluation is accomplished; fourth, ample control over the use of this profit, so that any resulting inflation can be restricted.

Mr. VANDENBERG. Precisely. I have read that.

Mr. BARKLEY. So that leads me to the belief that the word "uncontrollable" there was either an inadvertence or a typographical error.

Mr. VANDENBERG. Then the Senator and I would agree that if "uncontrollable" is not a typographical error or an inadvertence, it raises a very severe challenge?

Mr. BARKLEY. Regardless of my respect for Professor Rogers—and I think he was one of the most intelligent and explicit witnesses before the committee—I would not agree with him that this bill offers an opportunity for uncontrollable expansion, and I do not believe he meant to say that.

Mr. VANDENBERG. Professor Rogers says, in the same quotation, that this uncontrollable phase is what the bill means to the well informed. I confess that I am not well informed, and I am assuming that the Senator from Kentucky is.

Mr. BARKLEY. I am afraid that is a rash assumption.

Mr. VANDENBERG. At least I am assuming that Professor Rogers is.

Mr. BARKLEY. I rather think he is.

Mr. VANDENBERG. And I should like very much to know whether he means what he says.

Mr. GLASS. Mr. President, General Johnson having pronounced all Senators who disagree with his methods of extricating the Nation from the depression to be dialecticians, I hesitate to get on my feet again simply to say that the Senator from Kentucky [Mr. BARKLEY] is a wonderful psychologist when he assumes that the American people are going to have more confidence in an irredeemable currency than they have had, or might hereafter have, in a currency that is redeemable. That, I understand, is his attitude.

There is no earthly mistake about the fact that this bill provides an irredeemable currency. The fact of the matter is that every Treasury note issued and every Federal Reserve note issued has a lie printed on its face right now—every one of them.

The bill that I have in my hand is not $20. It is a mere promise to pay $20. The fact that it is a promise to pay is

conclusive evidence that it is not $20. It says, "The United States of America will pay to the bearer on demand $20", meaning, of course, $20 in gold, because that was the standard upon which we did business. But if I were to take that note to the Treasury where it is redeemable in gold, according to its face, they would not give me any gold. Would it increase my confidence in the stability of the currency of the country to find that this bill has stated on its face a lie, that the Government will not do what the note issued says it will do? I should think that that would decrease, that that would impair, if eventually it would not destroy, the confidence of the plain people, who do not understand all of these statistics, and all of this diversity of technical view. It did do so right after the Civil War. I would not tell how old I am if others had not already told it. I do not put it in the congressional biography any more, but I am old enough to know when the currency of the United States was worth 34 cents on the dollar, and that was all it was worth. We did not call it a dollar; we called the money "shin plasters", and it is my considered judgment that if we proceed with many more of these vagaries and these experiments, the money in the pockets of the American people, their currency, will be worth about what the currency was worth in the post Civil War period, when the Government was issuing currency.

Either later in the day, if I am physically able, or, if the matter goes over until tomorrow and I am physically able, at that time, I want to address myself, as briefly as possible, without incurring the characterization of "dialectician", to those amendments of the bill which were adopted in the Committee on Banking and Currency by a vote of 12 to 8.

I shall not discuss other prearranged and predestined aspects of the case. I know that the gold dollar, by an utterly invalid and illegal process, for which no human being can find a rational excuse or legal justification, has been devalued abroad, and I know perfectly well that it is going to be devalued at home, and I am not going to waste my time and strength in protesting against it.

Nor am I going to waste any time in protesting any further against the appropriation by the Government of the United States of nearly $4,000,000,000 of gold, not $1 of which it ever lifted its little finger to honestly acquire. Every dollar of it was acquired through the banking skill and the acumen of 16,000 banks throughout this country in their daily, current transactions with their patrons, every dollar of it.

Mr. President, the stockholders of these banks, who are persons, just as much persons as you or I, took the double liability risk in the operation of these banks. The Federal Reserve banks paid to the Government an enormous franchise tax during the period in which they acquired this gold, and, as I have said and now repeat, the Government never lifted its little finger to acquire one penny of that gold, either by the exercise of the governmental mind, or by incurring any governmental risk. Nevertheless, it is going to be seized.

Mr. KING. Mr. President, will the Senator suffer an interruption?

Mr. GLASS. Certainly.

Mr. KING. Is there any way of determining what part of this amount that is to be seized was contributed to the banks as deposit capital at the organization of those banks, and how much has resulted from the operation of the banks, from their earnings, profits, and so forth?

Mr. GLASS. All of it has resulted from the capital supplied by the member banks, which means capital supplied by the stockholders of the member banks.

Mr. BARKLEY. Mr. President, will the Senator yield right there?

Mr. GLASS. If the Senator will just let me answer the question of the Senator from Utah, I will yield.

Mr. BARKLEY. I thought the Senator had concluded his answer.

Mr. GLASS. The remainder was acquired through the banking activities of the Federal Reserve banks, in connection with the member banks, a large part of it by the open-market operations of the Federal Reserve banks themselves.

Now I yield to the Senator from Kentucky.

Mr. BARKLEY. I want to inquire of the Senator whether it is not true that there never has been more than $160,000,000 actually paid into the capital of the Federal Reserve banks by the member banks?

Mr. GLASS. All the capital of the Federal Reserve banks has been paid in by the member banks.

Mr. BARKLEY. The original act provided that half of it should be paid at a certain time and the other half paid upon call; and they have never called for the other half, have they?

Mr. GLASS. No; because the system was so successful that they did not need to call for the other half.

Mr. BARKLEY. As a matter of fact, the $160,000,000 represented by what they paid in represents all that they have paid in to the capital of these banks so far?

Mr. GLASS. They have paid all the capital in, and all the balance represents the accretions over a period of nearly a quarter of a century of banking activities; but the Government itself never contributed a penny toward the establishment of these banks, and has never taken any of the risks involved in the banking transactions over that period.

Mr. BARKLEY. Will the Senator yield again?

Mr. GLASS. Yes; except that I am afraid my dear friend will come under General Johnson's characterization of "dialectician" if he keeps on interrupting me. [Laughter.]

Mr. BARKLEY. I do not want to interrupt the Senator if he does not desire to be interrupted.

Mr. GLASS. I do not object at all.

Mr. BARKLEY. I wanted to inquire of the Senator whether any of this accretion to which he refers grows out of the fact that Congress amended the law after the original Federal Reserve Act was passed, which provided that after a 6-percent dividend was paid to the stockholders of banks represented in the Federal Reserve System, all profits over and above that should go into the Treasury of the United States, which was subsequently amended so as to provide that only a part of the profits should go into the Treasury, and then later amended so that none of the profits of the Federal Reserve System should go into the Treasury of the United States, as was originally contemplated in the act when passed by Congress.

Mr. GLASS. That amendment was adopted about 6 months ago, and has not had any effect at all.

Mr. BARKLEY. The first amendment was not adopted 6 months ago.

Mr. GLASS. Oh, no; but what is a Federal Reserve bank? Some Senators speak of a Federal Reserve bank as if it were a money-making institution for selfish purposes. It is not that at all. A Federal Reserve bank is an institution designed to respond to the current requirements of commerce and industry and agriculture. That is all it is. If its reserve holdings today were double what they are, that condition would be of no particular advantage for selfish purposes to any group of persons in the world. It would simply mean that the Federal Reserve banks were doubly equipped to respond to the requirements of commence, industry, and agriculture, and, as a corollary of that, the member banks could more readily secure generous accommodations at the Federal Reserve banks.

That, Mr. President, is one reason why Owen D. Young and every other experienced banker and highly reputable political economist who appeared before the committee insisted upon leaving the gold with the Federal Reserve banks.

The Senator from Idaho [Mr. BORAH] asked a pertinent question, and one which, if not designed to enlighten the plain people of the country, should certainly serve to inform them. They are thinking that this bill, if enacted into law, will necessarily increase the volume of currency outstanding. It will not necessarily increase it to the extent of a single dollar.

I want the miscalled "profit", as well as the gold principal, in the hands of the Federal Reserve banks. Why? Because, if we are going into this devaluation business it

would twice over enable the Federal Reserve banks more readily and at a lower interest charge to respond to the requirements of business.

Is any of this gold profit to be used by the Treasury to start its printing presses? It is not needed for that purpose. If we are going to start a printing press, why not just start it by itself? What is the use of having any gold behind the currency just issued when the currency is irredeemable in gold, and when, if anyone is found with a gold certificate on his person, he will be sent to jail?

We are told it is not designed that the Secretary of the Treasury shall issue any currency against this gold; but if we leave it in the Federal Reserve banks where it now properly belongs, because by them it was earned, and then devalue it, we simply increase twofold, as I have said, their ability to respond to the requirements of commerce, industry, and agriculture.

Mr. KING. Mr. President, will the Senator yield?

Mr. GLASS. I will yield in a second.

The Federal Reserve banks are not to be regarded as institutions with hoofs and horns. I call the attention of the Senate to the fact that over the period of more than 20 years of their existence the discount rate in this country has materially been reduced, and sometimes the prevalent discount rate has been so low as to be absolutely ridiculous. For a period of time after the frightful crash in 1929 the discount rate at the New York bank went down to 1 percent; and many practical bankers and experienced economists contend to this day that it was largely because of the low rediscount rate tendered by these banks to the business of the country that excessive speculation was brought about and the crash was caused.

I now yield to the Senator from Utah.

Mr. KING. Mr. President, I desire to ask the Senator whether this measure will not increase the circulating medium, or increase the opportunities for expanded credit; and if we have sufficient gold now upon which to base a larger quantity of circulating medium, is there any other reason for this measure than to take away from the Federal Reserve the gold which they have earned and transfer it to the Government?

Mr. GLASS. And realize a profit by devaluation?

Mr. KING. What is the advantage of devaluation?

Mr. BORAH. Mr. President, the Senator from Virginia said that this bill would not necessarily increase the volume of currency; but under the terms of the bill the authorities could increase the volume of business; could they not?

Mr. GLASS. The Secretary of the Treasury could; yes. Oh, yes; he could.

Mr. BORAH. In other words, we leave it purely discretionary with the Department, as we did last spring?

Mr. GLASS. Oh, absolutely discretionary with the Department, regardless of what may be the business demands of the country.

The Senator from Utah asked me my opinion as to devaluation. I am such a temperate person that I cannot adequately express my opinion of devaluation or of the seizure of the gold; and while it might please me to say, and might please or amuse some Senators to have me say, what I think of it, I should rather refrain from saying more than I have said as to what I think of it.

While I am talking I suppose I might as well keep on to a conclusion and go to bed.

Mr. President, your Committee on Banking and Currency, after hearing all the witnesses who appeared before it, made certain amendments to the bill. There is one outstanding, significant fact in connection with the hearings, which is that with the exception of only two witnesses, besides one individual whose name I have forgotten, and who read a little essay 2 or 3 minutes long—the Senator from Kentucky remembers his name; I do not care to put it in the RECORD—with the exception of the two gentlemen whose theory is responsible for the bill, every witness we had, banker, Federal Reserve official, or political economist, found fault with this bill as drawn.

When I ventured to remark upon that singular circumstance, it was replied that it depended upon who summoned the witnesses. Well, I do not know who summoned the witnesses. I know it was within the right and province of any member of the committee to suggest witnesses, and if the proponents of this bill knew no other persons of competent authority who would testify in behalf of the bill except the two who did testify, Professor Warren and Professor Rogers, certainly that fault could not be imputed to those who disagreed with the bill.

As to the amendments, one of them places a time limit within which the President may proceed to devalue the dollar. The other, of a kindred nature, places a time limit on the use of the $2,000,000,000 so-called "stabilization fund." I have been told—I do not venture to assert it of my own knowledge—that the administration has no particular objection to those two extremely important modifications of the bill, as I think. The import of them readily appears from a mere statement of their nature.

The other amendment is as to the use of the stabilization fund; whether it shall be administered by the Secretary of the Treasury alone and arbitrarily or whether it shall be administered by a board composed of the Secretary of the Treasury, the Governor of the Federal Reserve bank, the Comptroller of the Currency and two members to be appointed by the President by and with the advice and consent of the Senate.

The distinguished Chairman of the Banking and Currency Committee, I guess, for I could not hear him, rather opposed that amendment in his presentation of the case to the Senate. It is said it is very essential for the authority to be vested alone in the Secretary of the Treasury so that he may act quickly, expeditiously, as the requirements of the case may be. I call attention to the fact that the equalization fund of Great Britain is administered by a board of 3 experienced persons; 3 persons who are career men; 3 persons who intimately know foreign exchange in all its aspects; and nobody ever ventured to suggest that that board of 3 persons might be called a town meeting.

Mr. BARKLEY. Mr. President, will the Senator from Virginia yield there?

Mr. GLASS. I will.

Mr. BARKLEY. Those three persons, however, are members of the Treasury Department of Great Britain. There is no person upon that board from the outside.

Mr. GLASS. Those persons, as I have stated, are career men, tested and experienced in foreign-exchange transactions, in intimate intercourse with the Bank of England, and are men who have knowledge of what they are doing.

Our Secretary of the Treasury is a most estimable young gentleman, worthy, patient, amiable, lovable, without a day's experience as a banker, and, so far as I have been able to ascertain, without any knowledge of foreign exchange. To put activities of this tremendous importance exclusively in the hands of one man, I think, is a mistake, and the committee thought it was a mistake.

Moreover, it was said officially in the House of Commons that the stabilization fund of Great Britain was not used for the purpose of degrading the English pound, was not used for the purpose for which avowedly the stabilization fund which we are establishing is proposed to be used. As to that I do not know; I do not think any of us know.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. GLASS. Yes.

Mr. ROBINSON of Arkansas. What are the purposes for which the alleged large stabilization fund in Great Britain is used?

Mr. GLASS. I am told it is used to prevent a too wide fluctuation of the pound in domestic transactions.

Mr. ROBINSON of Arkansas. What, then, is the necessity for the equivalent of $1,800,000,000 in that fund if its use is limited to the purposes just stated?

Mr. GLASS. Well, that question may be answered in the House of Commons. I do not pretend to know. I simply

know that it was definitely and specifically denied in the House of Commons that it was used for the purposes for which it is proposed to use this fund.

Mr. ROBINSON of Arkansas. I have absolute confidence, of course, in the integrity of any statement the Senator from Virginia makes as to a fact; and if he says he knows the fact, I think his statement is entirely credible.

Mr. GLASS. On the contrary, I have said I did not know the fact.

Mr. ROBINSON of Arkansas. That was the purpose of my inquiry, to show that the Senator did not know for what purpose the English fund is used.

Mr. GLASS. Had the Senator done me the honor to have listened to me he would have known that I so stated.

Mr. ROBINSON of Arkansas. O Mr. President, the Senator cannot put me in that light. I think I did do the Senator the honor—I did myself the honor—to listen to what the Senator was saying; and the sole significance of the remarks of the Senator, the implication of his remarks, is that we are creating an equalization fund which will be used in a different manner from the large fund that is in the hands of British authorities for some purpose the Senator admits he cannot define for us.

Mr. GLASS. We are setting up a stabilization fund, as I infer from the whole proceedings of our committee, for the purpose of compelling foreign nations to join with us in the stabilization of foreign exchange, and the testimony before us by foreign-exchange experts of international reputation was that it would not do that but, quite the contrary, that it would create friction and defer the stabilization of foreign exchange.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. GLASS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator a moment ago said that the object of the British stabilization fund was to stabilize the value of the pound in domestic transactions.

Mr. GLASS. No; I did not state that. I said that that was stated in the British House of Commons.

Mr. BARKLEY. As evidence that that could not be accurate, I point to the fact that the $1,800,000,000 British stabilization fund is required to be in gold, which would not be necessary if it only applied to domestic consumption.

Mr. GLASS. Whatever may be the purpose of the stabilization fund, the point I am now discussing is the decision of the Banking and Currency Committee, by a vote of 12 to 8, that these activities should not be confided to a single person, to wit, to the Secretary of the Treasury.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Florida?

Mr. GLASS. Yes.

Mr. FLETCHER. The fact is, however, that the absolute control of the British equalization fund is vested solely in the British treasury. Is not that true?

Mr. GLASS. It is vested in a board of three exchange experts.

Mr. ROBINSON of Arkansas. Mr. President, in that connection, will the Senator yield for a question?

Mr. GLASS. Yes.

Mr. ROBINSON of Arkansas. Does the Senator know or can it be stated who constitutes the board to which he refers?

Mr. GLASS. No; I do not know the names of the persons who constitute the board.

Mr. ROBINSON of Arkansas. Does the Senator know the official positions they hold in the Government?

Mr. GLASS. No; I have just been told, and I state upon what I consider trustworthy authority that they are three persons of long experience tested in the activities of exchange.

Mr. KING. Mr. President, before the Senator leaves the point he has just been discussing I should like to ask him if the purpose of our Government has not been for some time to beat down—and I use the expression so often seen in the newspapers—the value of the American dollar in foreign exchange? I am asking for information. I ask whether anything was elicited in the hearings or anything is indicated to be the purpose of the bill to continue the policy, if that is behind the policy, of beating down the value of the American dollar in the markets of the world?

Mr. GLASS. I can only assume that that is the purpose of the bill, though one of the witnesses, a man of great ability, stated to the committee that he believes the primary purpose of the bill is to seize the profits of devaluation for the Treasury.

Mr. KING. May I ask the Senator one more question?

Mr. GLASS. Yes.

Mr. KING. Was there anything to indicate during the testimony, or is there anything in the bill to indicate that the $2,000,000,000 so-called "stabilization fund" will not be used in whole or in part for the purpose of beating down the American dollar in the markets of the world?

Mr. GLASS. I would say the purpose of it, as viewed and as might readily be assumed, is to beat down the American dollar, if the Secretary of the Treasury, in his judgment, should think that the American dollar ought to be beaten down. I cannot imagine what else it may be for unless Mr. Stewart, the foreign-exchange expert, may be right in his assumption that the primary purpose of the bill is to take over all the gold and get the profits for the Treasury.

But, after all, it is not a question of what Great Britain is doing or what any other nation is doing. As a matter of fact, no other civilized nation on the face of the globe has ever seized the gold of its central bank. Great Britain has never taken a dollar of the gold of the Bank of England. France has never taken a dollar of the gold of the Bank of France. Germany has never taken a dollar of gold of the Reichsbank. So far as I know, and I asked the question of the experts before the committee, no nation on earth has ever seized the gold of its central bank. But it is not a question so much of what other nations have done unless we propose to profit by their experience.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oklahoma?

Mr. GLASS. I yield.

Mr. GORE. Whatever be the purpose of the English stabilization fund—I understand it is to stabilize foreign exchanges in terms of the pound—I think the Senator from Kentucky is mistaken when he says the stabilization fund is made up of gold, because that contemplates, as I understand, about $1,800,000,000. England never had that much gold within her borders during her history. I think the high watermark, according to the last report I saw, was about $800,000,000. I do not know what it is at present.

Mr. GLASS. If we are going to take the example of other nations, Great Britain did not go off the gold standard until she was depleted of all her gold. She had not $20,000,000 of gold when she felt forced to go off the gold standard in a sense, though not in the sense that we are off the gold standard. We had 43 percent of the gold of the world when we went off the gold standard. Except the two Government experts, no man appeared before our committee who would venture to express the opinion that we should have gone off the gold standard, or at least that there was any necessity of our going off the gold standard.

But, as I have said, I am not going into these matters. I am not going into the matter of devaluation. I am not going into the matter of the seizure of the gold. I think those are practically accomplished facts, or will be pretty soon. I merely want, if I possibly can, to remedy some of the defects of the bill. One of them, I think and the committee thought, is the provision that gives the Secretary of the Treasury sole authority to handle the $2,000,000,000 stabilization fund. We thought it would be better committed to a board, assuming that there would be on the board somebody who understands foreign-exchange transactions.

There is one other amendment to the bill to which I might invite the attention of Senators. I do not know whether or not the chairman of the committee signified any opposition to that amendment, because I could not hear him well.

The bill purports to authorize the use of the $2,000,000,000 fund for the purpose of stabilizing the currency. It was suggested by several of the competent witnesses before the committee that the Secretary of the Treasury might use this fund for domestic transactions upon the mistaken belief that he was using it for the stabilization of foreign exchange.

Some substantial ground for that assumption was supplied by the fact that when the bill first came to us it provided that the Secretary of the Treasury might rediscount notes, buy bills of exchange, domestic or otherwise; he might do almost anything that even a member bank of the Federal Reserve System might do; and therefore the committee reported an amendment to that provision of the bill which says "for the sole purpose" of equalizing exchange.

Whether that amendment shall remain in or go out of the bill the Senate must decide; but before it reaches a decision I desire to call attention to the fact that unless that amendment shall remain in the bill we will be setting up the Secretary of the Treasury as a great central banker, with authority to go into the open market in competition with the open-market committee of the Federal Reserve banks and engage in all kinds of open-market transactions. Mr. Owen D. Young particularly emphasized that danger, saying that the open-market committee of the Federal Reserve banks might find itself in reverse activity to the activities of the Secretary of the Treasury. The Secretary of the Treasury might take the view that it was desirable to contract the currency. At the same time the open-market committee of the Federal Reserve banks might think there was necessity for an expansion of the currency; and there we would have a conflict between this one-man central banker and the Federal Reserve open-market committee.

Therefore I think it extremely important, and I may say authoritatively that the Federal Reserve bank officials think it extremely important, to preserve that amendment to the bill, so that the activities of the Secretary of the Treasury with this enormous sum of $2,000,000,000, or, rather, what used to be the enormous sum of $2,000,000,000—may be directed solely and only to stabilization of foreign exchange and not, upon the mere judgment of one man, be used for all kinds of banking activities.

I regret very much, Mr. President, that my physical condition is such that I do not feel that I could or should undertake a detailed discussion of the bill. I rose simply to comment upon the alterations made in the bill by the Banking and Currency Committee.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question before he takes his seat?

Mr. GLASS. I yield.

Mr. VANDENBERG. Even if the final amendment to which the Senator adverts does remain in the bill, and the stabilization operations are thus confined to external activities, are there not still numerous activities which ought to call for liaison between the Federal Reserve System and the administration of this bill?

I am thinking of the advisability of this group administration of the fund. Are there not other situations in which liaison between the Federal Reserve System and the administrators of this fund is highly desirable and essential?

Mr. GLASS. To be fair, I should assume that there would be consultation and conference between the Treasury and the Federal Reserve authorities. Unhappily for the country, I think, the Federal Reserve System for 13 years has been made subject to the Treasury. That was very far from the intention of the proponents of the system. It was intended to be a commercial banking system, responsive to the requirements of business, commerce, industry, and agriculture, with agriculture preferred all the way through it. That is what it was intended to be; but for the last 13 years the system has been used as a football for the Treasury.

Every single, solitary issuance of Treasury securities or Federal bonds has not only been made through the mechanism of the Federal Reserve banks without any compensation whatsoever, but the Federal Reserve banks, shall I say have been compelled, or shall I say have been persuaded, not only to take a large part of these bond and security issues themselves, but to apportion practically all of it to the member banks under a system of coercion—nothing short of that—that compelled the member banks to take these bonds. Today nearly 50 percent of the outstanding bonds of the Government choke up the portfolios of the Federal Reserve banks themselves, or of the member banks of the Federal Reserve System, rendering them in that measure practically incapable of readily responding to the requirements of business.

That was never intended by the Congress, but it has been done; and I assume, in response to the question of the Senator from Michigan, that the Secretary of the Treasury in the administration of this fund will consult with the Federal Reserve authorities, or in any event will require the Federal Reserve authorities to consult with him.

I have no reason to think that the fund will be administered in any sort of sinister way. I think the Secretary of the Treasury—both the present Secretary of the Treasury any anybody who may become Secretary of the Treasury—if not possessing the business foresight to be effective, will at least want to be and endeavor to be; but it is my considered judgment that the administration of this fund should be confided to a board rather than to any one man. I do not believe any man on earth is infallible in financial matters at least; and I think, therefore, we ought to take the precaution to confide this authority to a board.

Mr. KEAN. Mr. President, I should like to ask the Senator a question, if I may.

Mr. GLASS. I yield.

Mr. KEAN. The Senator having been a distinguished Secretary of the Treasury, I should like to ask him whether, when he was in the Treasury, there were many experts on foreign exchange in the Treasury of the United States.

Mr. GLASS. I accept the Senator's characterization of me, with the omission of the "distinguished" part of it. We had a man in the Treasury who was said to be an expert on foreign exchange and said not to be. Some competent persons appraised him as a fairly good expert, and I have heard other exceedingly competent bankers say that he did not know anything about the subject.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. GLASS. Yes; I yield.

Mr. ROBINSON of Arkansas. At the time referred to by the Senator from New Jersey [Mr. KEAN] were there difficult or acute problems before the Treasury Department pertaining to foreign exchange?

Mr. GLASS. I do not recall that there were.

Mr. ROBINSON of Arkansas. Of course, the present condition and the prospective condition would prompt anyone charged with the responsibility of administering this stabilization fund to get the best advice obtainable from whatever source, and I apprehend that on the board which some are so urgently insisting upon there is no expert of exceptional qualifications relating to foreign exchange. I do not know that the Comptroller of the Currency, or, for that matter, the Governor of the Federal Reserve Board, has any very great knowledge of this subject; but the point is that whoever discharges the function will necessarily get the best information and advice that is obtainable, and, in my judgment, it would not come from this board of five or any other board. May I add that the Senator's reference to a town meeting was probably prompted by what I myself said yesterday.

Mr. GLASS. Oh, no.

Mr. ROBINSON of Arkansas. I merely wish to reinforce the statement that a board consisting of five members, constituted as this board is proposed to be, might be compared to a town meeting.

Mr. GLASS. Of course, the Senator and I are in disagreement about that. I do not even think that the Federal Reserve Board, composed of eight members, might accurately be characterized as a town meeting. I want to say,

however, that I think the Senator from Arkansas is mistaken in rather—well, I will not say disparaging the capabilities of the Governor of the Federal Reserve Board——

Mr. ROBINSON of Arkansas. Will the Senator permit me right there?

Mr. GLASS. Certainly.

Mr. ROBINSON of Arkansas. In saying that neither the Governor of the Federal Reserve Board nor the Comptroller of the Currency is an expert on foreign exchange, I no more disparage them than the Senator from Virgina has himself disparaged the Secretary of the Treasury by making the same characterization of his ability in reference to exchange.

Mr. GLASS. The Governor of the Federal Reserve Board is an experienced banker, and has developed into one of the best Governors the Federal Reserve Board has ever had.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit me further?

Mr. GLASS. Certainly.

Mr. ROBINSON of Arkansas. While I do not mean to disparage the Governor of the Federal Reserve Board, I have never understood that he is, or that he is claimed to be, an expert in the matter of foreign exchange.

Mr. GLASS. I would not class him as an expert in foreign exchange along with men like Stewart and others, but he is a very level-headed man.

Mr. ADAMS. Mr. President, I might add a comment in reference to the purpose of the committee. The very things which have been suggested by the Senator from Arkansas were in the minds of the committee, that there was no expert in foreign exchange at the head of any of these boards, and therefore the committee was providing for two additional men, who should be appointed, with the idea that the President of the United States should appoint them, and that he was the very best qualified to pick them. Their appointments were made subject to confirmation by the Senate of the United States, which the committee thought might tend to insure obtaining experts upon that very subject.

Mr. GLASS. And we hoped and assumed that the President would pick experts in foreign exchange.

Mr. BYRNES. Mr. President, will the Senator from Virginia yield to me for a question?

Mr. GLASS. I yield.

Mr. BYRNES. The Senator from Virginia is not under the impression that the British act provides for a board of three to handle the equalization account of Great Britain, is he?

Mr. GLASS. Yes.

Mr. BYRNES. Would I divert the Senator if I read to him from a copy of the act, which I have in my hand?

Mr. GLASS. No; the Senator would not divert me, but might enlighten me.

Mr. BYRNES. I would hope to enlighten the Senator, and I trust I will not divert him.

Mr. GLASS. I have said all along that I should like to know the exact facts.

Mr. BYRNES. I read from section 1, part 4, of the act:

> There shall be established an account, to be called the "exchange equalization account", which shall be under the control of the treasury and shall be used for the purpose specified in this part of this act.

The act then sets forth the purposes, giving to the treasury absolute power to handle the fund in any way possible to this extent in section 4:

> There shall be issued to the account out of the consolidated fund, or the growing produce thereof, at such times and in such manner as the treasury may direct, such sums, not exceeding in the aggregate 150,000,000 pounds, as the treasury may determine, and all the assets of the exchange account shall be transferred to the account at such time as the treasury may direct.

I may say to the Senator that there is no provision restricting in any way the activities of the treasury, or providing for the appointment of any career men, or of any employee.

Mr. GLASS. Mr. President, that does not impeach in the slightest degree what I regard as my authoritative information—that that fund is administered by three tested career men in the Treasury Department of Great Britain, who know exchange matters in all of their phases. So I am glad of the diversion and regret that I did not get more information.

Mr. FLETCHER. Mr. President, in view of some of the observations made by the Senator from Virginia, I want to make brief reference to matters which he discussed, and I begin by referring to his statement that we are about to flood this country with "irredeemable currency", practically without any base or foundation or support.

I feel it worth while to call attention to the money in circulation today in the United States and its characteristics. There are gold certificates, which, until the recall of gold bullion or coin by the United States Government, were redeemable in gold by any bank in the country. The gold certificates merely represent in convenient form, dollar for dollar, the actual coin that rests in the Treasury of the United States to back them up. Approximately $232,000,000 of these gold certificates were in circulation on September 30, 1933, and represented in large part hoarded money. That is one kind of money we have in this country.

There is the silver certificate, convenience money, backed 100 percent by silver dollars in the Treasury of the United States, and redeemable in silver dollars. Approximately $385,000,000 of these certificates were in circulation on September 30, 1933.

There is the national-bank note, secured by bonds of the United States deposited with the Treasury of the United States, and redeemable in lawful money at the Treasury, or at the bank of issue. That is another kind of currency. This note is backed by United States Government bonds and not coin or bullion, and is redeemable in other notes of issue, and redeemable in any lawful money, not necessarily gold or silver. A 5-percent fund is maintained in lawful money for the redemption of notes of this character.

The national-bank note had no redemption feature from 1863 to 1879. There are over $900,000,000 worth of that type of money in circulation and $37,000,000 only of lawful money deposited for their redemption. This is sound money because of its redemption feature. That is another kind of money.

Then there is the Federal Reserve note which Senators have been discussing today. Such notes are an obligation of the Government of the United States, and a first lien on all the assets of the issuing Federal Reserve bank. They are secured, through a deposit with the Federal Reserve agent, by gold and by discounted obligations or notes, or perhaps some Government bonds. There must be a gold reserve of at least 40 percent. Nearly $3,000,000,000 of these notes were in circulation on September 30, 1933. The Government held against these notes $1,700,000,000 in gold and the banks held $800,000,000 in gold. There could have been issued $6,250,000,000 of these notes on that day under existing law.

Then there is the United States note. Approximately $280,000,000 of these are in circulation and $64,000,000 additional lie in the banks. These are the greenbacks we hear mentioned. They are secured by a gold reserve of $156,000,000 against a total issue of $350,000,000.

The next is the Treasury note of 1890. Approximately $1,000,000 of these notes are in circulation. They are secured dollar for dollar by the standard silver dollars being held in the Treasury, and these notes are being canceled and retired upon their receipt. They represent largely hoarded money.

Next come the Federal Reserve bank notes. One hundred and fifty-six million dollars of these are in circulation. They are secured by bonds of the United States or by commercial paper. These bank notes may be issued based on bonds or on eligible paper as security.

There is no question about the soundness of United States money. The fact remains, however, that the gold certificate has behind it gold to the extent of 100 percent and dollar for dollar in value. It represents less than 5 percent of our currency volume, and has been recalled.

Under the act of 1933 we made all currency of the United States legal tender, so that for all purposes of currency all the money we have in circulation is absolutely sound and can be used for all purposes for which any money can be used.

The Treasury notes of 1890, backed by silver dollars, pass concurrently and at par with the gold certificate. They represent but a fraction of 1 percent of the volume of our currency.

The silver certificates are secured 100 percent by silver dollars and are redeemable in silver dollars. Though that silver is demonetized the silver dollar and the silver certificate pass at full face value always, because of the redemption feature and the faith and credit of the Government which issues the money. These silver certificates represent less than 8 percent of the money in circulation.

The United States notes, secured by 45 percent only of gold, pass equally with the gold certificates or silver certificates, because they have the redemption feature distinguishing them from the German printing-press paper money or assignats. These United States notes represent about 7 percent of our currency.

The Federal Reserve notes or the Federal Reserve bank notes, necessarily backed by but 40 percent of gold and by commercial paper or Government bonds, likewise pass at par always with gold itself. They today represent about 60 percent of our currency.

The national bank notes secured by Government bonds meet with no resistance nor are they ever discounted, for they have behind them a prior lien on the assets of the bank issuing them and likewise on the Government bonds. Yet they are actually backed by approximately only a 4-percent redemption fund and constitute about 16 percent of our currency volume.

The Federal Reserve bank notes do not necessarily have one dollar in gold behind them. United States bonds and commercial paper suffice to keep at par $156,000,000 of these notes.

No two of the moneys enumerated have the identical security behind them. All pass at par to the point that not one man in a thousand distinguishes the varying forms of currency. All represent sound money.

In the reform of our monetary system the base money can be gold or silver bullion, against which two and one-half times its volume may be safely issued in sound money to provide an adequate currency.

So much for the currency as it exists. The gold certificates that are proposed to be issued under the terms of the bill are founded upon gold bullion dollar for dollar.

Mr. KEAN. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Florida yield to the Senator from New Jersey?

Mr. FLETCHER. I yield.

Mr. KEAN. We repudiate the gold certificates that are outstanding at the present time, do we not?

Mr. FLETCHER. They are now payable in lawful money. They have gold back of them.

Mr. KEAN. If the value of an ounce of silver should go above par, I suppose we would repudiate the silver certificates also, would we not?

Mr. FLETCHER. The silver certificates have dollar for dollar in silver behind them.

Mr. KEAN. Perhaps.

Mr. FLETCHER. They have now.

Mr. KEAN. But if silver should go up, we probably would repudiate the silver dollars also?

Mr. FLETCHER. We are not repudiating anything. I am amazed to hear the Senator from New Jersey or any other Senator say that the gold certificates are a lie, and that there is nothing solid behind them at all. They are absolutely based upon gold bullion. Does the Senator wish to go around with his pockets full of gold bullion? No one uses gold bullion. If money can be used which has behind it gold value, dollar for dollar, that is the kind of money the people ought to have, and that is the kind the people get.

Mr. KEAN. Can I get the gold if I present a gold certificate?

Mr. FLETCHER. The Senator can get lawful money of the United States, which is based upon that gold.

Mr. KEAN. But if I want the gold, can I get it?

Mr. BARKLEY. The Senator cannot get it if he wants it.

Mr. FLETCHER. What better money can the Senator get? The Senator ought to be willing to pay a premium to get paper money, instead of being obliged to be burdened by carrying the actual gold.

The Senator from Virginia [Mr. GLASS] alluded to the Federal Reserve System being interfered with by this measure. He spoke of the Federal Reserve banks having rendered such great and altruistic public service to the country, and that all they have done has been done through their own skill and their own genius and their own wisdom; that the Federal Reserve banks built up this great system; that the Government never did anything for them; that the Government never contributed in any degree whatever to the success of the Federal Reserve System.

Do they owe nothing at all to the Government? Mr. President, the Senator from Virginia overlooks the outstanding fact that the Government created the System and the Government gave these banks the power and the authority to issue currency. I am not throwing any stones at the Federal Reserve System. I have been a friend of the System; but how would they ever have succeeded in doing the work they have done if it were not for the Government? They owe to the Government of the United States not only their existence but the basis of all the profit and wealth they have ever accumulated, because the Government gave them the power to issue money.

Would anyone want anything more than that? Would anyone want anything more than authority granted by the Government to issue currency? That is what these banks have. It is because of that authority, because of that power, because of what the Government has done for them, that they have been able to accumulate gold and other profits. I do not blame them. I praise them for what they have accomplished; but it is inconceivable to me how anyone can say that they have done it on their own initiative, and by reason of their own ability, and by reason of their own money, without any help whatever from the Federal Government, and that the Government has been simply using them as a "football."

The Federal Reserve banks owe their power, they owe their strength, they owe their wealth, they owe everything to what the Government gave them in the beginning. As I said before, I do not criticize the Federal Reserve banks or the Federal Reserve System. I have always been a friend of theirs; but they are not the sole strength and salvation of this country or of our currency.

The proposed bill deprives the banks of nothing. The gold they have in their possession as reserve is taken into the Treasury; and instead of the gold, and for all the uses to which the gold can be put, they hold the Treasury's gold certificates. They ought not to be allowed to make the profit, if there is a profit made by devaluation, because that profit arises by reason of the act of Congress, by reason of the act of the Government; not by reason of anything that the Federal Reserve System has ever done or accomplished.

I desire to say just a word or two in connection with the Federal Reserve System. That System is the system upon which the credit of the country is based. The Federal Reserve System, operating through the Federal Reserve banks and member banks, controls the credit of the country. It claims to do that, and it does that. The Federal Reserve banks constitute the great power of expansion and of contraction of credit, which means so much to the people of this country.

What did they do in 1929? Did they exercise that power, or did they exercise any judgment if, in exercising the power, they brought about the tremendous expansion and collapse of 1929? Why did they not see what was happening to this country when in October, 1929, in one day securities on the Stock Exchange of New York depreciated $29,000,000,000, and the year after, in October 1930, those securities depreciated $20,000,000,000 more? There was $49,000,000,000 of depreciation happening in New York alone at that time, when the Federal Reserve System had control of the credits of this country. Could they not have inter-

fered to prevent that sort of expansion, that sort of final collapse and terrible disaster, that fell upon the country? They did not do it. I will give them credit for all the power and strength they have. There has been a time in the history of this country, however, when they did not measure up fully to the expectations or demands of the country.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. FLETCHER. I yield to the Senator from Michigan.

Mr. VANDENBERG. I should like to have the judgment of the distinguished Chairman of the Committee on Banking and Currency on the same question I submitted to the Senator from Kentucky, because I think it is rather important. At which place on page 253 of the committee hearings does he agree with Professor Rogers, where Professor Rogers says, upon the one hand, that under this new system "inflation can be restricted", or where Professor Rogers says, at another place on the same page that the system produces "complete assurance of early uncontrollable credit expansion"?

It cannot produce both. Which one is it that is going to be produced?

Mr. FLETCHER. I do not think there is any doubt but that it will be controlled; that is the main purpose of this proposed legislation—the control of the currency, the control of expansion, and the control of contraction. I do not think there is anything that will be achieved by this bill that will bring about what is called uncontrolled expansion or uncontrolled inflation.

Mr. VANDENBERG. Then the Senator disagrees with Professor Rogers at the top of the page and agrees with him at the bottom of the page?

Mr. FLETCHER. If that is the order in which the statements occur, I accept the Senator's version of it; I do not remember as to that; but I do remember Professor Rogers' statement on the stand, and I have no impression that he ever claimed that this measure would be disastrous in any of its possibilities in any future transactions or developments. He was supporting the bill, as I understood him; he is in favor of the bill.

Mr. VANDENBERG. I understood he partially wrote it, but would not the Senator himself find a challenge in the bill if it did contemplate—

Early uncontrollable credit expansion?

Mr. FLETCHER. Yes, I would; I do not believe in inflation; I never have believed in what is called "inflation"; reflation is a different thing. I believe in sufficient expansion; I believe in a sound money adequate to serve the purposes of the country.

Mr. VANDENBERG. What does the Senator say about this language which I find in the hearings?—

Early uncontrollable credit expansion.

Mr. FLETCHER. I should think that would be inflation.

Mr. VANDENBERG. That would be such inflation as the Senator would be opposed to, would it not?

Mr. FLETCHER. Certainly.

Mr. VANDENBERG. Yet that is the description ascribed to this bill by one of its authors.

Mr. FLETCHER. I think it is necessary to read the whole statement in order to understand fully what was meant by the witness.

Mr. VANDENBERG. After I read the whole statement I cannot understand any of it. [Laughter.]

Mr. McADOO. That may be the Senator's fault.

Mr. BARKLEY. That may not be the fault of Professor Rogers.

Mr. VANDENBERG. I submit it is when he disputes himself on the same page.

Mr. FLETCHER. Much is said about this measure involving uncontrollable inflation and of currency under it being worthless, representing promises that are never to be redeemed and as being of no value. I will ask the Senate to look at the bill at section 6, where it is expressly provided—

That gold certificates owned by the Federal Reserve banks shall be redeemed at such times and in such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain the equal purchasing power of every kind of currency of the United States: *And provided further*, That the reserve for United States notes and for Treasury notes of 1890, and the security for gold certificates (including the gold certificates held in the Treasury for credits payable therein) shall be maintained in gold bullion equal to the dollar amounts required by law, and the reserve for Federal Reserve notes shall be maintained in gold certificates, or in credits payable in gold certificates maintained with the Treasurer of the United States under section 16 of the Federal Reserve Act, as heretofore and by this act amended.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. SHIPSTEAD. Does the Senator, the chairman of the committee, believe with the Senator from Kentucky that the only way money can be put into circulation is through the Federal Reserve banks as it has been put in circulation in the past?

Mr. FLETCHER. No; I am claiming something different from that. I like the Federal Reserve banks but I do not think they are the only source of strength and power.

Mr. BARKLEY. Mr. President, I did not make the statement the Senator from Minnesota ascribes to me. I said, so far as this bill is concerned, there is no change made in the method of issuing money.

Mr. FLETCHER. I agree to that.

Mr. SHIPSTEAD. That is what I understood.

Mr. FLETCHER. The Federal Reserve banks will still have the power to issue currency on the same terms as they now issue it, based on gold. We will have gold certificates, however, which will take the place of the gold.

Mr. SHIPSTEAD. Can the Senator tell me whether there is any avenue or any way in this bill by which the currency can be inflated beyond control any more than under our present system under the Federal Reserve banks?

Mr. FLETCHER. No; I do not think this bill adds to the possibility of that sort of use of the powers of government.

Mr. SHIPSTEAD. If there is any uncontrolled inflation here, I should like to know what it is, because I have not found it.

Mr. FLETCHER. I do not think there is any uncontrolled inflation in the bill. That is what I have said; I do not think the bill can be construed in that way.

Mr. President, I do not care to take up the time of the Senate further. I should like to get on with the bill and to have the first amendment of the committee acted on, if I may.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

ALCOHOLIC-BEVERAGE REGULATION IN THE DISTRICT (H.DOC. NO. 225)

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate a message from the President of the United States, which was read, as follows:

To the Congress:

I have approved H.R. 6181, an act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia.

Before approving this act of the Congress, I gave it careful personal study and referred it to the Attorney General of the United States and to the Federal Alcohol Control Director.

The Attorney General and the Director, in written reports given me on January 22, which I hereby transmit to the Congress, suggest the necessity of amendatory legislation. I respectfully request the Congress to give its consideration to the suggestions contained in their reports.

I prefer to approve the act now, in its present form, and to ask the Congress for amendatory legislation rather than delay putting it into effect by returning it to the Congress for amendment, meanwhile postponing approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 24, 1934.*

[NOTE.—Reports accompanied similar message to the House of Representatives.]

Mr. KING. Mr. President, I ask that the message, with the accompanying papers, be referred to the Committee on the District of Columbia.

The PRESIDING OFFICER. Without objection, the message will be so referred.

UNITED STATES MONETARY SYSTEM

The Senate resumed the consideration of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

Mr. CONNALLY obtained the floor.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Delaware?

Mr. CONNALLY. I yield.

Mr. HASTINGS. I desire to announce that, as soon tomorrow as I can secure recognition, I shall desire to discuss the pending bill at some length.

Mr. ROBINSON of Arkansas. Let me inquire if the Senator is ready to proceed now? I thought perhaps he would like to discuss the measure before we vote on the amendments.

Mr. HASTINGS. No; I am not ready to proceed now, and besides the Senator from Texas has the floor.

Mr. CONNALLY. Mr. President, I am heartily supporting the pending measure. I expect to follow the discussion of it by both its proponents and those who are opposed to it with a great deal of interest. It may be of interest to the Senate to have recalled that today 1 year ago, the 24th of January 1933, the junior Senator from Texas, who is now undertaking to address the Senate, made the first speech which was made in this body advocating cutting the gold content of the dollar or devaluating the gold dollar. The reasons which I urged at that time were that I was convinced that some form of inflation was necessary in order to restore the price level of commodities and to permit debtors to discharge obligations which they had contracted at a time when commodities were high and money was cheap. I do not believe in the issuance of unlimited volumes of paper money. I do not believe that it is sound to issue a great lot of Treasury notes without sufficient metallic reserves in the Treasury to protect them.

When I made the remarks to which I have referred, Senators on both sides of the house challenged the constitutionality of the proposal. The Senator from Arkansas, the Democratic leader, however, was good enough to come to my rescue in that regard and to indicate his view that the Congress, under its constitutional power to regulate the value of money, had the power to revalue the gold dollar. The Senator from Arkansas is now in the Chamber, and he may correct me if I am not stating correctly his attitude at that time.

Other Senators took the position that it was repudiation, and insisted that we could not pay debts with a new gold dollar when those debts had been contracted on the basis of a dollar of a greater gold content. Other Senators took the position that in bonds and notes and other obligations exclusive gold clauses requiring the payment of such obligations in dollars of the present standard of weight and fineness in gold could not be abrogated.

Senators, within a year you have seen those imaginary objections swept aside. You have seen the Congress, by its own act, abrogate exclusive gold clauses in bonds and other obligations requiring the payment of gold of a certain standard of weight and fineness. Since that time you have seen the United States go off the gold standard; and you have witnessed operations by the President in the gold market by which the value of the amount of gold in a $20 gold piece has risen to about $34.

Mr. President, you have further witnessed the clear establishment in the minds of practically all people in the United States the conviction that Congress, under its power to coin money and to regulate the value thereof, has the undoubted authority to say when and how much gold shall be contained in a dollar and to declare that all obligations may be paid in such new dollars. Ever since the *Legal Tender cases*, in which it was held that the Government could force creditors to accept paper dollars worth only 35 cents in gold in payment of obligations, that power of Congress seems to have been well established.

Mr. President, on the 24th of January 1933 I made that proposal here on the floor of the Senate. On the following day I made another address proposing the cutting of the gold content of the dollar by one third. On the 3d of April 1933 I introduced in the Senate a bill to provide that the gold content of the dollar should be cut one third; that all monetary gold in the country should be called into the Treasury and should remain in the Treasury in the form of bullion, and that no other gold coin should be minted.

On the 18th of April 1933 the junior Senator from Texas again addressed the Senate, at which time he discussed the bill which he had introduced and urged its passage by the Senate.

Again, when the inflation amendment was pending—I believe it was on April 24, 1933—I undertook at some length on the floor of the Senate to establish not only the power of the Congress to revalue the dollar by cutting its gold content, but also advocated what was known as "the commodity dollar" after revaluation had taken place, and the calling into the Treasury of all monetary gold and retaining it there as a permanent gold reserve without the coinage of gold.

Mr. President, according to my view, the so-called "gold profits", of course, belong to the Government. We have called upon individuals to surrender their gold coin to the Treasury or to the Federal Reserve banks. They have done so. It would be unjust and inequitable should we permit the Federal Reserve banks to retain any portion of the so-called "gold profits" brought about by revaluation. I do not understand that the Federal Reserve banks are making any such contention. I am firmly convinced that all the gold ought to be deposited in the Treasury and to remain there in the form of gold bullion. The Federal Reserve banks will receive, in return for the gold surrendered, gold certificates in an equal amount based upon revalued dollars, and those gold certificates in the hands of the Federal Reserve banks afford just as good a reserve for the issuance of their currency as though they had the gold in their vaults because gold certificates are warehouse receipts; they are muniments of title showing that the Federal Reserve bank has the right to that much gold bullion in the Treasury.

There are those who have contended that revaluation under this bill does not mean any increase in the volume of money. There is no command in the bill that the volume shall increase, but it seems to me there is no question whatever that it is possible under the terms of the bill to increase vastly the volume of actual money in circulation. The Government will receive a profit in gold of something like $2,600,000,000. If $2,000,000,000 of that be employed for the stabilization fund, then over and beyond that we would have $600,000,000 of free gold. Gold certificates could be issued against that and employed by the Government to pay the operating expenses of the Government if desired. It would thus be forced into circulation. I can see no reason why gold currency should not be issued against the revolving fund of $2,000,000,000 itself, or a considerable portion of it, because it is not contemplated that we are going to squander the $2,000,000,000 in the revolving fund. Some days the fund will make money on exchange and other days it may lose money, but if it is properly handled the losses and gains will probably offset each other. Eventually all the gold profit will be at the disposal of the Government and will increase the volume of money.

At any rate there is a possibility of an immediate extension of the volume of currency.

After all credit is the life of business. No matter how much money we have in existence, unless those who want to borrow it for their necessities can get it it does nobody good except those who have it in their vaults. Therefore the credit features of this measure ought to make possible

the increase of the facilities of the Federal Reserve banks. It will strengthen the Treasury because of the gold profit in the Treasury. It will be recalled that the day the President announced this proposal stocks and bonds went up. Government securities enhanced. Why? Because the Government had $2,600,000,000 more assets back of its bonds. Cotton advanced $2.50 a bale and other commodities rose in price.

The revaluation of the gold dollar is so fundamental, so sweeping, that I regard it as the greatest measure proposed by President Roosevelt in the program for recovery. It touches every business. It touches finance. It touches every business transaction. It reaches into every area and every nook and cranny of the Republic, because the revaluation of the dollar will affect every man, woman, and child in the country. It will aid and stimulate other recovery measures. According to my view, it is the outstanding financial accomplishment of the Congress during the past year. I hope the Congress enacts the bill into law in substantial form as it was drafted.

I shall not undertake to anticipate the discussion of the amendments. I hope to listen to the discussion and get the benefit of the knowledge of members of the committee who have listened to the testimony in the hearings; but in broad outline, in broad principle, I am firmly of the view that the soundest method of inflation, the soundest process to lift commodity prices, the soundest method of enabling debtors to pay their debts on somewhere near the same level of values as those debts were contracted, lies in the revaluation or devaluation of the gold dollar. So believing, believing that it is sound, believing that it is just, believing that the Congress, in the exercise of its high functions under the Constitution, has the power to revalue the dollar at a level which its wisdom and its patriotism approve, I am firmly and earnestly standing in support of the measure.

Mr. ADAMS. Mr. President, may I submit an inquiry to the Senator from Texas, who is a sound constitutional lawyer as well as a prophet, as I judge from his speech?

Mr. CONNALLY. Oh, no.

Mr. ADAMS. Upon what portion of the Federal Constitution can we base the operations of the United States Government in indulging in the buying and selling of foreign exchange?

Mr. CONNALLY. The Senator does me too much honor, though facetiously, I am sure.

Mr. ADAMS. Not at all. I am very much in earnest.

Mr. CONNALLY. He refers to my constitutional discussions and my ideas of prophecy. I very earnestly deny the soft implications.

The Senator from Colorado is on the Banking and Currency Committee and the junior Senator from Texas is not. The Senator from Colorado has been listening for a long while to the evidence submitted to that committee and the Senator from Texas has not had an opportunity to do so because of the pressure of other business. The Senator from Colorado is a banker, and the Senator from Texas is not and hopes he never will be. [Laughter.]

The Secretary of the Treasury who preceded the present Secretary was before the Finance Committee at this session of the Congress and he then took the position that he had the power under existing law to deal in foreign exchange. The possibility was then discussed of his setting aside, without any further congressional warrant, $100,000,000 in order to offset the efforts of the British and other foreign governments who were trying to depreciate their currencies below ours.

I saw yesterday a statement in the paper from Mr. Ramsay MacDonald, Prime Minister of Great Britain. He was complaining that other governments do not stabilize their currency. Great Britain was one of the first to go off the gold standard. She depreciated her pound by so doing to about $3.20 in United States money. It little befits Mr. Ramsay MacDonald to criticize other governments for not stabilizing their currency when England and other governments have undertaken to take away our export trade by devaluing their money.

If there is no law on the statute books, if there is no other authority in the Constitution than the right of self-defense, that right alone gives the Government of the United States the power to buy and sell foreign exchange in order to protect the dollar and in order to protect the interests of American citizens.

Mr. ADAMS. While I am still in some doubt, I am in less doubt than when I left the Committee on Banking and Currency. The Senator from Texas has made a better explanation than I heard in the committee.

Mr. CONNALLY. I thank the Senator. I am under renewed obligations to the Senator from Colorado. If I ever undertake to borrow any money, I am sure I shall approach the Senator from Colorado. [Laughter.] He has shown more consideration than any other banker.

Mr. ADAMS. I only wish I were a banker. Unfortunately, like the junior Senator from Texas, I happen to be a lawyer.

Mr. CONNALLY. I knew the Senator to be a lawyer, and I thought he also owned a bank.

Mr. President, I have not studied the banking laws as the Committee on Banking and Currency have studied them. I do not know—and I say this in answer to the Senator from Colorado—just exactly what are the powers of the Secretary of the Treasury with relation to buying and selling foreign exchange; but I do know that the Constitution of the United States gives the Congress and the officers of the Government to whom the Congress delegates it the authority to deal with money, to regulate its value and to control the currency and the money of the people of the United States. If in exercising the power to regulate the value of our money it becomes necessary to deal and operate in foreign exchange, why does not that come within the power to regulate our own money?

If foreign governments by their manipulation of foreign exchange, if Great Britain by the employment of her equalization fund, either put the dollar up or put the dollar down, why has not the Government of the United States, under this power to regulate the value of the American dollar, got the right to do the same thing, to deal in foreign exchange, if that action is necessary, to protect the interests of the people of the United States?

Mr. ADAMS. Mr. President, may I interrupt the Senator for just 1 second?

Mr. BONE. Mr. President——

Mr. CONNALLY. I yield to the Senator from Colorado. Then I shall yield to the Senator from Washington.

Mr. ADAMS. The suggestion of the Senator from Texas raises an additional inquiry. The Senator says that the Congress of the United States has the power to do these things—to deal in foreign exchange under the power to coin money and to regulate the value thereof. If Congress has the power to do those things, may Congress delegate to the Secretary of the Treasury those legislative functions? May it delegate the legislative function, if we have such a function, to deal in foreign exchange and the legislative function, which we unquestionably have, but a constitutional function, to coin and regulate the value of money?

As I understand, we have already passed a bill attempting to delegate that authority, and this bill is in confirmation of it.

Mr. CONNALLY. Mr. President, there is no more confusion about any legal question that I know anything about than the question of delegating legislative power. Let us see if the Senator is correct.

He says that Congress has the right, under the power to regulate money, to deal in foreign exchange. How in the world could Congress itself perform that function? It is necessary to buy and sell exchange probably every day; and while the exchange market was running away, the Senate and the House would be debating the question. [Laughter.]

Here is what Congress has the right to do, and it is a broad proposition:

Congress, under the Constitution, in the exercise of any of the powers given to it, has the right to define policies

and determine upon a course of action; and then it has the power to delegate the execution of those powers and the execution of those policies to any branch of the Government or any other agency that it may see fit.

How can Congress run the details of these things? If Congress is to do it, why have a Treasury Department? Why have a Secretary of the Treasury? Let some little committee of Congress, some committee on contingent expenses, run the finances of the world. We must have these executive departments and administrative bureaus. But when Congress lays down the policy, when Congress announces its course, when Congress says what they shall not do and what they shall do, then it devolves upon the Executive, in the discharge of that degree of delegation, to carry out the orders and the policies and the course of action sanctioned by the Congress.

I submit that that is the true rule as to delegation of authority and as to delegation of legislative power.

We cannot authorize anybody to make laws for the Congress. We must make the laws ourselves. That is legislative authority; but after the laws are made we must depend upon somebody else to enforce or execute those laws, and that is not a delegation of legislative power. That is simply an instruction to our instrumentalities and to our agencies to do what Congress has told them to do.

I admit that there is a zone of uncertainty, there is a certain twilight zone, that no man can put his finger on and say, "Here it stops and there it begins"; but in the main, in the general outline, I shall say to the Senator from Colorado, those are my conceptions of what the rule is with regard to the delegation of legislative power.

Now I yield to the Senator from Washington.

Mr. BONE. Mr. President, I think perhaps the Senator, especially in his colloquy with the Senator from Colorado [Mr. ADAMS], has answered the question I was going to ask.

The Constitution provides:

> The Congress shall have power * * * to coin money, regulate the value thereof—

And so forth. Manifestly those words either mean what they say or they are meaningless. If Congress is going to regulate the value of money, we cannot scrutinize too closely the methods and the mechanism we create to regulate it.

I just want to make the suggestion in the way of a question to the Senator: Is it not a fact that the entire system of regulation that has been built in this country over the past 25 years rests solely upon the power of a legislative body to delegate that function to a regulatory body which is its own creature?

Mr. CONNALLY. Why, to be sure. Let me say to the Senator from Washington that Congress has the power to control interstate-commerce rates and interstate commerce between the States; but we do not go down and say what any particular freight rate shall be. We commit that administrative function to the Interstate Commerce Commission. We have the power, under our power to regulate interstate commerce, to control radio. Does that mean that Congress has to bring a radio up here in the Chamber and sit here with our fingers on the dial and monkey with the radio all day? We delegate that power to the Radio Commission. We have power to do a great many things that we do not undertake to do ourselves. Under the strict construction laid down by the Senator from Colorado, when he says Congress has the power to coin money and regulate the value thereof, we would have to set up a mint here in the Senate Chamber and actually turn out the money, because Congress and nobody else can coin money.

Mr. SMITH. I wish we would. [Laughter.]

Mr. CONNALLY. The Senator from South Carolina is the very man to make that suggestion, because if we did the Senator from South Carolina would probably get more of the results of the coinage than any other man in the Senate in the form of appropriations to relieve the stricken and the downcast in certain areas. [Laughter.]

Mr. ADAMS. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield to the Senator from Colorado.

Mr. ADAMS. I think the Senator from Texas has rather stretched my inquiry into an opinion, but I think this will be conceded by the Senator from Texas:

He refers to the Interstate Commerce Commission having power to regulate rates. That is true. It is granted; but always Congress has specified the rule and the principle to be applied.

That is the difficulty in this particular proceeding. We are saying to the President of the United States, "You may devalue the gold dollar." We have not laid down any rule or principle which he may apply. That is the weakness of the situation, as I see it. That is, we have a perfect right to select the agencies to apply the rule, but we must first establish the rule.

It seems to me there is that weakness in our devaluation statute.

Mr. CONNALLY. If there is any weakness in the bill, it is the fault of the Senator's own committee and not mine. He is a member of the Committee on Banking and Currency; and if he cannot get that committee to see his view—able men that they are, familiar with finance, sounding all the depths of international exchange—he ought not to appeal to a country lawyer to solve his problem for him. [Laughter.]

Mr. ADAMS. That is the reason why we are propounding these questions—to get help.

Mr. CONNALLY. I want to say to the Senator, in view of his interruptions and his kind personal references a little while ago, that any replies I make are certainly not in anywise intended to distort his questions or to indicate any displeasure on the part of the Senator from Texas for his interruptions; and I hope they may be more frequent.

Mr. GORE. Mr. President——

Mr. CONNALLY. I yield now to the Senator from Oklahoma, who desired to ask me a question.

Mr. GORE. The questions propounded by the Senator from Colorado and the Senator from Washington have partly elicited the information that I was attempting to seek at the Senator's hands. I want to suggest what has been already cited, that Congress has power to coin money and to regulate the value thereof. That is a distinct and explicit grant of power to the Congress. Congress cannot delegate to anybody its power to legislate under any circumstances. Congress can prescribe a rule or a formula and then create or empower agencies to carry out that rule.

That is the law with reference to the Interstate Commerce Commission. We have not delegated unlimited power or legislative power to the Interstate Commerce Commission to fix rates or to regulate rates. Congress has enacted that freight rates shall be just and reasonable. That is an exercise of legislative power. We have created an administrative agency and given it the power to ascertain what are just and reasonable rates.

On one occasion Congress authorized the President of the United States, by proclamation, to change certain tariff rates; but he could only exercise that power upon the ascertainment of a fact or set of facts.

The point to which I desire to direct the Senator's attention is this:

A year ago we authorized the President to devaluate the gold dollar, but one devaluation was fixed and final. The pending bill authorizes the President to devaluate from time to time and revise his valuation. I wanted to take the Senator's sense on that particular point.

Mr. CONNALLY. I shall try to answer the Senator. It is very difficult to answer the Senator from Oklahoma. He has a very keen blade, and a very piercing perceptive faculty.

The Senator from Oklahoma, however, says that we cannot delegate legislative power. That is true; but what is legislative power? Legislative power and administrative power are two different things. For instance, in this case, what is the legislative power? The Congress decides, first, whether we are going to enter the foreign-exchange market. Congress says whether we shall buy foreign exchange or whether we shall sell foreign exchange. That is a question

of legislative power. That is for the Congress to settle; but when the Congress decides to enter the market on foreign exchange, Congress cannot physically do it. Congress cannot mechanically be on the stock exchange each day, buying and selling exchange. It has to place that mechanics of operation in somebody's hands, and we place it in the hands of the Secretary of the Treasury.

Mr. GORE. Mr. President——

Mr. CONNALLY. Let me answer the Senator first.

Mr. GORE. That was not my question.

Mr. CONNALLY. I know; but the Senator started out with that.

Mr. GORE. No; not at all. That was not my point at all, I will say to the Senator.

Mr. CONNALLY. The Senator meant it, I thought, as a point.

Mr. GORE. Oh, not at all.

Mr. CONNALLY. I do not admit that there is any point to it, but I thought the Senator meant it as such.

Mr. GORE. I have no reference to foreign exchange. I did not have that in my mind, and I did not intend to trouble the Senator upon that point.

Mr. CONNALLY. The Senator does not trouble the Senator from Texas.

Mr. GORE. My question was this:

This bill authorizes the President to change the gold content of the dollar from time to time.

Mr. CONNALLY. Yes. I was coming to that.

The Senator from Oklahoma is also a member of the Banking and Currency Committee. With all of his eloquence and all of his ability, he was not able to induce the Committee on Banking and Currency to do what he wanted them to do and say that the gold content of the dollar should be fixed at one time. Now, let me say this: "Regulate", as used in the Constitution, does not mean "fix." When Congress is given the power to regulate the value of money, it does not mean that we can go up there and fix it once and go off and leave it forever. It means that Congress has the power to change the value of the dollar whenever Congress gets ready to do it.

In the exercise of that legislative power Congress can say, "We are not going to fix it at any particular point. We are going to say that it shall be between 50 cents and 60 cents." That is what we did about railroad rates; that is what we did about the tariff bill, which the Senator from Oklahoma discussed. He said that we gave the power to the President to vary tariff rates, but we fixed a minimum and maximum; and we are fixing a limit in this measure. We are saying that he shall not go below 50 cents and shall not go above 60 cents, but in the operation of that fund we give the power to the President and to the Secretary of the Treasury to carry out the actual deals in foreign exchange according to commodity prices and according to variations or fluctuations in foreign exchange.

I do not profess to be a constitutional lawyer. I am just a plain country lawyer. I am not posing as an expert on finance. But there are other people in the United States who must be legislated for besides constitutional lawyers and economists and financiers, and I am trying to speak for some of them. They need and want a cheaper dollar, and the only way we are going to get a cheaper dollar is to cut off some of the present dollar, to make it cheaper by making it smaller; and this measure would do that.

This bill, I believe, will be of untold advantage to the people of the United States. It ought to help the business man, because it will give him more stability as to the value of the dollar than there is under present circumstances. It will help people who produce commodities with their hands. It will help farmers to get more value for their money. It will help the mortgage-ridden farmer out in Oklahoma who owes taxes and has a mortgage on his property. It will help him to pay the mortgage on his homestead, and I am not going to quibble between tweedledum and tweedledee, whether the dot of the "i" or the cross of the "t" was on the wrong letter.

I believe that this measure will be effective. I do not want any argument with the Senator from Oklahoma—because he is a great lawyer—about just where we have to stop with regard to changing the value from day to day.

Mr. GORE. Mr. President, the President was given the power to change tariff rates upon the ascertainment of certain facts. He could then issue a proclamation based upon that fact. I do not have any doubt that we could define in this bill a state of facts upon which the President could be authorized to vary the gold content of the dollar. This measure has not done what the Tariff Act did and what the Interstate Commerce Act did. It does not define the state of facts upon the ascertainment of which the President can make the change in the content of the gold dollar. It was that point I wanted to bring to the Senator's attention, and to find out whether or not he thought it ought to be more definitely defined. I do not doubt that it can be done.

Mr. CONNALLY. I was hoping that the Senator and his committee would do that if it ought to be done. I am not prepared to say just what facts the President ought to find. I am not an expert on foreign exchange. I do not know that when the thermometer of international exchange or finance gets up to a certain point something ought to be done, or when it gets down to a little lower standard something else ought to be done. That is a detail, however, and I suggested to the Senator from Oklahoma and other Senators that there is a twilighe zone as to the question of delegating legislative power and administrative power. I do not pretend to speak with finality as to those matters, but I do believe that when we are trying to do something, when we are trying to get results, the way to accomplish it is to go on and do it, and not spend all the time finding imaginary trouble, finding bugaboos, running around with Mother Goose stories about what may happen and what may not happen.

We know that if this power is given to the President of the United States he is going to exercise it according to his best judgment and wisdom. We know that he will not arbitrarily do anything through pique, or through malice, or through passion, but that when he goes on a foreign exchange to buy or sell money, or when he undertakes to change the value of the dollar to between 50 cents and 60 cents, he is going to try to do that thing which is for the best interests of the people of the United States, and the people of the United States, who have witnessed the performances of President Roosevelt since the 4th of March, have confidence in his integrity, in his patriotism, and in his courage. They trust him, and I believe that Senators are going to trust him. There are many Senators who 12 months ago ridiculed the contention of the Senator from Texas that the gold dollar ought to be cut who now are supporting that suggestion, and have supported it in the past, because they have confidence in the President of the United States and in his policy.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I desire to call attention to the fact that the so-called "Thomas amendment", which we adopted at the last session of the Congress, in one of its provisions authorized the President to devalue the gold dollar to the extent of 50 percent, and in the preamble and basis for that authority we fixed a yardstick, which is still in existence. The pending bill does not repeal the Thomas amendment.

Mr. CONNALLY. It does not. It modifies it in one respect.

Mr. BARKLEY. But it does not take away the yardstick which the Congress fixed, and I should like to put that in the RECORD here.

Mr. CONNALLY. I shall be happy to have the Senator put it in the RECORD.

Mr. BARKLEY. It reads:

Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires an ex-

pansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments, the President is authorized, in his discretion—

To do certain things, among them being the power to change the content of the gold dollar, by proclamation.

In that amendment the President was authorized to go the whole distance of 50 percent, but after he has by proclamation stabilized the dollar at 60, or whatever it may be, we will assume 60, then he has only a 10 percent leeway between 50 and 60, based upon the same predicate that is outlined in the beginning of the Thomas amendment as a basis for his action originally.

Mr. CONNALLY. I thank the Senator from Kentucky for his splendid answer from the record to the interrogatory propounded by the Senator from Oklahoma. It is already the law, voted by the Congress at the last session, that the President shall have power to do this very thing of changing and regulating the content of the gold dollar and setting up a standard of measurement, a rule of action, and that law is still upon the statute books, unrepealed. This legislation would be supplementary to that. It would fortify that legislation. It would give more stability than we have under the present law, because the range of variation would be narrowed down to between 50 and 60 percent of the old content of the dollar.

Mr. President, I hope that the Congress may speedily enact this measure substantially in its present form, because I believe it will vitally affect all the people of the United States and will mean much toward recovery and toward our regaining the place in the economic life of the world, toward which we are so earnestly and, I believe, so courageously striving.

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the act of Parliament of Great Britain creating the English exchange equalization account.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

PART IV

EXCHANGE EQUALIZATION ACCOUNT

24. (1) There shall be established an account, to be called "the exchange equalization account", which shall be under the control of the treasury and shall be used for the purposes specified in this part of this act.

(2) The treasury may, if at any time they think it expedient so to do, cause the exchange equalization account (in this part of this act referred to as "the account") to be wound up forthwith, and the account shall in any event be wound up not later than 6 months after the date on which the Commons House of Parliament resolve that the account is no longer required for the purpose for which it was established.

(3) The treasury may cause any funds in the account to be invested in securities or in the purchase of gold in such manner as they think best adapted for checking undue fluctuations in the exchange value of sterling.

(4) There shall be issued to the account out of the consolidated fund, or the growing produce thereof, at such times and in such manner as the treasury may direct, such sums, not exceeding in the aggregate £150,000,000, as the treasury may determine, and all the assets of the exchange account shall be transferred to the account at such time as the treasury may direct.

(5) For the purpose of providing for the issue of sums out of the consolidated fund under the last preceding subsection or for the repayment to that fund of all or any part of any sums so issued, the treasury may raise money in any manner in which they are authorized to raise money under and for the purposes of subsection (1) of section 1 of the War Loan Act, 1919, and any securities created and issued to raise money under this subsection shall for all purposes be deemed to have been created and issued under the said subsection (1).

(6) The Bank of England may advance to the treasury any sums which the treasury have under this section power to raise.

(7) The account shall in every year until it is wound up be examined by the comptroller and auditor-general in such manner as he, in his discretion, thinks proper with a view to ascertaining whether the operations on and the transactions in connection with the account have been in accordance with the provisions of this part of this act, and he shall certify to the Commons House of Parliament whether in his opinion, having regard to the result of the examination, the operations on and the transactions in connection with the account have or have not been in accordance with the provisions of this part of this act.

25. (1) There shall be paid to the issue department of the Bank of England out of the account such sum, not exceeding £8,000,000, as is, in the opinion of the treasury, equal to the amount of the net loss which by reason of variations in rates of exchange has been sustained in connection with the credits obtained by the Bank of England from the Bank of France and the Federal Reserve Bank of New York on the 1st day of August 1931.

(2) For the purpose of any valuation of the assets held in the issue department of the Bank of England, being a valuation made before the winding up of the account—

(a) Gold held in the department shall be taken to be of the value of £3 17s. 10½d. for every ounce troy of the standard fineness specified in the first schedule to the Coinage Act, 1870 (hereafter referred to as "the fixed value"); and

(b) Assets in currencies other than sterling held in the department shall be valued at the rate of exchange prevailing at the date of each valuation.

(3) Whenever any gold is purchased or sold on account of the issue department during the existence of the account, the amount by which the price of the gold exceeds the fixed value thereof shall, in the case of a purchase, be made good to the issue department from the account, and, in the case of a sale, be made good to the account from the issue department.

(4) Immediately before the account is wound up the amount by which the market value (as agreed between the bank and the treasury) of the gold then held in the issue department exceeds its fixed value shall be made good by the department to the account.

(5) If on any sale of assets in currencies other than sterling held in the issue department (whether the sale occurred before the establishment of the account or occurs at any time during the existence of the account), or on any valuation during the existence of the account of any such assets, it appears that by reason of variations in rates of exchange occurring at any time after the 21st day of September 1931, there has been any depreciation or loss in connection with those assets, the amount of the depreciation or loss shall be made good to the issue department from the account; and if on any such sale or valuation as aforesaid it appears that by reason as aforesaid any appreciation or gain has arisen in connection with any of the said assets, the amount of the appreciation or gain shall be made good from the issue department to the account.

(6) Where under this section any amount is to be made good from or to the account, there may, in lieu of a payment in cash, be transferred from or to the account securities equivalent in value, in the opinion of the treasury, to that amount.

(7) It is hereby declared that in subsection (3) of the last preceding section of this act and in section 3 of the Currency and Bank Notes Act, 1928 (which relates to the securities to be held in the issue department), the expression "securities" includes securities and assets in currency of any country and in whatever form held.

26. On the winding up of the account the assets thereof shall be applied in such manner as the treasury may direct for the redemption of debt, and the treasury shall thereupon cause to be laid before Parliament a statement of the sum so applied, and of the sums issued out of the consolidated fund to the account, together with a report by the comptroller and auditor general with respect to such matters in relation to the account as he thinks fit.

Mr. WALCOTT obtained the floor.

Mr. FESS. Mr. President, will the Senator from Connecticut yield to me?

Mr. WALCOTT. I yield.

Mr. FESS. Earlier in the day the senior Senator from Virginia [Mr. GLASS] referred to a contribution by Dr. Andrew D. White on the question of sound money. That contribution was in the form of an address delivered to the students of Cornell University in a series on the French Revolution. Later the address was repeated in Washington at the request of several Representatives and Senators. In 1912, when Dr. White was 80 years of age, he revised the address. I hold a copy of the revised address in my hand, and ask unanimous consent that it be printed as a public document.

The PRESIDING OFFICER. Is there objection?

Mr. FLETCHER. Mr. President, that address has been in pamphlet form and has been very widely distributed and printed and circulated over all the country. I do not see why we should make it a public document. It is a perfectly sound statement, I have no doubt, but does not apply to our condition at this time, and I think is a species of propaganda. I do not see any use in making it a public document.

Mr. NORRIS. Mr. President, may I make an inquiry of the Senator from Ohio? I was interrupted while he was speaking. Did he ask that this article be printed as a public document?

Mr. FESS. Yes.

Mr. NORRIS. I wonder if the Senator would not be willing to have it printed in the CONGRESSIONAL RECORD?

Mr. FESS. I should be glad to have it printed in the CONGRESSIONAL RECORD.

Mr. NORRIS. I desire to say to the Senator from Ohio that I have read the article in question. I agree with the Senator from Florida. It has been circulated very widely. I should dislike to agree to make that kind of an article, which I think is propaganda, a Senate document; but I certainly shall have no objection if the Senator from Ohio desires to have it printed in the RECORD for the use of Senators.

Mr. FESS. Mr. President, I do not desire to take time from the Senator from Connecticut, but I do wish to make a statement.

Andrew D. White was the founder of Cornell University and the first president thereof. He was minister and ambassador to various foreign countries, being sent as such to at least three different posts. He was adviser to the Government along many different lines. He was our representative at the Hague Conference when the first conference was held there. I know of no authority of higher rank, and I am somewhat surprised that anyone should refuse to have printed as a public document a contribution so generally appreciated as a great treatise on a disputed question.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. FESS. Mr. President, I am going to withdraw my request, but I want the public to know that there is an objection in the Senate to printing this document.

Mr. ROBINSON of Arkansas. Mr. President, I have just been called back into the Chamber, having been necessarily absent for a few moments, and do not know what is the occasion of the resentment expressed by the Senator from Ohio.

Mr. FESS. I requested that the address delivered by Andrew D. White, first in the form of a lecture, on the question of sound money, in which he discussed fiat money in France, which lecture was repeated here in Washington in 1876 at the request of Members of Congress, both Senate and House, and which was revised in 1912, be printed as a Senate document.

Mr. ROBINSON of Arkansas. I am familiar with the pamphlet to which the Senator refers. There can be no objection, if he submits his request, to its going to the Committee on Printing.

Mr. FESS. I should be very glad to do that.

Mr. ROBINSON of Arkansas. If the Senator offers the document, I suggest that it go to the Committee on Printing.

Mr. FESS. What I wanted to have done was to have it printed as a public document. I have never known such a request to be refused here.

Mr. ROBINSON of Arkansas. I can recall a great many occasions, and the Senator from Ohio will also, if he will refresh his memory, when objections have been made to printing matter in the RECORD and printing it as a public document. That has happened here very frequently.

Mr. FESS. For that reason I did not ask to have it printed in the RECORD and as a public document.

The PRESIDING OFFICER. The request of the Senator from Ohio has been withdrawn; and the Chair recognizes the Senator from Connecticut [Mr. WALCOTT].

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Nebraska?

Mr. WALCOTT. I yield.

Mr. NORRIS. I desire to make a suggestion to the Senator from Arkansas.

Prior to the Senator's coming into the Chamber, the Senator from Ohio was requested by myself to withdraw his request to have the pamphlet printed as a public document and ask that it be printed in the RECORD, to which I have no objection. After reading the pamphlet myself, however, I do not believe that we ought to stamp it as a Senate document. I may be wrong about that. I have sometimes tried and failed to get something printed as a Senate document when objection was made, and I did just what I have suggested to the Senator from Ohio he should do.

While the document in question is ably written and its author was an able man during his life, and I think it is a commendable document, I do not believe it applies to the financial situation of America at the present time. I think it has no application. I am perfectly willing that those who disagree with this view should do so and should have all the opportunity to give their disagreement publicity as far as the CONGRESSIONAL RECORD is concerned.

Mr. FESS. The Senator is in error if he thinks that I asked to have the address printed in the RECORD and as a public document. I did not.

Mr. NORRIS. No; I understood that. I have suggested to the Senator that he have it printed in the RECORD instead of printed as a Senate document.

Mr. ROBINSON of Arkansas. In any event, the request has been withdrawn, and is not now before the Senate.

Mr. FESS. I may take occasion later on to read it into the RECORD.

Mr. NORRIS. That will get it into the RECORD.

Mr. FESS. Yes; that will get it into the RECORD.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. WALCOTT. Mr. President, I do not wish to detain the Senate more than a few moments. I am very anxious, however, to make a few comments; and I desire to preface my remarks with the statement that I am not conscious of having the slightest partisan feeling either for or against the pending bill or any part of it.

I desire also to state that in the emergency, which I am about to discuss, the situation is so grave, the ailments that exist among foreign nations with respect to their currencies are so serious, that any man in this body or in the Congress who tries to criticise the administration in a destructive fashion or to throw stones at any part of the program, unless he can make constructive suggestions, is little short of a traitor.

I desire to show the importance of some kind of legislation looking to the eventual stabilization of our monetary system, and to show something of the acute situation that exists abroad making some such step essential.

I desire to throw some high lights on the amendments proposed to the bill by the Senate committee, by quoting from expert testimony as we gather it before the Committee on Banking and Currency, analyzing it, and skipping about from place to place where I think it is relevant.

I do not intend even to attempt to add anything to the brilliant summary made by my distinguished friend and colleague the senior Senator from Virginia [Mr. GLASS], whose analysis of the facts seemed to me very accurate, and whose words of warning should be heeded by every person in the country.

I am gratified to hear the chairman of the committee, the Senator from Florida [Mr. FLETCHER], say in commenting upon the amendments, if I recall his comments correctly, that he does not seriously object to the time limitation.

The time limitation has two parts. One restricts to 2 years the operation of the stabilization fund. It is optional with the President to make it of less duration, or, by proclamation, to extend the time from 2 years to 3 years. The other imposes a limitation in point of time on the power to devalue the dollar. It is found on page 16 of the bill, line 22.

It seems to me that those two limitations are essential, in that we announce to the world that this is emergency legislation, Congress always reserving the right to extend it indefinitely.

I believe there are principles enunciated in this bill which may prove exceedingly valuable, and I can imagine some of them being made permanent, or, at any rate, more or less permanent. I can imagine the time limits being indefinitely extended by the Congress, but I feel that it is very important to hold within the hands of Congress the power of such extension beyond the time prescribed by the bill.

I desire to confine myself chiefly to the question of a program; and while I cannot say positively what the entire program is, as proposed or as thought out by the administration, I find a suggestion in the testimony of Mr. Stewart which seems to me to answer the purpose very well and to indicate, probably, approximately the program.

First, that we have an artificial depreciation of the dollar in foreign exchange; second, that we have a devaluation of the dollar; third, that we go through a reflation of the domestic price level; fourth, that we eventually come to stabilization.

Mr. Stewart says that the first phase of this program is practically finished. He says:

> The artificial depreciation of the dollar in the foreign exchanges, initiated by the fact that the country went off the gold standard, precipitated by the flight from the dollar, and encouraged by the gold purchases, has brought the dollar in the foreign exchanges to a 60-cent level.

Mr. Stewart then said:

> The devaluation which is suggested here, though not final and definitive, is established under this act within limits, and now we are looking forward to the reflation steps.
>
> That sequence seems to me to rest on the belief that somehow at the end of this particular rainbow there will be stabilization. I think it is a most dangerous illusion. It is an illusion which is tragic in character, because there is a very wide-spread popular belief that that is what this mechanism can accomplish. There is no more assurance of stabilization at the end of this procedure than there was at the end of similar experiences abroad.
>
> In fact, the process of stabilization can only be significant when you already have achieved something by way of balance internationally and at home. There are undoubtedly limits within which monetary changes can contribute to a business recovery, but that at the end of that recovery human nature will have changed or the economic forces which are controlling the position would have altered and led to some quite stabilized level within which the margin between 50 and 60 will be a controlling element, is an entirely unjustified hope.

With reference to an international agreement being arrived at for stabilization he was asked:

> Might this not lead to some international agreement toward stabilization?
>
> Mr. STEWART. It could, conceivably. It could conceivably, on the other hand, lead to such embitterment that international understanding would become still more difficult. The temper of people in different countries is usually to ascribe to a foreign country the embarrassment that they are faced with, if it is only of an economic character.
>
> If, as I believe, this bill undervalues the dollar, and we find that our stabilization fund must be used to depress the dollar in the foreign exchanges, I think that the press and the commentators will make us believe that we are in competition with the British equalization fund, and that in consequence of that we will make an atmosphere for agreement almost impossible.

I am firmly convinced, Mr. President, that it is of vital consequence to the effectiveness of the stabilization fund, first, that it be limited as to time, with reasonable limitations; second, that it be controlled by a small joint committee or board representing two branches of our banking system, one the Treasury Department, which is not today a central bank, but which by this bill would be made practically a central bank such as we have never dreamed of before, and the other the Federal Reserve System, which has the power of issuing currency. Such a board as is suggested by one of the amendments seems to me to be a well-balanced board, consisting of the Governor of the Federal Reserve Board, the Comptroller of the Currency, the Secretary of the Treasury, and two men to be appointed by the President. That leaves a chance to have serving on the board as members one or two men of expert knowledge on this most difficult subject.

I believe it is wholly unsound in principle and exceedingly dangerous—perhaps not during the immediate emergency but for a longer period of time during which this measure may easily operate—to have the power of regulating the currency and the currency issue lodged in the same hands that borrow and spend or lend money from the Treasury. It seems to me exceedingly unwise, exceedingly dangerous, altogether an unjust placing of tremendous power, particularly in that the forces that are contending against either one side or the other are always at work and that political pressure may be brought to bear with enormous power against that man, whoever he may be. Every man in a great office of that kind is subject to the temptations of human nature, I do not care how honest he is. I believe in the absolute integrity of the man who is now Secretary of the Treasury; but there is no question that there will be forces at work which would almost crush him if he did not yield in some way to their pressure. It seems to me the most unwise thing that could be thought of.

I can see many advantages in the bill if we amend it carefully. I believe, inasmuch as it is perhaps the most important piece of legislation certainly since the passage of the Federal Reserve Act and possibly since the Civil War, that we should take ample time to discuss it. We have had expert advice, plenty of it, and it has assured us and reassured us along these lines. I think we should take the time to debate it fully here, so the country may be fully acquainted with that particular problem.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Michigan?

Mr. WALCOTT. I yield.

Mr. VANDENBERG. Before the Senator leaves the question of concentrated power in the hands of the Secretary of the Treasury alone, may I interpolate that even the President's great radio protagonist, who is probably the greatest evangelist for this particular legislation now talking to the country, except the President himself—even this great protagonist, according to the address which was left upon the desks of Senators upon yesterday, said as follows:

> And America is in no mood to transfer its control of the dollar to a one-man dictator not elected by the people, over whom the people have little or no control.

Mr. WALCOTT. I thank the Senator for that contribution.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. WALCOTT. I yield.

Mr. BARKLEY. In that connection, I do not know that there is any virtue in the suggestion that we should be guided by the example of any other country, although I think that in governmental matters we may learn much from other countries of the world; but it so happens that the act of the British Parliament creating their fund puts it exclusively within the control of the treasury. The terminology which is used in the British act means, of course, the Chancellor of the Exchequer, who, as I understand, is the head of the treasury department. No board is created. There is no reference to any board. The fund is put purely in the control of the treasury, which is controlled by one man, who is not even elected by the people.

Within the treasury they have a board of three, whose names are more or less unidentified, who may be changed from time to time in order that they may not be spotted by the public or by those who may have a desire to find who they are or what their actions may be. Their deliberations are entirely secret; and the success of the use of any fund on the part of any nation depends very largely upon the secrecy and the swiftness with which action is taken.

So I think it is hardly a fair analogy to draw any deductions from the fact that this amendment creates a board of five, representing two different departments at least, if not three, within the Government, and then two on the outside, who represent no department of the Government but who might be said to represent the public. I do not know whom they might represent; but it is a fact, and it ought to be stated in that connection, as shown by the act of Parliament, which was put in the RECORD by the Senator from South Carolina [Mr. BYRNES], that the sole control of the equalization fund in Great Britain is in the British treasury.

Mr. WALCOTT. I realize that fact, Mr. President; but I am still of the opinion that this proposal at this time, unless the power is entrusted to a committee instead of to one man, is very dangerous.

With reference to the gold now residing within the Federal Reserve and belonging to the Federal Reserve, let us

assume that the proposed devaluation of the dollar, or the practical devaluation of the dollar, taking it today at approximately 40-percent shrinkage, represents that proportion of the gold which might be freed from the Federal Reserve without doing any injury to the gold base of the certificates of the Federal Reserve. That, I believe, is a true statement. I see no harm in the Federal Government laying its hands upon that gold and giving some quid pro quo.

The gold certificates which the Federal Reserve is to receive for its gold, or part of its gold, are to be regulated solely by the edict of the Secretary of the Treasury. It may be a safe edict, or it may be an edict that will, perhaps, destroy the Federal Reserve. Either one is conceivable. I do not wish to raise a bugaboo. I do not wish to raise suspicions. I have no question at all with reference to the present administration or the Secretary of the Treasury. He is not, in my opinion, going to do the Federal Reserve System harm by nullifying those gold certificates, but I am looking into the future when the Secretary of the Treasury might be a wild man; and to put such absolute power in his hands to enable him to say, because of some whim, perhaps, whether those gold certificates shall be either redeemable or transferable or negotiable, is to my mind a dangerous thing, and should not be contemplated.

Let us say that the amount of that gold is somewhere between three and a half and four billion dollars. In the testimony before the committee it was estimated at $4,000,000,000; and if the estimate is correct that a dollar in the Treasury represents a credit of eight to ten dollars, we have available additional credit on the part of the Federal Government which would be the equivalent of between thirty and forty billions of dollars, ample for all possible needs, of course.

In addition to that, the Federal Government by a bookkeeping entry can credit itself with this so-called "profit gold". It is not really profit gold. There is no more gold than there was before, but the Federal Government is taking it. It is divided with the Federal Reserve because the Government has taken a certain amount of gold out of the dollar, leaving the Federal Reserve with as much gold back of its issues as it had before, and that presumably gives the Federal Government the right to take the gold away.

Very well. It leaves only half as much gold, or approximately half as much gold, in the Federal Reserve as it had before; but if the dollar after devaluation contains only half as much gold, the same number of dollars would have the same protection or metallic base that they had before, whether it be 40, 45, or 50 percent. It is over 50 percent today.

Then, let us say that that credit is available. By a bookkeeping entry the Federal Government can deduct from its deficit this year, as a credit, whatever that amount might be. So that if our deficit this year should prove to be $10,000,000,000, the Federal Government could automatically on receipt of that gold stock, credit the gold against the deficit and thus reduce the deficit from ten billions to, let us say, six billions of dollars. Those are only approximate figures; but that would be a very salutary procedure for the Federal Government. That will approach a balance of the Budget by $4,000,000,000.

I cannot think of the Federal Government laying its hands upon all the gold of the Federal Reserve. I do not believe it is necessary. I do not believe it will serve any good purpose. While it is conceivable that practically the Federal Reserve System might not suffer, depending on the attitude of the Secretary of the Treasury toward the gold certificates, and that is embodied in the bill, I believe that the sentimental effect, the public effect, the psychology of the public toward the Federal Reserve notes, the member banks' feeling toward that act, will be very disastrous and that we should not contemplate it. I hope, therefore, that the amendment to let the Government take over only such gold as is covered by the devaluation of the dollar may be offered and that it may prevail.

With those changes in the bill, Mr. President, I personally could support the bill enthusiastically, and I believe that it would be entirely sound and perhaps a very, very valuable piece of legislation for us to enact at this time.

I shall take only about 3 minutes more, but I desire to conclude with a reference to the world currency situation. It is a big subject, but I can review it very briefly.

It seems to me that we are contemplating perhaps the most important legislation in the last three or four generation in this country at the most critical time, monetarily speaking, the world has ever known.

Europe today is seething with war rumors. Hungary wants a revision of the Versailles Treaty, and to extend her boundaries. Austria is being squeezed out. Italy is afraid of the peace of Europe if France is in any way enfeebled.

France has three fears now instead of one.

One is taxes. She is unable to collect the tremendous taxes that she is now forced to levy upon her people in order to come anywhere near balancing her budget.

Second. She is desperately afraid that by our acts and by our competition with England in world trade, exports, and currency revision she is faced with a possible devaluation for a second time of her franc. She devalued the franc by 80 percent only a few years ago. She is faced today with consideration of another devaluation of the franc, which now, in our terms of gold, is worth approximately 4 cents, against 20 cents a few years ago.

Third. She has still the fear, ingrained in her for generations since 1870, and more acute today than it ever was before, in my opinion, of an armed Germany. I am told on pretty good authority that Germany today has her third quota of trained troops. Under the Versailles Treaty she is allowed a hundred thousand men as a police force. There are three rounds, or 300,000 trained and fully armed troops in Germany today, I am told, while France has possibly 500,000 or 550,000 as an effective army. In addition to that, Germany is training and drilling men in every town and every hamlet all over the country, so that it is estimated that today 3,000,000 men in Germany are drilling.

Germany has her back against the wall. Hungary wants to be a strong power again, a political entity, and does not want to be part of Germany. Austria does not want to be squeezed out. France has an alliance with Poland with respect to the Polish Corridor. A decision as to that corridor may be put off for a long time.

What is to restrain Germany, what is to stabilize Europe? There is one thing that would be a greater deterrent to war than anything else of which I can think, and that is a combination between England and France and the United States, which, of course, would include Canada and Australia, to bring about stabilized currencies. They could then state positively whether those countries which are bordering on war today, which are snarling at each other's throats, should have the credits necessary to enable them to go on. Without those credits—and they are absolutely vital to the prosecution of any war—peace would be assured.

We stand today as a neutral nation, and by the force of circumstances are almost completely isolated. Those circumstances are largely the result of Uncle Sam being the most generous lender in the world and the poorest collector in the world, as evidenced by the billions of dollars which are owed to us. We are forced by the circumstances of a situation, which is more acute than any ever known in the world's history, to follow a policy of more or less complete economic isolation.

The result of the reduction in the exchange value of our dollar has, in my opinion, very materially helped us in our exports, and while we have not yet felt fully the effect of that reduction, the curve which represents our exports is on the upgrade, and I think will continue on the upgrade with the passage of this bill, if the bill can be amended so that it will be safe.

I am inclined to think that if this bill can be amended so as to include these three important safeguards, which would keep our Federal Reserve System alive and in full credit before the people of the country, and place an emergency limit on the time, we will see a very marked revival of business, a reasonable expansion of our credit adapted to the

growing needs of business, and, as a result, a considerable rise in commodity prices.

Mr. President, this is a very brief statement of a very big subject, but the hour is late and I will conclude with this one sentence. I hope this body, without prejudice, without the slightest partisan feeling, without an atom of political bias, will see fit to make this measure safe in the opinion of the experts we have been hearing for the last week, adopt these amendments, and pass the bill.

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

The first amendment of the committee was, on page 2, to strike out beginning in line 15 through line 17 on page 3, as follows:

(b) Section 16 of the Federal Reserve Act, as amended, is further amended by striking out the word "gold", where it first appears in the last sentence of the first paragraph (U.S.C., title 12, sec. 411) of said section 16, and inserting in lieu thereof the words "lawful money"; and by striking out the phrase "in gold or lawful money", where it appears in said sentence; by striking out the word "gold" and the ensuing comma, and the words "gold or" wherever in section 16 they are immediately followed by the words "gold certificates"; by striking out the word "gold" in the first sentence of the third paragraph (U.S.C., title 12, sec. 413) of said section 16 where it follows the words "shall be counted as part of the", by inserting after the word "gold" the word "certificates" wherever it now appears in said section 16, not immediately followed by the word "certificates", except in the sixteenth paragraph (U.S.C., title 12, sec. 467) of said section 16, and except where the same is stricken out by this section; by striking out the word "coin" where it appears after the phrase "deposits of gold" in the first sentence of the sixteenth paragraph; by striking out the words "gold coin or" where they appear after the words "shall be payable in" in the third sentence of the sixteenth paragraph; and by striking out all of the third sentence of the sixteenth paragraph after the words "such Federal Reserve agent", and inserting in lieu thereof a period; and by striking out the words "gold deposits" in the eighteenth paragraph and inserting in lieu thereof the words "deposits made under this section."

And to insert in lieu thereof the following:

(b) Section 16 of the Federal Reserve Act, as amended, is further amended in the following respects:

(1) The third sentence of the first paragraph is amended to read as follows: "They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank."

(2) So much of the third sentence of the second paragraph as precedes the proviso is amended to read as follows: "The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this act, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates: ".

(3) The first sentence of the third paragraph is amended to read as follows: "Every Federal Reserve bank shall maintain reserves in gold certificates or lawful money of not less than 35 percent against its deposits and reserves in gold certificates of not less than 40 percent against its Federal Reserve notes in actual circulation: *Provided, however,* That when the Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued to the bank such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation."

(4) The fifth and sixth sentences of the third paragraph are amended to read as follows: "Notes presented for redemption at the Treasury of the United States shall be paid out of the redemption fund and returned to the Federal Reserve banks through which they were originally issued, and thereupon such Federal Reserve bank shall, upon demand of the Secretary of the Treasury, reimburse such redemption fund in lawful money or, if such Federal Reserve notes have been redeemed by the Treasurer in gold certificates, then such funds shall be reimbursed to the extent deemed necessary by the Secretary of the Treasury in gold certificates, and such Federal Reserve bank shall, so long as any of its Federal Reserve notes remain outstanding, maintain with the Treasurer in gold certificates an amount sufficient in the judgment of the Secretary to provide for all redemptions to be made by the Treasurer. Federal Reserve notes received by the Treasurer otherwise than for redemption may be exchanged for gold certificates out of the redemption fund hereinafter provided and returned to the Reserve bank through which they were originally issued, or they may be returned to such bank for the credit of the United States."

(5) The fourth, fifth, and sixth paragraphs are amended to read as follows:

"The Federal Reserve Board shall require each Federal Reserve bank to maintain on deposit in the Treasury of the United States a sum in gold certificates sufficient in the judgment of the Secretary of the Treasury for the redemption of the Federal Reserve notes issued to such bank, but in no event less than 5 percent of the total amount of notes issued less the amount of gold certificates held by the Federal Reserve agent as collateral security; but such deposit of gold certificates shall be counted and included as part of the 40 percent reserve hereinbefore required. The Board shall have the right, acting through the Federal Reserve agent, to grant in whole or in part, or to reject entirely, the application of any Federal Reserve bank for Federal Reserve notes; but to the extent that such application may be granted the Federal Reserve Board shall, through its local Federal Reserve agent, supply Federal Reserves notes to the banks so applying, and such bank shall be charged with the amount of notes issued to it and shall pay such rate of interest as may be established by the Federal Reserve Board on only that amount of such notes which equals the total amount of its outstanding Federal Reserve notes less the amount of gold certificates held by the Federal Reserve agent as collateral security. Federal Reserve notes issued to any such bank shall, upon delivery, together with such notes of such Federal Reserve bank as may be issued under section 18 of this act upon security of United States 2 percent Government bonds, become a first and paramount lien on all the assets of such bank.

"Any Federal Reserve bank may at any time reduce its liability for outstanding Federal Reserve notes by depositing with the Federal Reserve agent its Federal Reserve notes, gold certificates, or lawful money of the United States. Federal Reserve notes so deposited shall not be reissued, except upon compliance with the conditions of an original issue.

"The Federal Reserve agent shall hold such gold certificates or lawful money available exclusively for exchange for the outstanding Federal Reserve notes when offered by the Reserve bank of which he is a director. Upon the request of the Secretary of the Treasury the Federal Reserve Board shall require the Federal Reserve agent to transmit to the Treasurer of the United States so much of the gold certificates held by him as collateral security for Federal Reserve notes as may be required for the exclusive purpose of the redemption of such Federal Reserve notes, but such gold certificates when deposited with the Treasurer shall be counted and considered as if collateral security on deposit with the Federal Reserve agent."

(6) The eighth paragraph is amended to read as follows:

"All Federal Reserve notes and all gold certificates and lawful money issued to or deposited with any Federal Reserve agent under the provisions of the Federal Reserve Act shall hereafter be held for such agent, under such rules and regulations as the Federal Reserve Board may prescribe, in the joint custody of himself and the Federal Reserve bank to which he is accredited. Such agent and such Federal Reserve bank shall be jointly liable for the safekeeping of such Federal Reserve notes, gold certificates, and lawful money. Nothing herein contained, however, shall be construed to prohibit a Federal Reserve agent from depositing gold certificates with the Federal Reserve Board, to be held by such Board subject to his order, or with the Treasurer of the United States for the purposes authorized by law."

(7) The sixteenth paragraph is amended to read as follows:

"The Secretary of the Treasury is hereby authorized and directed to receive deposits of gold or of gold certificates with the Treasurer or any Assistant Treasurer of the United States when tendered by any Federal Reserve bank or Federal Reserve agent for credit to its or his account with the Federal Reserve Board. The Secretary shall prescribe by regulation the form of receipt to be issued by the Treasurer or Assistant Treasurer to the Federal Reserve bank or Federal Reserve agent making the deposit, and a duplicate of such receipt shall be delivered to the Federal Reserve Board by the Treasurer at Washington upon proper advices from any Assistant Treasurer that such deposit has been made. Deposits so made shall be held subject to the orders of the Federal Reserve Board and shall be payable in gold certificates on the order of the Federal Reserve Board to any Federal Reserve bank or Federal Reserve agent at the Treasury or at the Subtreasury of the United States nearest the place of business of such Federal Reserve bank or such Federal Reserve agent. The order used by the Federal Reserve Board in making such payments shall be signed by the governor or vice governor, or such other officers or members as the Board may by regulation prescribe. The form of such order shall be approved by the Secretary of the Treasury."

(8) The eighteenth paragraph is amended to read as follows:

"Deposits made under this section standing to the credit of any Federal Reserve bank with the Federal Reserve Board shall, at the option of said bank, be counted as part of the lawful reserve which it is required to maintain against outstanding Federal Reserve notes, or as a part of the reserve it is required to maintain against deposits."

Mr. FESS. Mr. President——

Mr. FLETCHER. I do not think there is any objection to this amendment, and we will take a recess after it shall have been acted on.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

INVESTIGATION OF AIR MAIL AND OCEAN MAIL CONTRACTS

Mr. BYRNES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably with amendments Senate Resolution 143, submitted on January 16, 1934, by the Senator from

Alabama [Mr. BLACK], who asks for the immediate consideration of the resolution.

Mr. FESS. Let the resolution be read.

The resolution was read.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 13, it is proposed to strike out " $25,000 " and to insert in lieu thereof " $20,000 ", so as to make the resolution read:

Resolved, That in addition to the authority conferred upon the special committee of the Senate to investigate air mail and ocean mail contracts, created under Senate Resolution No. 349, Seventy-second Congress, second session, agreed to February 25, 1933, and supplemented by Senate Resolution No. 94, Seventy-third Congress, first session, agreed to June 10, 1933, and for carrying out the objects of such resolutions, the committee shall have authority (1) to make full investigation of the minutes, stockholdings, and financial transactions with each other or with the Government of all individuals, associations, partnerships, or corporations engaged in the business of carrying air mail or ocean mail or the manufacture of aircraft, aircraft engines, parts, or accessories thereof, and of all associations, partnerships, or corporations associated, directly or indirectly, with any of such associations, partnerships, or corporations, by stockholdings, interlocking directorates, or contracts by, between, or through intermediate corporations or individuals, or otherwise; and (2) to investigate fully all contracts and relations with each other and with the Government officials or departments of any such individual, association, partnership, or corporation.

Resolved further, That the limit of expenditures under such resolutions is hereby increased by $20,000.

The amendment was agreed to.

The resolution as amended was agreed to.

RECESS

Mr. FLETCHER. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p.m.) the Senate took a recess until tomorrow, Thursday, January 25, 1934, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 24, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Blessed Master and Savior, with love and longing we approach Thee; so often our peace wrestles with anxiety. Our highest thoughts, our rarest tears, our holiest griefs, our divinest yearnings, and our tenderest loves are sanctified at Thy holy feet. This is the testimony which the tempted and the tried unite in giving in every age and of every creed. We come; put Thy hand upon us, O God, and mold us into the faultless embodiment of a splendid manhood. May we bend to the unfortunate and succor the weak; O let this be the liturgy of our lives and the outpouring of our hearts, and their throbs shall be a daily psalm of praise to Thy excellent name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2. An act for the relief of C. M. Williamson; Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased; Lottie Redman; and H N. Smith;

S. 170. An act for the relief of Patrick Henry Walsh;

S. 177. An act for the relief of Woodhouse Chain Works;

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton;

S. 326. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement;

S. 375. An act to reimburse the estate of Mary Agnes Roden;

S. 376. An act for the relief of Beatrice I. Manges;

S. 406. An act for the relief of Warren J. Clear;

S. 407. An act for the relief of Willie B. Cleverly;

S. 750. An act for the relief of the Lebanon Equity Exchange, of Lebanon, Nebr.;

S. 751. An act authorizing the Secretary of the Treasury of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer;

S. 785. An act for the relief of Elizabeth Bolger;

S. 1069. An act authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.;

S. 1073. An act for the relief of E. Walter Edwards;

S. 1074. An act authorizing adjustment of the claims of John T. Lennon and George T. Flora;

S. 1079. An act authorizing adjustment of the claim of Francis B. Kennedy;

S. 1081. An act for the relief of McKimmon & McKee, Inc.;

S. 1083. An act authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D.C.;

S. 1085. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 1087. An act authorizing adjustment of the claim of William T. Stiles;

S. 1089. An act for the relief of James R. Young;

S. 1115. An act to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost;

S. 1219. An act to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy;

S. 1321. An act authorizing adjustment of the claim of Korber Realty, Inc.;

S. 1347. An act for the relief of Little Rock College, Little Rock, Ark.;

S. 1426. An act for the relief of the estate of Benjamin Braznell;

S. 1429. An act for the relief of Anthony J. Lynn;

S. 1496. An act for the relief of Nannie Swearingen;

S. 1651. An act for the relief of the estate of Anton W. Fischer;

S. 1782. An act for the relief of the B. & O. Manufacturing Co.;

S. 1985. An act relating to the amortization of the construction cost of certain toll bridges in the State of Oregon;

S. 2029. An act to extend the time for completing the construction of a bridge across the Delaware River near Trenton, N.J.; and

S. 2152. An act granting certain property to the State of Michigan for institutional purposes.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL—FISCAL YEAR 1935

Mr. ARNOLD, from the Committee on Appropriations, reported the bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes (Rept. No. 337), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER reserved all points of order.

LETTER FROM THE LEAGUE OF WISCONSIN MINICIPALITIES

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter received from the League of Municipalities of Wisconsin.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BLANCHARD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following let-

ter expressing opinion on matters of vital importance to the cities and villages of Wisconsin:

LEAGUE OF WISCONSIN MUNICIPALITIES,
114 NORTH CARROLL STREET,
Madison, Wis., January 22, 1934.

Congressman GEORGE W. BLANCHARD,
House Office Building, Washington, D.C.

DEAR MR. BLANCHARD: On behalf of the 302 member municipalities, the executive committee of the League of Wisconsin Municipalities herewith transmits for your consideration an expression of opinion upon certain matters of vital importance to the cities and villages of Wisconsin. The executive committee urges that you, as a Wisconsin legislative representative at Washington, give your support in behalf of the following matters:

(1) That additional funds be appropriated by Congress to permit the continuation during the present economic emergency of the Civil Works program upon such a basis as will provide work for unemployed citizens in distress.

(2) That there be eliminated the existing discrimination against Wisconsin municipalities in that sewer and water extensions are being rejected as Civil Works projects, although they are being approved in other States. Sewer and water extensions are particularly well suited to Wisconsin's severe winter climate, since the cost of thawing the ground is largely offset by the elimination of the necessity of shoring the sides, whereas many other socially useful projects are impossible in winter weather.

(3) That additional funds be made available for the continuation of the public works program and that the terms as to collateral be liberalized so as to make clear that mortgage bonds, optional payment securities, and special assessment bonds are eligible. Many Wisconsin municipalities have submitted projects which were not approved, either because the application was not approved while funds were still available or because of technicalities.

(4) That there be created by Congress, either independent or as an adjunct of the Reconstruction Finance Corporation, an agency to furnish the necessary credit to municipalities upon their securities, either tax-anticipation warrants or otherwise. The normal credit channels for municipalities have been largely frozen, despite the fact that municipal services must be continued instead of curtailed, as is possible in industry. In fact, the depression has created additional responsibilities for municipalities in the form of relief, educational and recreational facilities, etc. It appears just as important that the Federal Government aid municipalities to finance their activities as it does to aid private corporations, as has been done by the Reconstruction Finance Corporation.

Your attention is also called to the fact that at the last convention of the League of Wisconsin Municipalities the delegates unanimously urged the ratification of the treaty between the United States and Canada providing for the development of the Great Lakes-St. Lawrence waterway, and that the delegates likewise urged the enactment of a law by Congress to authorize Postal Savings banks to accept municipal deposits and to permit checking against such accounts by municipalities.

It is hoped that you will find it possible to give your attention to the matters discussed in this communication and to aid in procuring favorable consideration thereto.

Respectfully submitted.

EXECUTIVE COMMITTEE,
LEAGUE OF WISCONSIN MUNICIPALITIES,
By FREDERICK N. MACMILLIN, *Executive Secretary.*

DEAF AND DUMB SHIPS

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an article by Mr. Wayne Francis Palmer, a former naval officer, published in the New Outlook, edited by Alfred E. Smith.

Mr. BLANTON. Mr. Speaker, reserving the right to object, is this writer a retired naval officer?

Mr. KNUTE HILL. He is a former naval officer. I do not know whether he is retired or not.

Mr. BLANTON. Is that an article for which he has received so much per from the New Outlook?

Mr. KNUTE HILL. I could not say, but it is printed in the New Outlook, published by Alfred E. Smith.

Mr. BLANTON. A great many retired naval officers and retired Army officers are writing articles and putting them in magazines for so much per.

Mr. KNUTE HILL. I think this is a matter of information for ourselves as well as others.

Mr. BLANTON. Is it information that is worth something to the country?

Mr. KNUTE HILL. It certainly is.

Mr. BLANTON. Is it information that is boosting this big Navy proposal to spend an additional $300,000,000 that the gentleman from Georgia [Mr. VINSON] is seeking to put on the Navy bill now without any authority of law?

Mr. KNUTE HILL. No.

Mr. BLANTON. There is nothing like that advocating this extra $300,000,000 incorporated in the article?

Mr. KNUTE HILL. No.

Mr. BLANTON. Then, I shall not object. But until the President of the United States tells us that spending this additional $300,000,000 for naval construction is absolutely necessary, and until the President specially requests it as a part of his recovery plans and policies, I am for saving this $300,000,000.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article on the subject of Naval Communications:

[From New Outlook of November 1933]

In the next great battle at sea it will be a toss-up as to whether the greatest danger will come from the enemy fleet, or each fleet will constitute the greatest danger to itself. It is becoming increasingly apparent that the three great naval powers have developed fleets so vast that, in the confusion of a major naval engagement, it will be highly difficult to operate them as well-directed offensive units. This condition, common to all navies, is not occasioned by any fault or omission in our own service, but rather by the failure of naval communications to keep pace with the rapid improvement in the other technical branches. Particularly have they not kept pace with other developments that tend to make the transmission of messages more difficult.

Communications are not spectacular like gunnery, the major sport of the services. Signals in a football game are not of interest to the spectators. They like to see the backs running with the ball, but it is the signals that make or break a team, and so it will be in the next great sea struggle.

It has been decided by stategists to mass together practically all of our modern sea strength in a single unit—the United States Fleet; but mass alone is not sufficient to guarantee victory. In the year 907 A.D. 10,000 Russian vessels, carrying 400,000 men, sailed down the Dneiper River, across the Black Sea to attack Constantinople. They were commanded by Igor, son of Rurik, the Swedish adventurer who became the first ruler of Russia. In desperation the Grecian Emperor attempted to buy them off, but all such overtures were rejected. Only 15 Byzantine warships were available for the defense of the capital, but these 15 ships resisted the attack of the savage hordes and sent Igor in retreat with only half a dozen vessels left in his command. The boarding tactics of the Russians were met with streams of flame and their men and ships were destroyed. The Greeks had a word for it—"Greek fire."

Mass was insufficient to bring victory to the armada of Spain; and Jellico found out at Jutland that mass can be a liability as well as an aid.

The greatest number of ships operating as a fleet, the greater the requirement of unifying factors in order that one man may direct their destinies. Homogeneity gained by years of drilling, thorough organization, and indoctrination capped by genius of command, makes a fighting force or just ships. This homogeneity in time of battle can only be maintained through the rapid, accurate intership exchange of information and instructions.

It may appear that the problem of controlling 150 ships today is simple compared with handling Igor's 10,000 vessels, or those of the Spanish armada. Today's problem is one of great spaces and distances, operations under, on, and over the sea, and a vast distribution of ships. At low visibility, for instance, with 35-knot light cruisers acting as scouts and cruising in opposite directions, the duration of the contact is a matter of seconds. In night actions, it is a brush and then away. A battle of only 5 hours' duration may actually cover as much as a thousand square miles of the sea's surface. Contrast this with the Armada making its leisurely way up the English Channel. Day by day it was attacked and gradually worn away by the sniping tactics of Britain's seamen. Not wishing to miss the fun and seeing the English successes, professional soldiers and large landholders along the Channel, unused to the sea, hired ships, manned and equipped them, and sailed forth to join the fight. The slow development of battles of the remote past offers no criterion for the future. Only the rapidity of action in the last war can be a gage as to what may be expected in the next.

Communications between ships at sea may be by means of flag hoists where each flag represents a letter of the alphabet, or a number between 1 and 10, and where, by means of a code, one hoist may change the course, speed, and disposition of the entire fleet. When a signal is hoisted on the flagship, it is immediately repeated through the entire fleet as fast as it can be read from the ships ahead. When all ships show the proper signal, the flagship jerks down its hoist as the signal of execution and all ships follow suit.

In every direction the buntings, which have given a gala appearance to the fleet, have disappeared as if by magic. The great battleships wheel slowly toward a new alignment. The speedy cruisers dash through their formations, tearing ahead as fast as express trains. A hundred destroyers scatter and charge in every direction. Order? It is wild disorder. Pandemonium seems to have broken loose. The sea is crossed and crisscrossed

with the churned white wakes of a fleet gone mad. Then suddenly it all takes shape again. The big fellows steady on their new course. The cruisers have taken up their scouting positions in the van, or on the wings. Each little destroyer hugs the great ship under its charge, or away they dash to the attack looking for all the world like a flock of ducks skimming the surface of the water.

This was a perfect maneuver. The weather, however, was clear; but with low visibility, smoke screens, artificial fog or real fog, or the accumulated smoke from boilers and gunfire in an area through which the engaged fleets have fought previously—the question becomes much more serious. The exposed positions of signalmen and flag hoists make for early casualties to men and material. Flag signaling becomes impractical and undependable. This, of course, also applies to wigwagging and semaphore, both of which are harbor aids only.

One delightful spring dawn in 1918, off Bergen on the Norwegian coast, two divisions of battleships, with a force of light cruisers and destroyers, were safeguarding a great convoy of merchant ships, and at the same time were supporting the American minelaying squadron while they dropped 5,000 more "eggs" in their vast program of bottling up the North Sea. Admiral Hugh Rodman, United States Navy, in supreme command, was flying his flag from the battleship U.S.S. *New York*. It was a proud day for all the Americans because, while the admiral was the toughest inspection officer that ever trod the decks of a ship, he was greatly beloved by officers and men, not the least cause of which was the splendid efficiency that he demanded of the forces under his command.

The beauty of the high rugged cliffs of Norway are well known, but on that morning as the sun rose over them, blinding out all detail of the mighty rocks below, it was a sight to move the soul. A signal hoist on the *New York* brought the force on the bridges of the ships astern back to the task at hand. It was the breaking up of the night steaming formation with a change of course and speed. The signal was being repeated by the ships astern when suddenly the *New York* was enveloped by the cliffs of Norway, which actually were dense fog banks. The hoist on the flagship was suddenly lowered before all astern had caught the signal. Bedlam followed. All ships found themselves traveling at almost full speed in a fog so thick that the wheelsman could not see the officer of the deck 20 feet away. The signal on the *New York* was executed by some; by others it had not been acknowledged; some had not even seen it; and others recognized the signal, but did not consider that the order of execution had been given. The miracles of the Bible shrink to insignificance compared with what happened. Fifty ships dashed in every direction—blind, but tearing along at great speed; light cruisers sliding across the sterns of battleships so close that an agile jumper could have leaped from one to the other; and destroyers attempting to cling onto the quarters of the great ships they must always accompany like pilot fish hanging onto the belly of a shark.

Major disasters were averted a hundred times—not by skill, because there was no chance for skill, but because the fates who sat above the fog, in laying out the courses for those ships, had planned no tragedy to mar that beautiful spring morning. But it took 14 hours to reassemble all those ships in orderly formation again. There was, of course, no criticism of anyone. It had been merely a chance of the sea. Fortune had smiled, and there were no collisions, but best of all there had been no enemy at hand to destroy the scattered forces piecemeal.

Indifference to such a performance cannot be countenanced now, because we know that effective fog banks can and will be artificially created during the next general fleet engagement.

The interchange of signals between two ships is effectively accomplished by means of the blinker. This is a powerful searchlight with a shutter intercepting its rays and, by means of a handle, it can be opened and shut rapidly, much like a telegraph key, to send dot-and-dash signals. This method is limited to effective reception by only one ship. For general fleet signaling the blinker must be elimnated, because general signals must be instantly and simultaneously distributed throughout the entire fleet.

Obviously, radio suggests a proper solution. If the admiral in command could talk directly to all flag and commanding officers without fear of interruption, the problem would be solved. The lack of secrecy is no factor once the enemy fleet is engaged. The use of uncoded messages under this condition is standard practice in some navies. For the enemy to share in information regarding maneuvers merely permits the ear knowledge that will be gained by the eye a few seconds later.

The difficulties with the radio are just as familiar to all ashore as they are to the technicians afloat. Interference between stations ashore is too common to require explanation. Every talent of the Federal Radio Commission, the broadcasting companies, and those engaged in the manufacture of radio equipment has been directed to clarify this perplexing difficulty. The same problem exists at sea, because if the answer had been found there it would be exploited ashore.

When two great fleets next meet it will be necessary to keep open hundreds of air channels. In each fleet there will be the orders going out and information coming in among about 150 ships, and there will be several hundred airplanes sending and receiving scouting and operating information. In addition, a new duty has been imposed on radio since the last war, and that is the control of gunfire. Airplanes must talk with their mother ships and advise them as to the accuracy of their fire. Ships no longer fire individually but as a division, so that gunnery control officers must talk with their corresponding numbers on the adjoining ships. Assuming perfect conditions, it would still be a bedlam, and in battle conditions are not perfect. The giving and receiving of sustained heavy fire imposes conditions upon delicate wireless instruments that will not allow them to hold to the narrow air channels allotted to them. Direct hits at an early stage of the battle will put whole units out of communication.

The most serious difficulty that radio must face is the jamming of the air by the enemy. We know the frightful rumpus that comes over our radios when the neighbor's oil burner starts the devils to screeching just as Will Rogers gets to the point of one of his jokes, or just as Rudy Vallée swings into one of his waltzes. This is just what happens intentionally when the air is jammed, only it is done on a much larger scale.

The Russians and Germans were quite adept at this mode of interference. One night during the World War, as the Turkish-German battle cruiser *Goeben* lay off Constantinople, a signal came through announcing that a certain advance Turkish wireless and observation station was being attacked by a Russian landing party. The message came through clear and distinct. It was followed by a few words of a second message. Then the *Goeben* was unable to hear more because the air was filled with screeching and howling.

It seemed a real opportunity to cut off the attacking forces, so the *Goeben* raced through the Bosporus into the Black Sea. Once outside the trap was sprung and the entire Russian Black Sea Fleet passed between her and the Bosporus. They had sent the first message. The second garbled attempt, blotted out by the Russians, was a denial by the wireless station that it was being molested. The plan had been well executed, and now the *Goeben's* calls for help were unable to penetrate the Russian jamming. It was only by steaming to sea and by making a fast and daring end run that she ever saw port again.

It is reasonable to assume that the art of air jamming has kept pace with the splendid advancement of radio. Any military research organization when developing a new weapon or procedure must work out a method to counteract it. The fleet that goes into the next great battle at sea depending on radio as its principal method of communication risks disaster.

The Battle of Dogger Banks offered to the British an opportunity to annihilate the German battle-cruiser force in payment for their raids on undefended English coast towns. Caught red-handed by a superior force, they fled for home. The British, with greater speed and heavier guns, directed a deadly and accurate fire that soon reduced the *Blucher* to a wreck. The others were fairly ripe for the picking when a chance shot struck the admiral's flagship, the *Lion*, disabling her and forcing Admiral Beatty to turn the control over to the second in command. The wireless on the *Lion* was out of commission. The flag hoist was incorrectly understood, and it resulted in the abandonment of the chase by the British and the escape of the remaining German cruisers, although severely damaged. A failure in communication had denied a victory to Britain that she had well earned.

In the early stages of the Battle of Jutland Admiral Beatty had 2 divisions of battle cruisers and 1 division of the *Queen Elizabeths*, the fastest and most powerful battleships afloat. Upon receiving the first reports of the approach of the enemy battle cruisers he hoisted a flag signal to alter course. The battleships did not see the signal and it was not repeated by either wireless or blinker, with the result that they dropped 10 miles astern and were 30 minutes late in opening fire. When Beatty's cruisers opened fire on the German light forces a second error in communications caused a concentration of fire on certain ships and left others free to hammer the British line. Undoubtedly this accounted for the early destruction of the *Indefatigable* and the *Queen Mary*, which blew up, leaving only a column of smoke to represent all that was left of those two proud ships. These two serious errors in communication resulted in a severe initial defeat for Admiral Beatty's force of 10 capital ships by only half that number under Admiral Von Hipper.

Later in the day, after the entire British Grand Fleet had unleashed its fury against the entire German High Seas Fleet with about as devastating an effect as a good boisterous pillow fight, Jellico's forces settled down for the night between the Germans and their base. Tactically the situation was ideal. Von Scheer must take the High Seas Fleet around the British, which maneuver was most difficult, or he must cut his way through a force 50 percent superior to his own. The latter plan was unbelievable, so the forces of Britain awaited the 18 hours of June 1 daylight to wipe out every vestige of Germany's challenge to their command of the seas. They awaited only the dawn to strike the blow that would end the war in the summer of 1916.

Admiral Von Scheer decided to do the unbelievable and took his 100 ships through 150 ships of the Grand Fleet. He was fortunate in penetrating the light forces in the rear of Jellico's battle fleet, but many a terrific fight resulted. Ships loomed out of the dark at distances of only hundreds of yards, where they had fought at thousands the day before. In one case ships collided and were unable to depress their guns low enough to blast one another to atoms. Ships were destroyed, never to be heard of again; ships were blown out of the water at point-blank range.

In spite of these numerous actions and contacts between 10 at night and 2 in the morning, Jellico had no knowledge of what had transpired until the Admiralty advised him by wireless at 5 minutes of 4 that the prey had escaped his grasp. Too few signals had been sent, and even these had not been received on the flagship. A gross blunder in communications was again to be the cause of the most bitter disappointment of the war. Controversies have raged over this without abatement for 18 years, but,

unfortunately, they have turned on personalities and not to the core of the trouble—failure in communications.

The question of instant identification of men-of-war is the constant dread of the commanding and watch officers of every ship at sea. If they are of the enemy, they must be destroyed; if they are friends, they must be protected and prevented from destroying you. In the World War ships were furnished with recognition signals. A battleship suddenly looms out of the mist. A combination of lights appears above her—a red, a purple, and a green. You answer with a yellow, a red, and a white. An error means that guns all ready for action will fire. A different system of identification was used for eight different classes of ships, and each system changed every 12 hours. Some changed on daylight time, others on Greenwich time, some at noon, and some at odd intervals—but the watch officer was always responsible for an error.

An example of the seriousness of the problems that were faced occurred in the early fall of 1918. It was obvious that the German nation was weakening, and the Allied control in the North Sea prepared for and expected that last-minute fanatical attempts would be made by German battle cruisers to break out into the Atlantic to pursue a course of commerce destruction and disorganization until they themselves were destroyed.

The bulk of the Grand Fleet was at anchor at Rosyth, Firth of Forth, while at the sub-Arctic base at Scapa Flow the sixth battle squadron of five United States battleships and the second battle cruiser squadron, with supporting light cruisers and destroyers—all under the command of Admiral Hugh Rodman, United States Navy—stood guard over the exits from the North Sea.

It had been just 10 years since the launching of the battle cruiser *Australia*, and all that time a sealed compartment filled with champagne of the same vintage as that used at the christening had awaited this day of the tenth anniversary to see the seal broken. The Royal Australian Navy was indeed a royal host until the celebration was rudely interrupted by a peremptory demand that all officers return immediately to their ships. Going down the gangway, they saw their boats almost standing on ends. The angry water snatched at them as they leaped into their careening boats. At their own ships they found hundreds of men busily engaged in taking in gangways and securing boats on deck. Up forward a light showed the chief boatswain and his crew ready to shorten up the anchor chain. The donkey engine raced and scraped as it was tested without load.

The reason—a wireless had come in from a patrol in the North Sea: "German battle cruisers steaming hard for Pentland Firth." After many tedious months of waiting, months of soul-trying preparation for the big opportunity, the time had come and they were running right into our arms. Best of all, an American fighting admiral was to lead the combined British and American squadrons into battle.

Pentland Firth, about 20 miles of the meanest salt water to be found, lies between the headlands of Scotland and the Orkney Islands, the mud flats of which enclose one of the finest harbors in the world—Scapa Flow. In a few minutes the *New York* led the way to sea. On a calm day Pentland Firth, with its cross currents and natural cussedness, will suddenly throw up a wave that has been known to snatch twoscore men from the forecastle of a battleship. That night it was in rare form.

The ships took up a patrol position at the western exit into the Atlantic. In order to cover a larger area the battle cruisers, with their greater speed, were sent forward; then they retraced part of their way, only to advance again—and thus they kept up this backstitching advance throughout the night.

Two more signals from patrols were received marking the progress of the Germans, but our ships were ready for them. Their only chance was to slip through in the absolute blackness of the night. All hands stood ready at battle stations—tense, ready for the kill.

Dawn came early, and in its first rays three battle cruisers were seen approaching at high speed on a parallel course but not over half a mile distant. Their guns were trained on our ships and ours on them. The first salvos could not help but blow ships out of the water. A miss was impossible. Guns were loaded and ready to fire when "the enemy", making out the distinctive basket masts of the American battleships, sent up a recognition signal and prevented a ghastly tragedy. "The enemy" was the second battle cruiser squadron and included the host of the night before.

There was no other enemy, and to this day not even Admiral Rodman can explain the origin of the patrol reports. The mystery of these messages stands at the Admiralty as well, because our ships acted under its authority. There was, apparently, a series of mistaken identities by patrols, or some wag of a German submarine commander greatly enjoyed his hoax.

A heartbreaking incident occurred off Blyth in the North Sea. A British decoy ship was cruising in a heavy mist when it sighted a large submarine close at hand. She was identified as the German *U–6*. The white ensign was broken out and fire opened at point-blank range. By the conning tower of the submarine stood an officer lifting a Very pistol to fire a recognition signal, but the first shot tore off his arms and killed him. A second exploded in the control room. Shot after shot went home as an officer scrambled on deck waving a white tablecloth.

Firing ceased just as a heavy fog bank enveloped both boats, then fire was reopened until the doomed submarine signalled for help. Before she went down a few men escaped and were pulled aboard the decoy. It was then they learned that they had sunk the British *J–6* and not the German *U–6*. Some white garment had been thrown over the conning tower so as to give the "J" the appearance of a "U."

That these problems have not as yet been answered is indicated by two recent war-game incidents. Off Panama several years ago the opposing fleets were hot at it. The umpire declared that the commander in chief was eliminated, so word was sent to the vice admiral to take over the command. This word, however, did not reach him until 8 hours later, when a submarine bobbed up and apologized for repeating what they considered an old signal, but to the vice admiral it was the first news of his sudden elevation. To all practical purposes the defending fleet had been fighting a whole day without a leader.

Another war game, another mistake in naval communications. Off the California coast one of the two big aircraft carriers cruised about, hunting for the enemy. A squadron of planes took off to widen the search. This way and that, through cloud banks and over bright open sea they roared, until they saw the deck of an aircraft carrier simply inviting attack. Down they dove, assimilating the most vicious attack which ships will have to repel in the future—diving bombing—and the umpires gave them just what they were after, the complete destruction of the carrier—only it happened to be their own mother ship.

The question of naval communications is still an open one, inviting skill and invention by our best minds or, perhaps, by some lucky discoverer that may trip across the answer to this most serious of all naval problems as yet unanswered. Without it our ships face destruction by their sister ships, our aircraft threaten them from above and our submarines from below. Homogeneity of action is not assured, and as a result in times of stress the sea power of the Nation may be reduced to a group of ineffectual units.

THE NAVY AND RESTORING CONFIDENCE IN THE UNITED STATES

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H.R. 7199, the Navy appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, when I was a tot, 6 years old, attending the little red schoolhouse out against the mountain side in Pennsylvania, the teacher would read the Scriptures every morning and then we would sing a song or two. I well remember how we would make the woods echo when we would come to the chorus of the song that had in it "The Army and Navy forever." The same song still lives. I am sorry to say that the public schools of our land do not sing it as much as they should, just the same as they do not sing Home, Sweet Home as much as they should.

My impression in citizenship building and nation building is that it would be far better to instill into the very souls of our boys and girls in the schools songs like the above rather than such chatter as Yes, We Have No Bananas or its current equivalent.

As long as man's inhumanity to man makes countless thousands mourn, we will have war. As long as there is selfishness and greed in the hearts of men, we will have war. We might just as well recognize it and not kid ourselves into the belief that wars are over. Why, today war is raging in a half a dozen different countries in the world. Today we know that Russia has a million men mobilized along its frontiers. Today we know that other countries in Europe and elsewhere have war facilities and war equipment in readiness, that they could hop into war within 24 hours.

This thing we call civilization is of just a very thin coat of veneer when the hungry and greedy war gods get busy. We do not have time to prepare after they show their teeth through this veneer. We must be ready for action. We need an enlarged navy. We need a navy that is second to none. We need a navy that is flexible enough to give us industrial and economic assistance in time of peace and war service in time of war.

Furthermore, unemployment is immensely helped when we build ships and warcraft of various kinds. When we build a new ship, every State furnishes some of the raw material. Eighty-five percent of the total cost of a ship goes to labor, direct or indirect. Only 40 percent of the total cost is spent in the shipyards; the other 60 percent is spent for raw materials and for labor.

So you see that money spent in building up the Navy does not go, as is often erroneously stated, into the pockets of a few shipbuilding and steel companies, but is widely distributed over the entire United States and goes back directly or indirectly to the man who furnishes the money in the first place—the taxpayer.

Since our Navy was first created by act of the Continental Congress, it has labored under one very grievous handicap. That has been the lack of having a policy for continued building. The same battle that was fought on the floor of the Continental Congress to get ships and guns and men at sea to protect our shores from the enemy has had to be fought over again after each subsequent emergency had already arisen.

Every war in which this country has participated, and particularly the last terrible World War, has found our Navy dangerously unprepared to deal effectively with our enemies. What has been the result? Economy, conservatism, science gone by the winds. Hundreds of millions poured with reckless haste into hurriedly constructed and ill-conceived ships. Incomplete plans, unskilled labor, defective materials, all at fabulous prices and those vultures, the war profiteers, gobbling up fortunes into their insatiable craws.

If only an inconsequential part of the staggering cost of the last war had been spent in the years previous in building up a balanced fleet of well-designed and carefully constructed ships, I maintain we would never have been drawn into that war.

A definite national policy of continued building is vitally important for many reasons. Naval science is continually in process of development. Improvement in design and in naval science goes step by step, not by leaps. The experience of yesterday is reflected in the construction of today and only by constant and continuous building, applying the old principle of trial and error, can we keep step with other maritime powers in the application of modern scientific developments to our national defense.

From the standpoint of those who are responsible for the readiness of the Navy to meet the demands of national defense it is extremely necessary that the future composition of the fleet be known as far in advance as possible so that personnel training and strategic and tactical plans for probable contingencies may be made on some definite basis. This we have never been able to do before, for we have never known even 1 year in advance what new ships would be provided. Lastly, but by no means least, such a building policy would permit the maximum of naval defense to be maintained with a minimum expenditure for construction and upkeep. This can hardly be overestimated, for only by orderly and well-planned building can excessive costs be avoided. Also, a steady and uniform amount of building, rather than having periods of feverish activity and others of stagnation, would revive and stabilize the shipbuilding industry both in our navy yards and in the private shipbuilding yards.

The bill introduced in the Seventy-third Congress by Representative VINSON of Georgia and by Senator TRAMMELL, of Florida, establishes a very definite building policy. It declares that it is the policy of the United States to maintain the Navy at whatever limits may be established by international agreement. It authorizes the President to construct such vessels as necessary to replace obsolete vessels in order to maintain the Navy at treaty strength. It further authorizes the President to procure the necessary naval aircraft for vessels and other naval purposes in numbers commensurate with a treaty navy. A previous act of Congress has already authorized, but not appropriated for, a total enlisted personnel of 143,119 men, which is more than sufficient to man the Navy when it reaches full treaty strength.

The importance of this legislation can hardly be exaggerated. For the first time in the history of our country we are enabled to place the construction of ships, the procurement of aircraft, and the providing of personnel, all on one and the same basis and thus evolve a logical, orderly plan for the maintenance of the Navy. These measures can give no offense and involve no threat to any foreign power and will entail the least possible burden to our taxpayers.

Now, as to carrying out the provisions of the Vinson bill. The naval disarmament treaties established the effective age or life of the various types of ships. The greatest life of any ship is 20 years. Each year certain ships pass the age limit of effective usefulness and, of course, must be replaced by new construction. At the present time the construction of 96 ships as replacements for obsolete ones is required to bring the Navy up to treaty strength.

You will understand that, with 54 ships already under construction and 4 others projected, it would not be physically possible without considerable increase in existing facilities, nor would it be desirable, to construct all these ships immediately.

In rejuvenating the Navy, the plan for replacements must embody and be based upon sound business principles and extend reasonably into the future. Thus the design of ships may proceed in a scientific and progressive manner and so that the curve of cost may be leveled off as much as practicable.

To accomplish this purpose the Navy Department has prepared a tentative replacement program projected over a period exceeding 20 years, so that, 20 years being the greatest life of any ship, a complete cycle of replacements for every ship now afloat is covered.

Under this plan the full number of ships required for treaty strength will have been laid down by 1939 and completed by about 1941. This delay in reaching full strength appears at present to be to our best interests. However, the President may at any time at his discretion speed up or retard this program should he deem it advisable.

The President's building program instituted last year under the National Industrial Recovery Act comprised the first year's quota in accordance with our plan. Appropriations for this year's building could not be included in the regular Budget because authorization was lacking, but if the Vinson bill is enacted into law a supplementary Budget for that purpose will be requested and hereafter in each succeeding year funds will be sought through the regular Budget to cover the cost not only of the ships and aircraft to be built and operated that year but also for the personnel necessary to man those ships and aircraft. Thus we hope to maintain and operate our Navy in an orderly, efficient, and businesslike manner.

In determining our personnel requirements, some yardstick must be established, for it is obvious that we cannot, nor should we, keep our Navy at full war strength in peace times. The difference between a merchant ship and a man-of-war is largely a matter of armament and crew. A man-of-war must not only have armament, she must have men to man her guns and to man all the battle stations that are required for firing the guns. She must have men to man fully the boiler rooms and the engine rooms so she may steam at full speed whenever necessary. A merchant ship can operate plowing along at moderate speed, but when the crew of a man-of-war is reduced, she becomes just that—a merchant ship, for her guns are not manned and she could not make the sustained speed that would be essential. The Navy must have sufficient men. By common accord of the commander in chief of the fleet and his type commanders, the Chief of Bureau of Navigation, and the Chief of Naval Operations, 85 percent of full complement is considered the danger point and ships that lack this personnel should not be operated.

I am speaking, of course you will understand, of personnel for the peace-time operations of the Navy. In time of war it is always necessary to commission many additional ships of various types. It is sometimes necessary to place armed guards on merchant ships. Trained men are necessary for these purposes and it is therefore necessary for the Navy to maintain a strong and well-trained Naval Reserve from which to draw in time of war. It is hoped that Congress will always provide for the maintenance of this highly valuable and necessary branch of the service.

Likewise must Congress and our people realize that a healthy and prosperous merchant marine is an essential adjunct of our armed forces. I would remind you, too, that to build and operate ships there must be shipyards with skilled and experienced artisans.

The Navy's air force has been developed to a degree of which we may feel justly proud. Naval aviation, as we have developed it, is an integral and irreplaceable part of

the fleet. Its operation is intimately interwoven with every phase of the operations of the fleet. In 1926 the Navy instituted a so-called "5-year aircraft-building program", Congress having authorized the Navy's air strength at 1,000 useful planes. The goal has now been reached. Due, however, to the rapid progress in the development and use of aircraft and to new ships in the building, it is now necessary for us to revise our estimate of requirement in order that planes in numbers commensurate with a treaty navy may be ready coincident with reaching that other goal—our treaty allowance of ships.

I wish to impress upon you, that, as I have already explained, the Vinson bill is but the first step in our program. It is only the enunciation of a policy, and it must not be forgotten that each year funds must be obtained from Congress to carry our announced policy to successful fruition. But I wish again to emphasize the value of having this policy. It enables us to look ahead, and for the first time to be able to draw up complete plans of our needs covering ships, aircraft, and personnel all fitted together in one united whole. And, furthermore, it enables us to present our needs to the Congress each year in one composite picture.

And, in conclusion, I impress upon you with all the fervor at my command, the necessity for the people of this country to support this program in every possible way to insure that the appropriation bill required each year is not permitted to be deferred.

PERMISSION TO ADDRESS THE HOUSE

Mr. BECK. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE N.R.A. AND THE SUPREME COURT

Mr. BECK. Mr. Speaker, I have been absent for nearly 3 weeks from the House, due to a severe attack of influenza. I want to avail myself of this occasion to say that if I had been privileged to be on the floor of the House at the time when the gold-devaluation bill was under consideration I should have voted "no." But that is not the matter for which I have asked for a few minutes to address the House.

While I was absent from the floor our colleague and my personal friend the gentleman from New York [Mr. BLACK] made a speech which was a reply to an article that I had contributed to the September issue of a magazine called "Fortune." The title of that article was "The N.R.A. and the Supreme Court."

The gentleman from New York made what, in my judgment, although it is not for me to compliment him, a very able argument in support of the constitutionality of the Industrial Recovery Act and took issue with my Fortune article. Many of my colleagues have not seen the article and copies of it are not procurable, as it is only sold by subscription. Therefore I shall ask unanimous consent to incorporate as a part of my remarks this article, and also a statement that I gave to the Associated Press when the decision in the Minnesota case was recently handed down by the Supreme Court, in which I ventured to express an opinion as to the application of that decision upon the question of the constitutionality of the N.R.A.

I had intended, when I read our colleague's able speech, to ask the indulgence of the House to reply more at length to his argument. Unfortunately, time has passed and the matter is now probably only of academic interest.

I was reminded of Mr. BLACK's argument by the statement made yesterday by my esteemed friend the Chairman of the Judiciary Committee, in which he discussed imaginary conditions under which the Constitution of the United States can be superseded by what he suggests as the instinctive common sense of the American people.

The gentleman from Texas [Mr. SUMNERS] said yesterday:

> Our people seem instinctively to sense the existence of a crisis which exceeds that capacity of their governmental system functioning in the ordinary way. In such a situation instead of permanently changing their system of government they have the genius to concentrate governmental power, give to the agency into which the concentration has gone all the power that a dictator could have, which carries with it as quick a pick-up as a dictatorial government could have, but at the same time they are able to retain the power—I am talking about power now—retain the power over the exercise of the delegated power, and retain the power to recapture and redistribute this concentrated power when the crisis shall have ended.

To me this is a novel conception of the Constitution. I can understand an amendment of the Constitution by the power given in article V of the Constitution, but I do not known of any appeal by this genius of the people which will suspend the Constitution in favor of a dictatorship, and later to recapture our suspended ofrm of government. This sounds suspiciously to me like a statement that while the Constitution is of full force and vigor in those ordinary times when it is least needed, it can at any moment be temporarily suspended by some kind of a mysterious referendum of the American people. However, I cannot discuss this grave and novel constitutional theory now, but I have so much respect for him—not only respect but affection—and so fully recognize his outstanding ability as a lawyer, that I may be tempted later to ask the indulgence of the House, when it has time to consider the permanence of our form of government, to make some kind of reply, both to what the distinguished gentleman from Texas said and also what the gentleman from New York said in reply to my Fortune article.

May I, therefore, ask unanimous consent, Mr. Speaker, to revise and extend my remarks by including the article in Fortune and also my statement to the Associated Press?

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to follows:

THE NATIONAL RECOVERY ACT IN THE SUPREME COURT

By James M. Beck

"What is the Constitution between friends?" was the jocose question addressed by a Tammany Congressman to President Cleveland, when that sturdy Democrat and old-fashioned constitutionalist told the Congressman that his request could not be granted without violating the Constitution of the United States. This classic witticism is not so foolish as is commonly supposed, for it suggests an inquiry of profound importance and most pertinent to the present time as to the moral obligation of the Constitution when obedience to its mandates is regarded—wisely or unwisely—as obstructing some necessary social purpose.

Tradition does not record what the request was which Congressman Campbell made to the President. Possibly that representative of Tammany had been a student of Aristotle and believed, as did the great Greek philosopher, that if a constitution conflicts with the ethos of a people, the constitution must yield. More probably Mr. Campbell in making his famous epigram only meant that the solemn obligations of the Constitution should not interfere with practical politics, and in this sense it raises the question now agitating many thoughtful Americans as to whether the Constitution can be temporarily suspended to meet the exigencies, real or imaginary, of an economic emergency.

That issue will probably confront the Supreme Court of the United States in the not distant future, and upon its decision may hang the fate of our form of government; for if an emergency can justify the temporary suspension of the Constitution, we are then in fact, though not in theory, living under an unwritten form of government, and not within the wise limitations of the great compact formulated 146 years ago.

In discussing this grave question and speculating with regard to the probable attitude of the Supreme Court it is well to remember the useful distinction which Prince Bismarck, when Chancellor of the German Empire, made with reference to a critical situation. He said that while the ponderables favored one course, the imponderables dictated another, and that the latter were more important. If the economic results of the N.R.A. shall prove as valuable as its optimistic proponents believe, yet these are but the ponderables of the problem that now confronts the American people, possibly the gravest since the beginning of the Republic.

The great imponderable is whether it is necessary or even desirable to violate the fundamental law of the Nation, even though such violation may end a serious depression. In this connection it is interesting to note that, serious as the present depression is, there have been at least three economic crises of a grave character in our history, and in none of them did the American people believe that it was necessary to violate a Constitution under which they had grown from a little Nation to the most wealthy and powerful Commonwealth in the world.

That fact suggests a portentous change in the character of the American people and their attitude toward the Constitution. It was once a religion with Americans of all parties; today its solemn mandates apparently have little appeal to the imagination of the people.

It seems unnecessary to state the substance of the National Industrial Recovery Act, for possibly no law has ever had so large a measure of publicity.

The statute consists of three separate titles, of which only the first need here be considered. Title I of the Recovery Act provides a scheme for regimenting the industries of America in order to organize industry by cooperative action among trade groups and to eliminate unfair competitive practices. In this respect the statute marks not only a wide departure from former legislative policies—such as the Sherman antitrust law—but also a complete change in the social philosophy of the American people. The writer will not attempt to discuss the wisdom of this change, except to say that the theory that a mechanical civilization has made it necessary to eliminate the free play of competitive forces, while debatable, cannot be said to be unreasonable.

In order to convert the free competitive system which has hitherto prevailed into a regimented system, the President is made the economic dictator of American industry. All American industries are invited, in the first instance, to form their own codes, but these codes have no value unless approved by the President. When so approved, they have the force of law not only in respect to those who have joined in the formulation of the code but also in respect to those who refuse to join. Even when the leaders of an industry have agreed upon a code and it has been approved by the President, the President may at any time change it. In other words, he determines, in the last analysis, how Americans engaged in industries can conduct their business and his word is final, for any failure by any individual to respect the conditions of the code, whether he assented to the code or not, is made a crime subject to penalties which are potentially destructive to his business. Moreover, the President is given the power to refuse any industrialist the right to ship his products in interstate or foreign commerce unless he gets a license from the President upon such conditions as the President may prescribe. Mr. Henry Ford has refused to sign the automobile code. If the President desires to compel him to do so, he can by Executive edict provide that no automobile factory shall ship its products in interstate or foreign commerce without obtaining a license, and he can then deny Mr. Ford a license unless Mr. Ford will sign the code and comply with any other conditions that the President may prescribe. These conditions are without limit. They may refer to hours and wages of labor, minimum or maximum production, the price of the product, or any other condition.

It is this feature of the law which inevitably raises the grave question of constitutionality and naturally invites speculation as to whether the Supreme Court, if called upon to determine its validity, would hold that such a law is within any power granted to Congress by the Constitution. It is probable that such a case will reach the Supreme Court, for it seems inconceivable that the industrialists of America, who have hitherto been accustomed to economic freedom, will not some day challenge the validity of the statute; and if and when the law shall be thus challenged in the Supreme Court, the nine robed Justices will feel constrained by the solemn obligations of their oaths of office to support and defend the Constitution and to determine whether any language in the Constitution authorizes Congress to pass such a law and, incidentally, to delegate such unprecedented powers to an executive official.

The Supreme Court reconvened in the first week of October. Its calendar is no longer congested, and if a test case is brought within the near future there should be no difficulty in securing a decision upon these grave questions before the Court terminates its present session about the first of June. Cases of such gravity and general importance are generally advanced by the Supreme Court for early argument in preference to other cases on the calendar; and while the Supreme Court quite naturally never goes out of its way to meet trouble and would probably be indisposed in this matter unnecessarily to handle the business end of a red-hot poker, yet the Court, mindful of its great function as the balance wheel of the Constitution, would not shirk its duty. Undoubtedly it would follow its unbroken course of deciding nothing that the necessities of the immediate case did not imperatively require. And it is equally clear that it would approach this grave judicial inquiry with the resolute purpose of sustaining the statute, if it could in any reasonable way be reconciled with the Constitution—not only because such has been its uniform policy but because in the present matter the economic crisis which inspired this legislation would predispose the Court to sustain the declared will of Congress if it could be done without a clear violation of the Constitution. For these reasons the Court may decide that portions of the statute could be sustained and other portions adjudged to be without validity under the Constitution. But it is unlikely that any competent lawyer would bring a test case in a form which would not involve the fundamental question of governmental power.

In proceeding to judgment the Court, as a human institution, could not ignore the extraordinary circumstances which gave birth to this unprecedented legislation. While this is so, it is a great injustice to the Supreme Court—in many respects the greatest and noblest court in the world—to suggest that the Court would be influenced by popular opinion. When the insular cases were decided, under which the power of the United States to govern colonial dependencies was recognized, Mr. Dooley perpetrated his classic epigram that "the Supreme Court follows the election returns." This was amusing, but wholly without justification. The Court is little influenced by the varying winds of public opinion, but it is profoundly affected—as it must be—by the deeper currents of social change, and the Court cannot be unmindful of the fact that the American people, whose social philosophy was once purely individualistic, has now become a nation of collectivists.

While the judicial mind cannot blind itself to these considerations, the Court, unless it were false to all its traditions, will realize that it has no power to pass upon social philosophies, but that its duty is a more simple and direct one, and that is to determine whether the Constitution of the United States ever vested in Congress the power to pass this legislation. If it did not, and such a power is now desirable in view of our complex mechanical civilization, then the only lawful way to transform our dual form of government into a unitary socialistic state is to amend the Constitution in the manner provided by that instrument.

Unquestionably the Court will find itself in a position of unparalleled embarrassment when called upon to decide the validity of this statute if at the time of such decision its economic results have proved the salvation of the American people. When Phryne appeared before the court of Athens, the judges shut their eyes lest the beauty of the litigant should warp their judgment; and if the National Recovery Act appears before the Court seemingly arrayed in a resplendent gown of renewed prosperity, even though her robes are as imaginary as the silken garment of the king of whom Hans Christian Andersen wrote, the Court, to be colloquial, will find itself in a tighter place than it ever has been in all its history. Nevertheless, the Court, unless it were false to all its noble traditions—which is inconceivable—would decide the question as one of law, in the spirit of a noble and intrepid English judge (Chief Justice Coke) who, in reply to a question of a king as to what his decision would be in a pending case, replied, "When the time comes, I will do what it is fitting for a judge to do."

Assuming the probability of a test case, what will be the reaction of the Court? It will at once be suggested by those who speculate in such matters that the Court is today a house divided against itself; that the nine robed judges are divided into conservatives and liberals. In the faculties of our law schools there are many professors who, speaking ex cathedra from the platforms of their classrooms, pretend to sit in judgment not only upon the decisions of the Supreme Court but upon the relative merits of the judges. For years past we have been told that several Justices, generally but not always in the minority, are the so-called "liberals" of the bench, and that the remaining Justices, generally but not always in the majority, are old-fashioned conservatives whose usefulness in this era of social change is questionable.

This view, while shared by many eminent law professors who never argued a case in the Supreme Court, and by certain organs of independent opinion, is nevertheless very superficial. If there is any basis for such a classification of the Justices, it relates to the validity of State laws, where the ever-expanding police powers are claimed to be in conflict with the extremely vague provision of the fourteenth amendment—which guarantees that no man shall be deprived of life, liberty, or property without due process of law. What is due process of law must be defined by judicial decisions, for it is an abstract conception and therefore the limit of the power of a State over an individual, in view of social changes, has given rise to a marked conflict of opinion in the Supreme Court. Some of the Justices believe, consciously or subconsciously, that the best cure for democracy is more democracy, on the theory of Dr. Franklin that "experience is a dear school, but fools will learn in no other." Other and more conservative Justices have felt that the guaranty of the individual against arbitrary government must be asserted under the due process clause against the audacious experimentation of socialistic laws.

But no such conflict between advanced sociology and conservative conceptions of government is involved in the National Recovery Act, for the legal question is not one of economics or of social philosophy but of the powers of the Federal Government as defined in the Constitution. It may be questioned whether there is in the Supreme Court any such division between the Justices where the question presented is simply whether the Constitution ever granted to Congress the power to pass a specified statute.

This involves only the interpretation of language in the Constitution—language which is extraordinarily simple and lucid. Such interpretation does not depend upon an attitude of conservatism or liberalism in sociology. In other words, a Supreme Court Justice who might be classed as a liberal in respect to State powers under the fourteenth amendment might nevertheless find it difficult, in respect to a Federal statute, to discover any authority in the Constitution for its enactment. To the Justices of the Supreme Court the only question can be, Is it so nominated in the bond, either by express language or by necessary implication?

Here it must be observed that the Supreme Court, as a coordinate branch of the Government, is peculiarly indisposed to pronounce an act of Congress void for want of power. From the beginning of the Government it has only done so in about 50 cases, while there is a much larger number of cases where the Court has held either that the Federal statute was clearly within the grant of power or that it was not so indisputably repugnant to the Constitution as to justify the Court in disregarding the legislative mandate. It must also be borne in mind that of the 50 cases referred to above, only a few involved statutes behind which were arrayed the powerful passions of the people or their economic interests. However, the Court has on more than one occasion turned a deaf ear to the public clamor by holding that a statute largely favored by the people was nevertheless not within any grant of power in the Constitution, and generally the sober

second thought of the American people subsequently approved a decision which they at first condemned.

If, therefore, the National Recovery Act involved only the impairment of some minor limitation or mechanical detail of the Constitution, the Supreme Court might be astute to justify an exercise of power which seemed to be demanded by public opinion.

The National Recovery Act, however, offends both the letter and the spirit of the entire Constitution. It effectually destroys in the sphere of economics our dual form of government, for that was based upon a clear distinction between interstate and foreign commerce on the one hand, as to which the Federal Government was given plenary power, and on the other production and domestic trade within the borders of a State, as to which governmental power was reserved to the States. It creates an economic dictatorship over the business interests of the United States without respect to this territorial division of authority. It gives the National Administrator the power, through a system of codes, to regulate the minutiae of production, although the decisions of the Supreme Court from the beginning of the Government have consistently held that the production of articles of merchandise could not be regulated by Federal power. In the two child-labor cases, the Supreme Court held that the Federal Government was impotent either by its taxing or commerce powers to regulate such a condition of labor because it was wholly without power of any kind to regulate the conditions of production; and in two notable labor cases it decided with equal clearness that the Federal Government could not regulate the relations of employer and employee. To sustain the National Recovery Act it would be necessary for the Supreme Court to repudiate these decisions, and this would mean an act of unprecedented self-stultification of which the Court seems to me incapable.

It is true that the Court has on rare occasions deliberately reversed some prior decision, but if it were now to sustain the power of the Federal Government to regulate the conditions of labor and production in the factory and on the farm, it would disregard a consistent line of authority running over a century and in which all judges have concurred.

The present economic dictatorship is somewhat camouflaged by the provision that in the first instance each industry may formulate its own code. But these codes are of no validity unless the President approves them and, what is more surprising, he has the power at any time to modify the codes at will. While he has exercised this vast power with admirable restraint, the fact remains that he has the absolute power of Mr. Ford, who told his clients that they could select a car of any color, provided it was black. Similarly, the President allows the vast industries of America to select any code, provided he approves it. In the case of the soft-coal industries, when the representatives of employers and employees had agreed upon a code after 3 months of negotiations, the President, in approving the code, struck out the one provision which seemed of vital importance to the employers. Indeed, the President, by the licensing system, can permit or refuse to permit any business man to sell his goods in interstate or foreign commerce, and this in principle condemns American industry to an economic bondage. This must be so in spite of the high motives of the President, the restraint with which the power has been exercised, and the high patriotic purposes which presumably have influenced his decisions and those of his administrator.

The National Recovery Act, moreover, involves questions that are even more fundamental than the extent of the Federal power over commerce. As stated, it seeks to regulate the conditions of production in the several States in respect to wages, hours of labor, prices, and even maximum production. No such power was ever vested in any President in times either of peace or of war. No one disputed this fact in the House when the legislation was before Congress, although labored efforts were made in the Senate to defend it. Mr. POU, of North Carolina, the distinguished Chairman of the Committee on Rules and the dean of the House, with his characteristic honesty of expression, frankly said in introducing the legislation:

"This bill makes the President of the United States dictator for the time being. It is a benign dictatorship." To this remarkable admission, never before heard on the floor of Congress, I then ventured to reply:

"There is no such thing as a benign dictatorship, and I say this with due recognition of the charming personality and high motives of the President of the United States. You might as well talk of a chaste seduction, lawful robbery, or peaceful murder, as to talk of a benign dictatorship."

This raises a question which goes beyond the mere mechanics of government. The purpose of the Constitution was to limit the powers of government and to provide a dead line beyond which a government could not go. It attempted to give concrete expression to our deathless Declaration of Independence, that a man had certain inalienable rights which no government could take from him, even though he stood as Athanasius contra mundum. Our Constitution was based upon the belief that the oil of anointing, which was once supposed to sanctify the head of a monarch, had not conferred infallibility upon the multitudinous tongue of the people, and this limitation upon the power of the majority has been the most admired feature of our Constitution and has been the chief reason why a democracy so heterogeneous as ours could justify itself.

Among these inalienable rights is that of liberty of contract and the greater liberty to pursue any lawful business free from unreasonable governmental interference. The Supreme Court has said so on innumerable occasions, and if it should now sustain this departure from the basic ideals of the American Commonwealth it might as well tear up the Constitution. Thenceforth it would be little more than a scrap of paper so far as personal rights are concerned.

In my opinion, therefore, no express grant of power in the Constitution can be found to justify the Recovery Act. Its proponents, however, argue that it may be justified under the implied powers of the Constitution.

An implied power means nothing more than that, when the Constitution gives an express power to the Federal Government, it also gives by necessary implication the incidental power of passing such laws as are reasonably necessary for the exercise of the express power. While our whole constitutional history has shown that this opened the door wide to a great deal of legislation that was not in the contemplation of the framers of the Constitution, and while the liberal exercise of these implied powers has gone far to convert our Government from a limited to an unlimited government, it is, nevertheless, still true that implied powers can only be implied from some express and specific grant. One cannot conjure an implied power out of a vacuum in the Constitution as the conjurer takes a rabbit out of a hat.

As it would be extremely difficult to graft the implied power to pass the Recovery Act upon any express grant in our charter of government (especially as this law contravenes limitations of our Bill of Rights), the proponents of this legislation and that class of law-school professors who call themselves "liberals" will find justification for the implied power in that portion of the preamble to the Constitution, which declares as one of its objectives the general welfare. It must be obvious that if any Federal law can be justified merely because Congress regards it as contributing to the general welfare of the American people, then the Congress has unlimited powers.

However, the question is not even open to argument, for while the so-called "liberals" would be very happy to make the passing reference in the Constitution to "general welfare" as a distinct grant of power, the Supreme Court has repeatedly held that this statement of a mere objective was in no sense a grant of power.

Those who are privileged to argue this great case in the Supreme Court will probably hear for the thousandth time the following classic definition by Chief Justice Marshall of the doctrine of implied powers:

"Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional."

It should, however, be remembered that Chief Justice Marshall in the same opinion in that leading case said:

"No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass."

This can leave no doubt what the great Chief Justice would think of a policy which unquestionably has broken down the lines which separated the States and, for economic purposes, has compounded the American people into one common mass.

It is true that in a scarcely less famous case, the Lottery case, decided in 1903, which I had the privilege of arguing in the Supreme Court in behalf of the Government, the Court did hold that the power to regulate interstate and foreign commerce could, under proper conditions and when necessary to such regulation, be held to include the power to prohibit; but the opinion of the Court in that case said that the power to prohibit could not be exercised in violation of any limitation of the Constitution and more especially that it could not destroy that distinction between Federal and State power which underlies our dual form of government.

In a later case in which I was also privileged to act as counsel (the *Child Labor case*, decided in 1918) the Court carefully limited the power of Congress over interstate commerce by saying:

"The grant of power to Congress over the subject of interstate commerce was to enable it to regulate such commerce and not to give it authority to control the States in their exercise of the police power over local trade and manufacture. * * * The grant of authority over a purely Federal matter was not intended to destroy the local power always existing and carefully preserved to the States in the tenth amendment to the Constitution."

As this legislation cannot be justified by any express grant in the Constitution or any implied power, how can it possibly be defended?

The proponents of the legislation will argue that there is now a new and more portentous implied power, which may be stated as follows:

Whenever the Congress of the United States is of the opinion that an unusual emergency has arisen which necessitates a departure from the Constitution, then there is an implied power to meet the emergency by passing any legislation which the emergency may seem to require.

Time was when this doctrine of emergency would have been recognized by the Supreme Court and by all true constitutionalists as easily the most pernicious and dangerous legal heresy that the wit of man could suggest. Nevertheless, as a legal conception it has found an uncertain place in our jurisprudence and therefore must be reckoned with.

In considering this question, a clear distinction must be made between the reserved powers of the States and the carefully delegated powers of the Federal Government. In respect to State legislation, where the States have all governing power except that

which has been delegated to the Federal Government, the Supreme Court has held, during and after the World War, that to meet an emergency the States could impair contracts, despite a constitutional inhibition, by temporarily limiting the right of landlords to collect rents or evict tenants, and the same sweeping police power belongs to the Federal Government in respect to its Territories, as, for example, the District of Columbia, where the Supreme Court recognized a police power, under the Territorial clause, to pass legislation to meet an acute housing situation.

Recognizing the authority of these cases, the issue in the coming case will be more fundamental. It raises the question whether the Federal Government, in the event of an emergency, can usurp the reserved rights of the States and also abolish the distinctions between the legislative and executive branches of the Government as defined by the Constitution. The decisions of the Supreme Court can be searched in vain for any recognition of the doctrine of emergency as justifying the suspension of the Constitution, unless it is its decision in the case of Wilson against New.

That case involved the constitutionality of the Adamson wage law, which had been passed in 1916 as a temporary provision to regulate the wages of railroad labor, to prevent the calamity of a Nation-wide strike. The railway labor executives demanded of President Wilson the immediate passage of a law to raise the wages of railway labor under threat of a Nation-wide strike. A bare majority of the Supreme Court held that while the Congress had no power to regulate the wages of labor, even when engaged in interstate commerce, yet in view of its peculiar relation to, and power over, interstate carriers as instrumentalities of such commerce, it could pass a temporary measure to give sufficient time to the railway executives and the labor leaders to agree upon wages. This decision rendered in 1917 stands alone in our history, and in subsequent decisions the Court has repeatedly referred to the fact that that decision went to the extreme verge of Federal power. The Supreme Court has never formally overruled it, but, reading between the lines of subsequent decisions, its authority as a precedent is, to say the least, doubtful. However, it will certainly rise to plague the Court in the coming test case.

The older and more consistent doctrine of the Court was well stated in the great case of *Ex parte Milligan*, decided in 1866. That case arose during the period of the Civil War, when our Nation was fighting for its very existence. Milligan, accused of treason, was tried by a military court martial, not in the zone of military operations but in a loyal state where the civil courts were open. The Supreme Court held that the constitutional right of a citizen to a jury trial could not be thus destroyed because of the emergency of a Civil War. They sustained the great argument of Jeremiah S. Black, who, in defense of Milligan, made one of the greatest forensic arguments in the annals of the English-speaking people, and who said that it was in times of stress and violence that "we need the whole strength of an unbroken Constitution to save us from destruction."

When the doctrine of emergency is invoked in the coming test case, my belief is that the Supreme Court will sustain its decision in the Milligan case by concluding that an emergency creates the very strongest reason for supporting the Constitution in its full vigor, since in peaceful times we are hardly sensible of its great protection but in times of emergency we need it most. Otherwise Congress can at any time determine the fact of an emergency—and we are likely to have many economic crises in the years that are to come—and at the very time that property interests and individual liberties most need the protection of the Constitution it will be found that by the fiat of Congress, exercising powers never granted to it, the Constitution has become a scrap of paper.

The Congress attempted to justify the National Recovery Act by providing that it should be in force for only 2 years. History is said to repeat itself, and has certainly done so in this instance, for Gibbon in his immortal history tells us that when the Roman Senate delegated its legislative powers to Augustus, that suave and kindly ruler only consented to receive the power for 10 years, and he hoped that within that time the wounds of civil discord would be completely healed and that the Republic, restored to its pristine health and vigor, would no longer require the dangerous interposition of so extraordinary a magistrate.

It is significant that the Roman Senate never resumed its power, and Gibbon adds:

"The memory of this comedy, repeated several times during the life of Augustus, was preserved to the last ages of the Empire by the peculiar pomp with which the perpetual monarchs of Rome always solemnize the tenth year of their reign."

If the national recovery plan succeeds, there may be a similar extension from time to time, until the Constitution has become little more than a memory.

Is the spirit of the Constitution to become an extinct political religion with the American people? To them it was once as a religion, and the Civil War was fought at infinite sacrifice to maintain its integrity. If the Supreme Court shall decide that, whenever the American people are terrified by some passing emergency, their representatives in Congress may dispense with the Constitution temporarily, then it will be true, as Chief Justice Fuller said 30 years ago, the "form will have survived the substance of the faith."

I rejoice that this great case, which may prove the greatest of our time or, indeed, of our history, will be argued in the present courtroom. It is the old Senate Chamber of the United States, where Webster so nobly defended the integrity of the Constitution against the attack of Senator Hayne. For more than 70 years it has been the forum of that great Court. As the nine robed Justices sit before the ionic pillars in that simple but very beautiful temple of justice, they will feel the links of the mighty past even more strongly than they would in the new grandiose temple to which they will soon remove and whose pompous splendor ill accords with the majestic simplicity of the world's greatest Court. In its present historic chamber the nine robed Justices can calmly await the event, as did the Senators of Rome, when the populace had fled and the invaders were at the gates.

Will this be their spirit? Who can tell? When Dr. Franklin was on his deathbed and his friends besought him to send for a clergyman as an interpreter of the life to come, the wise but always jocose philosopher replied: "Why should I guess, when I shall so soon know?"

The ways of the Supreme Court are similarly mysterious and past finding out. Why should we guess, when we may so soon know?

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PRESS STATEMENT BY JAMES M. BECK

WASHINGTON, January 10.—The alphabetical excrescences of our already swollen Federal bureaucracy should not take too much encouragement from the Supreme Court decision in the recent Minnesota case.

In my judgment it does not necessarily validate the more disputable features of the emergency legislation, for the Supreme Court was not considering the powers of Congress under the Constitution, but only the power of the Legislature of Minnesota. That great Court has repeatedly stated its opinions must be confined to the precise question which it was adjudicating.

QUESTION AT ISSUE

In this case the question was whether the Federal Constitution prevented the State of Minnesota, under its reserved powers, from suspending the remedial processes of its courts for a limited period in the matter of foreclosing mortgages. As a sovereign State, Minnesota has all legislative power except such as it and other States had delegated to the Federal Government under the Constitution. The United States Supreme Court has now held by a bare majority that the temporary suspension by a State of the right of foreclosure is not an impairment of a contract within the meaning of the Federal Constitution.

The constitutionality of the Federal emergency laws must depend upon the ability of the Supreme Court to find in the Constitution, either in express language or by necessary implication, a sufficient grant of power. The Supreme Court was not considering in the Minnesota case the legislative powers of Congress.

If and when the Supreme Court should be required to decide whether a man who presses pants in Tampa, Fla., can be forbidden by a Federal code to charge less than a code price a very different question will arise, and when such question arises, the following language of Chief Justice Hughes, who spoke for the majority of the Court in the Minnesota case, will necessarily have great weight. He said:

"Emergency does not create power. Emergency does not increase granted power or remove or diminish the restrictions imposed upon power granted or reserved."

This seems to negative the contention of the proponents of the emergency laws that in the event of such emergency the Federal Government has an inherent right to exercise powers which were not otherwise delegated to it. If the Federal power over interstate commerce does not include production within the States, whether of the farm or factory, then the Supreme Court cannot, under its decision in the Minnesota case, bring into existence a nonexistent power, not only because the Constitution gave to the Federal Government no power over domestic trade or manufacture but because under the tenth amendment such power was expressly reserved to the States and to the people thereof.

CANNOT CREATE POWERS

The framers of the Constitution, wisely or unwisely, drew a deadline between interstate commerce and domestic production or trade, and if any Federal power over the latter was denied by the Constitution, no emergency could create it in view of the clear language of Chief Justice Hughes. The emergency legislation contains many features which the Constitution expressly denied to the Federal Government.

To hold that the mere fact of an emergency can create powers which are otherwise nonexistent, is to make a scrap of paper of the Constitution at the very time when its protection is most needed.

If the theory that an emergency suspends the Constitution once receives the clear sanction of our highest Court, then the end of constitutional government in the United States is measurably in sight, and in that event, which has not yet come to pass, a future generation of Americans may wonder that this generation wasted its priceless heritage under which, and partly because of which, we became the most powerful Nation in the world.

THE NAVY DEPARTMENT APPROPRIATION BILL—FISCAL YEAR 1935

Mr. AYRES of Kansas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7199) making appropriations for the Navy Department and the Naval Service for the fiscal year ending June 30, 1935, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LANHAM in the chair.

The CHAIRMAN. The House is in Committee of the Whole for the consideration of a bill of which the Clerk will read the title.

The Clerk read the title of the bill.

The Clerk proceeding with the reading of the bill, read as follows:

INCREASE OF THE NAVY

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, including the commencement of 1 cruiser of subcategory (a) and 3 cruisers of subcategory (b), authorized by the act approved February 13, 1929 (45 Stat. 1165), $27,342,000, and, in addition, (1) the Secretary of the Treasury is authorized and directed, upon the request of the Secretary of the Navy, to make transfers during the fiscal year 1935 from the naval supply account fund to this appropriation of sums aggregating not to exceed $5,000,000, and (2) there is hereby reappropriated for the objects embraced by this paragraph (a) $1,450,000 of the appropriation "Public Works, Navy, Emergency Construction, act July 21, 1932", contained in the act entitled "An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting a public-works program", approved July 31, 1932, and (b) $550,000 of the unexpended balances of the amounts heretofore appropriated under the head of "Public Works, Bureau of Yards and Docks", and the total sums hereby made available shall remain available until expended: *Provided*, the sum to be paid out of the amount available for expenditure under the head of "Construction and Machinery" for the fiscal year 1935 for employees in the field service assigned to group IV (b) and those performing similar services carried under native and alien schedules in the schedule of wages for civil employees in the field service of the Navy Department shall not exceed $465,000: *Provided*, That of the appropriations contained in this act under the head of "Increase of the Navy", there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, including the purchase of plans, and the employment of personnel in the Navy Department and in the field, in addition to those otherwise provided for owing to the construction of vessels heretofore authorized and herein or heretofore appropriated for in part.

Mr. TABER. Mr. Chairman, I move to strike out the last word. I think that the House and the country ought to be advised of the amount available under this bill and under allotments for the fiscal year 1935. My understanding is that there is available, as appears on page 469 of the hearings, an allotment of $129,468,000 from the Public Works toward increases of the Navy; that there are available otherwise $55,000,000, and the total available after 1935 is $184,000,000 plus. The amount available this year—1934—altogether for increase of the Navy is $77,000,000.

The amount available without very substantial appropriations otherwise for the fiscal year 1936 will be $92,778,000 along with the allotment. For the fiscal year 1937 the amount available is estimated to be $19,871,000.

It has been my privilege, up to this year, for the last 10 years to serve on the Naval Appropriation Subcommittee. I feel that the membership of the House should have some of this information put before them. It has been found as a matter of practice that when we want to get good ships and efficiency out of our Navy Department, out of our navy yards and the shipyards of the country, we ought to feed to them more even working loads. That the peak for 1 year should not be too high, so that we have a lot of inexperienced men working on ships, nor should the drop be too low, so that experienced shipworkers in the different yards get into other lines because of lack of employment in these yards.

I call attention to the fact that in 1918 and 1919 and 1920 we built a lot of destroyers and a lot of submarines. These destroyers and submarines, because of the rush with which they were put through the yards and the lack of experience in a large number of men who worked on them and who designed them, were not as good ships as we ought to have had in the Navy.

I am interested in seeing not only that the Navy is second to none, but I am interested especially in seeing that the ships of the Navy are the best ships possible. For that reason I want to see the work load as even as possible so that the ships will be the best in the world.

I understand it is proposed on the part of some Members to offer at the end of this bill a separate section, the bill H.R. 6604. That is a bill providing for a certain number of destroyers and a certain number of submarines and one aircraft carrier which has been reported by the Naval Affairs Committee.

Formerly it has been the policy of that committee to object to legislation on appropriation bills, but they seem to want at this time to put this bill on this appropriation bill.

I wanted to take the floor at this time to call attention to the amount that was going to be available for construction work in the Navy this year and the next year and the years thereafter. I want to say that I am not going to object or raise any point of order with reference to this bill because the construction work is necessary, but I do feel that there should not be any substantial appropriation added to the increase of the Navy for the fiscal year 1935. The work on these ships, in my opinion, should come in the fiscal years 1936, 1937, and subsequent years, when the work load on the yards, both public and private, is such that it can take care of them much more efficiently than if any of it is crowded into the fiscal year 1935, when there seems to be a great big hump.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. Yesterday I consulted with the committee, and we concluded to ask unanimous consent to offer this legislation to the appropriation bill, but after further thought about the matter I can announce to the House that the Naval Affairs Committee is asking a rule, and we will not offer this legislation to this bill.

In reference to what the gentleman has just stated, it is the intention of the Navy Department not to ask for any large supplementary appropriation. Therefore that is in line with what the gentleman from New York has stated with reference to this bill. We hope that within the next 2 or 3 days a rule will be brought in here according us an opportunity to present to the House this authorization program, which seeks to bring the Navy up to treaty strength.

Mr. TABER. I am very glad to hear the gentleman say that. I shall call attention to just one other thing in connection with the bill while I have the opportunity. The total amount available under this bill in all ways for expenditure is, on account of allotments and otherwise along that particular line, $146,914,000, and on account of appropriations, direct and indirect, $295,000,000, or a total of $442,000,000.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BRITTEN. What does the gentleman mean by indirect appropriations?

Mr. TABER. Indirect appropriations are transfers from the clothing and small stores fund, $2,000,000; transfers from the naval supply account, $5,000,000; and reappropriations, $2,085,000.

Mr. BRITTEN. I understood the gentleman to say something about $147,000,000.

Mr. TABER. Public Works allotments amount to $147,000,000.

Mr. BRITTEN. Applying to the present appropriation bill?

Mr. TABER. Applying to use in the fiscal year 1935, which is the same year that this bill covers.

Mr. BRITTEN. So that the annual cost of the Navy for the next year is estimated at $435,000,000?

Mr. TABER. Four hundred and forty-two million dollars.

The Clerk read as follows:

Armor, armament, and ammunition: Toward the armor, armament, and ammunition for vessels heretofore authorized, $6,277,334, to remain available until expended: *Provided*, That the sum to be paid out of the amount available for expenditure under this

head for the fiscal year 1935 for employees in the field service assigned to group IV (b) and those performing similar services carried under native and alien schedules in the schedule of wages for civil employees in the field service of the Navy Department shall not exceed $175,000.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word. There is a very strong sentiment running through my district against the Government engaging in business in competition with private industry. That was stressed very strongly by business men and laborers in my district during the last campaign. They have brought it to my attention many times since. I am interested in the report which has been circulated that the Post Office Department is going to build a factory at Reedsville, W.Va., costing $525,000, to manufacture what is known as "screen equipment." That is the part that separates the lobby from the workroom of the post office. I called on the Public Works Administration and I found that $525,000 had been allotted to the Post Office Department. I called at the Post Office Department and they said yes, it had been allotted to them; that the funds had been transferred; and that they were now drawing plans to build a factory in Reedsville, W.Va., which has a population of something like 345 people, a factory costing $525,000, to build this particular line of equipment, that comes in direct competition with the furniture industries of five States. It comes in competition with furniture industries in New York, Connecticut, Indiana, Pennsylvania, and West Virginia.

Mr. COOPER of Ohio. And also of Michigan and Ohio.

Mr. REED of New York. Michigan and Ohio, my friend from Ohio says. I have the names of the concerns in the five States that I have mentioned. In my district we have a furniture center—the city of Jamestown, N.Y., which is one of the largest points of manufacture of furniture in the country, where the industries have moved heaven and earth to keep their men employed.

At the present time the quota for C.W.A. work in Jamestown is 1,000, and it is now filled. There are 3,000 men on the rolls, waiting to be employed under the C.W.A. Yet we now find the Government building a factory in a little town where they certainly cannot find enough skilled labor to make this particular line of post-office equipment at this time. Furthermore, we know that as soon as the Government has completed the job of making screen-line equipment it is going to manufacture other types of furniture.

Mr. EVANS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. Yes.

Mr. EVANS. And do those concerns in the gentleman's community produce the same kind of equipment?

Mr. REED of New York. Yes; and in the five States that I have mentioned; and then there are the two mentioned by the gentleman from Ohio [Mr. COOPER].

Mr. EVANS. And they are produced in other communities?

Mr. REED of New York. Absolutely.

Mr. EVANS. The same material?

Mr. REED of New York. Yes. They have no skilled labor in this little town at all; and just imagine, if you will, a factory costing that amount coming into direct competition with factories now trying to keep their men employed.

Mr. MARTIN of Massachusetts. Did Congress ever authorize this construction?

Mr. REED of New York. Of course not; and when we had the vote here in respect to the Federal prison at Lewisburg, Pa., going into the furniture business, the vote was overwhelmingly against it in this House; but they are paying no attention to the will of Congress at all. The bureaus are allotting these projects now that have been condemned by the Congress in the past.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. Yes.

Mr. COOPER of Ohio. In other words, the Government today is embarking in a business in direct competition with private industry, and those people who are responsible for that private industry will have to go down in their pockets and in part be taxed to erect this Government institution which will interfere very much with their own particular business.

Mr. REED of New York. There is no question about that; and the entire policy is one of nationalization of industry.

Mr. RICH. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. RICH. Last year the House, as the gentleman stated, voted overwhelmingly in opposition to some of these projects which prisons are going into?

Mr. REED of New York. Yes; 250 against, 46 for.

Mr. RICH. But we find we are not only having the prisons going into various industries, but the Post Office Department now is taking it up, and they are constructing plants at the present time which will put many people out of industry and put the Government into business.

Mr. REED of New York. Absolutely.

Mr. RICH. If that is what this Congress wants to do, then we are on the wrong track.

Mr. REED of New York. Congress does not want to do it, and it has expressed itself emphatically and overwhelmingly against that policy.

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has expired.

Mr. BRITTEN. Mr. Chairman, I move to strike out the last two words. I do this, Mr. Chairman, for the purpose of once more paying my compliments to the administration. I have taken real pleasure in doing that in the past couple of weeks, and I want to do it again.

The naval appropriation bill about to be passed carries a regular Budget appropriation of $294,000,000. That is very low. It is lower than it has been for many years. I think the administration and the gentlemen who framed this bill are to be complimented on it. They have done a great work of bookkeeping. It is in line with the new deal in many other respects, where gentlemen on the Democratic side of the aisle are covering up their crowding deficiencies. The fact of the matter is, Mr. Chairman, that this bill actually carries $441,000,000. That will not be shown in the Budget; I mean in the real Budget. A great portion of it—$147,000,000—carried in this bill will ultimately come out in some other budget, not the regular Budget, because under the new deal the regular Budget will have to be balanced.

Mr. AYRES of Kansas. Will the gentleman yield?

Mr. BRITTEN. In just a moment I will yield to the gentleman. In other words, it is going to cost $441,000,000 to run the Navy next year, but because that would look like a lot of money we will take $147,000,000 of that expenditure out of the P.W.A. of the N.I.R.A. They do not have to account for the vast expenditures of the P.W.A. They are carried in an auxiliary budget, and thus the cost of the Navy for the next year will appear unusually low. Nothing will be permitted to dislodge or dislocate the regular Budget. The Budget, under the new deal, simply must appear to be balanced. That procedure sounds silly, but that is the situation.

Mr. McFARLANE. Will the gentleman yield?

Mr. BRITTEN. The Treasury will suffer, in this instance, to the extent of $147,000,000. That $147,000,000 goes into new ship construction; it goes into aviation, shore stations, radio equipment, and many supply directions; it goes into various naval directions where money that is usually and ordinarily appropriated for the Navy goes. I want to compliment the gentlemen on the Democratic side, because this is in line——

Mr. McFARLANE. Will the gentleman yield?

Mr. BRITTEN. I cannot yield to the gentleman. I want to compliment the Democratic majority, because this is in line with all the other hoodwinkery that has been going on in connection with their foolish suggestions that they will have a balanced Budget this year. It is thoroughly absurd to talk about balancing the Budget only a few days after your President told us the national deficit would be $7,000,000,000 this year. You could take the entire amount necessary to run the Navy next year out of some butterfly fund

in order to save the face of your regular Budget, but that would not alter the fact that the money came out of the Treasury.

Mr. McFARLANE. Will the gentleman yield now?

Mr. BRITTEN. No. I now yield to the gentleman's senior, the gentleman from Kansas [Mr. AYRES].

Mr. AYRES of Kansas. I do not care to interrogate the gentleman now.

Mr. BRITTEN. I will yield to the gentleman from Texas.

Mr. McFARLANE. Is it not true the gentleman is in favor of the expenditure of every dollar that is carried in the bill, whether under the N.R.A. or under the Navy appropriation bill?

Mr. BRITTEN. I knew the gentleman would ask me that. Of course I am.

Mr. McFARLANE. What is the gentleman crying about, then?

Mr. BRITTEN. I am not crying, but I am complimenting you gentlemen on that side of the aisle for your audacity in accountancy. You have all the expert accountants of the country backed off the boards. You think you can balance the Budget irrespective of your vast expenditures out of special funds, which require no direct accounting in what you refer to as the normal Budget, and you still have the face to say to the country, "Under the new deal we are balancing the Budget."

Mr. RICH. Will the gentleman yield?

Mr. BRITTEN. Yes; I yield.

Mr. RICH. Last week we passed the Interior Department appropriation bill, where we claimed we saved $17,000,000, and the fact is, and the chairman of the committee admitted, the C.W.A. was going to spend $25,000,000, and we balanced that Budget in the same way.

Mr. BRITTEN. When the gentleman talks about $25,000,000, he is talking about hairpins and shoe laces. That is nothing at all. I suggest that he go over on the other side of the aisle and see how they do business; $147,000,000 will never be accounted for as having been spent for the Navy out of the regular ordinary Budget of the country. Next year you gentlemen on the Democratic side of the aisle will be parading up and down the States of Texas and Kansas and Oklahoma and New Jersey and New York and Illinois telling how you balanced the Budget. The truth of the matter is that while you are balancing one budget you are ruining the Treasury with another. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BRITTEN] has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

That in the expenditure of appropriations in this act the Secretary of the Navy shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. HAINES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this to ask unanimous consent to have the Clerk read a telegram I have received from the Governor of Pennsylvania and to have it inserted in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

JANUARY 24, 1934

Hon. HARRY L. HAINES,
House Office Building:

I urge you most earnestly to support and expand the Civil Works program. Curtailment of this work for the unemployed is nothing short of a catastrophe in Pennsylvania.

Last week there were 240,000 people at work in the State on C.W.A. projects, with a total weekly pay roll of $3,300,000. The recent cut in working hours has already cut that pay roll $910,000 a week.

The reduction in the working hours of 50,000 laborers on rural roads from 30 to 15 hours means that their pay has been cut from a little over $10 a week to barely $5 a week. That amount of pay constitutes work relief, not a C.W.A. job.

I have wired the President these facts and urged him not to permit the slowing up of C.W.A. now. It is our common duty to see that hundreds of thousands of Pennsylvania men, women, and children are not deprived of their means of livelihood and self-respect.

GIFFORD PINCHOT.

Mr. HAINES. Mr. Chairman, I am in entire accord with the gentleman from Illinois when he talks about balancing the Budget. I plead guilty to having gone up and down my district in the past urging that the Budget be balanced; but to me, over and above that, there is a sacred responsibility I owe my people—and I think every Member of Congress owes a similar responsibility—to see that the men and women of this Nation are employed and given at least the opportunity to earn their bread by the sweat of their brow.

We have in one of the cities in my district a project under C.W.A. that has given employment to almost 5,000 people, something worthwhile, constructive in its nature; and it is a godsend to my community.

In the city of York, which I have the honor to represent, one third of our people were in bread lines with nothing being done to put them to work. So the coming of the C.W.A. was a godsend to them.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. HAINES. I yield.

Mr. BOLAND. Has the gentleman any information about P.W.A. projects for Pennsylvania which have been approved in Washington but not started in Pennsylvania, thereby curtailing the number of people who could be employed? Is that a fact?

Mr. HAINES. Surely.

Mr. BOLAND. In other words there are many P.W.A. projects for Pennsylvania that have been approved, but as yet have not been started?

Mr. HAINES. That is correct; we have a list of projects for Pennsylvania. I am sure if you cut off the work in my State, a lot of people now employed will find themselves again unemployed. I am very much in favor of continuing this C.W.A. work at least through the severe weather. We have got to keep our people employed during these winter months.

The particular project in my district is that of flood control. Last year we had a flood in my community which destroyed $5,000,000 of property in one city alone. We are trying to correct this situation through funds that a humane administration has seen fit to make available to our people. I hope Congress will be reluctant to listen to the criticism against this form of relief, whether the relief comes in this naval bill or from the N.I.R.A. I am interested in getting our people back to work. In my district I have a great industrial section as well as an agricultural section. I know the distress my constituents are in. Let me say, however, that I am one Member of Congress who, while interested in balancing the Budget, is more interested in seeing men and women being able to hold up their heads and feel they have worked for and earned that which they have received.

Mr. Chairman, this is no time for Members of Congress to raise a question of partisan politics. I do not care what a man's political affiliation is back in my district. I am interested in seeing that he has a job, and if the C.W.A. offers an opportunity for men to be employed, we are not only contributing to the morale of our people but we are also contributing to their needs in the support of their families.

When I go back home, as I do each week-end, men in every walk of life approach me and usually ask two questions, first, "Is the N.R.A. succeeding?" and, second, "Is there no other way to meet our present economic difficulty than through the revolutionary N.R.A.?" I believe that the answer to the first question is "yes", and that if our people will fully cooperate we can rehabilitate more rapidly. Hope and enthusiasm is Nation-wide, and even the leaders of our greatest industries, who were somewhat hesitant and held back about coming under codes of fair competition, as provided in the N.R.A., are rapidly becoming our greatest enthusiasts, and many of them who had experimental codes have had the agreements extended.

Now, as to the second question, whether this issue could not have been met in some other way, let me remind you,

my colleagues, that there has been world-wide discontent and violent upheaval. The American plan differs in that we have had very few uprisings of any sort; and while our plan does differ from that of any other country that has had a similar economic experience, I believe I am safe in saying that our plan is more in keeping with the American method of doing things than those of the experiments tried in other countries. So I say, those of us in Congress who enacted the law which made possible the President's program have given an American method, one that is democratic in thought and action. In other words, labor, industry, and the Government become partners.

I believe that the most important problem before this Nation is to put our people back to work and to plan for them a better future, and, as the President so aptly puts it, "for a longer pull." I sincerely hope that the C.W.A. need only be temporary, but I want it known to all of you that if industry cannot absorb the unemployment of this country, I for one will advocate its continuance, even though it is so costly to the Government. The cost is not nearly as great as it would be otherwise, if we continued to have these millions unemployed. This is a tremendous problem, my colleagues, and it calls for cooperation on the part of every Member of this House on both sides of the aisle. I wish that we might forget that this is campaign year and say those things only that will instill continued hope in the minds of our industrial leaders, our labor leaders, the farmers, and the great host of others in America. Our people back home should ask only for such C.W.A. projects that will be most helpful, and, of course, that will employ the most human hands. I think it is a mistake to hand out a dole to our people; and if I had it my way, every man who is given relief through a charitable organization would be required to do a certain amount of work for the money given him. I am rather confident that practically all of them would prefer to work for what they receive, rather than be looked upon as objects of charity.

Let us back up the President in his program. There may be some things in the program that we do not like, but it is an effort toward recovery, and in that effort every one of us should do all he can to hold up the hands of the man in the White House in order that recovery may be made more rapidly.

Mr. AYRES of Kansas. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I thought we were very liberal in this matter when under general debate we allowed 7 hours for the discussion of matters in general. Another appropriation bill will follow this one, and in general debate on the next bill Members can get time in which to talk about matters other than the bill itself. That bill will come up this afternoon.

Now, I do feel, in view of our liberality in the matter of general debate on this bill, we should be permitted to go ahead and finish this bill, which ought to be done in the next 25 or 30 minutes, without debating other matters entirely out of order.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

In expending appropriations or portions of appropriations contained in this act, for the payment for personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the Assistant Secretaries of the Navy, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed as of July 1, 1924, in accordance with the rules of section 6 of such act; (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit; (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the Classification Act of 1923, as amended, and is specifically authorized by other law; or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of getting into the RECORD information as to whether or not any testimony was taken on the dirigibles *Los Angeles*, *Macon*, and the other so-called "blimps." What is going to happen to these big airships? Are we going to continue them all in operation?

Mr. AYRES of Kansas. I may say that the *Los Angeles* is decommissioned. In other words, it is laid up, so to speak. So far as the *Macon* is concerned, it is in operation out on the Pacific coast.

Mr. GOSS. Is it the plan to dismantle the *Los Angeles?*

Mr. AYRES of Kansas. It is planned to dispose of the *Los Angeles* just as early as it may be practicable.

Mr. GOSS. Is the gentleman informed as to what the policy of the Government is going to be in regard to this type of airship in the future?

Mr. AYRES of Kansas. No; I am not. I may say that it will depend very largely upon the result of operations of the *Macon* with the fleet.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, a few moments ago my colleague, the gentleman from Illinois [Mr. BRITTEN], though he claimed a desire to cooperate with the administration and to approve all its activities—which, of course, is splendid on his part—nevertheless finds fault with the administration on every possible and impossible occasion, and now with the committee because it has provided a naval appropriation of $295,000,000, and an additional $147,000,000 is to be provided for the Navy from other funds.

The gentleman is well informed on naval affairs, being the ranking member of the Committee on Naval Affairs. We are about to take a vote on this bill. I should like to know from him if there are any provisions in this bill that he feels should be eliminated.

Mr. BRITTEN. Would the gentleman care to hear from me now?

Mr. SABATH. Not at this time, please. I feel that had there been any items placed in the bill that were not justifiable and that did not meet with his approval, he, having had plenty of opportunity to object, would have objected to the subcommittee on naval appropriations, which, I am sure, would have given him a hearing and enabled him to object, thus informing the subcommittee at that time rather than have him object at this late hour. As I have said before, this able subcommittee has given this bill most thorough and careful consideration. Therefore, the gentleman's criticism is not justified and is made, as we understand, for political reasons only.

This is the first time in many years I have heard him complain that appropriations for the Navy are too large. It is amusing to me. But I know that all he wants to do is to criticize the administration with the lame assertion that it will not be able to balance the Budget. I do not know whether it will or not; but I know that the deficit under this administration will not be so great as it was under the Republican administration. Whatever the deficit is to be, it will be for really constructive work under the wise and benevolent leadership of President Roosevelt, who is laudably providing employment for millions who were thrown out of employment owing very largely to Republican misrule. I know also that for the years 1931, 1932, and 1933, under a Republican administration, the deficit was more than $5,000,000,000. I never heard my talented colleague complain that his administration was not balancing the Budgets of those days. Notwithstanding that, most of that money was wasted and expended in a way which has properly subjected that administration not only to serious criticism but also to serious attack.

Mr. BRITTEN. I want to ask the gentleman a serious question.

Mr. SABATH. If that is possible, all right. [Laugher.]

Mr. BRITTEN. The President came here the other day and stated there was going to be a deficit of $7,000,000,000 this year.

Mr. SABATH. Yes.

Mr. BRITTEN. Is the gentleman still suggesting that the Budget will be balanced and that that is not an important deficit?

Mr. SABATH. No; I have not made such an assertion. I have never given a great deal of serious consideration to the clamor in reference to balancing the Budget, because it never has been balanced, and the deficit that will be created this year will be for constructive work that is bringing the country back to the prosperity which it enjoyed under a former Democratic administration.

Mr. BLANTON. Will the gentleman yield?

Mr. SABATH. Yes; I gladly yield to the gentleman from Texas.

Mr. BLANTON. The gentleman ought to feel most charitable toward his colleague from Illinois [Mr. BRITTEN].

Mr. SABATH. I do feel charitable toward him.

Mr. BLANTON. Because the gentleman from Illinois [Mr. BRITTEN] is suffering a great disappointment. The gentleman and his Republican colleagues helped to provide magnificent quarters for the Naval Affairs Committee, and then the gentleman from Illinois [Mr. BRITTEN] lost the chairmanship and never got to enjoy the palatial suite. [Laughter.]

Mr. SABATH. This failure to retain the committee chairmanship should not be charged to my colleague, Mr. BRITTEN, because we all know that he worked exceedingly hard to effect the reelection of President Hoover as well as a Republican Congress.

The pro forma amendment was withdrawn.

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. AYRES of Kansas. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 7199, the naval appropriation bill, had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. AYRES of Kansas. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. AYRES of Kansas, a motion to reconsider the vote by which the bill was passed was laid on the table.

HOUSE RESOLUTION 236

Mr. DE PRIEST. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DE PRIEST. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution offered by me today:

Whereas it has come to my attention, as a Representative in Congress, that a rule of discrimination is being enforced in the restaurant service of the House of Representatives; and

Whereas I stand peculiarly as the representative of the 12,000,000 loyal colored citizens of the United States; and

Whereas these people and their forbears have contributed of might and main, blood and sinew, in the development of this country; and

Whereas from the year 1619, when a group of 20 slaves were landed at Jamestown, Va., these people have been loyal to the country to which they and their forbears were brought through a commercial traffic in human souls; and

Whereas for 244 years of unrequited toil these loyal citizens tilled the soil, planted the fields, harvested the crops of the southern plantations, nursed and succored the families of their masters, were custodians of the "family chest" while master was at war to keep them in slavery; and

Whereas the first blood that fertilized the soil of this continent in the cause of liberty and fraternity flowed from the life stream of that hero-martyr Crispus Attucks, who fell on Boston Common in 1770; and

Whereas the colored citizens of the United States have borne their full share of responsibility and sacrifice in every military movement in which this country has been engaged from the Revolutionary period, through the Civil War, on through Carizal, San Juan Hill, and the Argonne front; and

Whereas this loyalty must gain for them the liberal plaudits of patriotic America and place them beyond the pale of present-day serfdom and slavery; and

Whereas under the Constitution of the United States and the fourteenth and fifteenth amendments thereof these people are citizens of the United States, entitled to all the privileges and immunities as are enjoyed by others; and

Whereas in the Washington Post of the issue of Wednesday, January 24, 1934, the Honorable Representative LINDSAY C. WARREN, of the First District of North Carolina, chairman of the Committee on Accounts, House of Representatives, is quoted as saying: "In refusing to serve two colored persons in the House restaurant today, Manager P. H. Johnson of the restaurant was acting under my orders and instructions", and

Whereas Representative LINDSAY C. WARREN, of the First District of North Carolina, chairman of the Committee on Accounts, House of Representatives, is further quoted in said Post as saying, "The restaurant has been operated by the committee since 1921. It has never served colored employees or visitors, nor will it, so long as I have anything to do with the restaurant;" and

Whereas the rule of discrimination was put in force and effect Tuesday, January 23, 1934, and the restaurant of the House of Representatives announced that the service was reserved for white people only to the exclusion of colored citizens, and two colored persons were so refused as stated; and

Whereas the House of Representatives of the Sixty-seventh Congress (H.R. 99) adopted the following resolution June 2, 1921, to wit:

"*Resolved*, That there shall be paid out of the contingent fund of the House such sums as may be necessary to make such alterations and improvements of the rooms occupied by the restaurant with sanitary fixtures and utensils as may in the judgment of the Committee on Accounts, be deemed advisable and necessary; and until otherwise ordered by the House the management of the House restaurant and all matters connected therewith shall be under the direction of the Committee on Accounts"; and

Whereas said simple resolution lost its force and effect upon the final adjournment of the Sixty-seventh Congress, since which time the House of Representatives of succeeding Congresses, including the present Congress, has not adopted a resolution conferring authority upon the Committee on Accounts to manage and control said House restaurant: Therefore,

Resolved, That a committee of five Members of the House be appointed by the Speaker to investigate by what authority the Committee on Accounts controls and manages the conduct of the House restaurant and by what authority said committee or any members thereof issued and enforced rules or instructions whereby any citizen of the United States is discriminated against on account of race, color, or creed in said House restaurant, grill room, or other public appurtenances or facilities connected therewith under the supervision of the House of Representatives.

Said committee is authorized to send for persons and papers and to administer oaths to witnesses and shall report their conclusions and recommendations to the House at the earliest practicable moment.

I have read the resolution mentioned by the gentleman adopted in June 1921 under which he is claiming to act at this time and which is erroneous because the Sixty-seventh Congress by House resolution cannot bind the action of the Seventy-third or any succeeding Congress. This is why I have asked the appointment of a committee to investigate the whole question.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, FISCAL YEAR 1935

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935,

and for other purposes; and, pending that, may I suggest to the gentleman from New York that we come to some arrangement as to general debate and division of time. I have not many requests for time on this side.

Mr. TABER. We have not a large number of requests at this time. I would suggest to the gentleman that probably we would finish a little quicker if we went into the Committee and divided the time equally. Perhaps we would get through in time to start reading the bill this afternoon.

Mr. ARNOLD. Then, Mr. Speaker, I ask unanimous consent that the time for general debate be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 7295, the Treasury and Post Office Departments appropriation bill, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman, I was very pleased to support the Navy bill, which was just passed by the House. It is true, of course, that as money was formerly considered it carries a rather large appropriation. On the other hand, while I believe in economy, I realize there is such a thing as false economy. If we individually have something worth protecting, in my judgment, it would be false economy to reduce expenditures for locks. If our country were deluged with poisonous gas, it would certainly be false economy to minimize the importance of gas masks. As the world seems to be of beligerent mind at this time, in my judgment, it would be false economy to reduce appropriations for our national defense.

I respectfully submit that a government should be a business institution and as such the same rules which apply to the transaction of ordinary business apply with equal force in the management and operation of its affairs. While I have not studied extensively the operation of government from a theoretical standpoint, I have observed for many years the practical operation and effect of principles applied in its management.

I have been especially impressed with the results of the activities within certain political subdivisions. In my State we have an unusually large number of counties. As I recall, there are 159 at present. I have read some splendid editorials upon the subject of consolidating these counties and forming larger governmental units. This suggestion has been sponsored by men of unquestioned ability and I have read with great interest something of what they have had to say upon the question. The contention is, of course, that a reduction in the number of counties will effectuate a reduction in the number of offices to the great financial advantage of the taxpayer. We know, as a practical proposition, that a hotel can feed 100 guests much cheaper per capita than it can feed 50 or 25. We know there is economy per article in mass production. This principle applies throughout business. It does seem it could and should apply to governmental agencies with even greater force than in private affairs, as it appears logical that it should be much cheaper per capita to govern 100,000 men as a unit than it would be 10,000 men as such, but let us observe its practical operation, Mr. Chairman. Where theory conflicts with the results of actual experience, I am of the definite opinion that theory should yield. In my section of Georgia, which happens to be the southern part, for many years I have paid taxes in five counties and naturally on account of personal interests have observed the respective rates of taxation. These counties differ greatly in size, one at least being among the smallest in the State.

I have compared most carefully the rate of taxes assessed by these several counties, and they seem to vary almost in proportion to size, the lowest rate prevailing in the smallest counties. Only 2 counties in the State of Georgia, as I recall, have a tax rate for county purposes as low as 3 mills. These counties are Clay and Schley, both in the third district, which I have the honor of representing at this time. They are both small counties and only assess 3 mills for county purposes. I visit them along with other counties, and so far as public activities are concerned I have been unable to observe any appreciable difference. If it works this way, as indeed it seems to, there is a perfectly logical reason for it, as nothing is a "happen so." There is a perfectly logical reason for everything which has transpired since time began, though it may often be with the greatest difficulty that the cause or reason is ascertained. There is no such thing as an accident in the common acceptation of the term, for the same causes and conditions produce, without exception, the same results. Then why do we find this condition existing?

I apprehend, Mr. Chairman, there is one thing we would do well to consider throughout all our legislation, and that is the human equation. It is most hazardous in any event to reckon without it. I am cognizant of the fact that the matter which I am immediately discussing could be of no special interest to this House except as it may elucidate a principle, and I hope presently to so apply it. Some time ago I was discussing with a friend in Cordele, Ga., this question of consolidation and the effect upon administrative expenditures. After stating the facts just related to you, and in an effort to make clear my idea as to the causes of the great difference in results from the application of a principle to private enterprise and public government, I gave to him the following rather crude illustration. I remarked, "We are now in Cordele, Ga.; Vienna is 12 miles distant.

"If we had 100 tons of sugar on a truck of sufficient strength to bear such a burden, and undertook with manpower to transport it from Cordele to Vienna, and a thousand men were to do the pushing, the probability is the truck would not reach Vienna without stalling. It would probably proceed quite nicely for a time and so continue as long as all, or comparatively all, continued to push or pull, but presently it would occur to some man that his efforts were not essential where so many were engaged and consequently he would lag. His neighbor would not be slow to observe the dereliction but would be slow, for fear of offense, to remark upon it. Seeing that the conveyance continued to move regardless of his friend's withdrawal, he might soon conclude that his friend was wise and emulate his example. Another observing the two, and with an even greater desire for ease, might conclude to ride and so board the truck with the result that many doing likewise, we find it stark still in the middle of a hard-surfaced road on a perfect level."

Gentlemen, there is a warning in this picture which it might behoove us as a Nation to consider. What has been the situation of America during recent years? This great truck, with its splendid cargo, stopped dead still in the middle of the road, on level ground, with no one for a time apparently able to budge it. We cannot attribute the situation to Providence. We have not suffered from famine nor pestilence, and nature has been most generous. Our harvests have been abundant, our granaries filled to overflowing, yet we found ourselves in such an unfortunate situation that we were unable to render unto Caesar the things that are Caesar's, unto God the things that are God's, and at the same time provide for the outstretched and pleading hands of humanity—that which every citizen has a right to expect—the opportunity to earn an honest living. The real manhood of America expects nothing more and will be content with nothing less. We are not, and I trust to God will never be, a Nation of beggars. [Applause.]

An extended dole will finally destroy any nation by depleting the morale of its citizens. I can understand now, better than ever before, the full meaning of the expression, "It is

better to give than to receive", for in the giving the giver is strengthened, and in receiving the recipient is weakened. May we all throughout the Nation apply these principles to our conduct as it relates to the Government. Let every man realize that the contribution of his effort is essential to its proper functioning.

This brings to mind a splendid cartoon which appeared in the papers just after the last census. It showed a boastful youngster as he appeared all puffed up with pride and asked his companions if they had seen what the papers were saying about him that morning. "They've said nothing about you," was the taunting reply. "Oh, yes, they have," came the rejoinder, "they say there are 120,000,000 people in the United States and I'm one of 'em." A great lesson if taken thoughtfully!

But, reverting again to the illustration and putting it another way, the load, as we understand, is of sugar contained in 200-pound sacks, and, in accordance with the plan, is to be divided equally among those engaged in its transportation at the end of the journey. What probably would happen along the way is that someone would slip off a sack. If another saw him, he would probably be a friend to whom it would naturally occur that the taking was not fair nor honest, and his first impulse might be to report it; but upon second thought he would probably conclude that, inasmuch as this was his friend, whose enmity he preferred not to incur, and, after all, the taking of such a small quantity from this bulky supply would not diminish his portion a spoonful in the final division, he concludes to say nothing and passes it by.

Others seeing or learning of this successful taking would naturally at first be inclined to condemn, but afterwards condone to the extent of emulating his example, with the result that, if the vehicle did eventually reach its intended destination, there would probably be an insufficient quantity of sugar aboard to justify the sweeping of the floor. To make application just here, I state most regretfully that from many sources comes the question, "Will the many loans which the Government is so generously making ever be required to be paid in full?" The sentiment seems to be growing that they will not, and especially those extended to political subdivisions. So with that thought comes this conclusion, expressed in common parlance, "Let's get ours while the getting is good!" Can it be possible, my colleagues, that he who waits for the division at the end of the journey will be greeted with only an empty truck?

Referring again to the problem of transportation, I hazard this suggestion: Suppose we divide the commodity at the beginning of the journey, giving to each man his 200-pound sack of sugar and furnish him a wheelbarrow with which to transport it to Vienna; then let some fellow rest his avoirdupois upon any one of these wheelbarrows. My prediction is that it would be interesting indeed to observe the result. Or, let him presume to appropriate one of those sacks after it had been reduced to exclusive ownership, and the consequence might be equally interesting. Such is human nature, without due consideration of which we reckon in vain. It has been often said there is safety in numbers, but may I suggest that in too great a number there might be weakness. Consider China, the greatest Government on earth, if only numbers are considered; but what of her condition?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. CASTELLOW. What of China and her Government? Do not think the Chinaman is a fool by any means. It was not for the lack of intelligence of those people that they have been reduced to negligible rank in the role of nations. Their ancestors were philosophers, while ours were possibly in an uncleared forest, and yet what of their Government today? A little handful of people on a small island, coming probably from the same stock, runs over China at will, the same as a live rat runs over the carcass of a dead elephant. What is the next largest government in numbers? That of India, and it becomes necessary for another small island across the sea, and inhabited by a different race, to furnish India with a stable government. The next largest government on earth is Russia, a people of our own race, and what has been the experience of this erstwhile powerful "Bear of the North"? The world has spoken for years its estimate of Russia as a nation and as a government. Now comes the most interesting of all, the next largest country in population, the United States of America, our own beloved country, the land of the Stars and Stripes and of boasted liberty, the most desirable part of this globe in which to live. But let us take warning, if indeed we should need it, from what has befallen others. Possibly the truest measure of real intelligence is the ability to profit by the experience of others. These thoughts might well challenge our most serious consideration, especially in the light of some of our past and present experiences. The scientists tell us the largest animal that ever trod the soil of this earth was the dinosaur, but he is not with us today, and why? Being the largest, most ferocious, and most powerful of all animals, it does seem that he at least should have been able to perpetuate his species. I apprehend his size and strength, the very things upon which he relied, were his undoing. His brain evidently was not in keeping with his size and importance. The ancestors of the rat coming along possibly about the same time possessed even less brain, and yet their descendants are with us. While doubtless they possessed less intelligence, at the same time they had so much less in proportion for that intelligence to protect.

Practically 150 years ago we began a most wonderful Government in a country not nearly so large as we have now. In the beginning of our national existence our entire population was less than we have in a single city of today. A small body, so to speak, but a most remarkable intelligence in the personnel of our peerless statesmen whose names are household words and need no mentioning. We have grown in extent of territory and population to tremendous proportions. The vital question is: Has our statesmanship kept pace with our physical development? We are now experiencing a crucial test, and I pray the results may not be disappointing. While we have a great, fearless, and experienced leader and statesman directing our course, his responsibilities and burdens are greater than any borne before, and an unselfish cooperation of our citizens generally is, in my judgment, essential to ultimate success.

While fiscal matters may not be of paramount importance they are certainly deserving of consideration. We feel so secure in the greatness of our national wealth that we have come to speak of billions of dollars as being a matter of only casual concern. While it appears necessary to spend with a lavishness never before dreamed of, it behooves us to give thought to the effect of this spending—not so important, perhaps, in the effect upon the Treasury as the effect upon our citizens, though it is within the realm of possibility that even a Treasury deficit could be of concern.

There is much water in the Atlantic Ocean, but even that could be emptied with spoons if we had enough spoons and somewhere to put the water, and with an efficient and active appropriations committee the place might be provided. The magnitude and number of the avenues of approach to the Federal Treasury is by no means reassuring. The spending of money is, of course, essential. No business or enterprise can be conducted without it. But what if the limit is reached?

I am anticipating with the greatest interest one more phase of our activities here—the report of the Committee on Ways and Means upon the subject of providing revenue is sure to furnish interesting reading. While it is not my desire to be in the least critical, I have been impressed by the fact that our spending committee, the Appropriations Committee, is entirely distinct and disassociated with our Ways and Means Committee, charged with the duty of providing the wherewithal to pay the bills. This, however, is rather in keeping with the way in which many of our families are conducted—one part does the spending, another must provide the funds. I have always felt that the one who provides the money should have something to say about how it is spent. Another thing, too, my observation is that the

Appropriations Committee acts first. In other words, the money is spent before it is provided.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. CASTELLOW. Yes; with pleasure.

Mr. HOEPPEL. We also have another committee in this House to gag, so the people of the country can receive nothing.

Mr. CASTELLOW. I have always been of the opinion that the committee making the appropriations should be charged with the duty of providing the funds to meet them; and my judgment is, further, that it is usually a wise policy to have the money provided, or at least in prospect, before the investment or allocation is made. However, upon this point I am evidently in the minority.

There is one other matter to which I feel attention should be directed, and that is to the situation as regards our relief program. What is being done to prepare these people for a resumption of their individual responsibilities in the normal walks of life where they must soon be called, not only to rely upon themselves for their individual support but to become factors in the support of the Government if we are to carry on. We cannot rely upon these expedients indefinitely, and we will have played false to these people if we fail to prepare them gradually for resumption of their obligations and duties as self-reliant citizens. My observation is that the fixed laws of nature which affect the various phases of life apply with equal force to man. We all know that a canary bird raised in a cage without the necessity of self-reliance becomes not only dependent but comparatively helpless. If suddenly given its liberty it would likely starve in the same environment where an ordinary English sparrow would fatten. The longer one is maintained in a position where he is not called upon to rely upon his own resources the more helpless he becomes. The point I am endeavoring to stress is that time will necessarily be required in the abandonment of these activities, and to this extent it is my wish to admonish those in authority. It would be manifestly unjust to remove at once from a sheltered position thousands of men and women and thrust them unprepared into the sharp conflict of the struggle for individual existence. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia [Mr. CASTELLOW] has expired.

Mr. SEARS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, in 1931, when the Post Office appropriation bill was before the House, I endeavored to elicit information from the then chairman of the committee relative to the tremendous increase in the costs of leases that were contracted for by the Post Office Department, which leases appeared to me to be unjustifiably exorbitant and unreasonably high. I wanted to know, in view of the growing deficit in the Post Office Department, why it was that we should continue to increase the prices of leaseholds or leases for post offices.

The same day a Republican colleague of ours from Minnesota called my attention to a great abuse in the city of St. Paul, where more than $1,000,000 had been paid for a lease, which action, he claimed, was positively criminal. He demanded an investigation. All I desired here at that time was information. I was unable to obtain any information; and thereupon I endeavored to get the information from the Department, but unfortunately, again I was unsuccessful. The following year, when the Post Office Department appropriation bill was before the House, my attention was again called to the growing abuses in the Post Office Department, and I served notice on the chairman of that committee as well as the Postmaster General, that unless the Department ceased those abuses, including the criminal wastes and expenditures, I would introduce a resolution demanding an investigation of that Department. The saturnalia of abuses continued, and, consequently, I did introduce that resolution, and the House acted favorably upon it and authorized and directed the Committee on the Post Office and Post Roads to make an investigation, not only as to the exorbitant prices paid for leased premises, but also the exorbitant and unjustifiable prices that were paid for sites purchased by the Post Office Department for post-office buildings.

In the same resolution I also requested the investigation of the unjustifiable, yes, criminal, contracts that were entered into by the Postmaster General for the Air Mail Service and ocean mail service.

My resolution called for an investigation of those matters, including the exorbitant prices that were being paid to the railroads for the carrying of the mail. My resolution was adopted and a committee was authorized to make the investigation, but, unfortunately, due to lack of an adequate appropriation, it never has been able to proceed properly to investigate all these shameful abuses which are now coming to light. Whereupon in the last session of Congress the Senate appointed a committee to take up and investigate those abuses, which the House committee was unable to make, due to the fact that they could not engage investigators or attorneys to aid the committee to ferret out the crooked deals. I do not wish to criticize the Post Office Committee of the House, because the chairman of that committee is an able, honest, and sincere gentleman who secured valuable information as to some of the air mail contracts, also as to some of the outlandish and outrageous leases that had been contracted for, and the purchase of some of the sites; but he and his committee were almost fatally handicapped by a lack of adequate funds. They could not get an experienced, competent investigator or anyone else, such as able counsel, to aid them in thoroughly conducting the investigation. I am pleased that the life of that committee has been extended so that it may proceed with renewed vigor to the further investigation of these abuses.

But in the meantime, as I have stated, the other body has acted, and only this morning I read in the newspapers to what extent these unfaithful representatives of the last administration had gone; to what extent the former Postmaster General had gone to serve those specially favored interests, such as steamship companies and air mail combinations. I am satisfied that before the Senate committee has concluded its investigation it will disclose many more frauds against the Government than have been disclosed in the last few days. Personally, of course, I would have preferred that the House had the opportunity and facilities at that time to properly conduct that investigation, but I am satisfied that from this time on the House will agree with me that it has certain functions to perform, and that it should not, whenever a resolution to investigate wrongdoing on the part of any official is offered, shirk its plain duty and refuse to proceed with such investigation. I am satisfied that if the Post Office Committee had been placed in a position to proceed properly with its investigation in 1931 and 1932, our Government would have saved millions upon millions of dollars and the deficit of 1932 would not have reached more than $180,000,000 in that Department alone.

Mr. SHOEMAKER. Will the gentleman yield?

Mr. SABATH. I am glad to yield.

Mr. SHOEMAKER. Is there not some way of canceling some of those contracts that have been obtained by fraud?

Mr. SABATH. That is just what I want to call attention to.

Mr. SHOEMAKER. I was informed that there was one of these contracts on one of the shipping lines that operates from San Francisco to Mazatlan, Mexico.

On some of these trips there is not even one sack of mail carried. The contract pays for the entire operation of the shipping line for the year. If there is no mail on a trip the captain of the ship will sit down in San Francisco and address a letter to himself at Mazatlan so they can carry mail; and for this one letter they collect $24,000.

Mr. SABATH. I fully agree with the gentleman that all these fraudulent contracts should be canceled; and I arise today for the purpose of demanding the cancelation of all these fraudulent contracts not only in the Air Mail Service but also in the Railway Mail and the Ocean Mail Services. I demand and insist that immediate steps be taken to cancel

all the fraudulent leases that have been made throughout the United States, leases which cost the Government needless millions of dollars annually. This applies likewise to the purchase of sites that were entered into during the years 1930, 1931, 1932, and the first 3 months of 1933.

So I have taken the floor to call attention to these abuses. As I have stated, I tried to bring about that investigation in 1931 and 1932; and although I succeeded in having passed in 1932 the resolution to investigate these wholesale frauds against the Government on the part of a Republican post office administration, the committee was unable to do justice either to the House or itself or the cause involved because of lack of funds with which to engage properly qualified investigators who could aid them in ferreting out these dishonest deals and their ramifications.

I greatly regret to read in today's paper that these predatory interests have gone so far as to influence a Republican Member of the Senate to conduct a filibuster to enable a steamship company and a railroad company to wiggle out at the very last minute one of these fraudulent contracts; but, thanks be to God, another department was able to prevent its consummation.

Mr. SHOEMAKER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield, with pleasure.

Mr. SHOEMAKER. Does the gentleman know that the United States Government is running a line of boats to Panama Canal from New York and that a private shipping company follows the Government boat with one of its boats, 3 or 4 hours later, and gets a big contract for carrying mail which could be carried on our own Government boats, and that the contract to this private company amounts to hundreds of thousands of dollars annually?

Mr. SABATH. I know of this and many other abuses, as I have received in the last 4 years so many complaints against that department that I could hardly believe the men then in power could have had the temerity, the gall, the audacity to go as far in robbing the Government as they did. Therefore I am calling upon not only the Committee on the Post Office and Post Roads but every other committee of this House having any information and jurisdiction in the matter to familiarize the Postmaster General and the President so as to aid in bringing about the cancelation of all these fraudulent contracts. If proper steps are taken, it will mean the saving of millions and millions of dollars to the Government, and it will not be necessary for us to reduce the salaries of the low-paid employees.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 6 additional minutes to the gentleman from Illinois.

The CHAIRMAN (Mr. GLOVER). The gentleman is recognized for 6 additional minutes.

Mr. SABATH. Yesterday when I rose to call attention to an item carried in the Navy appropriation bill, a Member on the Republican side wanted to know what investigations I had advocated. Answering him hurriedly I named seven investigations I have advocated, some of which are now being prosecuted. In my answer, however, I failed to mention one investigation in which I am especially interested and which I started advocating in 1929. Had the House acted then, as I have said on this floor many times, the country would not be in its present deplorable condition. In 1929 I demanded an investigation of that robbing institution known as the "Stock Exchange" and of the infamous scoundrels who control that wicked institution, these crooked gamblers and unscrupulous bankers who robbed millions of honest American people and who still are outside but deserve to be within the walls of the penitentiary, while many unfortunate small bankers who took their advice and invested in their securities are being prosecuted and sent to jail. I say that if anybody should be sent to jail they are these despicable, contemptible manipulators and other malefactors I tried to reach by my resolution in 1929, so that in the future we could prevent the recurrence of these unfortunate things and from which our good and matchless President is now trying with all his might and ingenuity to rebuild what they have destroyed.

Mr. Chairman and gentlemen, that is the reason I have taken the floor again today to call attention to the need of immediate legislation not only for the punishment of those guilty of the near destruction of our Nation and those whose nefarious acts and wanton disregard of humanity engulfed nearly 99 percent of our American citizenry, ruined our commerce, and deprived millions of people of employment, but to urge the enactment of such legislation as will rehabilitate these suffering millions and put them to work. I reiterate the demand for the prosecution of those guilty criminals and for the passage of legislation that will make impossible in the future a recurrence of such crimes. Though I have several bills pending, I know that at this time I cannot effect their consideration; but I am reliably informed that, under the direction of the President, a bill is being drafted looking to the elimination of these untenable abuses on all the stock exchanges. It is my earnest hope that the proposed bill will reach this floor shortly and that it will be speedily enacted into law.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I gladly yield.

Mr. BOLAND. Yesterday I was very much interested in the various investigations the gentleman from Illinois said he had advocated. I noticed that all these investigations he referred to were prior to December 1931. Has the gentleman offered any resolution of a similar nature since that time?

Mr. SABATH. Yes. I may say that the resolution authorizing and directing the Post Office Committee to make an investigation was passed in 1932. Of course some of these resolutions are still pending and some committees are working. I am hopeful that we may pass a resolution to investigate the Treasury Department so we may learn who were responsible for and made possible the refund of $2,000,000,000 of the people's money to the pockets of the specially favored interests, those men who were the beneficiaries under the last three Republican administrations.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I gladly yield to my friend.

Mr. McFARLANE. Does not the gentleman believe that while we are investigating these parties we ought also to insist upon being made public the tax returns of these tax evaders?

Mr. SABATH. We passed such a resolution in 1932, but these very men whom it affected started a hue and cry that it would be detrimental to the interests of the people to publish what their incomes and profits were. I myself believe we should give full publicity to everything that is being done because, after all, these men are the beneficiaries of the Government; they have the protection of the Government; they should be the subjects of the Government, not its masters.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I am very glad to yield to the gentleman.

Mr. BOLAND. The gentleman referred to tax refunds. The gentleman is aware, of course, that $3,000,000,000 of this $4,000,000,000 which was returned under Andrew Mellon in the form of tax refunds went to Pennsylvania, is he not?

Mr. SABATH. I really do not know whether $3,000,000,000 is the amount that went to Pennsylvania; but I do know that most of it went to Pennsylvania, New York, to a few of the large manipulators, and to the 347 directors who are owned and controlled by the House of Morgan.

Mr. BOLAND. In other words, $100,000,000 went to the Bethlehem Steel Co.?

Mr. SABATH. Which is, of course, a Pennsylvania corporation.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Chairman, I would like to ask a question of the chairman of the subcommittee, if I may be

permitted to do so. I propounded a similar question to the gentleman from New York [Mr. TABER] a few days ago on the subject of the C.W.A. My question goes to the sums that have been allocated out of the $3,300,000,000, some of said sums for the coming year and some going as far into the future as 1936. I asked the gentleman from New York [Mr. TABER] the question whether or not in his opinion the President had the right to reallocate funds from the $3,300,000,000, making those funds available to the C.W.A. for both the present program and the contemplated extended program which has been discussed on many occasions.

Mr. ARNOLD. I will say to the gentleman that, so far as that $3,300,000,000 fund is concerned, the Administrator of Public Works has the right to make allocations from that fund as he sees fit. There are absolutely no restrictions on what he might do as to allocation of such funds. He did allocate something like $400,000,000 of the $3,300,000,000 to the Civil Works Administration.

Mr. BLANCHARD. I understand it requires an Executive order to add any funds now to what has been allocated?

Mr. ARNOLD. The money, as I understand it, has already been allocated. I understand they may come down here and ask for an additional appropriation to carry on some of the work further.

Mr. BLANCHARD. That goes to the point I have in mind. Is it the gentleman's opinion that additional legislation is required to extend the C.W.A. activities or to make funds available to the C.W.A. authorities at this time so these programs may continue?

Mr. ARNOLD. I do not understand that additional legislation is necessary. The basic law is there for that purpose, but Congress will have to appropriate the funds.

Mr. BLANCHARD. We appropriated in the special session of Congress $3,300,000,000. We have not even approached the point where we are going to use up all of those funds, because much of it has been allocated into the future as far as 1936. Why is it not possible at this time to make use of some of the money appropriated in the special session of Congress and not heretofore expended for civil-works activities?

Mr. ARNOLD. The C.W.A. activities fund is pretty well used, as I understand it. It will be exhausted by the 15th of February.

Mr. BLANCHARD. I understand that perfectly.

Mr. ARNOLD. If the work is to be carried on any further, it will require an additional fund.

Mr. BLANCHARD. Why could not those funds come out of the money appropriated in the special session of Congress.

Mr. ARNOLD. The $3,300,000,000 has been allotted. Just what the machinery or mechanics will be as to getting additional funds for that purpose, I cannot answer the gentleman definitely.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BLANCHARD. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. I do not think the gentleman fully understands how the Treasury handles these appropriations. We have appropriated $3,300,000,000. This money is not all in the Treasury of the United States. It is a charge against the Treasury and is secured as it is needed. Take a project that requires 4 years to complete. They pay as they go along and raise the money as it is needed.

Mr. BLANCHARD. Oh, I understand that perfectly.

Mr. COCHRAN of Missouri. The money we are going to spend in 1936, for instance, on a project that extends over a period of 3 or 4 years, will be raised in that year. The money is not now in the Treasury. Therefore it could not be used for some other purpose.

Mr. BLANCHARD. I understand that.

Mr. COCHRAN of Missouri. If it were applied to the C.W.A. projects, they would have to go out immediately and finance that allocation in some way; that is, if the money was going to be used at once.

Mr. BLANCHARD. Of course, everyone knows the money has to be raised. We cannot spend millions of dollars without at the same time raising the necessary funds by taxation or otherwise. But I call the Members' attention to the fact that there was allocated to the Coast and Geodetic Survey the sum of $6,463,000 out of the same fund. I wish to add that that afterward was withdrawn.

The point I have in mind is that, with the severe situation that has arisen as a result of the curtailment of the C.W.A. program over all the United States and the legitimate demand made upon the Federal authorities by municipal authorities of the various States that this program continue at least until many of the projects are completed, and with the winter months before us, I think it presents to Congress for consideration at this time a problem of very serious moment. Let me give you an illustration of exactly what is transpiring in my home State, because of the fact, as the Federal authorities claim, we have exceeded our quota. Perhaps we have exceeded our quota, but through no fault of the local officials or through no fault of the people of my State. They have started many of these projects and now are unable to complete them because the Federal authorities say the funds are running out. If this were merely a program on the roadside, you could curtail the operation without any serious consequences to the projects themselves, but there are dozens—yes, hundreds—of school projects in the State of Wisconsin that were started as a result of the C.W.A. program which cannot be completed. In my district, because of the curtailment order that went into effect a few days ago, we have some country schoolhouses that cannot be completed so that they may be occupied within a reasonable length of time.

Let me read a letter from the county superintendent of schools of Rock County, Wis.:

OFFICE OF SUPERINTENDENT OF SCHOOLS,
ROCK COUNTY, WIS.,
Janesville, January 22, 1934.

HON. GEORGE W. BLANCHARD,
House of Representatives, Washington, D.C.

DEAR MR. BLANCHARD: I have been watching the news items in the Janesville Daily Gazette concerning the C.W.A. work and project and appreciate very much the effort that you have been putting forth to have these projects continued.

The latest information that has come to my attention concerning the C.W.A. project is indicative that the time for the men on the rural-school jobs has been cut down to 15 hours a week. A good many of our rural districts have undertaken to put basements under the schoolhouses. Many of these schoolhouses are sitting up on stilts or beams. Schools are being held temporarily in old homes, rooms of houses, and in one case in a former tavern. If the amount of time is going to remain permanently at 15 hours a week, I just wonder what is going to happen in an educational way to the boys and girls that are attending school this year. I certainly hope that you may be able to have the number of hours on these rural-school jobs extended to a longer period than 15 hours a week.

Yours very truly,

G. T. LONGBOTHAM,
County Superintendent of Schools.

I appreciate the fact as well as you do that at some time there must be a tapering off of these activities, but this is not the opportune time to put into effect a curtailment order.

I attempted to elicit information from the chairman of the subcommittee so that I might decide to my own satisfaction whether or not the President or the administrative authorities of the public relief funds, the C.W.A. and the P.W.A., might not immediately allot sufficient funds so that some of these projects could be brought to completion at an early date.

Mr. ARNOLD. Will the gentleman yield?

Mr. BLANCHARD. Yes.

Mr. ARNOLD. Of course, I do not know how extensive these projects have been in the gentleman's community. It is possible that a community or a State might provide or lay out a program which they would hope to complete under the Civil Works Administration that would be far beyond anything that could be accomplished along that line. I do not know what kind of program was laid out so far as your local authorities are concerned. The chances are that what the gentleman says as to his community would apply over all the country if these people are so ambitious as to lay out big programs and expect the Government to come

along and pay the expense. Naturally there must be a limitation on those things.

Mr. BLANCHARD. I quite agree with the gentleman, but these are not ambitious building programs. They are repair and remodeling jobs. The ones I have definitely in mind are installations in some cases of furnaces and heating units; in other cases, the construction of a basement.

Quite naturally you can understand what has happened to many of these schoolhouses in the country where they have gone about the digging of a basement and the construction of a foundation and then found the work suspended completely or drastically curtailed because of a lack of funds.

I am not so concerned about the local aspects of the situation. If I were satisfied that it was the duty of Congress at this time to provide additional funds, then I might know where the responsibility rests; but I am far from convinced, because of what has happened here in the last few days, that there is not ample authority right in the administrative branch of the Government to reallocate some of these funds and make them available for the C.W.A. If curtailment must eventually come, it should not be put into effect as it has been during the past week. My criticism, if it is a criticism—and I hope it is not a so-called "destructive criticism"—perhaps should be leveled against the entire system which permits Federal authorities to set up projects and then discontinue them. It is a criticism, of course, of the system that handles projects of this character.

Mr. BOLAND. Will the gentleman yield?

Mr. BLANCHARD. I yield.

Mr. BOLAND. I listened to the gentleman's statement about all the different projects and jobs that have been started and half finished and then stopped because of a curtailment order. I should like to know why all these jobs were started and allowed to get into this condition. Was there not money enough allocated before the jobs were started, or was there not some provision made so they could be completed? It seems to me rather strange that so many jobs should have been started and half finished and then no funds provided to complete them.

Mr. BLANCHARD. To be frank with the gentleman, I would attribute it largely to the administrator in the State of Wisconsin, the Federal authority in charge of the work. If this man exceeded his authority and laid out too ambitious a program, naturally, Wisconsin cannot expect treatment different from that given any other State; but if at the same time the Federal authorities have sanctioned a program of this kind and we now find ourselves in a situation in which many of our schools cannot be properly conducted, then it naturally follows that the necessary sums should be allocated to the C.W.A. so that these worth-while projects may be completed.

Mr. ARNOLD. Will the gentleman yield?

Mr. BLANCHARD. Yes; I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman, of course, understands that the C.W.A. is an employment proposition as well as a relief one. The object was not for the Federal Government to go in and build projects as Government projects, but the purpose was to permit projects to be built by labor paid for out of the Federal Treasury as long as the money was available for that purpose. The mere fact that a community has started a project that cannot be completed within the time of this employment program should not be charged to the Federal Government, because it was well known that these projects were for the purpose of employing labor, and there was only $400,000,000 allocated for that purpose for the entire country. If communities have laid out ambitious programs extending beyond the time the money would last, neither the C.W.A. nor the Government should be censured for that.

Mr. BLANCHARD. I think the gentleman will agree that the C.W.A. program was laid out with the idea of going forward until February 15.

Mr. ARNOLD. Giving employment for something like 4,000,000 men up to that time.

Mr. BLANCHARD. You cannot give employment to the men on public-work projects without at the same time purchasing materials, can you?

Mr. ARNOLD. It requires the purchase of materials, but as I understand it, the C.W.A., so far as materials are concerned, hoped to have this material supplied by the local community. There may be cases where the local community cannot supply the material, and then material, perhaps, may be provided out of C.W.A. funds on public projects.

Mr. BLANCHARD. Mr. Chairman, in the first place, I contend the President has ample power now to reallocate funds and provide money for the C.W.A.; and, secondly, if I am right in this contention, this money should be immediately reallocated so that the C.W.A. projects which have been approved by the Federal authorities can be completed; and, thirdly, if it is to be the policy of Congress and the President to curtail C.W.A. projects, we certainly should not curtail them so drastically at this particular time of the year. We could provide the necessary funds and taper it off when there is a reasonable chance for the people working on Civil Works jobs to find other employment. If it devolves upon the Government of the United States to provide some additional funds, may I call the attention of the Appropriations Committee to the fact that they should be using their time now in considering the advisability of extending the C.W.A. and should make that fact known to the people of the United States. Our people need employment right now as they never have before. I submit that the policy of casting them adrift at this inopportune time is entirely uncalled for. [Applause.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, my distinguished colleague from Wisconsin has brought up a subject which is causing a good deal of discussion among the people and in the press of Wisconsin at the present time.

I call the attention of the gentleman from Illinois [Mr. ARNOLD] to the situation that exists in Wisconsin. The gentleman very mildly criticized the local people in the various communities——

Mr. ARNOLD. If the gentleman will permit, I do not mean to criticize. I am simply speaking about providing an ambitious program beyond the funds available.

Mr. BOILEAU. I appreciate the attitude of the gentleman from Illinois.

The people of Wisconsin are entirely without blame in this situation. The original allocation was 90,000 men for Wisconsin. I am advised by Mr. Hopkins that the Federal administrator in Wisconsin was instructed not to employ more than 90,000 men. For some reason or other, certainly without the fault of the local people, the Federal officials permitted 166,000 to go on the rolls.

Of course, permitting that number of people to be employed in C.W.A. work, many projects were entered into that would not have been entered into if there had been a lesser number of men employed. But that was not the fault of the local people, because there were many men looking for employment and the Federal agent put them to work.

When the Federal officials saw that there were 166,000 employed instead of 90,000, they issued orders to dismiss many men who were first employed. They made a new quota of 100,000 and ordered 66,000 to be taken off the pay rolls. Hardly had that allocation of 100,000 been put into effect when they issued another order reducing it to 75,000.

So, after we got the project started with 166,000, the orders were to reduce them to 75,000 men, which meant that many projects that were begun under the order of the Federal authorities have been stopped and the result is that many of them will not be completed unless there is a new arrangement and the program extended a certain length of time.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. BLANCHARD. And the gentleman will recollect that in addition to cutting down the number to 75,000, the number of hours that the men were permitted to work were decreased.

Mr. BOILEAU. Yes; the reduction in the number of men employed was made before the orders were issued to reduce the number of hours. Instead of 166,000 men working 30 hours, we have 75,000 men working from 15 to 24 hours a week.

The situation in Wisconsin is one, I think, that should cause the officials of the Civil Works Administration to sit up and take notice. It should cause us to reflect upon what will happen when they decide to discontinue the Civil Works Administration work.

The program was to give 4,000,000 men work. I think everyone is in accord with the program and hopes that it will be continued at least until the 1st of May. However, the time will come when these 4,000,000 men will be thrown off the C.W.A. pay roll, and we must prepare for that emergency.

The experience we had in Wisconsin when the quota was reduced from 166,000 men to 75,000 men shows what is going to happen when they are all cut off from the pay roll. Men who had found employment for the first time in months—yes; in years, in many instances—were happy at the prospect of having some money to provide for their families, and now they find themselves, through no fault of their own, again thrown back on the local communities for support. Naturally, these people, having tasted for such a brief period the pleasure of having some money in their hands with which to provide the necessaries of life for their families, could have nothing but the greatest disappointment in finding themselves without work. So I say we should be preparing for the day when the C.W.A. program is stopped and have something ready to give to these men.

I realize that a tremendous amount of money has been spent in the past year to give work to men. I think we all approve of the policy that the Government should find work and should create jobs, in order to give these men employment, but I believe it will be a sad day for this Nation if these 4,000,000 men are to join the other millions of unemployed and if such a great number should again find themselves in the position where they cannot earn a living.

The other day when we were passing the gold revaluing bill I felt that I would be personally disappointed if there does not come along a sufficient expansion of currency so that credit will be more easily obtained, so that money that is now in hiding will come out in the open, so that the money will be invested in things rather than held as currency in hoarding. I am hopeful that the program of revaluing gold will be followed by an expansion of the currency, so there will be immediately a trend toward higher commodity prices, so that agriculture will get a greater price for its commodities, so that agriculture will have purchasing power restored to it. I am hopeful that this program will be carried out soon, so that we can immediately have the effect from such a program of expansion in currency and its reflection in higher commodity prices and more employment, because it is necessary that we do something in the near future to take care of the slack in employment that will be created when these 4,000,000 men are definitely off the rolls. We must do something immediately, as the welfare of our country demands prompt and definite action.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, the menace of unemployment hangs over America like a sword. The debate here this afternoon proves that fact. This root evil of unemployment occupies our minds, and because the C.W.A. deals with it to some degree, we are united in the belief that the principle of this organization must be maintained. It must not be abandoned, but it must be extended and expanded under a better system.

The wide-spread charges of graft, favoritism, and injustice, which surround the operations of the C.W.A. could be easily foreseen. When there are 4,000,000 jobs for 10,000,000 workers, desperate for employment, these evils are inevitable. Tremendous as the problem is, we must undertake the imperative task of coordinating private industry and public employment so that every American, able and willing to work, shall be assured a job at fair wages.

In the midst of uncertainity there is on thing certain: Mass production is dependent upon mass consumption and mass consumption is impossible without adequate purchasing power in the hands of the American people. If a great section of the public cannot buy, the business structure cannot be maintained.

Private industry failed completely to distribute that purchasing power and the country went down the sorrowful road of 1930, 1931, and 1932. Then, under the National Industrial Recovery Act, we undertook to halt that downward slide. It was halted and for a time there was a distinctly upward trend. However, it was never expected by anyone who knew the facts, that the N.R.A. could, of itself, restore the unemployed to full-time jobs. The N.R.A. is a governor on the industrial machine. It can abolish child labor, provide fair wages and hours, eliminate cutthroat competition, and give employees and employers a chance to act together in organized responsibility.

It was recognized that additional purchasing power must be furnished through governmental action and for that reason title II was carried in the National Industrial Recovery Act. The Public Works Administration was provided with $3,300,000,000 with a view to forcing that vast sum speedily into circulation as purchasing power for workers employed on many projects. This fresh, new blood in the arteries of business was counted on to hasten recovery by creating orders for more of the products of farms and factories. More workers would be needed to meet this demand and private industry would call them back into service. At fair wages, under the N.R.A. codes this additional purchasing power would help set in operation the benevolent cycle of increasing production, prices, employment, and pay rolls.

That plan was not put into effect. In 6 months a large number of industrial codes were formulated and put in operation. But by December, 6 months after the act was passed, less than one half of 1 percent of the public works appropriation had actually been expended. The additional purchasing power to speed the wheels of industry was not in effect. A great opportunity was lost and the Public Works Administration must stand responsible.

In the meantime, the National Recovery Administration was handicapped in its own great task of establishing a balance between industrial production, pay rolls, and prices. Without a doubt blunders were made in the administration, and some of them worked injury to the entire program. However, if there had been perfect administration exactly on the lines laid down in the act, the breakdown in the public-works features would have prevented the full success desired.

What is the situation? In order to answer that question I requested the research division of the Federal Reserve Board to prepare a comparison of production, employment, pay rolls, and prices for the months since the passage of the N.I.R.A. with the year 1926. It is generally admitted that the year 1926 furnishes a normal standard on which to base recovery progress.

The table herewith gives the facts as disclosed by the Federal Reserve Board's careful compilation of statistics:

	Percent of change, 1926 to—				
	July	August	September	October	November
Industrial production:					
Total	−7	−16	−22	−29	−32
Manufacturers	−7	−16	−23	−29	−34
Minerals	−17	−16	−19	−25	−25
Factory employment	−32	−28	−24	−25	−28
Factory pay rolls	−52	−46	−44	−45	−48
Wholesale prices:					
All commodities	−31.1	−30.5	−29	−29	−28.9
Farm products	−39.9	−42.4	−43	−44	−43.4
Food	−34.5	−35.2	−35	−36	−35.7
All other commodities	−27.8	−25.9	−24	−23	−22.8

What do these figures mean? Simply that pay rolls or wages, which make up purchasing power, are completely out of balance as compared to both production and prices, and the situation is not getting better.

In July industrial production jumped to a point within 7 percent of the 1926 level, while prices were 31.1 percent under 1926. Employment was 32 percent under the standard, while pay rolls lagged 52 percent behind.

In August production was 16 percent under 1926 and prices were 30.5 percent under. Employment had jumped up 4 points and pay rolls had increased 6 percent.

In September production had dropped to 22 percent under 1926, while prices were 29 percent under the standard. Employment had made 24 percent, or a further gain of 4 points, and pay rolls were 44 percent under 1926, a gain of 2 points.

In October production and prices were exactly balanced at 29 percent under 1926. Employment was 25, which was a more favorable point than either production or prices, so that these three factors were fairly in balance. But the one key factor, pay rolls, lost 1 point and stood at 45 percent under 1926.

In November production was 32 percent under 1926, while prices were 28.9 percent under 1926. Factory employment was 28 percent under that level, while pay rolls had dropped to 48 percent under 1926.

Mr. Chairman, it requires no gift of prophecy to foretell what will happen if that trend continues. Lack of purchasing power as embodied in wages will cause both production and prices to collapse.

It must be apparent to everyone that the recovery program depends upon an increase in the buying power in the hands of Americans. Since wages and salaries make up a great part of American buying power, more money must be distributed through these channels. The N.R.A. codes must be revised upward as to wages and downward as to hours of labor if the balance is to be established and maintained.

More than that will be needed. Additional purchasing power through wages and salaries paid to workers on public-welfare projects must be provided, in a coordinated and not a haphazard program. There must be a guarantee of a job to every unemployed worker in socially useful work.

The C.W.A. is a piecemeal attempt to meet the task which must be met if there is to be recovery. The President said on November 15, when he announced the C.W.A. plan:

> I am very confident that the mere fact of giving real wages to 4,000,000 Americans who today are not getting wages is going to do more to relieve suffering and lift the morale of the Nation to a higher degree than any previous plan.

There is no doubt that the C.W.A. program did bring new hope and confidence to Americans. Shall that newly created morale be shattered now by an abandonment of the principle that jobs and jobs alone can restore prosperity? The most tragic thing that can happen is to announce that these 4,000,000 workers are to be discharged and must again seek the bread lines and charity.

It is true that the C.W.A. program left some 6,000,000 unemployed workers out of consideration and that gross injustices followed as a result. It is true that improvised work projects led to the employment of many men at useless work, which made the wages only a concealed dole.

That situation does not furnish proof that the principle of the employment program should be abandoned. It only proves that those evils should be eliminated and the program put on a better basis. To forsake the principle is to admit that we cannot cope with the depression.

I maintain, Mr. Chairman, that we must develop a program for the employment of all idle workers, not for a fraction of them. They must be employed in useful, constructive work which will add to the wealth of the Nation. The billions of unemployed dollars and the millions of unemployed men can be put to work and must be put to work.

I introduced a bill this afternoon which provides a method for using these surpluses. It undertakes to coordinate all the work being done now by various relief and employment agencies. It sets up the national industrial adjustment corporation for the purpose of providing public employment when necessary to supplement private employment.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. KELLY of Pennsylvania. I will be glad to yield to the gentleman from Alabama.

Mr. BANKHEAD. The gentleman knows, of course, that I have very great admiration for his opinion on this labor problem, because he has been an expert on it and has given it a great deal of study.

Mr. KELLY of Pennsylvania. I thank the gentleman, but he does me too great honor.

Mr. BANKHEAD. I do not mean to flatter the gentleman. The thing that is disturbing my mind is, what is going to be the ultimate result of this program of C.W.A. and similar work? Of course, I am in hearty approval with what has been done to date and what is in prospect for the immediate future, but suppose the unemployment situation continues to exist another year or 2 years or 3 years with its terrible burden upon the Treasury of the United States; what is the opinion of the gentleman with reference to the indefinite continuation of the program until the unemployed may be absorbed in industry?

Mr. KELLY of Pennsylvania. Mr. Chairman, the gentleman from Alabama raises a most vital point. How is this employment to be financed? How are these employment projects to be paid for? I admit that we cannot indefinitely pay out vast sums on projects which do not return in national wealth more than their entire cost. The C.W.A., as far as its work projects have been valueless as permanent improvements, has been operating as a distributor of doles.

But that is not necessary. There is a vast amount of work to be done in this country where the wealth created will far exceed the amount expended. We have not reached the stage where we can write finis to our program of betterment. There are new communities to be built and highways to be built to them. There are homestead projects which would redistribute the overbalance of population in city and industrial sections. There are slum districts to be cleared and homes to be built. There are schools to be established and resources to be conserved. There is a vast amount of construction needed which, under proper development, would pay a profit on every dollar expended and at the same time furnish jobs to every unemployed man who was not absorbed into private industry.

Mr. BANKHEAD. Will the gentleman yield further?

Mr. KELLY of Pennsylvania. Certainly.

Mr. BANKHEAD. In that connection I understand the gentleman's proposition is that in large measure future advancements, after we dispose of the immediate emergency, should be made only to self-liquidating propositions?

Mr. KELLY of Pennsylvania. Yes; if the gentleman means by self-liquidating projects, as I do, all those projects and improvements which create new wealth to a degree greater than their cost. I would not exclude those Federal projects such as river and harbor improvements, flood control, public buildings, good roads, and others which are mistakenly, in my estimation, opposed because they do not directly return to the Government every dollar invested. I do believe that by far the greater amount of money would be spent on projects which would directly return their cost. The direct beneficiaries would be able to return the funds invested and the work itself would give employment to those who must have work if our immortal declaration as to life, liberty, and happiness is to be more than an empty phrase.

Mr. Chairman, we have not yet touched the fringes of the constructive work to be done in this country. We provided in the N.I.R.A. for a subsistence homestead division. It is only a very slight step toward a vitally important goal. It is badly named. The general idea back of the word "subsistence" is unworthy of such a plan. It gives a picture of a family struggling desperately for mere existence. We should have American homestead projects through which families would have modern comforts and conveniences, with a standard of living in line with the productive powers of American industry. It is not an impossible dream. It

can be accomplished by intelligent use of the resources we have at this moment.

All the costs can be repaid out of restored income. In 1929 the national income was 92 billions while in 1933 it was approximately 48 billions. If we can restore that lost income, the investment in recovery will be felt but slightly. If that income is not increased our entire industrial structure will fall.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. CHRISTIANSON. I was very much interested in the table the gentleman read, dealing with production, prices, and so forth. I shall be interested in reading it carefully in the RECORD. As I recall, the margin between employment now and in 1926 is greater than the margin between production now and in 1926.

Mr. KELLY of Pennsylvania. No; the gentleman is in error. Employment, counting part-time employment, of course, is in a more favorable position now than is production, compared to 1926. In November production was 32 percent below the standard while employment was 28 percent below.

Mr. CHRISTIANSON. And that despite the fact that under the codes the hours of labor have been sharply curtailed?

Mr. KELLY of Pennsylvania. The gentleman understands that the reason employment is at a better level than production is due to those codes which shortened the hours of labor and thus provided more jobs.

Mr. CHRISTIANSON. I understand that. Nevertheless, there is left a considerable margin. Do not these figures indicate to the gentleman the need of further reducing the hours of labor in order to adjust them with the tempo of the machine?

Mr. KELLY of Pennsylvania. That is quite true. These codes must be revised downward as to hours of labor. More important still, they must be revised upward as to wages, for it is wages that furnishes the motive power for recovery.

Mr. CHRISTIANSON. The only alternative is the displacement of the machine with hand labor, or at least stopping the installation of new labor-saving machinery. In that connection, I wonder whether the gentleman noticed the press report which indicated that in the Ford industry in Detroit, Mich., new machines had been produced which made it possible for three men, I believe, to do the work for which a large number of men were required formerly.

Mr. KELLY of Pennsylvania. That is true in all industry. Machines are taking over the work of men and production is being increased per man to an amazing degree.

Mr. CHRISTIANSON. I am wondering whether the gentleman has any method to propose whereby excessive expansion of the use of machinery may be discouraged in this country.

Mr. KELLY of Pennsylvania. No; I have no such suggestion, and I am opposed to any such attempt. Rather I would encourage the installation of every new machine which can lift old and heavy burdens from the backs of American workers. But I would control those machines in the public interest so that they would serve mankind. I would cut down the hours of labor for the individual worker and try and more justly divide the product of our marvelous machine system.

Mr. CHRISTIANSON. Then, if I understand what the gentleman proposes, it is to lower the wage of the machine and to raise the wage of the laboring man.

Mr. KELLY of Pennsylvania. Well, the machine is not a wage earner, but I would certainly put these contraptions of steel and rubber and aluminum and bronze on a different plane than human flesh and blood and hand and mind. I would put the man above the machine. These machines cannot buy goods. The industrialists who forget that fact are making a fatal mistake. They should realize that the sale of their products and thus their own prosperity depend upon buying power in the hands of American workers.

Mr. Chairman, during this entire depression there have been but two policies which could be consistently maintained. One is the let-alone policy of letting things take their downward course without interference. Then at the bottom of the gulf, in the midst of practically universal bankruptcy, a poverty-stricken Nation might begin the long upward climb.

The other policy is to make war on the depression with every resource of the Nation. Production, prices, employment, and pay rolls must be steadily increased, and they must be kept in balance. The motive power must be income in the hands of the great mass of Americans.

We deliberately chose this second policy, refusing to risk the destruction of our institutions by sitting supinely by while we starved in the midst of plenty. Then why should there be a halting between the two courses of action? Why should 4,000,000 workers be given jobs and then dismissed from those jobs with no other provision for them? If there is to be victory in this war, there must be no turning back in the midst of the battle.

Mr. Chairman, with the help of persons who have studied this problem for the past 4 years, I have prepared and introduced H.R. 7297 for the purpose of providing a program to meet the present need. It establishes an agency to be known as the National Industrial Adjustment Corporation, which would take over the duties of the Public Works Administration, the C.W.A., the Federal Emergency Relief Administration, the subsistence homestead division, and the other emergency employment and relief agencies of the Federal Government.

Under its direction, subsidiary corporations would be organized to take over these duties and also to undertake such enterprises as slum clearance, home construction, industrial activities in connection with home building and the enlargement or betterment of public or social services in any State or subdivision thereof, or for the conservation of natural resources.

Provision is made for the organization of the emergency-employment corporation under the directing agency, which shall undertake the employment temporarily of persons able and willing to work who are not needed in private industry under present conditions or in the special-purpose State and private corporations.

Upon the approval of the board of directors of the directing agency, the subsidiary corporations would be authorized to issue bonds, with provision for combined interest and amortization not to exceed 6 percent per annum. These bonds would be purchased by the Treasury with currency issued for the purpose and with a 40-percent gold reserve behind the currency. When deemed advisable, these bonds would be sold through public channels and would be acceptable as security for any trust funds the investment or deposit of which is under the authority of the United States. When sold to the public, these bonds would be guaranteed as to principal and interest.

Mr. Chairman, the more we study this critical problem of unemployment the more forcibly must the conclusion be forced upon us that the solution depends upon the coordinated employment of surplus capital and surplus labor. We have money, men, machines, and materials to produce all the things needed for the comfort and material happiness of 30,000,000 families. They must be put to work, no matter how great the task may be.

Dr. Virgil Jordan, in Business Week, estimated that the accumulation of surplus capital between 1919 and 1929 amounted to $85,000,000,000. Forty-five billion was corporation surpluses and 40 billion was in individual savings. This vast sum was taken out of current purchasing power during those years and thus helped to throw production and consumption out of balance.

At the same time there were surplus workers whose unemployment and inability to buy goods made the situation worse. The following table shows the unemployment in all industries from 1920 to 1933:

1920	1,401,000
1921	4,720,000
1922	3,441,000

1923	1,532,000
1924	2,315,000
1925	1,755,000
1926	1,669,000
1927	2,055,000
1928	2,100,000
1929	2,500,000
1930	6,000,000
1931	8,000,000
1932	15,000,000
1933	12,000,000

While the $85,000,000 went into surplus, 70,000,000 man-years were lost, together with all the wealth that would have been created had they been employed. At the average rate of value output per worker during that period, the actual loss amounted to $140,000,000,000. Idle dollars and idle men side by side do not promote the general welfare.

It is of interest to note the actual distribution of the national income during those years. While the national income has dropped to the danger point, wages and salaries, which make up direct purchasing power, have decreased still further. The following table discloses this fact:

	Total realized income	Total wages and salaries	Remaining for other interests
1919	$65,900,000,000	$35,400,000,000	$30,500,000,000
1920	74,000,000,000	42,300,000,000	31,700,000,000
1921	63,000,000,000	36,200,000,000	26,800,000,000
1922	64,000,000,000	37,700,000,000	26,300,000,000
1923	74,000,000,000	42,900,000,000	31,100,000,000
1924	77,000,000,000	44,500,000,000	32,500,000,000
1925	82,000,000,000	46,900,000,000	35,100,000,000
1926	86,000,000,000	49,800,000,000	36,200,000,000
1927	88,000,000,000	51,400,000,000	36,600,000,000
1928	89,000,000,000	51,100,000,000	37,900,000,000
1929	92,000,000,000	51,700,000,000	40,300,000,000
1930	70,000,000,000	42,500,000,000	27,500,000,000
1931	60,000,000,000	32,500,000,000	27,500,000,000
1932	49,000,000,000	20,000,000,000	29,000,000,000
1933	48,000,000,000	22,000,000,000	27,000,000,000
Total	1,082,900,000,000	606,900,000,000	476,000,000,000

Since 1926, while the national income dropped 43 percent, wages and salaries decreased 56 percent. This meant a decreasing amount going into purchasing power and still greater unemployment.

However, interest and dividend payments showed no such trends. They steadily increased to 1930 and lost very little in 1931 and 1932. Since this amount is generally available for new investment and not for purchasing consumers' goods, the balance was still further affected. The following table shows total interest and dividend payments by all industrial corporations, banks, and trust companies, railroad, and traction companies, the United States Government, and New York City, and all wages and salaries:

	Interest and dividends	Wages and salaries
1919	$3,189,184,000	$35,400,000,000
1920	3,414,876,000	42,300,000,000
1921	3,341,806,000	36,200,000,000
1922	3,399,719,000	37,700,000,000
1923	3,585,217,000	42,900,000,000
1924	3,840,590,000	44,500,000,000
1925	4,083,828,000	46,900,000,000
1926	4,319,185,000	49,800,000,000
1927	5,570,548,000	51,400,000,000
1928	6,028,184,000	51,100,000,000
1929	7,588,248,000	51,700,000,000
1930	8,600,052,000	42,500,000,000
1931	8,242,524,000	32,500,000,000
1932	7,200,000,000	20,000,000,000
1933		22,000,000,000

These figures show that while interest and dividend payments increased 66 percent between 1926 and 1932, wages and salaries during the same period showed a loss of 60 percent. Certainly such a maladjustment is destructive to general prosperity and helps prevent the restoration of prosperity.

Another factor has been at work and that is the almost complete collapse of the private building industry. A large number of unemployed workers today were formerly employed in the construction industry. The following table is an estimate of the value of building contracts and wages paid in the construction industries:

	Value of construction contracts	Salaries and wages paid
1919	$2,579,000,000	$1,128,000,000
1920	2,533,000,000	1,086,000,000
1921	2,360,000,000	1,044,000,000
1922	3,353,000,000	1,671,000,000
1923	3,494,000,000	1,613,000,000
1924	3,880,000,000	1,783,000,000
1925	5,043,000,000	2,504,000,000
1926	5,422,000,000	2,798,000,000
1927	5,474,000,000	2,735,000,000
1928	5,844,000,000	3,039,000,000
1929	5,426,000,000	2,876,000,000
1930	3,808,000,000	2,018,000,000
1931	2,773,000,000	1,498,000,000
1932	1,351,000,000	743,000,000
1933	1,256,000,000	690,000,000

Mr. Chairman, during the period since 1919, and especially during the past 4 years when wages and pay rolls have decreased with a tragic rapidity, the productivity of the average industrial worker has steadily increased. The average worker in 1933 produced 83 percent more than the average worker in 1919. Since 1926 there has been a gain in productivity per man of 30 percent.

If we are to use 1926 as the goal of our efforts as to production, and so forth, it follows that wages should be brought back to the 1926 standard, and the hours of labor should be decreased 30 percent. Only in that way can we attain even the degree of balance in evidence during that year.

Mr. Chairman, with all my heart I desire to see the restored prosperity which will follow immediately upon the restoration of 10,000,000 unemployed workers to the great task of producing wealth for America. I have followed the President in every effort which was calculated to bring recovery. I believe that private industry can absorb millions of these unemployed workers if it can be given the long-term credit which has been given other interests, and if needed construction projects are organized and directed by the Federal Government.

Paraphrasing rule no. 1, issued by the Civil Works Administration, I would express the deliberate and determined position of the United States, as follows:

The purpose of the Federal Government is to provide regular work on useful and constructive projects at regular wages for all unemployed persons able and willing to work until they can be absorbed into private industry.

The continuation of relief activities on a temporary, piecemeal basis will result in so great an increase of tax burdens that industry will not be able to resume capacity production and thus absorb unemployment. By the beneficial employment of surplus capital and surplus labor it is possible to turn what are now the chief liabilities of the Nation into valuable assets; to create new and durable wealth, with a minimum of interference with private business and with little addition to the burden of taxation.

Mr. ARNOLD. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Chairman, while we were considering the recent monetary program there was but little opportunity for us to discuss the questions involved in that bill on the floor of the House. It is not my purpose today to undertake to discuss specifically the provisions of that bill; but I want to call attention to one or two things that seem to me of vital importance and involved in almost half the conversations we hear about this Chamber and in the cloakrooms.

AN ADEQUATE DEPENDABLE MEDIUM OF EXCHANGE IS IMPERATIVE

I may be too serious in believing that in order to do business, in order to have employment, in order to build roads, to improve commuities, and to carry on the business and commerce of this Nation, it is absolutely necessary to have an adequate and dependable medium of exchange. I believe that when I go to the grocery store and order groceries

weighed to the amount of $5 that it is necessary for me to deliver $5 in currency, a bank check, or some other evidence of value to balance the purchase. I believe that when I purchase a home or a farm that it is necessary for me to furnish a sufficient medium of exchange representing value to balance that transaction. I believe that when a people or a nation find themselves where they cannot do that thing, where they have no money or other medium of exchange, trading must stop, business must cease, and general stagnation must set in. That is the situation confronting our Nation and other nations of the world today.

I believe that the conception has been general that I am more of a currency inflationist than I have ever dreamed. I think there are Members of this House who believe that I should like to see the Government print unlimited quantities of currency. I have never proposed any such thing.

THE GOVERNMENT HAS NEVER MET ITS DUTY TO FURNISH A MEDIUM OF EXCHANGE

The Government of the United States has never undertaken and has never accomplished its duty in furnishing to the people of this country a dependable medium of exchange. If you will look over the statement of the Treasury and compare it with the statement of the banks, you will find that currency in existence usually runs about $1 to each $10 of bank credit. The currency furnished by the Government of the United States amounts to practically nothing when it comes to carrying on the trade and commerce and business of the Nation.

MONEY USED IN BUSINESS IS MANUFACTURED BY THE BUSINESS MAN AND THE BANKS

Get this point. The money that is used by the ordinary man and by business in general is manufactured by the individual and the banking set-up of the country. How has that been done? If I want $1,000 to be used for business purposes in my local community, I go to the local bank and say: "I want to borrow a thousand dollars." The banker then says to me: "What have you to secure the loan with?" I say: "A farm worth $3,000 or $4,000." The banker then suggests that I give him a trust deed on the farm. I execute a mortgage and deliver it to the bank for $1,000, and the bank then gives me credit for the $1,000, or passes over to my account $1,000 of bank credit.

What happens is this: I take a check book and go about the community writing and signing checks, and this becomes bank money because the bank has guaranteed with all its resources that it will back, honor, and make good all these checks to a total amount of $1,000. So as far as I am concerned and so far as the community is concerned the bank and myself agree upon a plan to manufacture a thousand dollars of medium of exchange. The bank checks are just as effective in business as if they were Treasury notes of the United States, signed by the Treasurer. That "bank money" is as good a medium of exchange as currency. There is just 1 chance in 10 that I will ever call for money or that anybody else who receives these checks will ever call for money on those checks that I passed out in paying obligations to persons with whom I have done business.

So that in our country, under our banking set-up, the masses of the people have depended on manufacturing their own currency, their own medium of exchange, with which to carry on and transact their business. The Government has never done its part. It has no plan of its own for meeting its duty to furnish a dependable medium of exchange.

If that source—bank credit—breaks down, what is the result to business? Certainly stagnation must set in. I call attention to this, that the Government furnishes only one tenth of the medium of exchange, coined and issued currency.

BANKERS NEVER AGREE TO FURNISH MEDIUM OF EXCHANGE

It depends on the banking set-up of the country to furnish the other nine tenths of the machinery business must have, and the banking set-up of the country never did agree to furnish the other nine tenths. This bank money is manufactured only as a byproduct incident to the business of the bankers who try to make a profit for those who have invested in bank stock. This is a byproduct and not a direct objective of the banks. The banks cannot furnish this medium of exchange when business becomes bad.

BANKS CANNOT MAKE LOANS WHEN PRICES ARE FALLING

They cannot assist business in manufacturing bank money when property price levels are falling. When price levels begin to go down, then the action of the bank is such that it is not only not helpful but injurious. Why? Because the banks have to call in loans, make collections, and to squeeze borrowers. I am not blaming the bankers. They could not agree to do anything other than what they are doing. The very nature of their set-ups makes it necessary for them to get funds to meet the demands of depositors. They have to take the course they do in order to protect their depositors. So the banks began to say to everyone who has borrowed from them, "You must pay up." Then deflation set in and ruination was increased by reason of the fact that the banks were not functioning in the way the Government expected them to furnish a medium of exchange. They are working in the reverse order and bringing on the calamity more surely and more quickly.

Mr. PARSONS. Will the gentleman yield?

Mr. BUSBY. Yes; I yield to the gentleman from Illinois.

Mr. PARSONS. The gentleman has made a very close study of this matter for the last few years, and I should like to ask the gentleman this question: How does the amount of currency against our bank credit in the United States compare with the amount of currency in England, France, Germany, and Italy as related to the bank deposits in those countries?

Mr. BUSBY. In France there is about twice as much currency as there is bank credit. So, of course, they have no bank failures. In England they have a larger proportion of currency to bank credit than we have; that is, the amount of bank credit to the amount of currency there is smaller than ours. I will sum it up in this one statement, we have the greatest banking system in the world for developing a country, but the poorest banking system in the world for security to depositors; that is, until the deposit guaranty law.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. TAYLOR of Tennessee. Does the gentleman think that the deflation of the dollar that will follow the enactment of this legislation will stimulate the price of farm commodities?

Mr. BUSBY. I should like to come to that a little later.

Mr. TAYLOR of Tennessee. If it will, I should like for the gentleman to account for the reduction in farm commodity prices that has been going on since the deflation started last July.

Mr. BUSBY. I shall be glad to come to that later.

Mr. LANZETTA. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. LANZETTA. Will the gentleman explain how an increased amount of currency would avoid the situation that the gentleman has just spoken of?

Mr. BUSBY. I am going into that proposition immediately.

I have had the pleasure of going over some of these matters with high officials of our Government, and some, or one, of the highest officials in the Government. I advance this thought, and I believe I am correct in it, that the banks in this country cannot make loans unless they can make collections. The banks cannot make collections unless they can sell at public auction the farm or the house or the property pledged to them for the loan and banks cannot sell at public auction unless there is buying power in the masses of the people so someone can bid in the property at the sale. So when commodity and property prices shrink and fall to where there is no buying power in the people, it is dangerous for the bank to take any other course than the course they are taking today.

What course have the banks fallen upon? They will make no adequate loans, as a general rule, to business unless the

loans are secured by Government bonds. These bonds are first mortgages on all the people and the future income of the Government. Let me point to a local situation.

The Riggs National Bank statement a few days ago showed that they had $71,000,000 of deposits and $80,000,000 of assets. Of these $71,000,000 of deposits, $49,500,000 were invested in Government securities and in currency, leaving uninvested in Government obligations only $21,500,000 of the deposits of the people that ought to go to help business in ordinary times. This policy, you know, is pursued throughout the country, and will not help business. No loans; no bank money or checking accounts; no help for business; only a market for Government bonds.

This is the main point I want to stress in the talk that I shall deliver at this time, and that is, with all the things the Government is doing to get business on its feet and the people back to a normal condition of employment, can we have no hope of succeeding unless we, through our effort, again develop a medium of exchange which the people can use to carry on business after the Government quits furnishing the credit?

BANKS MUST BE PUT BACK TO MAKING LOANS FOR CHECKING ACCOUNTS OR WE FAIL IN THE END

If we cannot get the banks back to where they will again furnish that nine tenth of the medium of exchange, we will necessarily fail, with all the R.F.C., N.R.A., C.W.A., and other activities that we are now engaged in. If, when this program is finished, we have not developed a condition in which the banks have come back into the field of business and operate in a normal way, and have reached the point where they will furnish business a medium of exchange based on loans against tangible property of the ordinary individual, we cannot possibly go on after the Government quits its program. Think of this one point: What are we going to use after the credit of the Government fails, if banks like the Riggs National Bank and the other big banks adopt the policy of refusing to loan money or lend so as to create checking accounts for business men?

I give you another illustration. A doctor friend of mine told me he had $3,000 on deposit in that particular bank. He asked for a loan of $2,000, just to see what he could do in the way of securing credit at his bank. He was told they would take it up with the board and see what could be done. A few days afterward the board reported to him they were sorry, but they could not make him the $2,000 loan. He said, "I did not want the $2,000; I was just sounding out to see what your policy is."

NATIONAL GOVERNMENT TO BLAME FOR FAILURE OF MEDIUM OF EXCHANGE

I am not blaming the bank. It has a right to refuse to make loans. This may be the best policy. I do lay the blame at the door of the National Government, whose duty it is to furnish a dependable medium of exchange for our people, and until we use our heads and our intelligence and evolve a method of assuming this responsibility to the American people and to business, we need not expect anything but conditions to come around periodically such as we are confronted with today.

Mr. McKEOWN. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. McKEOWN. Does not the gentleman think that the banks that refuse to make loans are just hastening the day when they are going to be put out of business and become nothing but safe-deposit vaults?

Mr. BUSBY. Probably that is right.

Mr. PARSONS. Will the gentleman yield for a question in that connection?

Mr. BUSBY. I yield.

Mr. PARSONS. Can the gentleman from Oklahoma [Mr. McKEOWN] tell us on what security or on what value the banks can make these loans? Can the banks make these loans on the value of the securities they are offered at the present time? What is the gentleman going to do to raise the value of the security which the general public has to offer for loans? If the gentleman can put his finger on that situation, that will show us the key to the door of the whole situation.

Mr. McKEOWN. Will the gentleman yield?

Mr. BUSBY. I am coming to that point, but I shall be glad to have the suggestion of the gentleman from Oklahoma.

Mr. McKEOWN. I suggest to the gentleman from Illinois that the trouble is not lack of security but a policy of absolutely not making loans.

Mr. BUSBY. I do not agree with the gentleman from Oklahoma. As I stated a while ago, the banks have never agreed to make such loans and furnish this medium of exchange. They must have some collateral when the loan matures on which they can realize so that they can restore credit to their bank and meet the demand of the depositor when he comes for his money.

Mr. McKEOWN. Some of the banks go to the extreme limit and refuse loans on collateral that is 10 times the amount asked for.

Mr. BUSBY. That is because they do not believe they can sell such collateral to the public and get their money back. I think they are taking the only safe course.

ONLY GOVERNMENT BONDS REGARDED BY BANKS AS GOOD SECURITY

In 1929, if you will note the amount of Government bonds that were held by the Federal Reserve System, you will find it was about $2,000,000,000. I think you will find now that all the banks have increased their bond holdings to nearly $14,000,000,000, indicating they do not regard anything but first mortgages on the entire country as adequate and safe. This is because it is a secondary type of money which the Treasury is obligated to take in exchange for currency and relieve the bank in case the bank gets in distress, and no other type of security has such call upon the Government of the United States.

But let me come directly to the point. Every time we sell a billion dollars of Government bonds we reach out into the various sections of the country and take up the deposits of the people and bring them to Washington and put them in the Treasury, then scatter them out through the recovery programs we are putting on now. I am not disagreeing with the recovery program, I am only reciting the facts. It is like this: The banker says, "I will not lend. I cannot feel secure in making these loans." The Government says, "If you will not lend, we will swap you Government bonds for these deposits and the Government itself will do the lending or the giving." This is what is happening to all the deposits which ordinarily go to make loans and help business to carry on.

The result is that business in that particular section of the country is robbed of the opportunity of getting a loan at the local bank, because the Government has taken the funds out of that bank, brought them to Washington, and is scattering them throughout the land. While the Government can do this it seems to help.

Let me illustrate. Suppose in your community you have a factory and you are ready to start the factory, but you need $10,000. You go to your local bank and they say, "Yes; we have plenty of money and your proposition appeals to us. Submit your financial statement and let us pass on it. I think we can make you the loan." Next week the Government sells another billion dollars of bonds, and the bank directors get together and say, "Things are not so secure; maybe we ought to buy $50,000 worth of Government bonds so as to have a little more liquidity." They buy the $50,000 of Government bonds, and when you come back with your financial statement, which is a good one, and apply for the loan of $10,000, the banker will say, "We believe in you and in your proposition, but we thought we ought to have a little more 'liquidity' and therefore we bought $50,000 of Government bonds, and we cannot make you the loan right now." So you are turned away.

This is what is happening to business everywhere, and when we have sold $10,000,000,000 of Government bonds, we

will have taken up $10,000,000,000 of credit that might have gone to business, and we have made this credit static and unusable, and business must wait until another day.

Mr. LANZETTA. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. LANZETTA. Sometime ago the savings banks in New York City reduced their rates of interest paid on deposits because the money they held was not earning a sufficient amount to pay more. This was not because there was not a demand for the money from the banks, but it was because the banks refused to make certain loans or to lend money on certain securities. As a matter of fact, many of the banks in New York City refused to lend on certain real estate.

Mr. BUSBY. Yes.

Mr. LANZETTA. So I say it was not because there was not the demand there; the banks were willing to hold their money in the banks rather than lend it on risks that they considered unsafe.

Mr. BUSBY. I am sure the gentleman is right.

Now, I want to go ahead with this thought. How are you going to meet this situation?

The banks in this country today have $1,000,000,000 of excess reserves piled up in the Federal Reserve banks, and this $1,000,000,000 is not bringing them one penny of income, but is lying there idle.

They have a billion dollars in currency in their vaults. Two billion dollars that the banks now hold is idle and still they do not make loans to aid struggling business.

Now, suppose when it comes time to raise the next billion dollars to meet the expenses of the recovery program, the President says to the banks, "You can't make loans to business; we don't expect you to make loans to business in times like these, for you might not be able to collect your money back, business is so unprofitable just now and collections are so hard to make. It is all right for you to pile up your excess reserves. But you banks are now notified that you are not going to get any more first mortgages—Government bonds—on the people just now. We are not going to give you bonds into which to sink your deposits and reserves. We are going to raise the next billion dollars by Treasury notes instead of bonds." Bonds and the Treasury notes are both products of the printing press, both dependent on the faith the people have in the Government and its future. If he would say to the banks, "We are not going to sell you any bonds; we are going to raise this billion dollars by paying out Treasury notes", we would pay out that money, and it would go into the hands of the people. There is no way to prevent its getting into the banks immediately. Business men will get the cash in trade, then take it to the banks and deposit in the banks.

There are only three ways, then, the banks can proceed along: First, they can keep the money in the vaults; second, they can send it to the Federal Reserve and take credit for it; or, third, they can make loans to business.

So we do not sell them any bonds, and the first thing banks know they have two billions in excess reserve drawing no interest and worth nothing in the way of making the banks a profit.

Then we say to the banks, "You are not easy enough yet to make loans to business, so we are going to pay the second billion dollars of the recovery program in Treasury notes."

Mr. TABER. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. TABER. Is it not a fact that with these Treasury notes paid out, with the law as it stands now, the only effect would be to force retirement of the Federal Reserve notes now outstanding?

Mr. BUSBY. No, sir; there might be some retirement. There is always some retirement. They retired silver; they retired gold. Federal Reserve notes or any other kind of money may be surrendered into the Federal Reserve and credit taken for it by the bank turning it in. Any kind of currency may be surrendered in the same way; one kind is no different from the other.

The second billion dollars would go into business from the persons who received them in payment in the recovery program, and they would be turned into the banks. Immediately business would gather up the currency and deposit it in exchange for bank credits and checking accounts.

Then the banks would have, we will say, $3,000,000,000 of excess reserve instead of $1,000,000,000 that they have now.

What I am coming to is this, that before you will get out $3,000,000,000 of Treasury notes, the banks will have accumulated so much unusable credit that they will try to effect loans and thereby bring about that beginning which we must look forward to if we are ever to get out of this awful financial situation.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Let me finish. I want the gentleman from New York [Mr. TABER] to listen for a moment. There is only one of three things that the banks can do with this currency. It is true they can surrender any kind of currency to the Federal Reserve bank, then it is changed into excess reserves, or they can make loans, or they can keep the cash in their vaults. There is no other thing that they can do with it unless the Government sells them bonds by the billions and takes up the funds that ought to go to business, that belong to business, that have been deposited by the local communities, and that are to accomodate the local communities instead of financing the Federal Government.

SELLING BONDS IS THE WORST KIND OF DEFLATION

To sum up, we will have to do something beside sell bonds and deflate. We have to make the banks so unprofitably comfortable that they will begin to look for private loans and investments of that type and go back again to aiding business and giving business a chance to come to life and carry on.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. WEIDEMAN. In other words, the course that we have been pursuing, the issuing of Government bonds to cover all these projects that we have been putting into effect has worked to the disadvantage of the extension of credit to business, commerce, and so forth. The banks are lying back with the money and do not want to let it go until they get another bond issue, and until we give them enough Treasury notes, or whatever we give them, to force them to loan if they would not do it.

Mr. BUSBY. When you make them so uncomfortably unprofitable that they cannot get anything out of their holdings, they will be compelled to loan to business.

CHEAP GOLD DOLLARS MUST HAVE DOLLARS IN CIRCULATION IF RECOVERY IS TO COME

There is the question of our gold-buying policy. I have given a great deal of thought to that, and I discussed the matter extensively with Professor Pearson and with Professor Warren, before he came into his present service, where he ought to keep quiet and does so. He believes that the gold-buying policy and depreciating the dollar in terms of gold would raise the commodity-price level. I never could see the reason for that having an immediate effect. The cheap gold dollar is in terms of foreign money measured in terms of gold. All foreign exchange is measured in terms of gold. Whether the country has a dollar of gold or not, its currency sells in terms of gold.

Whatever this money sells for in the international exchange market, it is measured in gold. When we went off the gold standard, we refused to pay gold, and so the dollar began to depreciate. The dollar has gone down now to about 60 cents compared with what it was in terms of gold. But that has nothing to do particularly with this country. It does this: It makes our market more attractive to the foreigner, because he can come in here with his foreign money and buy our dollar much more cheaply than he could. He can exchange the dollar for our goods and ship our goods to his own country. It opens up the domestic market to foreign buyers. That is the principal good, and insofar as he brings wealth and money into this country and turns it over to the American seller for his goods,

he will help to lift the commodity-price level, and in the course of 3 or 4 or 5 years that trickling in of foreign funds will have so affected the American market and the surplus in that market as to have an appreciable effect upon our general commodity-price level. But it is not an immediate or instantaneous method for lifting the commodity prices in this country. Our money question is a domestic question. Unless we have some kind of a dollar—silver, gold, Treasury note, Federal Reserve note—to represent this cheap gold dollar, it does not mean much to us.

We will have to have some kind of dollars in this country to represent those cheap gold dollars or it will not revive trade. Let me point to another field. The price-commodity level in this country has increased less than half the amount the dollar has depreciated in terms of gold. Why has it increased at all? That little trickling in of foreign funds has helped some, but the thing that has helped has been the fact that Uncle Sam has gone out and said, "Here is $7,000,000,000 in bonds, you banks take them and give me your cash and I will scatter it to the four corners of the country." That has been done; and as long as that credit lasts, there will be an uplift in price levels and there will be a revival of business; there will be activity, and that is what has increased the commodity price level in this country about 12 percent. It has been the activity in exchanging Government bonds, payable in the future with interest, for those funds which the banks would not put out, but which the Government did put out. That is what has helped business. It has helped the situation and will continue to help as long as we continue to do that, which we know must come to an end some time.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Yes.

Mr. O'MALLEY. The gentleman says the commodity-price level has increased in this country. Has it actually increased over last July?

Mr. BUSBY. I am not trying to draw technical distinctions to that point. I am trying to cover the general situation. It may not be much higher than in July. There might have been excitement—and there was—and apprehension, because prices were going up, and everybody began buying and ran prices up at that time, but we have sobered down some.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. ZIONCHECK. The gentleman made a statement, if we would put out a bond issue of $7,000,000,000, get the money from the banks, and send it to the country. Is there $7,000,000,000 worth of money in all the banks combined?

Mr. BUSBY. There is not $7,000,000,000 in currency. There is not more than $1,000,000,000 in actual coined and issued currencies, but the dollars that the business of this country uses and that the ordinary man uses, as I have explained, are the dollars made by the bank, by lending against his tangible property, thereby creating credit accounts to be checked against.

Mr. ZIONCHECK. And usually coming back to the Treasury and getting Treasury notes printed for the same bonds that they take. Is that not right?

Mr. BUSBY. That is often quite true.

HOW MANY BONDS CAN THE GOVERNMENT SELL?

Now, let me discuss one other proposition for a moment and then I will not longer trespass on the time of the House. The question then arises to what extent we can sell bonds of this country. About 1929 the best authorities said that the wealth of the Nation was $360,000,000,000. The wealth of a man depends on the market condition at the time his property is offered for sale. He may be worth $100,000 today when the market is open and attractive to his properties. He may not be worth $20,000 next year when the market has no liking for his properties. So the wealth of the country is dependent largely on the attitude of the buying public and its ability to buy when the properties are offered for sale.

The same authorities say that the wealth of this Nation is now about $236,000,000,000. The debts in this Nation are about $235,000,000,000, so we are about even, or almost bankrupt if we were called on to pay up what we owe. How many bonds can the Government sell? To whom must it look to purchase them? I believe the Government can sell to private investors 10 or 12 billion dollars of Government bonds. Now, to whom else can it sell? To the banking set-ups of this country.

There are $38,000,000,000 of deposits in the banks. How much of those deposits can be converted by the banks into Government bonds? If the bond holdings of the banks since 1929 have risen from $2,000,000,000 to $14,000,000,000 in 1934, we see that they are rapidly converting their deposits into Government bonds and making static the condition of credit we hope to remedy. I do not believe the Government can sell more than $25,000,000,000 of bonds to the banks. I do not think they can convert $25,000,000,000 of the $38,000,000,000 of deposits into Government bonds. The Government must have a purchaser for its bonds, just as I must have a purchaser for my farm. After these bonds have absorbed the liquidity of the people and of the banks, that will end the ability of the Government to sell bonds without inflation having set in. "Printing-press bonds" are the same kind of ink and paper as "printing-press money", only they are better for the banking element, because they have a service charge in interest which costs the people 3½ to 4 percent. A 20-year bond of $1,000,000,000 issue will cost the people $2,000,000,000 before they get through paying. After you have absorbed the base, bonds will begin to sink below par. After Government bonds have gone down to 95 percent, another billion-dollar bond issue will not sell at 95 percent, but all the bonds will lower enough so as to absorb the additional bond sale of $1,000,000,000, and the total of the bonds outstanding will not sell for any more than those outstanding would have before the last issue. So we will have reached a condition of inflation in Government bonds which will be no better than inflation in currency. [Applause.]

Mr. BLANCHARD. Mr. Chairman, I ask unanimous consent that I may be permitted to revise and extend my remarks made before the Committee this afternoon, and to insert a letter received from the county superintendent of schools of Rock County, Wis. It is a short letter.

The CHAIRMAN (Mr. FULLER). Is there objection to the request of the gentleman from Wisconsin [Mr. BLANCHARD]?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. HOOPER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and I ask unanimous consent to read not editorials but two or three very brief excerpts from some editorials along the line of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOOPER]?

There was no objection.

Mr. HOOPER. Mr. Chairman, the old principle of party government that the spoils of office belong to the victor is so firmly established in our system that the vast changes resulting from an overturn are looked on by everyone with complacency. Undoubtedly it would be better if district attorneys and marshals, ambassadors and ministers, district clerks and postmasters were appointed and retained under a merit system; but this certainly will not come about for many years, if ever.

There are, however, Executive appointments which, not coming under the foregoing nor under civil service, are vested by Congress with a peculiarly nonpartisan character. One of the great independent agencies of the Government—the Federal Trade Commission—is typical. It was created by a Democratic Congress under an act approved by President Wilson on September 26, 1914. Its 5 members are appointed by the President, the Senate concurring, for a term of 7 years; and the law provides that no more than 3 of these 5 members may be of one political party. Congress obviously made the term 7 years to establish firmly independence of action and judgment by the members of the Commission. Obviously Congress meant that the views of both of the major parties should here have a forum. Such

was its purpose in making similar enactments concerning the Tariff Commission and the Interstate Commerce Commission. The business of the Commission, that of investigating and acting upon unfair methods of competition in commerce, is nonpartisan and of equal interest and benefit to Democrats and Republicans alike.

Under the law the President may remove Commissioners for inefficiency, neglect of duty, or malfeasance in office.

To this Commission on February 25, 1925, President Coolide appointed Hon. William E. Humphrey, for 14 years a Republican Representative in Congress from the State of Washington. At the end of his term President Hoover reappointed him for the 7-year term. He has been an active and useful member of the Commission. He has been charged with no inefficiency, with no neglect of duty, with no malfeasance in office. His record has been excellent.

In September 1933 President Roosevelt sent a letter to Mr. Humphrey in which he says:

Without any reflection at all upon you personally or upon the service you have rendered in your present capacity, I find it necessary to ask for your resignation as a member of the Federal Trade Commission. I do this because I feel that the aims and purposes of the administration with respect to the work of the Commission can be carried out most effectively with personnel of my own selection.

In a second letter he said:

You will, I know, realize that I do not feel that your mind and my mind go along together on either the policies or the administering of the Federal Trade Commission; and, frankly, I think it is best for the people of this country that I should have a full confidence.

On October 7, 1933, the President wrote him:

Effective as of this date you are hereby removed from the office of Commissioner of the Federal Trade Commission.

The controversy will be finally passed upon by the courts.

The absolute legal right to removal is one thing; the sheer justice or injustice of his removal is quite another. The three Republican Presidents who held office previous to Mr. Roosevelt's administration respected the law in its letter and its spirit. No one has heard the democracy of members of that party serving upon the Trade Commission challenged in any quarter. Their appointments were brought about largely through Democratic recommendation. When our greatly beloved former member, Finis Garrett, was appointed as a judge of the Court of Customs and Patent Appeals, an appointment which gave pleasure to Republicans as well as Democrats, no question was asked as to whether or not he was one whose mind went along with that of the then President on any subject. When President Hoover named the great Justice Cardozo to the Supreme Court he named him as a Democrat and a liberal, with universal approval. When Hon. Charles E. Crisp was tendered a Federal appointment by President Hoover, his democracy was neither challenged nor inquired into. That has been true of virtually all the nonpartisan appointments made in this manner by former Presidents.

President Roosevelt may have the legal right to remove Mr. Humphrey. It is quite certain that he has not removed him for any of the reasons set forth in the law. On the contrary, he congratulated Mr. Humphrey upon "your long and active service", and added that his request for Mr. Humphrey's resignation was "without any reflection upon you at all personally or upon the service you have rendered."

The deduction is a simple one, that Mr. Humphrey being a real Republican was therefore objectionable to the President. It was rumored widely through the country at the time the resignation was requested that the President intended to appoint ex-Governor La Follette, of Wisconsin. No one questions the honesty and ability of Mr. La Follette, but there are millions of citizens who question his Republicanism. It would be as though a Republican President had nominated Norman Thomas to the Trade Commission on the theory that he was a Democrat. There is no doubt that the President would like to have independent offices, as well as the more political ones, filled by members of his own choice, but to violate the spirit of the law as well as perhaps the letter is a method of procedure so harsh that it has been challenged not only by Republicans but as well by some of the prominent Democratic papers of the United States.

On September 19, 1933, the Baltimore Sun, to my mind the greatest Democratic paper in the United States, with the possible exception of the New York Times, said editorially:

By removing Mr. Humphrey without specifying charges under the law, President Roosevelt has struck at this independence. If such action is permissible, the Trade Commission will cease to be the continuing body Congress intended, for the terms of its members will be terminable at the will of the President. If disagreement with the President's policies is a valid ground for removal—and this is the only ground on which Mr. Roosevelt bases his case—then the Trade Commission will be subject to reorganization with every change of administration and it will cease to be an independent, quasi-judicial body and become one of the administrative agencies of the Government.

It may be argued that the new Securities Act with the administration of which the Trade Commission is charged so enlarges the authority of the Commission as to make such reorganization essential. Some grounds for this contention exist, but the fact is that neither the administration, which drafted the act, nor the Congress, which passed it, provided for such a change. The enforcement of the securities law was intrusted to the Trade Commission as the Trade Commission then stood. If this was an oversight, it could be remedied by appropriate legislation at the next session of Congress. To attempt to remedy by administrative fiat is to risk the establishment of a dangerous precedent.

The independent Washington Star summed up the matter in the following words:

The attack upon the independence of the Trade Commission by the Chief Executive in the removal of Mr. Humphrey is a serious matter. If the decisions of the Commission in important matters relating to the conduct of business, placed in the hands of the Commission by law, are to be dictated from the White House there may be trouble ahead. Such an attack will be regarded in much the same light as an attack upon the judiciary by the Executive. Federal judges hold their appointments during good behavior under the terms of the Constitution. It has been held they are only removable after impeachment and trial by the Senate. The President and all civil officers of the Government also may be removed after impeachment proceedings, as a matter of fact. But the Congress in passing its laws setting up various Government agencies has recognized the right of the President to remove civil officers outside of the judiciary for cause.

These are typical of many editorial discussions.

I have not thought that the power of the President could possibly extend to removal of the judiciary, at least to the Supreme Court, which is a constitutional court. All other Federal courts, however, are the creatures of the legislative body and it is not impossible that a President of the United States might attempt to remove a district judge or a judge of the Court of Claims from office, ignoring the constitutional method of impeachment. That would seem to be a violent infringement upon the law but it would be little more violent than the attempt to remove without charges of "inefficiency, neglect of office, or malfeasance" a legally appointed member of a commission set up under a law the obvious intention of which was to make that commission nonpartisan and beyond the reach of politics.

The vital question involved in this action of the Chief Executive is whether the provisions in the law creating the Federal Trade Commission and similar provisions in other statutes requiring that not more than a majority of the Commission shall be of one political party, that they shall be appointed for a term of 7 years, that they may be removed for the causes specified, and all other provisions in that statute intended to make the Commission an independent body and keep it free from political influence are constitutional or unconstitutional.

Undoubtedly the Myers case (272 U.S. 107) will play an important part in the legal argument which will finally take place over this controversy. That case involved a statute reading as follows:

Postmasters of the first, second, and third classes shall be appointed and may be removed by the President, by and with the advice and consent of the Senate, and shall hold their offices for 4 years, unless sooner removed or suspended according to law.

In this statute, differing from the one in question in the Humphrey case, broad power of removal is given to the President. The reasons for which removal may be made are not specified. The decision in the Myers case sustained the right of the President to remove a postmaster without

consulting the Senate. In deciding this case Chief Justice Taft said:

> There may be duties of a quasi-judicial character imposed upon executive officers and members of executive tribunals whose decisions after hearing affect interests of individuals the discharge of which in a particular case the President cannot properly influence or control. But in such a case he may consider the decision as a reason for removing the officer on the ground that the discretion regularly intrusted to the officer by statute has not been on the whole intelligently or wisely exercised.

This, however, as stated in an editorial in the Detroit Free Press, "is not the law—it is merely the Chief Justice's obiter dictum." In this case no claim was made by the President that the duties of Mr. Humphrey were not either intelligently or legally exercised. There is a wide difference between the Myers case and that of Mr. Humphrey.

It is very difficult to see where the possible difference in viewpoint between President Roosevelt and Mr. Humphrey can possibly be involved in an interpretation of the law. The law does not require that the mental attitude of Mr. Humphrey should be either one favored or disfavored by the President. It merely requires that not more than three members of the Commission shall belong to the same political party. It cannot be presumed that Mr. Humphrey has or will act in opposition to views entertained by the President as to unfair competition or other subjects which come before this Commission; and even if such a presumption existed, it ought to play no part in deciding whether or not an official, duly appointed under this statute, should continue to serve out his term. If this policy were carried out to its logical conclusion, the Trade Commission, and every other like body, would be subject to changes of this character with every change of administration. What would be the result? It would cease to carry out the purpose for which it was organized—that of an independent semijudicial body—and would take its place among agencies purely administrative in character. As stated by the Baltimore Sun:

> It may be argued that the new Securities Act, with the administration of which the Trade Commission is charged, so enlarges the authority of the Commission as to make such reorganization essential. Some grounds for this contention exist, but the fact is that neither the administration, which drafted the act, nor the Congress, which passed it, provides for such a change. The enforcement of the securities law was intrusted to the Trade Commission as the Trade Commission then stood. If this was an oversight, it could be remedied by appropriate legislation * * *. To attempt a remedy by administrative fiat is to risk the establishment of a dangerous precedent.

The removal of Mr. Humphrey has a striking analogy to the attempt by President Roosevelt during the special session to have enacted a law empowering him to appoint as Governor of the Territory of Hawaii someone from continental United States. The organic law of Hawaii requires that the Governor of that Territory be a resident of the islands. President Roosevelt wished to appoint someone from the mainland; so Congress was requested to violate what is virtually a pact between the people of that defenseless Territory and the people of this powerful Nation and to enable him to do legally what he could not do ethically. Fortunately for our national honor, this bill has so far failed of passage in the Senate.

The principle in that case and in the Humphrey case is the same, and no sophistry can discriminate between them. The law must be the law for magistrate and citizen alike or we are no longer a Republic. Those who believe in arbitrary power may take comfort, perhaps, from incidents such as these; but they are big with disaster to democratic ideals and traditions and government. Every time that one legal right is whittled away, every time that one constitutional principle is nullified, every time that law must bow to political expediency, the way is made easier for greater and more permanent infringements upon individual rights and privileges.

Mr. Humphrey, the man, is of little importance in this controversy. I barely know him. Whether he or some other man holds his position on the Federal Trade Commission is of little comparative importance. But there is a principle at stake which, if violated, if given the status of a precedent, may be of paramount importance. It may be legal; it is certainly moral, and the preponderance of morality is against the position of the Executive; and if it becomes precedent it will arise some day to confound his successors and will detract from his own place in our country's history.

If Mr. Hoover had removed a Democrat for purely political reasons from an office such as this, the country would have rung with denunciation. Perhaps it is not unpatriotic or treasonable for a Republican—and a much stronger one today than ever before—to point out this apparent injustice on the part of a Democratic President.

For the Presidential office I have the utmost respect; for the holder of that office I wish nothing worse than a career of splendid service to his sovereign, the people. He can best serve them by administering the law as it is written, with justice to all, with injustice to none.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, yesterday we listened with interest to the very eloquent address by the gentleman from California, protesting against the removal of the battle fleet of the United States from the Pacific into the Atlantic, and advocating that our war fleet be compelled to remain in the Pacific.

Of course, the battleship fleet of the United States belongs to the entire United States and not to the Pacific coast alone. Yet most of us sympathize with the views of the gentleman. We realize that in California there is a peculiar racial condition and that there is a potential menace in the Orient. The real enemy of the American people is not Japan or any foreign country. The enemy of the American people is unemployment, hunger, nakedness, cold, distress and suffering. Those are the enemies that we, as representatives of the people, must combat. A stranger from another planet, coming into our midst, beholding a surplus of wheat and pork, and people hungry, an abundance of cotton and wool, and people inadequately clothed, plenty of coal and people cold, would say this is an insane Nation. We were; but, thank God, we are finding our way out.

Earlier today the gentleman from Illinois—I am sorry he is not here because I admire him very much personally and consider him one of the most valuable Members of this Congress—earlier today he twitted us Democrats mildly and castigated us in his genial manner because perchance the Budget would not balance and there might be a $7,000,000,000 deficit by 1935.

There are things more important than balancing the Budget. For instance, it is important to provide work to industrious and worthy men and women who desire to be gainfully employed. As a general policy it is, of course, proper to balance the Budget. This is the proper attitude for individuals and the proper attitude for government. If, however, the effort to meet the running expenses of the Government out of current revenue involves widespread hardship, then the attempt to balance the Budget should not be made at this time.

Let me call attention to the fact that in time of war, for purposes of destruction, this Government floated bond issues totalling more than $21,000,000,000. That war was remote from our shores some 3,000 miles and cost the American people $40,000,000,000. But the American Government was prepared, as the experts of the General Staff declared that the war would not end until 1919, for an expenditure of $30,000,000,000 additional during 1919 in the winning of the war.

A condition now confronts this Congress more serious than war. It is a condition that is here with us, a condition that threatens our very institutions, that menaces our people, a condition that is far more dangerous than war. It is involuntary unemployment. It is the depression. Involuntary unemployment is a great moral wrong. It is wrong to deny to worthy and industrious men and women the opportunity to be gainfully employed.

It happens that I served as a member of the Ohio Commission on Unemployment Insurance, having been appointed to that Commission by the Governor of Ohio and serving for

a period of more than a year. I am proud to say that as a member of that Commission I helped draft a report recommending compulsory unemployment insurance. I helped draft the model legislative bill that was presented and is now pending in the General Assembly of Ohio, establishing in the State I represent here as Congressman-at-large, a model unemployment insurance statute for our people.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. DUNN. Does the State of Ohio have workmen's compensation insurance?

Mr. YOUNG. I am glad to answer the gentleman from Pennsylvania. It has been the boast of the Republican Party that that party has been the protector of the workingman; yet, in 1913, when I served my first term in the General Assembly of Ohio, and when we Democrats, after a lapse of some years, came into power in that State, in a few months we did more for the American workingman than the Republican Party had done in 40 years, for we enacted the compulsory compensation insurance law which was introduced in the General Assembly of Ohio by William Green, who is now president of the American Federation of Labor. [Applause.]

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. BROWN of Kentucky. Does not the State of Ohio have a method or means of carrying its own compensation insurance in the case of State employees and insurance on government buildings? Does not the State of Ohio have a State insurance fund taken care of by the State instead of being let out to private concerns?

Mr. YOUNG. In Ohio it is not let out to private concerns. The Industrial Commission of the State of Ohio has an industrial insurance fund contributed to by all employers of the State employing three or more people in their workshops.

Mr. BROWN of Kentucky. Has not the State of Ohio built up a considerable surplus in that fund?

Mr. YOUNG. There is a considerable surplus in the insurance fund.

Mr. BROWN of Kentucky. I may say to the gentleman that in our State it is farmed out to political lobbyists for the purpose of controlling politics and it goes into a kind of slush fund to those who happen to have political influence.

Mr. YOUNG. Unfortunately, we had that same experience in Ohio. But in 1913 there took office in that State a great progressive Democrat, Gov. James M. Cox. Under his leadership we established the workmen's compensation insurance fund.

Now, may I proceed, Mr. Chairman? At the time last March when I first entered this Chamber as a new Member the entire financial structure of the United States had collapsed; a depression originally avoidable and then terminable had grown to be a great calamity by reason of ineptitude on the part of the Chief Executive and his pulling the covers over his head, ignoring the pitiful condition of his countrymen, and muttering to himself that prosperity was just around the corner; that conditions would be normal within 60 days. Banks in 48 States were closed; our international trade had been destroyed; transportation was paralyzed; our farmers were bankrupt; factories were shut down; millions of worthy and industrious men and women walked city streets jobless. Light had faded from the eyes of men and women and hope had died in breaking hearts. In fact, at no time since the northern troops fled in panic early in 1861 had our institutions been so menaced as last March when a new President took the oath of office. The times demanded leadership.

As the wandering and abject tribes of Israel in that remote period of almost forgotten centuries called to Moses to lead them from a wilderness of despondency and to free them from shackles which bound them in ruthless subjection to tyranny, so the American people called to a new President and to a newly elected Congress to lead them from a wilderness of despondency into the promised land of steady employment and economic security.

It seems to me, Mr. Chairman, that in any country of the Old World the unparalleled condition of suffering and distress which confronted our people on March 3 and 4 of this year would have resulted in revolution and bloodshed. But here a new Executive acted promptly; a newly elected Congress acted with rapidity. We did not postpone the hope nor continue the hunger of men and women who were unemployed and little children who were underfed.

Mr. FOSS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. FOSS. Did Mr. Hoover receive the same kind of support from a Democratic Congress for 2 years that the Republicans accorded to Mr. Roosevelt in this special session?

Mr. YOUNG. Mr. Hoover had 3 years or more to give some constructive plan, but he did nothing whatever.

Mr. FOSS. He had 2 years of a Democratic Congress and he could not do a single thing.

Mr. YOUNG. Democrats came along and acquiesced with him in farm relief and other measures, but these were not effective. Yes; Democrats supported his measures when they were of a helpful character. He had no constructive program.

We have since last March 4 gone a long way and under a great leadership.

In this Congress we are engaged in and embarked upon an ambitious program of reconstruction and recovery. Christopher Columbus, you will remember, when he started out on his voyage of discovery, did not know where he was going. When he reached his destination he did not know where he was. When he returned home he did not know where he had been. Old-timers who sailed uncharted seas, climbed unknown mountains, and plunged into unbroken forests have no reason to boast before the fine leaders of today who are blazing new trails out of old social jungles, giving employment, making life broader and more worth while for those who have heretofore lived in the darkness of unemployment and poverty.

Let me say that the Civil Works program of this administration must not be stopped. Millions of men—some 4,000,000—have already been given employment. Appropriations for the continuation of the great C.W.A. work must be forthcoming from this Congress. The C.W.A., in fact, should be expanded. It should be accelerated. It should not be curtailed. It should be continued for the duration of this depression.

President Roosevelt declared on November 15:

> I am very confident that the mere fact of giving real wages to 4,000,000 Americans who today are not getting wages is going to do more to relieve suffering and to lift the morale of the Nation than anything undertaken before.

Of course, this is just as true now as it was on November 15, and I fear that unless the funds are made available to continue the C.W.A. the depression will continue through this year. Nothing is more important than to continue to give gainful employment and continued purchasing power to our people. Certainly, private charities, soup kitchens, and bread lines cannot be permitted to be the only answer of American intelligence and sense of justice to the problem of unemployment in this country. Everywhere throughout the land people are asking: "Are we really on the way? Is this going to last?" The answer should be made by this Congress in this present session to 126,000,000 of the finest people living anywhere under the bending sky of God, that they are being definitely led away from the threatened chaos of revolution and ruin, and definitely led into the promised land of steady employment and economic security. We must not fail these people. The new deal is here, and it has brought a new day and a new hope to America. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein quotations from previous speeches delivered

by myself and a statement of the Secretary of the Treasury recently given out to the press.

The CHAIRMAN. Is there any objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. Mr. Chairman, a citizen of the United States has asked me to explain for his benefit and for the benefit of other United States citizens the real meaning of the Roosevelt gold bill, the bill which the House passed last Saturday by 360 votes to 40, with 32 Members not voting.

Mr. Chairman, a law against the Constitution is void. The gold bill creates a nullity. Old John Marshall said that the words of the Constitution are not to be twisted out of their plain, everyday meaning. The Constitution says Congress shall have power to coin money and to regulate the value thereof. This, Mr. Chairman, means that Congress has power to make coins of metal and to stamp the true value upon each one of them. It does not mean that Congress shall refuse to furnish the people of the United States with an adequate coinage, and it does not mean that a theoretical amount of uncoined metal shall be called a coin. A coin is an object which may be seen and felt and even heard if one tests the ring of it.

Mr. Chairman, the gold bill attempts to cut out, delete, and destroy that part of our great written Constitution pertaining to the power of Congress to coin money and to regulate; that is, to stamp on the metal coin the value thereof. The bill is unconstitutional on its face because it seeks to nullify the Constitution. Moreover, it is a bill which is contrary to the common law and to the law of custom upon which the common law rests. It attempts to legalize robbery. It attempts by force to deprive the people of the United States of their right to the currency of the Constitution. It gives the international bankers power to send the gold belonging to the people of the United States to a place of deposit reserved to themselves in Europe. Mr. Chairman, the gold bill cannot become a valid law by any constitutional means.

Now, Mr. Chairman, let us look at the bill to see if the legal hirelings of the Bank of England and their agents, the Federal Reserve Board and the Federal Reserve banks, have been able to disguise its purpose. Let us see if they were able to clothe the grisly skeleton of their greed with echoes of glib religiosity, moral precepts, economic jargon, and shop-worn tags of speech, according to the fashion set by the present administration. The first thing that meets my eye is the title. We read:

A bill to protect the currency system of the United States, to provide for a better use of the monetary gold stock of the United States, and for other purposes.

It is indeed a bill to protect the present currency system of the United States, but it is a bill to protect it from the just wrath of United States citizens. It is a bill to save for the Federal Reserve Board and the Federal Reserve banks their gigantic monopoly of a special paper currency which they steal from the Treasury and upon which they charge the people of the United States a heavy toll of interest. It is indeed a bill to provide for a better use of the monetary gold stock of the United States, if better use means the issuance of two sets of obligations against one piece of security. It is indeed a bill for "other purposes", and those are purposes which the proponents dare not mention.

Among the purposes of the gold bill not mentioned in the title is that of pretending to take into the Treasury the gold now held by the Federal Reserve Board and the Federal Reserve banks, and a great effort has been made to have it appear that the Federal Reserve banks are unwilling to surrender the gold they now hold to the United States Treasury. This effort is dishonest for two reasons. First, the Federal Reserve Board and the Federal Reserve banks have already made a profit of some billions of dollars out of the President's gold seizures, and those billions were stolen from the people of the United States; and, second, the transfer is fictitious. The President sought to convince Members of Congress that the Federal Reserve banks were resisting his efforts to have the Treasury take possession of the gold, but one of the members of the Federal Reserve Board spoiled that argument by declaring that the Federal Reserve Board had asked the President to have the Treasury take the gold.

You see, Mr. Chairman, under this bill the United States Treasury has to pay for the gold. Although the gold belongs to the people and was taken away from their bank deposits and their cash registers and their pocketbooks in the first place and put into the Federal Reserve banks, and although the Federal Reserve banks tricked and fooled the people into giving it to them for Federal Reserve currency, which they now refuse to redeem, and although that gold does not belong to the Federal Reserve Board and the Federal Reserve banks, the United States Treasury has to pay the Federal Reserve Board and the Federal Reserve banks for it. Well, how does this bill propose to pay the Federal Reserve outfit? How does this bill provide that the Government shall take over the stolen goods? It provides that the United States Government shall give the Federal Reserve Board and the Federal Reserve banks new gold certificates to the full value of the loot. The gold certificates will give the Federal Reserve Board and the Federal Reserve banks legal title to the gold, and the United States Treasury will be nothing more than its physical custodian. The Secretary of the Treasury will give the Federal Reserve banks gold for their new gold certificates whenever they ask for it. It is a fraudulent transfer.

When the individual citizens of the United States were required to surrender their gold, they were required to surrender their gold certificates as well as their gold coin and bullion. The Federal Reserve Board and the Federal Reserve banks are private corporations, but they did not obey the gold orders. They did not surrender any gold coin, gold certificates, or gold bullion. On the contrary, the gold which was commandeered from the people was given to them as a free gift; and now, after they have taken into their possession all the gold belonging to the people, they are ready to make a pretended transfer of that gold to the Government. Evidently there is law for the common man and no law for the Federal Reserve Board and the Federal Reserve banks. The common man must toe the mark, but the Federal Reserve Board and the Federal Reserve banks are the agents of the Bank of England, and the law, it seems, does not apply to them. Many of the officials of the Federal Reserve outfit have had charges of impeachment brought against them, but those charges have not been investigated.

The Federal Reserve outfit now has in its possession gold coin, gold certificates, and gold bullion. But this bill does not require them to surrender their present holdings of gold certificates. After this bill becomes law, if such a catastrophe should occur, the Federal Reserve Board and the Federal Reserve banks will still hold their present gold certificates. They may exchange those gold certificates for gold between the time this bill becomes law and the day the President makes his proposed devaluation proclamation. Is not this gift of over $1,000,000,000 in gold a great treasure to bestow upon the Federal Reserve Board and the Federal Reserve banks—the corrupt and sinister organization which has bankrupted the country? Does this not make favorites of the financial crooks who control it?

Mr. Chairman, all the gold in the possession of the Federal Reserve Board and the Federal Reserve banks belongs to the people of the United States. During the last 20 years, under the vicious Federal Reserve Act, they have taken it from the people in exchange for Federal Reserve currency, and it has not cost them one penny. Now they come forward to make a pretended transfer of the people's gold coin and bullion to the United States Treasury. Not one penny of the gold they pretend to transfer to the United States Treasury is owned by them; every dollar of it belongs to the individual citizens of the United States. The United States Treasury is to buy it on credit and to pay for it with new gold certificates. How does this transfer title to the United States Treasury? Can the Congress lend itself to such a transaction? Last May I stated that, in my opinion, the

people's gold, unjustly impounded in the Federal Reserve banks, should be placed in the people's Treasury, but I did not state that it should be placed there as the property of the Federal Reserve Board and the Federal Reserve banks, to be withdrawn by them with gold certificates and to be made exportable from the United States Treasury to the Bank for International Settlements in Europe. What this bill proposes to do in connection with the President's message suggesting that this United States gold may be sent to Europe to be kept in the Bank for International Settlements with the loot of the central banks of other countries is one of the greatest fiscal frauds in history. It is one of the biggest swindles of all time.

Again, Mr. Chairman, as you very well know, the Federal Reserve Board and the Federal Reserve banks had paper currency outstanding to the extent of about $5,000,000,000 when the present administration came into power. That currency was redeemable in gold. It constituted the people's title to all the gold held by the Federal Reserve outfit. It constituted a first and paramount lien on all the assets of the Federal Reserve Board and the Federal Reserve banks. Instead of taking over the gold and the assets of the Federal Reserve Board and the Federal Reserve banks, including the great hoard of United States wealth which they have hidden in foreign countries, and honestly administering those assets for the benefit of the people who had been defrauded by the Federal Reserve Board and the Federal Reserve banks, the President of the United States unlawfully relieved the Federal Reserve Board and the Federal Reserve banks from their legal liability to redeem their Federal Reserve currency in gold, or in lawful money convertible into gold, and from the surrender of all their assets. Every dollar that was unlawfully taken from the people of the United States by Roosevelt's gold order was given to the Federal Reserve Board and the Federal Reserve banks in preparation for this great steal, this wholesale robbery of the masses for the benefit of the privileged few. And now that American citizens have lost their gold, an entirely fictitious transfer has been arranged to deceive the people. Mr. Chairman, the President may underrate the mental capacity of the American people as much as he likes, but I venture to say there is no man in the United States so dumb that he cannot understand how this bill tricks and deceives him.

The Federal Reserve Board and the Federal Reserve banks have profited to the extent of $5,000,000,000 or more by being released from their obligation to redeem their outstanding $5,000,000,000 of paper Federal Reserve currency in gold. They have profited by having had over a billion dollars in gold certificates saved to them. They have profited during the last 20 years by the criminality of the Federal Reserve Board, which never charged them one penny in interest on the great mass of Federal Reserve currency they have taken from the Government. They have profited from their own wrongdoing by the unlawful creation of fictitious claims against the United States Government and the giving of those claims to foreigners, and they have profited by their control of all the public revenues. And now they come forward with a scheme to sell the gold they have taken from the American people to the Treasury for new gold certificates which will give them a legal title to that gold and permit them to do as they please with it. An era of corruption is culminating in one of the greatest crimes that have ever been perpetrated against the people. Mark my words, Mr. Chairman, there will be trouble here if this bill becomes law.

Why, Mr. Chairman, this fiscal fraud, this crime is so stupendous that the instigators and manipulators of it did not dare to have all the transactions performed by one man. Each man did his part and then got out of Washington pretending that he disagreed with the President's money policy or pretending that he was ill. William H. Woodin, who sat beside Albert H. Wiggin on the board of the Federal Reserve Bank of New York and who acquiesced in and helped to perpetrate the financial misdeeds which bankrupted the country, is now hiding in a western sanitarium. Dr. Sprague, the tool of the international bankers and an employee of the Bank of England, was, in my opinion, put into the Treasury to resign at a certain time and to create uncertainty in the minds of the people by the manner of his going and his subsequent articles pleading for sound money. Mr. Chairman, all the bickering and the resignations and the artful propaganda that have been thrown around the monetary policy of Franklin D. Roosevelt cannot disguise the fact that he was selected by the international bankers to carry on the work they started with the great depression; that is, the pauperization of the masses and the seizure of American property for their own use and benefit, and that he has lent himself to their schemes by unconstitutionally demanding and assuming the dictatorial powers which will enable him to carry them out.

Another purpose of this bill not mentioned in the title is the transference of a very large quantity of United States gold to the Bank for International Settlements. One of the chief objects of the gold policy of the present administration is the sending of gold taken by force from its lawful American owners to the Bank for International Settlements in Europe, where it will be kept with the property of the central banks of the world. According to the Hague convention, under which the Bank for International Settlements was formed, gold deposited in the vaults of the Bank for International Settlements is safe from seizure. Our gold, when it goes there, will certainly be safe from seizure by the United States. The Bank for International Settlements is dominated by the Bank of England. It is not on American soil. It is in Europe. American gold, therefore, will be kept in Europe. It will be placed where none of the wage slaves of the United States will ever be able to acquire any of it. It will be the capital and means of oppression of that international superstate, that financial superstate, which has been after Uncle Sam's gold money ever since the wealth of this country attracted the attention of greedy European bankers and brought them flocking over here to set up the suction pumps of the Federal Reserve Board and the Federal Reserve banks.

The Bank for International Settlements is an international bankers' bank. It is a central bank of central banks. The international bankers, who brought about the depression, have been drawing gold to themselves from the common people of every land. It is their intention to use that gold for their own purposes. They propose two kinds of money. Gold—the real money—is what they intend to have for themselves, and paper money, which has no intrinsic value in itself, and which is made out of nothing and is worth nothing unless it can be redeemed by the holder in gold—that is for the common people, or, as they call us, the peasants.

George Washington said:

> I never have heard, and I hope I never shall hear, any serious mention of a paper emission in this state; yet such a thing may be in agitation. Ignorance and design are productive of much mischief. The former is the tool of the latter, and is often set at work suddenly and unexpectedly.

While he was here in Congress, Daniel Webster, in 1832, made the following statement:

> Of all the contrivances for cheating the laboring classes of mankind, none have been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation—these bear lightly on the happiness of the mass of the community compared with fraudulent currencies and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression, on the virtuous and well disposed, of a degraded paper currency, authorized by law, or in any way countenanced by government.

Franklin D. Roosevelt, the high priest of repudiation, the apostle of irredeemable paper money, and the man who intends to send United States gold out of the United States to a place where no American citizen can claim it—this Franklin D. Roosevelt characterizes all those who do not agree with

his monetary policy as mules. If that is true, what an awful mule President Woodrow Wilson must have been. Concerning Andrew Jackson, Wilson said:

He had no idea of allowing the country to undertake the fatal experiment of an irredeemable paper currency.

This is the fatal experiment Franklin D. Roosevelt has undertaken. This is a part of his policy of "bold experimentation." Not long ago he told the people at Savannah that George Washington, like himself, was an experimenter. Mr. Chairman, there are no points of resemblance between George Washington and Franklin D. Roosevelt, experimental or otherwise. George Washington did not take orders from money changers. He did not rob the people of their gold. George Washington abhorred dishonor in all its forms. He would have died before he would have violated his oath of office or tampered with the Constitution of the United States in the manner of Franklin D. Roosevelt.

In 1837 the New York Herald described the crime of suspending payments in specie, that is, in gold or silver, on demand, as follows:

The general suspension of specie payments is a terrible fraud upon the community that will end in destruction to all concerned. This fraud is heightened into crime of the deepest dye, from the fact that it is done to send gold and silver to England by the actual plunder, at the point of the bayonet, of the great mass of the people here * * *. Such an act is a phenomenon in the annals of crime, without a parallel in the history of tyranny, violence, or bad government, from the remotest ages of the world down to the present day.

Now, Mr. Chairman, let us hear the true purpose of the $2,000,000,000 fund which this bill proposes to set up. I quote from the prophecies of Henry Morgenthau, Mr. Baruch's Secretary of the United States Treasury, as shown by the following article which appeared in the Washington Times of January 16, 1934:

TREASURY SEES UNITED STATES NEED OF BLUE CHIPS

When you play poker, you want just as many blue chips as the other fellow.

That, in a man's language, was the gist of Secretary Morganthau's summing up of the Roosevelt proposal for a $2,000,000,000 stabilization fund to protect the currency of the United States.

In other words, the American Government is engaged in probably the greatest gamble of all time. The stake is the credit of the United States.

TO EQUAL BRITISH

When asked why a figure of 2,000 millions for the stabilization fund had been asked, Morgenthau said:

"We figured we might need an amount substantially equal to the British stabilization fund.

"If we are going to play, we must have as many chips as the other fellow.

"We want every piece of machinery the other countries have. We want to be in a position to buy gold and to sell gold."

The 2,000-million stabilization fund will be derived from the Government's profit on the debasing of the value of the dollar to from 50 to 60 percent of the normal valuation.

FUND FROM PROFITS

If the debasement is 50 percent, the profit to the Government will be $4,000,000,000 in round numbers. A 60-cent dollar will mean about 2,666 millions in profits.

Out of these profits will come the stabilization fund to be administered by the Secretary of the Treasury, the remainder being available for any Government expenditure. Morgenthau said:

"It is possible that the mere existence of the fund will be sufficient to carry out the law which requires that the Secretary of the Treasury maintain all lawful money of the Government on parity with gold."

The Secretary of the Treasury is charged with the responsibility of administration of the fund to carry out that purpose. If any particular type of currency issued—United States notes, for instance—should become depreciated in value, the Treasury would go into the market and buy a sufficient quantity of that currency to maintain its parity. Operations in the foreign markets to protect possible depreciation of the dollar would be similar.

Let this quotation from Morgenthau go down into history. Long from now some curious investigator of the present age of witchcraft and magic in the White House may unearth it and reconstruct the financial history of the new deal from it, as science from a single part reconstructs the entire animal.

Mr. Chairman, it is not the gambler's voice in Mr. Morgenthau's confession which most deserves political attention. We are becoming accustomed here to gambling terms as they are employed by the executive branch of the Government, and we can well understand that the Executive and his favorites must of necessity speak the lingo of their kind. This is a gambler's administration, and all the "big shot" gamblers are here to revel in it. Mr. Roosevelt does not deny his gambling propensities. He is a "new dealer." He is "on his way", but he "doesn't know where he is going." He is for a policy of "bold experimentation", just as Samuel Insull was for a policy of bold experimentation. He has not been Ben Smith's patron all these years for nothing. But, Mr. Chairman, there is something apart from the vice of gambling to be observed in Mr. Morgenthau's utterance, and that is its entire untruthfulness. He would have us believe that the United States is on one side of the fence and Great Britain on the other. That, of course, is not the case. The United States has been placed in a position of financial servitude to Great Britain, and Mr. Morgenthau's loud-sounding propaganda is designed to conceal that fact from the people. Great pains have been taken to conceal it. It would be very damaging to this administration if certain people in the United States should find out about the great sums of United States money which have been sent to England during the past summer. Those funds were appropriated by Congress for the people of the United States.

Mr. Chairman, why should tax money paid by American citizens be sent to London? When England makes her periodical gesture of insult toward the United States by paying a small installment on the war debt she owes us, she pays us in debased coins, in token coins, to be exact. But when Mr. Roosevelt sends American money to England, he sends it in gold or its equivalent. When Mr. Morgenthau obtains his "kitty", for this, I have been told, is what he called the proposed stabilization fund at the White House a week ago last Sunday evening, American funds will be fed to Europe more expeditiously and with less secrecy than such operations now require. If Congress puts the people's property into a "kitty", someone, if he cannot be the knight of the bedchamber, can at least pose before royalty as the knight of the "kitty."

Mr. Chairman, understanding that Henry Morgenthau is related by marriage to Herbert Lehman, Jewish Governor of the State of New York, and is related by marriage or otherwise to the Seligmans, of the international Jewish firm of J. & W. Seligman, who were publicly shown before a Senate committee of investigation to have offered a bribe to a foreign government; and to the Lewissohns, a firm of Jewish international bankers; and to the Warburgs, whose operations through Kuhn, Loeb & Co., the International Acceptance Bank, and the Bank of Manhattan Co. and other foreign and domestic institutions under their control, have drained billions of dollars out of the United States Treasury and the bank deposits belonging to United States citizens; and to the Strauses, proprietors of R. H. Macy & Co., of New York, which is an outlet for foreign goods dumped upon this country at the expense of the United States Government, which is compelled to issue paper money on the said foreign goods of the Strauses; and that Mr. Morgenthau is likewise related or otherwise connected with various other members of the Jewish banking community of New York and London, Amsterdam, and other foreign financial centers, and that he has as his assistant, presiding over public funds, Earle Bailie, a member of the firm of J. & W. Seligman, bribe givers as aforesaid, it seems to me that Henry Morgenthau's presence in the United States Treasury and the request that Congress now give him a $2,000,000,000 "kitty" of the people's money for gambling purposes is a striking confirmation of the statement made by me on the floor of the House on May 29, 1933, which statement was as follows:

Mr. Chairman, the Constitution of the United States has served us well. I am in favor of defending it against all comers. In the Constitution of the United States it is written that the United States shall guarantee a republican form of Government to every State in the Union. This guaranty has been broken by Franklin D. Roosevelt in his unlawful assumption of dictatorial powers. It is also written that no State shall make anything but gold or silver coin a tender in payment of debts. This repudiation bill and its predecessors nullify this provision of the Constitution. It is also written in an amendment to the Constitution, "The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties

in suppressing insurrection or rebellion, shall not be questioned." Mr. Chairman, this repudiation bill questions the validity of the public debt and repudiates it. It repudiates the Liberty bonds; it repudiates the veterans' adjusted-service certificates; it cancels the war debts due to the United States from foreign governments.

Now, Mr. Chairman, we have come to the place where we must decide whether we shall serve God or Mammon. Shall we nullify the Constitution at the behest of the money changers who have unlawfully taken all our gold and lawful money into their own possession or shall we take a stand here in defense of the faith of our fathers? Mr. Chairman, my mind is made up. I will stand by the Constitution. If I should fail to do so, I should expect to be met at the train when I go home to my district by a delegation of honest Pennsylvania citizens with 50 or 100 feet of rope. I should expect to be escorted to the nearest tree to be taught what it means to vote for a nullification of the Constitution in the House of Representatives.

Mr. Chairman, the provisions of this repudiation bill were foretold by a writer in the Dearborn Independent some years ago. There is, therefore, nothing novel or original about them. The writer of the article in the Dearborn Independent made the following quotation prophesying some of the measures which have been introduced here by the President of the United States:

"(2) Confiscation of money in order to regulate its circulation.

"(3) We must introduce a unit of exchange based on the value of labor units, regardless of whether paper or wood is used as the medium. We will issue money to meet the normal demands of every subject, adding a total sum for every birth and decreasing the total amount for every death.

"(4) Commercial paper will be bought by the Government, which * * * will grant loans on a business basis. A measure of this character will prevent the stagnation of money, parasitism, and laziness, qualities which were useful to us as long as the Gentiles maintained their independence, but which are not desirable to us when our kingdom comes.

"(5) We will replace stock exchanges by great Government credit institutions, whose functions will be to tax trade paper according to Government regulations. These institutions will be in such a position that they may market or buy as many as half a billion industrial shares a day. Thus all industrial undertakings will become dependent on us. You may well imagine what power that will give us.

"'Remember that when next you hear the Jewish plan that "Gentiles" shall do business with their own bits of paper, while Jews keep the gold reserve safely in their own hands. If the crash comes, "Gentiles" have the paper and the Jews have the gold. Says protocol XXII: "We hold in our hands the greatest modern power—gold; in 2 days we could free it from our treasuries in any desired quantities."'

"The Jews are economists, esoteric and exoteric: They have one system to tangle up the 'Gentile', another which they hope to install when 'Gentile' stupidity has bankrupted the world. The Jews are economists. Note the number of them who teach economics in the State universities. Says protocol VIII:

"'We will surround our Government with a whole world of economists. It is for this reason that the science of economics is the chief subject of instruction taught by the Jews.'"

Mr. Chairman, have not most of these predictions come to pass? Is it not true that, in the United States today, the "Gentiles" have the slips of paper while the Jews have the gold and lawful money? And is not this repudiation bill, a bill specifically designed and written by the Jewish international money changers themselves, in order to perpetuate their power? What else do you make of it, Mr. Chairman? Does it not cancel the war debts? Does it not defraud the holders of Liberty bonds and every other obligation calling for the payment of money? Does it not defraud the veterans of the World War and take the value out of their adjusted-compensation certificates?

Mr. Chairman, do you not see in this "kitty" bill the identical features outlined in the Protocols of Zion? Do you not see the Protocols of Zion manifested in the appointment of Henry Morgenthau as Secretary of the Treasury? It is not by accident, is it, that a representative and a relative of the money Jews of Wall Street and foreign parts has been so elevated?

Why, Mr. Chairman, this "kitty" bill takes the hitherto obscure young Henry Morgenthau and makes of him a central bank of the United States. It makes of him a central bank, an institution which Jefferson declared is one of deadly hostility to the free institutions of the United States. It exalts him above all other men. Under the powers to be granted him, his conduct is not subject to review or control by any other officer of the United States Government, not even the President.

What this "kitty" bill really does is to slide into the hands of Henry Morgenthau the emergency powers which Congress granted to the President. Those powers will not lapse. Instead, they are being slyly and dishonestly transferred to the bankers and after the bankers, in the person of Henry Morgenthau, have exercised them long enough to get the gold of the United States into their exclusive possession and to transfer it to their den of thieves, the Bank for International Settlements, Congress may take back its constitutional power over the currency, but it will have nothing left to exercise it on. The monetary gold of the people of the United States will, like the sons of the people, be buried in a foreign field.

Mr. Chairman, if you, as one of the party in power, are thinking of remaking the world so that the old America we knew and loved is to be no more; if you are one of those who is countenancing the placing of this country under the British Crown and the pooling of all American resources with those of England and Soviet Russia; if you are one of those to whom a title of nobility appears to be more desirable than plain citizenship in the Republic founded by George Washington, I trust that you will some day descend from the Speaker's chair and let us know the reasons for your preference. If, on the other hand, you are not what these words depict, I trust that you will come down to the floor and tell us how constitutional government is to be maintained in this country if the plutocratic managers of the Democratic Party continue their efforts to destroy it. You, if anyone, should be able to give the people of the United States an answer to this question.

Under this administration the result of the American Revolution has been reversed. The United States has become an economic vassal of Great Britain. The once proud Republic of the United States with its great charter of human freedom, the Declaration of Independence, and its written Constitution, which had kept it free and independent for over 140 years, and its flag, first made by the hands of Betsy Ross in Philadelphia, and its national anthem, born within earshot of the British guns that shelled Fort McHenry—all these, like the American dollar, were brought down from their high estate.

Oh, say, can you see by the dawn's early light
What so proudly we hailed at the twilight's last gleaming?

Mr. Chairman, you know very well that you cannot see that flag there as it used to be. Others started very cautiously to pull it down. But it was Franklin D. Roosevelt, in his unlawful and unconstitutional assumption of dictatorial powers, who finally lowered it and tore it from its standard.

Mr. KELLER. Will the gentleman yield?

Mr. McFADDEN. Yes. I yield to the gentleman from Illinois.

Mr. KELLER. I should like to ask this question, if the gentleman holds that our only legal money under the Constitution is metal money?

Mr. McFADDEN. I do; yes.

Mr. KELLER. What does the gentleman think of the legal-tender decisions of our Supreme Court on this subject?

Mr. McFADDEN. I do not care to pass upon the decisions of the Supreme Court.

Mr. KELLER. They hold contrary to that, do they not?

Mr. McFADDEN. I think I have covered that in my remarks.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, I was reminded this morning of the subject I am going to speak about in my reading of the CONGRESSIONAL RECORD of yesterday, and that subject I have entitled "One of the Great American Rackets." It exists under the very nose of Congress and under the very nose of the Senate, and has continued for the more than 150 years this Nation has existed, and this is the question of postmasters.

Ever since the days of "Ben" Franklin, when he acted as the first postmaster in this country, and down through the line of subsequent postmasters, there has grown up in this Nation a barnacle that has clung tight to the bottom of our ship of state, and it is nothing more than a pure and simple political racket, in my estimation—postmasters.

I bring this matter up because I am a member of the Committee on Post Offices and Post Roads, and I am just becoming more familiar with some the things that have existed.

I note in the CONGRESSIONAL RECORD of this morning, and I tabulated the number very roughly, the President has sent to the Senate over 500 names to be approved by the Senate for postmasterships throughout the Nation.

Mr. Chairman, I also read in the hearings on the Post Office appropriation bill, and I bring this subject up at this time because I think it is opportune when we are considering such appropriations for the Post Office Department—I read on page 49 of the report of the hearings that there are, in all, a total of Presidential postmasters amounting to 14,113, and that there is expected to be paid under this appropriation for 1935–36 a total sum, in salaries, of $28,057,700.

Mr. Chairman, I have no complaint to make about the good souls, men and women, who are appointed postmasters and postmistresses throughout this country. I have appointed postmasters and postmistresses, and so have you, but let us get right down to the real situation. We appoint postmasters and postmistresses purely as a reward for some political effort they make in our behalf in our own congressional districts. The Government does not get a quid pro quo for their services. They are more or less political contact men for the Congressmen and for the political party of the State.

I feel I have a better right to talk upon this subject because it is my party that is in power and it is my party that for some years to come will dole out the postmasterships in this country. So I can take this attitude with better grace than if I were a Member on the Republican side of the House.

We pay out $28,000,000 a year in salaries to these postmasters, and we know when we appoint them that they are either the butcher, the baker, or the candlestick maker in our particular district. We appoint them, not because they have any post-office experience—of course not—they know nothing about the Post Office Department, its activities, or its administration. They have not the slightest idea of what to do, but they are taught, as soon as they are appointed, the duties of the office by a very able chief assistant who is a member of the civil service.

Mr. Chairman, I am now preparing a bill which I expect to file in this House very soon. This bill has to do with the elimination of first-, second-, and third-class post offices. There is no need to include the fourth-class post offices, because many years ago, or somewhere down the line, it was deemed fit and proper to place the fourth-class post offices in the hands of regular post-office civil service. I cannot understand why the first-, second-, and third-class postmasters should not also be regular civil-service men; that is, they should be men or women drawn from clerkships or graduated, you might say, from the regular line of duty of clerk in the Post Office Department. My bill will propose to do this, and in order not to cause a great deal of harm or disturb a great many good men and women who now hold such commissions, I am going to propose in my bill that there be a gradual elimination of political postmasterships up to, perhaps, and including the year 1938 or 1940, so that this practice can be forever done away with in this Nation at least by that time.

After all, it would be a great help to the Post Office Department and to all of its workers. It would create a great spirit of enterprise and a better morale among the workers of the Post Office Department if they felt that after years of service they could hope to be elevated by the Civil Service Commission or by the Postmaster General to the position of holding in their declining days a post office in their own particular locality. This would give these clerks and carriers something to look forward to.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. O'CONNOR. Why does not the gentleman go all the way and provide in his bill that Cabinet members and heads of departments be subjected to civil-service examinations? They are clearly in the same class.

Mr. DOCKWEILER. No; they are not in the same class.

Mr. O'CONNOR. The chiefs of bureaus and men in the various departments learn such duties after years and years of experience, and many of them would make the best Cabinet members and many of them would make the best heads of departments, and the only step beyond this would be to put civil service on Congressmen and the President.

Mr. DOCKWEILER. I do not agree with the gentleman.

Mr. FOULKES. Will the gentleman yield?

Mr. DOCKWEILER. I have only a few minutes left, but I yield to the gentleman for a question.

Mr. FOULKES. Does the gentleman expect to get home alive after introducing this bill?

Mr. DOCKWEILER. If I get out of this body alive, I think I can get home alive.

The gentleman from New York asked me the question, Why not put the members of the Cabinet under civil service? Members of the Cabinet have the duty of carrying out or performing the functions of the policy of the administration. I tried to explain in the beginning of my speech that a political postmaster is not a man who is able to take care of that particular office. He is not a man who has had experience in that line. He is appointed because he renders a political service and the man who really does the work is the chief assistant.

Now, there is another thought. We have about turned the corner in a new deal, even in politics. I suppose there will be introduced in Congress a bill to correct some of the evils that have grown up in the great political system of the country.

I have heard, and no doubt it exists in some of the well-organized communities, that a certain person is selected for postmaster and is expected to contribute 10 percent of his salary to the political party that is responsible for securing the office for that person. Of course, that is a political contribution.

Mr. ARNOLD. Will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. ARNOLD. Does the gentleman state in good faith that 10 percent of the salaries of postmasters is contributed to political parties?

Mr. DOCKWEILER. No; I say I assume that.

Mr. MARTIN of Massachusetts. Why does the gentleman assume it? In what part of the country do they make that contribution?

Mr. DOCKWEILER. I said that I had heard that such was the fact.

Mr. MARTIN of Massachusetts. I never heard of any postmaster in my section contributing to the campaign any percentage of his salary.

Mr. ARNOLD. That is rather a severe statement. I am sure that in my section of the country, as far as I know, the practice has never been indulged in.

Mr. MEAD. Will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. MEAD. I do not believe the gentleman's statement is so serious, in view of the fact that he prefaced his statement with language indicating that he was making that assumption. We have heard for a great many years of postmasterships being sold, and that has been aired in the Senate and perhaps in this body. It is assumed also that men in political office, such as a postmaster, are subject to considerable political pressure. For instance, in the last Republican campaign the First Assistant Postmaster General and the Second Assistant Postmaster General insisted that the postmasters go out on the hustings and work for the election of the President, and they were threatened with dismissal from the service if they did not carry that out. To quote Assistant Postmaster General Glover, he said:

> If you do not do that, I will welcome your resignation when I get back to Washington.

So the gentleman has the right to assume that that has been done by some political party in power. Of course, that does not apply to the present organization, because they have been selecting the highest type of officials.

Mr. DOCKWEILER. I thank the gentleman for his remarks. I had just that in mind.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. O'CONNOR. The gentleman made the statement, and I want to say that some people have been put in jail for selling postmasterships. Furthermore, in the last campaign orders went out—I do not know whether it was from the Postmaster General or the Assistant Postmaster General—advising the postmasters that there was no prohibition whatever about indulging in a campaign, and they might freely take all the time, for which they were paid by the Government, to participate in the campaign.

Of course, he did not have to suggest that they participate in behalf of the Socialist Party. They could gather from the carte blanche given to them for whom they could campaign.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. MARTIN of Massachusetts. I want to ask the gentleman from New York [Mr. O'CONNOR] what is going to be the policy of this present administration?

Mr. O'CONNOR. The policy of this present administration, as it has always been in Democratic administartions, will be to keep postmasters, the Federal employees, out of politics. In my 25 years' experience in politics I never saw one Federal employee around a Democratic clubhouse or arcund the polling place on election day.

Mr. MARTIN of Massachusetts. The newspapers within the last few days have been full of the names of Democratic politicians who hold responsible positions and who are still working actively politically.

Mr. O'CONNOR. Oh, well, that is not in this Post Office Department. They are not the postmasters from Podunk, who make a community center and Republican club out of the post office where the boys could gather and discuss Republican politics.

Mr. MARTIN of Massachusetts. If the policy is good in one field, it ought to be good in another.

Mr. DOCKWEILER. Mr. Chairman, I just yielded for a question. When I rose I did not anticipate that what I had to say was popular, but I do say that I am going to propose my bill and urge it in earnestness because I think it will be a great saving to the Post Office Department, which, next year, will show a deficit of about $17,000,000, according to the Post Office report, and I think we can save that $17,000,000 by letting the executives of the Post Office Department take care of the post offices in the manner suggested in my proposed bill.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. MEAD. The gentleman from New York [Mr. O'CONNOR] was illustrating the high idealism of the Democratic Party and was interrupted by the gentleman from Massachusetts [Mr. MARTIN] who brought out the argument that within the last few days Democrats were resigning from membership of the National Committee. Let me say, to verify the statement made by the gentleman from New York, that this Capitol and our committee room were filled with Republican lawyers, lobbyists, who were associated with Republican committees, and they were never interfered with, but the idealism of the Democratic Party has asserted itself and probably for the first time in recent years we are divorcing the organization in power from lobbying activities upon the part of some people high in its official councils.

Mr. O'CONNOR. Not only were they never interfered with, but they have entree to every place in this Capitol, and they also had private keys to the little green house on K Street.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. TABER. Mr. Chairman, I yield now to the gentleman from Pennsylvania [Mr. SWICK].

Mr. SWICK. Mr. Chairman, I have today filed the following petition, bearing the names of 10,264 residents of my district, divided as follows: Beaver County, 4,769; Lawrence County, 3,242; and Butler County, 2,253. The petition was accompanied by a letter of transmittal from the Honorable George T. Weingartner, 504 L. S. & T. Building, New Castle, Pa., a man who has served his county and State as a commissioner and State senator for many years:

PROTEST AND PETITION

To the Congress of the United States of America, greetings:

We, undersigned people of the United States of America, capable of determining for ourselves what we wish to hear broadcast by radio without censorship by the clergy or anyone else, hereby protest to the Congress against certain wrongful interference with our rights.

The Radio Act provides, as we understand, for the broadcasting of that which is in the public interest.

The message of the true God, Jehovah, as expressed by Him in the prophecies of His Word (the Bible), and as now being given to the people of this Nation by Judge Rutherford and others of Jehovah's Witnesses is of interest to us. When broadcast, it is convenient for us to hear it in our homes and is necessary for our welfare. We are entitled to hear and desire to hear that message. We disapprove of every attempt to prevent our hearing it broadcast.

The National Broadcasting Co., the Columbia Broadcasting System, the Roman Catholic hierarchy, and others have wrongfully, by threats, coercion, and other improper influence, prevented many stations from broadcasting this message of truth, thus depriving stations of legitimate income and depriving millions of American citizens of the privilege of hearing what they wish to hear, and against this wrongful action we vigorously protest.

Exercising the right guaranteed to us by the Constitution of the United States, we therefore respectfully petition the Congress to act at once to safeguard the inherent rights of the American people relative to the radio.

Mr. Chairman, I understand that similar petitions have been received by several Members of this House, all of them bearing the signatures of thousands of American citizens. We have heard similar charges of censorship made against the radio companies on the floor by Members of this House. It is certainly evident that something is wrong; we cannot ignore such charges. Each of these petitions have been referred to the House Committee on Merchant Marine, Radio, and Fisheries. I hope the chairman of that committee will recognize the rights of these petitioners and conduct an investigation of the charges, and if these conditions prevail, that legislation is forthcoming that will correct them.

I would be derelict indeed if I failed to present a matter of sufficient importance to have received the signatures of more than 10,000 residents of my district to this Congress. It is of importance to all concerned that this matter be thoroughly investigated at a very early date.

Mr. BRITTEN. Mr. Chairman, will the gentleman from New York yield?

Mr. TABER. Yes.

Mr. BRITTEN. In order that I may ask the gentleman in charge of the committee when he contemplates rising. It is close onto 5 o'clock, and I understand there is a message from the President on the Speaker's table.

Mr. ARNOLD. I want to conserve as much time as possible. There is one other gentleman who wants to speak. I think it proper to rise about 5 o'clock, which is the usual time, and I see no reason to break in at this particular time.

Mr. BRITTEN. The gentleman wants to proceed?

Mr. ARNOLD. Yes.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. CHASE].

Mr. CHASE. Mr. Chairman, I rise to discuss, first, the injustice done underpaid Federal employees by the misnamed Federal "Economy" Act, forced through the House on the 11th of March last; second, that form of legalized graft known as a Federal subsidy.

Quoting from the Democratic platform of 1928, and this is not unfriendly to the committee or the chairman of the subcommittee having in charge this bill:

> Federal employees should receive a living wage based upon American standards of decent living. Present wages are in many instances far below that standard. We favor a fair and liberal retirement law for Government employees in the classified service.

That is the platform pledge of the Democratic Party to Federal employees.

Quoting from column 2, page 11, of the January issue of the magazine The Federal Employee, which is the official magazine of the National Federation of Federal Employees, Senator HARRISON said:

I appreciate that during recent months the cost of living has increased and that the spirit of the recovery movement demands the repeal of that portion of the Economy Act which reduced salaries of Federal employees. In the coming session of Congress, I will favor restoration of this reduction to these employees. I hope to have a conference with the President touching this matter some time before the convening of Congress.

Quoting again from column 2, page 11, of the same issue of the same magazine, Representative BYRNS said:

I believe that the salaries of Federal employees should be restored unless exceedingly imperative reasons exist to the contrary. I favor their full restoration. And I believe that Congress will take that action.

Practically every Member on either side of the aisle is in accord with that statement, yet there was forced through this House a gag rule to prevent Members of Congress from voting their judgment upon the merits of the question itself.

I wish to emphasize today the purpose of that gag rule. It was not to gag the five members of the Farmer-Labor Party. It was not to gag the 115 members of the Republican Party. Its sole purpose was to gag the 313 members of the Democratic Party so that they would have no chance to vote on the merits of that bill. Otherwise the wages of underpaid Federal employees would be put back where they belong.

Mr. GOSS. Will the gentleman yield?

Mr. CHASE. Yes; I yield.

Mr. GOSS. Of course, the Membership had a chance to vote on that question when the previous question was ordered. As one of the members of the subcommittee, I asked for the yeas and nays, and the yeas and nays were ordered.

Mr. CHASE. Yes; but the Membership was denied the opportunity of voting on the merits of the bill itself, and it was entitled to that opportunity.

Mr. GOSS. We had a motion to recommit the bill and we also had a vote on that.

Mr. CHASE. Surely we had. You did your best, but Members could not vote "yes" or "no" squarely on the proposition of restoring the 15 percent to underpaid Federal employees. And when the so-called "economy bill" was jammed down our throats, 124,678 Federal employees were receiving an annual wage of less than $1,000, while 56,883 were paid from $1,000 to $1,100 a year, and every one of them had to take the 15-percent cut.

Mr. GOSS. They could if they had voted down the previous question on the rule, which is a matter of record.

Mr. CHASE. I appreciate the gentleman's position. It is well taken. But even his generous excuse does not justify that vicious gag rule.

Mr. DUNN. Will the gentleman yield?

Mr. CHASE. I yield with pleasure to the gentleman.

Mr. DUNN. Many Democrats on this side voted to recommit that bill.

Mr. CHASE. I fully realize that. You are entitled to credit for so doing. But where were your leaders? How did they vote?

Some of us would like to support our President. We would like to go along with you on various propositions, but we do wish to vote on the merits of the propositions themselves, and when they are wrong to vote no.

To make our problem clear, I wish to read this afternoon what a distinguished constituent in the State of Minnesota, a professional man, highly respected, in my home State, wired to the dean of the Minnesota delegation after we voted for one of the administration bills:

Be not like dumb driven cattle. Your herdsman, the international bankers, are preparing us for emasculation purposes. Shoemaker was in jail, but I think the whole bunch of you should be there for voting for that banking bill.

Mr. KELLER. Who was it who wrote that?

Mr. CHASE. Dr. D. R. Miller, of Bird Island, Renville County, Minn., a gentleman of the highest standing. I wrote him the next day that I was in exact accord with his telegram. That you gentlemen were in accord also, you proved by coming back 8 days later to force through a second bill in an effort to undo the harm you did through the first one.

The only excuse I have heard in this House on either side of the aisle for our unjustifiable treatment of underpaid employees is the sacred word economy, and I want to know when we are going to begin really to economize.

We hear about the so-called "Black investigation" over at the other end of the Capitol. I quote from column 1, page 3, of the October 31, 1933, issue of Labor, a national weekly newspaper, relative to alleged facts brought out by this investigation:

J. E. Dockendorff, of the Black Diamond line, known to newspaper men as "Little Dockey", told how he milked, squeezed, drained, and extracted profits from his line—all with the help of the Government. In the 14 years from 1919 to 1932, both inclusive, "Little Dockey" drew in salary and expenses $1,576,396, or an average of more than $112,500 a year.

In my home State of Minnesota a disabled veteran serving as janitor in a post office in a little town and drawing a weekly salary of less than $4 has to take the 15-percent cut, while another crippled soldier pays the rest of his living expenses. Who is going to profit from the sacred economy we hear about? Is it the underpaid Federal employee? Is it the crippled soldier? Is it the American taxpayers? Or, is it a lot of "Little Dockeys"?

Mr. WEARIN. All that happened during the course of the recent Republican administration, did it not?

Mr. CHASE. What difference does it make? I am not talking partisan politics. Whether under a Republican or Democratic administration, it is wrong.

Mr. WEARIN. I asked the gentleman when it happened. Did it not happen during the last two administrations?

Mr. CHASE. It did, so far as I know. I am not concealing that fact. The point is that it is wrong.

Mr. ARNOLD. Will the gentleman yield?

Mr. CHASE. I yield.

Mr. ARNOLD. May I suggest to the gentleman that the three laws under which subsidies have been granted were passed under a Republican administration. May I further suggest to the gentleman that not a single solitary contract involving subsidies has been entered into since the 4th of March last year. If that is what the gentleman has reference to, certainly this side of the House is not responsible for the legislation that made possible the subsidies, and is not responsible for the contracts under which we are forced to make this appropriation to carry them out.

Mr. CHASE. I thank the distinguished chairman for his observation. He helps to make clear my point, because, before I conclude, I wish to ask him, as chairman of this committee, what he is doing now to cut out this legalized graft?

Mr. ARNOLD. I can answer the gentleman right now.

Mr. CHASE. I prefer to make clear the foundation for the question. As I said, it is not unfriendly to you or to your committee.

Column 2, page 7, of the November 30, 1933, issue of the St. Paul Dispatch contains the following:

Senator BLACK's inquiry into ocean and air mail subventions has mined enough pay dirt already to make it pretty certain the coming session will prune that field of Government aid with a sharp knife.

For instance, had you been lucky enough to be permitted to invest one dollar in Stanley Dollar's venture with the Admiral Oriental Steamship Co. in 1922 you would have had $14,000 in cash and $2,000 in stock by 1930.

Dollar put up $500—no more, no less—to acquire this line, and in 8 years had $7,300,000 net profit and $1,000,000 in stock.

Even without the millions the Government gave him to carry mail his profits would have run around $400,000 or $500,000 a year.

I quote from column 2, page 15, of the October 9, 1933, issue of the magazine Time:

In 1928 Mr. Herbermann procured for his line a 10-year ocean mail contract at $1,044,000 per year. When his new ships began to operate Walter Brown—

I am concealing no names; I am defending no party—

then Postmaster General, increased this subsidy to $2,185,000 per year. But Export Steamship was not over burdened with postal cargo. From August 1928 to June 1929 its ships carried precisely 3 pounds of mail, a cost to the Government of $234,980 per pound.

In the name of the underpaid Federal employee I protest against this misuse of public money. [Applause.]

Now, in this bill, unnumbered as yet, appears on page 55 this statement:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the Merchant Marine Act of 1928, $37,500,000.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. CHASE. I yield gladly.

Mr. GOSS. I call the gentleman's attention to page 27 of the report which shows a total of $40,250,000.

Mr. CHASE. Thank you. Insert that in the RECORD; and then this from page 21 of the committee's report:

The committee has no means of knowing what the right sum to appropriate may be, and until the results of these studies and investigations lead to a sound conclusion the position of standing on the present rate of expenditure is adopted even though it may be arbitrary in character.

* * * * * * *

This service, as in the case of domestic air mail and ocean mail, is definitely on a subsidy basis, the estimated revenues being $1,250,000 and the excess cost or subsidy amounting to approximately $5,750,000.

Again, in the name of the underpaid Federal employees and in the name of those thousands of disabled soldiers we sent to the bread lines by the unfortunate so-called "Economy Act" of March 11, and in the name of the dozens of physically disabled and mentally abnormal veterans who lie today in suicides' graves because of that act and the orders issued under it, I demand that we stop handing out funds of the American taxpayer gratuitously to "Little Dockeys" regardless of whether you call the payment a subvention, subsidy, or graft.

With all respect to this committee and its chairman, I bring up the subject now so that in his own time and in his own way the chairman of the subcommittee may tell us who are financially interested in this particular appropriation, what their interest is, how much of the appropriated fund will be paid out for little or no service, and why the amount should not be withheld to apply toward adequate wages for underpaid Federal employees. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. I may say to the gentleman from Minnesota that I expect to discuss that question tomorrow. There is not time to do it this evening. I am in full accord with the gentleman as far as these subsidies are concerned; I have always been against them, but my hands have been tied so far as these appropriations are concerned. If the gentleman is present tomorrow I shall try to show him in what way our hands are tied.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MEAD. I may say that the Committee on the Post Office and Post Roads will shortly bring before the House a bill to eliminate postal subsidies in the Air Mail Service and put Air Mail Service on a self-sustaining basis. We hope to have the gentleman from Minnesota with us when the matter comes to a vote.

Mr. CHASE. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. CHASE. May I ask the gentleman from New York whether the bill he suggests will apply likewise to ocean mail contracts?

Mr. MEAD. Unfortunately, that is beyond the jurisdiction of our committee.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, the Congress of the United States met for the first time in the city of New York, March 4, 1789. It had no quarters of its own; there was no place for it to convene provided for by the Congress. The city of New York offered accommodations to Congress; and, accordingly, the Congress of the United States assembled there for the first time.

In order to provide accommodations for the Congress the city of New York undertook to repair and improve its city hall. For that purpose it expended a large amount of money, and when it was completed they finally owed something like £13,000. The city of New York had nowhere to go to collect this money; it was beyond the power of the city to pay. What did the city do in order to meet its obligations? It went to the Legislature of the State of New York and asked for ways and means of providing money it could not raise through ordinary sources of available revenue.

The preamble of the law enacted by the Legislature of New York shows that the city of New York was authorized to raise this money by lottery which could not be obtained from ordinary sources of revenue available to the city. The law itself permitted the city to conduct a lottery to raise the money to pay the deficit incurred in improving the city hall for the accommodation and convenience of the Congress of the United States. Congress knew this. The city of New York applied to the legislature; and the legislature passed a law February 18, 1790, permitting this lottery in New York from which sums were derived to pay for the expense incurred in improving the city hall.

Congress afterward in 1812, I believe on May 4 of that year, passed a law permitting the city of Washington to raise money for important improvements the cost of which could not be raised from ordinary sources of revenue. Congress had before it at the time the question of amending the charter of the city of Washington. The lottery was authorized by the Congress, subject to the approval of the President, which should not exceed in the sum raised by this means $10,000 in 1 year.

Assembled in Congress today we find ourselves confronted by a condition where we cannot raise money from ordinary sources to provide for things we should provide for. We have not been able to provide for our veterans as we did formerly; we have been obliged to curtail the salaries of our Federal employees. Even in the appropriation bill now before the House we are not providing sufficient salaries for many employees of the Postal Service. The regulations that were handed down a day or two ago show that we are not able to provide as intended for the unemployed. The C.W.A. projects have been curtailed; they have been curtailed in my district, made up of small municipalities; the hours have been shortened and the salaries reduced. My people live under conditions that obtain in large cities, and I have urged the Federal Emergency Relief Administrator to deal with them accordingly, and we must raise additional funds to keep our people at work.

To what source may we go to pay for these things we must maintain? Under our present system we must either borrow or tax; but only 2 percent of our citizens pay an income tax today.

If we rely on income taxes to provide the millions that we are appropriating, then we must hit the man of small or no means.

Mr. Chairman, there is a way to get this money that is not available through ordinary sources, and we should adopt it. We should approve a lottery. We can obtain funds throughout this Nation from people of all classes willingly and in a vast sum.

Mr. McFADDEN. Will the gentleman yield?

Mr. KENNEY. I yield to the gentleman.

Mr. McFADDEN. Do I understand the gentleman is suggesting that we raise money for the support of the Government through a gambling device?

Mr. KENNEY. I would not call it gambling in the strict sense. I would rather regard it as a patriotic contribution to our Government for worthy purposes.

We know we are not taking care of our veterans and their dependents as we wish to take care of them. We are reducing salaries of those in the Government service who can ill afford the reduction. We are faced with the danger of laying off C.W.A. workers throughout the Nation.

Accordingly I have before the House a bill to authorize the Veterans' Administration, with the approval of the President, to conduct a lottery, which is no more than the churches of the land are doing today. Benevolent and charitable institutions are doing the same thing. The practice is wide-spread throughout the country. It is a source

of revenue that might be brought into the Government through the Veterans' Administration. Primarily it is for the benefit of the veterans and their dependents, because the bill provides that immediately upon its enactment, if that event should happen, all pensions, allowance, and benefits existing on March 20 last shall be immediately restored.

This is a matter to which we should give serious consideration. It is a source of revenue which France relies upon today, and because of it France has not curtailed the benefits given to her veterans. France estimates its return from the lottery at $500,000,000 annually, and we ought to do as well, and twice as well, in this country. A lottery brings revenue today to many countries of the world. Fully 30 countries are recipients of revenue from lotteries today. It is open and available to us. Not only will it provide for the worthy purposes for which it is intended but will lighten the burden of the taxpayer who cannot provide for them without the greatest of hardship. It will, besides, give the forgotten man a welcome opportunity.

Mr. Chairman, it would give hope to our people. It would thrill the Nation. I ask you to come along. [Applause.]

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 7295, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SALE OF ALCOHOLIC BEVERAGES IN THE DISTRICT OF COLUMBIA (H.DOC. NO. 225)

The SPEAKER laid before the House the following message from the President of the United States transmitting reports from the Attorney General and the Federal Alcohol Control Director suggesting the necessity of amendatory legislation to the act (H.R. 6181) to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia, and requesting the Congress to give consideration to the suggestions contained therein, which was read and referred to the Committee on the District of Columbia and ordered printed:

To the Congress:

I have approved H.R. 6181, an act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia.

Before approving this act of the Congress, I gave it careful personal study and referred it to the Attorney General of the United States and to the Federal Alcohol Control Director.

The Attorney General and the Director, in written reports given me on January 22, which I hereby transmit to the Congress, suggest the necessity of amendatory legislation. I respectfully request the Congress to give its consideration to the suggestions contained in their reports.

I prefer to approve the act now, in its present form, and to ask the Congress for amendatory legislation rather than delay putting it into effect by returning it to the Congress for amendment, meanwhile postponing approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 24, 1934.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BAILEY, indefinitely, on account of important business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2. An act for the relief of C. M. Williamson; Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased; Lottie Redman; and H. N. Smith; to the Committee on Claims.

S. 170. An act for the relief of Patrick Henry Walsh; to the Committee on Claims.

S. 177. An act for the relief of Woodhouse Chain Works; to the Committee on Claims.

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton; to the Committee on Military Affairs.

S. 326. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

S. 375. An act to reimburse the estate of Mary Agnes Roden; to the Committee on Claims.

S. 376. An act for the relief of Beatrice I. Manges; to the Committee on Claims.

S. 406. An act for the relief of Warren J. Clear; to the Committee on Claims.

S. 407. An act for the relief of Willie B. Cleverly; to the Committee on Claims.

S. 750. An act for the relief of the Lebanon Equity Exchange, of Lebanon, Nebr.; to the Committee on Claims.

S. 751. An act authorizing the Secretary of the Treasury of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer; to the Committee on Claims.

S. 785. An act for the relief of Elizabeth Bolger; to the Committee on Claims.

S. 1069. An act authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.; to the Committee on Claims.

S. 1073. An act for the relief of E. Walter Edwards; to the Committee on Claims.

S. 1074. An act authorizing adjustment of the claims of John T. Lennon and George T. Flora; to the Committee on Claims.

S. 1079. An act authorizing adjustment of the claim of Francis B. Kennedy; to the Committee on Claims.

S. 1081. An act for the relief of McKimmon & McKee, Inc.; to the Committee on Claims.

S. 1083. An act authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D.C.; to the Committee on Claims.

S. 1085. An act authorizing adjustment of the claim of Schutte & Koerting Co.; to the Committee on Claims.

S. 1087. An act authorizing adjustment of the claim of William T. Stiles; to the Committee on Claims.

S. 1089. An act for the relief of James R. Young; to the Committee on Claims.

S. 1115. An act to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost; to the Committee on Claims.

S. 1219. An act to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy; to the Committee on Claims.

S. 1321. An act authorizing adjustment of the claim of Korber Realty, Inc.; to the Committee on Claims.

S. 1347. An act for the relief of Little Rock College, Little Rock, Ark.; to the Committee on Claims.

S. 1426. An act for the relief of the estate of Benjamin Braznell; to the Committee on Claims.

S. 1429. An act for the relief of Anthony J. Lynn; to the Committee on Claims.

S. 1496. An act for the relief of Nannie Swearingen; to the Committee on Claims.

S. 1651. An act for the relief of the estate of Anton W. Fischer; to the Committee on Claims.

S. 1782. An act for the relief of the B. & O. Manufacturing Co.; to the Committee on Claims.

S. 1985. An act relating to the amortization of the construction cost of certain toll bridges in the State of Oregon; to the Committee on Interstate and Foreign Commerce.

S. 2029. An act to extend the time for completing the construction of a bridge across the Delaware River near

Trenton, N.J.; to the Committee on Interstate and Foreign Commerce.

S. 2152. An act granting certain property to the State of Michigan for institutional purposes; to the Committee on Indian Affairs.

ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, Thursday, January 25, 1934, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, Jan. 25, 10 a.m.)

Continuation of the hearing on H.R. 6836, to regulate motor carriers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

306. A letter from the Chairman of the Federal Power Commission, transmitting Thirteenth Annual Report of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

307. A letter from the Public Printer, transmitting list of files to be disposed of; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ARNOLD: Committee on Appropriations. H.R. 7295. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes; without amendment (Rept. No. 337). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H.R. 6604. A bill to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties, to authorize the construction of certain naval vessels, and for other purposes; with amendment (Rept. No. 338). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes; to the Committee on Appropriations.

By Mr. BROWN of Michigan: A bill (H.R. 7296) to guarantee the principal of bonds issued by the Home Owners' Loan Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. KELLY of Pennsylvania: A bill (H.R. 7297) to provide for the establishment of the National Industrial Adjustment Corporation for the purpose of stabilizing industry through the utilization of surplus labor and capital; for the coordination of certain recovery and relief agencies in the interest of efficiency and economy, and for other purposes; to the Committee on Ways and Means.

By Mr. McCLINTIC: A bill (H.R. 7298) to provide that veterans with combat service in the World War shall be presumed to have acquired their disabilities in such service; to the Committee on World War Veterans' Legislation.

By Mr. STUDLEY: A bill (H.R. 7299) to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof; to the Committee on the Post Office and Post Roads.

By Mr. STRONG of Texas: A bill (H.R. 7300) to make ability to speak, read, and write the English language a prerequisite to the admission to the United States, and to the naturalization of certain aliens, and to provide schools for aliens entering the United States; to the Committee on Immigration and Naturalization.

By Mr. MUSSELWHITE: A bill (H.R. 7301) to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order; to the Committee on the Post Office and Post Roads.

By Mr. DOBBINS: A bill (H.R. 7302) to authorize the Postmaster General to receive, operate, and to maintain for official purposes, motor vehicles seized for violation of the customs laws; to the Committee on the Post Office and Post Roads.

By Mr. LAMNECK: A bill (H.R. 7303) to continue until July 1, 1935, the rates of postage on the advertising portions of second-class publications prescribed by the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. DEROUEN: A bill (H.R. 7304) to amend the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H.R. 7305) to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H.R. 7306) to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska; and for other purposes", approved May 14, 1898, as amended; to the Committee on the Public Lands.

By Mr. JOHNSON of West Virginia: A bill (H.R. 7307) to abolish the office of purchasing agent for the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. LEMKE: A bill (H.R. 7308) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. COCHRAN of Missouri: A bill (H.R. 7309) to punish fourth-class postmasters who inflate their cancelations by mailing or causing to be mailed at their offices matter which would not have been so mailed but for the extra compensation accruing to the postmaster; to the Committee on the Post Office and Post Roads.

By Mr. TAYLOR of South Carolina: A bill (H.R. 7310) to enable the Postmaster General to withhold commissions on false returns made by postmasters; to the Committee on the Post Office and Post Roads.

By Mr. MARTIN of Colorado: A bill (H.R. 7311) to add certain lands to the Rio Grande National Forest, Colo.; to the Committee on the Public Lands.

By Mr. BUSBY: A bill (H. R. 7312) to provide for an appropriation of $50,000 with which to make a survey of the Old Indian Trail known as the "Natchez Trace", with a view of constructing a national road on this route to be known as the "Natchez Trace Parkway"; to the Committee on Roads.

By Mr. MITCHELL: A bill (H.R. 7313) to authorize the erection of a Veterans' Bureau hospital in middle Tennessee and to authorize an appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. ROGERS of Oklahoma: A bill (H.R. 7314) to amend the act entitled "An act granting pensions to certain soldiers who served in Indian wars from 1817 to 1898, and for other purposes", approved March 3, 1927; to the Committee on Pensions.

By Mr. CULKIN: A bill (H.R. 7315) to prohibit the sending and receipt of stolen property through interstate and foreign commerce; to the Committee on the Judiciary.

By Mr. KENNEY: A bill (H.R. 7316) to authorize the raising of funds by lottery for the purpose of providing additional means of defraying the cost of government, including expenditures authorized for veterans and their dependents, and for other purposes; to the Committee on Ways and Means.

By Mr. BURCH: A bill (H.R. 7317) to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party; to the Committee on the Post Office and Post Roads.

By Mr. PETERSON: A bill (H.R. 7318) providing for the establishment of terms of District Court of the United States for the Southern District of Florida at Fort Myers, Fla.; to the Committee on the Judiciary.

By Mr. McSWAIN: A bill (H.R. 7319) to amend the act of June 16, 1933, entitled "An act to encourage national industrial recovery, etc.", and to provide employment for laborers and to encourage the revival of industry, by constructing necessary buildings; to the Committee on Ways and Means.

By Mr. DIES: A bill (H.R. 7320) to authorize a board composed of the President, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture to negotiate with foreign buyers with a view of selling American agricultural surplus products at the world market price and to accept in payment therefor silver coin or bullion at such value as may be agreed upon which shall not exceed 25 percent above the world market price of silver, and to authorize the Secretary of the Treasury to issue silver certificates based upon the agreed value of such silver bullion or coin in payment for the products sold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. VINSON of Georgia: Resolution (H.Res. 235) for the consideration of House bill 6604; to the Committee on Rules.

By Mr. DE PRIEST: Resolution (H.Res. 236) to prevent discrimination; to the Committee on Rules.

By Mr. LUDLOW: Joint Resolution (H.J.Res. 245) directing the President to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. HOPE: Joint Resolution (H.J.Res. 246) suspending section 18 of the Executive order of June 10, 1933, relating to the reorganization of executive agencies; to the Committee on Expenditures in the Executive Departments.

By Mr. LEMKE: Joint resolution (H.J.Res. 247) making funds available for grasshopper control; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOCHT: A bill (H.R. 7321) granting a pension to Sylvia I. Whitman; to the Committee on Invalid Pensions.

By Mr. MOYNIHAN of Illinois: A bill (H.R. 7322) for the relief of Mae Harrison; to the Committee on Claims.

Also, a bill (H.R. 7323) authorizing the President of the United States to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of the said Archie Joseph Evans, deceased; to the Committee on Military Affairs.

By Mr. STRONG of Texas: A bill (H.R. 7324) for the relief of Benjamin B. Leese; to the Committee on Military Affairs.

By Mr. UNDERWOOD: A bill (H.R. 7325) granting an increase of pension to Estelle Purdum; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H.R. 7326) for the relief of R. M. Rice; to the Committee on Claims.

By Mr. WEIDEMAN: A bill (H.R. 7327) for the relief of Gustav Welhoelter; to the Committee on Claims.

By Mr. WITHROW: A bill (H.R. 7328) to correct the military record of Russell W. Graff; to the Committee on Military Affairs.

Also, a bill (H.R. 7329) to correct the military record of William L. Berkley; to the Committee on Military Affairs.

Also, a bill (H.R. 7330) granting a pension to Nettie Blackley; to the Committee on Invalid Pensions.

By Mr. WHITTINGTON: A bill (H.R. 7331) granting a pension to Nannie M. Buckley; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1756. By Mr. BACHARACH: Petition of sundry citizens of the Second Congressional District, New Jersey, bearing upon the regulation of broadcasting stations; to the Committee on Merchant Marine, Radio, and Fisheries.

1757. Also, memorial of Newark Diocesan Federation of Holy Name Societies, protesting against the passage of House bill 5978 relating to birth control; to the Committee on the Judiciary.

1758. By Mr. BEEDY: Petition of Jennie Grant and 4,000 other citizens, concerning control and censorship of the radio and broadcasting by the Columbia and National Broadcasting Cos.; to the Committee on Merchant Marine, Radio, and Fisheries.

1759. By Mr. BEITER: Petition signed by some 7,000 citizens of Erie County, N.Y., protesting against attempts made to influence the Radio Commission to prevent the broadcasting of programs that are of public interest, convenience, and necessity; to the Committee on Merchant Marine, Radio, and Fisheries.

1760. By Mr. CELLER: Resolution of the Callahan-Kelly Post, American Legion, that the Federal Government be urged to take immediate steps toward making the facilities of the Brooklyn Naval Hospital available to veterans residing in Brooklyn who are in need thereof; to the Committee on World War Veterans' Legislation.

1761. By Mr. DOUTRICH of Pennsylvania: Petition of Lester F. Eyrich et al., protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1762. Also, petition of Mrs. George Snyder et al., protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1763. Also, petition of H. L. Kelchner et al., protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1764. Also, petition of W. E. Brownwell et al., protesting against the unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1765. Also, petition of Clarence H. Ritter et al., protesting against the unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1766. Also, petition of Jonathan Dockey et al., protesting against the unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1767. Also, petition of Lester H. Wagner et al., protesting against the unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the Ameri-

can people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1768. By Mr. CULKIN: Petition of 4,669 citizens of Jefferson County, N.Y., urging that Congress take action to safeguard the interests of the people in the matter of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1769. By Mr. KENNEY: Petition of the Woman's Club of Leonia, Leonia, N.J., unanimously indorsing the Tugwell amendment to the Pure Food and Drug Act of 1906; to the Committee on Agriculture.

1770. By Mr. LAMBERTSON: Petition of C. F. Teagarden and 115 other citizens of Marshall County, Kans., urging the passage of the FRAZIER bill for the refinancing of farm loans, and protesting against the direct buying of hogs by packers, and urging that the Secretary of Agriculture require packers to make their purchases through established open competitive markets; to the Committee on Agriculture.

1771. By Mr. LAMNECK: Petition of Harry H. Hoessly, of 2568 Glen Echo Drive, Columbus, Ohio, and about 14,490 other citizens of Columbus, protesting against radio discrimination; to the Committee on Merchant Marine, Radio, and Fisheries.

1772. By Mr. LINDSAY: Petition of J. T. Matchett Co., manufacturing confectioners, Brooklyn, N.Y., opposing excise tax on candy; to the Committee on Ways and Means.

1773. Also, petition of Decorative Glass Workers' Protective Association, Local Union No. 520, New York City, protesting against curtailment of hours and work on Civil Works Administration projects, and urging continuation of Civil Works Administration appropriations; to the Committee on Appropriations.

1774. Also, petition of National Council of the Steuben Society of America, New York City, opposing the so-called boycott against German goods; to the Committee on Foreign Affairs.

1775. Also, petition of Mason, Au & Magenheimer Confectionery Manufacturing Co., Brooklyn, N.Y., opposing excise tax on candy; to the Committee on Ways and Means.

1776. By Mr. LLOYD: Petition of Robert Miller, and approximately 30,000 others of the Sixth Congressional District of Washington, addressed to the Congress of the United States, protesting the limitation placed or threatened against the radio broadcasts of Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

1777. By Mr. LUCE: Petition of residents of Waltham, Newton, Brookline, Watertown, Wellesley, Cambridge, Weston, Lincoln, and Boston, Mass., protesting interference of rights to use of radio facilities by International Bible students; to the Committee on Merchant Marine, Radio, and Fisheries.

1778. By Mr. MEAD: Petition of residents of Buffalo, N.Y., protesting against suppressing the right of a religious order to broadcast on radio stations; to the Committee on Merchant Marine, Radio, and Fisheries.

1779. By Mr. MILLARD (by request): Petition signed by approximately 6,000 residents of New York State, protesting against certain interference through censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1780. By Mr. RUDD: Petition of national council of the Steuben Society of America, New York City, concerning the so-called "boycott" movement against German goods; to the Committee on Foreign Affairs.

1781. Also, petition of Decorative Glass Workers' Protective Association, Local Union No. 520, New York City, protesting against any order to curtail hours and work on any Civil Works Administration projects for the present or future, and urging Civil Works Administration appropriation; to the Committee on Appropriations.

1782. By Mr. SMITH of Washington: Petition of J. C. Robinson et al., regarding the efforts of the major broadcasting companies to control all radio broadcasts by unfair and unethical methods; to the Committee on Merchant Marine, Radio, and Fisheries.

1783. By Mr. SUTPHIN: Memorial of the Long Branch Exchange Club, Long Branch, N.J., favoring enactment of Senate bill 1944 as specified in resolution; to the Committee on Agriculture.

1784. Also, memorial of the citizens of the United States residing in the city of Long Branch, N.J., regarding the removal of restrictions to immigration as set forth in resolution; to the Committee on Immigration and Naturalization.

1785. Also, memorial of the Long Branch Teachers Association, Long Branch, N.J., favoring enactment of Senate bill 1944 as specified in resolution; to the Committtee on Agriculture.

1786. By Mr. SWICK: Petition of George T. Weingartner, 504 L. S. and T. Building, New Castle, Pa., and 4,769 residents of Beaver County, 3,242 residents of Lawrence County, and 2,253 residents of Butler County, all of the Twenty-sixth Congressional District of Pennsylvania, protesting against certain wrongful interference with their rights, under the Radio Act, which provides for the broadcasting of that which is in the public interest. The message of the true God, Jehovah, as expressed by Him in the prophecies of His word (the Bible) and as now being given to the people of this Nation by Judge Rutherford and others of Jehovah's witnesses is of interest to us. When broadcast it is convenient for us to hear it in our homes and is necessary for our welfare. The National Broadcasting Co., the Columbia Broadcasting Co., the Roman Catholic hierarchy, and others, have wrongfully by threats, coercion, and other improper influence prevented many stations from broadcasting this message of truth, thus depriving stations of legitimate income and depriving millions of American citizens of the privilege of hearing what they wish to hear; and against this wrongful action we vigorously protest. Exercising the right guaranteed to us by the Constitution of the United States, we therefore respectfully petition the Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1787. By the SPEAKER: Petition of Charles Fornoy, regarding the operation of the National Industrial Recovery Act; to the Committee on Ways and Means.

1788. Also, petition of the Camp Fire Club of Chicago, Ill., regarding the continuance of the Biological Survey; to the Committee on Agriculture.

SENATE

THURSDAY, JANUARY 25, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of Tuesday, January 23, and Wednesday, January 24, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H.R. 7199) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1935, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Board of Supervisors of Milwaukee County, Wis., favoring extension of Federal unemployment relief under the Civil Works Administration from and after February 15, 1934, for such length of time as the economic condition of the country may require, and also the making of necessary appropriation therefor, which was referred to the Committee on Appropriations.

Mr. BARBOUR presented a resolution adopted by the United Women's Republican Clubs of Monmouth County, N.J., favoring the ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. DUFFY presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution memorializing the Congress of the United States to amend the income-tax law, proving for a deduction of State income tax paid from Federal income tax

Whereas the present system of State and Federal incomes taxes results in double taxation for the citizens of many States; and

Whereas, such a system is not only unjust but unfair to such citizens: Now, therefore, be it

Resolved by the assembly, (the senate concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to so amend its income tax law as to provide that all amounts paid for income tax under any State income tax law shall for the same year be deducted from amounts due the Federal Government under its Income Tax Act: Be it further

Resolved, That properly attested copies of this resolution be transmitted to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment, and submitted reports thereon:

S. 1088. A bill authorizing adjustment of the claim of White Bros. & Co. (Rept. No. 205);

S. 1859. A bill authorizing adjustment of the claim of the Rio Grande Southern Railroad Co. (Rept. No. 206);

S. 1949. A bill for the relief of C. J. Mast (Rept. No. 207); and

S. 2315. A bill to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line (Rept. No. 208).

Mr. BAILEY also, from the Committee on Claims, to which was referred the bill (S. 2278) for the relief of R. B. Miller, reported it with amendments and submitted a report (No. 209) thereon.

He also, from the same committee, to which was referred the bill (S. 2317) for the relief of Karim Joseph Mery, reported it with an amendment and submitted a report (No. 210) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 176) for the relief of Harry Harsin, reported it with an amendment and submitted a report (No. 211) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 258. A bill for the relief of Wallace E. Ordway (Rept. No. 212); and

S. 1331. A bill for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen (Rept. No. 213).

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1086) authorizing adjustment of the claim of Frank Spector, reported it without amendment and submitted a report (No. 214) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1531. A bill for the relief of Elizabeth Buxton Hospital (Rept. No. 215); and

S. 1600. A bill for the relief of S. G. Mortimer (Rept. No. 216).

Mr. COOLIDGE also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

S. 552. A bill for the relief of Manuel Merritt (Rept. No. 217);

S. 1118. A bill for the relief of George J. Bloxham (Rept. No. 218); and

S. 1119. A bill for the relief of Fred A. Robinson (Rept. No. 219).

Mr. COOLIDGE also, from the Committee on Claims, to which was referred the bill (S. 1460) for the relief of Edgar Stivers, reported it with amendments and submitted a report (No. 220) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 252) for the relief of the American Bonding Co., of Baltimore, reported it with amendments and submitted a report (No. 221) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 551. A bill for the relief of A. W. Holland (Rept. No. 222);

S. 1191. A bill for the relief of the Sultzbach Clothing Co. (Rept. No. 223);

S. 1692. A bill for the relief of the Compagnie Generale Transatlantique (Rept. No. 224); and

S. 1693. A bill for the relief of the International Mercantile Marine Co. (Rept. No. 225).

Mr. WHITE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 377. A bill for the relief of the Fred G. Clark Co. (Rept. No. 226);

S. 503. A bill to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co. (Rept. No. 227); and

S. 606. A bill to authorize the waiver or remission of certain coal-lease rentals, and for other purposes (Rept. No. 228).

Mr. WHITE also, from the Committee on Claims, to which was referred the bill (S. 1528) to amend section 3702, Revised Statutes, reported it with an amendment and submitted a report (No. 229) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 1184) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, reported it without amendment and submitted a report (No. 230) thereon.

He also, from the same committee, to which was referred the bill (S. 2002) for the relief of R. S. Howard Co., Inc., reported it with an amendment and submitted a report (No. 231) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 2465) to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia, reported it without amendment and submitted a report (No. 232) thereon.

Mr. STEPHENS, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2337. A bill to declare Noxubee River in Noxubee County, Miss., to be a nonnavigable stream (Rept. No. 233); and

S. 2347. A bill to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended (Rept. No. 234).

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 23, 1934, that committee presented to the President of the United States the enrolled bill (S. 2284) relating to contracts and agreements under the Agricultural Adjustment Act.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

A bill (S. 2487) providing for the examination and survey of a proposed deep-waterway canal connecting Grand River with Lake Michigan; to the Committee on Commerce.

By Mr. BARBOUR:

A bill (S. 2488) to correct the military record of Albert Anderson; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 2489) for the relief of Harold E. Seavey (with accompanying papers); to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 2490) to authorize the erection of a Veterans' Administration hospital in middle Tennessee and to authorize the appropriation therefor; to the Committee on Finance.

A bill (S. 2491) granting a pension to Martha E. Burrell (with accompanying papers); to the Committee on Pensions.

By Mr. STEIWER (by request):

A bill (S. 2492) to amend an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933 (Public Law No. 2, 73d Cong.), and an act entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes", approved June 16, 1933 (Public Law No. 78, 73d Cong.); to the Committee on Finance.

HOUSE BILL REFERRED

The bill (H.R. 7199) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1935, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

USE OF CONVICT LABOR IN RUSSIAN LUMBER INDUSTRY

Mr. McNARY submitted a resolution (S.Res. 155), which was ordered to lie on the table, as follows:

Resolved, That the Secretary of the Treasury is requested to transmit to the Senate immediately all information available with respect to Treasury Decision, dated January 24, 1934, which vacates Treasury Decision 44620, in which a finding was made that convict labor is used in the production of lumber and pulpwood in certain areas in European Russia.

AMERICAN BRANCH FACTORIES ABROAD (S.DOC. NO. 120)

Mr. STEPHENS. Mr. President, in response to Senate Resolution 138, adopted in the Seventy-second Congress, the Secretary of Commerce sent to the Senate on June 14, 1933, a report on United States producers with investments in foreign production, and it was referred to the Committee on Commerce. I present certain extracts from that report, and, as the Committee on Commerce have informed me that they have a great many requests for the information, I ask unanimous consent to have them printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

NATIONAL GRANGE LEGISLATIVE PROGRAM

Mr. CAPPER. Mr. President, in asking unanimous consent to have printed in the RECORD the legislative program of the National Grange, I desire to call attention of the Senate, and to urge every Member of the Senate, to give careful consideration to what the Grange has to say as to the needs of agriculture.

The plain fact is, Mr. President, that the relief legislation which we have enacted does not, or at least has not, solved the farm problem. I honestly believe it has been helpful in relieving some of the worst aspects of a situation that was, and to a very considerable extent still is, intolerable and highly dangerous to the future welfare of the country.

It is the announced aim of the Agricultural Adjustment Act to restore to agriculture pre-war purchasing power—frequently it is referred to as pre-war parity.

But right now the purchasing power of farm products, measured by prices received for those products, is only 70 percent of pre-war purchasing power, and at the same time the prices of the things the farmer buys are 115 to 120 percent of pre-war prices. We still have a long way to go.

I do not intend to discuss the farm problem at this time; but I do urge Senators to give it careful attention, and I suggest a careful study of the Grange program, a copy of which I send to the desk with the request for unanimous consent to have it printed as a part of my remarks and appropriately referred.

There being no objection, the matter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE LEGISLATIVE PROGRAM

1. AGRICULTURAL ADJUSTMENT ACT

The Agricultural Adjustment Act declares it to be the policy of Congress to reestablish and maintain the same price parity between agricultural and industrial commodities which obtained in the pre-war period. However, as the year 1933 drew to a close the average price level of farm products stood at only 71 percent of pre-war, as compared with 117 percent for industrial commodities, making a spread of 46 points to the disadvantage of agriculture. Justice and the national interest alike demand that all arbitrary and artificial price boosting in industry must stop until farm prices are brought to an equality with industrial prices. It is imperative that a sound and workable plan be devised to give financial assistance to the dairy and beef cattle industries during the present emergency.

2. MONETARY STABILIZATION

The Grange stands for an honest dollar, a dollar that will be fair to debtor and creditor alike. We are in favor of expanding the currency to such an extent as to reestablish the 1926 price level. The President has been given the power by Congress to use any one of several methods to bring about a rise in the commodity price level through controlled expansion. If the President's gold policy does not produce the desired results, we favor the adoption of a plan calling for the issuance of non-interest-bearing Treasury notes to the minimum extent of $5 per capita. To get this money into circulation, the Government would pay its obligations in currency until the general commodity price level reached 100. If prices should rise to 103, the currency would be redeemed by the issuance of bonds until the price level dropped back to 100. If it should fall as low as 97, currency would again be issued to bring about a rise in prices.

As an alternative, the Government should issue non-interest-bearing Treasury notes to pay at least a part of the Public Works program, liquidate the sound assets of closed banks, or to retire United States bonds within the $3,000,000,000 limit already prescribed by Congress. In the issuing of Treasury notes, it is essential to make definite provision for the redemption of such currency at a given rate per year.

3. TAXATION

Falsifying of records and juggling of tax statements is causing a large amount of property to escape its just share of the cost of government. We condemn every form of tax evasion, whether it be by the failure to list taxable property, the falsifying of income tax and other tax statements, the shifting of ownership to holding companies, or the common practice of large corporations of making two financial statements, one for taxation purposes and the other for rate making.

We favor increasing the income and inheritance tax rates in the higher brackets, especially upon high and excessive salary incomes and excessive corporation profits. The gift tax should be high enough to prevent evasions of the law. As a means of equalizing the burden of taxation, we favor the distribution of a portion of the proceeds of Federal income and inheritance taxes among the States on the basis of school requirements, or in some similarly equitable manner.

We reaffirm our vigorous opposition to the imposition of a general sales tax because such a tax ignores the principle of ability to pay and is a tax upon the necessities of the people.

We favor the appointment of a Federal commission to make a study of our whole system of taxation, Federal and State, with a view to securing better coordination and greater economy in the assessment and collection of taxes.

4. AGRICULTURAL CREDITS

Ample credit facilities under farmer control are essential to recovery. From the beginning, the farm loan system demonstrated its value to agriculture. The reorganized Farm Credit Administration has increased this service. The Grange advocates:

1. A reduction in interest rates on the part of agencies coming under the Farm Credit Administration.

2. That the Federal Farm Loan Act be so amended as to restore farmer control of the system.

3. That the rediscount privilege be extended to Federal land bank bonds in order to secure a lower interest rate.

4. Amendments to strengthen the local farm loan associations and increase their efficiency.

5. TARIFF POLICY

Following is an outline of the tariff policy adopted by the National Grange:

1. So long as the American protective policy is maintained, we favor such rates of import duty as will insure the American market to the American farmer upon farm commodities which can be produced advantageously in any part of our country.

2. Since it is well understood that producers of surplus crops receive no direct tariff benefits, equality and justice demand that import duties on commodities which the farmer must buy should be fixed at fair and reasonable levels.

3. We advocate that growers of crops of which we produce an exportable surplus shall be accorded equalized tariff benefits such as are proposed under the export debenture system.

4. Because the natural resources of the country should be wisely used and conserved for the benefit of this and succeeding generations, we affirm that it is contrary to sound public policy to impose tariffs for the protection of such resources as cannot be renewed when they are once exhausted.

5. In no case should tariff rates be granted which breed monopoly, enriching the few at the expense of the many, and which encourage inefficiency rather than efficiency in American industry.

6. We reaffirm the long-established policy of the Grange in demanding "tariff for all or tariff for none."

6. IMPORTED OILS AND FATS

It is manifestly unfair and economically unsound to restrict the production of dairy products in this country while permitting the free and unlimited importation of foreign oils and fats entering into competition with the products of American agriculture. We urge Congress and the administration to take the following steps:

1. Limit by law during the continuance of the present emergency the production of oleomargarine, and provide that no imported oil or fat shall be utilized in the manufacture of oleomargarine except where it can be shown that such use is necessary.

2. Limit and control by statute all imports of oils and fats, whether edible or inedible, by licensing such imports; permitting imports only in the case of proved necessity, and imposing an internal revenue tax upon the first domestic sale of imported oils and fats.

7. MOTOR TRANSPORTATION

We approve of the appropriations made by the Federal Government for highway construction. The Grange believes that the time has come when more consideration should be given to the improvement of farm-to-market and post roads. Following is an outline of the position assumed by the Grange regarding various proposals for further legislation to regulate and tax motor vehicles:

1. The interest and safety of the public require enforcement of proper restrictions regarding the size, weight, and speed of all vehicles moving over the public highway.

2. Such regulations should be uniform as between the several States, and there should be reciprocity between the States, based on such uniformity.

3. The power to regulate is a police power lodged with the States. As a basis for regulation, we commend to all the States adoption of the uniform code for the regulation of traffic approved by the American Association of State Highway Officials and the United States Bureau of Public Roads.

4. With respect to highway taxation, each motor vehicle should be taxed its fair share of the cost of the highways which it uses. The State should be the sole taxing agency.

5. Every special tax collected for highway improvement should be conserved for that purpose alone. Consequently no gasoline tax diversion should be permitted.

6. No taxation or regulation of motor vehicles should be permitted which has for its purpose any increase in cost or restriction in use, in order to equalize competition between motor transportation and other forms of transportation.

8. RAILROADS

The Grange believes that economies of operation making possible lower transportation rates can be advanced by further consolidation of railroads. Railroads should cooperate to reduce competitive expenses; unnecessary services should be abandoned; metropolitan terminals should be consolidated, and circuitous haulage should be eliminated. We believe that the railroads should be permitted to engage in motor transportation, and we favor the elimination of some of the restrictions on railroads which were necessary when they had a monopoly of land transportation.

9. INLAND WATERWAYS

We are in favor of the development and improvement of inland waterways, when practicable and economically sound, for the promotion of our foreign and domestic commerce. The Lakes-to-the-sea canal should be built. With the return of normal economic conditions this waterway, as well as other systems of water transportation, will be needed.

10. LAND POLICY

We believe immediate steps should be taken to formulate a more comprehensive policy with reference to land utilization, and we recommend:

1. The remnants of the public domain should not be turned over to the States, but there should be provisions for a better consolidation of Federal and State holdings as an aid to improved administration of public lands.

2. There should be no expenditure of public funds for the development of new irrigation and reclamation projects until there is evident need for additional agricultural land. Sound policy demands that if, under prevailing conditions, new land is brought into cultivation at public expense, the Government should purchase and retire from agricultural production a greater amount of submarginal land.

3. The forestry laws of State and Nation should be so broadened as to permit the purchase of submarginal agricultural land, whether suitable for forest purposes, recreational uses, or game preserves.

4. Erosion, flood control, and kindred problems should be given proper consideration in the development of a program for the better utilization of land.

5. We recommend that increasing attention be given to soil conservation as a permanent national policy, and that a reasonable share of the money expended in connection with the national recovery program be devoted to strengthening the soil survey programs of the Federal Government and the several States.

11. AGRICULTURAL EXTENSION

We favor appropriations that will be adequate to maintain the efficiency of the Agricultural Extension Service. We recommend that the Smith-Lever Act be so amended as to forbid direct or indirect contributions to the Extension Service on the part of private citizens, chambers of commerce, farm organizations, or similar groups, so that extension workers shall be paid entirely from public funds, leaving them free to serve the people without favoritism or discrimination.

12. VOCATIONAL EDUCATION

The Grange believes that the modest appropriations made by the Federal Government for the support of vocational education represent an investment paying substantial dividends, and we favor the continuance of these appropriations.

13. BOVINE TUBERCULOSIS

With a surplus of dairy products on hand the Grange advocates adequate Federal appropriations for the eradication of bovine tuberculosis, both as a measure for reducing the surplus and to protect the public health.

14. RURAL MAIL SERVICE

We believe that the adoption of the contract system, as advocated in some quarters, would be detrimental to the rural-delivery system. We are opposed to such a move, or any other step that would in any way endanger, hinder, or interfere with the regular or efficient distribution of mail to rural communities. We favor restoration of the 2-cent rate on first-class matter.

15. PURE FOOD AND DRUGS ACT

Twenty-seven years of experience in the administration of the Pure Food and Drugs Act have shown its great value, besides disclosing certain inadequacies to control present-day abuses. We favor amending the act in the following respects:

1. Providing penalties for false advertising in newspapers, periodicals, and over the radio.

2. The inclusion of cosmetics. Serious injuries have been caused by the sale and use of harmful cosmetics.

3. Forbidding false remedial claims for drugs and remedies. At present the Government, in prosecuting violators of the act in this connection, is required to prove that the defendant knew the claims to be false, which has naturally been a serious handicap to proper enforcement.

4. Legal standards are necessary for the effective regulation of the traffic in processed foods.

5. Requiring that labels of foods and drugs disclose sufficient facts to enable intelligent buying.

16. CONTROL OF LIQUOR TRAFFIC

The repeal of the eighteenth amendment brings us face to face once more with the difficult and vexatious question of attempting to control and regulate the traffic in intoxicating liquor. The position of the Grange on this question is summarized as follows:

1. We oppose the sale of intoxicants in the immediate vicinity of churches, schools, and colleges.

2. We are opposed to the return of the saloon or the importation of foreign liquors.

3. We oppose the advertising of intoxicants over the radio, in newspapers or magazines, and in moving-picture theaters.

4. The element of profit should be eliminated as much as possible from the manufacture, distribution, and sale of intoxicants.

5. We favor the adoption of adequate measures by the Government to protect dry States from the shipment of intoxicating liquor across their borders from wet territory.

6. We are opposed to excessive taxes on liquor, since excessive taxation would encourage bootlegging, official corruption, and general violation of the law.

7. We recommend that Granges throughout the land join with other organizations in promoting a campaign of education calling attention to the evil effects of strong drink, exposing the fallacy of the idea that any nation can drink its way to prosperity, and emphasizing the truth that decency and sobriety are virtues that bring their own reward.

17. MOTION-PICTURE REGULATION

Federal regulation of the production of motion pictures entering into interstate commerce is necessary in order to protect public morals and establish higher standards.

18. REGISTRATION OF ALIENS

We favor legislation requiring that all aliens be registered by the Federal Government and compelled to pay a registration fee of from $5 to $10. Those who fail to become naturalized within a period of 10 years should be deported. The Grange opposes any weakening of the present immigration laws.

19. CONGRESSIONAL REPRESENTATION

We favor an amendment to the Constitution that will exclude aliens from being counted in determining the basis of population for representation in Congress.

20. BANKING

We approve the provisions of the Banking Act of 1933 providing for the safeguarding of accounts of depositors, regulating interbank control, and forbidding the undue diversion of funds for speculative purposes. We especially favor that feature of the act guaranteeing deposits, and we shall vigorously oppose any movement which may be made for its repeal.

21. TRUTH IN FABRICS

We favor legislation for truth in fabrics, both for the benefit of agriculture and for the protection of the consumer.

22. WORLD PEACE

The Grange earnestly advocates that the Government of the United States should continue to exert its best efforts to promote peace and good will among nations. Since disarmament on a purely national basis is not practicable, we cherish the hope that our Government may use its best endeavors to bring about reduction in armaments on an international scale. In the event of war, we favor the conscription of wealth as well as man power.

23. WORLD COURT

We reaffirm our endorsement of the World Court, with reservations sufficient to assure protection to the rights and interests of the United States.

VETERANS' COMPENSATION—STATEMENT OF EDWARD A. HAYES

Mr. STEIWER. Mr. President, a few days ago Mr. Edward A. Hayes, the national commander of the American Legion, issued a statement which is of considerable interest to those of us who are dealing with the subject of veterans' compensation. The statement is short, and I ask that it be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Any impression that the American Legion will discontinue its fight for the service disabled is erroneous.

The first point in our program is that all compensation cuts to actually service disabled be immediately restored.

The Legion warned that the Economy Act would cut the war maimed. Successive admissions by action of Congress and by changes of regulations have made it apparent that "the Economy Act cut too deeply." The Legion has made an intensive study to determine how the benefits taken from the disabled can be restored with justice to the veteran and the Government.

General Hines estimates that changed regulations, issued yesterday, restore $9,250,000 to service-disabled World War victims. This action fails to restore $57,124,000 of the payments made to such victims prior to March 20, 1933. Everyone agreed prior to, at the time of, and after passage of the Economy Act that economies were not required and should not be made at the expense of the service-disabled veteran. Sad experience since March 1933 discloses that such economies were made and that administrative regulations have but partially restored them.

The public should know that the new regulations as issued do not restore to the rolls a single service-disabled World War veteran who was cut off by operation of the Economy Act.

Neither do these regulations restore any hospital treatments not heretofore authorized by administrative instruction.

Therefore the regulations just issued do not adequately cover points 1 and 2 of the Legion's program.

The Legion feels that it should be written into the basic law: That payments to the service disabled must be restored; that this action should not be left to mere regulations, with instructions pertaining thereto hinging upon the judgment of individuals whose interpretation since March 1933 have left thousands of service disabled without deserved payments.

At least 20,000 cases, many of whom are insane or tubercular, are left without payment of any kind as the result of the action at the hands of the special boards of review. For 12 years, in most of those cases, the Government has admitted that their unfortunate condition was attributable to their service in the World War. Veterans' Administration procedure—the instructions interpreting regulations under the Economy Act—left thousands of the most appealing cases in position where they really had no chance for their day in court. Certainly no government to which a defender gave his mind or his lungs should abandon such defender. The Legion believes that every American citizen would agree, if they understood, that these sacred charges should be restored to the rolls immediately and be removed only in the event the Government can show that their condition was not due to their service.

As to hospitalization the regulations issued Friday provide no additional hospital benefits except transportation. This may or may not make possible the use of beds now empty in many existing Federal hospital facilities. Experience discloses that unless written into basic law that empty beds can be used by veterans needing hospitalization unable to provide it for themselves, but those beds may still remain empty.

The new regulations provide nothing for widows and orphans of World War veterans dying of nonservice disability no matter how great their need. The Legion believes that the policy of this Government heretofore adopted and still adhered to as to widows and orphans of other wars should by law apply without discrimination to like classes of World War veteran dependents.

"LEE, THE MAN"—ADDRESS BY SENATOR BYRD

Mr. ROBINSON of Arkansas. Mr. President, I ask that a radio address delivered by the junior Senator from Virginia [Mr. BYRD] on January 19, the anniversary of the birthday of Robert E. Lee, be printed in the RECORD. The address is on the subject "Lee, the Man."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The National Broadcasting Co. has done me the honor to ask me to speak on Lee, the man, on this the one hundred and twenty-seventh birthday of Robert Edward Lee.

I prefer to speak on Lee the man rather than to speak on Lee the military commander, for, great as he was as a military chieftain, he was nobler as a great gentleman.

Theodore Roosevelt estimated General Lee as the greatest of all the great captains the English-speaking people had produced; but Woodrow Wilson found Robert Edward Lee to be one of the noblest of men. And Wilson distinguished nobility from mere greatness in that a man may be great and yet selfish, whereas he must spend his greatness in unselfish service if he is to win the title of nobility. Said Mr. Wilson, "He is noble in our popular conception only when he goes outside the narrow circle of self-interest and begins to spend himself for the interest of mankind." And it was this very spending of himself for others that Wilson found characteristic of Robert E. Lee.

Let us recall two great decisions of Lee's life that demonstrate his great nobility. One was when he determined to secede with his courageous State at the beginning of the war, and the other was when he decided to suffer with his defeated State at the end of the war.

In April 1861 Robert Edward Lee was a colonel in the United States Army. He had been an honor student at West Point. He had been superintendent of West Point. He had won reputation and glory in the Mexican War. He had married the great-granddaughter of the wife of George Washington, and with her had come to him stately Arlington, seated pleasantly above the Potomac, overlooking the Capital of the Nation. Here was Colonel Lee in the April of 1861, riding each day between the War Department and his Virginia home. His friends were in the United States Army; his deepest loyalties were there; his career and future were there. But Southern States were seceding, one after the other. President Lincoln was determined to prevent their secession, and the red tide of war was floating nearer to the National Capital each day. Lee had to decide, and decide soon, whether he would obey the voice of Virginia when she called him to defend her or whether he would invade her and fight his own kin at the order of the President of the United States; and then in that moment of dire decision President Lincoln offered him command of the armies of the United States.

Handsome, strong, trained to make war, here was an opportunity to lead a great army of a great country to a victory that would make him the appointed and exalted savior of the Union. His fortune would be made, his home would be safe, his family would be prosperous and protected. On the other hand, if he followed Virginia out of the Union, his home, his Arlington he loved, would become forfeit to the enemy. He would be reviled as a traitor. His family must leave home and wander south; and if he lost, both life and reputation might perish in disaster.

But Lee did not hesitate. He had been taught that his first loyalty was to his State. His own father had exclaimed, "Virginia is my country; her will I obey." One of his textbooks at West Point taught the right of secession; and, besides, the chivalrous Lee could not bring himself to wage war on his own people, his own kindred, his own State, even though he opposed among his own people secession to the limit. The decision pressed upon him has been called the choice of Hercules. He made the difficult decision and took the hard road away from Arlington, to Richmond, where he accepted command of Virginia's gathering volunteers, solemnly promised that he would draw his sword only in defense of his native State.

For 4 years war was flagrant. Lee sometimes rode the high tide of victory; again suffered the agony of defeat; shared the tragedy and tears of his people; and came at least with a few ill-fed, exhausted men to surrender Appomattox.

And then again power and riches were offered him, a good salary as the head of a house to promote southern commerce, an estate in England. Tempters offered rewards for the mere use of his name at the head of their businesses. Quietly, he said that his name was not for sale; and so he came at last to Washington College at $1,500 per year. For 5 years he taught the young men he had led in battle to do their duty in peace.

Though he made war magnificently, his Supreme Captain was ever the Prince of Peace; and when that Captain called him, he went to that eternal reward reserved for those who love God; and the trumpets of the angels who welcome heroes proclaimed that a noble gentleman had come home. He died loving the divided sections into peace.

UNITED STATES MONETARY SYSTEM

The Senate resumed the consideration of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

Mr. HASTINGS obtained the floor.

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Reynolds
Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Cutting	Keyes	Robinson, Ind.
Bachman	Davis	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	McAdoo	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkley	Gibson	McNary	Townsend
Bulow	Glass	Murphy	Trammell
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norris	Vandenberg
Capper	Hale	Nye	Van Nuys
Caraway	Harrison	O'Mahoney	Wagner
Carey	Hastings	Overton	Walcott
Clark	Hatch	Patterson	Walsh
Connally	Hatfield	Pittman	Wheeler
Coolidge	Hayden	Pope	White
Copeland	Hebert	Reed	

Mr. LEWIS. I am advised that the Senator from Louisiana [Mr. LONG] is detained in the State of Louisiana on politically important and official business.

I regret to have to announce that the Senator from Oklahoma [Mr. THOMAS] is still detained by illness. I ask that this announcement may stand for the day.

Mr. HEBERT. I desire to announce that the Senator from Iowa [Mr. DICKINSON], the senior Senator from Rhode Island [Mr. METCALF], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

Mr. HASTINGS. Mr. President, I should like to request in the first instance that I be not interrupted in my discussion of the pending bill. When I shall have finished, if any Senator desires to ask any questions about what I have said I shall undertake to answer as best I can.

Sometime ago some professor undertook to give to the public a list of persons who, in his opinion, know something about the question of money. My recollection is that the number was something less than 20. That constitutes the ratio of 1 person having knowledge of money to about 6,000,000 who do not know about it. I do not recall that the celebrated list included a single Member of the House of Representatives or of the United States Senate, and, so far as I now recall, it did not include a single person in the Treasury Department. I have no complaint because my own name was not included, because if anybody had confidence in the list it would have been immediately destroyed.

Those of us who are anxious to find out about the bill have read with some care the testimony that was taken before the Finance Committee. The witnesses before that committee, as I recall it, numbered something like 15 who were opposed to the bill to 2 who were in favor of it. An explanation was made yesterday as to the reason for that unusual proportion. The senior Senator from Kentucky [Mr. BARKLEY] stated:

> It was all brought to the committee largely upon the suggestion of those who either oppose the proposed legislation altogether or who desire to amend it, whereas the proponents of the bill desired to get the bill out on the floor here and did not undertake or desire to delay its consideration in the committee by bringing a lot of witnesses to Washington.

That is the only excuse we have for not having more reason in the record for the passage of the bill. That reminds me of the great care and consideration the bill had in the House of Representatives. From newspaper reports we get the information that the time allotted for the consideration of the bill was but 3 hours. As I thought it over and tried to find out what it was all about it seemed to me that I might say without exaggeration that if there were a proposition before some respectable council of some city of this Nation whereby it were proposed to reduce the dog tax from $1 to 60 cents or to 50 cents it would have received more consideration than the bill received in the House. Certainly if the proposal had been to give to the mayor of that city the right to determine whether the dog tax should be $1 or whether it should be reduced to 60 cents or to 50 cents, depending upon the prevalence of dogs in the community, the city council would have given it more than 3 hours' consideration, because under our democratic form of government we are inclined to discuss important things before we attempt action upon them.

But regardless of the evidence, regardless of how much one may study it—I might illustrate it by saying study it as jurors—we all know definitely that the great judge who has charge of it has already given instructions to return a verdict in favor of the administration. So, as the distinguished senior Senator from Virginia [Mr. GLASS] said yesterday, "In view of that, what is the use?"

As I proceed to a consideration of the bill I am reminded of that provision of the Constitution that the Congress itself is given the important power of coining money and fixing the value thereof, and in the same identical paragraph is the further provision, "and shall fix the standard of weights and measures." As I tried to find out what this is all about, I may say that while the illustration may be considered somewhat of an exaggeration, it seems to me it is not unreasonable to suggest that the Congress itself might just as well give to the President of the United States the right to change the weights and measures of the land, so as to provide, if you please, that 2 pecks shall constitute a bushel, that 2 quarts shall constitute a gallon, that 50 pounds shall constitute a hundredweight.

I think if it were in time of war it would not be unreasonable to suggest that when that is done by the Congress, one half of all the grain that is measured, all the liquor in the country that is put up in gallons, all the milk that is sold by the quart or by the gallon, shall go to the Government under some such scheme. What would be the excuse? It is not exaggerating because if we assume a condition of war, and if this be a condition of war and it were necessary to conserve the food of the country, we might as well be asked to give to the President of the United States this power and we might at the same time declare that the Government has gotten a great profit because we have reduced the weights and measures by 40 to 50 percent.

But, Mr. President, in connection with this discussion we have heard much about what shall be lost by the Federal Reserve Board if the Government takes all the gold. An argument was had yesterday that the Federal Reserve Board got this money because of the authority it has from the Government which created the Federal Reserve bank, plus its careful management of it. But I am not so much concerned about what happens to the Federal Reserve Board as I am concerned about the poor old woman who has saved some money with which to bury herself. She wanted to be certain she would have the right kind of money, particularly with an administration that was constantly leaving us in doubt as to what kind of money we might have when death comes to her. She has carefully taken this money and put it away from time to time until she has accumulated $200 in gold. What happens to her?

She is ordered under penalty to give it up to the Federal Reserve Board. Why is it to be given up? Because it is said it is needed in trade, it is needed in commerce, it is needed for the purpose of trade and commerce, and so she must give up her gold and turn it over to the Federal Reserve Board. When she takes it to the Federal Reserve Board what does she get for it? She does not get a gold certificate. What she may have had may have been a gold certificate, but she had to give that up. She must give up this gold and take money which ultimately may become real phoney money and not money that has very much of purchasing value.

I am thinking, too, about the boy 15 years old whose grandfather has given him a $20 gold piece every birthday since he was born until he has collected $300 in gold. That has a real value to him more than any value the Government could place upon it because it has a sentiment back of it. But that boy has been ordered, under the penalty of being declared a felon and under the charge that if he does not do it he is not patriotic, to give up that gold to the Federal Reserve Board.

How much did this all amount to between March 6, 1933, and December 31, 1933? We find $831,000,000 of this kind of money being delivered to the Federal Reserve Board. If we are going to take it from the Federal Reserve Board, I say that we must not under any circumstances forget how many thousands and millions of citizens there are from whom we are taking it because of the duress in the Executive orders that compel them to give it up.

But, Mr. President, this bill is here, and we must consider it and pass upon it. I know that nobody expects me to vote for it because it is an administration bill. I hope I may escape the charge of being opposed to it because it is an administration bill.

I desire in the first place to call attention to the fact that this is not an emergency measure. The argument, so often impressed upon us in the last 10 or 11 months, that the administration is in a war with the depression and patriotism demands we give it support, does not apply to this bill. This legislation is not only permanent in character but revolutionary in purpose. It is much more dangerous than the proposal of Mr. Bryan in 1896, and it is proposed by an administration that won its election upon a platform that declared, "We advocate a sound currency to be preserved at all hazards."

Can it be claimed that this bill lives up to that platform? The Senator from Idaho [Mr. BORAH] yesterday tried to find out whether or not the bill had inflation as its background, whether there was real inflation in it. He was anxious to find that out, because, as I understood him, if the bill was inflationary in its character, and carried enough inflation with it, he was in favor of it. On the other hand, I am afraid there is inflation in the bill, and I am opposed to it. Neither he nor I knows which is its character, and we did not find out in all of the discussion yesterday.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HEBERT in the chair). The Senator from Delaware said he preferred not to be interrupted during the course of his remarks.

Mr. WHEELER. I beg pardon.

Mr. HASTINGS. What is this bill, Mr. President? It is the same kind of measure and the same kind of policy that has been followed since the 4th of last March, leaving the public and the world in general uncertain as to what is going to happen. When the bill comes here—an important bill like this, prepared by the administration itself—we of the Senate are still uncertain. The distinguished Senator from Idaho [Mr. BORAH], who has had the longest career in the Senate—a great lawyer, known the world over—is uncertain what it means, and he was not able to find out yesterday by his inquiry from the Senator from Kentucky [Mr. BARKLEY].

In my judgment, the bill violates two important provisions of the Constitution, in that Congress undertakes to delegate to the President its own duty and responsibility with respect to coining money and fixing the value thereof; and, secondly, it undertakes to legalize robbery by taking certainly this $813,000,000, if not that which belongs to the Federal Reserve Board; by taking property of our citizens without due process of law, and without just compensation.

In addition to that, it destroys the gold base for our circulating currency, builds up a huge central political banking system within the Government, and gives to one man the complete control of the enormous sum of $2,000,000,000 to be known as a "stabilization fund", a fund clearly intended for use in speculation in foreign exchange. One unfortunate provision with respect to this fund, as I see it, is that neither the President nor the Secretary of the Treasury is required to give any information to the public with respect to it until 3 years and 3 months after the law becomes effective, and that happens to be about 3 months after the present term of the President expires.

CENTRAL BANKING

I think it must be admitted that the present administration has definitely decided to create a huge central banking system which shall be controlled by the Government. In the first place, it seizes all of the gold of the Nation, permitting a small and necessary portion to be used for the arts and sciences, and makes it a part of the Federal assets.

The Federal Reserve bank is to be so crippled by this legislation that it will be of little or no value in the future. Indeed, I anticipate that within a short time we shall have recommendations to abolish it altogether.

But that is not all. Does anybody doubt but that there is great significance in the effort of the administration, through the Reconstruction Finance Corporation, to invest huge sums of money in the thousands of banks of the land? The insistence of the Reconstruction Finance Corporation has been so compelling that many banks have felt it wise to sell to the Reconstruction Finance Corporation preferred stock when they had no earthly use for the money it received in return. I am certain that I am not exaggerating when I say that up to within a week or more ago 5,300 banks had sold preferred stock, and the Reconstruction Finance Corporation had invested, approximately $900,000,000 of the public money. Well-informed people who are close to certain members of the Reconstruction Finance Corporation inform me that it is the determination that within 2 or 3 more months there will be 5,000 more banks selling to them preferred stock, and they boast that when this is finished there will be a further investment of the Government funds of $500,000,000. I understand this is about 80 percent of all the banks in the land.

How many of these banks will be under the direct control of the Government no man can now estimate, but all of us know enough about human nature to realize that this huge investment in preferred stock in 80 percent of the banks, gives to the Government a tremendous influence with them, if not absolute control.

But if there be any doubt about these two things being entirely sufficient to centralize the banking of the Nation in Washington, and under the direct control of the Government, let us examine the next important request of the administration. It is proposed by this act:

SEC. 10. (a) For the purpose of stabilizing the exchange value of the dollar, the Secretary of the Treasury, directly or through such agencies as he may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section.

Provision is made for establishing a fund of $2,000,000,000, and in the second paragraph we find this further authorization:

The fund shall be available for expenditure, under the direction of the Secretary of the Treasury, and in his discretion, for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund which the Secretary of the Treasury, with the approval of the President, may from time to time determine are not currently required for stabilizing the exchange value of the dollar. The proceeds of all sales and investments and all earnings and interest accruing under the operation of this section shall be paid into the fund and shall be available for the purposes of the fund.

It is a little difficult to grasp the meaning of $2,000,000,000. Somebody has recently illustrated it by showing that there has only been about one billion of minutes of time passed since the birth of Christ. I was so impressed with that statement that I calculated to see whether it was correct, and I found it to be, approximately. That means, then, that at one time, in one act, we turn over to one man a sum of money that equals $2 a minute for the past 1,933 years. Does anybody doubt but that this action of ours, turning over the gold to the Treasury, giving to the Secretary $2,000,000,000 to spend for the purpose I have mentioned, and then having the Reconstruction Finance Corpo-

ration subscribing nearly a billion and a half dollars for stock in 80 percent of the banks, definitely places in Washington and under governmental and political control the greatest bank centralization the world has ever known?

The danger of such a banking system is well stated in an editorial of the New York Herald Tribune, under date of January 23, the latter part of which I quote as follows:

Apart from the risk of such abuses as those which occurred in France in its post-war inflation period, due to the domination of the bank by the Government, there are other serious dangers in a government-controlled bank of issue. A change in the rediscount rate, for example, or the proposal to indulge in open-market operations, may be calculated to benefit one group and be unwelcome to another. Such operations obviously should be conducted by persons with the interest of the country as a whole at heart; but, if the Government has a controlling influence over the bank, there is always the threat that central-bank policy will be dictated not for the common good but in the interest of the group that is politically most powerful.

It is interesting to note that England, with its acknowledged fine tradition of central banking, has a central bank over which the Government has no control whatsoever. It is equally interesting to note that the only important central banks in the world that are arms of the government are to be found in Communist Russia and in Fascist Italy and Germany.

SMALL INVESTORS

I wonder if it be true, as contended by many, that the act of devaluing the American dollar by reducing the gold content by 50 percent will have no bad effect upon any of us. I have particularly in mind the savings funds, the insurance policies, and widows and others who are living on the income of small investments.

I should like to know what the position is of the Government employee, for instance, who has had his position for 20 to 30 years, but who has never been able to get pay of more than $2,500 a year. It has not been possible for him to raise his family and to save much, if anything, for the future. We find, however, as a comparatively young man he undertook to provide against this situation by taking out a $5,000 life-insurance policy. By careful economy he has been able to pay the premiums, and he paid in premiums what were equal to gold dollars at the time. He is met in the first instance with a reduction in salary and with the determination on the part of the administration to increase the price of the commodities which he buys. One of the purposes of devaluing the dollar, as I understand it, is to make these commodity prices increase more rapidly.

Finally, the time comes for the payment by the insurance company of this $5,000. Has the insured got what he bargained for, namely, $5,000 in gold coins, containing 25.08 grains of standard gold, or has he got a different kind of money, the United States currency which he can transfer, which his widow can use as she sees fit, but which she cannot change for gold? She can invest it and maybe get an annual return of $250 of the same kind of money, but what this man is concerned about is whether she will be able to purchase $250 of the necessities of life, or whether the equivalent will be only $125.

I suppose the answer to that is that sometime during this 20 or 30 years commodity prices have been as high as it is expected this bill will cause them to rise, and therefore the widow will be as well off as she would have been if the man had died during a period of high prices.

Mr. NORRIS. Mr. President, is it the contention of the Senator that the enactment of this bill will result in raising commodity prices?

Mr. HASTINGS. No; it is not.

Mr. NORRIS. Then it seems to me the Senator's illustration does not apply.

Mr. HASTINGS. I am talking about what is contended by the proponents of the bill.

Mr. NORRIS. The Senator is talking about the widow and the employee whose money will not be of value afterward because they will have to pay more for commodities.

Mr. HASTINGS. I hope the Senator will not insist upon my getting into a discussion with him about that, because, as I said when I began my address, I prefer not to be interrupted.

Mr. NORRIS. I did not hear the Senator make that request, and I beg his pardon.

Mr. HASTINGS. Mr. President, the American people have heretofore believed that there was a stability about the value of the gold dollar that would permit the widow whom I have described to pass through the high-commodity-price period because she had saved something of her small income when the commodity prices were low; but the removal of 50 percent of the basic value of the dollar so that it cannot at any time be worth more than 50 percent in a world market leaves the position of persons who have depended upon their insurance policies and their savings funds to take care of their families in the future in a position where they can never profit and can never save during the period when the commodities are low, because under the theory of this bill there will be no such period again.

This same illustration can be made with respect to the millions of people having deposits in savings banks and the millions of people who are living on the income of small investments.

My recollection of the testimony of Professor Warren is that he said that he knows prices will rise, but that the enactment of this measure becomes necessary to save the insurance company. He gave us an illustration of making an examination of one of his own insurance policies, and the principal reason he gave for being in favor of this bill was that he was afraid that unless we did enact some such legislation his widow would not be paid the $5,000 at all.

As I see it, the social results of this bill are hideous. It is a moral degradation of repudiation of a covenant by the Government with its people. We shall later see the cruel effect of stimulated and sustained speculation by wiser citizens whose plunder comes from the ignorant and the poor. Self-denial and thrift are penalized. The economic effect is just the opposite of what is intended. It concentrates wealth instead of diffusing it. It will ultimately impoverish the whole people. As wages and salaries rise more slowly than prices, these classes will suffer in favor of equity holders of stock. The insurance policy, savings bank, and other bank deposits, and all small investors, which in total comprise the majority of the creditors, will lose. The fact that it will help the debtor, if it be a fact, will not overcome these severe penalties upon others.

GOLD BASE GONE

And I should like to inquire here whether we have not wholly destroyed the basic value of even the new 50-cent dollar? Everybody has felt a certain security about our currency because it had gold and silver for its base. As I understand it, it is contended that the mere transfer of the gold to the Treasury of the United States does not in any sense change the gold base of our currency; I do not see how it may be argued that the $5,000 paid by the life-insurance company is just as valuable as it ever was because it has the same number of dollars in it, when it is remembered that under no circumstances can the owner of that $5,000 have it transferred into gold dollars of even a 50-cent value. The mere fact that gold is held in the Treasury of the United States under a law which prohibits any citizen from getting it does not to my mind add any strength to the currency of the Nation, except as the possession of that much gold adds to the general assets of the Nation. In other words, under this plan, the currency of the Nation is dependent solely upon the credit of the Nation. The only difference between gold as a part of the assets and any other property owned by the Government is that the one has certain value in the world market while the other has not.

Some people apparently get much satisfaction out of this proposed legislation because they assume that it makes the printing of greenbacks under the act of May 12, last, unnecessary and, therefore, the country is safe from the danger and the humiliation of issuing money that has nothing back of it but the credit of the Government. For my part I get no such satisfaction out of it. In the first place, the authority to issue greenbacks is still in the act, and just

as certain as we continue to increase our public debt, the President will be compelled to take advantage of the authority thus given him. But, for my part, I cannot see that printing-press money is not as valuable as any other currency will be when this act becomes the law of the land.

Indeed, if we had continued our present monetary system whereby gold was the base for the circulating currency, there was some chance for persons receiving greenbacks to have them ultimately made good, because of the provision in the law for the retirement at the rate of 4 percent annually. If this had been done and we could have confined this inflation to this one act, we could in 25 years retire all of the $3,000,000,000 of printing-press money and have it once more back of us. What we have done now, except for that money which has silver for its base, is to put it all on a par with printing-press money. Those advocating that kind of money can very well declare when this bill becomes a law that "we have met the enemy and they are ours."

I do not see how those persons who believe that merely because an American dollar will purchase a dollar's worth of goods in the American market, and therefore that it is wholly immaterial whether you can turn it into gold or whether you cannot, can at the same time argue that the currency in existence after the passage of this bill is better than the ordinary greenback because the Treasury of the United States has a huge volume of gold bullion in its Treasury. You must either depend upon the gold bullion as a base for our present currency, with an opportunity of the owner of the currency exchanging it when he desires, or you must admit that the value of the currency of the Nation is dependent solely upon the credit of the Nation.

GOLD STABILIZATION

It is proposed by this act to set up a stabilization fund of $2,000,000,000—

to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary—

And so forth.

If all the money is not required for that purpose, the Secretary of the Treasury can, with the approval of the President, use the fund for—

any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States.

While this fund is called a stabilization fund, it is not too much to say that to carry it out is to conduct a gigantic form of speculation. The power of the Secretary of the Treasury to speculate in gold, foreign exchange, and other instruments of credit and securities is limited only by the amount of the fund.

That part of the fund that is not used for this purpose may, with the consent of the President, be used for "rigging" the market in Government bonds. Through Senate investigations it has been developed that one of the favorite means of successful speculations is "rigging" the market. Those who participated in it have been roundly condemned by the public press and by the people generally. But right in the midst of it, and before we have forgotten the huge sums of money lost by the poor and ignorant investor by this means of speculation, we are asked to create a fund that will permit the Government itself, through its Secretary of the Treasury, to conduct this sort of gambling. This comes, too, right on the heels of the condemnation by the President of the United States of the "money changers", he having declared with much force "that they must be driven out of the temple."

But aside and apart from what may be considered the morals of the situation, let us view it from a practical point of view and see whether it is likely to be helpful to the average person in America.

I think it may be truthfully said that when a Government goes speculating, it gets the worst of it in every case. We are about to go into the most gigantic speculation on currencies. In that bed are all the private speculators in the world and many other governments. This fund is left in the hands of one man, Mr. Morgenthau, who does not even claim to know the intricacies of that game. Let us see whether this is for the common people or whether it is in the interest of the big speculator.

In my judgment, this is the most gigantic relief of speculators ever known in history. The effect of the use of the stabilization fund to hold relative values at present levels will be that the Government will enable every speculator to realize in cash the profits of his recent speculation in money.

Let me give an illustration of what I have in mind.

Before the 4th of March, every shrewd speculator knew that the President intended to devalue or tinker with the dollar. All of us knew that, and we were afraid. The President's inaugural address reassured no one. This general knowledge resulted in a run of gold and flight of capital. This had much to do with the bank failures. It has been estimated that somewhere between one and three billion dollars in American money is in refuge abroad. Aside from direct flight, exporters have left their money abroad, and interest payments to the United States have been held abroad. This money was mostly in flight or held at relative currency values much lower than at present.

Take the illustration of the speculator who, on January 30, 1933, concluded to invest $10,000,000 of American money in British pounds. The British pound was selling at that time at $3.37, and he, therefore, acquired £2,967,000 for his American money. He would like to bring the money home now when the dollar will still purchase about 90 percent of what it would have purchased last February, but he finds that he is not the only speculator who did the same thing. There are many more of them, the total amount being something over a billion dollars. If they all tried to bring their dollars home, they would overcrowd the exchange and lose part or all of their profit, but if they can get the Secretary of the Treasury to stabilize the exchange for them so that they can get for their pound its present price of $5.10 instead of $3.37, the original cost, the man who invested the ten million can make a profit of $5,131,000.

Why should not such a speculator be interested in seeing this $2,000,000,000 fund created?

What he did in shipping his money abroad in January of last year was performing no service to his country, but, on the contrary, was aiding in the bank panic when he shipped it. If left alone, he is in the position of the bear operator who has to get his money home the best way he can. He became a bear operator against the best interest of his country. He cannot realize a profit until he can get his money back here.

In the name of stabilization, this bill asks us to help him.

In addition to this, does anybody believe Mr. Morgenthau can beat the British at the game of exchange?

And what about the effect this stabilization fund will have upon the bonds of the country? Who will know whether the quoted price for bonds represents the real price or whether it is a price that is being made by this stabilization fund in the hands of the Secretary of the Treasury? We shall not be given the privilege of knowing how much of this fund is invested in these bonds. We shall not know whether they are going to sell bonds or buy bonds. To my mind, it makes for confusion and not for stability.

SECRETARY OF THE TREASURY—EXCLUSIVE CONTROL

Let us take another view of this fund and the way it is to be expended and see whether it ought to receive our approval. The bill provides for paying into the Treasury the sum of $2,000,000,000, which shall be "under the exclusive control of the Secretary of the Treasury, whose decision shall be final and not subject to review of any other official of the United States."

There are no checks and balances. There is no provision made for vouchers, and no check of any kind is placed upon the Secretary of the Treasury. So far as I can see in this act, he might draw a check to his own order for the entire fund and the Treasurer of the United States would be bound to draw the money out and pay it over to him. The Treasurer of the United States furnishes a bond for $150,000 because he has partial control of the physical money of the

Government. The Secretary of the Treasury, however, is not required to give any bond, and this act does not change the law in that respect.

It is true that under section 10 there is provision for an annual audit of such fund and report to be made to the President. Audit by whom? There is no provision for an independent audit, such as applies to every other fund of the Government. So far as I can see, the Secretary can select his own auditor, a man under his control, and in that way absolutely control the report that is made to the President.

There is, however, another object, that it violates one of the essential principles of our form of government, namely, that the people shall be informed where the money is coming from that defrays the expenses of the Government and how it is being expended. Let me quote the latter part of section 10 (a) of the pending bill:

> An annual audit of such fund shall be made and a report thereof submitted to the President, and a general report on the operation of the fund shall be made by the President to the Congress within the period beginning 90 days before and ending 90 days after the expiration of 3 years from the date of enactment of this act.

I suppose it will be contended that in order to make this stabilization fund effective and accomplish the purpose for which it was designed absolute secrecy must be maintained.

I desire, however, to call attention to the seventh paragraph of section 9 of article I of the Federal Constitution, which reads as follows:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

One of the very first acts of the First Congress of the United States was to carry out this provision of the Constitution when, by an act of September 2, 1789, this language was used:

> And the said Treasurer shall render his accounts to the Comptroller quarterly (or oftener if required), and shall transmit a copy thereof, when settled, to the Secretary of the Treasury. He shall, moreover, on the third day of every session of Congress, lay before the Senate and House of Representatives fair and accurate copies of all accounts by him from time to time rendered to and settled with the Comptroller as aforesaid, as also a true and perfect account of the state of the Treasury.

The present law imposes the following duty upon the Secretary of the Treasury:

> It shall be the duty of the Secretary of the Treasury annually to lay before Congress, on the first day of the regular session thereof, an accurate, combined statement of the receipts and expenditures during the last preceding fiscal year of all public moneys, including those of the Post Office Department, designating the amount of the receipts, whenever practicable, by ports, districts, and States, and the expenditures by each separate head of appropriation.

The truth is that it has been the practice for a long time for the Treasury Department to furnish daily statements for the benefit of the public as well as the detailed annual statements to the Congress on the first day of its session.

All this is to be changed so far as this fund is concerned, and the public is not to know anything about it until the expiration of 3 years and 3 months from the day this act becomes effective. It is true there is nothing in the act to prevent the President from transmitting to the public a copy of the annual audit submitted to him by the Secretary of the Treasury. There is nothing compulsory about it, however. In this connection it might be well to call attention to the fact that the present term of the President expires just about 3 years from the time this act becomes effective. Unless he succeeds himself, therefore, by the election of the people for another term, there is nothing in this act which compels him to make any report to the Congress or to the public as to what has happened to this fund of $2,000,000,000.

This $2,000,000,000 fund is to be placed in the hands of a political officer. Mr. President, when I comment about the wisdom of placing this huge fund in the control of the Secretary of the Treasury, I hope I may not be misunderstood as in any way intimating a lack of faith in his honesty and his good intentions with respect to this fund, as well as with respect to his general duties as Secretary of the Treasury. I have met him. I heard him before the Finance Committee, and I agreed with other members of the committee that, so far as we could see, he is an upright man, and I hope that nothing I shall say here will be understood as in any way reflecting upon him.

As I have thought, however, about the importance of this matter and about the tremendous amount involved, with no bond of any kind being provided, with authority in the Secretary of the Treasury to draw that money out the next day after it is placed there, I was wondering whether, after all, we know who might succeed him. He may resign. Some other person may come along in whom we may not have the same faith we have in him. But, regardless of how much faith we have in him, I am reminded that in pretty nearly every instance where a bank president or a bank officer has been convicted of embezzlement, we find it stated that he is a deacon in some church, a Sunday-school superintendent, or the leader of a civic organization in his city. So I say that human nature is such that the Congress ought not to go to the extent of putting such a huge fund in the hands of one man without a limit somewhere.

The proposal made by the Finance Committee would afford some check upon this power, but I understand that it is not satisfactory, and we must assume that the bill is to be passed as it came to us from the other House. I submit we ought to give careful consideration to that feature of the measure. I say that we cannot when the next Congress begins a check-up on it. A resolution adopted by the Senate or a resolution adopted by the House directing the Secretary of the Treasury to make a report or requesting the President to make a report will all be in vain; nothing may be done except by a modification of this proposed act itself to enable us to find out anything about it. I should not like to intimate that this period of 3 years and 3 months was placed there for any political purpose, but I do call attention to its significance and to suggest that in the next Presidential campaign the President of the United States will hold it within his own power to give us this information if favorable and to withhold it from us if it be unfavorable.

Let us be as brutally frank about it as the President was said to be when he presented his Budget message to the Congress. Let us find out whether there is any danger of that sort of thing under our form of government. I submit that there is. He is to have absolute control of this $2,000,000,000 fund. It may be said that no provision has been made for giving him help. The question may very well be asked whether or not, under this bill, he can employ experts, whether he can employ somebody who knows more than he about foreign exchange to help him in the administration of this fund. Have we placed in the bill any limitations upon the salaries which he may pay in the administration of the fund?

If my figures are not wrong, I think he could employ 2,000 men at $10,000 a year, and yet it would only take 1 percent income on this fund to pay them, and we will not know for 3 years whether he has done that or whether he has not done it. Who is going to know? Can he employ experts? Can he employ Mr. Bailie, to whose employment as one of the assistants in the Treasury Department on another pay roll so much objection was raised in the newspapers? Oh, here is a great refuge for pay rolls! It does not make any difference in the future whether or not there is any provision made in the appropriation bills for somebody whom the Secretary of the Treasury wants to employ; here is his refuge; here is a stabilization fund which can be utilized to place all the people whom he cares to place. There is nothing in the world to control him but his own conscience; nothing to prevent him from employing Mr. Bailie who, the record shows, was one of the leading members of an investment house that paid $435,000 to the son of the President of Peru in order to get $90,000,000 of bonds of that Government and sell them to innocent people in this

country, a fact known to Mr. Morgenthau at the time he employed him; a fact that so impressed the committee and so impressed the public that the general understanding was that Mr. Bailie was compelled to resign or Mr. Morgenthau himself could not be confirmed by the Senate. Oh, what an opportunity there is now for Mr. Bailie, a man whom Mr. Morgenthau said he wanted to sit on the other side of the table from him because he "knew the game"—what an opportunity he has now! Mr. Morgenthau can send him to France, with all the help that he needs, and pay him what he pleases; he can send him to London, if he likes.

I say that if Mr. Morgenthau could be used, which I hope he cannot be, it will be a great refuge for the politically deserving who are applying to Senators on the other side to find them jobs. Here is their opportunity—Mr. Morgenthau with his $2,000,000,000—because nobody will ever know a thing about it, and there is nothing but his conscience to control him. We have more faith in his conscience than we have in the conscience of some other people who could be named in the administration; but I do not even intimate that he will use it; I do not go so far as to intimate that; I do not believe he will; but I want to be in a position when the rumor comes to me to say that I know it is not true; and I will never be in that position unless I know what he is doing; and unless the Congress knows what he is doing, they will not be in a position to know whether such a rumor which may be started is true or false.

Mr. President, there is another point to which I should like to call attention in connection with this money bill. The senior Senator from Kentucky [Mr. BARKLEY] says of this bill that one of the objects is to obtain $4,000,000,000 profit—$4,000,000,000 "taken out of the air", someone said—and that is a worthy object so long as nobody is robbed; but I should like to ask this question: When the Government shall have taken that $4,000,000,000, and the administration shall be able to brag about the profit it has made, I should like to know what will be the effect on the $10,000,000,000 of foreign debts which are due this country? They will have been cut down to $5,000,000,000, will they not? It may be answered, "No; because the debtor nations have agreed to pay in gold of the present standard of weight and fineness"; but certainly the dominant political party will not make that argument, because they have repudiated such an agreement with our own people and stated, "We will no longer live up to it"; and assuredly if that be true they cannot say to foreign governments, "We expect you to do something which we have refused to do with our own people." What has the present administration done with this $10,000,000,000 of foreign debts at the same time that it grasps and is pleased to take the $4,000,000,000 profit, thereby showing upon the books of the Treasury of the United States $4,000,000,000 more assets tomorrow than appear today before this bill shall have been passed? At the same time that is done, automatically the foreign debts due us are reduced by $5,000,000,000; so, after all, the Government will have lost a billion dollars by this smart thing that is being put over on the people of the country; and that takes into account not at all the $3,000,000,000 due to private investors.

O, Mr. President and Senators, perhaps some day we will get a report as to the use of this $2,000,000,000 fund, and when we do get it my prediction is that it will show that the British Government has got our $2,000,000,000 and probably taken Morgenthau's shirt at the same time. [Laughter.]

Let me inquire whether we have been entirely fair with our own people. At the very time when we were anticipating devaluing the dollar we went into the foreign markets, and we purchased there $111,109,566 worth of gold and paid the foreign owners approximately $33 an ounce for it, which is about $13 more than we paid our own people. That has all happened since October. The foreigners have got their money and are ready to use it in a stabilization fund against us, if you please. We have given it to them. But what have we given our own people at the same time? We have taken $813,000,000 in gold from them, but what did we give them? We did not give them $20.67 an ounce, to say nothing of $33 an ounce, which was the price we gave to foreigners. We have not even given our own people $20.67 an ounce, because we have given the President of the United States the authority to cut down the value of the dollar until gold is worth only a little more than $10 an ounce. Is that loyalty to our own people, and are we going to do everything we can to make foreign governments pay their debts to us on the ground, as alleged, that we do not want to impose further taxes upon our own people? Oh, we argue that position strongly; we write it into our platforms, and then at the very first opportunity we get, without anybody realizing what is happening, we reduce the foreign debts due us from $10,000,000,000 to $5,000,000,000.

Mr. President, what I have said here has to do with the merits of this bill. I propose to discuss one phase of its constitutionality. It seems to me the question of constitutionality as affecting this proposed act is of greater importance than the question of the constitutionality of other bills that are so often brought before the Congress. I realize that it is not worthwhile to argue a constitutional question before the Senate. In the first place, I do not pretend to be an expert upon constitutional law, but I am sworn to support the Constitution, and if I am not satisfied that a proposed act is constitutional, I ought not only to vote against it but I ought to set forth my reasons for the benefit of my colleagues, whatever my views may be worth, as well as for the benefit of the country.

I know that all of us can make what is a very valid excuse with respect to the constitutionality of every act which is proposed. There is but one place where we can definitely find out, and, so far as I know, no one has been able to say definitely beforehand what the decision will be on any particular legislation.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Arkansas?

Mr. HASTINGS. I have announced that I did not care to be interrupted.

Mr. ROBINSON of Arkansas. Yes; I heard that announcement, but the Senator is constantly asking questions and challenging answers. I suggest to him, if he does not wish to be interrupted, that he discontinue that course and make his remarks.

Mr. HASTINGS. Challenging what? I did not understand the Senator's remarks.

Mr. ROBINSON of Arkansas. Asking questions and challenging answers. If the Senator declines to yield, of course, I will not interrupt him further.

Mr. HASTINGS. I propose to continue doing exactly that thing. If the Senator from Arkansas should find in my speech sufficient to warrant him in answering it, I should feel complimented beyond measurement, but I do insist that if he cares to answer it he wait until I finish.

Mr. ROBINSON of Arkansas. Very well; though if I may be permitted in the Senator's time to say so, I think it is a very unusual proceeding for a Senator to ask questions of the opposition, challenge an answer, and then refuse to yield.

Mr. BARKLEY. Perhaps the Senator wants to answer them himself.

Mr. ROBINSON of Arkansas. Of course, I would not be satisfied with the Senator's answer to his own questions. [Laughter.]

Mr. HASTINGS. I have heard the Senator from Arkansas interrupt other Senators in debate, and I do not think there is anything unusual about asking questions and leaving it for somebody who believes the bill ought to be passed to answer them in his own time. I have not asked the Senator from Arkansas any specific question. If I had, of course, I would have given him the opportunity to answer it. I am asking general questions; and, as the Senator from Kentucky said, I may answer them. If the Senator from Arkansas will listen, I am quite certain that in the end he will be greatly enlightened. [Laughter.]

I was about to say—in fact, I think I did say; and that is one of the reasons why I do not like to be interrupted—that no one knows definitely what the opinion of the Supreme Court would be upon any subject until it has handed it down and we have heard the decision read in the Court. But, I repeat, to my mind the constitutionality of this bill ought to be carefully considered before the bill becomes effective, because if it should afterward be declared unconstitutional it would upset the whole business structure of our country to a very much greater extent than would be true with respect to most measures.

I know that it may be said there is some doubt about most of the emergency measures we have passed and that the people of the country are waiting anxiously to know what the Supreme Court of the United States will say with respect to them. But there are none of them, whether it be the N.R.A., the A.A.A., or the various other alphabetical organizations which are in existence, which are of such importance that a declaration that they are unconstitutional will have the bad effect that would follow if this measure should be declared unconstitutional.

In the first place, we find the Government repudiating its promise to pay its own obligations in gold coin. Certainly no thoughtful lawyer can definitely say that the Supreme Court will uphold that act.

After the political campaign of 1896, and in some instances prior to that time, there was written into almost every important contract made between the citizens of our country, in which the payment of money was involved, an obligation to pay in gold coin of the present weight and fineness. The Supreme Court has on more than one occasion held that this was a binding contract, and the particular kind of money mentioned in the contract must be produced in order to cancel the contract.

If this act is declared unconstitutional, think of the confusion in the whole economic life of the Nation upon the two classes of individuals that I have described.

Suppose, for instance, some careful debtor having made that kind of contract occasionally laid away gold certificates from time to time so that he might be able to meet his obligation when it came due. Think what his position is by this legislation.

The act giving the President, because of the depression, authority to prohibit the hoarding and exporting of gold, was passed, and what does the President do under that authority? He issues an Executive order directing all persons holding gold or gold certificates to deliver them up at a certain fixed time to the Federal Reserve bank.

It may be that this act, giving the President the authority to prevent the hoarding and exporting of gold, is, on the face of it, constitutional (unless it be held unconstitutional by reason of the transferring of legislative powers of the Congress to the President). In other words, there may exist in the Congress the power, under certain circumstances, to prohibit the hoarding and exporting of gold. It is now proposed, however, to make valid the Executive order issued under the authority of that act.

Suppose it shall be determined, as I think it will be, that the direction, under threat of being declared a felon, to transfer that gold to a Federal Reserve bank, was not due process of law, and the payment in the currency of the United States was not necessarily just compensation. If that be true, think of the confusion of getting back into the hands of those persons who delivered that gold the just compensation which is theirs under the Constitution.

Carry the suggestion further to the point of taking the gold from the Federal Reserve bank and think what confusion there will be in that connection if this act is declared unconstitutional.

For these reasons I insist that the constitutionality of this act is of much greater significance than any other act that has been presented to the Congress in generations.

VALIDITY OF THE PROPOSED GOLD LEGISLATION

The bill under consideration represents one more step in a unified plan of currency legislation on the part of the present administration that began practically with its inception. Its constitutionality cannot be determined apart from this background and in effect involves a consideration of the entire program regarded as a continuing piece of legislation. This background is as follows:

The President, immediately after assuming office, under the authority of section 5 (b) of the act of October 6, 1917 (Trading with the Enemy Act, 40 Stat. 411, 1917), placed an embargo on gold exports and made certain delegations of authority to the Secretary of the Tresaury. The Federal Reserve Board thereafter directed Federal Reserve banks to forward to it lists of persons who had withdrawn gold since February 1, 1933, and had not redeposited it before March 13, 1933.

On March 9, 1933, Congress passed an act approving and confirming the actions of the President and amending the prior war-time act.

Under section 2 of this new legislation, the President was given the power to regulate or prohibit the export, hoarding, melting, or earmarking of gold or silver coin, bullion, or currency. A fine of $10,000 or imprisonment for 10 years, or both, was provided as a penalty for violating this law.

On April 5, 1933, the President, under this last legislation, issued a regulation prohibiting the withdrawal and withholding from recognized and customary channels of trade, gold coin, bullion, and certificates. This Executive order required the delivery to the Federal Reserve banks or member banks on or before May 1, 1933, of all gold coin, bullion, and certificates, for which there was to be paid an equivalent amount of any other form of coin or currency, coined or issued under the laws of the United States.

Then came the Executive order of April 20, 1933, in which it was provided:

> Until further order the earmarking for foreign account and the exporting of gold coin, gold bullion, or gold certificates of the United States, or subject to the jurisdiction thereof, is hereby prohibited, except that the Secretary of the Treasury, in his discretion, and subject to such regulations as he may prescribe, may issue licenses authorizing the export of gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the bank of international settlement.

Then came the Thomas amendment of May 12, 1933, which was an amendment to the agricultural act. Then came the joint resolution of June 5, 1933, whereby we left the gold standard.

On August 28, 1933, an Executive order was promulgated, revoking the previous regulation and merely imposing the criminal penalties sanctioned by the statute for continual hoarding. On December 28, 1933, the Secretary of the Treasury ordered every person to pay and deliver to the Treasury of the United States all gold coin, bullion, and certificates situated in the United States, with certain exceptions, authorizing payment therefor in language similar to that used above, and, on December 29, 1933, instructions were submitted to the member banks of the Federal Reserve System to pay over gold coin, certificates, and bullion at the rate of $20.67 per fine ounce, the Treasury's account with the bank to be charged with the amount of these payments.

On January 15, 1934, the President promulgated an amendment to the prior Executive order of August 28, 1933. Under the terms of this amendment no person was to acquire gold coin, bullion, or certificates except under license, with certain exceptions for purposes of industry, profession, and so forth. On the same date the Secretary of the Treasury fixed midnight of January 17, 1934, as the deadline for turning in gold coin, bullion, and certificates. This order provided that after such date the Secretary might pay for gold such part of the amount previously required to be paid, or none, as in his discretion he might provide.

Mr. President, I desire to digress for a moment with respect to this recent legislation to call attention to the act of Congress of June 28, 1834, in which provision was made for the contents of the gold coins of the United States.

A $10 gold piece, known as an eagle, was to contain 232 grains of pure gold, or 258 grains of standard gold.

The same act provided for the coining of the $5 gold piece and the $2.50 gold piece, each containing the same proportions.

By an act of Congress dated February 12, 1873, being section 3511 of the Revised Statutes, it is provided that the $1 gold piece of the United States, at the standard weight of 25.8 grains, shall be the unit of value; and then it provided for the issue of other pieces.

In the act of March 4, 1900, which act is mentioned by the Attorney General in his opinion to the Secretary of the Treasury, we find this language:

> The dollar consisting of 25.8 grains of gold, nine tenths fine, as established by section 3511, Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

I have traced this old legislation because the Attorney General, in his opinion, stated that—

> The prevailing price of gold coin and gold bullion in the United States, other than newly mined gold, is fixed by statute. The act of March 4, 1900, prescribes that the weight of the gold dollar shall be 25.08 grains, nine tenths fine, which in turn makes gold worth $20.67 an ounce.

It will be observed from the language of the statute that the Attorney General is in error when he states that the prevailing price of gold coin and gold bullion in the United States is fixed by statute. The price of gold bullion, as I shall show later in this brief which I have prepared, is not fixed by statute, and could not be fixed by statute.

On January 15, 1934, the President submitted to Congress a tentative bill to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes. I call attention to these dates because they are important in considering the present point of law. Section 2 (a) of this act provided in substance that title to any and all gold coin and gold bullion held by the board of every Federal Reserve bank should become vested in the United States, and that payment therefor should be made in equivalent amounts in dollars. For this purpose credits were established in appropriate Treasury accounts. Balances in such accounts are made payable in gold certificates in such form and denominations as the Secretary of the Treasury might determine. The act also provides that any gold withheld or otherwise dealt with in violation of its provisions should be forfeited to the United States.

This act is proposed in contemplation of a reduction, as we understand, in the gold content of the dollar to from 50 to 60 percent of its former content. The resultant increase of the value of the gold in terms of dollars is to be utilized by the Government as a part of the stabilization fund created by the act for the purpose of purchasing gold at home or abroad in an effort to keep the new value of the dollar at a stable figure.

The combination of the above legislation, together with the Thomas amendment which was passed on May 12, 1933, which, among other things, provided for the debasement of the coinage, in the discretion of the President, down to 50 percent, requires all persons to turn over gold in the form of coin or bullion or certificates to the appropriate Federal Reserve bank, title to this gold being vested by proposed legislation in the Federal Government in return for the payment "in equivalent amounts in dollars." This has been interpreted by the Secretary of the Treasury to mean payment of $20.67. At the same time the Government is paying for newly mined gold in the domestic market approximately $34.45 for the same weight. Moreover, with the contemplated reduction in the gold content of the dollar, the paper dollars given in return for gold will be worth between $10.37 and $12.40 for each ounce. The practical effect of this program of legislation and Executive orders is to confiscate all outstanding gold in the United States without the consent of the owners of such gold and at a figure which is fixed by statute—a figure which does not approximate the actual, as distinguished from the legal, value of the metal. Even this figure is chimerical, for the proposed reduction in the value of the dollars given for the gold will mean that a former owner of gold will now have in its stead money worth approximately one third of the value of his gold.

There are two particular respects in which this act violates the Constitution. That which undertakes to delegate power in violation of the Constitution, however, is to be discussed by other Members of this body on this side, and I shall confine my remarks to the fifth amendment, which prohibits the taking of property without due process of law and without just compensation.

The first ground upon which this legislation may be attacked is that it violates the due-process clause of the fifth amendment in that it allows condemnation and acquisition of gold at a price other than the fair value to which an owner of property is entitled upon its seizure by the Government.

It has often been stated that an owner of property which is acquired by the Government in condemnation proceedings must be placed in as good a position as if the property had not been taken from him (*Seaboard Air Line Railway* v. *United States*, 361 U.S. 299). In this case the Government requisitioned land under the Lever Act for governmental purposes. The President, through the War Board appraisers, made an assessment as to the value of the land. The owner, not satisfied with the amount so assessed, brought suit to recover a fair value. Mr. Justice Butler, writing the opinion for the Court, states, at page 304:

> The compensation to which the owner is entitled is the full and perfect equivalent of the property taken. * * * It rests on equitable principles, and it means substantially that the owner shall be put in as good position pecuniarily as he would have been if his property had not been taken.

This theory of compensation was further followed out in the case of *Phelps* v. *United States* (274 U.S. 341 (1927)). Here again was the requisition of a pier in New York Harbor by the Secretary of War, pursuant to an act of August 29, 1916, and an act of August 10, 1917. The amount of compensation offered did not meet with the owners' approval, and they sued to recover an amount to make up just compensation. Again writing the opinion of the Court, Mr. Justice Butler states at page 344:

> Acts of Congress are to be construed and applied in harmony with and not to thwart the purpose of the Constitution. The Government's obligation is to put the owners in as good position pecuniarily as if the use of their property had not been taken. They are entitled to have the full equivalent of the value of such use at the time of the taking paid contemporaneously with the taking. As such payment has not been made, petitioner is entitled to the additional amount claimed.

In *Brooks-Scanlon Corporation* v. *United States* (265 U.S. 106) the court emphasizes that it is the property itself which is protected under the due process clause rather than the amount which the property costs. This case involved the requisition of a ship in the process of construction, pursuant to war-time powers. The question before the Court was: "What was just compensation to be given to the owner of the ship so requisitioned?" Mr. Justice Butler, again writing the opinion of the Court, states at page 123:

> It is the property and not the cost of it that is protected by the fifth amendment.

In view of these above cases, and the quotations from the Court's opinions, it would seem that an excellent argument could be made against the constitutionality of the pending gold bill. In general, these cases would require that when the Government takes private property for public use it must give to the former owner of the property the full value of the property so taken. It must put the owner in as good a position pecuniarily as if the property had not been taken. In computing the fair value, as brought out in the Brooks-Scanlon Corporation case, already referred to, it must consider the property itself and not the cost, which would seem to make the intrinsic value of the property the criterion in determining what will be just compensation.

Under the present legislation and accompanying regulations the Government proposes to pay $20.67 for each fine ounce of gold bullion turned in to the Government; this, when the intrinsic value of gold in the world market is substantially higher and the price to be paid for newly mined gold is approximately $34 per ounce. It is needless to say that there is no substantial difference between newly mined

gold and other gold in the form of bullion. In doing so, the Government sets an arbitrary value for bullion and ignores its intrinsic value as a commodity. If the Government, as it proposes, is to take title to this gold, which is private property, it is reasonable to assume that it must be bound by the law regulating the taking of private property. This law requires just compensation measured by the intrinsic value of the property taken, and certainly would not allow an arbitrary and fantastic value to be fixed by a legislative or executive body.

In *United States* v. *Crary* (2 Fed. Supp. 870 (1932)), a case which involves the taking by the Government of land for a public purpose, the Court states at page 879:

> Hence I believe that the value of land sought to be taken is the price it would bring if offered for sale by one who desires but is not obliged to sell, and is bought by one who is willing to buy but is under no necessity of buying.

This seems to be the usual statement of the rule for ascertaining the price which the Government must pay. Obviously the price of $20.67 per fine ounce is not a price for which the owner would be willing to part with gold. The Government itself is paying for newly mined gold at a rate approximately $15 higher per ounce.

It might be here argued by the proponents of the legislation that gold is a commodity affected with a public interest and, as such, is subject to regulation without giving full compensation. Such a theory was advanced by the Attorney General in his recent opinion and by Judge Woolsey in *Campbell* v. *United States* (New York Law Journal for Nov. 17, 1933), where defendant Campbell was prosecuted criminally on the theory that he was "a hoarder of gold." Such statements, however, seem to beg the question, for the Supreme Court, in *United Railways* v. *West* (280 U.S. 234 (1929)), asserts that property affected with a public interest is still private property and cannot be taken for a compulsory price which falls below the measure of just compensation. This was a case involving the valuation of the property of a street railway by a State public-utility commission for the purpose of fixing rates. The Court, at page 249, states:

> The commission fixed a rate of fare permitting the company to earn a return of 6.26 percent on this valuation; and, so far as no. 55 is concerned, the case resolves itself into the simple question whether that return is so inadequate as to result in a deprivation of property in violation of the due-process-of-law clause of the fourteenth amendment. In answering that question, the fundamental principle to be observed is that the property of a public utility, although devoted to the public service and impressed with a public interest, is still private property; and neither the corpus of that property nor the use thereof constitutionally can be taken for a compulsory price which falls below the measure of just compensation. One is confiscation no less than the other.

It is true that there are cases where State governments, in exercising their police power, have run rough-shod over private property rights and have deprived private persons of their property, so that some regulatory measure might be achieved. Such a case was *Pennsylvania Coal Co.* v. *Mahon* (260 U.S. 393). In this case the city of Scranton, Pa., passed a regulation providing that in coal mines beneath the city, pillars of coal should be left in order to prevent subsidence and injury therefrom to buildings on the surface. Thus, this regulation deprived the owners of the coal mines of property for which they were given no compensation. It was upheld by the Supreme Court of the United States as being a necessary exercise of the police power.

Similar cases are *Bowditch* v. *Boston* (101 U.S. 16); *Omnia Commercial Co.* v. *United States* (261 U.S. 502 (1932)); *Hamilton* v. *Kentucky Distilleries & Warehouse Co.* (261 U.S. 146 (1919)); see also *Sweet* v. *Rechel* (159 U.S. 380 (1895), p. 400).

On the basis of such cases it might be argued by proponents of the bill that the Federal Government may deprive persons of their property rights in exercising its constitutional power to regulate the national currency. In so arguing, they would state that the requisition of gold subserves a legitimate governmental purpose and that it is reasonably necessary for the accomplishment of that purpose that compensation be below the statutory rate of $20.67. To support this contention they might cite the cases above considered.

However, the cases all deal with situations in which title to the property has not been taken from the owner, but its use has been regulated, or with those in which the property involved is considered harmful to the public's health or morals. In none of these cases has property been taken from the owner for the purpose of being used by the Government; rather, its use has been regulated in the hands of the owner or it has been absolutely confiscated for purposes of destruction rather than for the use of the Government on the theory that it presented a danger and menace to society. Where, in fact, pursuant to a power vested in it, the Government has taken title to property to be used for a public purpose, compensation for such taking was required to be made. Such was the situation in *Monongahela Navigation Co.* v. *United States* (148 U.S. 310 (1893)). The facts in this case are set forth at length later on in this memorandum, but summarily the Federal Government took possession of a lock and dam in a navigable river pursuant to the power over interstate commerce vested in it by the Constitution. It was required by the court to give fair compensation to the owner of such property. The Supreme Court in this case, at page 471, forcefully states the rule in the following language:

> But like the other powers granted to Congress by the Constitution, the power to regulate commerce is subject to all the limitations imposed by such instrument, and among them is that of the fifth amendment, we have heretofore quoted. Congress has supreme control over the regulation of commerce, but if in exercising that supreme control, it deems it necessary to take private property, then it must proceed subject to the limitations imposed by this fifth amendment, and can take only on payment of just compensation.

Omnia Commercial Co. against United States, heretofore cited, which case involved the requisition of a ship as a war-time measure, clearly distinguishes by way of obiter dictum the distinction between taking property for public use and destruction by lawful governmental action. The Court, at Two Hundred and Sixty-first United States Reports, page 510, asserts:

> If, under any power, a contract or other property is taken for public use, the Government is liable; but if injured or destroyed by lawful action, without a taking, the Government is not liable.

Two cases before the Supreme Court, *Mugler* v. *Kansas* (123 U.S. 623 (1887)) and *Samuels* v. *McCurdy* (267 U.S. 188 (1925)), might present ammunition for the proponents of this bill. In both those cases, the Supreme Court allowed first the State of Kansas and then the State of Georgia, to take without compensation, under a State statute making possession illegal, liquor acquired before the enactment of the statute. In Samuels against McCurdy, just cited, in discussing the question of compensation to be given to the owner of the confiscated liquor, the Court gave some weight to the difficulty of ascertaining the market value of the liquor, since the ownership and sale of such were prohibited. This argument might be advanced on the theory that the present abnormal gold market makes the determination of the intrinsic value of gold almost impossible and hence the compensation to be given will be that as prescribed by statute. However, again these two cases do not involve the appropriation or taking of property by the Government for its own use, but involved confiscation of property deemed injurious to the public welfare for the purpose of destruction.

It would seem, then, on the basis of the strong language in the Monongahela case, already referred to, where, in fact, the Government in exercising its constitutional powers does deem it necessary to take title to private property, that it must compensate the former owner of such property to its full value.

Up to this point I have dealt solely with the inequity of paying $20.67 per fine ounce for gold, when the intrinsic value of such is higher. There is an additional objection on the ground that the Government demands the surrender of all gold and proposes to pay for this gold in money, the value of which will be reduced by from 50 to 60 percent

at the time when the owner receives payment. It is true that the value of property taken over under the power of eminent domain should be determined as of the date of taking, but the whole course of the legislative enactments and the regulations of the Secretary of the Treasury and of the President of the United States show a plan to require the surrender of all gold and to pay therefor, in depreciated money, a value which is approximately one third of the value of the gold itself. The present bill ratifies the previous regulations of the President and the Secretary of the Treasury and, in section 7, contemplates that the weight of the gold dollar shall be reduced. It is not only a connecting link in the plan of the Government but is one of the most vital links in the plan. It would be absurd to predicate the power of the Government to accomplish such an objective upon the mere basis that the taking of the gold is accomplished at one time and the reduction in the value of the dollars given for the gold accomplished at a later time, when this power would be lacking were both these steps to be taken at one and the same time.

Just here I may call attention to the opinion of the Attorney General, in which he gives the prohibition of exporting gold to other countries as a reason why this amount of $20.67 an ounce is a true and correct value, and he argues that because of that there is no way in which a person could get more for his gold than is fixed by the statute.

Insofar as the governmental powers of eminent domain are herein involved the case of *Cincinnati* v. *Vester* (33 Fed. 2, 242 (C.C.A. 6, 1929), 57 Harvard Law Review, 479) at page 484 (footnote 25) throws some light upon the unconstitutionality of the proposed legislation. In this case the city of Cincinnati, Ohio, condemned private land for the construction of a roadway. In addition it condemned a small amount of adjoining property which it proposed to sell at a profit and apply the proceeds for the maintenance of the highway. The court refused to allow the condemnation of this additional parcel of land on the theory that it was a condemnation for a nonpublic use and as such was a denial of due process of law.

In the present situation the retention by the Government of the profit resulting from the proposed debasement of the currency is analogous to the proposed sale at a profit of the additional land in the Cincinnati case and, as such, a denial of due process.

However, there is language in the Cincinnati case which indicates that, if the use of the profit acquired by the sale of land was dominantly for a public use and was directly related to the use for which the property was taken, so as to be indispensable to its welfare, in such a case the court might sanction the acquisition of such a profit.

Another objection to the constitutionality of the proposed enactment has been raised by the distinguished senior Senator from Virginia [Mr. GLASS]. The price which is to be paid for the gold taken over by the Government is fixed by the statute and the regulations of the President and the Secretary of the Treasury. It has been stated by the Supreme Court of the United States that the ascertainment of the fair value which is to be paid for property taken by the Government is a judicial function (*Monongahela Navigation Co.* v. *United States*, 148 U.S. 310 (1893); *Seaboard Airline Railway* v. *United States*, 261 U.S. 299 (1922); *United States* v. *New River Collieries*, 262 U.S. 341 (1923)).

In the Monongahela Navigation Co. case the Secretary of War was authorized by the statute to purchase a specific lock and dam for a figure not exceeding $161,000, in round numbers, or in the alternative to institute condemnation proceedings to acquire this property. The condemnation proceedings were to conform to those adopted by the statutes of Pennsylvania, the property being located in that State, but the Federal statute provided that the franchise of the corporation operating the lock and dam was not to be considered in assessing the damages to which the owning corporation was to be entitled. In the lower court evidence of the present and prospective tolls was offered, but the court sustained the objection of the counsel for the United States thereto, thus following out the Federal statute in disallowing any value which might have been attributable to the franchise of the corporation. Upon appeal to the Supreme Court of the United States the judgment was reversed and the case remanded with instructions for a new trial. The following language from the opinion of the Court is pertinent (148 U.S. at pp. 324–328):

> The question presented is not whether the United States has the power to condemn and appropriate this property of the Monongahela Co., for that is conceded, but how much it must pay as compensation therefor. Obviously this question, as all others which run along the line of the extent of the protection the individual has under the Constitution against the demands of the Government, is of importance, for in any society the fullness and sufficiency of the securities which surround the individual in the use and enjoyment of his property constitute one of the most certain tests of the character and value of the Government. * * * * * * In this fifth amendment there is stated the exact limitation on the power of the Government to take private property for public uses. And with respect to constitutional provisions of this nature it was well said by Mr. Justice Bradley, speaking for the Court, in *Boyd* v. *United States* (116 U.S. 616, 635 (29: 746, 752)): "Illegitimate and unconstitutional practices get their first footing in that way, namely, by silent approaches and slight deviations from legal modes of procedure. This can only be obviated by adhering to the rule that constitutional provisions for the security of person and property should be liberally construed. A close and literal construction deprives them of half their efficacy and leads to gradual depreciation of the rights, as if it consisted more in sound than in substance. It is the duty of courts to be watchful for the constitutional rights of the citizen and against any stealthy encroachments thereon * * *."
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> The language used in the fifth amendment in respect to this matter is happily chosen. The entire amendment is a series of negations, denials of right or power in the Government, the last, the one in point here, being "Nor shall private property be taken for public use without just compensation." The noun "compensation" standing by itself carries the idea of an equivalent. Thus we speak of damages by way of compensation, or compensatory damages, as distinguished from punitive or exemplary damages, the former being the equivalent for the injury done and the latter imposed by way of punishment. So that if the adjective "just" had been omitted, and the provision was simply that property should not be taken without compensation, the natural import of the language would be that the compensation should be the equivalent of the property. And this is made emphatic by the adjective "just." There can, in view of the combination of those two words, be no doubt that the compensation must be a full and perfect equivalent for the property taken. And this just compensation, it will be noticed, is for the property and not to the owner. * * *
>
> By this legislation Congress seems to have assumed the right to determine what shall be the measure of compensation. But this is a judicial and not a legislative question. The legislature may determine what private property is needed for public purposes—that is a question of a political and legislative character—but when the taking has been ordered, then the question of compensation is judicial. It does not rest with the public taking the property, through Congress or the legislature, its representative, to say what compensation shall be paid, or even what shall be the rule of compensation. The Constitution has declared that just compensation shall be paid, and the ascertainment of that is a judicial inquiry. In *Charles River Bridge Props.* v. *Warren Bridge Proprs.* (36 U.S.: 11 Pet. 420, 571 (9: 773, 833)) Mr. Justice McLean, in his opinion, referring to a provision for compensation found in the charter of the Warren bridge, uses this language: "They (the legislature) provide that the new company shall pay annually to the college in behalf of the old one a hundred pounds. By this provision it appears that the legislature has undertaken to do what a jury of the country only could constitutionally do—assess the amount of compensation to which the complainants are entitled." (See also the following authorities: *Com.* v. *Pittsburgh & C. R. Co.*, 58 Pa. 26, 50; *Pennsylvania R. Co.* v. *Baltimore & O. R. Co.*, 60 Md. 263; *Isom* v. *Mississippi Cent. R. Co.*, 36 Miss. 300.)
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> In the last of these cases and on page 315 will be found these observations of the court: "The right of the legislature of the State, by law, to apply the property of the citizen to the public use, and then to constitute itself the judge in its own case to determine what is the 'just compensation' it ought to pay therefor, or how much benefit it has conferred upon the citizen by thus taking his property without his consent, or to extinguish any part of such 'compensation' by prospective conjectural advantage, or in any manner to interfere with the just powers and province of courts and juries in administering right and justice, cannot for a moment be admitted or tolerated under our Constitution. If anything can be clear and undeniable upon principles of natural justice or constitutional law, it seems that this must be so."
>
> We are not, therefore, concluded by the declaration in the act that the franchise to collect tolls is not to be considered in estimating the sum to be paid for the property.

In the above case the statute made provision for the institution of the condemnation proceedings in the district court and therefore met any objection that the amount of the compensation must be fixed by the judicial tribunal. In the present situation the amount of money to be paid for gold has been set by statute as an equivalent amount in

dollars. In turn, the equivalent amount in dollars is determined by the act of March 14, 1900 (U.S.C., title 31, par. 314), which sets the weight of the gold dollar at 25.8 grains. This means that for each 25.8 grains of gold taken over by the Government one dollar, which under the plan will represent only about one half that amount of gold in value, will be paid. In effect, since the certificate given in return for the gold surrendered has no value except in terms of its gold content, the proposed legislation, while superficially purporting to give compensation for the property surrendered, really amounts to a confiscation of one half of it. In this respect it differs from all other cases of condemnation of property.

The Monongahela Navigation Co. case has been cited as authority in later cases. Thus, in the Seaboard Airline case, cited above, the Court states (148 U.S. 310):

> Just compensation is provided for by the Constitution, and the right to it cannot be taken away by statute. Its ascertainment is a judicial function.

And in United States against New River Collieries Co., cited above, the Court states (262 U.S. 341):

> The ascertainment of compensation is a judicial function, and no power exists in any other Department of the Government to declare what the compensation shall be or to prescribe any binding rule in that regard.

The last two cases cited involved the requisition by the Government of certain commodities under the Lever Act for the use of the Army and Navy during the war time. The act provided for purchase at an amount fixed by the President. However, the owner of the commodity taken was given the right to object to this valuation, to accept 75 percent thereof, and to sue for the balance in the appropriate district court. Since under the statute the court was to determine the amount of just compensation, the language quoted may be considered obiter dicta, but nevertheless the principles laid down for guidance represent sound constitutional law.

Several cases from the courts of highest resort in the States are cited by the Supreme Court in the Monongahela Navigation case. In *Com.* v. *Pittsburgh & C. R. Co.* (58 Pa. 26 (1868)) the Court declared unconstitutional a statute providing for the acquisition of the railroad property, under the terms of which the Governor of the State was to appoint three appraisers, who were to determine the expenditure made in the construction of the defendant road. This amount was to be paid to the road by a corporation thereafter to be authorized to construct a railroad over the same lines. The Court says of the statute at page 50:

> These provisions are altogether insufficient, illusory, and unconstitutional. There is no direction whatever for a valuation of the corporate franchises and privileges attempted to be resumed for the public use. Even in regard to the actual tangible property taken—the lines of railway—the rule of valuation and appraisement is inadequate and unjust.

In *Pennsylvania R.R. Co.* v. *Baltimore & O. R.R. Co.* (60 Md. 263 (1883)) the State Legislature of Maryland passed a statute providing that railroads whose lines intersected within the State should be required to permit the intersecting road to use its lines for a distance up to 5 miles from the intersection at a rate not exceeding the rate per ton-mile charged for through rates. The Pennsylvania Railroad sued against the Baltimore & Ohio to recover statutory penalties for failure to comply with this act. The Maryland Court of Appeals affirmed the judgment dismissing the action on the basis of the invalidity of the statute under the State constitution, stating at page 269:

> The legislature, in exercising the right of eminent domain, cannot in the law itself fix the compensation to be paid. Such compensation in case of disagreement between the parties must in this State be awarded by a jury.

It would seem clearly from the cited cases that the present statute should provide for a determination by the judicial body of the fair value of the gold taken by the Government. This question, however, is tied up with the question as to the constitutional meaning of the term "just compensation." For if the Supreme Court should ultimately decide that $20.67 per fine ounce amounts to just compensation, there would be no practical necessity for a procedure by which the value of the gold to be acquired should be determined. The mere possibility that the Supreme Court might find that $20.67 amounts to just compensation does not obviate the objection to the statute, however, inasmuch as it is the fact that the statute does not afford the owner of the gold an opportunity to have the Court determine that it is just compensation, that deprives him of his constitutional rights.

The extent of the power of the Government over the monetary system has not been fully determined by judicial decisions. The three most important cases in point are those of *Hepburn* v. *Griswold* (8 Wall. 603 (1870)); the *Legal Tender cases* (*Knox* v. *Lee* and *Parker* v. *Davis*, 12 Wall. 457 (1871)); and *Juilliard* v. *Greenman* (110 U.S. 421 (1884)). In the first of the cases the first Legal Tender Act was held invalid, the Court being of the opinion that, while Congress had the power to make credit currency legal tender, it could not require the payment of debts payable in fact in gold and silver, in paper money, not redeemable in gold. This case was overruled, however, in the *Legal Tender cases* by a decision concurred in by 4 justices as against 3 dissenting judges. Much of the language used in the opinions of the majority judges might be used as a basis for the validity of the present legislation. Thus, at page 547 of the opinion of Mr. Justice Strong, it is stated that the Constitution leaves with Congress the power to determine how far the statutory value of money shall correspond with the market value of the material itself; and, in the opinion of Mr. Justice Bradley, at pages 563–564, it is stated:

> When the ordinary currency disappears, as it often does in time of war, when business begins to stagnate and general bankruptcy is imminent, then the Government must have power at the same time to renovate its own resources and to revive the drooping energies of the Nation by supplying it with a circulating medium. What that medium shall be, what its character and qualities, will depend upon the greatness of the exigency and the degree of promptitude which it demands. These are legislative questions. The heart of the Nation must not be crushed out. The people must be aided to pay their debts and meet their obligations. The debtor interest of the country represent its bone and sinew, and must be encouraged to pursue its avocations. If relief were not afforded universal bankruptcy would ensue, and industry would be stopped, and government would be paralyzed in the paralysis of the people.

Such language might be adopted for the purpose of upholding the validity of the present proposed legislation. However, there is some language in the opinion of Mr. Justice Bradley which would seem to result in an opposite conclusion. Thus, at pages 560–561, in speaking of the power to make paper money legal tender, he asserts that the former Legal Tender Act was not an attempt to coin money out of a valueless material, but was a pledge of the national credit. It is a promise by the Government to pay dollars; it is not an attempt to make dollars. Under the pending proposed statute the Government is attempting to make dollars. Such an attempt is outside of the scope of the decision in the *Legal Tender cases*, and is not authorized by that decision. The same justice, at page 563, asserts:

> A constitutional government, notwithstanding the right of eminent domain, cannot take physical and forceable possession of all that it may need to defend the country, and is reluctant to exercise such a power when it can be avoided. It must purchase * * *.

The specific decision in this case involved the question as to whether the owner of certain sheep could be compelled to accept as damages for their loss under an order of confiscation of the Confederacy the value of the sheep in greenbacks, which at the time were worth less than their value in specie. The jury had returned a verdict for the plaintiff under instructions to the effect that the verdict could be discharged by payment in greenbacks, which had been given the quality of legal tender by statute. The Supreme Court upheld the judgment rendered upon this verdict. The decision upheld the power of the Government to issue paper money not redeemable in gold during war time for the purpose of carrying on the functions of the Government, and

that the acts impressing upon these greenbacks the quality of legal tender were valid as applied to contracts made both before and after their passage.

The last of the three above-mentioned cases, that of Juillard against Greenman, involved a similar question, except that the paper money issued at that time was redeemable in gold, and the power of the Government to issue such money was here raised at a time when the United States was not at war. The power of the Government to issue notes and make them legal tender was here held to be included in the power to borrow money and provide a national currency.

The second of these last two decisions is merely to establish the power of the United States to issue paper money and make it legal tender, although the effect of such power may in a given instance mean that a debtor will be able to pay his creditor the amount of the debt in legal tender which is not worth at the time of payment the amount it had previously been worth at the time the contract was entered into. This does not mean that the Government itself may requisition all gold in the country, pay therefor a sum which does not represent the true value of the gold and thereby acquire for its own use the increase in value of the gold which arises from its policy of debasement. Moreover, in the *Legal Tender cases* the decrease in the gold content of the dollar was for the specific purpose of equalizing the value of the gold contained in each dollar and the value of the then monetary unit, the silver dollar. These decisions are not authority for the constitutional validity of the present bill.

Another possible ground upon which to attack the constitutionality of this proposed bill might be that section 4, in imposing such heavy penalties for failure to comply with the provisions of the bill, would tend to preclude resort to the courts to test its validity. The case of *Ex Parte Young* (209 U.S. 123 (1908)) declared unconstitutional a statute which proposed such penalties. However, the rule of this case has been used in subsequent cases only as a basis for enjoining the imposition of penalties until a chance has been had to test the constitutionality of the bill on other grounds. (See 57 Harv. Law Rev., 486, note 35.)

In the opinion of the Attorney General under date of January 17, 1934, which sustains the validity of the present bill, great reliance is placed upon the case of *Ling Su Fan* v. *United States* (218 U.S. 302 (1910)). In that case the Philippine Commission enacted a law providing as follows:

> The exportation from the Philippine Islands of Philippine silver coins, coined by authority of the act of Congress approved March 2, 1903, or the bullion made by melting or otherwise mutilating such coins, is hereby prohibited, and any of the aforementioned silver coins or bullion which is exported or of which the exportation is attempted subsequent to the passage of this act and contrary to its provisions shall be liable to forfeiture, under due process of law, and one third of the sum or value of the bullion so forfeited shall be payable to the person upon whose information, given to the proper authorities, the seizure of the money or bullion so forfeited is made, and the other two thirds shall be payable to the Philippine government and accrue to the gold-standard fund: *Provided*, That the prohibition herein contained shall not apply to sums of ₱25 or less, carried by passengers leaving the Philippine Islands.
>
> SEC. 2. The exportation or attempt to export Philippine silver coin or bullion made from such coins from the Philippine Islands, contrary to law, is hereby declared to be a criminal offense, punishable, in addition to the forfeiture of the said coins or bullion as above provided, by a fine not to exceed ₱10,000, or by imprisonment for a period not to exceed 1 year, or both, in the discretion of the court.

This, Mr. President, is the sole decision cited by the Attorney General in his opinion upholding this proposed law, at least this part of it.

The court held that this statute did not deprive the owners of such coins of their property in the coins without due process of law.

Although the value of the coins as silver metal exceeded their value as legal tender, the decision upheld the power of the Philippine Commission to prevent the wholesale exportation of the silver coins and the destruction of that part of the Philippine currency. Such a situation is not involved in the present case. The purpose of this bill is not to prevent the misuse of coined gold for individual profit but in effect to enable the Government itself to realize the profit upon the difference between the value of the gold coins and of gold bullion as gold and the value of the equivalent amount in depreciated dollars. The decision in the Philippine case is based in substance upon the following language (p. 310):

> Conceding the title of the owner of such coins, yet there is attached to such ownership those limitations which public policy may require by reason of their quality as a legal tender and as a medium of exchange. These limitations are due to the fact that public law gives to such coinage a value which does not attach as a mere consequence of intrinsic value. Their quality as a legal tender is an attribute of law aside from their bullion value. They bear, therefore, the impress of sovereign power which fixes value and authorizes their use in exchange. As an incident, the Government may punish defacement and mutilation and constitute any such act, when fraudulently done, a misdemeanor (Rev. Stat. secs. 5459, 5189).

The distinction between the enactment involved in the Philippine case and the pending bill is that there the Philippine Commission merely regulated the use of silver coins by prohibiting their exportation. The pending measure and the preceding Executive orders do not merely regulate the use of gold coin and bullion but destroy all rights to their use and vest the title to them in the Government. The distinction is that which was involved in the cases I have previously referred to, namely, that the Government, under its police power, may regulate the use of and even destroy property without being required to pay just compensation; but when it actually takes the property from its former owner, to be used for a public purpose, it must pay just compensation.

In addition, the holding of the Philippine case is limited to prohibition of the export of coined money. True, the statute forbade export of bullion made from Philippine coin. Obviously, the purpose of this clause was to prevent evasion of the act by exporting bullion obtained from melting silver pesos.

This clause was not involved under the facts of the case, and it was not discussed either in the decision or in the argument of counsel.

Bullion is not defined by the previous Executive regulation, nor by the pending bill. In Webster's dictionary, 1926 edition, it is defined as follows:

> Gold or silver, considered merely as so much metal, without regard to any value imparted to it by its form. * * * Specifically, uncoined gold or silver in the shape of bars, ingots, or the like, or even in plate or other form. * * *

The most common understanding of the term would seem to be "uncoined gold and silver in the mass." (See vol. 1, Words and Phrases, first series, p. 903.)

The words "gold bullion", as used in the Executive order and the bill before us, may therefore be taken to comprehend all gold in the mass. The term is not used as denoting bars or ingots of gold of the statutory purity and weight, stamped with the official Government mark denoting its weight and finess (see U.S.C., title 31, sec. 325), for the United States statutes provide for the deposit of gold bullion by owners thereof to be formed into gold bars (U.S.C., sec. 327), and for the removal of the baser metal from such bullion where necessary in order that it may be conformed to the prescribed purity (U.S.C., sec. 329). Although an owner of gold bullion could formerly obtain gold coin or bars or even gold certificates (U.S.C., sec. 428) in return for his bullion, and could formerly obtain gold coin or bullion in return for gold certificates, this does not mean that the coin and the bullion are one and the same thing.

Bear in mind, Mr. President, that the Attorney General in his opinion says that the statute of 1900 fixed the value of gold coin and gold bullion. Such a provision cannot be found in that statute; it is not there; and the Attorney General was mistaken when he made that statement.

Gold coins are specifically made legal tender by statute (U.S.C., sec. 457). There is no similar provision in the statutes with respect to bullion. The owner of bullion, even though it is obtained from the Treasury and bears the official stamp of the Government, acquires absolute title thereto,

and may deface it or melt it up as he sees fit. This he cannot do in the case of gold coin.

It cannot be said of gold bullion that the law gives it a value aside from the intrinsic value of the gold. Although gold bullion may pass from hand to hand as a medium of exchange, it is by virtue of its inherent worth. To some extent this is also true of gold coins, since they are not required to be accepted at their face value if below the "standard weight and limit of tolerance provided by law" (U.S.C., sec. 457). On the other hand, granting the existence of the power to accomplish what the present bill proposes, with respect to gold bullion, no distinction exists whereby such power should be limited to gold bearing the Government's stamp. The Government might provide for a similar requisition of all gold watches, of all gold ornaments, and similar articles manufactured from gold. It is inconceivable that the Constitution might allow such private property to be so seized and paid for at a price far below the actual worth of the article seized.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Ohio?

Mr. HASTINGS. I yield.

Mr. FESS. Before the Senator takes his seat I want to ask him what part of the pending measure caused him to suggest that there will be any trade value in bullion? He said bullion may be transferred from one citizen to another and thereby maintain a trade value. My understanding is that the bullion is to be taken over by the Government and lodged in the Treasury.

Mr. HASTINGS. Perhaps I did not make my statement perfectly clear. I was referring to the situation prior to the things that are being done by the present administration with respect to gold, and not to what the situation is at the present time or what it will be after the bill is enacted into law and that law becomes effective.

Mr. FESS. That answers the question I want to ask another question. The chairman of the committee, the senior Senator from Florida [Mr. FLETCHER], on yesterday, in replying to an argument with reference to irredeemable currency, said that we have so much currency in circulation now and took occasion to specify the various kinds of money. He noted the Federal Reserve bank notes and stated that they are redeemable; also the Sherman note or the note of 1890, which has on its face the phrase "paid in coin", which the Treasury did not want to regard as silver equivalent to gold and which, therefore, became the issue in 1898 which led to the repeal of that law. The Senator from Florida said that was redeemable in gold. He also specified the national-bank notes based upon United States bonds and said they are payable in gold. He referred to other kinds of currency and announced that they are redeemable.

Then he argued that this legislation is on a parity with prior legislation, when as a matter of fact the proposed legislation provides for irredeemable currency. The difference between the present currencies under the old law and the currency proposed in the bill now under consideration is as high as the difference between up and down and as wide as the difference between right and left, because what made the present money of any value was the redeemable element, and that element is taken out of our currency by the pending measure.

I have been wondering whether the Senator is holding that bullion still has a value when it is taken out of trade. It seems to me it might as well be dropped in the sea, so far as value is concerned.

Mr. HASTINGS. The Senator evidently did not hear all of my remarks, because I undertook to make it perfectly clear that from my point of view the currency that will be in existence after the passage of this bill will have nothing back of it except the credit of the Government.

Mr. FESS. That is correct.

Mr. HASTINGS. I heard the distinguished Senator the other day make a speech upon the subject, in which he made the remark that so far as redemption in gold is concerned the gold held by the Treasury might be dumped into the sea. As I see it, I would qualify that statement to this extent. There is some value in the world in the gold held by the Treasury, and to the extent of that value the assets of the Nation are increased by the possession of that gold; but in no other way can it be used as an asset, and in no other way does it make any difference whether it be gold or any other commodity.

Mr. FESS. I think the Senator is being led into a condition of delusion there. Upon what were the assignats of France based? They were based upon real estate in the hands of the Government, the best security on earth; but what became of the assignats?

Mr. HASTINGS. I have assumed that if our Government cared to do so it could take its gold abroad and bring home—I do not know just what.

Mr. FESS. Nor does anyone else know.

Mr. HASTINGS. But it would have the same value abroad, and in order that I might be conservative I have stated that the fact that there is gold in the Treasury adds some assets to the Nation's assets.

Mr. FESS. I cannot understand the Senator's position that if we have any fund of any sort in the form of wealth it is not a redeemable element because the law prevents the redemption. Redemption is where the holder of the certificate has the right to demand its redemption. He will have no such right under the pending bill. The Government can redeem if it wants to do so, but if it finds it inconvenient to do so it will not do it. Where is the redemption? Where is the value in a certificate based upon bullion when that certificate cannot be redeemed?

Mr. HASTINGS. I am not making such an argument. I certainly want to make my position clear. I have stated with as much emphasis as I possess that in my judgment when we get through with this legislation there will be nothing back of the circulating dollar except the credit of the Nation.

Mr. FESS. The Senator is right.

Mr. HASTINGS. We are in agreement upon that.

Mr. FESS. The Senator is right.

Mr. HASTINGS. The only difference between the Senator from Ohio and myself is that when he began to calculate the assets of the Nation he left out the gold as having any value.

Mr. FESS. Because it is not in the exchange trade. It is taken out.

Mr. HASTINGS. I think we are not in disagreement.

Mr. FESS. I do not think so either.

Mr. HASTINGS. I merely wanted to be very careful in my statement.

Mr. AUSTIN obtained the floor.

Mr. FESS. Mr. President, will the Senator from Vermont yield to enable me to suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio for that purpose?

Mr. AUSTIN. I do.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Reynolds
Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Cutting	Keyes	Robinson, Ind.
Bachman	Davis	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	McAdoo	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkley	Gibson	McNary	Townsend
Bulow	Glass	Murphy	Trammell
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norris	Vandenberg
Capper	Hale	Nye	Van Nuys
Caraway	Harrison	O'Mahoney	Wagner
Carey	Hastings	Overton	Walcott
Clark	Hatch	Patterson	Walsh
Connally	Hatfield	Pittman	Wheeler
Coolidge	Hayden	Pope	White
Copeland	Hebert	Reed	

The PRESIDING OFFICER. The present occupant of the chair desires to announce the necessary absence of the Senator from Iowa [Mr. DICKINSON], the Senator from Rhode Island [Mr. METCALF], and the Senator from South Dakota [Mr. NORBECK].

Ninety-one Senators having answered to their names, a quorum is present. The Senator from Vermont is entitled to the floor.

Mr. FLETCHER. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Florida?

Mr. AUSTIN. I yield to the Senator.

Mr. FLETCHER. The Senator from Delaware [Mr. HASTINGS] asked not to be interrupted while he was speaking, but stated that he would answer questions when he finished. When he finished a quorum was called, and I had no opportunity to ask the questions. He has now left the Chamber. I simply should like to correct one thing that appears in the RECORD of today. It will take only a minute.

The Senator made the statement that only two people appeared before the Banking and Currency Committee in support of this bill; that all the others he indicated were opposed to it. I desire to draw his attention to the fact that part I of the hearings before the committee shows that the Honorable Robert L. Owen was invited to appear before the committee; and his statement begins on page 44 of the hearings, part I. It will take me only a minute to correct the statement that has gone forth, and I think it ought to be corrected now. I will not take time to refer to other statements.

Mr. Owen said:

> When I received your telegram yesterday, inviting me to come down from New York to appear before the committee, I came in last night and this morning I had the opportunity of reading the bill. I had general knowledge of its contents before. I also saw the opinion of Attorney General Cummings with regard to it.
>
> I think I understand the purpose of the bill, which is that the Government of the United States should take over the physical possession and ownership of all the gold in the United States, and that that gold subsequently may be devalued by the President of the United States under the Thomas amendment, not lower than 50 and not above 60.

Then he said:

> I approve the purpose of the bill.

Further on in his statement he said:

> I think, therefore, that the bill is thoroughly constitutional. I think the bill is altogether commendable as a means of accomplishing this end.

Senator Owen was at one time a distinguished Member of this body, as the Senator knows, and Chairman of the Banking and Currency Committee, and coauthor of the Federal Reserve Act. He is thoroughly posted regarding these questions, and has been a student of the subject for years; and I think his statement should have value. He went thoroughly into this bill and its principles, and expresses himself admirably; and I submit that his statement, clear and to the point and forceful, is well worth reading by Members of the Senate. It will be found in the first volume of the hearings, beginning on page 44.

Mr. AUSTIN. Mr. President, in order that the RECORD may not create a wrong impression on the situation just preceding the statement of the Senator from Florida, I desire to state that the distinguished Senator from Delaware [Mr. HASTINGS] completed his remarks while the distinguished Senator from Florida was not present on the floor. I have no doubt that if the distinguished Senator from Florida had been here, he would have had an opportunity to interrogate or interpolate after the Senator from Delaware had completed his remarks.

Mr. President, I oppose the passage of the Gold Reserve Act of 1934, so-called, because Congress thereby abdicates to executive and administrative officers legislative powers and duties included in article I, section 8, clause 5, of the Constitution. It abdicates legislative powers of the highest character to the executive and administrative officers named in it; namely, the power—

> To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

I shall try to discuss this one ground as briefly as possible, and to limit myself closely, for the purpose of saving the time of the Senate, to memoranda that I have before me.

In this discussion I desire to have it understood that I am speaking of the effect of the whole bill unless I specifically refer to some part of it; and, speaking generally of the whole bill as proposed, I claim that it would accomplish a transmission of some of the exclusive powers and duties which I have just read to the Executive and others acting under him.

There are specific grants of power contained in this provision of the Constitution, as follows:

Section 6 of the Gold Reserve Act of 1934:

> Except to the extent permitted in regulations which may be issued hereunder by the Secretary of the Treasury with the approval of the President, no currency of the United States shall be redeemed in gold: *Provided, however,* That gold certificates owned by the Federal Reserve banks shall be redeemed at such times and in such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain the equal purchasing power of every kind of currency of the United States. * * *

There is more to that provision, but that is all that I care to refer to at this time.

Section 8, of which I read only a part, provides, among other things:

> * * * With the approval of the President, the Secretary of the Treasury may purchase gold in any amounts, at home or abroad, with any direct obligations, coin, or currency of the United States authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as he may deem most advantageous to the public interest; any provision of law relating to the maintenance of parity or limiting the purposes for which any of such obligations, coin, or currency may be issued, or requiring any such obligations to be offered as a popular loan or on a competitive basis, or to be offered or issue at not less than par, to the contrary notwithstanding * * *.

Again, section 9 contains this power:

> * * * and he may sell gold in any amounts, at home or abroad, in such manner and at such rates and upon such terms and conditions as he may deem most advantageous to the public interest, and the proceeds of any gold so sold shall be covered into the general fund of the Treasury: *Provided, however,* That the Secretary of the Treasury may sell the gold which is required to be maintained as a reserve or as security for currency issued by the United States only to the extent necessary to maintain such currency at a parity with the gold dollar.

Meaning, of course, this rubber dollar, the flexible measuring stick hereafter referred to.

> SEC. 10. (a) There is hereby created a Foreign Exchange Board for the purpose of administering the stabilization fund hereinafter provided for. * * *
>
> (b) For the sole purpose of stabilizing the exchange value of the dollar in relation to the currencies of foreign governments the Board, directly or through such agencies as it may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as it may deem necessary to carry out the purpose of this section.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Florida.

Mr. FLETCHER. What the Senator is now reading is not in the bill up to this time. It is simply an amendment reported by the committee. That amendment has to be acted upon by the Senate. I hope the Senate will reject it.

Mr. AUSTIN. Very well, Mr. President. I assume that the whole bill will have to be acted upon, as well as the amendment; and I am considering the bill in the light most favorable to its proponents—that is, considering it with these modifying amendments included. The remarks which I intend to make addressed to this subject matter would apply with more effectiveness if I dealt with the bill without the amendments; but I am giving the proponents of the bill the benefit of the advantage of considering the bill as modified. The whole matter is in issue here, however, and I shall try to discuss fairly the whole matter, construing the

whole bill together, with these proposed amendments included. I do not understand that they have been rejected. They are still pending, are they not?

SEVERAL SENATORS. Yes!

Mr. AUSTIN. Section 11:

The Secretary of the Treasury is hereby authorized to issue, with the approval of the President, such rules and regulations as the Secretary may deem necessary or proper to carry out the purposes of this act.

The existing law, by virtue of the provision of an appropriation act giving power to the Executive to inflate the currency, remains in force, excepting as it might be modified by the adoption of this gold bill and by section 12 thereof; and if it were so amended I conceive that it should be read like the following, and I will state that the first paragraph I am about to read is taken from the existing law:

By proclamation to fix the weight of the gold dollar in grains 0.9 fine and also to fix the weight of the silver dollar in gains 0.9 fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, or, in case the Government of the United States enters into an agreement with any government or governments under the terms of which the ratio between the value of gold and other currency issued by the United States and by any such government or governments is established, the President may fix the weight of the gold dollar in accordance with the ratio so agreed upon, and such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent.

There ends the part taken from the present law. I continue with the proposed addition to it:

Nor shall the weight of the gold dollar be fixed in any event at more than 60 percent of its present weight. The powers of the President specified in this paragraph shall be deemed to be separate, distinct, and continuing powers, and may be exercised by him from time to time—

It will be remembered that that was one of the controversies over that act—

severally or together, whenever and as the expressed objects of this section, in his judgment, may require, except that such powers shall expire 2 years after the date of enactment of the Gold Reserve Act of 1934 unless the President shall sooner declare the existing emergency ended, but the President may extend such period for not more than 1 additional year after such date by proclamation recognizing the continuance of such emergency.

These provisions ostentatiously magnify the powers of the Government under which we are temporarily living to the coining of money, regulating the value thereof and of foreign coin, and fixing the standard of weights and measures. The powers to legislate by regulations what currency of the United States shall be redeemed in gold, as stated in section 6; to fix the times and amounts of redemption of gold certificates owned by the Federal Reserve banks, as stated in section 6; to purchase gold in any amount, at home or abroad, with coin or currency of the United States at rates determined by the Executive and Secretary of the Treasury, notwithstanding any law relating to the maintenance of parity of coin or currency to the contrary, as stated in section 8; to sell gold at home or abroad upon their own terms and at their own rates, in any amount excepting the gold required to be maintained as a reserve or as security for currency issued by the United States, as stated in section 9; to sell even that gold so reserved if they are of the opinion that it should be sold to maintain such currency at parity with the gold dollar—that is, the dollar fixed from time to time at perhaps various standards of gold content, as stated in section 9; and the power to legislate rules and regulations to carry out the purposes of the entire act, as set out in section 11—all these powers are not limited in time.

That is, that policy fixed from time to time through a complete reconstruction of the exercise of government by the Legislature of the Government—the Congress—so that an entirely different department of government shall for all time, and until the law is repealed, divest the Congress of the power to do these vital things so important to the very nationality as well as the prosperity of the Government.

The powers I have enumerated are not confined to an emergency. These great powers are granted permanently. They can be exercised many times and at any time. Time is fixed in the case of every one of them, to be not at the discretion of the representatives of the people in Congress, to whom was granted the power, as well as the duty, of ascertaining the time when these things should be done. The fixing of the time is turned over entirely to the Executive and the administrative officers under him.

This other power, the power to fix the weight of the gold dollar at not less than 50 percent and not more than 60 percent of its present weight, provided by section 12, and the power to employ a stabilization fund of $2,000,000,000 to deal in gold and foreign exchange and other instruments of credit and securities would be limited, if this bill were enacted as proposed to be amended, to a temporary period by the Senate amendments, as provided by sections 10 and 12. The period would be temporary to the extent of 2 years, at any rate, with the possibility of it being 3 years. I believe there are those within the sound of my voice who would not call that temporary, but I choose to debate the question, taking it in the light most favorable to the proponents of the bill.

These powers, together with the vesting of the title to and possession of all monetary gold within the boundaries of the United States in the Government, marshal all responsibility for the control of credit conditions and all power to regulate the value of money and of foreign coin in the United States into the judgment and authority of a few men who were never intended by the people and who were never authorized by the people to promulgate the people's primary policy respecting this vital necessity of social, economic, and political welfare.

Congress was charged with that specific duty. By this measure we are about to transmit that duty and that power to some person, a thing the people never contemplated.

By this proposed act credit authority and fiscal policy are directly exposed to political pressure and are united, whereas they ought to be separated. The independence of the banking system of this country from political agencies of the Government, which was a theory of the Federal Reserve Act, is broken by the act.

Regulation of the value of money and of foreign coin is a primary function.

There is the point of controversy between me and the distinguished junior Senator from Texas [Mr. CONNALLY], who cited a delegation of authority by Congress to another body in the interstate commerce cases.

I repeat, regulation of the value of money and of foreign coin is a primary function. Once that fact is established, the controversy is as to whether this act of ours is unconstitutional or not.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Vermont yield to the Senator from Texas?

Mr. AUSTIN. I yield.

Mr. CONNALLY. Since the Senator mentioned the discourse of the junior Senator from Texas, I am going to take the liberty of asking him a question.

Mr. AUSTIN. I yield.

Mr. CONNALLY. Does the Senator contend that by the passage of the pending measure Congress would part with its power to regulate the value of money? Can it not amend it or modify it or withdraw it at any time?

Mr. AUSTIN. Just as long as this remained the law, Congress would have abdicated that duty and power. Of course, Congress may repeal the law, but what I claim is that Congress may not amend the Constitution of the United States by the simple act of passing through the two Houses of Congress a bill or a resolution by a majority vote; and if we are about to enter upon the transfer of these exclusive powers to an executive department, let us submit the matter

to the people. It is a primary legislative function which they have delegated in the Constitution to the Congress, and we have no right to transfer it in the way proposed.

Mr. CONNALLY. Mr. President, will the Senator yield further?

Mr. AUSTIN. Certainly.

Mr. CONNALLY. The Senator says that as long as this act remained in existence, unmodified, unrepealed, Congress would have abdicated its power. Is not that true of any act we pass? When we legally enact a measure and it becomes a law, is it not the law until Congress modifies it or changes it?

Mr. AUSTIN. Mr. President, I am trying to express the opinion that an attempt to delegate a constitutional power is ineffective. If a measure passed by the Congress is within the Constitution, it becomes the law, and will remain the law until repealed, of course.

Mr. CONNALLY. Mr. President, will the Senator yield once more? I will then not further bother him.

Mr. AUSTIN. Certainly; I yield.

Mr. CONNALLY. The Constitution says—

> The Congress shall have power * * * to coin money * * *.

Is it the Senator's view that we have to coin it here in the Senate Chamber ourselves, or can we delegate the coinage to the mint or to the Treasury?

Mr. AUSTIN. Mr. President, that is just the trouble in distinguishing between the cases which were referred to yesterday by the Senator from Texas and the present case. I have before me a fairly large number of instances where powers have heretofore been delegated by Congress, and where the action has been approved by the Supreme Court of the United States for the reason that the delegations of power did not involve a primary function of the legislature. Congress has the exclusive power to determine primary and fundamental rules for the governing of future conduct. This power may not be devolved upon any other agency whatever; but, having exercised this power by promulgating a primary principle, Congress may then transmit to agencies created by it, or existing already under the Constitution, the function of administration, even the function of legislation in matters of subordinate degree relating to the primary rules, in order that they may be carried into effect.

Those powers are very clearly distinguished in the various cases to which I refer. The powers which have been held to be justifiably transmitted are those reposed in the Interstate Commerce Commission, for example, to require railroads to keep accounts in the manner specified by the Commission and to institute a lower rate for a longer than shorter haul; also the power of the Commissioner of Internal Revenue to make regulations pertaining to sale of unbranded oleomargarine; the power of the Federal Reserve Board to permit national banks to act as trustees, and so forth; the power of the Interstate Commerce Commission to suspend rules as to car service, and to make such reasonable regulations in regard thereto as would best promote the interest of the public and commerce.

Of course it needs no argument to demonstrate clearly that all the powers exercised by the Interstate Commerce Commission are incidental to the great power of regulating commerce.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Montana?

Mr. AUSTIN. I yield.

Mr. WHEELER. Let me ask the Senator if he does not think that the Congress delegated power to the Federal Reserve banks when it gave them the power to conduct open-market operations, by the sale of Government bonds in the open market? As a matter of fact has not the Congress always delegated its power to coin money and fix the value thereof?

Mr. AUSTIN. Mr. President, that double-barreled question cannot be answered in one word. There are two questions asked by the Senator. I will say no to the first one. Congress did not delegate and abdicate. This bill, if passed, would be a complete act of abdication.

Answering the second question, I would say no; Congress never has tried before to delegate its power to regulate the value of money. What I am trying to demonstrate is that the regulation of the value of money is a primary function of Congress. Why is it a primary function of Congress? Because of the extent of that power; because of the effect of that power upon the vitality of the Government, upon the very existence of it in time of peace and in time of war. In order to emphasize the contention that this power is a primary one, I call the attention of the Senate to the fact that it is absolutely necessary to pass legislation and exercise this power in order to exercise the sovereignty that is necessary in time of war.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Washington?

Mr. AUSTIN. I yield.

Mr. BONE. I wonder if I understood the Senator aright when I thought I understood him to say that he regarded it as an abdication on the part of Congress for Congress to enact the Federal Reserve Act?

Mr. AUSTIN. Mr. President, I am not aware that I made any such statement.

Mr. BONE. Mr. President, I understood that is what the Senator meant when he said Congress abdicated its powers.

Mr. AUSTIN. If I did make such a statement, I will retract it instantly. I had no intention of making such a statement. I must have misunderstood the question of the Senator from Montana.

Mr. WHEELER. What I asked the Senator was, if he did not think that the Congress had delegated its power to coin money and regulate the value thereof to a private institution when it passed the Federal Reserve Act.

Mr. AUSTIN. Mr. President, my answer to that would be, no; it has not.

Mr. WHEELER. Would the Senator say that the effect of the Federal Reserve Act was not to regulate the value of the money of the United States?

Mr. AUSTIN. The value fixed in the act itself?

Mr. WHEELER. No; the value fixed by the operations of the act. I should say the effect of the Federal Reserve Act, when the Federal Reserve banks can contract by their open-market operations the currency of the United States or expand the currency of the United States, is to regulate the value of that money with reference to commodities in the United States of America.

Mr. AUSTIN. I take the position, Mr. President, that the transmission of the power to regulate the value of money is unconstitutional; and if the act described by the Senator from Montana has that effect, I should think it was an unconstitutional act on the part of Congress, because that power is a primary power with which the people invested the Congress.

Mr. WHEELER. Mr. President, may I ask the Senator another question?

Mr. AUSTIN. Yes.

Mr. WHEELER. I take it that what the Senator thinks should be done is for the Congress of the United States to establish a bank of issue of its own. Is that correct?

Mr. AUSTIN. Mr. President, I have not discussed anything of the kind, and in the answers I have made heretofore I have assumed that the Senator from Montana realized that the value of the dollar was fixed when the Federal Reserve bank was created, fixed by law and act of Congress.

Mr. WHEELER. I did not catch the whole of the Senator's statement. Does the Senator say that the value of the dollar was fixed.

Mr. AUSTIN. The value of the dollar was fixed by act of Congress.

Mr. WHEELER. Does the Senator take the position that the amount of currency in circulation does not fix the value of the dollar with reference to commodities and other things in this country?

Mr. AUSTIN. If I understand the Senator from Montana, he is talking about credit rather than fixing the value of money.

Mr. WHEELER. No; I am talking about money, not credit.

Mr. FESS. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. FESS. The Federal Reserve Act permits the issuance of Federal Reserve notes upon the basis of a certain reserve. That reserve is in gold and assessable securities. The amount of gold in a dollar, which fixes its value, is provided under law which the Federal Reserve has no authority to modify in any degree. The mere fact of issuing more money or less money, giving it more or less purchasing power, is not fixing the value of the dollar. The value of the dollar is fixed by the act preceding the Federal Reserve Act.

Mr. AUSTIN. Mr. President, I appreciate the contribution of the learned Senator from Ohio.

Mr. WHEELER. If the Senator from Vermont will further pardon me, I will say that if we issue more currency it does have the effect of fixing the value of our money. It cannot be otherwise. The contention has been made on the floor of the Senate that, because of the inflation of the currency of Germany, it cheapened the value of their money; and there is not any question about it. When France issued more currency before devaluing the gold franc, it cheapened the value of French money; they cheapened the French franc before they ever devalued it. They cheapened it to the point where the franc was worth only something like 2 or 3 cents, and then they revalued it upon a basis of about 4 cents; in other words, they depreciated it 80 percent by the revaluation of the gold content of the franc; but previous to that time, by issuing more currency, they had cheapened the price of their currency without changing the content of the gold franc in any degree whatsoever.

Mr. AUSTIN. Mr. President, continuing the subject which I was discussing, I repeat that the regulation of the value of money and of foreign coin is a primary function, and I wish to demonstrate that upon that power turns the question largely whether this proposed act is constitutional in respect to this function. I claim that it is so, because such regulation is necessary to the proper functioning of sovereignty. The experience of the Government in all wars, for example, evidences the dependence of the effective military forces upon money and the control of these powers which are vested expressly by the Constitution in the Congress of the United States; indeed, the experience with this power during the Revolution for Independence proved it to be so great that the triumphant liberty was dependent upon it.

In the *Legal Tender cases*, Mr. Justice Bradley, concurring in the majority decision, gives us this very interesting account, to be found in Twelfth Wallace, at page 557:

> * * * In this country the habit had prevailed from the commencement of the eighteenth century of issuing bills of credit; and the Revolution of Independence had just been achieved, in great degree, by the means of similar bills issued by the Continental Congress. These bills were generally made a legal tender for the payment of all debts, public and private, until, by the influence of English merchants at home, Parliament prohibited the issue of bills with that quality. This prohibition was first exercised in 1751 against the New England Colonies, and subsequently, in 1763, against all the Colonies. It was one of the causes of discontent which finally culminated in the Revolution. Dr. Franklin endeavored to obtain a repeal of the prohibitory acts, but only succeeded in obtaining from Parliament, in 1773, an act authorizing the Colonies to make their bills receivable for taxes and debts due to the Colony that issued them. At the breaking out of the war the Continental Congress commenced the issue of bills of credit, and the war was carried on without other resources for 3 or 4 years. It may be said with truth that we owe our national independence to the use of this fiscal agency. Dr. Franklin, in a letter to a friend, dated from Paris in April 1779, after deploring the depreciation which the Continental currency had undergone, said: "The only consolation under the evil is that the public debt is proportionately diminished by the depreciation, and this by a kind of imperceptible tax, everyone having paid a part of it in the fall of value that took place between the receiving and paying such sums as passed through his hands." He adds: "This effect of paper currency is not understood this side of the water. And, indeed, the whole is a mystery even to the politicians, how we have been able to continue a war 4 years without money, and how we could pay with paper that had no previously fixed fund appropriated specially to redeem it. This currency, as we manage it, is a wonderful machine. It performs its office when we issue it; it pays and clothes troops and provides victuals and ammunition." In a subsequent letter of October 9, 1780, he said: "They [the Congress] issued an immense quantity of paper bills to pay, clothe, arm, and feed their troops and fit out ships; and with this paper, without taxes for the first 3 years, they fought and battled one of the most powerful nations of Europe." The Continental bills were not made legal tenders at first, but in January 1777 the Congress passed resolutions declaring that they ought to pass current in all payments and be deemed in value equal to the same nominal sums in Spanish dollars, and that anyone refusing so to receive them ought to be deemed an enemy to the liberties of the United States, and recommending to the legislatures of the several States to pass laws to that effect.

Again this distinguished jurist says, at page 563:

> It is absolutely essential to independent national existence that government should have a firm hold on the two great sovereign instrumentalities of the sword and the purse and the right to wield them without restriction on occasions of national peril. In certain emergencies government must have at its command not only the personal services—the bodies and lives—of its citizens but the lesser, though not less essential, power of absolute control over the resources of the country. Its armies must be filled and its navies manned by the citizens in person. Its material of war, its munitions, equipment, and commissary stores must come from the industry of the country. This can only be stimulated into activity by a proper financial system, especially as regards the currency.

And again he says, as shown at page 567:

> I do not say that it is a war power or that it is only to be called into exercise in time of war, for other public exigencies may arise in the history of a nation which may make it expedient and imperative to exercise it. But of the occasions when, and of the times how long, it shall be exercised and in force, it is for the legislative department of the Government to judge.

That is the whole point of my argument. I could not equal that argument with anything that I might write upon the subject. It is for the legislative department of the Government to judge. This is a primary function of government, delegated to Congress, vested in the Congress. It is a primary function which cannot be devolved upon any others.

Mr. President, the great sacrifice of the people of this country in the provision of money through Liberty bond purchases brings the fact home most intimately. The levy and payment of taxes, the making of contracts, the support of life—every activity of society—persuades the national mind that the powers granted to Congress by article I, section 8, clause 5, of the Constitution and abdicated by this act, are strictly legislative—legislative in the highest sense. Such primary or fundamental rules for the governing of future conduct may not be devolved upon any other agency by an act of Congress.

Chief Justice Marshall held in *Wayman* v. *Southard* (10 Wheat. (23 U.S.) 1), at 42 (6 L.Ed. 253 (1825)), cited with approval in *United States* v. *Guinand* (220 U.S. 506 at 517, 55 L.Ed. 563 (1911)):

> It will not be contended that Congress can delegate to the courts, or to any other tribunals, powers which are strictly and exclusively legislative.

This premise is important, as shown by the colloquy between the distinguished Senator from Texas and myself, because Congress, having promulgated the primary principle, may delegate authority to establish policies subordinate to and consistent with the congressional pronouncement.

The great expounder of the Constitution made this apparent by the holding in the Wayman case (ib. 43):

> The line has not been exactly drawn which separates those important subjects, which must be entirely regulated by the legislature itself, from those of less interest, in which a general provision may be made and power given to those who are to act under such general provisions to fill up the details. To determine the character of the power given to the courts (in this debate the Executive) by the Process Act (in this debate the Gold Reserve Act of 1934), we must inquire into its extent.

Such inquiry here proves that this authority is not limited to forms and modes of administration. It is not confined to powers which could not be efficaciously exercised by Congress. It is not the mere power to determine some fact or state of things on which enforcement depends, or else the process of government would be stopped. It is not the

execution in detail of the legislative power to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures.

The authority here granted is to determine the fundamental rules themselves for governing the future conduct of the fiscal affairs of this country.

Hereafter permanently—not for the period of an emergency—shall gold certificates owned by the Federal Reserve banks be redeemed? Section 6 says that policy will be determined, not by Congress, but by the Secretary of the Treasury. This affects the purchasing power of every kind of currency of the United States. This section expressly admits the vast scope of this power by the words—

> In such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain the equal purchasing power of every kind of currency of the United States (act, p. 11, lines 12 to 15).

Now let us test this question again. Shall currency of the United States be redeemed in gold? That takes us right back to the fundamental question of whether we are on or off the gold standard, that great general policy which affects the welfare of every person in the United States of America. Shall currency in the United States be redeemed in gold? Who ought to answer that question under the Constitution? There is but one reply, and that is that the Congress of the United States shall determine whether currency shall be redeemed in gold. But what does this measure, this gold-reserve measure of 1934, provide? Section 6 gives the answer. Yes; currency of the United States shall be redeemed in gold if the Secretary of the Treasury, with the approval of the President, says so; but "no" if those two men do not say so. There is no time lock on that extraordinary power in this bill. It cannot be justified as an emergency proposition. It is permanent.

At this point I invite attention to the fact that the bill also temporarily gives this power, namely, that the weight of the gold dollar for the next 2 years can be reduced 16 percent or it can be lifted 20 percent, at the will of the President, depending upon whether the President fixes 60 percent or 50 percent of its present weight. This is legislative power of the highest magnitude. This is practically regulating and manipulating the value of money.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. FESS. I have been somewhat confused as to the effect of this particular measure on the act in which we gave authority to the President to devalue the dollar 50 percent, but not beyond 50 percent. The pending measure provides that he cannot devalue above 60 percent. The maximum limit is fixed. It does not say he cannot go below 50 percent. Other parts of the bill repeal certain existing statutes where it is provided "notwithstanding" so and so. It is an open question that has been discussed pretty generally. Will the effect of fixing the maximum above which he cannot go remove the minimum of the present existing authority that he has not yet exercised?

Mr. AUSTIN. Mr. President, this is the first time that particular question has come to my attention. I would not be so intemperate as to endeavor to answer it upon my feet without studying the wording of the section and its setting in the bill. I will confess that I have the clear impression that the law which will be created by the passage of this bill, relating to the power to regulate money by the President, would be in addition to the law which was enacted at the last session, namely, paragraph D–2 of section 43, title III of the act approved May 12, 1933, Public, No. 10, Seventy-third Congress, and that the powers here granted are separate. It may be construed either as separate or in conjunction with those powers and therefore that they do not affect, other than to create a top limit, the power of the President to increase or diminish the percentage.

Mr. FESS. If the Senator will permit me, it seems to me that probably would be the ordinary construction of the language, that the present existing law does not fix any maximum limit, but it does fix a minimum in that he cannot go below 50 percent, while the proposal is to fix the maximum; that is, he may go to 50 percent, but he cannot go above 60 percent. The question with me is whether that provision removes the minimum of the existing law? I think it is quite important.

Mr. AUSTIN. I am not competent to answer that question at this instant. I am very glad to have it brought to my attention and I shall certainly investigate it.

Proceeding upon the thesis that the clause conferring upon Congress the power to coin money and regulate its value, as well as to regulate the value of everything coined, creates an exclusive power of primary magnitude; I wish to invite attention to just a few cases.

Here is the case of *United States* v. *Marigold* (4th Howard, 560, 567), in which there was the following holding, among other things:

> But the twentieth section of the act of Congress of March 3, 1825, or rather those provisions of that section brought to the view of this Court by the second question certified, are not properly referable to commercial regulations, merely as such; nor to considerations of ordinary commercial advantage. They appertain rather to the execution of an important trust invested by the Constitution, and to the obligation to fulfill that trust on the part of the Government, namely, the trust and the duty of creating and maintaining a uniform and pure metallic standard of value throughout the Union. The power of coining money and of regulating its value was delegated to Congress by the Constitution for the very purpose, as assigned by the framers of that instrument, of creating and preserving the uniformity and purity of such a standard of value; and on account of the impossibility which was foreseen of otherwise preventing the inequalities and the confusion necessarily incident to different views of policy, which in different communities would be brought to bear on this subject. The power to coin money being thus given to Congress, founded on public necessity, it must carry with it the correlative power of protecting the creature and object of that power. It cannot be imputed to wise and practical statesmen, nor is it consistent with common sense—

Note that language—

> that they should have vested this high and exclusive authority, and with a view to objects partaking of the magnitude of the authority itself, only to be rendered immediately vain and useless, as must have been the case had the Government been left disabled and impotent as to the only means of securing the objects in contemplation.

I omit at this point, and continue:

> Whatever functions Congress are, by the Constitution, authorized to perform, they are, when the public good requires, bound to perform; and on this principle, having emitted a circulating medium, a standard of value indispensable for the purposes of the community, and for the action of the Government itself, they are accordingly authorized and bound in duty to prevent its debasement and expulsion, and the destruction of the general confidence and convenience, by the influx and substitution of a spurious coin in lieu of the constitutional currency.

What language can be conceived that would more clearly show that this power, so definitely expressed in the Constitution, is a power of the highest degree, a power that cannot be devolved by Congress upon any other agency of government?

Again, as further evidence that this is a legislative power of the highest magnitude, I call attention to those great cases known as the *Legal Tender cases*, in Seventy-ninth United States Reports (12 Wallace), 457.

Mr. Justice Strong, delivering the opinion of the Court, held, as shown at page 545:

> * * * Whatever power there is over the currency is vested in Congress. If the power to declare what is money is not in Congress, it is annihilated.

And again, at page 547:

> * * * The Constitution does not ordain what metals may be coined, or prescribe what the legal value of the metals, when coined, shall correspond at all with their intrinsic value in the market. Nor does it even affirm that Congress may declare anything to be a legal tender for the payment of debts. Confessedly the power to regulate the value of money coined, and of foreign coins, is not exhausted by the first regulation. More than once in our history has the regulation been changed without any denial of the power of Congress to change it, and it seems to have been left to Congress to determine alike what metal shall be coined, its purity, and how far its statutory value, as money, shall correspond, from time to time, with the market value of the same metal as bullion.

And again, at page 554:

* * * The questions involved are constitutional questions of the most vital importance to the Government and to the public at large.

Mr. Justice Bradley, concurring in that opinion so ably expressed by Mr. Justice Strong, says among other things, as follows, at page 562:

* * * Currency is a national necessity. The operations of the Government, as well as private transactions, are wholly dependent upon it.

Understand, my thesis is a very simple one; namely, that this function is a primary function, a purely legislative function, which cannot be delegated.

Again, at page 564:

* * * What that medium shall be, what its character and qualities, will depend upon the greatness of the exigency and the degree of promptitude which it demands. These are legislative questions.

And again at page 564:

These views are exhibited, not for the purpose of showing that the power is a desirable one, and therefore ought to be assumed, much less for the purpose of giving judgment on the expediency of its exercise in any particular case, but for the purpose of showing—

Just what I am trying to show here—

that it is one of those vital and essential powers inhering in every national sovereignty and necessary to its self-preservation.

Again he says, at page 565, after discussing the English law:

* * * Subsequent acts of Parliament fixed the standard of purity and weight in the coinage of the realm, which has not been altered for a hundred and fifty years past. But the same authority which fixed it in the time of Queen Anne is competent at any time to change it. Whether it shall be changed or not is a matter of mere legislative discretion. And such is undoubtedly the public law of this country.

These two opinions are from the majority of the Court; and I call attention to the significant fact that the dissenting Justices agreed with the majority upon the primary character of this power.

The Chief Justice was one of the dissenting Justices. At page 585 he said:

* * * Mr. Webster expressed not only his opinion but the universal and settled conviction of the country when he said: "Most unquestionably there is no legal tender and there can be no legal tender in this country, under the authority of this Government or any other, but gold and silver, either the coinage of our mints or foreign coin at rates regulated by Congress. This is a constitutional principle perfectly plain and of the very highest importance."

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield to the Senator from Idaho.

Mr. BORAH. Does the Senator accept Mr. Webster's view that both gold and silver are the money of the Constitution, and neither one of them can be destroyed constitutionally?

Mr. AUSTIN. Mr. President, I do not accept that view.

Mr. BORAH. I suspected the able Senator would not follow Webster all the way.

Mr. AUSTIN. No; I am quoting from the opinion of this distinguished Chief Justice of the United States to afford evidence of the high character and the extent of the power which this bill, the Gold Reserve Act of 1934, purports to transmit from the Congress to the Chief Executive and others under his control.

Mr. Justice Clifford, another one of the dissenting Justices, expressed the same sentiment in this way, as appears at page 587:

Power to fix the standard of weights and measures is evidently a power of comparatively wide discretion, but the power to regulate the value of the money authorized by the Constitution to be coined is a definite and precise grant of power, admitting of very little discretion in its exercise. * * *

Again, at page 602:

Interests of such magnitude and pervading importance as those involved in providing for a uniform standard of value throughout the Union were manifestly entitled to the protection of the national authority, and in view of the evils experienced for the want of such a standard during the War of the Revolution, when the country was inundated with floods of depreciated paper, the members of the Convention who framed the Constitution did not hesitate to confine the power to Congress not only to coin money and regulate the value thereof but also the power to regulate the value of foreign coin, which was denied to the Congress of the Confederation.

And, again, at page 622:

Exclusive power to coin money is certainly vested in Congress. * * *

And, again, at page 633:

Constitutional powers of the kind last mentioned—that is, the power to ordain a standard of value and to provide a circulating medium for a legal tender—are subject to no mutations of any kind. They are the same in peace and in war. What the grants of power meant when the Constitution was adopted and ratified they mean still, and their meaning can never be changed except as described in the fifth article providing for amendments, as the Constitution "is a law for rulers and people, equally in war and in peace, and covers with the shield of its protection all classes of men and under all circumstances."

Mr. Justice Field dissenting, at page 653, quotes Daniel Webster as follows:

* * * "We all know", says Mr. Webster, "that the establishment of a sound and uniform currency was one of the greatest ends contemplated in the adoption of the present Constitution. If we could now fully explore all the motives of those who framed and those who supported that Constitution, perhaps we should hardly find a more powerful one than this."

Again, at page 675, we find this:

* * * The power to coin money, as already declared by this Court, is a great trust devolved upon Congress. * * *

Mr. LEWIS. Mr. President, will the Senator from Vermont allow me to interrogate him along the line of one of the decisions to which he has referred? I find myself interested in the suggestion made by the Senator from Vermont that Congress, and only Congress, as he would have it, can prescribe the matter of measuring the value of the money. Assuming that to be true, I will ask the able Senator, conscious of his ability as a lawyer, recognized as such throughout this country, when Congress has acted and chooses an executive officer, say the Secretary of the Treasury, to carry out the provisions that it may ordain, would not the Senator regard that an act of Congress? May I ask the Senator whether he recalls the Supreme Court of the United States decision in an oleomargarine case arising in Massachusetts? He being an eminent New Englander will recall that in that decision the Supreme Court of the United States held, it being an oleomargarine decision, if I am not in error, that where Congress enacted a law and transmitted to the Department of Agriculture or to an executive officer of the Government the carrying out of the act and the fulfilling of the act, that was an act of Congress. I might ask the Senator whether he concurs in that, and whether his mind still opposes the granting to the Secretary of the Treasury, or some other official of the Government, the power here sought to be delegated. If it is done by Congress, would not that be an act of Congress, as has been proposed in the pending bill?

Mr. AUSTIN. Mr. President, as I understand the question of the learned Senator from Illinois, whose memory I believe is extraordinary in its precision and power, he must refer to the case of *First National Bank of Bay City* v. *Fellows* (244 U.S. 416; 37 Sup. Ct. 734; 61 L.Ed. 1233). If he does, that case hold substantially as he has mentioned, and I understand it to mean simply this, that where the Commissioner of Internal Revenue was authorized by Congress to make regulations pertaining to the sale of unbranded oleomargarine, the court upheld that delegation as one within the minor and incidental powers of legislation. There is that distinction. It is the line of demarcation between those powers which can be delegated and those powers which cannot be delegated. It depends on the extent. The Court has drawn that line of demarcation in every case, and, of course, handled every case upon its own merits and with respect to the individual facts.

It would be intemperate for me, I believe, to undertake to lay down a general rule by which we would draw the line. Therefore, I have attempted to discuss the pending bill with

reference to its extent. What is the extent of the power undertaken to be granted by the bill? Is it one of those minor powers which was upheld in the oleomargarine case, or is it a primary power which is exclusive and which no other agency of the people can exercise but the Congress of the United States? To that thesis I have directed all that I have said, recognizing, of course, the principle enunciated by the learned Senator from Illinois. I am trying to bring out the distinction between what is attempted to be done by the proposed gold act of 1934 and what was done by Congress with respect to the regulation of the trade in oleomargarine.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Vermont yield to the Senator from Ohio?

Mr. AUSTIN. I yield.

Mr. FESS. Does the Senator make no distinction between the oleomargarine case and the bill before us? This bill would delegate to the President discretionary power. He is not to be told specifically what he is to do; he is to be given a leeway; there is to be discretion, and he can devalue between a maximum and a minimum. What will be done is wholly to be determined by him. It is a question purely of the exercise of discretion. Is that on a par with the oleomargarine case?

Mr. AUSTIN. I think not, Mr. President. In the one case, the oleomargarine case, there is a delegation of incidental power, a mere filling up of details, the lesser functions of administration. In this case there is a determination of that great question of whether the currency of this country shall be redeemed in gold or not. There is the entire subject of the regulation of the value of the money placed in the hands of a board, who have a right to speculate with $2,000,000,000, and run it up and run it down by means of that tremendous power and authority which money to that extent possesses.

Mr. FESS. The feature of our Government which differentiates it from every other form of government is that we have three coordinate departments, and they are equal. If Congress delegates to a subordinate the doing of an act, it may be considered the same as Congress doing it. If Congress should delegate to an equal coordinate power, such as the President, the power to do this thing, would the President, when he does it, say that it was Congress doing it, or would it be the President doing it?

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I will yield to the Senator from Arkansas after answering the question of the learned Senator from Ohio. I should say there is a very marked distinction between an administrative board created by Congress to execute a primary policy which has been declared by the Congress, such as the board which undertook to regulate the traffic in oleomargarine, and a coordinate department of government. Of course, there is a tremendous distinction. I am trying to consider the problem from the standpoint of recognizing that we are dealing here with a national government, federal in its character, in which these great powers have been separated for very obvious purposes.

I now yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator does not contravene what seems to me to be the well-established doctrine that as to any power conferred upon us by the Constitution the Congress may choose its agent and delegate to him its authority, provided it defines the rule to govern its agent. Is that not a correct statement of the holding of the authorities?

Mr. AUSTIN. Mr. President, I cannot assent to that, unless the governing rule is defined. I make the claim that Congress has the exclusive power to determine primary or fundamental rules for the governing of future conduct with respect to our currency and our credit, and that this power may not be devolved upon any other agency. Of course, if that power should be exercised and the great policy declared, Congress could, of course, do the thing which the learned leader of the majority has mentioned, and delegate the filling in of details and the performance of administrative functions, and even legislating upon minor matters.

Mr. ROBINSON of Arkansas. Will the Senator yield to a further question?

Mr. AUSTIN. Yes.

Mr. ROBINSON of Arkansas. I have been confused during the course of the Senator's remarks by an apparent distinction, but to my mind not a clear distinction, between the power conferred on the Congress to coin money, and so forth, and other powers expressly conferred on the Congress. Is it the Senator's contention that a different rule with respect to delegation of authority applies to the power "to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures", than that which applies to other powers of the Congress?

Mr. AUSTIN. Not at all, Mr. President.

Mr. ROBINSON of Arkansas. Then, insofar as Congress can delegate its power, it may delegate to the same extent and in accordance with the same principles that it may delegate, for instance, the power to raise and support armies, or the power to borrow money on the credit of the United States, or the power to lay and collect taxes, and so forth?

Mr. AUSTIN. Oh, no; I could not answer that question in the affirmative. Every test applied to the question must involve——

Mr. ROBINSON of Arkansas. I cannot hear the Senator, and I am doing my best to hear him. I have been unable to hear either the Senator from Vermont or the Senator from Ohio.

Mr. AUSTIN. Mr. President, I regret that that is so, but I have been trying to make myself heard, and I will try harder.

The test of whether the specific power under consideration is one that must be executed exclusively by the Congress and may not be devolved upon another is, What is the extent of that power? What will be the effect of that power upon the sovereignty of this country, upon the welfare of its people? That test must be applied to every one of the powers which the learned Senator has mentioned. They cannot be gathered up by the handfuls and compared at all. Every one of them should be taken separately and examined carefully. My discussion has been thus far to make the law premise—I intend to call attention to the fact premise in a moment—the law premise that the power to coin money and fix the value thereof is a power of the highest magnitude, purely legislative in its character, which cannot, which may not be devolved upon the President or any other agency of government whatsoever.

Mr. ROBINSON of Arkansas. I now think I understand the Senator, but I do not understand his last statement with reference to his answer to my first question. The Senator then does distinguish between the power to coin money and other express powers conferred by the Constitution on the Congress with respect to the right of the Congress to delegate its authority? The Senator does not contend, of course, that the Congress cannot delegate its powers under certain conditions and within certain limitations? Does he contend that there can be no delegation of authority with respect to coining money and regulating the value thereof?

Mr. AUSTIN. Mr. President, I think I have already discussed that question at length. I contend that minor powers may be delegated to another agency to carry out, to fill in detail, or where they cannot efficaciously be executed by Congress alone or to meet an emergency. There are numerous decisions to which I have already called attention, upholding the delegation of an inferior power.

The point I am making is that the particular power involved in the pending bill is one which has been held by the courts to be of the highest magnitude. In every instance the test must be the extent of the power. We cannot take a handful of different powers; they must be taken out singly and each one of them put to the test, What is the extent of this power? Is it the promulgation of a rule of conduct that shall govern the future of this country

with respect to a primary thing, or is it the creation of rules and regulations relating only to some detail, or the creating of an agency to carry out and perform and administer that rule? There is the line of distinction. I have pointed out a case where the court held that there cannot, on account of the complex nature of this problem, be a line drawn generally which can be laid down between the several powers.

I now proceed, Mr. President, to consider very briefly——

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield.

Mr. BORAH. As I understand the Senator's position, it is that Congress cannot delegate legislative power to the President?

Mr. AUSTIN. A purely legislative power cannot be delegated.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AUSTIN. I yield.

Mr. ROBINSON of Arkansas. Has anybody made the suggestion that it is competent for Congress to delegate purely legislative powers?

Mr. AUSTIN. That is the suggestion in this bill. That is the defect of this bill.

Mr. ROBINSON of Arkansas. I understand that the Senator raises an objection to the bill on the ground that, as he contends, it does constitute an invalid delegation of legislative power. Nobody questions that under some circumstances the Congress may delegate its authority, if it defines the rules and fixes the proper limitation on the power of its agent. It may select any agent it chooses. But what I cannot understand is the relevancy of a declaration of a principle of law commonly accepted that Congress cannot delegate its legislative authority to the President. We all understand that the executive, the legislative, and the judicial departments are separate. Their functions are separate. But the courts have held, over and over again, that the Congress can choose an agent for the administration of the authority conferred by it, fix the rules of the conduct of the agent, and when it does so it is a valid delegation of authority. The real question, I take it, is whether this proposed legislation constitutes a valid delegation of legislative authority.

Mr. AUSTIN. Certainly. I am undertaking to lay before the Senate the evidence which appeals to my reason, attempting to show that this is not a valid delegation, for the reason that it undertakes to transmit the function of passing upon and creating the rule of conduct of this country with respect to the value of money, one of the most vital functions of legislation which we have set.

I yield to the Senator from Idaho.

Mr. BORAH. As I understand the Senator's position, it is that we cannot delegate legislative power, and that this is a delegation of legislative power to the President.

Mr. AUSTIN. That is my position.

Mr. BORAH. Has the Senator in his discussion referred to the decision of the Supreme Court in the case where we delegated, as I conceive, the taxing power to the President of the United States in the flexible tariff law.

Mr. AUSTIN. I am not conscious that I have done so. I have a collection of cases here to which I have referred and which I intend, at least, to put in the RECORD.

Mr. BORAH. It has always seemed to me, with all due respect to that great tribunal, that when we created the Tariff Commission and gave it its power, together with the President, to deal with the tariff, that we were delegating legislative power, and with reference to a subject equally vital to that of coining money, to wit, raising taxes. In the light of that decision no one can define the delegation of legislative power, if some pretended rule is laid down for the exercise of the power delegated.

Mr. AUSTIN. There is where the point of controversy would arise. I am maintaining with respect to this power that it is of such magnitude that it cannot be constitutionally delegated. I am not discussing the power to regulate the amount of tariffs between certain limits. I have not examined that question for this purpose. I believe that I have referred to that case, however, and that it will be found in the RECORD.

Mr. REED. Mr. President, will the Senator yield to me for a suggestion?

Mr. AUSTIN. I am glad to yield to the Senator from Pennsylvania.

Mr. REED. I might suggest that the rule is that the legislature can delegate its power in the sense that it can authorize its agent to act for it in a particular way under a particular combination of circumstances. In other words, it furnishes a rule of action. The fixing of rates upon railways is a legislative act, and the delegation of that power to the Interstate Commerce Commission would not have been valid had we not furnished a rule of action to control the fixing of the rates by the Commission. The same was true of the delegation to the President in the case of the flexible tariff, and that is why the Supreme Court sustained the delegation there.

The trouble with the proposal in the pending bill is that power is delegated, but no rule of action is prescribed.

Mr. ROBINSON of Arkansas. That is the point of controversy. We take the position that the rule is prescribed.

Mr. BORAH. Mr. President——

Mr. AUSTIN. I yield to the Senator from Idaho.

Mr. BORAH. It seems to me that the rule of conduct here is quite as accurate and quite as well defined as it was with reference to the creating of the Tariff Commission. It will be recalled that the framers of the Constitution were very particular to designate that measures relating to taxes should originate with a particular body of the Congress, and yet with no other rule than that which we have here—that is, between certain limits—they were given authority to really establish tariffs.

Mr. AUSTIN. Mr. President, I am not attempting to argue from this case over into some other case. I intend to adhere as closely as I can to the problem which is right in hand. I might on some future occasion be glad to discuss the tariff question.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a further question in pursuance of the thought that was in my mind when I first interrupted the Senator?

Mr. AUSTIN. I am glad to yield further to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I had in mind the power vested in the Congress to coin money, and so forth, the power to levy taxes, imposts, and excises. I had in mind the course that has been taken with respect to the imposition of tariff duties, the changes that may be made, and the manner in which they may be made. What I should like to know is whether the Senator thinks, in the rule with respect to the delegation of power, there should be made any substantial distinction between the power to coin money, and so forth, and the power to levy taxes, and so forth? Would the same rule apply to both those powers?

Mr. AUSTIN. Mr. President, there is not in the line of reasoning I am following. To sustain my thesis it is not necessary to say that the delegation of some other power under some other law or for another object and purpose may be found to be unconstitutional in order to find this one so. There is no difficulty, however, in laying down the general distinction between those powers which may be delegated and those which may not be delegated. I have done that in a long discussion here, for which I apologize, for I fear that I have already taken too much of the time of the Senate; but, briefly, I would summarize in a few words——

Mr. STEIWER. Mr. President, will the Senator yield to me before he makes his summary?

Mr. AUSTIN. Yes; I yield to the Senator from Oregon.

Mr. STEIWER. I very respectfully submit that the real question is not the difference between two of the constitutional powers of Congress, but the real question is whether

any of these great powers may be delegated to the President or to any other agency. It seems worth observing that the courts of the country at no time have said that Congress can delegate its taxing power. In the tariff cases, to which reference was made just now by other Senators, there is not even a suggestion that Congress may validly delegate its taxing power. It was held in the Hampton case—which I think is one of the cases to which reference was made, although I believe it has not been identified by name—that, so far as the flexible provision of the tariff act was concerned, when Congress laid down a rule, namely, that the tariff rate should represent the difference between the cost of production at home and abroad, and established a procedure for the ascertainment of the fact, that did not constitute a delegation of the taxing power; and it was upon that ground, and not upon the ground that it was the taxing power that was under consideration, that the act of Congress was sustained.

Mr. BORAH. Mr. President——

Mr. STEIWER. May I go just a little further, and then I will be glad to be interrupted, with the consent of the Senator from Vermont? In that decision a majority of the Court founded its case, in part, at least, upon the earlier decision which involved, I think, the tariff law of 1890. I am referring to the case of Fields against Clark. It was there held, in language so plain that I do not see how anyone can misunderstand it, that, although Congress could not delegate this important legislative power, if it prescribes a rule of policy, and merely leaves to the Executive the administrative duty of finding a fact, that the Executive may find that fact and may by proclamation put the rule into effect. In that case the foundation of the favorable decision was not that the Congress could delegate any part of its taxing power, but the case proceeded upon the theory that the Congress had not, in fact, delegated any part of its legislative power, but had merely authorized the Executive to perform an administrative function.

So here the question is not whether the Congress may delegate its power to coin money and to regulate the value thereof, but the question is whether the Congress lays down a policy—a definite legislative policy—to which the Executive may adhere. If in this proposed law there is a policy laid down, then, in my humble judgment, the measure will be held constitutional. If in this bill, however, there is a failure to set forth a policy, then, by every decision upon every branch of legislative delegation to the President, the measure must fail as being an invalid delegation of powers which are exclusively reserved in the Congress.

Mr. BORAH. Does the Senator mean to contend that if Congress merely declares a policy that, then, it may devolve upon any agent it chooses the duty of carrying out that policy?

Mr. STEIWER. No; and if I was so understood, I should like to make myself a little more definite. Of course I do not mean a general governmental policy; I mean a legislative policy translated into definition upon the particular subject of legislation. That was the case with respect to the flexible provision of the tariff law.

Mr. BORAH. The Tariff Commission and the President, when they came to establish a rate, exercised exactly the same function, the same judgment, the same discretion that the Legislature would exercise in fixing that rate; to wit, they inquired what is the cost of production at home and abroad, and all of which involved the exercise of opinion and judgment.

Mr. STEIWER. That is a question of fact, if I may make the suggestion to the Senator, and not a question of legislative policy.

Mr. BORAH. I suggest in arriving at the fact the Commission and the President exercised the same faculties of mind as would the law-making body.

Mr. STEIWER. I hope judgment does enter into it, for our country is in a sad plight if it does not.

Mr. BORAH. If it does enter into it, then it is a legislative act, and not the mere ascertainment of a fact.

Mr. STEIWER. With the highest regard for the opinion of the Senator, I feel that that is not a legislative judgment. The courts have held that it is not a legislative judgment.

Mr. BORAH. I understand what the courts have held, but I am saying now that the Tariff Commission and the President in fixing a rate reached that rate in exactly the same manner as would the Congress of the United States.

Mr. STEIWER. That is true, but within the limits of the legislative formula.

Now, if the Senator from Vermont will indulge me just a moment further——

Mr. AUSTIN. I yield to the Senator from Oregon, and I am very glad to have this interruption.

Mr. STEIWER. I will conclude after one more observation. In any inquiry with respect to the constitutional validity of the question which is before the Senate in the pending bill, it occurs to me, if we are to be sure that the powers delegated by this bill are to be sustained, that it is absolutely essential that there be a more definite declaration of the purpose to be attained; and that if the bill is left in its present form, yielding to the judgment of the Executive as to what the governmental policy is or ought to be, and leaving it to him to determine the value of money by the various processes which are set forth in the measure, then I believe that the measure is unconstitutional and never can be sustained.

Mr. AUSTIN. Mr. President, I appreciate the interpolations in my remarks; they have brought out in bold relief, I think, quite clearly what I have been trying to put before the Senate. They have certainly brought out the proposition that men may differ upon the question of the scope of the law, and whether it is of primary importance and declares a rule of conduct for the future generally or whether it is a mere detail; and if this discussion has done that, it has accomplished one of the purposes of my argument.

Mr. VANDENBERG. Mr. President, may I ask a question of the Senator?

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. As a layman, I am much awed by this controversy between the lawyers of the Senate. For whatever illumination it may throw upon the subject from a layman's standpoint, may I ask my learned friend from Vermont where the Congress got the power to permit the Secretary of Agriculture to lay processing taxes on the country and to distribute the proceeds to anybody he sees fit?

Mr. REED. Mr. President, will the Senator from Vermont permit a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Pennsylvania?

Mr. AUSTIN. I yield.

Mr. REED. Assuming that the Senators who agree that the bill will not stand the test of constitutional inquiry are correct, I wish the Senator would go further and tell us what, in his judgment, would be the use of such a test case or the use of taking it to the court, for if we pass this bill the President undoubtedly will act under it promptly, and by the time a test case could be brought to the United States Supreme Court the fat would be in the fire, and a decision then that the act is unconstitutional would not save the currency system of the United States.

Mr. AUSTIN. Mr. President, in discussing the premise of my argument, I had intended to call attention to what I believe has been demonstrated by the very able arguments of the learned Senators who have preceded me, and I thought I would recapitulate in a brief way the facts tending to show the extent of this power by the evil effects which might follow its use.

In that connection, I might answer the question of the learned Senator from Pennsylvania [Mr. REED], but before passing to that I wish to complete the answer which I started to make to the question of the learned Senator from Arkansas [Mr. ROBINSON].

I call attention to the fact that on occasions when the various cases which have been alluded to have come up to the Supreme Court for consideration and the test has been applied, which I have brought out here of the extent of the powers which Congress had granted to some other agency, we find that this has been the experience. On occasions the Court has sustained the legislation on the finding that there was no delegation. Frequently a sort of delegation was admitted, but it was usually said to be a delegation of a mere administrative duty, or something equally unsatisfactory, and at times the Court has seen fit to avoid the use of the word "delegation" and to uphold a statute on the ground that similar acts of Congress had been previously sustained. Nevertheless, there have been decisions by the Court, which I have put in the RECORD and from which I have quoted, which establish clearly the rule that Congress has exclusive power to determine primary or fundamental rules for the governing of future conduct, and that this power may not be devolved upon any other agency.

Let us take up the cases alluded to. Having exercised this power, as Congress did in those cases by promulgating a primary principle, Congress may then confer upon some executive or administrative officer or body the authority to establish policies subordinate to and consistent with the congressional pronouncement.

There have been certain classes of these cases where such power has been delegated and its delegation has been upheld. I will try briefly to state what they are: In the first place, there are those cases in which Congress enacted a law the enforcement of which was to depend on an act or a finding of some other officer. In the second place, there are those cases where Congress supplies the general provisions and the executive or administrative agency furnishes the details. Third, there are those cases where the delegation of legislative power was necessary to the efficacious carrying out of the will of the Congress. Here, however, this bill turns over absolutely, lock, stock, and barrel, the function of legislating respecting the value of our money, the function of saying whether it shall be redeemable in gold or not redeemable in gold, and the power of saying what the standard of value shall be.

On the final test whether this power is a power of great and vital extent to the Nation I concur in what has been said by those who have discussed the question from the minority point of view. I shall not repeat their arguments.

With the farmer paying a higher price for those things which he must have and which he does not raise—a price that has proved in the past always to rise faster than the price rises for the things that he sells—what will be the effect of this bill? Will not the extent of this measure reach every hillside and valley in the land? May it not attain that extent where it will determine the ownership of their homes or the loss of their farms, the difference between prosperity and utter poverty?

What about the man who has no goods to sell and sells nothing but his services? We have heard the very able address of the Senator from Ohio [Mr. FESS]. That part of it which referred to the workingman, the man upon a fixed salary or upon wages, to me is sufficient to absolutely convince the rational mind that the extent and effect of this measure is Nation-wide and reaches the very foundation of society. In fact, with the debtor—I am talking about the ordinary man, not the extremely wealthy man, not the great corporations who owe huge sums of money. I will admit that they, the great debtors of the country, would be the great beneficiaries of this measure. But I am talking about the moderate man, the man who owes a debt representing the purchase price of his home. What about him? With the price of everything he has to buy going up and more money used by him in the purchase of the necessities of life, will he be able to retire his debt? Will that debtor be benefited or will he be harmed? If he is harmed, what about the extent of the effect of this measure? Is it not a major piece of legislation?

The creditor—not the extreme creditor, the small class of creditors, but the great body of people who have their savings invested in small modest bank accounts, that enormous army of thousands and millions of men and women who are dependent upon life insurance companies for their protection against the disaster of all time—they are the creditors who will suffer if this bill is passed. They are the ones whose property, humble as it is, will be cut in two by this measure. Is not that evidence of the extent of the legislation and its effect?

Referring to industry generally, let me ask this simple question: With the possibility staring industry in the face of manipulation of the value of money, 20 percent in its range, manipulation by all the devices in the world that men have yet thought of for making money fluctuate, what industry will enter upon the bidding to build a post office for the Federal Government, for example? In what single enterprise or contract will industry dare engage with this type of money staring it in the face? What would be the value of a contract which involved an investment of a considerable capital?

No one knows. Everyone would abandon industry and go into the business of speculation, a speculation which has always attended inflation, but in this case a speculation encouraged and led by the Chief Executive of the United States and the Secretary of the Treasury under the authority of the gold reserve bill of 1934 giving them $2,000,000,000 with which to play the game.

Is there any further evidence needed to show that the extent of this legislation is Nation-wide and that it affects the welfare of the country as no other legislation can?

With employment growing more and more dependent upon a charitable and munificent Government creating jobs, and a less and less certainty of engagement in private enterprise, what about the general welfare of the United States of America?

To me these tests are absolutely convincing that the pending bill transmits a primary power, not an incidental power.

If it were effective, the injury to this Nation would be very great, because that transmission of power would be of the kind which is spoken of and forbidden in the case of *Fields* v. *Clark* (143 U.S. 649) and quoted with approval in *United States* v. *Guinard* (220 U.S. 506), at page 521 of which this trite sentence appears:

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Ah, there is the rub! The real question here is whether the Congress shall willfully, with eyes wide open, undertake the transformation of our system of government by means of a simple act of Congress, without submitting it to the people, whether the Congress shall undertake to change a fundamental law which distinctly separates the power of legislation and invest it in Congress and abdicate it and turn it over to another coordinate department of the Government. The question goes right to the very heart of the situation in this country.

Mr. President, I am concerned to preserve the system of government ordained by the Constitution. The time is here now for American citizens who believe in the declarations of the Bill of Rights, who desire to preserve the Federal system of checks and balances between three coordinated branches of Government, and who are devoted to a more perfect union of the several States, without depriving them of their independent sovereignty over local affairs and their relative dependence on the Federal Government, for the insurance of a republican form of government in every State and a uniform interpretation and application of national laws to them. The time is here now to protect and preserve the Constitution for Americans who would preserve the capitalistic system from subtle transformation into collectivism and maintain a social economy in which individual opportunity, incentive, and responsibility will excite the highest endeavor and the greatest service of men, for all who would preserve us from that backwash of war and Asiatic and European propaganda which has for its ob-

jective the destruction of private ownership, the erection of public ownership, and the sinking of individualism to a common level, for all who would maintain the system of government ordained by the Constitution, as expressed in the opinion of the Supreme Court to which I have just referred.

Believing that the Constitution is an organic force which has always bowed to the wind of emergency—and is now bent appallingly—and which has always hitherto sprung back again erect to the sun of creative and constructive periods of our history, I object to this proposed Gold Reserve Act of 1934 which tends to prostrate completely such a necessary provision of it as the exclusive duty of Congress to legislate those great rules, those primary policies by which our nationality itself as well as individual rights are preserved.

If our purpose is to bend the Constitution permanently in a vital function of government and transfer to the Executive an important duty of Congress, let it be done only with the consent of the people, expressed by their legislatures or by conventions in three fourths of the several States.

Mr. KEAN. Mr. President, I have tried and I hope to support the President of the United States in every way that I can to bring recovery to the American people; but the bill before us transfers all the currency of the United States practically from a gold basis to a fiat basis.

This is the first time in the history of the United States since Alexander Hamilton was Secretary of the Treasury that the holder of a piece of currency of the United States could not go and find out what he could exchange that piece of currency for in gold or silver.

All during the Civil War, in every port of the United States, duties levied against imports were payable in gold, and therefore the merchant in any one of these places could buy gold in the open market with the currency of the United States and determine exactly what his currency dollars were worth in gold.

In one of the campaigns for sound money Robert Ingersoll held up a dollar bill and said that he wished everybody who saw that dollar bill to know that "his redeemer liveth." I go a step farther and say that when someone holds up a dollar bill of currency I want not only to know that its redeemer liveth but that that redeemer can be obtained from the Treasury of the United States.

I have before me a table I have made out which shows who will gain by this legislation and who will lose by it. It is as follows:

THE LOSERS—ALL CREDITORS

(These become poorer credit risks)

1. All lenders of dollars, such as:
   (a) Holders of bonds (particularly good ones).
   (b) Holders of notes (including war debts of certain governments held by the United States of America).
   (c) Holders of mortgages.
   (d) Holders of preferred stocks.
   (e) Holders of fixed-income securities and other obligations.
2. Sellers on credit of property, viz, goods, commodities, houses, gold, etc.
3. Holders of dollars, such as bank deposits and paper currency.
4. Holders of life-insurance policies.
5. Thrifty, conservative savers.
6. Receivers of wages, salaries, rents, interest, taxes, freight charges, fixed fees, and similar items.
7. Municipalities, etc., on taxes.

THE GAINERS—ALL DEBTORS

(These become better credit risks)

1. All borrowers of dollars, such as:
   (a) Issuers of bonds.
   (b) Issuers of notes (including war debts, foreign governments issue to United States of America).
   (c) Issuers of mortgages.
   (d) Issuers of preferred stocks.
   (e) Issuers of fixed-income securities and other obligations.
2. Owners and buyers on credit of property, viz, goods, commodities, houses, gold, etc. (including United States Government as heavy gold and silver holders).
3. Holders of foreign currencies, foreign internal securities, and foreign property (including obligations payable in gold values).
4. Holders of industrial common stocks and other equities (particularly those with large inventories and big debts).
5. Speculators for a rise in prices (particularly those borrowing to do so); persons, corporations, and municipalities heavily in debt, and luxurious spenders.
6. Payers of wages, salaries, rents, taxes, interest, freight charges, fixed fees, and similar items.

I show by this table that we are injuring every holder of a life-insurance policy in the United States; that we are robbing every man and woman who has set aside some protection for their old age; that we are robbing every man and woman who has set aside something that can be used for the education of their children; that we are robbing and probably making it impossible for the great universities of the country to go on, who are dependent upon the endowments left by generous citizens for a century past; that we are robbing the churches, the hospitals, the libraries, and every form of public institution which heretofore our people have been generous enough to subscribe to and endow. This may mean a boom in Wall Street for the speculator, but it also means misery and distress for millions and millions of the best citizens in the United States, who are those who have denied themselves in order to lay up capital for themselves in their old age and their children after them.

Of course, a fall in currency means raising the tariff, and this may stop our imports and may aid our shipping abroad, and it may become of benefit to the United States in that way; but the taking of the gold deposited in the Federal Reserve banks, perhaps, may be decided against the Treasury Department because of confiscating the gold from the Federal Reserve banks, for Professor Warren, in testifying before the Banking and Currency Committee, testified that the present value in the United States of an ounce of gold is $34.45, and the Treasury proposes to take this gold from the Federal Reserve banks at $20.67. So we may be laying up in this bill trouble for the Government in a suit which may lie by the holders of the stock of the Federal Reserve banks.

On the 4th of last March, when a banking holiday was declared, it was the belief among the people of the United States that the Government was going off the gold basis; and this caused a withdrawal of gold for hoarding by holders of Federal Reserve notes. It was this demand upon the Federal Reserve banks that caused the banking holiday, and nothing else.

I have offered an amendment here to try to put the stabilization of the dollar at between 65 and 70 cents. I offered that amendment on the ground that that was about what the dollar had been depressed to. With every effort made by the United States to depress the dollar through encouraging Americans to ship their money abroad, encouraging buying gold abroad, and in every other way trying to depress the dollar, it has not been gotten down to 60 cents. The lowest it has been is something like 63 cents. If that pressure is once withdrawn, the dollar will immediately rebound, and the consequence is that we are placing too low a value on the dollar.

What is the consequence of placing too low a value on the dollar? We are creating a fund of $2,000,000,000 to try to steady this dollar at the low point. I think we are going to face the fact that we are going to contribute this $2,000,000,000 to Great Britain, which I oppose and against which I wish to raise my voice, because we will not be able to maintain the dollar below 60 cents; and in trying to do it she will euchre us in the exchange markets, so that we will lose that $2,000,000,000 in about 2 years.

That is my objection to the clause in the bill which says "from 50 to 60 cents." It should say, in my opinion, and in the opinion of many experts, that the stabilized figure should be at least 66⅔ percent, and not from 50 to 60 cents.

Mr. BARBOUR obtained the floor.

Mr. REED. Mr. President, will the Senator permit me to make a statement before he begins his remarks?

Mr. BARBOUR. I shall be very glad to yield for that purpose.

Mr. REED. I had given notice that I expected to speak on this bill today; but in view of the lateness of the hour I shall not do so, but will speak tomorrow as soon after 12 o'clock as I can obtain recognition.

Mr. BARBOUR. Mr. President, the distinguished Senator from Pennsylvania need not consider me as any obstruction

in that respect, because I shall take only about 4 or 5 minutes.

Mr. President, I am in agreement with the objectives of the gold reserve bill, in that I favor devaluating the dollar at this time to meet a world-wide situation; and I feel that it is obviously proper to give the resultant profits of this devaluation to the United States Treasury.

I also recognize that it is vitally necessary—temporarily, at least—to seek, through a stabilization fund properly administered and properly safeguarded, to stabilize the dollar. It remains, therefore, to see how these, the objectives of the legislation, are to be brought about and administered; for it is this practical phase of the problem that is obviously the most important. Going about the right thing in the wrong way never works.

A very fundamental American principle is involved in how the Federal Reserve banks are to be compensated for their gold—not that portion of the gold which constitutes the profit due to devaluation but that portion of the gold which, after the devaluation, everyone admits belongs to the Federal Reserve banks. In reality, these banks receive no compensation; for while they do receive so-called "gold certificates", not redeemable in gold, however, on the basis of which they can issue paper money, this new breed of greenbacks, in reality, is redeemable in absolutely nothing; and, obviously, if the certificates were really as valuable as gold itself, the Treasury would not insist on taking the gold.

Next, it is intended to vest this gold so taken from the member banks of the Federal Reserve System in the hands of the Secretary of the Treasury as a single individual, to manipulate and operate this huge sum as he sees fit, without even reporting or accounting to anyone except the President, and to him only, as far as this new law is concerned, as I understand it, once each year, and for years to come without limit. In other words, these $2,000,000,000 would be vested, as I have said, in the Treasury alone, which powers would be exercised entirely independently of the powers which still would remain in the Federal Reserve System.

As the former Secretaries of the Treasury point out, grave danger, to say the least, of confusion and conflict may result from such a dual arrangement, however conscientiously these two agencies may be managed. One quite possible outcome is that the Federal Reserve System, divested of its gold reserve without in reality compensation, may collapse; and certainly, if this should result, everyone knows there is no machinery in the Treasury Department to function in the stead of the Federal Reserve System.

For many reasons I should like to vote for this administration measure. I realize that to do so would be much more popular than to vote against it. I am convinced, however, that if we are going to execute such a drastic reversal of banking policy, we should give it much more study than has been possible in the few days since the President submitted his plan and demanded its adoption, especially as I feel that the dangers likely to follow will affect the small wage earner more quickly and more greatly than those of larger income.

I desire to point out that I feel there will be, in all probability, markedly favorable reactions following the passage of this measure; but I honestly believe that this will be but temporary, with later reactions in quite the opposite direction that will bear out my belief that the administration should have proceeded with less haste and more care toward the same ends, to be sure, but along better understood and more carefully thought out and planned lines.

I, of course, like everyone else, particularly in these times, want to help the President in any way I possibly can, and realize that it is my duty to do so; but I do not consider it either helpful or loyal simply to go along on any and every measure the administration may suggest, whether or not I, myself, in the position of public trust I hold, believe they are destined to success or failure.

If time proves that I am wrong in this instance—and I can say in all sincerity that I hope this will be the case—I shall be the first to admit my error; but I am still too fearful of being justified in my contention that in the end the whole undertaking, so hurriedly planned, is more likely to prove harmful than helpful.

Mr. VANDENBERG. Mr. President, I desire to read into the RECORD an editorial which is appearing this afternoon on the front page of the Chicago Daily News, of Chicago, Ill.

While I would not undertake to say that we should live under government by newspapers, nevertheless newspaper comment in reliable journals has its significance, and I feel that this particular journal does try to speak the mind of the great Middle West. Its editor and publisher is the very well-known and highly esteemed Col. Frank Knox, who has credentials as a citizen and as a Republican which are well known throughout the Nation.

Under all of these circumstances it seems to me that these observations from the Chicago Daily News, which are being emphasized, I repeat, this afternoon on the front page of the Chicago Daily News, have substantial bearing upon our problem, and I desire to submit these comments for what they may be worth. I read it.

The editorial is entitled:

Good policy must be honest policy.

I now quote:

President Roosevelt's monetary proposal, which has passed the House by an overwhelming majority and is now pending in the Senate, did more to reestablish confidence in business and financial circles than anything that has transpired since the bank crisis last spring. This confidence arose from the fact that the President's proposal foreshadowed approximate stability for the dollar by indicating the upper and lower limits of devaluation. It also disclosed an intention ultimately to return to the gold standard. In this fashion the President laid the ghost of the so-called "commodity dollar", which nobody understood, and gave the business world a degree of certainty of the future value of the dollar.

I interrupt the reading at that point, Mr. President, to say that these views have substantial justification. It occurs to me that all of the able constitutional argument which has been made this afternoon against the pending bill applied with even greater force against the so-called "Thomas amendment" 1 year ago. If the pending measure is guilty of the weakness ascribed to it, constitutionally, by my able colleagues whose views I deeply respect, then the fundamental right under which this currency program is proceeding is itself unconstitutional; and that measure was concluded in the Congress 1 year ago.

There is no question about where I stood in respect to the original action. I voted "no". I did not believe in it. I do not believe in it now. I think Congress should possess and retain its power over money. That, however, is a closed book. There is no way that I know of in which the Congress can overtake the situation of last spring, except by an action of repeal, which is neither pending nor contemplated. The gold dollar has already been devalued. Probably it has had to be devalued. I do not invade that field at the moment. Neither do I discuss preferable methods of doing it. Nor do I discuss my belief that this program will not accomplish the contemplated results. It is the President's program, and he must proceed with it to his planned conclusion. We are proceeding into a gold-devaluation program regardless of what Congress does in respect to the pending measure.

Facing the realities of the situation, it seems to be that our choice is between the pending measure, which I conceive to be a step in the direction of stabilization, or, after the defeat of this measure, a continuation of the existing authority of the President under the Thomas amendment, which would bring about a far greater degree of uncertainty and instability than would exist under the pending measure. So that when the pending measure is adopted, if it is adopted, it will be, to my view, a step in the direction which I believe to be essential. That does not mean, I repeat, that it represents a currency philosophy upon which I would embark if I were a free agent to choose my course; but I insist upon being practical in the face of the situation, and my practical view is that this is a substantial improvement upon the situation which would exist if the legislation were not passed.

Furthermore, it is my firm conviction that this measure will assist the President in standing against a type of uncontrollable inflation which I believe would be utterly ruinous to America; namely, unlimited printing-press money. It is my view that this legislation builds a wall against that recourse, so far as the Presidential purpose is concerned, and for that reason I consider also that it is a step in advance. Because I agree with the sentiment of this editorial that the essential thing in America today is the restoration of confidence, the restoration of confidence being a relative thing, from the standpoint even of those who disagree with this monetary policy I submit that relatively there is an invitation to greater confidence under the pending program than there would be under the existing relatively unlimited powers of the Thomas amendment. The President will proceed upon a program which he believes will attain useful and justified confidence. This comment is predicated entirely upon the assumption that his program will not be shattered by additional amendments.

I now desire to continue reading the editorial.

Mr. STEIWER. Mr. President, will the Senator yield for just an observation?

Mr. VANDENBERG. I yield.

Mr. STEIWER. In keeping with what the Senator just said with respect to the idea that the pending bill takes us away from instability back to a basis for business confidence in this country——

Mr. VANDENBERG. Relatively.

Mr. STEIWER. Well, relatively, as the Senator now interjects—I think it worthwhile to point out that although the Thomas amendment, in paragraph 2 (a) thereof, I believe, which is a part of title III of the Agricultural Adjustment Act, provided that the President was permitted to reduce the gold content of the dollar to the extent of 50 percent if in his judgment he saw fit to do so, there was one stabilizing element in the law as it then existed, and that was that when the reduction was made it became the standard in this country.

Against that rather final effect of the Thomas amendment we have substituted in the pending bill a proposal to give to the President, within narrower limits of range, it is true—that is to say, between the points of 50 and 60—a continuing power to bring about daily fluctuations, if he may desire, to accomplish that object. The only redeeming thing that I can see in aid of that proposition is the fact that the Committee on Banking and Currency put upon that continuing power to bring about a continued instability in our country a limitation in time of 2 years, or within the limits of a Presidential proclamation, the ultimate limit of 3 years.

So I say to the Senator that although we gain in one direction in behalf of stability in our currency system, we decidedly lose in another; and I very much doubt if editorial writers have taken that factor into consideration when they reach the conclusion that there is anything to breed confidence in this bill.

Mr. VANDENBERG. Mr. President, I think the Senator's analysis has much to justify it technically; but again I insist upon facing the reality. The reality is that if this measure were to be defeated, and the original power were to remain, I am quite confident that this one use of the devaluation power to which the Senator refers would not be exercised, for the very reason that it would be final, and we should find ourselves endeavoring to obtain stability in spite of the existence of a 50-point range respecting the value of money, a range which absolutely precludes any possibility of confidence or of stability.

Mr. President, the editorial from which I am reading is not a one-sided appeal to the Congress and I am particularly anxious to read the remainder of the appeal. I submit, with particular emphasis to Senators upon the other side of the aisle, that the appeal comes in good faith, in view of the initial paragraphs which I have already read. I submit, therefore, that it is entitled to very serious consideration; it is not to be lightly brushed aside. I continue to read:

A further detail of the President's gold plan contemplated the creation of a $2,000,000,000 equalization fund to be employed, like the British equalization fund, in the foreign exchange market to preserve the dollar's value within the limits set up. It is to this particular feature of the proposal that we wish to call attention. This bill, as it was received from the President, provides that the employment of this huge fund shall be exclusively at the discretion of the Secretary of the Treasury, and it also provides that it may be employed for several other purposes, notably the purchase of Government securities.

We believe the President falls into a tactical error in insisting that this great fund be handled by one official, the Secretary of the Treasury, rather than by a committee of five made up of the Secretary of the Treasury, the Comptroller of the Treasury, the chairman of the Federal Reserve Board, and two members to be appointed by the President. Insistence that this great power be left in the hands of Henry Morgenthau alone is a blunder, because it detracts from the feeling of confidence in the business world which the President is attempting to build. Morgenthau is recognized by the country as an admirable young man with very limited business experience and no banking or financial experience whatever. To leave the management of the equalization fund in Morgenthau's hands alone is tantamount to imposing this additional duty on the President himself. No doubt, if the President could devote most of his time to a detailed study of the international exchange situation, and keep himself fully informed of the daily changes in that situation, he could employ this fund most admirably and skillfully. But with the manifold and innumerable demands upon his time, this is manifestly impossible. Therefore, it is wholly in the President's interest, as well as in the public interest, that this task, the successful discharge of which involves familiarity with the intricacies of modern finance, constant study of the changing situation in international exchange, adequate appreciation of the effects of buying and selling foreign exchange upon the domestic price level, be intrusted to the hands of competent men of the President's own selection, men in whom he has complete trust and who can devote to the problem the time it will require. The proposal to substitute a board of five for the Secretary of the Treasury alone as managers of the equalization fund is in thoroughgoing harmony with the President's announced and wholly admirable purpose.

I desire to interpolate at that point that I again most emphatically agree with these observations, which are appearing this afternoon upon the front page of the Chicago Daily News. I think they constitute an incontrovertable statement in logic and sanity and safety and American principles of government. Nor do they vitiate the President's purposes. They strengthen them.

The use of this stupendous fund involves the invasion of the field of international banking; that is inevitable. We all know the suspicion which attaches to international banking, and, regardless of whether that suspicion is justified or not, any invasion of the field of international banking is bound to have attached to it prejudice and, sooner or later, inevitable scandal.

In the creation of $2,000,000,000 worth of opportunity to deal in that sort of a difficult treacherous field I submit that, from the viewpoint of the President himself, there ought to be a well-defined partnership of responsibility, and that anything short of identified responsibility is calculated to weaken the efficacy of this adventure.

Manifestly, there must be secrecy in respect to the actual operation of a fund of this character. The very fact that it must be secret in its operation only emphasizes and multiplies the necessity that the wellsprings of the authority that are used in respect to its management should be utterly and forever beyond impeachment. In the face of a challenge of that character I cannot understand any reason why there should be a moment's hesitation in following the judgment of the Banking and Currency Committee or, at least, the majority of it, in establishing what they believe to be this protective influence.

If it be said that this power must be mobile and malleable and answerable to a prompt impulse, I reply that every man on the board proposed by the committee is under the direct responsibility to the President of the United States. The members of the board can be removed by the President; they can be made absolutely responsible to the President with respect to any failure to operate.

Mr. NORRIS. Mr. President——

Mr. VANDENBERG. I will yield in just a moment. We are not, I insist, invading the Presidential prerogative in

undertaking thus to protect the situation. I now yield to the Senator from Nebraska.

Mr. NORRIS. It seems to me the Senator's explanation of the functions of this board and their responsibility to the President nullifies his prior argument entirely. If they are responsible to the President and removable by the President, he can remove them any time he pleases. The President would have to know something about what he wanted to do; but the Senator has argued with great force that he cannot be expected to know all about it. Now, the Senator says it is the President's board after all; he can throw them all out of office if they do not obey what he says. So in the end it is the responsibility of the President, after all, whether we have the amendment or whether we do not.

Mr. VANDENBERG. I entirely agree with the Senator that, in the final analysis, it is the responsibility of the President. If we do not have a board as proposed by the committee, at the very least we should amend the bill so that the Secretary of the Treasury may operate this stabilization fund only with the direct approval of the President.

Mr. NORRIS. That is in the bill, is it not?

Mr. VANDENBERG. That is not in the bill.

Mr. FLETCHER. He must report to the President.

Mr. NORRIS. Whether it is stated in so many words or not, everybody knows that the Secretary of the Treasury is himself an appointee who can be removed at any time. I think the Secretary of the Treasury would never act, anyway, without the direction, perhaps, of the President.

Mr. VANDENBERG. Let me pursue that thought for a moment. Everyone says, the Senator from Arkansas has said, that, of course, the Secretary of the Treasury would have to enlist experts to sit in the management of this fund; and, of course, the President has not the time to give it his personal attention; and he would have to enlist the services of experts. Very well, Mr. President, that settles, then, the proposition that we are to have experts. I submit to the Senate that if we are to have experts—and evidently we are going to pay some attention to these experts—the country ought to know who the experts are, because it makes a great deal of difference who does the experting in many of these situations.

The Senate has directly insisted upon some occasions that Treasury officials shall disappear from the picture. Why? Because the Senate and the country has not trusted them. The Senate in other situations has indirectly required that certain gentlemen connected with the Treasury shall disappear from the Treasury picture. Who is to say whether the experts who deal in secret with this $2,000,000,000 stabilization fund are or are not of the character which the Senate heretofore has indicated its belief should not be connected with the administration of the Government's fiscal affairs?

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. VANDENBERG. I will yield in just a moment.

Why is it not more necessary, in connection with the administration of a great secret enterprise of this character, that the Senate should advise and consent to the type of experting which is to be related to it than in any other of these Treasury functions where we would not think for a single moment of permitting subordinate officials to be employed without the advice and consent of the Senate?

I yield now to the Senator from Kentucky.

Mr. BARKLEY. Does the Senator believe that the publication from time to time of the proceedings and activities of a board or of a single executive in the operation of this fund would in any way contribute to the success of the enterprise?

Mr. VANDENBERG. It is the Senator's opinion that since this is an undertaking which reaches for public confidence, a maximum of public information which does not interfere with the actual operation of the fund itself directly helps the objective which we seek.

Mr. BARKLEY. In other words, the Senator thinks, I suppose, logically following out his argument, that the more information foreign nations can get about what we are going to do with this fund, the more successful we will be in manipulating against them as a weapon of defense with reference to our own exchange.

Mr. VANDENBERG. The Senator cannot put any such words as that in my mouth. I have specifically stated that obviously the stabilization fund must operate in secret, or it cannot reach its objective. But is it necessary that the identity of the managers of the fund must also be secret? If that is true, then that means that the identity of the managers will foretell the nature of the management of the fund; and if the personnel is of that importance, I submit that it emphasizes the point I am making, that the personnel is absolutely vital.

Mr. BARKLEY. The only nation that so far has established this weapon and has used it against us has not taken that view of it.

Mr. VANDENBERG. I understand that.

Mr. BARKLEY. Nobody knows who they are, nobody knows who the experts are. We cannot identify them. I am told that even two out of the three do not know what the other one is doing. Ought we to put on the spot, day by day, in live publicity, the men of this country who are using that similar weapon in dealing with another country?

Mr. VANDENBERG. Does the Senator from Kentucky recommend to the United States a system in respect to this currency and monetary adventure in which one man in the Treasury does not know what the other is doing?

Mr. BARKLEY. No; I do not recommend any such thing; but I do think—in view of the fact that in the adventure, or whatever it may be called, of engaging in the purchase of gold in the markets of the world in order to depreciate the value of the dollar as compared to gold, the President of the United States, the Secretary of the Treasury, and the Chairman of the Reconstruction Finance Corporation determine the price of gold in the foreign market—that certainly no one of them would be disposed to make public his deliberations or his contemplated actions prior to the opening of the markets; yet the newspapers are from time to time full of statements that somebody in London knew in advance of the opening of the market here what the price would be, as offered through the Reconstruction Finance Corporation, for gold on that particular day. If it is so difficult to keep a thing like that secret, I do not see how a board of this kind would be able to keep secret any vital information which it did not desire to get into the hands of our competitors.

Mr. VANDENBERG. The Senator has referred to the fact that the only country which has conducted a stabilization fund, to wit, England——

Mr. BARKLEY. I said the chief country.

Mr. VANDENBERG. Very well; the chief country—has done so with a secret board. That is correct. But I invite the Senator's attention to the fundamental difference between the political system under which England operates and under which we operate. At any time that the British Parliament is dissatisfied with the British Government, there can be an immediate challenge to the continuity of that Government. Under our system we continue under definite auspices to definite periods of referendum and review. I submit that the very distinction which exists between these two types of systems makes it all the more essential that anything that the United States does, particularly in respect to such a tender thing as currency, in respect to international exchange, should be done so far as humanly possible with a responsibility that cannot be evaded in any sense of the word.

Mr. BARKLEY. The Senator, of course, knows that the fact that we have a different type of government and a different system of government makes no change in the law of economics, if there is any law of economics that can be described as exact. It might be interesting to know that a few days ago in the Parliament of Great Britain a repre-

sentative of the Government was interrogated by a member of Parliament as to the operation of this fund, as to who controlled it, as to manipulations or policies or deliberations or considerations that entered into its transactions, and the representative of the Government declined to answer or give any information on the ground that it would not be in the interest of the public for the information to be divulged.

Mr. VANDENBERG. Mr. President, I am not asking for the divulgence of any information whatsoever respecting the operations of the fund.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. VANDENBERG. In just a moment. Let me finish this thought.

I decline to concede that the known identity of the responsible advisers to managers of the fund involves in any degree whatsoever malignant publicity in respect to the operation of the fund itself.

I yield now to the Senator from Indiana.

Mr. ROBINSON of Indiana. In connection with the experts to whom the Senator from Michigan referred, perhaps some light could be thrown by an article which appeared in the Washington Star of January 23, day before yesterday, written by Paul Mallon. I quote the following for the Senator's benefit:

> Morgenthau knows little about banking, Government finance, and foreign exchange. But he is smart enough to know he is no expert, and he hires men who are.
>
> For instance, Earle Bailie is supposed to have gone back to New York. His resignation as Assistant Secretary took effect legally on January 15. Actually, he has not given up his job at all. He knows how to handle Government financing, and Morgenthau is secretly keeping him around for that purpose.
>
> Bailie sat in at the Reserve Board governors' meeting on that subject, although he was legally a private citizen.

Mr. VANDENBERG. I thank the Senator.

Mr. ROBINSON of Indiana. I assume that Mr. Bailie probably will remain here secretly, and that he very probably will have much to do with managing this large stabilization fund. The hope of all of us is that if he does manage it, he will not manage it as he did the Tricontinental matter, where he made everybody bankrupt, and that he will not resort to bribing officials and the sons of officials of other governments, as he is charged with having done in the case of the son of President Leguia of Peru.

Mr. VANDENBERG. Mr. President, although I decline to enter the field of personalities, it is a fact that the Senator from Indiana personifies and illustrates the precise point that I am submitting to the Senate; and I do it with the most profound conviction. I think I have already demonstrated my willingness to treat this subject in the broadest possible nonpartisan light.

Nothing of that nature is involved in my appeal, but under any American governmental situation it must be conceded that the less secrecy involved the better. Secrecy is the bane of republican institutions. There must be, we all admit, an element of secrecy in the operation of a stabilization fund of this character, but I cannot for the life of me understand why in the same breath it is necessary to argue that there must be secrecy respecting the identity of the men upon whom the Treasury and the American people are dependent for the views which it translates into the public policy of the Nation.

The Senator from Indiana identifies an official of the Treasury in whom, rightly or wrongly, the Senate does not believe. Let us just take the naked fact that the Senate does not believe in Mr. Bailie, without respect to the justification of that attitude. I decline to pass upon the justification, because I do not have the facts. That being the Senate's attitude in respect to Mr. Bailie, would the Senate be satisfied to have Mr. Bailie one of the advisers of the Secretary of the Treasury in respect to the operation of this fund? I think the Senate would not; yet I submit that under the terms of the bill as drawn, except as the committee amendment is adopted, Mr. Bailie can be exhibit A in respect to these devices.

It is true that he still could be upon the staff even though the committee amendment were adopted; but I submit that if the major personnel is publicly identified, we have at least done our duty in respect of the situation regarding secrecy.

Mr. HARRISON. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Mississippi.

Mr. HARRISON. I am sure the Senator from Michigan will regret to get the information, because he and the Senator from Indiana will then be deprived of making speeches against Mr. Bailie, but——

Mr. VANDENBERG. I am making no speech against Mr. Bailie. I know nothing about Mr. Bailie.

Mr. HARRISON. The Senator has just O.K.'d what the Senator from Indiana has said, which is full of insinuations against Mr. Bailie.

Mr. VANDENBERG. I O.K.'d nothing of the sort respecting the charges. I do not want to be misunderstood.

Mr. HARRISON. I merely wanted to give the Senator this information so that he could find another topic to talk about.

Mr. Bailie this morning came to my office. It was the first time I had met him. He told me that he was leaving either tonight or tomorrow night and severing his connection with the Treasury. Now, I hope the Senator from Michigan will find something else to talk about, and the same hope is expressed as to the Senator from Indiana.

Mr. VANDENBERG. The Senator from Michigan cannot find something else to talk about in respect to the problem he is submitting in good faith to the Senate. Neither can the able Senator from Mississippi, who is the most agile switchman that I know of in America, turn me from the proposition I am laying down at the bar of the Senate, namely, that whether it be Mr. Bailie or anybody else, the American people are entitled to know who it is upon whom the Treasury is depending for its expert advice in respect to such a stupendously important thing as the management of a $2,000,000,000 stabilization fund which is to operate in secrecy itself, necessarily. I submit that whether it be Mr. Bailie or anybody else—and I have used the name of Mr. Bailie only abstractly because he happens to have been mentioned—no matter who it is, the American people are entitled to know who it is upon whom the Government is thus relying; and it does not answer the situation to say that even though this committee were appointed, there would be other advisers whom we do not know. That does not answer the situation, because at least we would have identified, so far as we are concerned, those upon whom we want the Government to lean in respect to its expert advice. If we leave the bill without the Senate amendment, necessarily the experts must be anonymous—must be as secret as the operation of the fund itself.

I submit that it is untenable for the Senate and the Congress to create a situation in which the advisers of the Government must be secret.

Mr. BARKLEY. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator makes the complaint that the Secretary of the Treasury is not an expert in foreign exchange. Frankly, I do not know whether he is or not. I do not know whether anybody really is an expert in international exchange or anything else. Somebody not long ago described an expert as a man who knows less and less about more and more; but that is only a facetious reference. What I had in mind was this:

If the Secretary of the Treasury is not an expert in international exchange, and therefore will have to employ experts within the Treasury—which seems to be the policy pursued across the water—and if we might assume that even the Comptroller of the Currency is not an expert in foreign exchange, and that the Governor of the Federal Reserve Board is not, and that the 2 men appointed by the President to make up the board of 5 are likewise not experts in international exchange, would not the board of 5 be compelled to employ experts who are familiar with international exchange to the same extent as the Secretary himself would be required to do it if the power were given to him alone?

Mr. VANDENBERG. Well, Mr. President, if this attenuated premise is correct, the conclusion is justified; but, at any rate, we would have created a primary identification of the men who are to carry the partnership responsibility for this stupendous enterprise. I submit again that as a matter of elementary precaution in representative government, the committee amendment should stand as urged in the editorial from which I have been reading. At least the Congress will have thus discharged its own responsibility.

Now just let me conclude the reading of the editorial, and I shall have finished my observations:

To employ this equalization fund in order to control or influence the price of Government securities is open to serious objection. Such a procedure is the precise practice indulged in in Wall Street and other financial centers to rig the market for privately owned issues of securities. Neither in morals nor in fact is there any distinction between the Secretary of the Treasury's going into the bond market secretly to purchase the securities he is issuing himself, in order to maintain an artificial, fictitious price level, and the practice of financial speculators who in boom times secretly purchased their own securities in order to maintain those securities at an artificially high level. When an investor buys a bond, whether it be a Government bond or the bond of a private corporation, he is entitled, as a mere matter of common honesty, to know what the actual demand for the bond may be. If the demand is fictitiously stimulated, he is the victim of deception, and it is just as wrong to practice deception in the public interest as it is in private interest. We believe the President to be a man of nice discrimination of honor, and we feel sure he has not given this phase of his proposal the study and consideration it deserves. There can be no possible objection to complete secrecy and confidence concerning the employment of an equalization fund in foreign exchange, but there are indisputable reasons why such secret employment of such a fund is neither honest nor right when it is used to raise the price of Government bonds in which the public is asked to invest.

I heartily concur in these observations, and I think they urge upon the Senate the adoption of the pending committee amendments.

Mr. SCHALL. Mr. President, I ask leave to insert in the RECORD some of the testimony taken by the Senate Banking and Currency Committee and other statements apropos of the bill now under consideration. Being neither a banker nor an economist, I can only arrive at a decision on this bill from my own experience and by the exercise of judgment based on what I know and hear on the subject in question. I therefore ask leave to set forth in the RECORD such statements by recognized authorities as I deem consistent.

As I see it, this is just another bill in line with the policy of this administration of experimenting with remedies to cure the depression and of concentrating governmental power in a central authority.

"If it doesn't work", says the administration, "we'll try something else", although this bill is the most far-reaching of all bills in relation to human welfare in 70 years.

Says the administration: Here is a bunch of fungi. They look like mushrooms. Eat them. If they kill you, that is too bad. If they do not, they are mushrooms, and we will henceforth known they are good food for the human family. What a chance to take! What a price to pay when an application of known science would avoid such destruction!

One of the witnesses before the committee, Mr. Stewart, said that no country in the world has ever attempted an experiment similar to this bill, and he thought that the administration lacked an understanding of proper credit administration.

In the American Mercury for the month of February 1934, the editor, Mr. Henry Hazlitt, referring to the well-known economist, John Stuart Mill, whom this administration has quoted as an authority but who was in reality opposed to experiment in economics, says:

It must not be supposed that Mill has stood alone in rejecting the method of experiment in economics as practically valueless. His conclusion is substantially concurred in by Cairnes, Senior, Wagner, Bagehot, Marshall, John Neville Keynes, Morris R. Cohen—by practically every distinguished economist or student of scientific method who has thought carefully about the matter.

The general purposes of the bill, as set forth by the committee report, are as follows:

This bill is designed to enable the administration to restore a fairer price level, to arrive eventually at a less variable dollar, and to improve our financial and monetary system. It gives the United States Treasury possession of all the monetary gold stock in the United States, part of which now rests in private or quasi-private control. In this way the Government gains complete control over this metal and at the same time provides a permanent metallic reserve upon which to build a currency system which will be both sound and adequate in the future. * * * The bill, therefore, transfers to the United States all gold now held by the Federal Reserve bank as a substitute for their present gold stocks in issuing currency. * * * The gold coin which was a part of the older system will now be withdrawn from circulation and melted into bars for use in adjusting the balance of foreign trade.

The bill specifically states that the future currency of the United States shall not be redeemed in gold, except as authorized by the Secretary of the Treasury and the President of the United States, but the parity of the gold certificates which now come into possession of the Federal Reserve bank will be maintained by redeeming them at such time and in such amounts as the Secretary of the Treasury deems necessary. * * *

In the matter of transferring the gold to the United States Government, I quote from the testimony of Prof. E. W. Kemmerer before the committee (pt. 2, p. 148):

* * * I would take all the profit that the Government will realize out of stabilization—I think it should all go to the Government—and I would pay it to the Federal Reserve banks in order to pay off the two billion four hundred million and odd dollars of indebtedness of the United States Government to the Federal Reserve banks, represented in the form of the certificates of indebtedness and other Government debt held by the banks. That would make them free. I would not under any circumstances permit an inflation on the basis of that profit. I think if we use that $2,000,000,000, or whatever it may be, as a basis of inflation, as a basis of currency and credit expansion, or as a basis for making a market for Government bonds, we will smash any valuation we attempt. * * *

I think that any plan of stabilization would make stabilization operations desirable, but I would have those operations carried on by the Federal Reserve authorities, and I would have them get the best expert help they could get for a stabilization committee. I would operate through the Federal Reserve banks, just as England, as I understand, operates through the Bank of England. I would not make it a Government matter, but a Federal Reserve matter. * * *

In the matter of currency-redemption rights, I quote from the testimony of Mr. Stewart before the committee:

The theory which underlies this bill, that the gold should somehow be treated as collateral to notes rather than as a fund of redemption, seems to me to completely lose the purpose which gold should have. The function of gold is to test the currency and to test a credit policy. No body of men will ever be wise enough to determine how much credit a country should have. It is a matter of trial and error and experiment, but the test finally comes whether the value of that currency can be maintained by its convertibility either into gold or into a currency of another country. * * *

The House bill establishes a stabilization fund of $2,000,000,000 to be used by the Secretary of the Treasury, under his exclusive control, for the purpose of stabilizing the exchange value of the dollar. The Senate committee adopted an amendment providing, instead of having the Secretary of the Treasury administer the fund, that a foreign exchange board be established for that purpose, consisting of the Secretary of the Treasury, the Comptroller of the Currency, the Governor of the Federal Reserve Board, and two members appointed by the President, by and with the advice and consent of the Senate.

I think that the amendment is a big improvement over the House bill. Professor Kemmerer has well stated the dangers. It seems to me that we are helping along the idea of a dictatorship by giving even the board such powers, as the board will be under the domination of the Secretary of the Treasury. Giving the authority to even such a board to determine the value of money gives it the power to determine the relative value of all things and the power almost of life over every man, woman, and child in the country. Our whole economic life will be at the mercy of a Washington bureaucracy deadened by its own weight and darkened by its own ignorance. As Father Coughlin says, "Congress should retain its control over money", and adds:

America is in no mood to transfer the control of the dollar to a one-man dictator not elected by the people.

Let me quote from Mr. Stewart before the committee:

It (House bill) seems to me to shift fundamentally the responsibility from the Federal Reserve System to the Treasury in the only matters in which the control of currency and credit really matter, and that is with reference to the convertibility of the currency into gold or in foreign exchange, and to set up a competing

influence in the operation of the stabilization fund that is equivalent to an open-market operation. In those two respects it seems to me to nullify, if not to scrap, the Federal Reserve System. * * *

It not only lodges these powers with the Secretary of the Treasury, or a Secretary of the Treasury, but it increases those powers. The administration of the Federal Reserve System or of any central bank where it is on a gold standard has its actions tested because the currency is convertible. The moment you remove the convertible features or lodge the decision with someone as to the conditions under which the currency is to be convertible, you are greatly exceeding anything that any monetary system that I am familiar with has ever done, and you have consequently exposed it to that additional risk. * * *

Inasmuch as under the Senate bill there are no redemption rights, it occurs to me that the above objections will in a large degree still prevail, even with a board where the Secretary of the Treasury is a member and, in all probability, the dominating influence.

Another aspect of the stabilization fund is that we may lose it altogether through investments in foreign exchanges. This is a possibility, according to Mr. Stewart. If we depreciate our dollar too low, then in order to keep it down we shall have to buy foreign exchange until we may eventually lose the whole fund. We can ill afford such a risk when we have had to take $400,000,000 from our ex-service men and 15 percent of the wages of our Federal employees to balance our Budget. Maybe if we save this fund, the country can afford to restore the rights of both of them, as surely they are as much entitled to their pay and pensions as is the Government to establish a fund to deal in foreign exchange, with a strong chance of losing the whole fund unnecessarily. If we need stabilization, let the Federal Reserve System take the risk. We need protection from imports. Why not use the tariff as an embargo?

Anyway, if we win in the foreign-exchange manipulations, chances are it would only lead to further retaliating tariffs or embargoes. And our foreign trade amounts to only 6 percent of our entire trade. We lost money loaned to Europe by a Democratic administration, and now another Democratic administration is trying to relieve Europe from paying a small portion of the loan which they proposed and we accepted, amounting for a full settlement only to a small rate of interest over 62 years of the actual loan. The President has recognized Russia, and now Ambassador Bullitt informs us that we must be cautious in our loans to Russia for trade purposes, as, if we want to sell her a lot of goods, we shall have to take a lot of goods in return. In other words, it is a question of swapping goods for goods; and that is practically true of all foreign trade.

Our country is self-sufficient from an economic standpoint; it has goods other countries want, but other countries have not the money to pay for them with, or, if they have, they put on an embargo that prohibits us from selling to them. The only way we can sell goods to Europe is to loan them the money to buy with, and the result of that is that we lose both money and goods.

Another point to consider in the matter of letting the Secretary of the Treasury handle the fund—yes, even a board, where in all probability he will be the dominating influence—is that he will, in effect, be competing with the Federal Reserve System

He is about to arrange to finance 10 billion for the Government, which will make our national debt 32 billion or more, and he is anxious to keep up the value of Government bonds. He will try to use his fund in such manner as to keep up their value regardless of the amount of credit he issues to do it. The Federal Reserve System buys and sells Government securities in the open market to regulate the amount of credit necessary. Mr. Young testified as follows before the committee:

At the moment there is a great desire on the part of all for an expansion in the use of our currency and credit. That has led many to think that the enlargement of the volume of currency and credit would expand its use. Our experience in the past year does not justify such an assumption. The Federal Reserve has increased the excess reserves of the banks of the country to over $900,000,000, giving a base for eight or nine billions of additional credit; but that credit has lain dormant. Under such circumstances you will say, "Why fear an increase of bank reserves of three or four billions more?" My answer is that if there were any way of securing adequate contraction and control when such vast funds begin to be used I would not fear it, but the difficulty is in the control. The Federal Reserve System has something like billions of Governments now which they could sell in the market and thereby accomplish contraction of credit which might result from the expenditure of this gold profit; but after that were done the Reserve System would be without influence to contract the credit market except through a discount rate which would probably be ineffective. Thereafter the only control of credit volume would be in the hands of the Secretary of the Treasury * * *.

When the influence of the credit volume of the country passes from the Federal Reserve System to the Treasury, then the Federal Reserve System is practically abolished. It will remain only, if retained at all, as an administrative agency of the Treasury.

I should say that the whole use of the Federal Reserve System lay in its power to influence, perhaps, rather than to control—largely to influence—the volume of credit in our monetary situation. * * * It (influence) is diminished because you have established practically another bank of equal size having the same power to operate in the market, with no coordination between the two * * *.

Whatever your objective may be, the result is that you have two great forces functioning in the credit market. They may offset each other. They may work accumulatively and you have provided, so far as I can see, in this bill no way of insuring that team acting together. One may go in one direction and the other in another direction; and if the Federal Reserve—now I will come back to the final point—if the Federal Reserve, feeling that credit should be contracted due to the operations of the Treasury, sells its Government bonds in the market in the effort to secure that contraction, then it has lost the only weapon that it has to deal with credit volume except the discount rate, which, under such circumstances, I should think would be ineffective.

* * * You see the problem before the Reserve banks is to try to adjust the volume of credit appropriately to the needs of the country and to the needs of its business. That may result in their buying Governments; it may result in their selling them. When it buys, it may artificially affect the price of Governments; when it sells it may depress the price of Governments. But the Reserve banks should never think what happens to the price of Governments. Their job is to fix the volume of credit. * * *

That is one reason why it is extremely unfortunate to have the Secretary of the Treasury operate in the credit market, because he is interested in two things: He is interested on the one side in the price of Governments, and on the other side he is affecting tremendously the volume of credit. He would hesitate to contract credit if it depressed the price of Governments, notwithstanding that the interest of the country would require and ought to have a contraction of the credit. * * *

The bill authorizes the President to fix the weight of the gold dollar from time to time between 50 and 60 percent of its present weight.

Professor Kemmerer submitted the following view on the question of stabilization to the committee:

Any stabilization plan to be successful must inspire strong public confidence. There should be no qualifications, no "ifs" or "ands" about it. It should be definite, positive, and permanent. If the Government can stabilize de facto, it can even more easily stabilize de jure, because the public will not have full confidence in any stabilization plan if it sees that the Government itself is wavering and is not willing to take the responsibility of committing itself positively and permanently to carrying the plan through.

The frequently heard talk about waiting until a currency reaches its natural level before stabilization is a fallacy. It has been my privilege to assist 11 different countries in stabilizing their currencies on a gold basis, and in every one of them there was talk of a natural level, but no one has ever shown, so far as I am aware, just what the natural level of prices is under a depreciated paper-money standard or how it is to be determined. In the days of our depreciated greenback standard, when there was much discussion of the time for resuming gold payments, there arose a popular slogan, for which Salmon P. Chase was apparently responsible, that "the way to resume is to resume." A slogan which might well be adopted today is, "The way to stabilize is to stabilize."

The only spot of light in this bill if it carries is the Senate committee amendment limiting it to 2 years or less if the President so desires, or he can add 1 year if he deems necessary. It is unfortunate that the time is not shorter. Once granted, the tendency will be for the White House to want to retain the power and to work to that end, and it will.

Owen D. Young testified thus before the committee:

So my first suggestion would be that it is highly important, I think, to retain the bill throughout as an emergency bill, and then if we need modification of our monetary program and mechanism, we ought to take that up with ample time to give it careful consideration, because, after all, we spent a great many years, Senator GLASS, in getting the Reserve Act. When passed we adapted, so far as we could, the best there was in the whole monetary experience of the world to our needs. We have had 20 years

of experience with the Federal Reserve System. It has made mistakes. All human institutions do. Some of the mistakes are, I think, attributable to the legal set-up; some of them were mistakes of human judgment. The first you can cure; the second will always exist wherever you put your authority. So I would hope that we would not permanently change that system without careful consideration and careful study. * * *

Many progressives throughout our land seem to have a mistaken idea that inflation is part of their program. Let me cite what Oswald Garrison Villard, of the Nation, a man who endorsed in his paper and who actively supported Norman Thomas for President in 1932, has to say about inflation:

[From the Nation, Dec. 6, 1933]

But no one must believe that this inflation danger is a new one and that we have never faced it before. The attack upon a sound currency has come again and again and always from the West, but never with a better excuse than at present. The farmers are in a desperate condition, and it is not to be wondered at that they are lured by the idea that you can run the printing presses until you have created a large amount of greenbacks and then with them pay off the entire bonded debt of the United States. Indeed, some of them wish to go further and so do some men in high office in Washington. They actually want to establish a great program of public works and to pay for these not by bond issues but by printing the additional amount in greenbacks. They do not ask what will become of the greenbacks. They have forgotten the story of the Confederacy and how its unsecured currency was debased until you had to pay $600 or $800 for a pair of shoes. They have forgotten that even on the northern side the debased paper money was called "shinplasters." * * *

I am not a bit impressed by the talk of controlled inflation. I do not believe that the Warren plan of changing the gold content of the dollar will satisfy the western inflationists * * * the demand for inflation has been beaten every time so far, and it cannot be said that we have done so badly by so doing. * * * At the same time we have had a sound currency, and have paid our debts honestly—at least until recently.

This is what the American Federation of Labor has to say on the subject in its report on business in the New York Times for January 8, 1934:

The surest way to raise prices now is by putting men back to work in production industries, where they will create wealth and earn incomes to buy goods, and the surest way to increase industrial activity is to give business men confidence that their dollars will not depreciate in value.

For as long as there is fear of currency depreciation, business executives will hold their activities to the lowest possible levels; they will hesitate to borrow money to increase production, and investors will hesitate to lend.

In the last 2 months the Government has made an effort to raise prices by progressively reducing the gold value of the dollar through its gold-buying program. This method did not prove to have immediate lasting effect on the general price level. Prices rose at first, then dropped back.

After 2 months of the program, the general wholesale price average was 70.4 (Dec. 23) compared to 70.4 the week of October 21, and farm prices had made no lasting gain—54.2 to 54.8. Undoubtedly the results of this readjustment will appear over a period of months when basic changes have had time to take effect.

Taking the year as a whole, we find that since the United States left the gold standard in April, the general price average has moved upward 10 points toward its predepression level but is still below that level by 30 points.

While this gain is helpful, we have not been able to restore relationships between different prices, and this is a problem of the greatest importance.

Farm prices, which fell further than others in depression, are still 15 points lower than the general average, while cost of living, which kept above the general level by 8½ points even at its lowest, has risen also. Farmers' prices will rise when workers' buying power creates a demand for their products.

If the Government as a next step in its price-raising program takes measures to restore confidence in the currency and get workers back to productivity in industry, it is safe to predict that 1934 will see considerable progress in restoring prices.

President Green expressed similar objection to inflation in a speech before the American Federation of Labor convention in Washington on October 2, 1933.

In spite of the declared intent of the bill to restore fairer price levels, the price-lifting program has not helped the farmer. According to a report from the Bureau of Labor Statistics in last Sunday's Washington Star, January 21, farm prices are falling. I quote:

Decreases were reported, the Bureau announcement said, for 179 items, increases for 170, and in 435 instances there was no change.

Of the decreasing items, 90 were farm products and manufactured foods. Hogs dropped 19 percent, eggs 16, butter and cheese 14, lard 13, meats 4, and sugar and flour 3 percent.

Referring again to the administration's delight in making a laboratory for experimenting out of 127,000,000 American citizens, and its efforts to raise the price level by means of this bill, let me quote from Henry Parker Willis before the committee:

The general theory of prices which at present, I believe, is accepted, regards the price level as the outcome of a very large group of factors, supply and demand of commodities being the most important one of all; and I submit, with all due respect, that there is nothing in recent statistics or statistical experience in this country or abroad to show that the changing of the price of gold would also change at the same time, or shortly, the price of commodities. I believe that the expectation that this kind of a stabilized dollar will bring a higher level of prices is entirely unwarranted, and I say with the utmost earnestness that I believe those who look forward to that will be seriously disappointed in the results. I do not deny that we may have under the legislation a very much higher level of prices than we have now, but if that should come it will, I think, be much more likely to be the result of changes in trade and the general destruction of wealth on the farms and elsewhere, the abolition of human labor under the National Recovery Administration, and other things which tend to produce scarcity, than it will be due to the raising of prices growing out of a change in the amount of gold appropriate to the dollar but not actually used in any actual business transaction.

In other words, the administration is carrying on so many experiments that it will not be able to determine which one is which or which has done or not done any good. One thing we know, that the farmer is getting worse off every day due entirely to one of the administration's experiments, one of the administration's poisonous fungi which we are compelled to eat willy-nilly, otherwise known as the "N.R.A." or the "National Racketeering Act." This act has brought about and is bringing about the ruin of small business and the independent operator. Through the intricacies of its combinations, it is strangling everything in the United States deserving the name of competition.

Its object is to capture and place under one head and one price every profitable business in the United States—oil, coal, steel, food, everything. Three or four packing houses not only fix the price of every critter but of every pound of meat in the United States. As a result of this "National Ruin Act," we have today presented the wonderful spectacle of meat raised and sold by the farmer at an actual loss, while meat in our great cities is as dear as when an American dollar was worth 34 cents. What will it be when our present 60-cent dollar has still further depreciated?

Speaking of the various classes and the effect of inflation on each, Professor Kemmerer before the committee said that the largest class to benefit from this bill, if it works, would be the stockholders in the corporations, especially those in corporations with the largest bonded indebtedness and industrials, as against public utilities, for public utilities could not raise their rates.

Speaking of the classes that would suffer, Professor Kemmerer stated to the committee that—

In the first class, namely, the class representing savings and incomes that do not rise appreciably as the dollar depreciates, inflation imposes a permanent loss on creditors. In this class are such credits as life-insurance policies, of the amount outstanding in the United States today is over $100,000,000,000; bonds and mortgages, namely, the forms of securities in which are invested much of the endowments of our colleges, hospitals, public libraries, research laboratories, and other public welfare institutions, and of our savings banks; also practically all pensions and annuities. The owners or the beneficiaries of such credits are the creditors whose capital and income would be permanently reduced by a reduction in the value of the dollar, for these obligations are payable, principal and interest, in a fixed number of dollars, regardless of the value of the dollar. They do not rise like the price of commodities, of real estate, and of common stocks as the dollar depreciates. * * *

The second class that would suffer heavily from such reduction in the value of the dollar is our great laboring class, including both skilled and unskilled labor, and our so-called "white collar" working class.

Both economic theory and numerous experiences with monetary depreciation in this country and abroad show and show emphatically that when the currency depreciates wages lag behind prices and the cost of living on the rise, and until the price adjustments to the new and depreciated monetary unit have been completed and the laggardly wages have finally caught up to prices, which usually takes several years of time, the laboring classes suffer. * * *

REGULATION OF BANKING IN THE DISTRICT

Mr. KING. Mr. President, a very short measure, but one of some little importance, has been reported from the Committee on the District of Columbia affecting a few banks that are in process of reorganization. It is desired that they be relieved of the provision with respect to double liability. The Secretary of the Treasury has recommended that such action be taken, and this bill merely accomplishes that result.

Mr. FLETCHER. I have no objection if the bill does not involve displacing the unfinished business.

Mr. KING. Oh, no; not at all.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent for the present consideration of a bill, the title of which will be stated.

The CHIEF CLERK. A bill (S. 2465) to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BARKLEY. Mr. President, I should like to inquire if the bill is made necessary by the proposal to consolidate two or three banks in Washington in order that the stockholders shall not be liable under the double-liability provision in both institutions.

Mr. KING. Yes.

Mr. BARKLEY. Or does it, with reference to the proposed consolidated institution, relate back to the double liability affecting the individual banks?

Mr. KING. It is in futuro.

Mr. BARKLEY. I know; but would it affect the conditions growing out of the closing of the banks?

Mr. McNARY. Mr. President, I inquire whether this bill is on the calendar.

Mr. KING. No; I reported it today.

Mr. McNARY. Is the Senator asking for its immediate consideration?

Mr. KING. I am.

Mr. McNARY. I think it had better go over until tomorrow.

The PRESIDING OFFICER. The Senator from Oregon objects, and the bill will go over.

REFINANCING OF FARM DEBTS—CONFERENCE REPORT

Mr. FLETCHER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 37, and 38, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert " but the rates of compensation of such agents, officers, and employees of the corporation shall not exceed the rates of compensation prescribed for comparable duties by the Classification Act of 1923, as amended "; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert on page 11, line 4, of the House bill after " and " a comma and the following: " with the approval of the Secretary of the Treasury, to "; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert " the Federal Farm Mortgage Corporation, either in cash or in bonds of the corporation at his election, but no such loans shall be made by him after February 1, 1936, except for the purpose of refinancing loans previously made by him under this section. Not to exceed $600,000,000 of the bonds and proceeds thereof "; and the Senate agree to the same.

DUNCAN U. FLETCHER,
ROBERT F. WAGNER,
PHILLIPS LEE GOLDSBOROUGH,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. FLETCHER. I move the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

HOUR OF MEETING TOMORROW

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it take a recess until 11 o'clock a.m. tomorrow; and I will state in that connection that I have consulted the Senator from Oregon——

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. ROBINSON of Arkansas. I do.

Mr. McNARY. Early in the afternoon the senior Senator from Pennsylvania [Mr. REED] gave notice that he would speak upon the unfinished business tomorrow at 12 o'clock. Has the Senator asked if it would be agreeable to him to have the hour changed?

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania was advised of the intention to recess until 11 o'clock, and said that he had no objection to it.

The reason for making this request is that while no assurance can be given that the bill will be concluded tomorrow, there is a desire on the part of a number of Senators who would like to vote on the bill to leave town tomorrow evening; and if the bill is disposed of tomorrow it is expected that a recess or adjournment will be taken over the week-end.

Mr. McNARY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Arkansas further yield to the Senator from Oregon?

Mr. ROBINSON of Arkansas. I do.

Mr. McNARY. I do not indulge the hope which has been expressed by the Senator from Arkansas that we can conclude the unfinished business tomorrow. In the event we do not finish it tomorrow, is it the intention of the Senator that we shall adjourn over from tomorrow until Monday?

Mr. ROBINSON of Arkansas. Oh, no; if this bill is not concluded tomorrow, Mr. President, it will be necessary to continue in session on Saturday, and to quite a late hour, perhaps, until the bill shall be disposed of.

I repeat my request for unanimous consent.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that when the Senate concludes its business today it take a recess until 11 o'clock tomorrow. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on Commerce, reported favorably the following nominations:

Maj. Elroy S. J. Irvine, Corps of Engineers, United States Army, to be a member of the California Debris Commission provided for by law, vice Lt. Col. Henry A. Finch, Corps of Engineers, relieved;

Nathanael H. Engle, of Washington, to be Assistant Director, Bureau of Foreign and Domestic Commerce; and

Henry Russell Amory, of California, to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The PRESIDING OFFICER. The reports will be placed on the calendar. If there be no further reports of committees, the calendar is in order.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Walter M. W. Splawn, of Texas, to be Interstate Commerce Commissioner for the term expiring December 31, 1940.

Mr. ROBINSON of Arkansas. Mr. President, the Chairman of the Committee on Interstate Commerce not being present, I suggest that the first and second nominations on the calendar be passed over.

The PRESIDING OFFICER. Without objection, the first and second nominations on the calendar will be passed over.

Mr. McNARY. Mr. President, I inquire if the nominations passed over are nos. 113 and 114 on the calendar?

Mr. ROBINSON of Arkansas. They are.

Mr. McNARY. I have no objection.

CHIEF OF WEATHER BUREAU

The legislative clerk read the nomination of Willis R. Gregg, of New York, to be Chief of the Weather Bureau.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of John D. Clifford, Jr., to be United States attorney, district of Maine.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Clinton R. Barry to be United States attorney, western district of Arkansas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of George M. Brennan, of Illinois, to be Intermediate Credit Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Stephen M. Driscoll to be collector of customs, collection district no. 2, St. Albans, Vt.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the calendar.

RECESS

Mr. FLETCHER. I move that the Senate take a recess.

The motion was agreed to; and (at 5 o'clock and 36 minutes p.m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Friday, January 26, 1934, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 25 (legislative day of Jan. 23), 1934

UNITED STATES ATTORNEYS

John D. Clifford, Jr., to be United States attorney, district of Maine.

Clinton R. Barry to be United States attorney, western district of Arkansas.

FARM CREDIT ADMINISTRATION

George M. Brennan to be Intermediate Credit Commissioner.

CUSTOMS SERVICE

Stephen M. Driscoll to be collector of customs, collection district no. 2, St. Albans, Vt.

CHIEF OF THE WEATHER BUREAU

Willis R. Gregg to be Chief of the Weather Bureau.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 25, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Most gracious God, Thou who dost prefer before all temples the pure and upright in heart, we praise Thee. With gratitude that cannot be expressed, we thank Thee for Him who knew no harshness and grieved over no bitterness though His earthly life began in a manger. O God, may the darkness of all lands fade before His glorified cross. When this day is done and gray grows the dawn, and the old sun begins to lurk behind tomorrow's door, be with us, blessed Lord. Keep alive the voices of our souls—the voices of memory, of childhood's haunts, loves, and longings. O sound again the chords of a mother's love and call back the tone of a father's, vocalized in prayer, hymn, and in benediction, and how sweet shall be our rest and how we shall thank Thee, our merciful Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE ROAD TO SOCIAL JUSTICE

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by me on December 31, 1933.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered December 31, 1933, over station WGAR, Cleveland, Ohio:

And now, my friends, by a magical movement of a little switch at Radio Station WGAR, we are at this moment joined by the vast invisible audience of the air. To them, this last quarter of an hour is dedicated.

This has been a wonderful afternoon. The old year is ending today, but with its passing is born here and now an intensive movement to insure in this great Nation of ours the eternal permanency of all the economic and political reforms launched in the travail and suffering of the year, which tonight will be no more.

We have seen and are seeing a bloodless revolution, the like of which no mortal eye has ever seen before. The citadels of privilege are tottering to the ground. From the brazen hand of gold there is being torn its scepter of power with which it has ruled the world for countless ages, and in the place of that scepter there is being fastened to its arms, the manacles of service so that henceforth gold will be the servant and not the master of man.

To two men above all others belongs the credit for these stupendous accomplishments. The one is our beloved, our fearless President, whose name this league proudly bears, Franklin D. Roosevelt.

The other is that glorious crusader of the air, that priest of God, who has brought to his Shrine of the Little Flower, countless millions of eager listeners each Sunday afternoon—Father Charles E. Coughlin.

And as my humble tribute to the eloquent cleric of Royal Oak, Mich., there will be rebroadcast, over a powerful public address system, in this auditorium every Sunday afternoon from today on, the splendid radio sermons delivered by him, so that the poor and the lowly, though they have no radio sets of their own, may hear his wonderful voice and his message of hope.

Every Sunday afternoon, preceding Father Coughlin's discourse, some speaker of note, interested in the great battle being waged for social justice, will discuss with you a particular phase of that battle in which he is versed. Occasionally, I will take the liberty of discussing with you and reviewing the activities of the Congress of the United States, reporting to you, first-hand, the historical actions of that body and my own participation therein.

This is to be the People's Forum, the first of the activities of the Roosevelt League for the Advancement of Social Justice.

My friends, you must not only be hearers of the word, but you must be doers of the word, and that is the purpose of this new Roosevelt League.

This afternoon there have been sounded in this hall the clarion notes of Assembly, and there have been opened to the supporters of Franklin D. Roosevelt and the admirers of Father Coughlin in Cuyahoga County, the enlistment rolls of a new Army of the Republic—the Roosevelt League for the Advancement of Social Justice.

I know this is but the inception of a national movement that will weld into a single effective, overpowering unit, the followers of President Roosevelt and Father Coughlin.

This movement is unique in political action. It is to be the movement of those who toil, either by manual labor or mental effort. Its guiding star shall be principle, rather than political preferment. Its goal shall be permanent benefit for the many, rather than political plunder for the few.

It shall be the soldier of social justice, rather than the paramour of privilege.

It shall be the scourge with which not only will the money changers be driven out of the Temple, but also the Pharisees will be driven from the high places in the party of the President.

It will be the torch that shall rekindle in the hearts of Clevelanders, the flame of civic righteousness that was snuffed out by the hand of privilege when death ended the vigil of its ardent guardian, Tom L. Johnson.

It will be the sentinel of the people, warning them of invasions of their rights and the destruction of their privileges through legislative action.

It will be the people's lobby.

These are the ideals of this organization and its ultimate objective.

Two weeks ago an intimate apostle of our revered President prepared and promulgated in the magazine called "To-day", of which he is its editor, a most damning indictment of the local leaders of the Democratic Party. After describing the unselfish public efforts of Tom L. Johnson and the reign of exploitation and promoting by the Van Sweringens that followed it, the author, Raymond Moley, says:

"Ultimately the domination of the Van Sweringen's idea in the city came to be so real a factor, that to fail to conform to it was to lose the badge of respectability. Political parties conformed. The great law firms conformed. Most of the press applauded.

"The cynical enemies of Johnson, the field marshals of the new empire, were aided by those of the Johnson regime who, losing faith in the democratic ideas of Johnson, came to feel that his vision, which they had seen, had been a flickering mirage.

"Eloquent voices—and there were great ones—that years before had spoken Johnson's language now uttered the sophistry of the new Gospel of Promotion."

Those are not the words of Martin L. Sweeney; those are the words of an ardent disciple of the new deal and the new leader.

The faithless leaders so scathingly indicted are still in power and in high place in the local organization of the Democratic Party. They are rendering to Franklin D. Roosevelt and his philosophy of social justice the same lip service they rendered to Tom Johnson in the zenith of his career, while in their pockets still jingles the price of their betrayal of Tom Johnson's principles.

Are such men to remain in power during the fight which is yet to come?

Is the indictment of treason to lie dormant or are the indicted to be prosecuted?

The Roosevelt League for the Advancement of Social Justice has the answer. We will prosecute the faithless. We will drive the Pharisees from the altar. We will purge the party of such leadership.

Already the local leadership has cost the party dearly. Its espousal at Chicago of the cause of a god with feet of clay, the clay of whose feet I discovered, thanks be, before the Chicago convention, and their selfishness and arrogance in local affairs, so destroyed the confidence of the local electodate that, like the electorate of New York, they determined to turn the party, controlled by faithless and selfish leadership, out of power in municipal affairs.

That lack of confidence, justified by the indictment prepared by Mr. Moley, threatens, if the faithless leaders are continued in power, to drive the President's party out of office in this county and even in the State.

The Roosevelt league proposes that no such leadership shall be tolerated.

During the late primary campaign I charged that the then incumbent had completely dissipated the city's cash and the city's credit for political patronage, in an effort to maintain himself in office and the present leaders of his party in power. These charges of mine contradicted the claim made by the then mayor that he had operated the city economically.

The facts disclosed since Mayor Miller left office fully corroborated every charge that I made in this regard, and in addition thereto the very startling fact developed that there was a secret understanding between the then mayor and the chamber of commerce, whereby the true condition of the city's financial affairs was not to be disclosed for fear of affecting, prejudicially, the city's credit.

The using of city funds to window-dress bank statements, the efforts of the chamber of commerce in the last city administration to cover up the city's bankruptcy, and many other similar hook-ups between big business and the President's party here in Cleveland, demonstrated that the Democratic Party, as well as the Republican Party, were handmaids of big interests and special privilege.

The day of such hook-ups is over, and the quicker that condition is remedied here in Cleveland the sooner will this great metropolis find itself in harmony with the national administration.

Thanks to the inspired leadership of our President, this country is gradually emerging from the terrible blight that has paralyzed its almost every function; but as the sun of prosperity rises and the economic skies brighten, greed will again assert itself, and selfish men who have failed to heed the warning of this last cataclysm will again seek special privilege, will again attempt to line their pockets by the use of other people's money, other people's credit, and the curtailment of other people's rights.

It will be the function of this organization to stand behind the President to prevent the happening of such events in national affairs and, acting as a unit in State, county, and municipal affairs, to prevent the happening of such events in those governmental jurisdictions.

This league will have to be prepared to combat the insidious propaganda of the Tory press of the city, which, during the shades of night, prepares for the reading public a Democratic newspaper and, with the coming of dawn, changes its political coat and during the daylight hours operates a Republican newspaper.

Briefly, we expect our legislative committee to watch what is happening in the city council, the State legislature, and the Congress of the United States.

We will be especially active in observing the activities of the utilities, the privileged, and the special interests. All of these interests have their lobby and exercise tremendous influence in the legislative bodies.

The people—that is, the wage earners, the salaried workers, and the common men and women, so-called, in this country—have no forum to work for their interest, except that furnished by the inspired priest from Michigan, whom we have referred to this afternoon.

The incidental expense to maintain this organization, we believe, can be secured by permitting those who can afford to pay 10 cents a month dues, thereby permitting us to carry on the work that we have started.

If you are in sympathy with this undertaking, if you have confidence in the movement that my colleagues and I are starting, we ask you to join in this movement.

The history of it, its purposes, its ideals, are described in the league's brochure, which I take the liberty of reading to you:

"This movement had its inception in the espousal of the candidacy of Franklin D. Roosevelt for President of the United States by Congressman SWEENEY at the historic Chicago convention in June 1932.

"The recognition then of the now abundantly proved worth of the new leader by Congressman SWEENEY, crystalized and caused to rally to the Congressman's standard, the independent, unshackled citizens of Cleveland.

"Prior to the Congressman's stand, this great mass had been leaderless, shunning exploiting political bosses.

"Congressman SWEENEY's vote for Franklin D. Roosevelt on the third ballot at Chicago brought to him a flood of telephone calls, telegrams, and letters that enabled him upon his return from the convention to organize the movement inspired by his Chicago action. It organized under the title of 'Roosevelt Repeal League', and its objectives were the election of Franklin D. Roosevelt, the repeal of the eighteenth amendment, and of all sumptuary legislation dealing with the liquor problem.

"The triumphant election of Franklin Roosevelt and the repeal of prohibitory constitutional and legislative enactments brought about the accomplishment of the league's purposes, and it was, thereupon, determined to reorganize with a broader and further objective than the initial organization. Hence, Congressman MARTIN L. SWEENEY's Roosevelt League for the Advancement of Social Justice and the People's Lobby, which was incorporated December 29, 1933, under the laws of the State of Ohio.

ITS OBJECT

"The object of the league is to organize in each election precinct in the county of Cuyahoga a unit, fully officered and functioning as a complete entity under the direction of the central body, which will fulfill the President's admonition of 'Cultivating the soil where this good seed is sprouting', contained in his message just delivered to Congress, in which he stated:

"'We have plowed the furrows and planted the good seed; the hard beginning is over. If we would reap the full harvest, we must cultivate the soil where this good seed is sprouting and the plant is reaching up to mature growth.'

ITS PURPOSE

"This is best expressed in the purpose clause of the articles of incorporation of the league, which reads as follows:

"'The purpose of Congressman MARTIN L. SWEENEY's Roosevelt League for the Advancement of Social Justice and the People's Lobby, shall be to foster, promulgate, and direct all political action constantly to the attainment, in these United States, of social justice as defined by the promulgation of the three great religious faiths of our Nation, namely, the Encyclical of Pope Pius XI on Social Justice, published May 15, 1931; The Sermon on Labor, issued by the Federal Council of Churches of Christ in America in 1932; and the Statement of the Chairman of the Social Justice Commission of the Central Conference of American

Rabbis, in 1932, all epitomized in the immortal address of Franklin D. Roosevelt on the Road to Social Justice, delivered at Detroit, Mich., in November 1932.'

"To that end this league is dedicated:

"I. To develop and follow honest and unselfish leadership in political and governmental activities in the municipality, the State, and the Nation, and in all private activities of capital and labor.

"II. To fight the political boss in his exploitation of political organizations and his subversion of the power and influence of such organization to the furthering of special privilege.

"III. To expose chicanery, betrayals of trust and special privilege, wheresoever they exist, and the individual or individuals responsible therefor.

"IV. To formulate, advocate, and contend unceasingly for the enactment into law of remedies for such evils.

"V. To maintain a 'people's lobby' in all legislative assemblages; to vigilantly scrutinize legislation; warn the people of special privileges sought by legislative enactment; inform the people of activities to influence legislation by all lobbies, maintained by special interests, and enable the people to keep before their servants, the legislators, to whom they have delegated the power of enacting laws, the fact that their function is to protect the interests of their constituents rather than to become the almoners to special interests of legalized favors not within their power to grant.

"VI. To seek constantly a legal means to bring about a more equitable distribution of wealth and a guaranty of security for the industrious and thrifty by striving for the immediate enactment and, thereafter, the proper administration of laws governing—

"(a) Minimum wages and maximum hours of labor.

"(b) Unemployment insurance.

"(c) Old-age pensions.

"(d) The inordinate accumulation of wealth in the hands of the few.

"VII. To have for its paramount, ultimate object the due observance and strict practice of the tenets of his particular religion by each league member, and if he be not so allied then by his observance and strict practice of the altruistic principles of social ideals, each member of this league recognizing as all society must ultimately recognize that every other individual composing the social fabric varying only in degree as the advantage gained and detriment suffered is great or insignificant.

"VIII. To issue charters to subordinate organizations to be organized in the various election precincts of any political subdivision and to prescribe rules and regulations for the Government and functions of such subordinate organizations.

"IX. To lease, own, and operate any and every means for the dissemination of information.

"X. To exercise each and every power incidental to or necessary for the accomplishment of the purposes above set forth."

ITS FUNCTION

"The formation of the precinct unit will furnish the remedy for the present weakness of the great mass of 'forgotten men', namely, lack of organization.

"It will weld into a militant body the followers of Franklin Roosevelt and the admirers of his fellow crusader, Rev. Charles E. Coughlin, so that in each election precinct there will be a club, with a president, a vice president, a secretary, a treasurer, trustees, and other officers, which will transform the forgotten man's 'mite' into the 'might' of a powerful unified majority and enable the forgotten man to be mobilized into the most formidable force ever created for political action.

"Such an organization will place under the leadership of the President a mighty army of his followers, organized and prepared to battle by persuasion and with the ballot for the accomplishment of his high purposes.

ITS PLAN

"Each unit will have a minimum of 10 contributing members who will each donate 10 cents a month to help defray the expenses of the activities of the league, furthering the purpose of the organization as outlined under that title. This includes the maintenance of the people's lobby, the people's forum, and the other educational activities sponsored by the league.

"Appications for charters for precinct units are now available at the headquarters of the league, 1022 Leader Building, Cleveland, Ohio.

"The requisites for the issuing of a charter to a precinct unit is not less than 10 contributing charter members.

"Lack of means, however, is in no event to bar any person from membership in the precinct unit, the test of membership to be, solely and alone, a complete accord with the purposes of the league set forth above and the whole-hearted espousal of the political philosophy of Franklin D. Roosevelt for the advance of social justice."

My friends, that is an ambitious program, but the leadership of our great leader—the emancipator of the wage slave, Franklin D. Roosevelt—certainly inspires it, and certainly deserves every effort made to bring such a program to fruition.

Let each man and woman concerned with the welfare of this Republic, who desires to see that day come when those willing to toil for the food, shelter, and raiment of their loved ones may have that opportunity for the asking; when the laborer will receive his fair share of the things he produces—not merely subsistence—but security in old age and in sickness together with some of the common so-called luxuries of life—let each such man and woman band together in Roosevelt leagues all over this city, State, and Nation to bring into existence the high purpose of our God-given Chief Executive—social justice.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair desires to state that it will not be possible for him to be in the city for the rest of the day. The Chair designates the gentleman from Illinois, Mr. PARSONS, to act as Speaker pro tempore in his absence.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL—FISCAL YEAR 1935

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes; and pending that, may I ask the gentleman from New York if we can arrange for a time to close debate. From the number of requests we have on this side it seems it might require about 3 hours on both sides.

Mr. TABER. I should think that would be about right.

Mr. ARNOLD. Then I ask unanimous consent, Mr. Speaker, that general debate continue for 3 hours, one half of the time to be controlled by the gentleman from New York [Mr. TABER] and one half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 7295, the Treasury and Post Office Departments appropriation bill, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

Mr. ARNOLD. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I shall take this time now to explain to you some of the more important provisions of this bill. Before doing so, however, I want to pause for a few moments to pay my respects to the gentlemen who served with me on the subcommittee and who gave of their time and their talents unselfishly in the preparation of the bill, the gentleman from Indiana [Mr. LUDLOW], the gentleman from New York [Mr. BOYLAN] on the majority side, and the gentleman from New York [Mr. TABER], and the gentleman from Michigan [Mr. MCLEOD] on the minority side. These gentlemen came to Washington in December and we began hearings on the bill. We had rather extended hearings covering probably every phase of the bill now before us. I may say it was a pleasure, indeed, to serve with these men. They are all men of ability who are earnestly and sincerely interested in working these matters out for the best interests of the Government and all parties concerned. There was no trace of partisanship anywhere along the line in conducting the hearings or in the preparation of the bill, and so far as I know the bill, as it is now presented to you, meets the approval generally of the entire membership of the subcommittee as well as the entire membership of the Appropriations Committee proper.

I feel in this connection I would not be doing justice if I did not refer to the wonderful aid and assistance given to us by the very congenial and accommodating clerk of the committee, Mr. Sheild. [Applause.] It has been my pleasure to have served on this particular subcommittee for some years, and Mr. Sheild has always been the clerk in direct charge of the bill. I think I am not overstating it when I say that he knows more about the Appropriations Committee, the needs and requirement in appropriation bills, than any other man in this House. He has practically grown up in the work, and he is untiring in his work and unselfish, and always ready and willing to contribute in every way he possibly can to make the burdens of our committee lighter.

This bill, as you doubtless have observed, contains two titles, carrying appropriations for the Treasury Department and Post Office Department, two of the most important departments in the entire Federal Government.

Title I has to do with the appropriations concerning the Treasury Department proper and Treasury functions. Title II concerns appropriations having to do with the Post Office Department proper and the postal functions.

This bill in the two titles carries recommendations for a sum total of $820,693,270. That is $403,623,327 less than was appropriated for 1934, and $6,683,839 less than was recommended by the Budget estimates.

In that amount there is carried for the Treasury Department $149,842,330. That amount is $358,640,889 less than was carried in the appropriation bill for 1934, and it is $685,539 less than was recommended by the Budget estimates.

For the Post Office Department the sum total appropriation carried in this bill is $670,850,940, which is $44,982,438 under the amount appropriated in 1934, and it is $5,998,300 under the amount recommended by the Budget estimates.

In the time I have before me it would be impossible to go into details, but as the bill comes up for consideration under the 5-minute rule I hope that any query that may be directed toward that end may be answered at that time.

There are a few matters in this bill that I want particularly to call your attention to, and for that reason I shall pass on to such items as I feel you may be more particularly interested in.

Permit me to say, however, that as far as salaries are concerned, this bill is based upon a restoration of 5 percent of the salary reduction that was made in the economy bill. That is carried through both the Treasury sections and Post Office sections.

I want particularly to call your attention to a rather material change in this bill from what has been carried in former bills. Under the Executive order of the President providing for consolidation and elimination of boards and bureaus there was created in the Treasury Department a Procurement Division. This Procurement Division encompasses the functions of the determination of policies and methods of procurement, warehousing, and distribution now exercised by any agency of the Government.

The old general supply committee of the Treasury Department is abolished but that organization becomes the nucleus of the supply branch of the Division of Procurement. Covered into that supply branch is the Government fuel yards, Bureau of Mines, Department of Commerce. Into this Procurement Division comes the function of determination of methods of procurement of the various supplies and the distribution and warehousing of these supplied for every department of the Government.

That division had not progressed very far in the work it had to perform at the time of the hearings, but is now engaged in making studies of various matters with the idea of bringing about greater efficiency and greater economy in government.

What they will be able to accomplish along that line at this time is purely conjectural, but we were told there is a good opportunity for getting results.

Another branch of that Division of Procurement is the Public Works Branch. To the Public Works Branch is transferred the Supervising Architect's Office, and hereafter the appropriations for these activities, as in this bill this year, will be carried under the Division of Procurement. The Supervising Architect's Office is now engaged in the completion of the public-building program that has been laid out by Congress in the past. Hereafter, under the law enacted at the last session of Congress, the funds for construction of public buildings throughout the country will be allotted by the Public Works Administration, and the Supervising Architect's Office will be working under those allocations of funds for construction purposes.

There is another rather important matter that is involved in this Executive order of the President. Heretofore the care and maintenance of public buildings has been under the Treasury Department. By this Executive order the care and maintenance of public buildings that are devoted mainly or entirely to postal activities are transferred to the Post Office Department, and this bill contains an item of something like $16,404,000 for maintenance of public buildings under the Post Office Department which was formerly carried under the Treasury. Buildings that accommodate strictly Treasury functions still remain under the Treasury, but some few of the buildings have been transferred to the Interior Department, where the purposes or uses of those buildings are neither Postal nor Treasury.

We carry in this bill $13,000,000 for the completion of the construction of building projects under the old program under the act of May 26, 1926, as amended. If any Member is interested, if he will look at the hearings, he will see a complete history and set-up of the public-buildings program from the time of its renewal in 1926 down to the present time. When that public-buildings program was started after the World War Congress made specific allocations for the buildings. Later on that was changed and that authority was given to a Joint Committee of the Post Office Department and the Treasury, which reported the allocations to Congress and Congress fixed the limit of cost, and then appropriations were made in a lump sum for those allocations. Now, under the legislation as it exists today, that authority was transferred, as I said a moment ago, to the Public Works Administration under the appropriation made for carrying out the National Industrial Recovery Act, and the duty devolves upon the Public Works Administrator of making the allocations. Gentlemen will find in the hearings, pages 543–544, a complete statement of building projects under the old program of building projects under the Emergency Relief Act program, where $100,000,000 was appropriated, and of building projects that have been undertaken under the Public Works Administration at the date of our hearings, together with the status of each and every one of those buildings. It is very interesting history, and I am sure Members will be very much interested in looking into it.

I pass now to the Post Office Department. I have given you the general appropriations for the Post Office Department, but there are a few things in that I want to deal with particularly, in view of the fact that it is a very, very live subject in this country today. I refer to the subsidies for the domestic air mail, foreign air mail, and ocean air mail.

Doubtless gentlemen have heard before from me from this floor my opposition to this method of granting subsidies for the development of aviation, for the development of our merchant marine, and for the development of our trade relations with the Central and South American Republics. I have always taken the position that it is entirely too much power to place in the hands of the Postmaster General or any one man to give him carte blanche authority and say to him, "Enter into a contract with whom you wish; you need pay no attention to the value of the services that the Government is to receive in return for the amount you pay, but pay the amount of money that you think ought to be paid for the development of aviation in this country, for the development of our merchant marine, and for the development of our trade relations in the Central and South American Republics." That authority was practically unlimited. From what we have been hearing, emanating from the other end of the Capitol, it seems that there has been something wrong in letting some of these contracts. Your committee at this stage of the game could not go into those questions, because we did not have the time, and for the further reason that it would be a duplication of the work that is being conducted by the Black committee, and also a duplication of the work that is being conducted to some extent by the Committee on the Post Office and Post Roads of the House, and also a duplication to some extent of the investigation being made by the Post Office Department itself and the Department of Justice in regard to these various contracts.

Mr. GLOVER. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. GLOVER. Has the gentleman's committee thought of bringing out legislation to curb the very thing that he has spoken of, this great power being given to one man, and fixing it so that these charges cannot be again made, and

so that the Government can be safeguarded in the making of these contracts hereafter.

Mr. ARNOLD. Permit me to say to the gentleman from Arkansas that the Appropriations Committee has no power whatever to bring out legislation. That is entirely beyond the functions of the Committee on Appropriations. However, the Committee on the Post Office and Post Roads of the House has now under consideration some legislation wherein it is hoped to get away from some of the evils that are attendant upon this present system. So far as the Appropriations Committee of the House is concerned, all we can do is to go ahead and make available for use of these Departments the money that it deems is necessary for the carrying out of these contracts until their invalidity is determined.

May I say I have examined a number of those contracts, and as far as I can see the contracts on their face appear to be within the provisions of the law. If these contracts are invalid it is because of fraud in their inception and not from anything appearing on their face. Of course, if there is fraud in the inception of a contract, it vitiates the entire contract. If there is no fraud in the inception of the contract, then as far as the Committee on Appropriations is concerned, the only thing it can do is make the money available for the uses set forth, because the obligation of the Government is fixed by the contract, under legislation that has been passed by previous Congresses.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. While that is perfectly true with reference to the Committee on Appropriations, nevertheless, as the gentleman knows, section 5 of the Independent Offices Appropriation Act, 1934, gives the President the power, until April 1935, to modify or cancel any contracts that were made in connection with air mail or the carrying of ocean mail. Therefore, I think if the evidence that is being brought out is presented to the President, and is sufficient to warrant him to take action under that provision, he will act.

The President has the power under the Economy Act to cancel or modify any contract, even though there be no fraud, if in his judgment it is for the best interests of the Government.

Mr. ARNOLD. The gentleman from Missouri is entirely right in what he says, and there is no doubt in my mind whatever but what, if it is disclosed that there is fraud in the inception of those contracts, or if they were improperly granted, the President will exercise the authority vested in him to cancel them; but as far as your committee is concerned, its hands are tied until that is done.

Mr. TABER. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that if there is fraud in connection with the inception of those contracts the President, without any provisions of the Economy Act, has the right to cancel them?

Mr. ARNOLD. If there is fraud in the inception of the contracts, they are void, ab initio, and they cannot be enforced.

Mr. TABER. And if there is no fraud in connection with them and they are valid contracts, under the Economy Act those people would have a claim for damages if the contracts were canceled?

Mr. ARNOLD. If the money is not made available and those contracts are valid contracts, the holders of the contracts can go into the Court of Claims and sue the Government and recover. We cannot escape the obligation of paying the amount called for under those contracts, if the contracts are not fraudulent. So the committee has accepted the Budget recommendations. We have made some reductions, however, in the amounts, and we deemed it advisable under the circumstances to make available this money. As far as the appropriation is concerned, it does not put the money into the hands of the people who hold the contracts. The money will not be spent for that purpose should the contracts be invalid, but it is made available for that purpose if the Post Office Department feels that these contracts are enforceable and should be complied with. Let me say in that connection that I have the utmost faith in the sincerity and integrity of the present Postmaster General. I am sure that when this matter comes before him it will be given careful and thoughtful consideration, and if any of these contracts have been improperly entered into, he will not permit a dollar of funds to go to the holders of the fraudulent contracts.

Mr. SABATH. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Illinois.

Mr. SABATH. Did the gentleman's committee have any opportunity to study the method of how these contracts were awarded or parceled out, so that any investigation that has been made by the gentleman's committee could be submitted to the Postmaster General and also to the President, so that they could act without delay upon these fraudulent awards, or parceling out of these contracts?

Mr. ARNOLD. That would be a duplication of the work that is now being conducted by the Black committee. It would require an interminable amount of time and study and investigation, and your committee could not possibly have time to go into that, and we would not have authority, in any event, to determine whether those contracts were fraudulent.

Mr. SABATH. Will the gentleman yield further?

Mr. ARNOLD. I yield.

Mr. SABATH. Did the Post Office Committee make any recommendation to the gentleman's committee? The Committee on the Post Office and Post Roads started its investigation last year, and a great amount of evidence has been introduced showing fraud on the part of these contractors. I was hoping that the House committee, which started this investigation, would be in possession of facts that they would be able to submit to the gentleman's committee, as well as to the President and the Postmaster General, to bring about the early cancelation of all those contracts which had been obtained by fraud.

Mr. ARNOLD. I am satisfied that just as soon as the matter can be determined, if it is found that any of those contracts were improperly entered into or they were fraudulent in their inception, they will be set aside.

Mr. TABER. Will the gentleman yield again?

Mr. ARNOLD. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that if our committee had attempted to go into a complete investigation of this situation and had called the witnesses away from the Black committee, that would have had the effect of delaying the Black investigation?

Mr. ARNOLD. It would have that effect, and we could not possibly have that hearing and get that data collected in time to present this appropriation bill to this Congress.

Mr. PARSONS. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman.

Mr. PARSONS. On page 55 of the bill where the total amount is specified, it is provided that "no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co." I wonder what the circumstances were surrounding that contract which would make an exception of that particular contract?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. ARNOLD] has expired.

Mr. ARNOLD. I yield myself 15 additional minutes, Mr. Chairman.

In reply to the gentleman from Illinois, that language was carried in the bill last year. The Seatrain Co. is a company running car ferries in coastwise shipping on the Atlantic seaboard and Gulf, and there is a very serious question in our minds if it were not exclusively engaged in coastwise shipping. If it were engaged in coastwise shipping, it would not be entitled to any subsidy in competition with other companies engaged in coastwise shipping. This money is for the development of the merchant marine, and it applies in no way to coastwise shipping. Your committee thought last year—and the same condition exists now—that this contract which was proposed to be entered into with the Seatrain Co. was not justified and not warranted

by the Merchant Marine Act of 1928. Therefore we withheld funds from it last year and we are withholding the funds from it this year, because we do not think that company is entitled to share in any amount of money that might be voted for that fund. No payments have been made under the contract and the Department is not placing mail on their boats.

Mr. PARSONS. If the gentleman will yield further, following up this matter, has this company applied to the Court of Claims for a refund on their contract?

Mr. ARNOLD. I do not know. We did not hear from the Seatrain Co. during these hearings. I presume they realize they are out of the picture so far as Congress is concerned. At any rate we are going to make it impossible for them to get any funds through this bill during the fiscal year 1935.

Mr. PARSONS. They have a contract but are not realizing anything out of it at the present time.

Mr. ARNOLD. That is the answer.

Taking up air mail, the estimated revenues from domestic air mail are $6,500,000. This indicates that there is a subsidy amounting to $7,500,000 for domestic air mail. Of course, you understand the purpose back of that law was to encourage the development of aviation in this country.

In the matter of foreign air mail, $7,000,000 has been earmarked for this service. The receipts from the foreign air mail are estimated at $1,250,000, indicating a subsidy of $5,750,000. The act of March 8, 1928, had as its specific purpose subsidizing commercial aviation for the development of trade relations with Central and South American Republics. German lines subsidized by the German Government are going into South America; and they are making a bold bid for this trade. French lines subsidized by the French Government are in this field are also making a bold bid for this trade.

Reports from the Department of Commerce show that our foreign trade in South America has been holding up very well, considering the general depression, and that is attributed in no small degree to our foreign air mail service in that territory; but there is quite a contest there as to the control of the South American trade, and this is the purpose back of the act that made possible the subsidy contracts for the foreign air mail. Those are 10-year contracts. Those contracts are fixed. Neither Congress nor the Government can escape liability for the amounts provided, if the contracts are otherwise valid; and in this connection permit me to say that each and every one of these contracts under domestic air mail, under foreign air mail, and under ocean mail was entered into before the 4th day of March 1933. No new contracts have been entered into since that time.

Mr. AYRES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. AYRES of Kansas. And some of the contracts were entered into within 4 or 5 days of March 4 last.

Mr. ARNOLD. At least within a very few days of the 4th of March as to one or two.

Mr. TERRELL of Texas. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. TERRELL of Texas. Did testimony before the committee show it was advantageous to the Government to make these long contracts—the 10-year contracts, for instance?

Mr. ARNOLD. That is water over the dam, I may say to the gentleman from Texas. The policy of the Congress was determined when these laws were enacted in previous Congresses, and the Appropriations Committee has no power to change the policy of Congress. That can only be done through new legislation.

Mr. TERRELL of Texas. Under the statutes is there no power to cancel these contracts?

Mr. ARNOLD. We have given the President power, under section 5 of the Independent Offices Appropriation Act, 1934, to cancel contracts; but if he does cancel those contracts, if they are valid contracts, our Government will have to respond in damages to the extent the holders of the contracts are damaged.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. TARVER. The Government, however, would not have to respond to the extent of the contract price. Damages are given for the injuries sustained, and the measure of damages would merely be the amount of loss suffered by the party having the contract by reason of its cancelation. The measure of damages would not be the amount provided in the contract as a subsidy. Is not this true?

Mr. ARNOLD. I think the gentleman is correct.

Mr. SHOEMAKER. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. SHOEMAKER. Under the economy bill the gentleman says the President has the authority to cancel these contracts. Under that same economy bill practically all the contracts between the Government and the disabled veterans have been canceled. By the gentleman's argument in the case of the air mail contracts, the veterans would have the same right to claim damages from the Government, for they built homes on the assumption that the allowances and pensions would be continued. They would have the same right the shipping companies have, would they not?

Mr. ARNOLD. Oh, no. They are not on the same basis at all. In one case you have an executed contract; in the other case there is no executed contract.

Mr. SHOEMAKER. But in both cases they are contracts.

Mr. ARNOLD. They are not contracts on the same basis at all.

Mr. PARSONS and Mr. DOWELL rose.

Mr. ARNOLD. Pardon me, gentlemen. I have not very much time and I have many subjects to cover. If you have questions to ask, please make them brief.

Mr. PARSONS. The gentleman is making a very splendid exposition of the bill. I do not want to take any of his time, in view of his statement.

Mr. ARNOLD. I should be pleased to answer the gentleman's question if he will make it brief.

Mr. DOWELL. Will the gentleman yield for a question?

Mr. ARNOLD. I yield.

Mr. DOWELL. Will the gentleman advise the House the length of time these contracts run, so we may have definite information about them?

Mr. ARNOLD. The ocean mail contracts are 10-year contracts. They run for a full and complete 10 years. I do not think any of these contracts will expire before 1938. The foreign air mail contracts, too, are 10-year contracts; but the contracts in the case of domestic air mail are on a different basis.

They first entered into contracts. Then the law permitted an arrangement whereby certificates might be given, but these certificates are 10-year certificates. Under the Watres Domestic Air Mail Act it is possible for the Postmaster General to reduce the rates to such an extent that they would strangle the contracts and would not be of very much use to the holders of these certificates. All of the original contracts formerly entered into for domestic air mail transportation have been surrendered and certificates issued in each and every case.

Mr. DOWELL. Can the gentleman tell us why the others have not been canceled in the same way?

Mr. ARNOLD. The law does not provide for that. There are three different laws here, I may say to the gentleman. For the domestic air mail, under the certificate plan, the Postmaster General can say how much money he will pay for carrying the mail. He must review the rates at least once a year.

Under the ocean mail contracts and under the foreign air mail contracts the rates of compensation are fixed by law, but the rate of compensation so far as the ocean mail contracts are concerned automatically increases by reason

of the fact that the holders of these contracts are obligated to build new ships, bigger ships, and speedier ships, and as they built those new and speedier ships and put them into commission, then the amount that they are to get for the pretext of carrying this mail is automatically increased. This is provided by their original contract.

Mr. DOWELL. Does not the gentleman understand they would only be able to recover if they were canceled—and they should be canceled—what they have actually been damaged, if they are able to recover at all? Should not we establish the principle here of canceling the contracts and not continue further any contract that is against the interests of the people of the United States?

Mr. ARNOLD. I do not think these contracts can be canceled unless there is fraud shown in their inception without the Government responding in damages.

Mr. HENNEY. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Wisconsin.

Mr. HENNEY. Were these contracts let after competitive bids were submitted?

Mr. ARNOLD. So we are informed. There was some degree of competition.

Mr. HENNEY. I was under the impression that there were about six or eight of them that were not let under competitive bidding.

Mr. ARNOLD. In some of these contracts there was practically no competition, but they were let in the form of competitive bidding.

I have here a very interesting study of the Post Office Department. This is the cost ascertainment report for the fiscal year 1933. There are some very interesting data in this. This gives a rather complete set-up of the postal operations for the fiscal year 1933. Mr. Chairman, I ask unanimous consent to insert this in the RECORD because I think it is very informative.

The CHAIRMAN. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

The matter is as follows:

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1933 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures

	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
Classes of mail:				
First class:				
Other than local delivery letters	$248,639,166.80	$181,330,903.75		$67,308,263.05
Local delivery letters	83,702,040.11	46,150,113.10		37,551,927.01
Air mail	6,116,441.57	23,033,856.27	$16,917,414.70	
Total, first class, including air mail	338,457,648.48	250,514,873.12		87,942,775.36
Second class:				
Publications exempt from zone rates on advertising under act of Oct. 13, 1917 (par. 4, sec. 538, P. L. and R.)	1,707,283.12	16,349,390.25	14,642,107.13	
Zone rate publications:				
Daily newspapers	7,910,637.64	38,392,155.40	30,481,517.76	
Newspapers, other than daily	1,503,445.89	11,216,898.57	9,713,452.68	
All other publications	7,582,950.01	32,746,179.77	25,163,229.76	
Free in county, all publications		8,271,232.36	8,271,232.36	
Total, publishers' second class	[1] 18,761,666.66	106,975,856.35	88,214,189.69	
Transient	1,075,517.52	1,064,290.20		11,227.32
Total, all second class	[1] 19,837,184.18	108,040,146.55	88,202,962.37	
Third class	50,926,364.04	79,222,926.81	28,296,562.77	
Fourth class:				
Local delivery	1,435,314.43	1,515,195.13	79,880.70	
Zones 1 and 2	32,120,826.69	52,075,959.02	19,955,132.33	

[1] Includes $57,350 revenue from second-class application fees.

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1933 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures—Continued

	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
Classes of mail—Con.				
Fourth class—Con.				
Zone 3	$21,159,755.90	$29,314,267.84	$8,154,511.94	
Zone 4	19,739,208.41	22,502,543.18	2,763,334.77	
Zone 5	13,807,133.83	14,611,504.33	804,370.50	
Zone 6	4,767,609.48	5,102,273.68	334,664.20	
Zone 7	2,662,128.71	2,709,138.01	47,009.30	
Zone 8	4,149,831.10	4,142,003.75		$7,827.35
Library books	92,754.97	277,788.24	185,033.27	
Total fourth class	[2] 100,236,271.27	132,250,673.18	32,014,401.91	
Foreign:				
Other than air mail	13,339,511.75	39,828,065.31	26,488,553.56	
Air mail:				
Postage revenues	525,735.50			
Service revenues	416,849.02			
Total, air mail	942,584.52	7,166,053.90	6,223,469.38	
Total, foreign	[3] 14,282,096.27	46,994,119.21	32,712,022.94	
Penalty:				
For the Post Office Department		3,584,859.49	3,584,859.49	
For other branches of the Government		4,417,744.36	4,417,744.36	
Total, penalty		8,002,603.85	8,002,603.85	
Franked:				
By Members of Congress		$570,436.07	$570,436.07	
By others		1,324.76	1,324.76	
Total, franked		571,760.83	571,760.83	
Free for the blind		69,310.42	69,310.42	
Total, all mail	$523,739,564.24	625,666,413.97	101,926,849.73	
Special services:				
Registry:				
Paid registrations	10,833,152.37	15,659,023.49	4,825,871.12	
Free registrations:				
For the Post Office Department		2,432,294.85	2,432,294.85	
For other branches of the Government		251,956.66	251,956.66	
Total, registry	[4] 10,833,152.37	18,343,275.00	7,510,122.63	
Insurance	[5] 5,256,479.22	6,678,152.91	1,421,673.69	
C.o.d	3,890,866.62	7,562,802.17	3,671,935.55	
Special delivery	7,018,094.15	7,083,763.87	65,669.72	
Money order	16,447,175.38	24,292,018.10	7,844,842.72	
Postal savings	6,690,226.80	4,440,629.19		$2,249,597.61
Total, special services	50,135,994.54	68,400,641.24	18,264,646.70	
Total, mail and special services	573,875,558.78	694,067,055.21		
Unassignable	12,478,148.68	2,210,205.96		10,267,942.72
Total related	[6] 586,353,707.46	696,277,261.17	109,923,553.71	
Unrelated	1,989,029.66	2,072,767.99	83,738.33	
Grand total, 1933	588,342,737.12	698,350,029.16	110,007,292.04	
Revenue credits (act of June 9, 1930):				
Penalty matter, other than that of Post Office Department, including registration	14,315,414.00			
Franked matter:				
By Members of Congress	1,019,621.00			
By others	3,994.00			
Second-class matter, free in county	538,221.00			
Free matter for the blind	90,522.00			
Publications exempt from zone rates	458,569.02			

[2] Includes $301,707.75 revenue from special-handling service.

[3] Includes $810,935.24 receipts from foreign countries for handling foreign mail in transit through the United States and $243,009.44 revenue from miscellaneous special services in connection with foreign mail.

[4] Includes $645,619.43 revenue from return receipts for registered mail.

[5] Includes $13,948.84 revenue from return receipts for insured mail.

[6] Service of the United States, exclusive of the Territories and island possessions.

NOTE.—The above segregation of the computed total expenditures chargeable to second-class, fourth-class, foreign, penalty, and franked matter and to registry service and of the revenues from fourth-class matter have been developed by processes of approximation.

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1933 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures—Continued

	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
Expense credits (act of June 9, 1930): Aircraft service		$20,036,482.16		
Differential favoring vessels of American registry		25,228,463.41		
Grand total, 1933 (adjusted to the act of June 9, 1930)	$604,769,078.14	653,085,083.59	$48,316,005.45	

Mr. ARNOLD. It will be observed that the total deficit for the fiscal year 1933 is $110,007,292.04. There has been much comment in the press about the cost of franked mail by Members of Congress. Referring to this table of revenues and expenditures it will be seen that the cost to the Government for carrying franked mail for Members of Congress is $570,436.07, or less than one tenth of 1 percent of the total postal expenditures. The cost of carrying penalty mail for departments of Government, other than the Post Office Department, is $4,417,744.36. If second-class matter (newspapers) that now goes free of cost in the county had paid the regular postage applying to that class, it would have yielded to the Government receipts of $538,221, while publications that are now exempt from zone rates would have contributed to the postal receipts an additional $458,569.02, had the regular rate of postage been paid on such publications. It will be noted, further, that the expense credit of aircraft service of $20,036,482.16 and differential favoring vessels of American registry of $25,228,463.41, or a total of $45,264,945.57, is included in the grand total of expenditures of $653,085,083.59. If all the nonpostal activities were figured in on a basis of what would have been received therefrom had the regular postage been paid, and the amounts paid for subsidies deducted, the deficit for the fiscal year 1933 would have been $48,316,005.45.

Mr. Chairman, there is before you here [indicating] a chart which has a vast amount of information on it. This gives a remarkably complete picture of our postal receipts and expenditures from the year 1914 to the year 1935. Of course, the figures for 1934 and 1935 are more or less estimates, but it shows what the exact figures are for 1933 and prior years. The columns in red represent the expenses of the Post Office Department.

The heavy red in each column of expenditures is the sum total of salaries, and as you read across the columns you can get a comparison year by year of the expenses and receipts of our postal functions. For instance, in 1933 our total postal expenses were around $650,000,000. This checkered area gives the nonpostal and down below, in different designations, are the other designated elements that enter into the maintenance of the Post Office Department. Here are the receipts in the columns in black. The solid black represents the sales of stamped paper and the various other receipts are shown by special designations. I have not the time to explain this fully and give you the whole story, but it will be interesting for the Members to study the chart. I doubt if it is possible to have this incorporated in the RECORD. I have tried to give you, Mr. Chairman and Members of the Committee, in a general way, a picture of the postal functions, both receipts and expenditures, without going into details.

It seems to me that under the contracts and the state that they are in now, we will have to make this money available for domestic air mail, foreign air mail, and ocean mail as much as some of us dislike to do. We cannot tell what the developments may be from the investigations now being conducted. Something perhaps may be done later. But at the present time the only thing to do, as I see it, is to make this money available for obligations that have been fixed by contracts solemnly entered into by Government officials who were authorized to enter into contracts of the character specified under the laws enacted by previous Congresses.

Mr. CHRISTIANSON. Will the gentleman yield?

[Here the gavel fell.]

Mr. TABER. I yield the gentleman an additional 5 minutes.

Mr. ARNOLD. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Would anything be lost if we should strike the appropriation out of the bill and await the disclosures in the committee now investigating these contracts, and then put through special appropriation bills later, providing whatever money the Government may need to meet its honest obligations?

Mr. ARNOLD. I believe it is not wise to entirely crucify the domestic air mail. If you strike these appropriations out, you are crucifying the domestic air mail, and I do not believe the country is ready for that. The country is interested, so far as these matters are concerned, in squeezing out the subsidies and getting down to a basis of pay for services rendered.

Mr. CHRISTIANSON. It was not my suggestion that we should crucify the air mail. My suggestion is that inasmuch as the money we are now appropriating is to be available for the fiscal year ending July 1, 1935, that we can well defer the appropriation of the amount that we shall appropriate for that purpose until the facts which are now being brought out can be made completely available to us.

Mr. ARNOLD. This money will not be used unless it is necessary to use it. The mere fact that we have appropriated the money does not mean it must be spent. This bill makes it available. No one can tell at this stage of the game what the outcome is going to be. Here is a solemn obligation of our Government, entered into by Government officials that were authorized and empowered under laws enacted by Congress to do the things that have been done. If they have been properly done, we have to go ahead and furnish the money. If they have been improperly done, this is a matter that would have to be determined when it is ascertained whether or not the contracts are valid.

Mr. PARSONS. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. PARSONS. I do not think there is any Member of this House who is for an out-and-out subsidy to some individual or some corporation to make money or fleece the Government out of money. However, there are a number of Members in this House who are in favor of the development of our merchant marine and the development of our air mail, both domestic and foreign. Has the gentleman ever given any consideration to paying these companies what they should be paid in the way of carrying the mail, whether it is ocean mail or air mail, and then have some other agency furnish the subsidy without linking it up with the postal fund and showing a deficit in the Post Office Department, when really the deficit should apply to some agency besides the Post Office Department?

Mr. ARNOLD. I think these things should not be linked up with the Post Office Department, and I think further it is entirely wrong to put the power in the hands of one man to determine the subsidies. If we are to vote subsidies, the Congress itself ought to vote them and determine in its own way how much they want to give by way of subsidy for anything.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. CHRISTIANSON. Having made that confession, has not the gentleman admitted that the proper course for us to pursue is to strike this item out of the appropriation bill and consider it on its merits later on when we have ascertained what are the facts?

Mr. ARNOLD. Does the gentleman think we ought to stop all of our outgoing foreign mail at the shore line?

Mr. CHRISTIANSON. I would call the gentleman's attention to the fact that these appropriations are for the

fiscal year beginning July 1, 1934, and, certainly, whether we appropriate this money or not would not stop any mail going out from our ports in the meantime.

Mr. ARNOLD. It would at the time this appropriation bill becomes effective, if there were no money provided.

Mr. DOWELL. Will the gentleman yield further?

Mr. ARNOLD. I yield to the gentleman from Iowa.

Mr. DOWELL. I understood the gentleman to say that the appropriation of this money did not mean its expenditure. From my understanding of the gentleman's argument, he states that we have an obligation which we must carry on. If this be true, we will spend the money if it is appropriated.

Mr. ARNOLD. We must furnish the money for that purpose, and the mere appropriation of it does not spend it. If these contracts are declared invalid or if they are canceled, then the money we provide in this bill will not be spent by the Post Office Department.

Mr. DOWELL. That is true; but as I understood the gentleman, the appropriation of the money does not mean its expenditure. From the gentleman's argument, it does mean the expenditure of the money, because if we appropriate the money we are going to carry out the provisions of these contracts.

Mr. ARNOLD. Oh, no; the act of appropriation makes it available for expenditure by the Department. In 1934 we appropriated vast sums of money that have not been spent and will not be spent but will be covered back into the Treasury.

Mr. DOWELL. Does the gentleman mean under these contracts?

Mr. ARNOLD. Some, under these contracts; yes.

Mr. DOWELL. The gentleman means that the contracts have not been complied with in all particulars by the Government.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ARNOLD. There are some variables in the contracts, as, for instance frequency of sailings and flight and suspension of trips on certain routes, and frequency of sailings and ports of call and things of that kind. There are variables whereby the amount of pay is not constant. All the contracts are based upon variables that enter into them to some extent.

Mr. DOWELL. But such provision is not in the ocean mail contracts?

Mr. ARNOLD. Yes; there is some variation in the ocean mail contracts in regard to the frequency of sailings call-at-ports, and so forth, provisions. I do not know just the extent of this, but there is some variable that enters into the amount that is finally paid.

Mr. STUDLEY. Will the gentleman yield for a question?

Mr. ARNOLD. I yield.

Mr. STUDLEY. Is it not true that the officers and directors of these ship-subsidy companies are among the most prominent and conspicuous members of the National Economy League?

Mr. ARNOLD. I have heard so.

Mr. TABER. Mr. Chairman, I yield 7 minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT. Mr. Chairman, yesterday the gentleman from New York [Mr. REED] referred to a project to construct a factory in Reedsville, W.Va., for the purpose of making post-office screens. I am not sure that all the Members know what is covered by the words "post-office screens." This means that part of the office which the public really uses, the delivery windows, the post-office boxes, money-order counters, and so forth. This consists mostly of cabinet work, but also includes a considerable amount of hardware, such as locks, lockboxes, and door hinges.

The population of the town of Reedsville is somewhere between 300 and 400 people. The factory is authorized to cost $525,000. It seems clear that no ordinary business man who proposes to manufacture this class of goods would put it in a town of this sort, because it is perfectly evident that the population of the town cannot possibly supply workmen to run the factory. It is evident that the men who are to do this cabinet work and manufacture this hardware have to be skilled workmen and they must be brought in from other parts of the country. It is equally evident that the construction of this factory is entirely uneconomical, because at the present time in the United States there are too many factories and too few jobs. If and when the factory gets going, all the work which it turns out will take away work from people who are already employed, men who have been trained in the business and who have been making their living in this way for years. This does not seem to me to be either economical or humanitarian.

Perhaps you may also know that the great bulk of the post-office equipment in this country is required for private buildings.

In the ordinary small town the Government does not build the post office but it is leased and the equipment is bought by the man who owns the building.

When this factory is completed and in operation in Reedsville it is evident that the management will seek work all over the United States and the private manufacturer under these circumstances will be under a fatal handicap because the Government factory does not have to consider any interest on the cost of the factory or any taxes or any profit. Any deficit will be paid by the United States. In all these Government enterprises the bookkeeping is not scientific, as pointed out by the gentleman from Indiana [Mr. LUDLOW] the other day. They will go into the market and compete on an entirely unfair basis with private factories.

This one factory in itself is perhaps not very important but it is very important because it initiates the policy of the United States going into commercial business in competition with private parties. On that very question, as Mr. REED pointed out, when it was proposed to use the United States prison at Leavenworth to manufacture furniture, the Congress decided almost unanimously that that should not be permitted. I submit the principle is the same in this case as in the case of Leavenworth. That, I think, is a fundamental question of policy.

There is another and still deeper fundamental policy, namely, that you cannot combine business and politics and the Government cannot do any business where politics does not enter. That has been shown in the Post Office Department for years; and it is true, not only of one political party but both political parties. On every change of administration the experienced officials are taken out and men without any experience put in their place. That shows what would happen to ordinary business if the Government ran it.

I think you will all agree that we are not prepared to add to the present economic confusion by putting the Government into direct competition with private capital.

Mr. LAMNECK. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. LAMNECK. Where do they get this money, is it in this appropriation bill?

Mr. MERRITT. No; I understand that the money has been allocated by the Public Works Administration.

Mr. EDMONDS. I can answer the gentleman. The money comes from the $25,000,000 that was given the President under the N.R.A., and the money for the building has been allotted by the P.W.A., $525,000.

Mr. LAMNECK. I agree with the gentleman exactly that we ought to stop this kind of foolishness.

Mr. MILLARD. Will the gentleman yield?

Mr. MERRITT. I yield.

Mr. MILLARD. Have you taken this up with the committee headed by the gentleman from Missouri [Mr. SHANNON]? I agree with the gentleman absolutely.

Mr. MERRITT. As I said before, it is not the amount of money, although $525,000 is worthy of consideration, but this Reedsville factory will start a policy which will endure and be destructive of private business all through this coun-

try. I do not think it should be permitted. Therefore I hope that gentlemen will use their influence with their colleagues and with the administration to stop this far-reaching and dangerous policy. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, we must believe in the inherent and genuine worth of every man and every woman—the poor, the rich, the lame, the halt, the blind. We must believe that every man should have opportunities to extend his sphere beyond the physical barriers which circumscribe him and finally obtain the fullest expression of his individuality. But, after all, their physical wants are of first importance, and the realization of their potentialities and possibilities cannot take place when men have no bread to eat. There is no hope for a generation of men and women who cannot find employment. The first duty of statesmanship is to see to it that men and women are given an opportunity to earn their bread by honest work. When millions of men are out of work the cry for bread is the most plaintive and impelling cry that can possibly reach the ears of those who are in authority. Without jobs for its members society is bankrupt. It is better to give men jobs than to give them doles. We are all joined together in one fellowship. We are our brother's keeper. We want bread for every man who will work, and we must give bread to every man who has worked. And whenever the introduction of machinery displaces human labor, statesmen are bound to see that industry and capital do not take all the gains without bearing a substantial part, and a very substantial part, of the consequent dislocation of the human element. The public must absorb the maladjustment which follows technocracy. Society pays for misery and distress, for hunger and want and suffering. Society always pays.

I am therefore glad that we have in the White House a man whose heart beats in sympathy with his fellow creatures. I am glad that his political program is one which rejects the laissez-faire, do-nothing policy. We are not going to allow men and women to starve in this country. I am glad that women and children are to be clothed. It is our disgrace that our people are starving beside bursting granaries; that they are suffering from cold when production of material for fabrics is abundant; that hunger and want and distress stalk the land like a pestilence at noonday—all at a time when we are rich not alone in production but in possibilities—the richest people in all the world. I therefore rejoice that we have in the White House a man who believes that the Government should reach out its philanthropic hand to relieve distress by giving jobs to workingmen.

The Civil Works program is as bold as it is humanitarian. It is conceived in Christian brotherhood, and is in answer to the call of humanity. But there are some things about its administration that merit adverse criticism. Brotherly love and humanitarian sentiments are not consistent with injustice and rank discrimination. There was promulgated last Friday by the Administrator of the C.W.A. an order which is illogical and undemocratic, which separates the citizens of this country into artificial classes and groups, which tries to divide them into two classes, and to separate the sheep from the goats, and which raises unfair differences among us in regard to giving men the right to earn bread by the sweat of their face. I must brand that order as a most unhappy and wicked one, and one which cannot be defended upon any rational theory. If all men are created equal, then certainly the right to labor in the C.W.A. ought to be equally distributed and not allowed to rest on artificial and foolish distinctions.

The regulation referred to was made by Mr. Hopkins, Administrator of the Civil Works program. A copy of it will be found on page 1195 of the CONGRESSIONAL RECORD of January 23, having been inserted in the RECORD by the gentleman from Kansas [Mr. CARPENTER]. Mr. Hopkins decreed that all per diem workers are hereafter to be divided into two classes, and that a man who happens to live in a town of 2,500 population may have a work week of 24 hours, but a man who happens to live in a town of lesser population may work only 15 hours.

About 19 centuries ago there came on earth a great Teacher who told men to pray to Almighty God for their daily bread. The Son of Man did not indicate a religious philosophy which was artificial and did not teach us to pray for fifteen twenty-fifths of a daily ration. I must make it plain that I am for a policy which will give jobs to laboring men. I am for a government or administration which approves and grants their prayer for daily bread. But just as such a policy is kind and beneficent, so also must a policy of discrimination in awarding jobs be indefensible and wicked.

I am convinced that the administrator of this magnificent venture and noble experiment has entered such discrimination without adequate study and without sufficient reason. There is no logic in it. It is not armed with facts and data and cannot find support in any rational theory. It is unkind and heartless and runs contrary to every precept of democracy. The hand of philanthropy did not write it, nor was it actuated by any sense of fairness or of charity. It offends every idea that rights and privileges should be awarded equally to all of our citizens. It will not give sufficient work to hungry men who need it. It will not clothe those who are ragged or those who may be suffering from wintry blasts.

Are you hungry? Well, it is just too bad! You live in a village and you ought not to expect to get the same rights that go to city folks who reside where the bright lights shine and the street cars clang. Have you a child whom you want to protect from exposure and cold, perhaps in a northern winter? Well, your child is not as worthy as other children who play around the city square or in the public park. We have determined that you can work only 15 hours per week, while your brother who lives ten or fifty or a thousand miles away can work 24 hours per week. Does your wife need shelter? Well, go ask for lodgment in the county house. You ought not to live in a village anyway. You ought to move away from the open spaces and get yourself into bigger places where congregations are larger or political influence is, perhaps, more centered and therefore quicker in action and more powerful in achieving results.

Mr. Chairman, I have made inquiry of those who ought to know and have asked the reasons for this order. No satisfactory answer was or can be given to the criticism of such an unfounded regulation. They attempt to defend it almost wholly because they needed more money. Rents are not lower in villages under 2,500 than they are in thousands of towns over that population. Groceries are no less in the smaller place. Clothing is no less. In fact these are very likely to be higher in the smaller villages than in the larger towns.

I repeat that I thank the President and the administration for this bold and fearless endeavor. It is concrete humanitarianism and not abstraction. It is broad benevolence. It is social philanthropy. It regards the whole of mankind. We must vote money for it. But this money, when voted, should be evenly distributed according to needs and conditions and not farmed out to favored communities without a study of real needs.

I am not against giving jobs to folks in cities of more than 2,500. I pray that they shall be relieved also. Vote the money for them. Give them jobs, too. But I want all to be treated with an even-handed justice. I want no unfair differentiations. I am protesting an unfair thing which prevents a large number of men who need work from getting enough of it to supply their needs. These men are American citizens as well as those who reside in larger places. They are just as honest, just as industrious, and just as willing to work as anybody. They are guilty of no crime except it be the high crime and misdemeanor of living in a community of less than 2,500 souls!

We must vote money to carry out this policy honestly and fairly to all. We must vote money sufficient to do away with a regulation which has been promulgated, as I

believe, without any adequate study of the facts, is based on no data that can support it, and is advanced without knowledge of the situation except to say, "Well, we need the money."

I repeat that I thank the President and the administration for a bold and fearless policy which gives work to workingmen. I shall always be glad to vote for anything that relieves suffering; but when the money is to be distributed in the name of philanthropy or of fairness, then let it be distributed wisely and upon some rational basis. Let us not do injury to one in order to help another. Let us not rob Peter to pay Paul.

In closing, I do not charge anyone with wrongful intentions, but I do believe that some of those who are in charge of the distribution of this money have come to hasty and untenable conclusions. If such an order can be defended because the cost of living is less in a town of 1,500 than in a town of 2,500, then let the figures be discovered and disclosed. But it is not so. I know that there are no such figures. If the money is to be distributed as a right, then this order violates right, because it is unfair and discriminatory. It is not a charity, because charity is unearned and is cold, and this money should be distributed with sympathetic consideration for all citizens. If misguided people should believe that the money is given in the name of mercy, then this order is not merciful, because the quality of mercy is not strained. Let us vote the money and abrogate a wicked, uncharitable, unmerciful, unfair, unwise, and undemocratic order and regulation. [Applause.]

Mr. Chairman, I have received several telegrams and letters about this matter, which I ask unanimous consent to incorporate in the RECORD as a part of my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The telegrams are as follows:

POCAHONTAS, IOWA, *January 20, 1934.*

Hon. FRED C. GILCHRIST,
House Office Building:

Pocahontas County C.W.A. workers cut to 15 hours per week. Complaints received our office regard to workers in adjoining counties permitted to work 24 hours per week. Adjoining counties no larger in population, no different in unemployment, no different in living conditions; difference made because of single town in county over 2,500 population. In one case we have 50 men working at Storm Lake alongside men from Buena Vista and Sac. Ours cut to 15 hours, theirs to 24 hours. This is unjust discrimination against our workers. Make strong protest at once to authorities in charge. Pocahontas County issued $31,000 bonds for poor relief last year, now issuing $28,000 for same purpose; more necessary unless C.W.A. program continued.

C. B. MCCARTAN,
Chairman Reemployment Committee.
R. L. HUDEK,
Chairman Board of Supervisors.

FOREST CITY, IOWA, *January 20, 1934.*

Hon. FRED C. GILCHRIST,
House of Representatives, Washington, D.C.:

We, the undersigned, are protesting the reduction of hours in C.W.A. work in Winnebago County. Surrounding counties have been cut 6 hours per week and we have been cut 15 hours per week. Living costs are the same here as in surrounding counties. We feel this is an injustice and would appreciate any help you can give us in adjusting this.

H. F. THOMPSON,
Civil Works Administrator,
G. S. JONES,
Chairman National Reemployment Service,
Board of Supervisors, Winnebago County.

HUMBOLDT, IOWA, *January 20, 1934.*

Congressman F. C. GILCHRIST,
House Office Building:

We protest discrimination in hours for C.W.A. workers; $7.50 week not living wages in this county. We urge you to use your influence to secure 24-hour week for C.W.A. workers in this county. We demand equality with surrounding counties. We represent sentiment of entire county.

O. J. OLSON,
Chairman Board of Supervisors.
GEO. K. MCCOLLOUGH,
Mayor of Humboldt.
FRANKLIN JAQUA,
Chairman Emergency Relief Committee.
S. M. HELGELAND,
Manager National Reemployment Office.
Dr. IVAN T. SCHULTZ,
President Chamber of Commerce.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, it is my desire to discuss commercial aviation in the time allotted to me, and I hope to intensify the interest of at least a few of the Members in this subject. I want their support and cooperation in an effort which our committee will make in this Congress to put the air mail on a self-sustaining basis, to take it out of the subsidy, to pay the air mail lines for the services they perform. It is not my desire to advocate increasing the appropriations for air mail. I am not interested in the desires of any particular section of the country, so far as securing added or retaining present air mail privileges are concerned. I am not concerned with the efforts of any individual air mail contractor, but I approach this subject from the standpoint of the welfare of our National Government, its usefulness in promoting trade and commerce, and its usefulness as a means of national defense. It might seem farfetched, but, in my judgment, if Congress 22 years ago had recognized the future possibilities of aviation, if it had agreed with a recommendation of the Post Office Department and had made an appropriation for an experimental air mail line, the United States Government would have been a more effective power in bringing about a termination of the World War. We neglected that opportunity when Congress turned down the Post Office Department's recommendation to establish an experimental air service.

Later, and before the war, the Post Office Department in an attempt to utilize this new transportation facility, advertised for bids, but because of the condition of the industry at that time, there was not a contractor who could furnish the equipment required under the specifications issued at that time, and so only in 1918, with the war upon us, did the Congress become properly concerned with this new transportation facility. I maintain that had the United States Government pioneered as it should have in the development of aviation, as was the case with foreign governments, many lives would have been saved by a more speedy termination of the World War. So far as our contribution to the World War is concerned, in connection with aircraft and aircraft equipment, I need only explain to you that it became the subject of a very serious controversy which resulted in the appointment of a special investigating committee to find out why we were not able to get a first-class fighting airship over there during that conflict.

Last year we spent approximately $148,000,000 for aviation for the Army, the Navy, for commercial aeronautics, and for air mail in the Post Office Department, but of all that tremendous appropriation only about $8,000,000 was appropriated in the form of subsidy for postal aviation activities. True, the appropriation totaled $14,000,000, but it can be explained that approximately $6,000,000 of that in some form or other found its way back into the Treasury of the United States, either as mail revenue or in some form of taxes. It should be remembered that we maintain over 600 trained pilots in the Air Mail Service without expense to the Government, and it is held in reliable quarters that it costs the United States Government upward of $20,000 to train a pilot, and at least half that much to keep him in training. Here is a magnificent body of men trained up to the minute without cost to the Government except what cost might be charged to the subsidy.

Recognizing the fact that we neglected the opportunity to build up this great arm for our national defense prior to the World War, and because of the fact that we are going to bring in an appropriation bill in a few days for a treaty navy, I believe the Congress ought to become more interested in this question. For a few dollars, in comparison with the millions spent in other activities, we can command the best air corps in all the world and set up along every coast line an almost impenetrable defense. We have today skirting the Atlantic and the Pacific and the international border to the north and to the south air lines, splendidly equipped for all kinds of flying, with every modern facility for safety and speed that a modern air line could have. We have along the east coast, from Boston down to the Keys, an air line with many stations, well lighted with beacon

lights, where the personnel, both mechanics and pilots, could be turned over to the Government in an hour's notice. This system has been built up, in most part, with little Federal expense, and is available in an hour's notice for our national defense. Therefore, I believe the money we spend in the development of commercial aviation is a good investment. This small expenditure we make to keep these ships of every type flying, to keep these pilots trained to the minute, to keep developing this industry, and to keep America in the forefront among the nations of the world, is, in my judgment, as good an investment as the investment we will be called upon to make next week for battleships.

So with that in mind I want the interest of my colleagues for a few moments to explain to you what our committee is trying to do. We recognize the unfair, unjust administration of the air mail lines under the former Postmaster General—the discrimination and favoritism in the extension of contracts and in his czarlike attitude in forcing consolidations, depriving independent lines of their day in court—but we are not going to be content with finding fault with what he has done. We are eager to build for the future in order that America might always command its rightful place in this new industry. The investigations of the Post Office Department have been very helpful and indicate the need of new legislation.

In 1925 our committee passed its first bill, the Kelly bill. In that bill the air mail contractor received four fifths of the revenues accruing from the mails carried. It was decided in 1926 that that was a rather cumbersome method of computation, so an amendment was passed giving the contractor $3 a pound. This simplified the work of the Department and of the carriers in counting the mail. In both measures the underlying principle of the legislation was to give the carrier a percentage of the revenues he produced. Air mail developed, but not as speedily as it should have developed.

In 1930 the Postmaster General recommended what became the Watrous Act, which entirely changed the method of payment. This act authorized the Postmaster General to grant extensions and to effect consolidations, to pay the contractor on a definite space-weight basis. We found as a result of the passage of the so-called "Watrous Act" the Postmaster General contracting for a great deal of space, far more than was ever used on some lines, and paying as much as $1.25 a mile. We found that the space in some of the ships was used to a very marked degree and in others there was not 5 percent of the space used for postal purposes. So most of the difficulties that developed as the result of the efforts of Congress to develop the Air Mail Service came through the administration of the Watrous Act. Our committee now is very anxious to repeal this obnoxious law. We want to return to a definite fixed-price basis, so that an air mail contractor will be paid in proportion to the work he performs, so that there will be some reason and definiteness to our air mail policy. We feel that the air mail has grown so rapidly that it is now time to terminate the subsidy, at least insofar as the major number of companies are concerned; and in order not to do an injustice to the smaller companies, we believe that for a period of 5 years a reduced subsidy should be continued, until it is finally eliminated.

The CHAIRMAN. The time of the gentleman from New York [Mr. MEAD] has expired.

Mr. ARNOLD. I yield the gentleman 2 additional minutes.

Mr. TABER. I yield the gentleman from New York 3 additional minutes.

Mr. RAMSPECK. Will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. RAMSPECK. I was just wondering if the gentleman has any figures to show whether those companies are performing a service that actually costs more than they receive from the Government, in which event, of course, it would not be a subsidy.

Mr. MEAD. I may say to the gentleman that there are two lines at least that are earning more than they are receiving. There are two or three other companies that are approximately in that same position.

Mr. FOCHT. May I ask the gentleman a question?

Mr. MEAD. Certainly.

Mr. FOCHT. May I ask whether there has been any marked increase in commerce in consequence of this subsidy to the air mail companies?

Mr. MEAD. I think I can say that as the result of our assistance to the Pan-American Lines, which operates through Central and South America and the islands of the Caribbean Sea, we have developed not only more trade and commerce but a goodwill and a better understanding, all of which is most beneficial.

I said a moment ago that the time is ripe for the termination of the air mail subsidy. To prove that assertion let me briefly explain to you just how this particular industry has developed. Everybody realizes that the coal industry, the railroad industry, and nearly every other industry has gone through 3 terrible years and that their revenues have been decreasing rather than increasing. On the other hand, the passenger business and the express business of the aviation industry has increased tremendously, and it is now ready to stand upon its own feet.

Mr. GLOVER. Will the gentleman yield for a question?

Mr. MEAD. I shall be very glad to.

Mr. GLOVER. How much deficit is caused by the air mail service now?

Mr. MEAD. I would say about $7,000,000 would be a very liberal estimate, although it has been estimated as low as $6,000,000 and as high as $8,000,000; but I would say approximately $7,000,000.

Mr. GLOVER. What is the deficit now in the receipts from all sources in the Post Office Department?

Mr. MEAD. For our domestic air mail we are appropriating $14,000,000. It is estimated, as I say, that they will earn about $7,000,000.

Mr. GLOVER. If these evils that are spoken of could be corrected, we could soon return to the lower rate of postage and stop this 3-cent postage that we are now paying.

Mr. MEAD. I am glad the gentleman brought that question up, because in my judgment it was a mistake to increase postage rates.

Mr. GLOVER. I think so, too.

Mr. MEAD. The longer we continue the increase, the more difficult it will be for us to regain the lost volume. In other words, if we have 3-cent postage for 1 year, we might win back the lost business in a period of 3 or 4 years; but if we continue this high rate of postage over a period of years, there is no doubt but that a large volume of business will for a long time remain outside of the Postal Service.

Mr. GLOVER. I hope the gentleman will bring in a bill at this session of Congress to put the postage rate back where it was.

Mr. MEAD. I think we will bring in a bill, and I will ask the gentleman to help us in securing its passage.

The CHAIRMAN. The time of the gentleman from New York [Mr. MEAD] has again expired.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SWICK].

Mr. SWICK. Mr. Chairman, on January 10, 1934, I called attention of this House to certain conditions concerning employment in one of the divisions of the Home Owners' Loan Corporation which appeared to be quite irregular, to say the least. The gist of my remarks at that time called attention to charges made by one of my constituents, to the effect that the Washington Business Bureau, operated by John D. Kendall, located in the Bond Building, this city, had furnished certain employees to the Home Owners' Loan Corporation, after having collected certain fees from them, with the understanding that the employees so placed would continue to pay a percentage of their salary to the Washington Business Bureau in payment for having been placed in employment.

I placed the facts before John H. Fahey, Chairman of the Federal Home Loan Bank Board, on January 9, and re-

quested that he investigate the charges. Mr. Fahey has gone into the matter thoroughly and has submitted a report on the matter which I feel is of interest to the Members of this House.

It is interesting to note that Mr. Kendall claims to have been called upon to supply help to several Government offices. If this is true, those offices should be investigated, and I have advised the Department of Justice that they should endeavor to verify his statement and determine the reason for such request having been made. It is certainly time that we insist on fair treatment of those who seek Federal employment. Employment agencies operating for profit should be impressed with the fact that they are not needed to secure personnel for the Federal service.

With the many charges being hurled at the heads of the C.W.A. concerning unfair—and that is putting it mildly—practices in the selection of workers by some local administrators, we should insist on some drastic action, which would deter those who cannot resist the temptation to exploit the unemployed. I am proud to state that I have not had one letter of complaint from my district relative to C.W.A. employment. The administrators in each of my three counties are to be commended upon the splendid manner in which they have carried on their duties, without the slightest rumor of scandal attached to their administration. They are doing a great work, and are entitled to receive the respect of their communities, and their superiors.

The following correspondence from Mr. Fahey explains the attitude of the administration, which I think is right, and the results of the investigation conducted by him:

FEDERAL HOME LOAN BANK BOARD,
Washington, January 15, 1934.

Office of John H. Fahey, Chairman.

Hon. J. HOWARD SWICK,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: I want to acknowledge and thank you for your letter of January 9, bringing to my attention the fact that one of the employees of the Home Owners' Loan Corporation engaged the services of a local employment agency in his effort to secure additional clerical employees.

Let me assure you that we would not approve this procedure under any circumstances.

I appreciate your bringing the matter directly to my attention.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

FEDERAL HOME LOAN BANK BOARD,
Washington, January 23, 1934.

Office of John H. Fahey, Chairman.

Re: Employment of typists through the Washington Business Bureau.

Hon. J. HOWARD SWICK,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SWICK: Supplementing my letter to you of January 15, concerning the above case, I am inclosing herewith a copy of a report made by our personnel officer after an exhaustive investigation of the matter, both through the office of Mr. Downes and through the Washington Business Bureau.

Mr. Scott's summary reported in his memorandum to my deputy, Mr. Ormond E. Loomis, under date of January 22, is comprehensive. Mr. Scott's investigation fails to reveal any collusion, but does reveal careless stupidity on the part of Mr. Downes in dealing with the employment of typists for the per diem work over which he had charge.

Mr. Scott does not recommend the removal of Mr. Downes, but suggests that the question of his removal be left in abeyance temporarily.

Mr. Downes, through the investigation, has shown a disposition to do the right thing and is not only mortified, but ready to accept whatever judgment we reach with respect to his continuance. He will be glad to resign immediately, or to accept discharge; but, in view of his own financial needs and the fact that he does not appear to have been consciously guilty of misconduct, we are inclined to let him continue, at least temporarily.

Very truly yours,

JOHN H. FAHEY, *Chairman.*

JANUARY 22, 1934.

Memorandum to: Mr. Loomis.
From: Mr. Scott.

I have investigated the matter of the employment of several typists through the Washington Business Bureau, an employment agency. So far as I can ascertain, there are eight who have been thus employed, all of whom have been working under the supervision of Mr. Downes.

Mr. Downes came to me on January 10 and attempted to explain the matter, a memorandum of that call being in the enclosed papers. In answer to my question, Downes stated that he had not previously known Kendall, the owner of the agency. Later Downes phoned that he had talked with Kendall over the telephone and that the latter stated that he had met him at a cocktail party some 2 months previously. In his statement to me Downes indicated that in the beginning Kendall telephoned that he understood there were some typists needed, that he (Downes) confirmed this, and that Kendall thereupon stated that he would send some over. During the course of the investigation Mr. Mackey stated that there was urgent need for the typists and that Downes stated he could get them quickly. Downes states that there were on file no applications of typists who had passed our test. Nevertheless, there must have been hundreds of applications on file. Nor is it shown that those employed through the agency ever passed the test.

I have been able to interview only one of these employees. Her statement is herewith. It will be noted that as soon as she registered, she was sent to Mr. Downes, who immediately employed her. This would indicate that Kendall had advance information as to these vacancies and that there was collusion. In the sworn statement herewith of Amelia L. McHale and Mrs. Dorothy Meade Jackson it is stated that the woman who interviewed them at the office of the employment agency stated that there was just one branch of the Government where the agency could furnish workers, and that was because a Government employee there was a personal friend of Mr. Kendall. It is evident from another statement in the affidavit that Mr. Downes is the Government employee referred to.

Even if Mr. Downes were innocent in this instance, I cannot understand why the applications were not consulted. There seems to have been no reasonable excuse for going to the employment agency. Downes takes full responsibility for this act, but claims that he did so through error. I had about concluded that there was a desire on the part of Mr. Downes to favor Mr. Kendall with some business, and so told Mr. Downes. He, thereupon, made a vehement denial and repeated other statements that he had made to clear himself of the appearances of collusion in this instance. A doubt was raised in my mind, and you will recall that I then asked you to hear Mr. Downes' statement. During the course of the statement he expressed a willingness to write a letter of explanation and also to endeavor to obtain a refund of the money which these employees had paid to Kendall in the form of commissions. His letter is herewith. He makes a straightforward statement, and it appears that he is guilty of a serious mistake, which he admits, but not of collusion. Mr. Downes also brought in a letter from Mr. Kendall, with which was transmitted a check made payable to me in the amount of $39.40, together with a statement of the amount that he had received from each of the girls whom he had placed with the Home Owners' Loan Corporation.

These girls have all confirmed these amounts, and I have cashed Mr. Kendall's check and paid the money to the girls, their receipts being attached hereto. There is one of the girls, Miss Anne E. Wood, who claims to have left $4 on Mr. Kendall's desk when there was nobody in the room. Upon reaching the street she decided that was a foolish thing to do and returned to get the money; but when she got back to the room it was gone. A tall gentleman, who entered the room just as she was leaving, claimed to know nothing about it. She holds herself responsible for the loss of this money.

Mr. Kendall says that he had not the slightest idea of doing anything illegal or unethical when these typists were sent to Mr. Downes, and that in the past he has actually been called upon to supply temporary help to several Government offices. He cites one such place as being in the Mills Building. He states also that he met Mr. Downes at a mutual friend's house. During the evening it came out that Mr. Downes was employed by the Government and might be in need of some help, and that later he had one of his assistants telephone Mr. Downes to ascertain if he needed any typists. Upon learning that some typists were needed, he sent several to see Mr. Downes about the work.

In view of the statements by Mr. Downes and Mr. Kendall, and in view of the fact that the commissions have been refunded to the girls, it is recommended that the matter be allowed to rest, and that Mr. Downes be allowed to remain on the pay roll until the completion of the work upon which he is engaged, and that Representative SWICK and Mr. Roper, who wrote us about the matter, be advised of the outcome of our investigation. I shall acknowledge receipt of Mr. Kendall's letter and send him photostatic copies of the receipts of these employees for the money refunded to them.

GEO. E. SCOTT.

Mr. TABER. Will the gentleman yield?

Mr. SWICK. I yield.

Mr. TABER. This shows that this man was collecting from employees of the C.W.A. a commission for obtaining jobs for them?

Mr. SWICK. It shows that, and it also shows that this money has been paid back, the $39.40, or whatever the amount is that was collected has all been paid back to these employees. I think they have been very fair about it, and I am glad to insert in the RECORD this correspondence, which shows how the matter has been handled by the Department.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, I want to discuss two matters: First, the expenditure of money appropriated by Congress for the relief of the unemployed, and, second, the Rural Mail Service.

PUBLIC BUILDINGS

In this period of distress, when it was estimated there were from 10 to 15 million people unemployed, and when the States were no longer able to cope with the situation, Congress passed the National Recovery Act, authorizing the expenditure of $3,300,000,000 for the relief of unemployment throughout the country.

There has been much discussion as to how the money should be spent to the best advantage, and, of course, there has been much difference of opinion. Each locality is influenced by local conditions. The act itself authorizes the allocation of $400,000,000 for the improvement of dirt or leader roads to connect the various communities with marketing centers.

In my judgment, this appropriation should be increased until every rural- and star-route road is improved. If these roads are drained and improved and inexpensive culverts placed where most needed, they will be passable at all seasons of the year, and reference to a postal map will show that if all of these roads are improved practically every community will be connected with a marketing center. The local authorities, with their own funds, will improve connecting roads.

This road work gives more employment generally than perhaps any other form of expenditure. It enables the workers to live at home and they will be able to save more money. The work is more generally distributed than any other class of work, because work of this kind may be secured in every county throughout the country.

The second class of work I want to emphasize is public-building work. This program should be enlarged. Under legislation enacted May 25, 1926, Congress placed the selection of sites for Federal buildings with the Treasury and Post Office Departments.

In my opinion, each county-seat town in the country should have a public building to house its postal facilities and other Government activities it may have. This applies also to other cities and towns where the population is sufficient and the postal revenues justify it. A county-seat town is regarded as a permanent town. Most of the larger county-seat towns throughout the country are now provided with public buildings. I now have in mind, and want to bring to the attention of Congress, the needs of the smaller towns.

In my opinion, the Office of the Architect could easily and quickly prepare a standard form of building for places where only postal facilities are to be provided for, and while these plans would, perhaps, vary with the climatic conditions, yet a few standard forms could be quickly prepared, sites for the buildings selected, and the contracts let within a comparatively short time. A building program of this kind would relieve the unemployment situation throughout the country. In my judgment, where only postal facilities are to be provided for a building, exclusive of furniture and equipment, could be built for around $10,000. I have not calculated how many buildings such a program would embrace. Exclusive of those places which have public buildings, such a building program would be of very great benefit to the unemployment situation throughout the country.

I am sure if more money were allocated for public buildings throughout the country there would be less criticism of the expenditure of public funds. I earnestly believe that every county-seat town should have a public building; and, I repeat, that exclusive of the site and furniture and fixtures, adequate public buildings could be erected in towns of around 2,500 to 5,000 people, where only postal facilities are to be provided for, at a cost of not to exceed $10,000. The cost of such a program, in my judgment, would be comparatively small, and jobs would be provided for the unemployed and the respective communities permanently benefited, and the Government would be saved large sums now paid out annually in rentals for buildings which in large numbers of cases are not convenient or suitable for such purposes.

THE RURAL MAIL SERVICE

Since coming to Congress I have been deeply interested in the Rural Mail Service. Three years ago the appropriation for this service was $106,500,000. The appropriation carried in the present bill is $82,902,500, or a reduction of $12,097,500 under the appropriation for the year 1934.

The Post Office Department urges that because of consolidations the decreased amount will be adequate. I think the reduction is too great. There is no greater service which the Government renders to the rural population than the Rural Mail Service. In the Eastern States there is perhaps adequate rural mail service, but in some of our Western States extensions to adequately serve the various communities are needed and are being requested. In every case, and almost without exception in my own State, so far as I know, no extensions have been granted and the reason is given that the postal funds are insufficient.

The report of the Postmaster General shows that 1,608 routes were discontinued last year through consolidation; that 19 new routes were established, and that extensions were granted on 15 routes. None of these were in the district which I represent.

The average length of a rural mail route is 34.12 miles. During the last 10 years the report shows a reduction through consolidation of 4,426 routes, and there were on June 30 last 40,013 routes. However, the mileage has been extended on the remaining routes, 175,203 miles being added. The report shows a deficit in the postal revenues for the fiscal year ending June 30, 1933, of $112,374,892. This is a reduction in the deficit of about $25,000,000 under the previous year, and the hope is expressed that the deficit may be entirely wiped out within 2 years. I know how anxious the Department is to conduct the Postal Service within its revenues, but I submit that the Rural Mail Service should not be too greatly impaired and our economies should be along other lines.

Many of the best students of our Postal Service insist that more revenue would be derived from a postage rate of 2 cents on letters than is now being secured from the 3-cents rate. We charge only 2 cents where the letter is delivered out of the office where it is mailed. I believe that as the clouds of depression lift and normal business conditions return, if the 2-cent postage rate is returned the volume of mail will be increased and more revenue will be derived than from the present rate of 3 cents. At any rate all agree that letter mail is carried at a profit and that our postal deficit comes from subsidies and from other postal expenditures.

Applications have been made for extensions of rural routes in a number of places in the district which I represent and, so far as I know, none of them have been approved, in each case the excuse being given that the postal revenues would not justify the increase.

With the building of better roads throughout the country the remote rural sections may now be reached at all seasons of the year and adequate mail facilities should be given them. This would aid the back-to-the-farm movement. Let me repeat, in my judgment, there is no more beneficial service rendered by the Government to the people than the Rural Mail Service. I fear that this appropriation has been too greatly reduced, and I want to express the hope that the Senate subcommittee will give more detailed consideration to the necessity for increasing the item for the Rural Mail Service.

When there are so many applications pending for extensions of rural routes, it seems to me that a reduction of $12,097,500 under the appropriation for the present year for this service is too great. This great army of rural-mail carriers is rendering a continuous, dependable, and beneficial service to the people throughout the country, and there is no more loyal class of Federal employees in the Government service. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, considerable has been said in the last few days, both on the floor and off the floor, in reference to officials of States, counties, and cities holding Federal positions under the emergency administrations.

In 1873 President Grant issued an Executive order which applies t. this subject. The Executive order stands today but slightly modified on various occasions by succeeding Presidents in certain individual cases.

Mr. Chairman, I ask unanimous consent to print the Executive order in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The matter referred to follows:

BY THE PRESIDENT OF THE UNITED STATES—EXECUTIVE ORDER

Whereas it has been brought to the notice of the President of the United States that many persons holding civil office by appointment from him, or otherwise under the Constitution and laws of the United States, while holding such Federal positions accept offices under the authority of the States and Territories in which they reside, or of municipal corporations under the charters and ordinances of such corporations, thereby assuming the duties of the State, Territorial, or municipal office at the same time that they are charged with the duties of the civil office held under Federal authority; and

Whereas it is believed that with few exceptions the holding of two such offices by the same person is incompatible with a due and faithful discharge of the duties of either office, that it frequently gives rise to great inconvenience and often results in detriment to the public service, and moreover is not in harmony with the genius of the Government.

In view of the premises, therefore, the President has deemed it proper thus and hereby to give public notice that from and after the 4th day of March, A.D. 1873 (except as herein specified), persons holding any Federal civil office by appointment under the Constitution and laws of the United States, will be expected, while holding such office, not to accept or hold any office under any State or Territorial government or under the charter or ordinances of any municipal corporation; and further, that the acceptance or continued holding of any such State, Territorial, or municipal office, whether elective or by appointment, by any person holding civil office as aforesaid under the Government of the United States, other than judicial offices under the Constitution of the United States, will be deemed a vacation of the Federal office held by such person, and will be taken to be and will be treated as a resignation by such Federal officer of his commission or appointment in the service of the United States.

The offices of justices of the peace, of notaries public, and of commissioners to take the acknowledgment of deeds, of bail, or to administer oaths, shall not be deemed within the purview of this order and are excepted from its operation and may be held by Federal officers.

The appointment of deputy marshal of the United States may be conferred upon sheriffs or deputy sheriffs; and deputy postmasters, the emoluments of whose office do not exceed $600 per annum, are also excepted from the operation of this order, and may accept and hold appointments under State, Territorial, or municipal authority, provided the same be found not to interfere with the discharge of their duties as postmaster, heads of departments, and other officers of the Government who have the appointment of subordinate officers, are required to take notice of this order, and to see to the enforcement of its provisions and terms, within the sphere of their respective departments or offices and as relates to the several persons holding appointments under them respectively.

By order of the President:

HAMILTON FISH,
Secretary of State.

WASHINGTON, *January 17, 1873.*

DEPARTMENT OF STATE,
Washington, January 28, 1873.

Inquiries having been made from various quarters as to the application of the Executive order, issued on the 17th January, relating to the holding of State or municipal offices by persons holding civil offices under the Federal Government, the President directs the following reply to be made:

It has been asked whether the order prohibits a Federal officer from holding also the office of an alderman or of a common councilman in a city, or of a town councilman of a town or village, or of appointments under city, town, or village governments. By some it has been suggested that there may be distinction made in case the office be with or without salary or compensation. The city or town offices of the description referred to, by whatever names they may be locally known, whether held by election or by appointment, and whether with or without salary or compensation, are of the class which the Executive order intends not to be held by persons holding Federal offices.

It has been asked whether the order prohibits Federal officers from holding positions on boards of education, school committees, public libraries, religious or eleemosynary institutions incorporated or established or sustained by State or municipal authority. Positions and service on such boards or committees, and professorships in colleges, are not regarded as "offices" within the contemplation of the Executive order, but as employments or service in which all good citizens may be engaged without incompatibility, and in many cases without necessary interference with any position which they may hold under the Federal Government. Officers of the Federal Government may, therefore, engage in such service, provided the attention required by such employment does not interfere with the regular and efficient discharge of the duties of their office under the Federal Government. The head of the department under whom the Federal office is held will, in all cases, be the sole judge whether or not the employment does thus interfere.

The question has also been asked with regard to officers of the State militia. Congress having exercised the power conferred by the Constitution to provide for organizing the militia, which is liable to be called forth to be employed in the service of the United States, and is thus, in some sense, under the control of the General Government, and is moreover of the greatest value to the public, the Executive order of 17th January is not considered as prohibiting Federal officers from being officers of the militia in the States and Territories.

It has been asked whether the order prohibits persons holding office under the Federal Government being members of local or municipal fire departments; also, whether it applies to mechanics employed by the day in the armories, arsenals, and navy yards, etc., of the United States. Unpaid service in local or municipal fire departments is not regarded as an office within the intent of the Executive order, and may be performed by Federal officers, provided it does not interfere with the regular and efficient discharge of the duties of the Federal office, of which the head of the department under which the office is held will, in each case, be the judge. Employment by the day as mechanics or laborers in the armories, arsenals, navy yards, etc., does not constitute an office of any kind, and those thus employed are not within the contemplation of the Executive order. Master workmen, and others who hold appointments from the Government, or from any department, whether for a fixed time or at the pleasure of the appointing power, are embraced within the operation of the order.

By order of the President.

HAMILTON FISH,
Secretary of State.

EXECUTIVE ORDER—PARTICIPATION IN THE GOVERNMENT OF ARLINGTON COUNTY, VA., BY FEDERAL EMPLOYEES PERMANENTLY RESIDING THEREIN

Officers and employees of the executive civil service permanently residing in Arlington County, Va., may become candidates for and hold local office in such county and may participate in campaigns for election to such offices.

In the exercise of the privilege granted by this order, officers and employees must not neglect their official duties and must not engage in National or State politics in violation of the civil-service rules. If there is such violation, the head of the department or independent office in which the person is employed shall inflict such punishment as the Civil Service Commission shall recommend.

Officers and employees elected or appointed to offices requiring full-time service shall resign their positions with the Federal Government. If elected or appointed to offices requiring only part-time service, they may accept and hold same without relinquishing their Federal employment, provided the holding of such part-time office does not conflict or interfere with their official duties as officers or employees of the Federal Government.

This order is based upon the facts that Arlington County is substantially a municipality, that a considerable number of the residents and taxpayers are employed in the Government service, that service as local officers in such county should in no way involve general partisan political activity, and that the principle of home rule and local self-government justifies such participation.

The permission granted by this order may be suspended or withdrawn by the Civil Service Commission when, in its opinion, the activities resulting therefrom are, or may become, detrimental to the public interest or inimical to the proper enforcement of the civil-service rules.

HERBERT HOOVER.

THE WHITE HOUSE, *May 20, 1931.*

[No. 5627]

EXECUTIVE ORDER

Whereas by Executive order of January 17, 1873, the holding of a State and Federal office by the same person at the same time, with certain exceptions, was prohibited; and

Whereas it would materially assist the Director of the Census in the taking of the Fifteenth Decennial Census if he were permitted to appoint certain persons holding State or county offices as supervisors of the census.

In view of the premises, therefore, the President has deemed it advisable in certain instances to permit the appointment of certain State and county officers as supervisors of the census. The Director of the Census is hereby authorized to appoint State, county, and municipal officers as supervisors of the census if in his opinion the duties of such State, county, and municipal offi-

cers do not in any manner conflict with the performance of the duties of supervisors of the census, and where the Director of the Census is satisfied that the appointment of such State, county, or municipal officer is for the best interest of the service.

HERBERT HOOVER.

THE WHITE HOUSE, *September 9, 1929.*

[No. 5187]

EXECUTIVE ORDER—PERMITTING PUBLIC HEALTH SERVICE OFFICERS TO SERVE IN STATE, ETC., HEALTH ORGANIZATIONS AND PERMITTING CERTAIN APPOINTMENTS UNDER THE PUBLIC HEALTH SERVICE

Executive Order No. 9, of January 17, 1873, is hereby amended so as to permit officers of the Public Health Service, upon recommendation of the Surgeon General of the Public Health Service and the approval of the Secretary of the Treasury, to hold office in State, Territorial, or local health organizations, in order to cooperate with and aid State, Territorial, or local health departments; and to permit State, Territorial, or local health officials or employees, unless prohibited by law, to hold office in the Public Health Service when the Surgeon General and the Secretary of the Treasury deem such employment necessary to secure a more efficient administration of the duties imposed upon the Public Health Service.

HERBERT HOOVER.

THE WHITE HOUSE, *August 31, 1931.*

[No. 5700]

EXECUTIVE ORDER—PERMITTING PERSONS HOLDING CERTAIN POSITIONS TO RECEIVE APPOINTMENTS UNDER THE DEPARTMENT OF COMMERCE

Executive Order No. 9 of January 17, 1873, prohibiting the holding of Federal and State offices at the same time is hereby amended so as to permit persons holding State, Territorial, or municipal positions to receive, unless prohibited by law, appointments under the Department of Commerce when the Secretary of that Department deems such employment necessary to secure a more efficient administration of the duties of his Department.

HERBERT HOOVER.

THE WHITE HOUSE, *July 3, 1931.*

[No. 5666]

EXECUTIVE ORDER

Executive orders of January 17, and 28, 1873, are further modified as follows:

Officers and employees of the Indian Service serving in a medical or sanitary capacity on a part-time basis may, with the consent of the Secretary of the Interior, also hold State, county, or municipal positions of a similar character.

HERBERT HOOVER.

THE WHITE HOUSE, *September 10, 1929.*

[No. 5188]

EXECUTIVE ORDER

The provisions of the Executive order of January 17, 1873, prohibiting Federal employees from holding office under any State, Territorial, or municipal government are hereby waived to permit Hon. Percy W. Phillips, member of the United States Board of Tax Appeals, to teach in the Summer School of the University of North Carolina.

HERBERT HOOVER.

THE WHITE HOUSE, *June 7, 1929.*

[No. 5133]

EXECUTIVE ORDER WAIVING PROVISIONS OF EXECUTIVE ORDER OF JANUARY 17, 1873, PROHIBITING FEDERAL OFFICERS AND EMPLOYEES FROM HOLDING STATE OR MUNICIPAL OFFICES, AS TO MARTIN CONBOY

Whereas Martin Conboy has been appointed to the Federal office of United States attorney for the southern district of New York; and

Whereas the said Martin Conboy has also been appointed to the State office of special assistant attorney general of the State of New York to conduct (1) the defense of certain actions brought in the supreme court of Erie County, N.Y., by Joseph J. Lunghino against Joseph A. Broderick, superintendent of banks of the State of New York, and others, and (2) investigations and prosecutions pursuant to the proclamation of October 6, 1933, of the Governor of the State of New York convening an extraordinary special and trial term of the supreme court of Kings County on November 1, 1933, for the purpose of inquiring into any and all unlawful acts in relation to the investigation, indictment, prosecution, sentence, and/or commitment in the case of the *People of the State of New York* v. *Jacob Mellon, Edward Lollo, and Morris Rothenberg,* in the county court of Kings County, and for the purpose of inquiring into any and all unlawful acts relating to the conduct of the laundry trade or business; and

Whereas the performance of the duties of the said Martin Conboy as special assistant attorney general of the State of New York with respect to the above-mentioned matters will be to the public interest and will not prevent the faithful discharge of his duties as United States attorney of the southern district of New York;

Now, therefore, by virtue of the authority vested in me under section 1753 of the Revised Statutes of the United States (title 5, U.S.C., sec. 631), the provisions of the Executive order of January 17, 1873, as amended, prohibiting, with certain exceptions, Federal officers and employees from holding State or municipal offices, are hereby waived as to the said Martin Conboy in connection with the performance of his aforesaid duties as special assistant attorney general of the State of New York.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *December 21, 1933.*

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I am deeply appreciative of the honor that has come to me in the call to service on the important Committee on Appropriations, and on the subcommittee dealing with the Treasury and Post Office Departments.

The gentleman from Texas [Mr. BUCHANAN], the generalissimo of the full committee, is a lovable leader who rules with the scepter of comradeship.

The gentleman from Illinois [Mr. ARNOLD], chairman of this particular subcommittee, is a wise and safe counselor with a broad vision and a most comprehensive knowledge of the multifarious and varied activities of the Government. It is a pleasure and a privilege to serve under a chairman of such distinguished ability.

It has been a delight, too, to me to serve with the gentleman from New York, JOHN TABER, the able and alert ranking representative of the opposition party; with the gentleman from New York, JOHN BOYLAN; and the gentleman from Michigan, CLARENCE J. MCLEOD, all patrotic and devoted servants of the people.

During the prolonged hearings and conferences incident to the framing of this bill there has not been the slightest trace of partisanship in evidence in this subcommittee. All of the members have applied themselves devotedly to the public interest in many days of tedious labor with the single thought uppermost of doing in every circumstance what was best for the American people.

I was immensely pleased, too, when the chairman of our subcommittee paid that deserved tribute a few moments ago to Marcellus C. Sheild, the clerk of the Appropriations Committee. Mr. Sheild's situation is a most trying one, but his ability and scope of knowledge meet every test. I know of no better description of Mr. Sheild than to say that he is a phenomenon of efficiency in a most important and difficult position.

Mr. Chairman, the subject matter in this bill is so comprehensive and extensive that in 5 minutes I could not even touch the outer fringe of it, but I should like to address myself for the moment to one problem, and that is the problem of the domestic Air Mail Service.

I hope that in our zeal to uproot crookedness in the public service we will not go to emotional extremes and blindly crucify the air mail.

If there has been crookedness in the Air Mail Service, I hope it will be ruthlessly exposed; and if there are existing contracts into which the element of fraud enters, I hope those contracts will be vitiated and that the contractors guilty of fraudulent practices will be banned from any future dealings with the Government and will be allowed to sojourn for a time in the penitentiary.

Whether or not such frauds have been perpetrated no doubt will be brought out in due time by the Senate committee that is investigating this subject, and which apparently is doing its work with great thoroughness.

Meanwhile it has seemed to our House Committee on Appropriations that it would be unwise to kill the patient while trying to effect a cure. It has seemed to our committee that the sound, safe, and conservative way of handling this subject, awaiting further developments, is to maintain the status quo by declining to appropriate the additional millions recommended by the Post Office Department and the additional hundreds of thousands recommended by the Bureau of the Budget and maintain the cost of air mail at exactly the same outlay that is being expended in the fiscal year 1934, namely, $14,000,000.

This program permits the continuance of existing air mail activities without restoring any of the service that was cut off in the retrenchment that was forced by the

reduced available funds to carry on the Service during the current fiscal year.

The total investment of the Government in Air Mail Service up to the present time is around $86,000,000. With that amount involved as an investment, it would seem to be sound policy not to wreck the Service or to seriously impair it until a permanent program for the future can be worked out by legislative and administrative action.

The growth of Air Mail Service is graphically illustrated by the fact that 2,000,000 miles were flown in the entire fiscal year 1926, while the Service is now being carried on at a rate of over 2,000,000 miles every 15 days, or approximately 50,000,000 miles flown a year. The contractors took a cut last year ranging from 21 to 31 percent, and they are willing to carry on under that reduced appropriation during the next fiscal year.

As one who would like to see the Air Mail Service maintained and reasonably developed, with every cent of graft squeezed out of it and with every cent of subsidy eliminated as soon as that can possibly be brought about, I believe the program proposed by your committee is the one that should be followed by Congress. I think it would be utterly unwise to increase the appropriation beyond the amount which is believed to be necessary to maintain the existing services, and likewise I should very much regret to see the Service wrecked by too drastic a program of retrenchment.

I believe it is a good policy just now to mark time and to stand on the appropriation which measures the cost of service for the existing fiscal year. I think we should not fail to take into consideration as an argument against an increased appropriation and for the actual amount expended this year a probability that through enactment of the proposed Mead-Kelly bill it will be possible within 3 or 4 years to squeeze all of the subsidy out of the domestic Air Mail Service, and a considerable part of it just as soon as that act goes into effect.

By placing the Air Mail Service on a pound-mile basis instead of on mileage-flown basis the Mead-Kelly bill will write finis to subsidies in the Air Mail Service. In the case of transition from the mileage-flown basis to the pound-mile basis, there would be a period when some of the desirable weaker air mail lines may have to be paid some subsidy, but right at the outset a number of the stronger companies will voluntarily accept the new basis of pay and relinquish all claim to subsidy, thus giving the new system of payment an impetus that will go far to insure its ultimate successful fulfillment.

It is interesting to know that some of the transcontinental air mail trunk lines are actually bringing more revenue to the Government than they are receiving in pay at the present time. In the case of those companies subsidy is even now a fiction. The Transcontinental & Western Air Mail Service and the Northern Transcontinental Co. are two of these companies which I understand now carry more mail than the service on those lines costs.

With the prospect so promising that the day is not far distant when by legislation we will eliminate subsidy entirely from the Air Mail Service, I would like to impress upon the House what I regard as a sensible view of this whole matter, namely, that we maintain for the present, the skeleton Air Mail Service that is now in existence without restoring any of the suspended service or taking on any new contracts, and the way to maintain the existing service, pending the time when the problem can be worked out satisfactorily, is to vote for the appropriation of $14,000,000 carried in this bill.

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, I have in mind the extension of the post-office service to a somewhat new duty. It is not an original suggestion with me. It comes from many of my constituents. It is to invest the Post Office Department with the duty of collecting the partial payments from those persons who are the recipients of loans from the Home Owners' Loan Corporation.

I believe that the Home Owners' Loan Corporation has instructed its borrowers to make their monthly payments direct to Washington. This plan does not seem to be satisfactory. The borrower in the past has made his monthly installment payments on his loan to the office of a building and loan association or to some bank which represents insurance companies. In return the borrowers were given an installment book in which credit was entered for payments made. This plan seems to appeal to borrowers.

I find that in my home city of Canton many of these borrowers do not seem to understand the system now in vogue of sending their monthly payments to Washington. They are familiar with the routine of the post office, know its officials, and feel they ought to have the opportunity to make local payments at the post office. This matter has been suggested to the Home Owners' Loan Corporation, and I am presenting it at this time in order to get the reaction of the House of Representatives.

I may say in conclusion that the Home Owners' Loan Corporation has had unusual success in the district I represent. I understand in some parts of the country it has not been so successful, but in my four counties over 600 loans have been made up to date. A very fine organization is in existence. Now that there is a prospect of guaranty of both the interest and principal of the bonds issued by the Home Owners' Loan Corporation, more and more applications for loans are being made.

I should like to ask a member of the Post Office Committee present whether any proposal has been made to that committee with reference to having the local post offices undertake the collection of these installment payments to the Home Owners' Loan Corporation?

Mr. JOHNSON of West Virginia. Mr. Chairman, I may say that no such proposition has been made to the Post Office Committee. I have listened to the statement of the gentleman with a great deal of interest, and I am concerned about the same thing the gentleman refers to and have had requests along the same line. I should be very glad if the gentleman would appear before that committee and make a statement to that end so that we might take such steps as we may agree to take.

Mr. THOM. The gentleman sees no reason why such a plan could not be adopted?

Mr. JOHNSON of West Virginia. On the contrary, and at first glance, I would say it would be very helpful.

Mr. GLOVER. Will the gentleman yield?

Mr. THOM. I yield.

Mr. GLOVER. I am sure something should be done, but it strikes me that the head office in each of the States ought to collect the interest on these bonds and then forward it to the head office in Washington. It is very cumbersome to have to send this money from all parts of the country to Washington. The same agency should be set up in each State, and my idea is that the parent office in each State ought to be the collecting agency in that State and forward the collections from that office to the head office in Washington.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Chairman, referring to the remarks which I made on the floor of the House yesterday in regard to the present gold bill, I rise to say that information of the greatest importance has just come to me. I want to say to the Membership of this House, to the Membership at the other end of this Capitol, to the gentlemen who are there considering this bill, that the passage of this bill is going to bring forth great international complications.

I call the attention of the House to the fact that this morning in London the British Cabinet met and broke up in disagreement over the question of gold revaluation in the

United States, which subject at this moment is under consideration at the other end of the Capitol.

The British Cabinet has just sent a message to their Ambassador in Washington, Sir Ronald Lindsay, requesting definite information as to just what the value of the gold dollar is going to be. I direct attention to a speech made by Ramsay MacDonald at Leeds night before last, in which he had much to say about this question of the stabilization of the pound with our depreciated dollar and which apparently resulted in the meeting of the British Cabinet this morning.

I again want to warn, with every bit of vehemence I can express, the danger to this country of the action which is about to be consummated by the Senate.

Great Britain is out to control this situation. I predict now that if this bill passes the Senate we are going to have serious conflict not only with Great Britain but with every other country that is involved in international trade relations with us.

Mr. TABER. Mr. Chairman, I yield myself 25 minutes. I ask unanimous consent to revise and extend my remarks in the RECORD by inserting a little table showing the sums that will be available for the departments involved in this bill, with the appropriations carried here, the permanent appropriations, and the allotments so far as we know them.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, before I proceed with the discussion of this bill I want to say to the Members of the House that I have never worked upon a committee where there was more of a desire on the part of all members of the subcommittee to try to do what each one thought was right than was apparent in the operations of the Treasury-Post Office Subcommittee this year. The chairman, Mr. ARNOLD, was especially courteous, and when we were all through we reached an agreement upon the different items that are carried in the bill. Frankly, each one of these items does not represent what any individual member of the committee thought ought to be done, but represents what was worked out after a full and fair discussion.

There are a few things that I desire to call attention to in connection with the bill.

In the first place, there are a few items of supplies in connection with which deficits will be created if the present price level maintains. In the Coast Guard the supplies, if bought on the present market, would run $800,000 above what is carried in the bill. The best estimate I can make of the other supplies in the bill is that if they were bought on present prices they would probably run a million dollars above what is carried in the bill. These figures were all based on costs in the year 1933 when prices were somewhat lower. Whether they will be higher or lower, or whether a deficit of perhaps $2,000,000 will result I do not know, but a deficit will result unless prices drop off again.

There are two or three other items which have generally been carried in the normal appropriation bill as to which there will be deficits. In the first place, there will be a deficit with reference to the operations of the Comptroller's office in connection with banks. The appropriation of $2,000,000 which was made last March will be exhausted, as I understand it, before this fiscal year is over, and we will probably be called upon to make another appropriation. I do not know exactly what this will be, but possibly a couple million dollars.

Besides that there will be a deficit growing out of the failure to provide an estimate for the enforcement of the liquor-tax law. We will have to have quite a considerable amount of money to do that. Just exactly how much and in what way we do not know, because no estimates have been brought to us as yet by the Bureau of the Budget. I expect this will probably run into a very considerable amount.

The old Prohibition Bureau was in the Department of Justice. Under the law as it stands today, without a transfer of functions on the part of the Executive, there is no authority for the Department of Justice to proceed with that operation. It is going to be necessary to set up practically a new unit in the Bureau of Internal Revenue for that purpose.

These are the items of deficit that we know are in sight.

There were several items that came up during the consideration of the bill. In the first place, there were allotments from the P.W.A., both current and prospective, into the fiscal year 1935.

The current allotments from the Public Works Administration amount to $24,845,300. These allotments were divided, $13,693,400 to the Coast Guard, $1,051,900 to the Public Health Service, $10,000,000 for public buildings, and $100,000 to the Treasury for United States relief of contracts.

In the next fiscal year there already has been made available, after July 1, out of the $3,300,000,000 appropriation, which was made last June, $11,139,900 for the Coast Guard, $90,000 for the Public Health Service, and $22,000,000 for public buildings, or a total of $33,229,900. The Coast Guard will cost not so far from what it has in the past with these allotments.

The Coast Guard is being provided with a lot of new cutters. It seems that with the advent of prohibition the officers of the Treasury Department and the Coast Guard do not feel there is to be a large let-up in the activities of the Coast Guard in connection with the prevention of rum smuggling. We were told that with a duty of $5 per gallon upon spirits and a tax of approximately $2 by the Federal Government and approximately $1 in most of the States—more in some and less in others—making a total of $8, there was expected to be a very considerable amount of rum smuggling, as to which an effort would have to be made to prevent it. If I recall correctly, the total amount available to the Coast Guard, with these items, will be something like $34,000,000 or $35,000,000 in the next fiscal year.

A large portion of these allotments from public works is for the purpose of normal repairs upon buildings and for the purpose of boat replacement, which is a normal, recurrent item and which has heretofore been carried in the regular appropriations.

This bill, as I understand it, carries, in the way of direct appropriations for the Treasury Department, $149,842,330. It is hard to get the exact figure which compares with this for the current year, because there have been so many transfers of appropriations in and out. The amount available for expenditure for the regular activities of the Department, which is comparable, was not very different, except in 1934 there was available for tax refunds $55,000,000, and this year we are carrying $40,000,000.

The total permanent appropriation for the year 1935 is $1,363,494,072, and the total permanent appropriation the year 1934, which Congress does not have to pass upon from year to year, was $1,278,738,072, or an increase of approximately $85,000,000 for the fiscal year 1935 over the fiscal year 1934.

Mr. BLANCHARD. Will the gentleman yield?

Mr. TABER. Yes.

Mr. BLANCHARD. Do those figures also include capital investments?

Mr. TABER. These figures are very largely for interest on the public debt, debt retirement, and sinking-fund purposes. There are some items, such as debentures or drawbacks, bounties, and allowances under customs of $7,000,000, repayments to importers for excess of deposits, $4,000,000, redemption of stamps $1,000,000, which are routine matters, and then a lot of other small items.

The total available for both departments in this bill against the amount that was available for expenditure, including allotments that have already been made from Public Works, for 1935, was $2,218,107,242, and for the fiscal year 1934, which we are now in, $2,166,587,139, or an increase of approximately $52,000,000.

The following table shows the funds available to the two Departments from all sources in the fiscal years 1934 and 1935.

	Available, 1934	Appropriations and allotments, 1935
Treasury Department:		
Direct appropriations	$218,966,020	$149,842,330
Permanent appropriations	1,278,731,072	1,363,494,072
Transfers P.W.A.	24,845,300	33,229,900
Total, Treasury Department	1,522,542,392	1,546,566,302
Post Office Department:		
Direct appropriations	643,872,147	670,850,940
Permanent appropriations	165,000	165,000
P.W.A. allotments	7,600	525,000
Total, Post Office Department	644,044,747	671,540,940
Total for bill	2,166,587,139	2,218,107,242

There is another feature of the bill to which I think I should call your attention. There has been set up in the Treasury Department what is known as the Procurement Division under Admiral Peoples, who is now Chief of the Bureau of Supplies and Accounts in the Navy, and who occupied that same position during the World War. He is a man of considerable ability. The Division has not been put in operation to such an extent that anyone can say how it will work out or just how far it will go. Of course everyone realizes that if it attempts to take over, as permitted to do under the order of the President, all of the purchasing activities of the Government, it will become so cumbersome that instead of showing a gain to the Government it will show a loss. There are, undoubtedly, however, a large number of items that can be consolidated into the purchasing of one unit where savings might be effected. I hope something of this kind will work out, but this is not very much different from the old supply committee for which appropriations have been carried under the Treasury Department for a long time. No one can tell anything about how this will work out.

Another thing I feel I should call to the attention of the committee is the matter of retirements in the Post Office. There have been approximately 4,065 retirements under the 30-year rule, which was established here, under which the Department has the right to force retirements if it desires to do so.

As a result of this there have been some eliminations in the number of employees and some consolidations in mail routes. I think it is estimated that there will be for the fiscal year 1935, in the Post Office Department, something like 2,000 retirements and consolidations of R.F.D. routes. These retirements are estimated to save $1,000,000, according to the information we were given, or approximately $500 for each one.

This saving will not be reflected until the carrier who is retired dies. During the time he lives it is going to cost the Government a little better than $900 to make its contribution toward his retirement, and instead of showing a gain in some of these figures, the operation is going to show a decided loss.

There have been one or two things where there has been a transfer of money from one fund to another which I ought to call to the attention of the House.

Mr. MAPES. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MAPES. The gentleman spoke about the consolidation of rural routes. Does the Department take into consideration in making the estimate of the saving on account of consolidations the fact that the retired carriers receive or are paid retirement pay?

Mr. TABER. By the Government?

Mr. MAPES. Yes.

Mr. TABER. No; they do not; because if they did, the consolidation would not show a gain but a loss.

Mr. MAPES. Then when the Department says it is going to make a saving of a thousand or twelve hundred dollars, it really ought to deduct from that amount the retirement pay of the retired employee.

Mr. TABER. Perhaps not exactly, because the retired carrier will die sometime; and when he dies, that $900 per year is not paid; but I think it should be amortized.

The facts are told on page 84 of the hearings.

Now, there is another item that I should like to call to the attention of the Committee. There was allotted money to spend for rural sanitation. I think the gentleman from Indiana, Mr. LUDLOW, called attention to this a year ago. It appears that the Government was going onto private property in the country and building toilets for farmers and other people in the country with the object of showing them how to build such things. They built them of concrete and wood, and in a great many cases they planted roses and vines to cover them and beautify them.

As I understand, the expenditure from the allotment from P.W.A. was approximately $5,000,000 in this fiscal year. It hardly seems to me that that was a proper outlet for public funds, but that is not the only thing that I desire to talk about at this time.

At Reedsville, W.Va., there is a proposition that several of my colleagues have called attention to within the last few days; the gentleman from Indiana, Mr. PETTENGILL, the gentleman from New York, Mr. REED, and the gentleman from Connecticut, Mr. MERRITT, called attention to this project, where $525,000 is allocated to build a factory to make certain furnishings for the Post Office Department that are now manufactured by private industry. One is the Keyless Lock Co., in Indianapolis; another outfit is located in New York and another in Connecticut. There can be but one result from the organization of such a factory under the Post Office Department. It will not relieve the depression; it will destroy private business.

If the object of the P.W.A. is to destroy private business, to hit at the small manufacturer and drive him out of business, that is just what the allotment will bring about.

I consider this allotment of $525,000 to wipe out private industry one of the most flagrant abuses that the bureaucrats have ever committed in this country.

I hope that calling attention to these things will stop this outrage before the factory can be constructed, and if it is started, then stop it on its way.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. LUDLOW. I agree with the gentleman 100 percent in his attitude toward this idea of the projection of the Government into competitive business. I state for the information of the gentleman that while the allotment has been made, the project has not actually been consummated, and I think I am warranted in saying that it is going to receive further consideration. At least I hope so. The humanitarian purpose back of this project is admirable, but it violates fundamental American philosophy and, in my opinion, establishes a dangerous precedent.

Mr. MILLARD. Is it before the Postmaster General now, or the Secretary of the Interior?

Mr. TABER. It does not appear in the allotments that appear on pages 80–A and 81–A of the Budget. My understanding is that the allotment was made to the Post Office Department in October before the close of the period covered by these pages.

Mr. MILLARD. So it is now up to the Postmaster General?

Mr. TABER. I am not sure, because the figures do not show, but it is somewhere, and it ought to be stopped before it can go any further.

Mr. MILLARD. I agree with the gentleman; it is an outrage.

Mr. LUDLOW. The allotment was made to the Post Office Department, with the commission of the whole matter to that Department to execute it. As I said awhile ago, I think the matter is having further consideration. I do not know what the final outcome will be.

Mr. TABER. I believe that is an item where every man in this House will agree that a withdrawal of the allotment and a transfer of that sum to some of the C.W.A. operations

might perhaps be providing some relief, and should be made right now.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MAPES. Confirming what the gentleman from Indiana [Mr. LUDLOW] has said, I have had occasion to look this matter up, and the office of the Secretary of the Interior, who has charge of the P.W.A. work, informs me that the allotment has been made, and that the matter is now entirely in the hands of the Post Office Department.

Mr. TABER. I call the gentleman's attention to a fact that I think might be very useful to him and to the gentleman from Indiana in their operations. Awhile ago an allotment was made to the Department of Commerce for the Coast and Geodetic Survey of $6,463,120, and that allotment was withdrawn, thereby establishing a precedent for withdrawing this, without going anywhere else.

Mr. MAPES. Personally, I filed a protest with the Secretary of the Interior and the Postmaster General both, asking, if possible, that the plans be reconsidered and the project abandoned. Does the gentleman from New York think it would be possible to put through Congress an appropriation if the Members knew in advance that the money was to be used, as it is proposed to use it in this case, at Reedsville, W.Va., to build a furniture factory?

Mr. TABER. I do not think it would get 10 votes on the floor of this House.

Mr. MAPES. Is not that the curse of Congress making appropriations and giving anyone a blanket commission to use the money as he sees fit?

Mr. TABER. Congress has been criticized for pork-barrel legislation, but Congress cannot hold a candle to the bureaucrats.

Mr. LUDLOW. Echoing what the gentleman says, I think there are quite a number here that hope, as he does, that this project will be withdrawn. As far as I have been able to sense the situation, sentiment in this House is practically unanimous against it. We consider it altogether inadvisable, and believe it would be a very bad practice, to establish an industry that might be the opening wedge perhaps in the future to the nationalization of industry.

Mr. TABER. I want now to say a word about the air mail situation and the ocean mail situation. In my opinion, that has been handled by the committee as well as we could handle it. Unless there is absolute definite proof, we cannot deduct from these items some particular item, and nothing of that kind has been brought up to us. The Department tells us that they have not got it as yet, and the Black committee has developed nothing of that sort as yet. The whole matter is up in the air. Whether finally they will get anything on any of these contracts I do not know. If there is any contract over there which is illegal or bad, it ought to be wiped out, and we ought not to carry money for it, but until we know something about it I do not see how we can escape the responsibility of the Government meeting its obligations. If the contracts are honest and valid, and were made fairly in the interest of the Government—and we cannot say to the contrary unless we know—then we have got to go through and meet the obligation of the Government.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. MCKEOWN].

Mr. MCKEOWN. Mr. Chairman, yesterday our distinguished friend from Michigan [Mr. HOOPER] discussed the discharge of Commissioner Humphrey. I have no feeling at all in the matter, because I have known Mr. Humphrey for many years and served with him in Congress. But because of his viewpoint I think there is no question but that the President of the United States owed it to the American people to ask for his removal. If gentlemen will note the correspondence, which I read carefully, they will find that the President hesitated. He wanted to do it nicely; he did not want to hurt his feelings, and he suggested to him that he might get off that Commission. Here is the situation: The President of the United States has ideas of economics which are entirely opposed to the heretofore-known expressed ideas of the Commission. It is necessary that these commissions which we create should function, but there is no doubt that the policies of the Executive in carrying out a great program are entitled to have the support of these independent commissions. These independent commissions were created, and the appointing power was given to the President. A former illustrious President of political faith opposite to mine tied these Commissioners down with a request for their resignations before they were appointed.

A great many criticized him about it. I did not criticize him, because he wanted cooperation. He wanted cooperation in the policies of the Government for which he was responsible, and he required them to give him a resignation when they were appointed. So he had the resignation in his hands already. As to the legal question, of course, I am not going to enter into any discussion of that, because that will be a question that will go to the courts to be determined.

The proposition simply narrows itself down to this, that the Executive, with new ideas, new economic theories, new thought, in order to succeed, must have the cooperation of the different commissions.

But I did not rise particularly to discuss that question, except incidentally. What I arose to talk about is what is happening to the Members from the far stretches of the West in regard to our small public buildings. I led a fight in this House on several occasions against surrendering the power of Congress to establish this Interdepartmental Commission. I fought it to the bitter end. They finally overrode me and pushed me into a back seat, and so I sat down and was good. The Interdepartmental Commission developed to be a splendid Commission. They told me this: "You will be agreeably surprised at the fairness with which we deal with this." I have nothing but the best things to say about this Commission, because it labored hard and worked out a fair and just distribution of this money for public buildings. Now, what has happened? We took away from them the right to go on and construct these buildings, and they have allotted this money to some public works somewhere.

Instead of carrying out the program as set out by the Interdepartmental Commission, they have taken a lot of the money and put it into a lot of buildings that we never heard of, and they have cut every one of my little buildings right square in two. They have put in a lot of substations in Chicago, and they spent $2,000,000 in Chicago on substations, one of them to be around the stockyards.

Mr. DONDERO. Will the gentleman yield?

Mr. MCKEOWN. I yield.

Mr. DONDERO. They have cut a post office back in my district almost 50 percent.

Mr. MCKEOWN. They have cut mine right square in two. Oklahoma only had $600,000 under the Interdepartmental Commission. They gave me $103,000 for two really good towns. They are not little abandoned places, but they are real, progressive towns, paying from fifty to sixty thousand dollars a year revenue into the Government, and they have cut those down to $53,000. My people have said, "We do not want that kind of building. We would not build a thing like that if we were building it ourselves."

I received an amusing letter the other day from the Secretary of the Interior, in which he stated, "If they are not pushing work in your district on public works, please let me know, because we want to push them right out." Lo and behold, there has not been a thing done in my whole district, so I cannot push them. There is no chance to push them. [Laughter and applause.]

This Public Works program is coming back here again, gentlemen, and I want you in this House to see what they have done with this money and where they have allocated it. If you Members of this House are willing to go along with me, I am willing to earmark some of this money and see that it goes to the places where it ought to go. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MCKEOWN] has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I cannot let this opportunity pass without expressing my appreciation to the members of the Appropriations Subcommittee on the Post Office and Post Roads for having brought to the House for consideration this well-balanced and constructive bill H.R. 7295. Particularly is the committee to be complimented for the manner in which it has provided for the upbuilding and maintenance of our merchant marine by adequately providing for the continuance of mail contracts.

The Merchant Marine Act of 1928 has often been referred to as one of the most constructive acts adopted by Congress during the past 50 years. Since the enactment of this law Congress has appropriated approximately $150,000,000 for what is known as "construction-loan fund" provided for under the act. The money has been loaned to American shipowners at a very low rate of interest. The Commission loans as high as 80 percent of the construction cost of a vessel. The act also provides for contracts and also provides for a subvention—bonus. Contracts carrying subventions are entered into by the Postmaster General with mail-carrying steamship companies. These loans and generous subventions are justified on the ground of national defense alone. Without them a modern merchant marine would be impossible. Without them the shipbuilding business of the United States would diminish to almost nothing. As a result of them, new markets have been created for our surplus products, and American shipyards have been doing a profitable business and have been giving employment to thousands of American workingmen.

In the past the purpose of the act has been misunderstood by some Members of this House. The outlays made by the Government pursuant to the provisions of the act are not to be gaged by direct and immediate returns to the Government in the form of profits, nor with strict reference to the extent of commercial value of the immediate carrier service rendered. The advances are made for the primary purpose of the upbuilding and maintenance of a merchant marine. This purpose can be served only by the creation of ships of efficient type, the establishment of regular services upon which shippers can depend and the inauguration of trade routes which will become permanent arteries of an expanding ocean commerce. This policy was forcibly brought to the attention of the Senate Committee on Post Offices and Post Roads during the last session of Congress by an important trade organization whose membership includes representatives of Ohio, Michigan, Illinois, Indiana, West Virginia, Iowa, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Missouri, Kentucky, and Tennessee. It is known as the "Middle-West Foreign Trade Committee." It speaks for important agricultural, industrial, and business groups, in the Midwestern States referred to. Declaring that the uncertain status of American shipping, owing to attacks in Congress, has created misgivings on the part of American shippers who otherwise would be disposed to use American vessels, the chairman of this trade committee stated that such attacks give a distinct advantage to foreign shipping interests in the competition for American export business.

We are discouraged to find—

Said he—

that every time an appropriation bill comes up for passage there are proposals to destroy what has been accomplished in the upbuilding of American steamship lines. This discredits us in the face of the whole world, due to the fact that our foreign competitors are frankly expecting the collapse of the American merchant marine every time Congress meets. Representatives of foreign lines say to our shippers: "Why not patronize a well-established foreign line whose government is always behind it?"

They capitalize the attacks in Congress on our shipping and assure the American shippers that no continuity of service is to be expected from the American merchant marine.

Speaking particularly for the business of the Middle West, he continued:

Our people of the Middle West are 800 miles or more from the sea. We are compelled to depend on established and continuing services. We must have regular dependable schedules of sailings. Our exporters are not situated like the man at or near the seaport, who can avail himself of occasional sailings or tramp ships. Our people must make arrangements for shipping far in advance and must know that the line will have a ship on a certain date.

This is obviously true, and such unwarranted attacks as heretofore made on this floor should cease. It was the ocean mail contracts which seemed particularly inviting to this form of attack in the past. The fact that they are not intended as mere compensation for the transportation of mail has been lost sight of entirely. They are the channels through which the assistance of the Government is passed and are designed to offset the difference in cost of operation between American and foreign vessels owing to the higher wages and operating costs of American-built and American-manned ships. It must not be forgotten that the Government imposes substantial burdens in return for its aid. It stipulates the routes on which the vessels receiving assistance shall be operated and the frequency of their sailings. Each line obligates itself to build new vessels—of the best equipped and most suitable types—on plans approved by the Navy Department, and as to old vessels to reconstruct or recondition them so they will be suitable as naval or military auxiliaries in time of war or national emergency.

There were completed under the requirements of these obligations during the past year 11 modern vessels of 113,176 tons, which were built in American shipyards at a cost to the contractors of approximately $46,810,800. The contractors also reconditioned existing vessels with tonnage aggregating 60,527 tons at a cost to them of approximately $1,623,100. These new vessels were also constructed according to plans and specifications approved by the Secretary of the Navy, with particular reference to economical conversion into auxiliary naval vessels.

It is not fair to attack these contracts as extravagant without having in mind all the considerations which the Government receives in return, including the assurance which is provided by efficient ships and fixed sailings that our trade routes will be kept open to our foreign markets and our foreign sources of supply. Our merchant marine has made wonderful progress since the enactment of the Jones-White Act. American steamships have more than held their own with foreign competitors despite the depression.

We should conserve our gains and maintain the progress already made, and give notice to the world that the Government support of our merchant marine is consistent, and not spasmodic, thereby assuring the American shippers that our merchant marine is firmly established and here to stay. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Chairman, in view of some of the things that have been said here and elsewhere about the Civil Works Administration, it may not be inappropriate for me here and now to pay my tribute to the great good that has been accomplished, in my country at least, by the activities of the Civil Works Administration and to pay tribute also to the very fine executive ability that has been displayed in the administration of the funds allotted to it.

What I wish to speak about today, of course, concerns Alaska. I observe on page 53 of the bill an item which reads as follows:

For inland transportation by star routes in Alaska, $132,000.

A reference to the report shows that the appropriation for the former fiscal year was $135,000, and that the Budget set up the same amount for the fiscal year 1935; but in committee this amount so set up by the Budget was reduced to $132,000, a cutting down in the amount of $3,000. This may not seem much to you, but it may result in the Territory of Alaska's preventing the giving of mail service to some community of citizens of the United States to whom mail means more than it possibly can mean to you. I think this cutting down in committee is the result of a misunderstanding, and I arrive at that conclusion from a reading of

the hearing at pages 170 and 171. I find here on page 170 of the hearings the following:

INLAND TRANSPORTATION OF MAIL BY STAR ROUTES IN ALASKA

Mr. ARNOLD. For inland transportation by star routes in Alaska, the appropriation for 1934 was $135,000, and your estimate for 1935 is the same amount. You have available this year $135,000.

Mr. TABER. And spent $130,701 in 1933.

Mr. ARNOLD. Those contracts extend over, do they, on the same basis for 1935?

This refers to the year 1935, the fiscal year 1935.

Mr. Donaldson, from the Post Office Department, answered, "Yes, sir."

Evidently, Mr. Donaldson was laboring under a misapprehension as to the year involved because the star-route contracts in Alaska terminate on June 30, 1934, and do not extend over into 1935. I know this, because I have been to the Post Office Department and discussed it. Officials of that Department tell me that every star-route contract in Alaska was advertised for last summer; that the bids have been received; and that when they get around to it, they will award the contracts for the fiscal year 1935 and the three succeeding years. Therefore, there is an error somewhere in transcription, or else there was a misapprehension on the part of Mr. Donaldson.

I suppose the committee, seeing that only $130,701 was spent in the fiscal year 1933, thought $132,000 would be sufficient for the fiscal year 1935. But in the meantime and after this hearing was held, as I understand, the bids have come in; and now I am informed by the Post Office Department that the total of the lowest bids for this service for the fiscal year 1935 will exceed $135,000. I do not know how we are going to get mail service in some of those regions unless the amount is increased.

Mr. Chairman, I know how futile it is for me, as Delegate from Alaska, to offer an amendment to this bill unless the committee will accept the amendment. Therefore, I respectfully request the committee to again consult with the officials of the Post Office Department and determine whether or not this amount of $132,000 is not really based upon a misunderstanding and whether it should not be raised to $135,000. As I intimated a moment ago, if this is not done, some of us somewhere in Alaska will suffer from lack of mail service.

In this connection it is worthy of note that the cost of the star-route contracts in Alaska has been coming down slowly but steadily for a good many years, with some variations, and those variations are dependent, I think, upon the necessity of giving emergency contracts where the regular contracts fail. Taking the figures from the Statutes at Large showing appropriations made for the star-route service in Alaska we find the following sums provided for the fiscal years indicated: 1927, $170,000; 1928, $165,000; 1929, $155,000; 1930, $165,000; 1931, $175,000; 1932, $165,000; 1933, $150,000, of which apparently $130,701 was used; and for 1934, $135,000.

I know how the amount came to be so low for the fiscal year 1934. We have no regular contracts for air mail service in Alaska the same as you have in the United States. Nevertheless, several years ago a man named Frank Dorbandt, who was a skillful and bold pilot, determined that he ought to make bids for himself and associates for some of these star-route contracts. He was a better pilot than financier, because he underbid the old dog-team contractors in some cases by as much as 50 percent. Of course, he got the contracts; and, of course, he lost money. He and his associates, losing money, sold out to another company, and this other company lost money and finally sold its assets to the present operating company, the Pacific-Alaska Airways, which, as I understand, is a subsidiary of Pan American Airways. In the meatime, the contracts have been fulfilled at a very low price, but the operators tell me they have continually lost money on these contracts.

Instead of having the level up to $175,170 or $170,000, which is almost as cheap as the service can be performed without loss to the contractors, we find it down to $135,000, and now it has even been cut to $132,000.

I do not suppose I can make you realize what Air Mail Service means to the people in the remote regions of Alaska. I lived there for many years. I remember back in 1905, or thereabouts, the great thrill of pleasure we all had in the camp when the first mail came in. Now, that does not mean the first mail for a year, or 2 years, but the first mail that had ever come into that camp. Why, it was better than almost anything else that could have been offered us. I did not get any letters, and many of the other prospectors did not, but some of the boys did, and they simply glowed with the joy of it. So I can testify from my own experience the great advantage and benefit that is given to the people in these remote regions by having their mail, and having it delivered speedily.

Well, the years have passed since then, and, where it used to take 30 days to haul mail by dog team from Fairbanks to Nome on the Bering Sea, it now takes something like 5 or 6 hours, or at the worst 2 days, by air, stopping at all the intervening camps—2 days against 30. Down on the lower Kuskokwim River, Bethel, where it used to take 40 to 50 days to get mail by dog team—that is half the winter, is it not?—at least half the winter down here, whatever it is in Alaska—mail goes there now in 2 days.

The people of Alaska ought not be penalized because the original contractor who carried mail by air made an error in his estimates. The Government of the United States has in the past 3 or 4 years saved a good many thousand dollars by reason of that error, and the residents of the region served by the star-route contracts where mail has been carried by air have, most of them, been greatly benefited.

As a result of these very low original bids the mail has been carried for several years past in Alaska much below the actual cost to the contractors, but the service has been faithfully performed and the contracts have been carried out.

When the new bids were called for last summer on the star routes in Alaska, for almost the entire interior country they were called for in the alternative. That is to say specifications were prepared which could be met only by the air carriers and other specifications were prepared which could be met by those who used dog teams to carry the mail. Referring to the advertisement of the Post Office Department for these routes we find under no. 78114 an advertisement for the carrying of mails from Nenana or Fairbanks by way of Minchumina, Medfra, McGrath, Sleetmute, Crooked Creek, Napamute, Kalskag, and Akiak to Bethel, 540 miles—form Fairbanks it would be about 600 miles—and back, once a week from about November 1 to about April 1, 26 round trips each year, carrying not to exceed 1,000 pounds of mail a single trip each way by a schedule satisfactory to the Department of not to exceed 5 days' running time each way. I repeat the time limitation, which is not to exceed 5 days' running time each way. This means, of course, that anyone who takes this contract must carry the mail by air, fo rit is humanly impossible to carry it within 5 days running time each way by any other means of transportation. This is coupled with no. 78115 covering the route from Nenana to Diamond. Then further along in the Post Office Department advertisement we find that alternative bids may be offered under nos. 78120, 78121, and 78122, covering substantially the same routes in which there are no limitations as to time and consequently the successful bidders may, if awarded these contracts, carry the mail with dog teams.

I am advised that bids have been received by the Post Office Department both from air carriers and from bidders who plan to carry the mail by dog teams, and those who plan to use dog teams have submitted the lower bids which will not greatly exceed the sum of $135,000 for the service set up by the Budget and for which the bill under consideration allows only $132,000.

If all the bids are awarded to the carriers by dog team, it seems that our Air Mail Service in Alaska is ended for the time being. This would be a great pity. If there is one place in the world where an air service is needed, it is in the Territory of Alaska. If the mail could be carried by railroads all over the Territory, we would have no complaint to make, for we would then have a service prompt and speedy enough to meet our requirements; but if we are

obliged to go back to dog-team carriage, it means that after mail from the United States reaches Fairbanks or Nenana, at least 30 days more must elapse before that mail can get to Nome and at least 40 days more must elapse before it can be delivered at Bethel on the lower Kuskokwim.

Now, it may be said that we should be still getting service the same as we had before the airplane came into the picture, and that would be true, but the service will be so much slowed up that the business of this part of the Territory cannot be adequately or properly carried on. I suggest that if any possible way exists to give us the faster service by air, that way should be taken and followed.

The next question is whether we can under any circumstances have service of mail by air, and if so, what the cost will be. In this connection I am advised by the Post Office Department that the total of bids for carrying mail by air over these principal routes which I have mentioned exceeds the bids for carriage of mail by dog team by about $36,000. In view of the benefits of such speedier carriage by air, both to the people of Alaska and to the people of the United States, is not the greater amount which has been bid for carrying mail by air entirely justified? Even adding this increased amount to the appropriation for the current year of $135,000 we should still be only $1,000 above the amount appropriated for the carriage of mails on the star routes for the fiscal year 1927 and $4,000 below the appropriation for the fiscal year 1931.

As I have indicated the benefits would not alone be to the Territory of Alaska but also to the people of the United States who have merchandise to sell that is used in Alaska. Since the United States purchased Alaska from Russia, there has been shipped to Alaska from the United States merchandise in the value of more than $900,000,000. From this alone you will see that Alaska is a valuable customer of the continental United States.

The report of the collector of customs for the calendar year 1932 reveals that during that year the value of merchandise shipped into Alaska from the United States was in excess of $19,500,000. Of course, all of this merchandise does not go into the interior, but a material part of it does, and any reasonable expenditure that will stimulate trade and commerce between the United States and Alaska is well justified.

In some respects, and for a few people, the dog-team transportation of all mail would be an advantage, but I think I am safe in saying that 90 percent of the inhabitants of the regions to be served by these star-route contracts would be greatly benefited through the carriage of mail by air carriers between the principal towns, leaving the dog-team service to the intermediate regions. The question is whether we wish to go backward or forward. Air transportation, and particularly the transportation of mail by air, is here to stay. No substitute for it is in sight, and the people of Alaska are fairly entitled, within reasonable cost, to the same treatment with respect to mail service as the people of the United States; and, as I have pointed out, the improved service in Alaska would benefit the people of the United States almost as much as the residents of those regions of Alaska which are served by the star routes.

It has been developed in the debate on this bill that at the present time the United States is paying to the air mail contractors what amounts to a subsidy of about $7,000,000. Is it out of line to ask that $36,000 be spent as a subsidy, if you want to call it that, for air mail service in Alaska? In this connection I wish to make it clear that this is not a case of awarding the contract to the highest or to some intermediate bidder. It has been reported—in the press, at least—that as to some of the air mail contracts in the United States the lowest bids were rejected and higher bids, perhaps the highest bids, accepted. This is not the case in Alaska. The bids to which I have reference which would insure the carriage of mail by air in Alaska are the lowest bids, and I believe they leave little, if any, probable margin of profit for the bidders. The information on that point which I have is to the effect that in many cases there is not likely to be any profit. I would not think of advocating the acceptance of any but the lowest bids for carrying mail by air. The acceptance of the lowest bids would increase the cost of carrying the mails on these star-route contracts, as heretofore stated, by only about $36,000.

Surely, if the Government has a definite policy to pay what may amount to a subsidy for the development of the air-transportation industry, it is not out of reason to ask for the development of that industry uniformly over the entire United States, including the Territory of Alaska.

There is another feature that is worthy of consideration in connection with this subject and that is the feature of the national-defense program. Anyone who looks at the map will see that in planning the national defense one approach to the continental United States has been overlooked, and that approach lies through the Territory of Alaska. I am not an alarmist, and I do not prophesy war anywhere, and I hope to Heaven that no war may ever come, and that is the general thought and sentiment of the people of the United States. Nevertheless, as a measure of defense of the United States, the Hawaiian Islands have been fortified and there are fortifications of means of defense at various other places along the Pacific coast, but Alaska has been left wide open. Would it not be wise, as a measure of defense and protection, that, through the assistance to air transportation in Alaska, a body of pilots may be trained in civilian work in what is commonly referred to as sub-Arctic flying where flyers may be trained not only through a knowledge of the terrain in Alaska but also through a knowledge of conditions and how they may be met in that vast Territory?

It is not yet too late to make in this bill appropriate financial provision by increase in a very modest amount of the appropriation created for star-route contracts in Alaska to give to the people of Alaska, and also to the people of the United States, a better service, a service to which I firmly believe they are entitled. Of course, I speak principally for my friends and neighbors in Alaska, but I speak also for the people of the Nation.

In his testimony before the committee, Mr. Donaldson, of the Department, remarked that we "have a very poor service in Alaska", referring to the mail service—and that is true. If air mail is eliminated, the service will be poorer. We all ought to try to prevent that.

But, in any event, whatever may be done with respect to air mail, the appropriation should be increased to at least the amount carried in the Budget, which is $135,000.

What I have said about the necessity of maintaining the Air Mail Service does not mean that I am in favor of having all service on these star routes made by air. As I have tried to indicate, the mail should be carried from one large town or city in this region by air, and then the intermediate settlements and individuals along the routes should be given service by dog teams. This plan would cover the country like a blanket and would take care of all of the residents, or at least of as many as it would be practicable to serve within a reasonable appropriation of funds. That is substantially, in another form, the system that exists in the United States. Why can it not be done in Alaska? I am convinced that it can and ought to be done, and the Air Mail Service should be maintained.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, I rise at this time to correct an erroneous and misleading conception that has recently spread concerning the scope and purpose of the new revised four point bill on the American Legion, which I had the honor to introduce on January 23 as H.R. 7261. The charge has been made that the Legion four point bill, if enacted, would virtually result in repeal of the Economy Act. For the sake of those few remaining supporters of the improperly named and dishonest Economy Act, it will readily be seen that this assertion is entirely without foundation when we consider that the Economy Act slashed the appropriation for veterans' relief by approximately $400,000,000 and the Legion measure is designed to restore only from sixty-five to eighty million dollars.

The Legion bill offers a most fair, just, and needed relief to disabled World War veterans and their dependents and should have the unqualified endorsement and hearty support of all Americans. It is designed to restore eligibility for service-connected disability, together with the actual monetary payments received for this prior to March 20, 1933, with the exception of veterans who enlisted after the armistice; where the Government can prove that the disability occurred before or after service; and where service connection had been established by fraud, error, or misrepresentation. Total cost of this section could not exceed $60,000,000 and would most likely be not more than $45,000,000.

I want to stress for the moment the fact that the marine hospitals throughout the United States, which formerly had jurisdiction over disabled war veterans' disabilities, are not permitted to receive these veterans at the present time, although some of the hospitals are used for C.W.A. employees.

This measure restores hospitalization privileges, restricted to Veterans' Administration facilities, where a veteran requires hospitalization for a disability and is unable to pay for it. The present empty hospital beds can be put to this good use without the necessity for a request for an additional appropriation.

Widows and orphans in need, under provisions of this bill, would receive a pension at the rate of $15 a month for a widow, $5 a month for the first child, and $3 a month for additional children, on the same conditions and rates provided for the Spanish-American War veterans under the Economy Act. Based on the Veterans' Administration cost estimates of the Rankin bill, which passed the House of Representatives 2 years ago, the first-year cost of this provision would be $9,000,000, with an average cost for 5 years of $19,250,000.

Until the passage of the Economy Act the laws provided a presumption of service connection for certain types of disease of uncertain origin in point of time if they became manifest to a disabling degree before 1925. This was found necessary because of many inadequate discharge examinations, the loss or absence of official records, and the serious difficulty of obtaining medical and other forms of evidence. Another factor was the natural tendency of men to minimize their ailments due to their anxiety to return to their families and resume their normal places in civil life.

The presumptive service connection laws remained on the statute books for 12 years until the passage of the Economy Act. During this period veterans were required to show the existence of these long-time and often devastating diseases within the legal period. Now, as a result of the Economy Act, the Government is demanding that proof of service connection be furnished by the veteran. Thousands of pitiful and meritorious cases are denied the compensation to which they are justly entitled because of this demand.

Special boards of review were appointed to consider the awards allowed on the basis of presumptive service-connected disabilities. Of the 51,213 cases reviewed by the special boards, 29,258 were discontinued and only 21,955 were allowed. A glance at the report showing the results of the review of these cases reveals a startling disparity in the percentage of cases allowed in different sections of the country. In one area the percentage of cases approved was 23.43, while in another part of the country the percentage rose to 74.68 percent. This inconsistency was primarily due to the fact that some boards placed a more liberal interpretation upon the law, regulations, and instructions than others.

The veterans in my own State, Michigan, were among those who felt the full blow of the economy legislation. Out of 1,604 cases reviewed by the two special boards for the State of Michigan, only 488 cases were allowed, or a percentage of but 30.42. Practically 70 out of every hundred veterans in Michigan with presumptive service connection had their claims denied by the special boards, although veterans in other States with the same class and type of disability and the same nature of evidence, were, in many instances, allowed to remain on the pension rolls.

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. McLEOD. I yield to the gentleman from Wisconsin.

Mr. CANNON of Wisconsin. Does not the gentleman believe that the only way in which our soldiers can obtain justice is by the repeal of the Economy Act?

Mr. McLEOD. Absolutely; it never should have been enacted into law.

Mr. DONDERO. Will the gentleman yield?

Mr. McLEOD. I yield to the gentleman from Michigan.

Mr. DONDERO. Is it not also true that the Economy Act has placed the veteran in a very disadvantageous position in reference to furnishing proof of his disability many years after the war has passed and the records are lost, the veterans being unable to furnish the required proof?

Mr. McLEOD. There is no question but that the gentleman is correct.

Before the passage of the Economy Act, the Government was spending a little more than $900,000,000 on relief for disabled veterans and their dependents; 1,016,561 veterans of all wars were receiving relief prior to last March. On November 30, 1933, this number had been reduced by 501,777. During the same period the number of pensioned dependents of deceased veterans dropped from 279,926 to 265,528. On March 31, 1933, 42,823 veterans were receiving hospitalization under Government auspices. The total on November 30 was 34,738. A total of 20,544 veterans were receiving domiciliary or institutional care on March 31, and by November this number had been reduced to 11,439.

Another result of the Economy Act which has worked great hardship on disabled veterans is the reduction in compensation received when they are confined to a hospital. Disabled veterans who received their injuries in battle, and who were drawing $90 and $100 a month for service-connected disability, have been having their compensation reduced to but $6 a month when receiving treatment in a hospital.

During the last session of Congress, it was declared that in order to balance the Budget, veterans' compensation must be slashed. To do this, approximately $400,000,000 has been cut from the appropriation for relief of veterans and their dependents. Yet Congress continued in effect $400,000,000 of new special taxes which are seriously handicapping industry and added $220,000,000 of additional new taxes and authorized the issuance of $8,560,000,000 in new Government bonds and securities, which caused our interest-bearing public debt to exceed by several billion dollars the peak of our public debt during the World War. During the past year, one appropriation bill alone (fourth deficiency) carried over 3½ billion dollars, which was $600,000,000 more than the entire cost of running the Government for the previous fiscal year, not including the interest on the public debt and the sinking fund.

In view of these enormous expenditures being made for relief work and recovery experiments, it is plainly evident that legislation which deprives disabled veterans and their helpless dependents of the necessities of life and throws them upon welfare organizations for relief is false economy, to say the least.

The Legion four-point bill is fair to the Government and merely metes out ordinary justice to our country's disabled veterans, their widows, and orphans. A grave injustice has been inflicted by the Economy Act upon those who sacrificed their health and earning capacity in defense of our country in its time of dire need, and the passage of the four-point bill of the American Legion will correct this wrong and at the same time fulfill our sacred obligation to care for those maimed and disabled in carrying out the highest duty of patriotism.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Illinois has 5 minutes remaining.

Mr. ARNOLD. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman and Members of Congress, undoubtedly every Congressman received a letter urging him to support the Frazier agricultural bill. I know that Congress has at this session passed legislation which will benefit the farmers; but it is my opinion that if the Frazier bill

were enacted into law it would take the farmers out of the rut. We should see to it that this bill is passed at this session of Congress.

I also call attention to the fact that I have received many letters from Federal employees, soldiers, and various organizations asking me to do what I possibly could in repealing that part of the Economy Act which has taken from the Federal employees the 15 percent and also that part of the Economy Act which has deprived the World War veterans, the Spanish-American War veterans, their widows and dependents, of what rightly belongs to them. If we want to do something progressive, constructive, and humane, let us do that very thing, because I maintain that our soldiers who rendered a valuable service in behalf of our country have not been compensated for the services they rendered. I maintain that we should go so far as to give the soldiers their bonus. I have stated many, many times if individuals in this country have made as much as thirty-six to fifty million dollars profit on the World War, surely the men who fought the war, who kept our Nation intact, should receive some benefits. If it had not been for their indomitable courage and their sacrifice we today would be paying a foreign power fifty to seventy-five billions of dollars.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield to the gentleman from Washington [Mr. SMITH] whatever time he may desire.

Mr. SMITH of Washington. Mr. Chairman, pursuing the same subject discussed by the gentleman from Michigan [Mr. MCLEOD] and the gentleman from Pennsylvania [Mr. DUNN], I desire to state that I have introduced two bills, namely, H.R. 6906 and H.R. 6907, to restore to the veterans of the Spanish-American War and of the World War the same pensions and benefits which they received prior to the enactment of the Economy Act.

JUSTICE FOR THE VETERANS

Mr. Chairman and Members of the Committee, I have introduced, as I stated, two bills, H.R. 6906 and 6907, to restore to the veterans of the Spanish-American War and the World War the pensions, compensation, and benefits to which they were entitled prior to the enactment of the Economy Act, which bills are now pending before this Congress. I, therefore, welcome this opportunity to earnestly plead for more liberal treatment and a larger measure of justice for the veterans of our wars, and in so doing I speak as an American, for this subject presents no partisan issue. Indeed, when the Economy Act was passed, which many of us on this side of the House opposed and voted against as a matter of the highest principle, it was favored by the leaders on the Republican side, and received the votes of as great a percentage of Republican as Democratic Members in this Chamber.

In the interests of truth and historical accuracy, I desire to state that on the 4th of last March this Government faced the most serious financial and banking crisis of all time, threatening the very life of the Nation itself and involving the lives, happiness, welfare, and future destiny of the 120,000,000 men, women, and children of America, and every fair-minded American citizen—aye, every battle-scarred veteran—will remember that this economic crisis was not brought upon America by any act or policy of the administration which came into power on the 4th of March.

My friends, this crisis is happily passing, and we would now do well to heed the verdict of history; that from antiquity down to this present hour no nation which has proved ungrateful to its defenders has ever survived. Ingratitude to the Nation's defenders has invariably and always been the certain sign of national decay. In the words of Gladstone, "National injustice is the surest road to national downfall." The axiom "Republics are ungrateful", let us remember, was first spoken of republics which no longer exist. May God save America from the fate of the ungrateful governments of the past.

Mr. Chairman, fortunately for America, our greatest leaders and statesmen have always favored just treatment and grateful consideration for the veterans of our wars.

George Washington on June 8, 1783, said:

In what part of the continent shall we find any man or body of men who would not blush to stand up and propose measures calculated to rob the soldier of his stipend and the public creditor of his due? And were it possible that such a flagrant instance of injustice could ever happen, would it not excite the general indignation and tend to bring down upon the authors of such measures the aggravated vengeance of Heaven?

Abraham Lincoln, in his second inaugural address on March 4, 1865, declared it to be the duty of the country "to care for him who shall have borne the battle and for his widow and his orphans."

President Franklin D. Roosevelt has expressed views essentially the same as those of his illustrious predecessors. In his address before the American Legion Convention at Chicago, Ill., on October 2, 1933, he said:

The first principle, following inevitably from the obligation of citizens to bear arms, is that the Government has a responsibility for and toward those who suffered injury or contracted disease while serving in its defense. I personally know that mistakes in individual cases and inequalities affecting various groups have occurred during the past 6 months. But at the same time there stands out the fact—which you know—that many of these mistakes have been rectified and that we have the definite purpose of doing justice not only to the mass but, insofar as possible, to every individual as well.

My colleagues, we therefore have good cause to hope that during this regular session of Congress at least hospitalization will be provided for every veteran so long as there is an empty bed or cot in a Government hospital. The 10-percent reduction in allowances for service-connected World War disabilities should be removed and restored as formerly, and an increase in all payments to World War veterans. But first and foremost, we should restore the pensions to the veterans of that great volunteer army of the Spanish-American War, whom it was most unjust and cruel to strike from the rolls at their advanced age. We must revoke the requirement that they furnish proof that their disabilities are service connected after the lapse of 35 years, especially in view of the fact that little or no records were kept during that war. When we have done these things, we will have acted according to the letter and spirit of the words spoken at Chicago by our patriotic President, Franklin D. Roosevelt, and the noble utterances of George Washington and Abraham Lincoln. [Applause.]

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
OFFICE OF COMMANDER IN CHIEF, TOWER BUILDING,
Washington, D.C., January 5, 1934.

Hon. MARTIN F. SMITH,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: At the meeting of our national encampment in Milwaukee, Wis., during September of last year, 2,000 delegates, representatives of our national organization of overseas men of all wars, unanimously instructed me to express to you, as one of the Members of the House of Representatives who voted against the Economy Act during the last session of Congress, our sincere thanks.

We want you to know that by your vote, when you were besieged by intense adverse political pressure, you have indelibly written your name into the honor roll which the overseas-service men will always love. The Veterans of Foreign Wars of the United States hope that it will be your good fortune to remain long in political life in order that you may carry the standard of true American veterans' principles in the halls of our National Government.

You may be sure we will be happy to assist you in any way at any time we can be of service to you.

Sincerely,

JAMES E. VANZANDT,
Commander in Chief.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D.C., October 3, 1933.

Mr. PAD R. BEAR,
619 Duffy Street, Aberdeen, Wash.

MY DEAR COMRADE BEAR: I find upon investigation that Congressman MARTIN F. SMITH voted right as far as the veterans are concerned in the legislation considered during the last session of Congress.

I find Congressman SMITH is recorded as voting against the Economy Act and in favor of the Steiwer-Cutting amendment. Your State had some very good and loyal friends of the veterans, and among them was Congressman SMITH.

Thanking you for inquiry, I am, yours in comradeship,

G. K. BROBECK,
Legislative Representative.

NATIONAL TRIBUNE,
Washington, D.C., October 13, 1933.

Mr. PAD R. BEAR,
619 Duffy Street, Aberdeen, Wash.

DEAR COMRADE: Replying to your recent letter addressed to the legislative committee of the Spanish War veterans, Congressman MARTIN F. SMITH voted against the original economy bill, against the compromise plan of the President and for the Steiwer-Cutting amendment The Connally amendment did not come to a vote in the House.

The record of MARTIN F. SMITH is clear.

Sincerely yours,

THE NATIONAL TRIBUNE,
C. W. SWAN.

THE AMERICAN LEGION NATIONAL
LEGISLATIVE COMMITTEE,
Washington, D.C., October 31, 1933.

Mr. PAD R. BEAR,
American Legion Post, Aberdeen, Wash.

MY DEAR MR. BEAR: In response to your letter of recent date, requesting the voting record of Congressman MARTIN F. SMITH, for your information it is as follows:

On the President's economy bill, cutting the veterans' compensation, which passed March 11, 1933, by a vote of 266 to 138, he voted "no" against passage, or in favor of the veteran.

On the previous question on amended House Resolution No. 185 (rule for the adoption of the independent offices bill) which was agreed to by a vote of 231 to 168 on June 10, 1933, he voted "no" against its adoption. A favorable vote on this question meant a vote against the question of having a House vote on concurring in the Steiwer-Cutting amendment.

On the Connery motion to concur in the Steiwer-Cutting amendment, which was lost by a vote of 177 to 208 on June 15, 1933, he voted "yes"; or, in other words, against the administration.

Very sincerely yours,

JOHN THOMAS TAYLOR,
Vice Chairman National Legislative Committee.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 18, 1934.

HON. MARTIN F. SMITH,
House Office Building, Washington, D.C.

DEAR FRIEND AND CONGRESSMAN SMITH: The soldiers of America appreciate your fine action in signing my petition for the adjusted-service certificates bill which now lies on the Speaker's desk and which will withdraw the bill from the committee, providing 145 members sign it.

I want to thank you for securing signatures among the Membership of the House. Let's get this bonus bill out on the floor, and then put up a memorable battle and let's get on the firing line.

Sincerely and fraternally yours,

ERNEST LUNDEEN.

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. SMITH of Washington. I yield to the gentleman from Wisconsin.

Mr. CANNON of Wisconsin. Has the gentleman a petition on the desk calling that bill out of the committee?

Mr. SMITH of Washington. I have not, for the reason that the gentleman from Minnesota [Mr. LUNDEEN] has introduced a similar bill, for which he already has a petition on the desk. I have two bills, one applying to the Spanish-American War veterans and another applying to the World War veterans.

(Mr. SMITH of Washington was given permission to extend his remarks and to include therein certain letters from the American Legion, the Veterans of Foreign Wars, the National Tribune, and Mr. LUNDEEN, of Minnesota.)

The CHAIRMAN. The time of the gentleman from Washington has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read down to and including line 3 on page 3.

The Clerk read as follows:

Recoinage of minor coins: To enable the Secretary of the Treasury to continue the recoinage of worn and uncurrent minor coins of the United States now in the Treasury or hereafter received, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coins and the amount the same will produce in new coins, $65,000.

Mr. MILLARD. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I have listened today and yesterday to speeches made by the gentleman from Connecticut [Mr. MERRITT], the gentleman from New York [Mr. TABER], the gentleman from Indiana [Mr. PETTENGILL], and the gentleman from Michigan complaining about the Government's competition with private enterprise, particularly referring to the contract to be let by the Postmaster General in Reedsville, W.Va. That is an absolute competition with private enterprise and never should be sanctioned, particularly at this time. I think it is an outrageous thing and that something should be done about it.

We had a committee appointed working for 7 months taking up every phase of this subject, and that committee made 29 recommendations, all frowning upon the Government's getting into business. That committee was composed of the gentleman from Missouri, Mr. Shannon; the gentleman from Indiana, Mr. Pettengill; the gentleman from Wisconsin, Mr. Stafford; and the gentleman from Pennsylvania, Mr. Rich.

I find two recommendations out of the 29 that apply to the Reedsville case. I understand the money has been allocated by Mr. Ickes and turned over to the Postmaster General, with power to purchase land in West Virginia and erect a building, which will compete with private enterprise.

One of the recommendations of that committee was:

The committee recommends, for reasons of economy, that the Corps of Army Engineers, the Reclamation Service, and other Government Departments and Bureaus engaged in construction work should, so far as possible, enter into contracts with private competitive bidders, and discontinue, so far as possible, the performance of work with Government personnel and Government-purchased equipment.

Then, further, recommendation 18, with reference to new plants or equipments:

The committee recommends that no Department, Bureau, or subsidiary of the Government be authorized to erect or equip any new plants or reequip any existing plants for the manufacture of any commodity without having first secured the specific approval of the Congress for such action.

This is away beyond anything that should meet with our sanction. It has not met the approval of Congress. As someone has stated, that if that proposition had come before this body today there would not have been 10 men who would vote for Government competition with private individuals.

The committee further recommends that all such enterprises now in contemplation be reported to the Congress before any further action is taken by such Department, Bureau, or subsidiaries on any such project.

With that, gentlemen, I feel that this House should notify the Postmaster General, and that it should be brought forcibly to his attention that it is contrary to public policy and contrary to the wishes of the House of Representatives. [Applause.]

The Clerk read as follows:

Addition to cumulative sinking fund (sec. 308 of Emergency Relief and Construction Act of 1932): To carry into effect the provisions of section 308 of the Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 709), there is hereby appropriated for each fiscal year beginning with the fiscal year 1935, out of any money in the Treasury not otherwise appropriated, for the purposes of the cumulative sinking fund provided in section 6 of the Victory Liberty Loan Act, as amended, in addition to amounts otherwise appropriated, a sum equal to 2½ percent of the aggregate of the expenditures on or after June 30, 1933, from appropriations made or authorized in sections 301 and 302, title III, of the Emergency Relief and Construction Act of 1932.

Mr. SISSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the Committee, I trust that the genial climate of Washington will not let us who come from the North to forget that there are portions of this country where there are millions of citizens who are not only unemployed, but whose families, despite all the relief work that has been and is being carried on by municipalities and by the States and the Federal Government, are still deprived of many of the necessities of life.

In my own district, for example, the condition of the dairy farmers is still such that, although the farmer through the agencies which he is compelled to use for the marketing of his milk receives on the average of 3 cents a quart, the children of the same farmer do not have what every child should have—a puart of milk a day; and, even though the

milk sells for 3 cents a quart, that amount cannot be spared for the children at home as each 3 cents is necessary to help pay the taxes and interest on his mortgage.

The other day I heard the brilliant and genial gentleman from Illinois [Mr. BRITTEN] speak on the necessity of an adequate Navy and in behalf of the annual appropriation bill for the Navy. The gentleman, during the course of his remarks, taunted this side of the House with the fact that, in addition to the $286,000,000 which is being carried in the appropriation bill, there is $147,000,000 more coming from other sources which will be spent on the upkeep of the Navy for the next fiscal year; or, in other words, that we are actually appropriating $433,000,000 for the upkeep of the Navy and that without including any additional appropriation necessary for the Navy building program which the gentleman is advocating to bring our Navy up to treaty strength. The gentleman seemed proud of the fact, as he expressed it, that something had been put over. I do not think anything was put over. I voted for the naval appropriation bill, and I knew when I voted for it that I was, in fact, voting for the additional $147,000,000. I am not now attempting to debate with the gentleman from Illinois [Mr. BRITTEN] as to the necessity for the maintenance of an adequate Navy. It may be that the expenditure of $433,000,000 is necessary for protection. It is possible, of course, that we may at some time become involved in war, but that is a remote contingency.

The need for this expenditure, certainly to my mind, cannot compare with the need of furnishing employment and keeping children from starving. I am for an adequate Navy for defense but not for offensive purposes, and I am not now speaking in criticism of the gentleman's advocacy of an adequate Navy. However, the gentleman also in the same speech taunted this side of the House and the Democratic administration because of the billions of dollars we are spending for relief and unemployment. If I were compelled to choose between spending an additional $380,000,000 a year for naval increase and spending that amount of money for the relief of human suffering, I should certainly choose the latter. There were 200,000 children in this country, last year, of school age who did not have 1 day of school because of the lack of school facilities, arising from the impoverished condition of the people in many sections of the country. There are tens of thousands of school teachers who received no pay or only part of their pay because of the bankrupt condition of the municipalities and school districts. In the gentleman's own great city of Chicago thousands of children are without schools to attend and schools without teachers because of the lack of money.

Mr. Chairman, I am in favor of continuing the Civil Works Administration and the Public Works Administration programs until private industry is again able to furnish employment to every man who is willing to work and until the undernourished children have been supplied with wholesome food. The clock cannot be turned backward so as to make up for the stunting of the physical growth of children or the retarding of their mental growth. The children of this country who are suffering from the lack of wholesome food and who are deprived of the benefits of school may become a far greater menace to this country in years to come than any foreign power which may seek to attack us through the fact—and if it is a fact—that we do not possess the most powerful navy in the world.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. SISSON. I yield.

Mr. BRITTEN. Do I understand the gentleman was referring to me as objecting to these relief expenditures?

Mr. SISSON. I understood the gentleman from Illinois to decry the fact that we were spending so much money, that we were unable to balance the Budget, and that that was because we were spending so much for unemployment and relief.

Mr. BRITTEN. Oh, no.

Mr. SISSON. If I misinterpreted the gentleman's remark, I am sorry.

Mr. BRITTEN. I have no objection to the gentleman's inserting in the RECORD the letters to which he refers, but I want him to realize that I had no objection whatever to these expenditures—at least, I made none on the floor. My objection was directed toward this dual system of bookkeeping that the gentleman's side of the House has perfected. It shows all the expenditures, but it divides them into two budgets. I was complaining about the accounting and not about the relief expenditures.

Mr. SISSON. I am very glad to have the gentleman's position correctly, and I assume that that means that he will go along and ask for a further extension of the Civil Works Administration and the Public Works Administration programs.

In the debate the other day on the gold bill the statement was made that Louis XVI once advised the people of France when they lacked food to eat grass. I am unable to locate in either history or any literature, with which I am familiar, that advice attributed to that Bourbon monarch. I do recall, however, that the Scriptures record that Nebuchadrezzar had something to do with grass for a diet. But whether I am right or wrong about this, it is very certain that this Congress cannot afford to give such advice to the American people. And in more eloquent and moving words than is at my command for the portrayal of the great need that still exists for the carrying on of the Civil Works Administration and the Public Works Administration programs, as well as rendering aid to that great basic industry, namely, agriculture, I ask leave to insert in the RECORD a letter which I have received today from my district.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks by inserting a certain letter. Is there objection?

There was no objection.

The letter is as follows:

DURHAMVILLE, N.Y., *January 23, 1934.*

Hon. F. J. SISSON,
Washington, D.C.

DEAR SIR: This is not the milk question but a very personal matter which would not have occurred if the manufacturing milk robbers had not have gotten in their work.

Everyone who knows him will tell you that my husband is a hard worker. He has done two ordinary men's work right along. December 1929 he had a very serious attack of appendicitis. He would not let me get a medical doctor, nor would he go to a hospital, nor would he obey the chiropractic doctor who saved his life. Christmas day, just 1 week to the day from the date the chiropractor and myself worked over him from 7 a.m. to 4 p.m. to keep the breath of life in his body, he went to the farm to milk. He still staggered when he walked because he was so weak. The chiropractor told him he must go to bed and let nature have a chance to heal him. He did not.

To make a long story short. We usually thrashed our grain directly from the field. It looked like a storm coming, so at two farms that morning he fed the thrashing machine unaided and that afternoon he carried the grain and dumped it so as to keep the machine running without interruption. At milking time a cow that had freshed tried to bolt to where the calf was tied, and he jumped in front of her and because of the weakened condition of his appendix it was ruptured. At the time I was nursing a lady 4 miles from here. He came over there and he was upstairs in my room and she was downstairs, and I took care of both and did the housework too.

When Dr. George came the next morning, I had him examine George (my husband) and the minute he saw him he told me George had a ruptured appendix and to get him to the hospital as soon as possible. My services could be dispensed with by getting other helpers and the next morning I drove him, unknown to the children, to the hospital. We had a blind boy helping us. He and Gladys, my oldest girl, who was attending Verona High School did the milking and other chores as best they could. I was George's special nurse, and he would hardly let me out of his sight. I had to see our cucumber crop lay right on the ground and waste. We needed the money from them to pay taxes, and so forth. Result: I went all to pieces.

November 9 saw my finish so far as doing any work was concerned. I had to take my girl out of high school. We had to let the telephone go. We have gone without every single thing we could go without to try to pay our debts. Then on top of that Levy the milk man failed. December 26 he came to the plant and told us we would get every cent due in 2 weeks. May 16 we got 48 cents on a dollar on what he owed us for milk delivered in October, November, and December to December 25, 1931.

Now, to go back when Governor Roosevelt appointed those 3 men, Straus and 2 others—before the thing had got shaped up, I wrote each of those 3 men, explaining our troubles and asking for a job. It was impossible for me to walk well yet, but I felt because of my 15 years as teacher—I held both

a teacher's training certificate class and a first-grade certificate—Madison, Hamilton, Fulton, and Montgomery Counties. Also I lived in Philadelphia, Pa., when I was first married. I felt there just must be some job I could do that would help relieve our money troubles. I got no job, neither did my husband. Things went from bad to worse. A man who knew George since he was a baby, and who knew my folks, let us have money enough to take up the Federal farm loan and to pay the back taxes. Spring 1932—no price for milk, so we applied to the Government and got a seed loan. Repaid part of it. But that year the cucumber men sent a new man out to their receiving station. He cheated on weight—caught him 120 pounds on one load and could have made it hot but it would have meant that others would have lost their jobs and they needed them. He also put all their fancy packages in with the nubs at $8 per ton instead of in the $25 class; rooked us out of over half we should have got.

This year, the drought.

The C.W.A. people came to the church hall in State Bridge to enroll those who needed jobs. They would not enroll George because he had cows. Now, I find that Seymour Bennet, the former road commissioner, who has held that position 10 years, who has a farm free and clear that he inherited, and a big dairy—10 days after Mr. Jones became the new road commissioner he went to work on the C.W.A. and is receiving 75 cents per hour.

We have to go to Marysville today to see C. Bert Smith to beg for a little more time on that Government seed loan. We still owe $70 of the $75 interest which was due on the farm mortgage November 12, 1933.

Our school tax for 3 years is unpaid. The land tax due January 1933 and the one due now are still facing us. And still George nor I can get a job.

I feel as though it's high time something was done about it, and I do not know where to begin, so I am bothering you. Who is the head of the C.W.A., and where is the headquarters? If George had been the only needy man that was refused enrollment it would be different, but he was not.

Thanking you for your various efforts to help the farmers, I am

Very respectfully yours,

MRS. VERA E. DE GROAT.

P.S.—I opened this to say that with a 4½-percent milk test our check price is $1.74 for December milk, or $1.28 for 3 percent milk against $1.34 for milk in November. Feed to buy, groceries to get, and can still see daylight through the sole of my shoe. How are we going to buy auto license to get anywhere to get feed and pay bills? This is a merry world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FOCHT. Mr. Chairman, I rise in opposition to the pro forma amendment.

During the debate on this question, or the presentation of it by the various members of the committee, several matters suggested themselves to me. But I cannot proceed with anything that has a bearing upon the Post Office matters without first reverting to the threatened explosion that my good friend MCFADDEN talked about which he expects to come from Lombard Street, London. When we find in the United States that over there those people are against anything that we are doing, I hope you gentlemen feel as I do, that that is simply a guaranty of further security on our part. When they complain about anything we are doing, then we are probably doing about the right thing.

The gentleman from Oklahoma [Mr. HASTINGS] made a fine suggestion. I do not know how far they expect to carry it out, but it does seem to me that if you are going to continue spending money to give employment, you could do no better thing than what he suggested, namely, build Government post-office buildings in the smaller towns, ranging in cost from $10,000, as he said, and thus give ample accommodation to the people of the various communities. The unfortunate thing is that we have been doing a lot of talking about that meritorious plan, but without action. We had great hopes in our hearts when we heard what the Vice President, Mr. Garner, then Speaker of the House, was going to do about it, but it seems the funds are being diverted from one purpose to another under the power that I helped to give the President; but I trust that he will confine some of these expenditures to that very thing, of putting up modest but serviceable post-office buildings.

Another thing you gentlemen of the Post Office Committee did not touch at all. You said nothing about the 3-cent postage, and nothing is being done about it. Why do you not cut it out, realizing that it is a failure and a burden on the people and a great loss to the Post Office Department—this 3-cent postage?

Mr. STUDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. STUDLEY. I am a member of the Post Office Committee. That 3-cent postage originated in the Committee on Ways and Means as a revenue measure. Therefore it is in the exclusive jurisdiction of that committee, and the Committee on the Post Office and Post Roads has nothing to do with it. That is the explanation of it.

Mr. FOCHT. True enough, but the Post Office Committee would have to recommend action. Three-cent postage has evidently been a failure, because we are losing money.

Mr. STUDLEY. I agree with the gentleman.

Mr. FOCHT. No matter what the Post Office seems to do there is always a deficit. There is deficit after deficit, and after you have developed the finest methods of distributing mail to the rich and poor alike, making them happy and better patriots, then you proceed to curtail that accommodation to the people.

You throw out of employment devoted and efficient civil-service clerks and rural carriers, and everywhere they are reducing those people, everywhere they are reducing this delivery, which is the best in the world and brings happiness to the people. It has caused great confusion and great inconvenience. In other words, where there are 4 rural carriers, they make 3 do the work, and in that manner reduce the cost of delivery, and yet there is always a deficit. That is one thing we do not want to reduce. We want the best possible accommodation for that thing which is personal to every individual, and that is delivery, by a Government official, as expeditiously as possible, of his mail.

Furthermore, we have vast expenditures that are given by the Government to the States that must be applied to rural post roads, and the people are not getting the benefit of that if you curtail the delivery.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FOCHT] has expired.

SMALL HOME CONSTRUCTION

Mr. FOCHT. Mr. Chairman, it has long been a rule in Washington that when a building falls into decay or unfitness to the extent of 50 percent, it cannot be repaired. We have seen some pretty good looking houses and buildings torn down under this ruling.

In America there are untold thousands of so-called "homes" more than 50 percent gone and which are unfit for the abode of humans. Thousands of shacks should be wrecked and well-appointed comfortable homes erected at public expense for our humblest citizens.

We talk about environment having its influence on the youth of our land and yet permit hundreds of thousands of bright young American children to be brought up in shacks that help constitute the slums of America and where health is hopeless.

The Government is seeking objects to which may be rendered helpfulness, but up to this time the one greatest object has been passed by.

The building of comfortable homes in every city, town, and hamlet in the country would instantaneously bring about a recovery in our economic condition.

The articles that enter into the construction of a home would have to be drawn from the four quarters of the country.

There would be instant employment for labor in removing old houses and making excavations for new ones. Then from the concrete contractor to the lumberman and carpenter, plumber, painter, paperhanger, plasterer, and all the needs applied by artisans.

There would be a finishing-up with necessary front cement walks and curbing.

Finally the house would have to be furnished, and here would be a demand for such a vast variety of things that they would have to be brought from all quarters of the United States.

To top it off there would be a local tax for purposes of supporting our schools and other borough expenses, while the insurance underwriter would be called in as would every tradesman in town—coal dealer, milkman, electric and gas supply men.

The public money could not be spent to better purpose; for two great objects would be instantly accomplished—work

for men in every known branch of trade, and homes worthy of American citizens and their families. There would be far more purpose in our house-building proposal than in any other plan suggested or which the Government is now operating.

It is our theory that if you first of all give a man and his family a warm, healthful, and decent place to live in, you make the whole family boosters of the flag.

And finally, these houses could be sold to the occupants and paid for on a long-term amortization contract. The Government would thus do a great service to humanity with every family properly housed and healthy and happy, and be repaid.

[From the Daily Press]

OLD-AGE PENSIONS

WASHINGTON, January 24.—Representative B. K. FOCHT, of Lewisburg, Pa., author of the first old-age pension bill introduced in Congress, spoke in behalf of a similar measure today at a House committee hearing.

Appearing before a subcommittee of the Committee on Labor, Focht pledged his support to a bill introduced by Representative MARY T. NORTON, Democrat, of New Jersey, providing for old-age pensions in the District of Columbia.

Focht, who represents the Eighteenth Pennsylvania district comprising Snyder, Union, Juniata, Fulton, Bedford, Huntington, and Mifflin Counties, withdrew a similar bill because, he said, the Democractic majority would not report it out of committee bearing his name because he is a Republican, and also because Mrs. Norton's bill would accomplish the same end.

In 1915 FOCHT introduced his first bill to pension aged, and made an eloquent plea on the floor of the House for the measure. Old-age pensions, a new idea in social legislation at that time, were adopted that same year for Alaska.

Since that time various fraternal and benevolent groups of national prominence have adopted old-age pensions as one of their objectives, and 26 States of the Union have passed old-age pension laws. Pennsylvania was the twenty-sixth State to endorse the idea when Governor Pinchot signed that State's pension measure last week.

The Governor, in signing the bill, declared that it fulfilled a long-cherished dream and pointed to the fact that maintenance of aged and infirm persons in their own homes through a pension system not only removed the stigma and shame of going "over the hill" to the almshouse, but also actually saved the taxpayers' money.

The Clerk read as follows:

Refunding taxes illegally or erroneously collected: For refunding taxes illegally or erroneously collected, as provided by law, including the payment of claims for the fiscal year 1935 and prior years, $40,000,000: *Provided*, That a report shall be made to Congress by internal-revenue districts and alphabetically arranged of all disbursements hereunder in excess of $500, as required by section 3 of the act of May 29, 1928 (U.S.C., sup. VI, title 26, sec. 1676), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

Mr. CARPENTER of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARPENTER of Kansas: On page 13, strike out lines 7 to 17, inclusive.

Mr. CARPENTER of Kansas. Mr. Chairman, this amendment is for the purpose of striking out that part of this bill that appropriates $40,000,000 for refunds on income taxes. I am opposed to this practice of the Government in refunding income taxes. As I understand the income tax law, these amounts are paid in voluntarily, on voluntary income-tax statements; and if the persons making out their own income-tax statements make a mistake, it is their own mistake. If they cannot add properly and if they cannot present proper information, it is their own fault.

In addition to that, the practice has grown up in this country in regard to income taxes where those liable for taxes never present anything more to the Government than they have to. They hold out as much as they can on the Government. Then it is necessary for the Government to start an expensive investigation and then commence suit in order to collect the money from them.

It has been stated on this floor time and again that more than $3,000,000,000 have been refunded the past few years. Then there are still amounts due from income taxpayers. The collector of internal revenue tells me he is as busy as possible trying to collect income taxes which are due the Government, going back before 1923.

Now, what is this bill? This bill presupposes that the Government is going to levy some illegal taxes and then it is going to be necessary to refund those erroneous and illegal taxes, and it presupposes that some people are not going to be able to add and that they will make mistakes, and will turn in more tax money than they should.

Another thing, we have this $40,000,000 now. Let us keep it. Just think what $40,000,000 would do. Forty million dollars would be enough to put over the 4-point program of the American Legion that is being suggested here, or enough to reestablish the Spanish-American War veteran to where he was before the economy bill was passed. Yet we are going to turn it back to those people who have found out that we have appropriated $40,000,000 and it is here for them, and by some hook or crook or lawyer or national committeeman or somebody who has some influence and who has probably been employed in the Internal Revenue Department and is well acquainted with the Bureau they are going to get this money back again. All of you fellow Members who have been denouncing this thing time after time and who intend to go out in the next campaign and make as much of an issue of it as you can, and talk about protecting the taxpayers' money, this is the time to put a stop to that sort of thing.

Mr. DONDERO. Will the gentleman yield for a question?

Mr. CARPENTER of Kansas. Certainly.

Mr. DONDERO. Does the gentleman mean to preclude a person who makes an honest mistake in his income tax getting that back or having it refunded to him?

Mr. CARPENTER of Kansas. Not at all, but we can appropriate for him when the mistake has been discovered. He can come in and present his claim, and it can come out of a deficiency appropriation. Let us not appropriate for it ahead of time.

Mr. DONDERO. If we did that, the Government of the United States will be placed in the position of setting an example of taking advantage of an honest mistake against one of its citizens. The gentleman does not want to go that far, does he?

Mr. CARPENTER of Kansas. I should not want the Government to go as far as to take any money that they coerce a citizen into paying, that he should not have paid; but, speaking for myself, personally, I believe that any taxpayer who makes a mistake and pays more than he should voluntarily, that is his own mistake. If I should go to your county and pay your taxes in your county, and then come back and say, "I did not intend to pay them; I want my money back", the county treasurer would say to me, "We cannot help it. You have paid it and we cannot give it back."

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the existing law, the Commissioner of Internal Revenue is required to submit to Congress annually a report of all refunds in excess of $500, under the income tax law. That report came to the House as usual and was referred to the committee of which I am chairman. I always have an agreement with the press gallery as to the day the report is to be released. Today happens to be the day for the release of that report, and today the press carries a story of refunds of $51,487,000.

To one not understanding the operations of the Bureau of Internal Revenue it would appear that this amount is taken from the Treasury and there is nothing in return to offset the refunds. Such is not the case. Unfortunately while the law requires the report of refunds, it prohibits the publication of additional assessments. It so happens the committee in charge of this bill secured information from the Treasury that is printed in the hearings that enables me to show that while $51,484,845.92 was paid in refunds and $212,529,757 allowed in credits and abatements, $357,581,305 in additional assessments and collections resulting from office audits and field investigations were made

during the same fiscal year. This means the Government collected and assessed during the last fiscal year $93,566,702.08 more than is refunded and allowed in credits. There is a short table in the hearings showing the activities of the Bureau along this line since 1917, and I ask unanimous consent to include it as a part of my remarks. The Bureau of Internal Revenue should have the right to make public its additional assessments and collections, always in excess of the refunds and credits, when it is compelled to report the refunds.

Mr. Chairman, I ask unanimous consent to insert this information in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The matter referred to follows:

Statement showing internal-revenue receipts, additional assessments and collections, and overassessments of internal-revenue taxes (refunds, abatements, and credits) for fiscal years 1917 to 1933, inclusive, and the first 3 months of fiscal year 1934

Fiscal year	Total internal-revenue receipts	Amount of additional assessments and collections resulting from office audits and field investigations	Amount of refunds of taxes illegally collected	Amount of credits and abatements	Total
1917	$809,393,640.44	$16,597,255	$887,127.94	[1]	$887,127.94
1918	3,698,955,820.93	29,984,655	2,088,565.46	[1]	2,088,565.46
1919	3,850,150,078.56	123,275,768	8,654,171.21	[1]	8,654,171.21
1920	5,407,580,251.81	466,889,359	15,639,952.65	[1]	15,639,952.65
1921	4,595,357,061.95	416,483,708	28,656,357.95	[1]	28,656,357.95
1922	3,197,451,083.00	266,978,873	48,134,127.83	[2] $134,237,470.05	182,371,597.88
1923	2,621,745,227.57	[3] 735,216,858	123,992,820.94	306,583,881.95	430,576,702.89
1924	2,796,179,257.06	[3] 739,225,261	137,006,225.65	355,628,775.65	492,635,001.30
1925	2,584,140,268.24	[3] 457,314,407	[4] 151,885,415.60	226,155,508.74	378,040,924.34
1926	2,835,999,892.19	[3] 553,404,633	[4] 174,120,177.74	339,237,700.53	513,357,878.27
1927	2,865,683,129.91	[3] 416,669,507	103,858,687.78	262,292,604.21	366,151,291.99
1928	2,790,535,537.68	[3] 414,251,490	142,393,567.17	199,194,252.14	341,587,819.31
1929	2,939,054,375.43	[3] 405,855,476	190,164,359.48	228,775,274.72	418,939,634.20
1930	3,040,145,733.17	[3] 303,055,027	126,836,333.22	199,937,206.97	326,773,540.19
1931	2,428,228,754.22	[3] 382,788,076	69,476,930.26	213,731,335.60	283,208,265.86
1932	1,557,729,042.64	[3] 332,363,708	80,583,504.11	250,617,381.94	331,200,886.05
1933	1,619,839,224.30	[3] 357,581,305	51,484,845.92	212,529,757.00	264,014,602.92
1934, 1st quarter	573,582,446.81	[3] 63,129,217	13,498,873.15	45,063,060.96	58,561,934.11
Total	50,211,750,825.91	6,481,064,583	1,469,362,044.06	2,973,984,210.46	4,443,346,254.52

[1] No record available; credits first applied in fiscal year 1922.

[2] Estimated; based on amount of claims allowed in 1922 ($182,371,597.88) less refunds allowed in 1922 ($48,134,127.83).

[3] Includes jeopardy assessments as follows:

1923	$132,525,380.55
1924	161,515,217.33
1925	144,646,530.53
1926	148,867,165.26
1927	32,704,156.33
1928	45,685,725.80
1929	$50,865,425.58
1930	36,124,226.65
1931	50,425,493.68
1932	50,973,391.84
1933	109,895,996.57
First quarter of 1934	11,840,691.25

[4] Includes $17,777,642.45 refunded taxes under provisions of section 1200 of the Revenue Act of 1924 (25 percent refunds of 1923 individual income taxes).

[5] Includes $206,115.29 refunded taxes under provisions of above sections of law.

Mr. COCHRAN of Missouri. If the United States Government has money belonging to the taxpayer and not to the Government, we certainly should refund it if we are going to make additional assessments and assess penalties against the taxpayer. It would be folly to adopt this amendment.

Mr. CARPENTER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. CARPENTER of Kansas. What is the reason for presupposing that we are going to make erroneous assessments in 1935?

Mr. COCHRAN of Missouri. Because we are continually doing this work, and for the first quarter of the present fiscal year $13,000,000 has been refunded. The amount carried in the bill is simply the amount they think they will need during the next fiscal year. It has nothing whatever to do with the current fiscal year. That money is in the Treasury. We provided it in the last bill. The $40,000,000 carried in this bill is for the next fiscal year.

If we are going to take money from the taxpayer in the form of additional assessments to the extent of $100,000,000 or more annually over what we refund, then by the same token we should refund money to taxpayers where mistakes have been made. Not infrequently it happens that a collector in the field will make a mistake in filling in the taxpayer's return.

Mr. CARPENTER of Kansas. Mr. Chairman, will the gentleman yield further?

Mr. COCHRAN of Missouri. I yield further.

Mr. CARPENTER of Kansas. Why is it necessary to include a specific amount to be refunded when we do not know what the amount of the refunds will be?

Mr. COCHRAN of Missouri. Because there must be some basis to work on. These officials of the Treasury Department appeared before the committee, as the gentleman will see from reading the hearings, and estimated that they thought they could get along with $40,000,000.

Mr. CARPENTER of Kansas. Would it not be better to let it go until 1935 and see what it amounts to?

Mr. COCHRAN of Missouri. If we pursued such a course it would mean that a refund having been determined as just, the Government would have to pay interest on the money from the date of its determination to the date of its payment, thus placing an additional cost on the Government. I do not think the gentleman would be in favor of incurring this additional expense. I think if the gentleman fully understood the situation he would withdraw his amendment, because we cannot be placed in the position of refusing to refund money that should be refunded, but continue making additional assessments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

The Clerk read as follows:

For contingent expenses, including subsistence of shipwrecked and destitute persons succored by the Coast Guard and of prisoners while in the custody of the Coast Guard; for the recreation, amusement, comfort, contentment, and health of the enlisted men of the Coast Guard, to be expended in the discretion of the Secretary of the Treasury, not exceeding $40,000; instruments and apparatus, supplies, technical books and periodicals, services necessary to the carrying on of scientific investigation, and not exceeding $4,000 for experimental and research work; care, transportation, and burial of deceased officers and enlisted men, including those who die in Government hospitals; wharfage, towage, freight, storage, advertising, surveys, medals, labor, newspapers, and periodicals for statistical purposes, and all other necessary expenses which are not included under any other headings, $173,795.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question in reference to page 59 of the bill, which we have not yet reached, relating to the purchase, manufacture, and repair of mail bags and other mail containers, and attachments, mail locks, keys, chains, tools, machinery, and so on.

The gentleman from Illinois undoubtedly recalls the remarks made by the gentleman from Massachusetts [Mr.

McCORMACK] in reference to a new $500,000 factory recently erected at Reedsville, W.Va., out of C.W.A. or P.W.A. funds for the purpose of making locks for mail bags, and other post-office equipment.

I wanted to offer an amendment on page 59 in the nature of a limitation providing that none of the funds appropriated in this act should be used for the pay of people working in that factory or the purchase of supplies. I bring the matter up at this time to have this additional opportunity of speaking about it.

Would the gentleman have any serious objection to such an amendment?

Mr. ARNOLD. This appropriation is for the use of the mail-bag shops here in this city, Washington, D.C.

Mr. GOSS. I understand, but I thought the language of the bill was broad enough to include the new shop at Reedsville. The gentleman will notice, in line 11, page 59, the wording is, "Also material, machinery, and tools necessary for the manufacture and repair in the equipment shops at Washington, D.C." The world "also" makes the language so broad that it could include support of this factory in West Virginia, which is competing with private business already established, as the gentleman from Massachusetts [Mr. McCORMACK] said. I would like to see a limitation applied so that none of the money in this bill, at least, could be used for the maintenance or operation of that factory.

Mr. ARNOLD. The language the gentleman just read confines it to the repair and equipment shops in Washington, D.C.; so it will be impossible to use any of this fund for the other place.

Mr. GOSS. I call the gentleman's attention to lines 8 to 11. If it were not intended that this fund should cover the West Virginia plant why put in the word "also"? In my judgment, the language to which I have called attention, lines 8 to 11, could be interpreted to include money for this plant erected as a C.W.A. project.

Mr. ARNOLD. I do not see how, by any construction, it could be held that any portion of this money could be used for shops anywhere outside the District of Columbia.

Mr. GOSS. If the gentleman will bear with me a minute, lines 8 to 11 read:

For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and material necessary for same, and for incidental expenses pertaining thereto—

Then there is a semicolon. Then it goes on to state:

Also material—

Which is the same as above—

machinery, and tools necessary for the manufacture and repair in the equipment shops at Washington, D.C.

It seems to me that the language in the first four lines of this paragraph which I have just read coupled with the word "also" might include this factory that is competing with private industry, the factory set up with C.W.A. funds.

With all the 40 businesses the Government is in, it seems to the people in many districts of the country that for it now to engage in the manufacture of locks and such things is unnecessary. Therefore, I would like to put a limitation on it so there will be no question about the matter.

[Here the gavel fell.]

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. ARNOLD. May I suggest to the gentleman that this entire appropriation is for the use of the shops here. It is specifically confined to the shops at this place.

Mr. GOSS. What does the word "also" mean?

Mr. ARNOLD. It includes material, and in addition, machinery, and so forth, for manufacture of "other equipment."

Mr. GOSS. Would the gentleman be willing to accept an amendment that this apply only to the shops in Washington before we come to the word "also"? I think the gentleman and I are not far apart in our ideas.

Mr. ARNOLD. There is not any difference in our ideas, except I do not believe an amendment would clarify the situation or the language in the bill. This is intended to apply specifically to the shops in Washington and cannot be used for any other purpose. An amendment such as the gentleman has in mind would not, in my judgment, add anything to it or restrict it in any way.

Mr. GOSS. In view of the broad interpretations we are getting these days from different bureaus, the Accounting Office, and so forth, as I read this, to be perfectly frank, I thought this might be used for that purpose with the word "also" in there.

Mr. ARNOLD. I do not think the gentleman's fears are well founded at all. I cannot share his views as to the construction that he thinks may be placed on it.

Mr. GOSS. I hope the gentleman is correct. I do not want to clutter up the bill with useless amendments. I asked the question so we could iron it out here. I am hoping, as the gentleman is, that none of this money may be used for this purpose.

Mr. ARNOLD. I know this money is intended to be used for the shops in Washington.

Mr. GOSS. And not for the new factory contemplated in West Virginia?

Mr. ARNOLD. Yes; and I think this language carries out that purpose. However, I will look into the matter.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, $82,902,500.

Mr. HENNEY. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HENNEY: Page 52, line 19, strike out "$82,902,500" and insert in lieu thereof "$92,562,500."

Mr. HENNEY. Mr. Chairman, the addition of the $9,660,000 to this bill adds the amount that was taken off on account of the 4 cents a mile maintenance that goes to the rural carriers.

The rural carriers are asked in this bill to reduce the amount that they formerly received from 4 cents a mile to 1 cent a mile, except during the 3 winter months, in which they are allowed 3 cents a mile. All of those who operate automobiles, particularly in the Northern States, know that it is absolutely impossible to operate an automobile at 1 cent a mile, even in the summertime.

In my State the average length of the automobile rural route is approximately 35 miles. At the rate of 1 cent per mile during the 8 summer months this would make 35 cents a day that these rural carriers are allowed for the maintenance of their automobiles. If this simply applied to gasoline and oil alone, it would not be so bad, but this covers their insurance, repairs, license fees, and all of the expenses which the rural carriers are obliged to stand for the maintenance and upkeep of their automobile, also for the exchange of the automobile when it becomes superannuated and they have to replace it with a new one. I think if a gesture is made to them at all, it should be made in keeping with the actual expense for the upkeep of their automobiles. If they are not going to do that, then cut the figure out entirely and give them nothing for maintenance.

I sincerely hope, Mr. Chairman, that this amount may be returned to these rural carriers, because the amount that is to be allowed under this bill is entirely inadequate.

Mr. RUFFIN. Will the gentleman yield?

Mr. HENNEY. I yield to the gentleman from Missouri.

Mr. RUFFIN. Is the pay of the rural carriers, excluding the 4 cents a mile, reduced in the same proportion as the city carriers?

Mr. HENNEY. Absolutely.

Mr. RUFFIN. Then in addition their mileage allowance is cut three quarters?

Mr. HENNEY. They are cut 15 percent; then they have their furlough of 2 weeks every 3 months which may come up each quarter. Then there is another 16⅔-percent furlough cut, just the same as any other carrier has. This is the only branch of the Service obliged to furnish its own delivery equipment.

Mr. RUFFIN. And their mileage allowance is cut three quarters?

Mr. HENNEY. Yes; they are cut from 4 cents to 1 cent during the summer months.

Mr. RUFFIN. What is the purpose of the gentleman's amendment?

Mr. HENNEY. To restore the 4 cents a mile.

Mr. BOILEAU. Will the gentleman yield?

Mr. HENNEY. I yield to my colleague from Wisconsin.

Mr. BOILEAU. I am very much in sympathy with the gentleman's objective in increasing this appropriation, but would that increase the amount actually paid the rural carriers? I wish it would, but I do not believe it would change the basic law of the Economy Act.

Mr. HENNEY. I agree with the gentleman, but I am hopeful that this may be given back to them. If we can add to this appropriation, we can use our influence to get the Department to do this very thing.

Mr. EATON. Mr. Chairman, I have been deeply interested in the apparent inequality and injustice inflicted by Executive order upon our rural carriers as compared with the city carriers. I have gone over the routes in my district and some of them have been lengthened from 32 miles to 52 miles, and this condition is true all over the country.

These men are now allowed 3 cents a mile; but in March, under an Executive order that has gone out, they will be given 1 cent a mile for upkeep of their car. Any man here knows that running a car from 50 to 60 miles a day, or fifteen to eighteen thousand miles a year, in all kinds of weather and over all kinds of roads, and having to stop and start on each trip from 100 to 300 times, 1 cent a mile will not buy the oil and gas which the owner must use, let alone take care of maintenance and depreciation.

These men have taken their 15-percent cut without complaint, but the conditions imposed upon them by the administration at the present time leaves them with a net salary of about $1,200, as compared with $1,700 for the city carriers, which I think is little enough for the city carrier.

So I urge that in spite of the paralyzing effect of the most amazing gag rule by which this House a few days ago denuded itself of its constitutional obligations to this country, that we find some way, somehow, to obviate this glaring injustice to this most deserving and honorable group of public servants.

The rural carrier is very much more than an ordinary letter carrier. He is an adviser of the people on the route. He takes care of their postal orders, their registered mail, their packages, and is a peripatetic postmaster; and instead of cutting him down to $500 or more less than his brother in the city, who, while paid little enough, still walks under the protection of a policeman and on good sidewalks and is not forced to furnish the Government with an automobile at his own expense, I say that in some way the powers that be, which seem to be all powerful at the present time, ought to take care of this group; and, for one, I will do everything I can to help bring this to pass. [Applause.]

Mr. GOSS. Mr. Chairman, I make the point of order there is not a quorum present. [After a pause.] I withdraw the point for the present.

Mr. ARNOLD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DOWELL. Mr. Chairman, I want to join my friend the gentleman from New Jersey [Mr. EATON] in support of the amendment to restore full pay to the rural carriers.

There is no higher class of public service than that found in the rural mail service. When you take into consideration the fact that in all kinds and character of weather the mail must be delivered, and it is up to the rural carrier to see that a letter addressed to any patron on his route is properly and promptly delivered, he should receive reasonable pay for his faithful services.

Everyone knows that in some seasons of the year the roads over which the rural carriers travel are not in good condition. Their mileage has been greatly increased at their expense, because it is more expensive to travel over these long routes than it was to travel over the short ones. It seems to me this pay should be returned to them and that they should have full compensation for the services they are rendering.

I believe there is no more competent employee in the Government service than those in the rural mail service and when their expenses are paid on these long routes, where they have muddy roads, most of them have used a great deal of the pay that has come to them under this cut, with but little remaining for themselves and their families.

I think the amendment should be adopted. [Applause.]

Mr. ARNOLD. Mr. Chairman, I am very sympathetic in what the gentlemen have said in regard to the rural carriers, but there is no use in doing a futile thing here. The amount of money that is included in this amendment cannot possibly, under the present conditions of things, reach the rural carriers. It would be useless to increase this appropriation to that extent because it would simply have to remain in the Treasury until there is further legislation or further Executive order affecting salaries and allowances of rural carriers.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. MARTIN of Massachusetts. If we vote the money and later the President decides to restore the cut we would have the money available.

Mr. ARNOLD. There is no use in voting the money until we know what is going to be done. If anything is done to liberalize it, arrangements will be made to provide the money, and there is no use of anticipating it.

It was suggested a few minutes ago that these carriers are furloughed. They are not furloughed. Instead of granting them a furlough it was taken care of by a reduction in the maintenance allowance and by Executive order. Not long ago the maintenance was increased from 1 cent to 3 cents a mile for the months of November, December, January, and February.

Mr. DOWELL. But the fact is they are at a greater expense since the order was made than before.

Mr. ARNOLD. The gentleman must not lose sight of the fact that when the routes are increased the carrier gets $30 for each additional mile above standard route.

Mr. DOWELL. But there was no addition for upkeep. It is an extra charge against the carrier.

Mr. ARNOLD. It is true that there is no addition to the upkeep except this addition to the mileage, but they do get an increased compensation on their route.

Mr. McFADDEN. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. McFADDEN. The gentleman is opposed to appropriating the money now, but to leave it in the hands of the President for further Executive order?

Mr. ARNOLD. There is no way in which the money can now be used for the purpose intended, and it is idle to now adopt the amendment.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. ARNOLD) there were 20 ayes and 27 noes.

Mr. MARTIN of Massachusetts. Mr. Chairman, I object to the vote on the ground that a quorum is not present.

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. PARSONS having taken the chair as Speaker pro tempore, Mr. FULLER, Chairman of the Committee of the Whole House on the state of

the Union, reported that that Committee, having had under consideration the bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes, had directed him to report that they had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6670) entitled "An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes."

The message also announced that the Vice President had appointed Mr. HAYDEN and Mr. VANDENBERG members of the Joint Select Committee, on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the Disposition of Useless Papers in the Government Printing Office.

REFINANCING OF FARM DEBTS

Mr. DOXEY. Mr. Speaker, by direction of the committee on conference, I present a conference report upon the bill H.R. 6670, to provide for the establishment of a corporation to aid in the refinancing of farm debts and for other purposes, for printing under the rule.

UNITED STATES NAVY

Mr. BANKHEAD, from the Committee on Rules, presented the following privileged report for printing under the rule:

House Resolution 235

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 6604, a bill to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON WILD LIFE

Mr. DRIVER, from the Committee on Rules, presented the following privileged report for printing under the rule:

House Resolution 237 (Rept. No. 348)

Resolved, That a special committee of 15 Representatives, to be composed of the Chairman of the Committee on Agriculture, Chairman of the Committee on Merchant Marine, Radio, and Fisheries, the 2 House of Representatives members of the Migratory Bird Conservation Commission, 7 Members of the House of Representatives from the majority political party, and 4 Members of the House of Representatives from the minority political party, to be appointed by the Speaker of the House, is authorized and directed (1) to investigate all matters pertaining to the replacement and conservation of wild-animal life (including aquatic and bird life) with a view to determining the most appropriate method of carrying out such purposes, and (2) to report to the House as soon as practicable, but not later than January 3, 1935, the results of its investigations, together with its recommendations for necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the House in the Seventy-third Congress until the final report is submitted; to require by subpena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony as it deems advisable.

NATIONAL LIVESTOCK RECOVERY ACT

Mr. DOBBINS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a bill which I introduced this morning.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DOBBINS. Mr. Speaker, the welfare of this country is inseparable from the welfare of its agriculture. The prevailing low markets for agricultural products have reduced the purchasing and debt-paying power of the farm dollar to approximately half of its pre-war parity with the industrial dollar, and this has much to do with the continuance of the general business depression.

It is necessary to restore a parity of price and economic opportunity for those engaged in agriculture in this country before a real recovery or national solidarity can be restored.

IMPORTANCE OF LIVESTOCK

The production and marketing of livestock is a basic industry—the oldest and most extensive in the United States—and is carried on in every State in the Union. Two thirds of our national areas produce hay, grass, and forage crops which must be transmuted into market values through livestock; and two thirds of the feed crops raised on the land that is tilled are fed to livestock. The value of livestock and dairy products is more than half of our whole agricultural output.

Less than 10 percent of our livestock products is in excess of domestic requirements; but lack of adequate foreign outlet for this small part of the business depresses domestic markets and entails losses of hundreds of millions of dollars annually to those engaged in agriculture.

Owing to disparities in international currencies, strained foreign credit relations, the raising of tariffs and lowering of quotas by other countries, the foreign trade of the United States has greatly diminished. A way must be found to restore it. A recovery of prosperity by the livestock industry will solve more than half of our agricultural problem.

NEW ASPECTS OF FOREIGN TRADE

Orderly marketing of livestock products cannot function efficiently until an outlet is found for this small surplus.

Recognizing that both industry and agriculture normally sell approximately 90 percent of their respective outputs at home and only 10 percent of their products abroad, it is time for this country to use its foreign trade so as to make more reciprocal and stable the relations of American industry and agriculture at home.

Nearly two thirds of our imports are duty-free, many of them directly or indirectly in competition with livestock products on our home markets. The tariff should be revised to give us a better measure of protection against the animal and vegetable fats and oils, meats, hides and leather, fish, and other products which are coming in ever-increasing amounts from foreign ports to the value of several hundred million dollars annually.

EQUALITY OF PROTECTION

The average duty on imports of products competing with American industry approximates 45 percent ad valorem, while through all this period of depression the average tariff imposed against competing agricultural products was approximately 20 percent ad valorem, much of which was not effective at all in giving protection because of the production in excess of our domestic requirements.

The fact that the farm dollar has today only 60 percent of its pre-war value, while the industrial dollar has 116 percent, is eloquent evidence of this disparity.

A policy of protection which protects only part of the people or a part of their property and leaves unprotected the balance of the people and the balance of their property, or which protects them in different degrees, is unwise, unjust, and un-American. Our national policy of protection can and must be extended to livestock.

In furtherance of that policy, Mr. Speaker, and in harmony with the wise recovery program which we have undertaken, I have introduced today a bill for an act to be known as the "National Livestock Recovery Act"; and under the permission generously given me to extend my remarks for that purpose, I am inserting a copy of that bill in the RECORD at this point.

The bill is as follows:

H.R. 7346

A bill to encourage and provide for the sale and exchange of livestock and dairy products in foreign countries; to extend to livestock the policy of Government protection and make it effective; to promote adjustment of economic relations between agriculture and industry, thereby hastening national business recovery; and for other purposes.

Be it enacted, etc., That it is hereby declared that discouraging conditions in the market for livestock throughout the country are depressing the basic industry of livestock production and adversely affecting the public welfare, undermining the standards of living in the rural population of America, and retarding national business recovery, which conditions result in large part from the greatly diminished foreign outlets for American livestock and its products.

It is further declared that it is and should be the policy of Congress to promote the exportation of livestock and dairy products of this country so as to restore and preserve the economic relationship of agriculture and industry in the United States of America; to encourage and revive reciprocal foreign-trade relations; to extend the protection of Government to the livestock industry comparable to the protection given by the Government to other basic industries; to avoid undue restriction of production (except as may be temporarily required); and to utilize more efficiently the Nation's natural resources in agriculture, thereby bringing prosperity to American agriculture and enlarging the market for American labor and industry.

SEC. 2. This act may be cited as the "National Livestock Recovery Act."

SEC. 3. As used in this act—

(a) The term "person" includes any individual, copartnership, corporation, or association of any kind engaged in production, processing, selling, and/or distributing livestock or livestock and dairy products produced within the United States of America.

(b) The term "livestock" includes beef and dairy cattle, hogs, and sheep produced within the United States of America, and any and all products derived, manufactured, or processed therefrom and containing at least 75 percent of such animal ingredients by value.

(c) The term "United States" includes only continental United States of America.

(d) The term "article" includes any device, thing, machinery, and parts thereof manufactured, assembled, made, or produced outside of the United States and entering into the commerce of foreign countries with the United States.

(e) The term "commodity" includes everything movable that may be bought or sold, except livestock as defined herein, produced, held, owned, or possessed outside of the United States and which enter into commerce of foreign countries with the United States.

SEC. 4. Any person exporting to any foreign country any livestock, as in section 3 of this act defined, the market value of which is $100 or more, shall be entitled to receive from the Commissioner of Internal Revenue of the United States, at any port in the United States from which such shipment is made, a certificate of the United States Government for an amount equal to 40 percent ad valorem of the livestock exported.

SEC. 5. Every person who shall, under the terms of this act, export any livestock as defined in section 3 hereof, of a market value of $100 or more, shall, at the time of such shipment for export, deliver to the Commissioner of Internal Revenue of the United States a concise and detailed written statement and declaration, under oath, setting forth the name and address of the person exporting the livestock, a designation of the quantity and kind thereof, and that the same was raised or was wholly produced, processed, or manufactured from cattle, hogs, or sheep raised within the United States, and the name, address, and the country of the consignee.

SEC. 6. The Secretary of the Treasury is hereby authorized to prepare and promulgate reasonable regulations to carry this act into effect and for the administration thereof, and to prepare the form of certificate to be issued by the Commissioner of Internal Revenue to any exporter under the terms of this act, and such other forms as may be necessary for the fulfillment of the purposes of this act. Such certificates shall be so prepared as to designate on their face the foreign country to which the livestock was consigned or exported, the amount and value of the shipment, and may be one or more in number, aggregating an amount equivalent to 40 percent of the value of the shipment.

SEC. 7. The Commissioner of Internal Revenue is hereby authorized to inspect, examine, grade, and determine the quantity, quality, and value of each and every shipment of livestock exchanged or exported under the terms and provisions of this act, and is further authorized and empowered to make such examination as may be necessary to verify the statements which any party to such sale or exchange may be required to make under the provisions of this act, or to regulations herein provided for.

SEC. 8. The certificates issued by the Commissioner of Internal Revenue to any exporter of livestock under the terms of this act shall be acceptable at any time, at any port in the United States, in the payment of duties on articles or commodities, other than livestock, received from the foreign country designated in the certificate as the destination of the livestock shipment for which the certificate was issued. They shall be negotiable, and any holder thereof shall be entitled to tender the same at their face value in payment of tariffs or duties at any port of entry of the United States on imports into the United States from countries designated on the face of the certificate, and when so tendered they shall be accepted in such payment at their full face value.

SEC. 9. If, at any time, this act shall be repealed, any certificates outstanding when such repeal takes effect shall, on presentation by the lawful holders thereof, at the office of the United States Treasury, be redeemed at their face value, unless provision shall be made by law for their continued acceptance as provided for in section 8 of this act.

SEC. 10. Any provisions in existing laws or parts of laws in conflict with the provisions of this act are hereby repealed.

SEC. 11. Any person found guilty of a violation of any term or provision of this act shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and all certificates issued as a consequence of the fraud of any person or persons, whether employed by the United States Government or not, shall be void.

SEC. 12. This act shall take effect on the 30th day following its approval.

INVESTIGATION OF RECEIVERS, ETC.

Mr. SABATH, from the Committee on Rules, reported the following resolution for printing under the rule:

House Resolution 223

Resolved, That the Judiciary Committee of the House of Representatives, authorized to inquire into and investigate the matter of appointments, conduct, proceedings, and acts of receivers, trustees, referees in bankruptcy, and receivers in equity causes for the conservation of assets within the jurisdiction of the United States district courts pursuant to H.Res. 145, shall report to the House of Representatives not later than June 30, 1934, in lieu of January 31, 1934, the date specified in such resolution.

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, may I inquire of the majority leader, for the benefit of the Membership on this side of the House, what the program is for Friday and Monday?

Mr. BYRNS. Mr. Speaker, the program tomorrow will be confined to the conclusion of the bill now under consideration, and as I understand it, probably the rule for the establishment of a special committee for the investigation of wild life.

Mr. BANKHEAD. If the gentleman will yield, I think probably there is another rule that we might take up.

Mr. BYRNS. There will be ample time for the consideration of both rules. It is then proposed, after the conclusion of these matters, to adjourn until Monday.

Mr. MARTIN of Massachusetts. What is the program for Monday?

Mr. BYRNS. On Monday, as far as I am advised, the chairman of one of the elections committees will call up what is known as the "Louisiana contest election." I do not know of anything else at this moment. In addition to what I have already stated, I think I should say that we will call up tomorrow the conference report upon the farm refinancing bill.

Mr. MARTIN of Massachusetts. And the Navy bill probably will be taken up on Tuesday?

Mr. BYRNS. Yes.

Mr. TABER. Could the gentleman tell us whether or not the rule for the establishment of a Committee for the Investigation of Wild Life contemplates the expenditure of money?

Mr. BANKHEAD. No; it does not. It only sets up a House committee of 15 members, as provided in the rule, for the consideration of these problems.

ELECTION TO A COMMITTEE

Mr. BYRNS. Mr. Speaker, the Chairman of the Committee on Ways and Means, the gentleman from North Carolina [Mr. DOUGHTON], and his committee are in session considering possibly the tax bill. He has sent to me this resolution, which he has asked me to present to the House and ask for its consideration.

The Clerk read as follows:

House Resolution 238

Resolved, That AMBROSE J. KENNEDY, of the State of Maryland, be, and he is hereby, elected Chairman of the Standing Committee of the House of Representatives on Disposition of Useless Executive Papers.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Friday, January 26, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Friday, Jan. 26, 10:30 a.m.)

Hearings on various bills.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, Jan. 26, 10 a.m.)

Continuation of the hearings on H.R. 6836, to regulate motor carriers.

EXECUTIVE COMMUNICATIONS, ETC.

308. Under clause 2 of rule XXIV, a letter from the Governor of the Farm Credit Administration, transmitting the first annual report of the Administration, covering operations for the year 1933 (H.Doc. No. 130), was taken from the Speaker's table, referred to the Committee on Agriculture, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 228. Resolution extending time of report on receiverships; without amendment (Rept. No. 339). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 6370. A bill to extend the time for completing the construction of a bridge across the Missouri River at or near South Omaha, Nebr.; with amendment (Rept. No. 340). Referred to the House Calendar.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H.R. 6492. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y.; without amendment (Rept. No. 341). Referred to the House Calendar.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H.R. 6794. A bill authorizing the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N.J.; without amendment (Rept. No. 342). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 6799. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.; without amendment (Rept. No. 343). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 6909. A bill to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.; without amendment (Rept. No. 344). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 7291. A bill authorizing the city of Hannibal, Mo., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.; without amendment (Rept. No. 345). Referred to the House Calendar.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. S. 2029. An act to extend the time for completing the construction of a bridge across the Delaware River near Trenton, N.J.; without amendment (Rept. No. 346). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 235. Resolution for the consideration of H.R. 6604; without amendment (Rept. No. 347). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 237. Resolution to create a committee on wild life; without amendment (Rept. No. 348). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONNERY: A bill (H.R. 7332) to incorporate the National Yeomen F; to the Committee on the District of Columbia.

By Mr. SHOEMAKER: A bill (H.R. 7333) to amend an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933 (Public Law No. 2, 73d Cong.), and an act making appropriations for sundry independent offices and executive bureaus, approved June 16, 1933; to the Committee on World War Veterans' Legislation.

By Mr. ROGERS of Oklahoma: A bill (H.R. 7334) authorizing the Administrator of Veterans' Affairs to assign to the Government any amount due to World War veterans under adjusted-service certificates in payment of premiums on converted Government insurance; to the Committee on World War Veterans' Legislation.

By Mr. GILLETTE: A bill (H.R. 7335) granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, Philippine insurrection, or the China relief expedition, and their widows and dependents, and for other purposes; to the Committee on Pensions.

By Mr. WHITE: A bill (H.R. 7336) to add certain lands to the Challis National Forest; to the Committee on the Public Lands.

By Mr. LUDLOW (by request): A bill (H.R. 7337) to amend chapter III of the Code of Law of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAPES: A bill (H.R. 7338) providing for the examination and survey of a proposed deep-waterway canal connecting Grand River with Lake Michigan; to the Committee on Rivers and Harbors.

By Mr. DISNEY: A bill (H.R. 7339) providing for flood control, irrigation, navigation, production of electric power, regulation of soil erosion, and for other purposes, in the areas drained by the Arkansas, Red, and White Rivers; to the Committee on Flood Control.

By Mr. DOCKWEILER: A bill (H.R. 7340) to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof; to the Committee on the Post Office and Post Roads.

By Mr. KNUTSON: A bill (H.R. 7341) to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota; to the Committee on Indian Affairs.

By Mr. SWEENEY: A bill (H.R. 7342) to punish fourth-class postmasters who inflate their cancelations by mailing, or causing to be mailed, at their offices matter which would not have been so mailed but for the extra compensation accruing to the postmaster; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 7343) to remove inequities in the law governing eligibility for promotion to the position of chief clerk of the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. PIERCE: A bill (H.R. 7344) to extend the provisions of the Forest Exchange Act to public lands within 6 miles of the boundaries of the Whitman National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mr. BUSBY: A bill (H.R. 7345) to authorize an appropriation of $25,000,000 with which to construct the Natchez Trace Parkway, leading from Nashville, Tenn., to Natchez, Miss.; to the Committee on Rules.

By Mr. DOBBINS: A bill (H.R. 7346) to encourage and provide for the sale and exchange of livestock and dairy products in foreign countries; to extend to livestock the policy of Government protection and make it effective; to promote adjustment of economic relations between agriculture and industry; thereby hastening national business recovery, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Minnesota: A bill (H.R. 7347) to enable the people of the Philippine Islands to adopt a constitution for a free and independent government, and for other purposes; to the Committee on Insular Affairs.

By Mr. HAINES: A bill (H.R. 7348) to amend section 3937 of the Revised Statutes; to the Committee on the Post Office and Post Roads.

By Mr. RAMSAY: A bill (H.R. 7349) to amend section 201 (a) of the Emergency Relief and Construction Act of 1932, so that the Reconstruction Finance Corporation may loan money to States, municipalities, etc., for the purchase of bridges and to operate and free the same from collection of tolls; to the Committee on Banking and Currency.

By Mr. LUDLOW: A bill (H.R. 7350) granting pensions and increase of pensions to certain soldiers and sailors of the War with Spain, the Philippine insurrection, or the China relief expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes; to the Committee on Pensions.

By Mr. AYERS of Montana: A bill (H.R. 7351) to provide for the granting of public lands, including the minerals therein, to the States in which they are located, subject to certain terms, conditions, reservations, and exceptions, and also subject to acceptance by each individual State; for the elimination of lands from national forests, parks, reservations, and withdrawals in connection with such grants; for changes in the collection and expenditure of moneys for the United States reclamation fund and other changes relating to the Reclamation Service; and for other purposes; to the Committee on the Public Lands.

By Mr. SUMNERS of Texas: A bill (H.R. 7352) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, and acts in amendment thereof; to the Committee on the Judiciary.

Also, a bill (H.R. 7353) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes; to the Committee on the Judiciary.

Also, a bill (H.R. 7354) to amend the act of June 21, 1902, entitled "An act to regulate commutation for good conduct of United States prisoners"; to the Committee on the Judiciary.

Also, a bill (H.R. 7355) to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict"; to the Committee on the Judiciary.

Also, a bill (H.R. 7356) to provide, in case of the disability of senior circuit judges, for the exercise of their powers and the performance of their duties by the other circuit judges; to the Committee on the Judiciary.

Also, a bill (H.R. 7357) to amend section 109 of the United States Criminal Code so as to except officers of the United States Naval and Marine Corps Reserve not on active duty from certain of its provisions; to the Committee on the Judiciary.

By Mr. WITHROW: A bill (H.R. 7358) to provide for the exemption from Federal income taxation of farmers' cooperative organizations; to the Committee on Ways and Means.

By Mr. PEYSER: A bill (H.R. 7359) to amend the law relating to design patents, to provide for the registration of designs, and for other purposes; to the Committee on Patents.

By Mr. WEAVER: A bill (H.R. 7360) to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. KNUTE HILL: A bill (H.R. 7361) to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; to the Committee on Indian Affairs.

By Mr. LAMNECK: A bill (H.R. 7362) to amend the National Industrial Recovery Act; to the Committee on Ways and Means.

By Mr. AYERS of Montana: A bill (H.R. 7363) to amend Public Law No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", and Public Law No. 78, Seventy-third Congress, entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on World War Veterans' Legislation.

By Mr. CLARK of North Carolina: Joint resolution (H.J.Res. 248) to authorize the erection on public grounds in the District of Columbia of a stone marker designating the zero milestone of the Jefferson Davis National Highway; to the Committee on the Library.

By Mr. IGLESIAS: Joint resolution (H.J.Res. 249) to amend a joint resolution entitled "Joint resolution for the relief of Puerto Rico", approved December 21, 1928; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARDEN of Kentucky: A bill (H.R. 7364) for the relief of L. N. Patterson; to the Committee on Claims.

By Mr. CHASE: A bill (H.R. 7365) to correct and complete the military record of Carl Lindow, known also as Carl Lindo; to the Committee on Military Affairs.

By Mr. CROWTHER: A bill (H.R. 7366) for the relief of Henry Charles Zadoorian; to the Committee on Naval Affairs.

By Mr. DICKSTEIN: A bill (H.R. 7367) for the relief of Sarah Smolen; to the Committee on Claims.

Also, a bill (H.R. 7368) to grant an honorable discharge from the military service of the United States to William Rosenberg; to the Committee on Military Affairs.

By Mr. FISH: A bill (H.R. 7369) granting a pension to Hannah Fitzgerald; to the Committee on Pensions.

By Mr. HAMILTON: A bill (H.R. 7370) for the relief of William F. Catching; to the Committee on Military Affairs.

Also, a bill (H.R. 7371) granting a pension to John H. Botner; to the Committee on Pensions.

By Mr. HOWARD: A bill (H.R. 7372) for the relief of Donald K. Warner; to the Committee on Claims.

By Mr. HESS: A bill (H.R. 7373) for the relief of Elizabeth M. Halpin; to the Committee on Claims.

By Mr. KENNEDY of New York: A bill (H.R. 7374) for the relief of Edward C. Little; to the Committee on Naval Affairs.

By Mr. KRAMER: A bill (H.R. 7375) for the relief of Albert J. Jones; to the Committee on Military Affairs.

Also, a bill (H.R. 7376) for the relief of George Hovey; to the Committee on Military Affairs.

By Mr. McGUGIN: A bill (H.R. 7377) for the relief of the McCune State Bank, of McCune, Kans.; to the Committee on Claims.

By Mr. MILLIGAN: A bill (H.R. 7378) for the relief of the Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.; to the Committee on Claims.

By Mr. PIERCE: A bill (H.R. 7379) for the relief of Milburn Knapp; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 7380) granting a pension to Rissie Whitson; to the Committee on Pensions.

By Mr. STOKES: A bill (H.R. 7381) for the relief of Mary Blakesley; to the Committee on Military Affairs.

Also, a bill (H.R. 7382) for the relief of Robert C. E. Hedley; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H.R. 7383) for the relief of George T. Smith; to the Committee on Claims.

By Mr. THOMASON: A bill (H.R. 7384) granting a pension to Margaret R. Frier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7385) for the relief of J. W. Jackson; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H.R. 7386) for the relief of George Francis Grundy; to the Committee on Naval Affairs.

By Mr. WILLIAMS: A bill (H.R. 7387) for the relief of Royce Wells; to the Committee on Claims.

Also, a bill (H.R. 7388) granting a pension to Annie Rhodes; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7389) granting jurisdiction to the Court of Claims to hear the case of David A. Wright; to the Committee on War Claims.

Also, a bill (H.R. 7390) granting a pension to Sarah K. Copeland; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1789. By Mr. AYRES of Kansas: Petition of citizens of the Fifth Congressional District, Kansas, asking Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1790. By Mr. BOYLAN: Letter from the Hawley & Hoops Co., New York, N.Y., protesting against the excise tax on candy; to the Committee on Ways and Means.

1791. Also, letter from the National-American Wholesale Lumber Association, of New York, N.Y., endorsing House bill 6460, to amend the Home Owners' Act of 1933, etc.; to the Committee on Appropriations.

1792. Also, letter from the Democratic Glass Workers' Protective Association of New York and vicinity, protesting against any order to curtail the hours and work on any of the projects of the Civil Works Administration; to the Committee on Appropriations.

1793. Also, letter from the Van B. Moler Co., Inc., New York City, regarding duty on imports; to the Committee on Ways and Means.

1794. By Mr. BUCK: Petition of V. Peterson, of Stockton, and approximately 5,000 others of the Third Congressional District of California, protesting against radio discrimination; to the Committee on Merchant Marine, Radio, and Fisheries.

1795. By Mr. CARTER of Wyoming: Memorial from the Twenty-second Legislature of the State of Wyoming, memorializing Congress to enact legislation transferring certain oil lands in Natrona County, Wyo., from the jurisdiction of the Navy Department to the jurisdiction of the Department of the Interior; to the Committee on the Judiciary.

1796. Also, memorial of the Twenty-second Legislature of the State of Wyoming, memorializing the United States Veterans' Administration and the hospitalization committee to provide facilities for the care and treatment of Wyoming veterans and others in need of hospitalization by the opening of the Veterans' Administration facility at Cheyenne, Wyo.; to the Committee on World War Veterans' Legislation.

1797. Also, memorial of the Twenty-second State Legislature of the State of Wyoming, memorializing Congress to provide relief for the oil industry, the farmers, the unemployed, business, and the people generally by providing an adequate tariff or tax on oil that will place the domestic oil industry on a competitive basis with imported oil, as shown by the reports of the Tariff Commission; to the Committee on Ways and Means.

1798. By Mr. CAVICCHIA: Petition of August C. Weber and others, protesting against radio censorship; to the Committee on Merchant Marine, Radio, and Fisheries.

1799. By Mr. COLDEN: Petition of approximately 22,500 residents of the Seventeenth Congressional District of California, asking that radio stations be given the same privileges enjoyed by the public press, and that radio stations should be permitted, without interference, to broadcast any lawful programs that they may choose to broadcast, and that persons or corporations who may attempt by coercion or other wrongful methods to prevent such broadcasting shall be restrained therefrom; to the Committee on Merchant Marine, Radio, and Fisheries.

1800. By Mr. CONNERY: Petition of certain citizens of the Seventh District of Massachusetts, protesting against censorship of radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

1801. Also, resolutions of the City Council of Revere, Mass., endorsing President Roosevelt's proposal for congressional action to guarantee the bonds issued by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

1802. Also, resolutions of Woman's Christian Temperance Union, Winthrop, Mass., petitioning Congress to take favorable action on the Patman motion picture bill, H.R. 6097; to the Committee on Interstate and Foreign Commerce.

1803. By Mr. DONDERO: Petition of citizens of the Seventeenth Congressional District of Michigan, protesting against wrongful threats, coercion, and other improper influence preventing many radio stations from broadcasting the message of truth and depriving millions of American citizens of the privilege of hearing what they wish to hear, and particularly the message of Judge Rutherford, and ask that Congress safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1804. By Mr. FITZPATRICK: Petition of the Board of Supervisors of Westchester County, N.Y., urging the continuance of the Federal Civil Works program during the winter months, and that after the winter months be gradually decreased until the unemployed can be absorbed in other public-works projects or private employers; to the Committee on Appropriations.

1805. By Mr. FISH: Petition and protest of 2,260 signers; to the Committee on Merchant Marine, Radio, and Fisheries.

1806. By Mr. FULMER: Concurrent resolution, passed by the Legislature of South Carolina, memorializing the Congress of the United States to pass legislation permitting business concerns to share in the benefits of Federal relief through the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

1807. By Mr. GOODWIN: Petition of some 2,579 residents of the Twenty-seventh Congressional District of the State of New York, urging that Congress take action to safeguard the inherent rights of the American people in the matter of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1808. Also, communication from mayor and trustees of the village of Chatham, Columbia County, N.Y., urging the continuation of the Civil Works Administration policy until the slack of unemployment is taken up by the wheels of industry; to the Committee on Appropriations.

1809. Also, petition of men of Civil Works Administration, projects 10-a-18 and 10-a-19, signed by J. L. Landt et al., Valatie, Columbia County, N.Y., referring to restoring the hours of labor and prolonging the activities of the Civil Works Administration; to the Committee on Appropriations.

1810. Also, petition of National Council of the Steuben Society of America, New York City, concerning the so-called "boycott movement" against German goods; to the Committee on Foreign Affairs.

1811. By Mr. HESS: Petition signed by various citizens of the Second Congressional District of Ohio, protesting against

censorship of the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1812. By Mr. HOLLISTER: Petition of Herbert H. Gildehaus et al., residents of the First Congressional District, Ohio, relating to the regulation of radio broadcasting stations; to the Committee on Merchant Marine, Radio, and Fisheries.

1813. By Mr. HOOPER: Petition of various citizens of the Third Congressional District of Michigan, protesting against an alleged censorship on radio messages; to the Committee on Merchant Marine, Radio, and Fisheries.

1814. By Mr. JOHNSON of Minnesota: Petition of Everett M. Burch et al., including 43,938 citizens of the State of Minnesota, protesting against the discontinuance of radio broadcasts, and to urge freedom of the use of the radio as medium of expression; to the Committee on Merchant Marine, Radio, and Fisheries.

1815. By Mr. KINZER: Petition of William W. Weaver and about 7,000 other citizens and residents of Chester and Lancaster Counties, Pa., protesting against radio discrimination, and urging congressional action in the interest of the people in the matter of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1816. By Mr. KOCIALKOWSKI: Petition of residents of the Eighth Congressional District, Illinois, requesting Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1817. By Mr. KVALE: Resolution favoring further extension of Civil Works Administration projects, and protesting reduction of hours or rate of pay; to the Committee on Appropriations.

1818. By Mr. LAMBERTSON: Petition of the Woman's Christian Temperance Union of Atchison, Kans., and the Ladies' Circle of the Christian Church, of Everest, Kans., urging the passage of House bill 6097, providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

1819. By Mr. LINDSAY: Petition of Colonel John Jacob Astor Camp, No. 6, United Spanish War Veterans, Washington, D.C., concerning exemption of the United States Soldiers' Home from the domiciliary ruling; to the Committee on Military Affairs.

1820. Also, petition of National Federation of Post Office Clerks, Washington, D.C., concerning restoration of Government wages; to the Committee on Appropriations.

1821. Also, petition of National American Wholesale Lumber Association, New York City, favoring the passage of House bill 6460; to the Committee on Banking and Currency.

1822. By Mr. MAPES: Petition of 4,633 citizens of the Fifth Congressional District of Michigan, comprising Kent and Ottawa Counties, Mich., relative to the use of radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1823. By Mr. MERRITT: Petition of sundry citizens of Bridgeport, Stamford, Danbury, Norwalk, Greenwich, Bethel, Shelton, Springdale, Noroton, Noroton Heights, Glenbrook, Darien, New Canaan, Cos Cob, Riverside, Fairfield, Stratford, Stepney, in the State of Connecticut, protesting against certain interference through censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1824. By Mr. MORAN: Petition of the Governor and Executive Council of the State of Maine, recommending establishment of official gateway to Arcadia National Park, Maine; to the Committee on the Public Lands.

1825. By Mr. PEYSER: Petition and protest against censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1826. By Mr. REID of Illinois: Petition signed by about 9,500 residents of the Eleventh Congressional District of Illinois, protesting against unjust censorship of certain radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1827. By Mr. RUDD: Petition of Thomas Jefferson Post, No. 541, American Legion, New York City, favoring the repeal of Public Law No. 2 of the Seventy-third Congress; to the Committee on Appropriations.

1828. Also, petition of Colonel John Jacob Astor Camp, No. 6, United Spanish War Veterans, Washington, D.C., with reference to the United States Soldiers' Home, Washington, D.C., etc.; to the Committee on World War Veterans' Legislation.

1829. Also, petition of National American Wholesale Lumber Association, New York City, favoring the passage of House bill 6460 to amend the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

1830. By Mr. SADOWSKI: Petition of the common council, city of Detroit, Mich., requesting continuance of civil-works program; to the Committee on Appropriations.

1831. Also, petition of the Detroit Board of Commerce, opposing amendment of section 131 of the Revenue Act of 1932; to the Committee on Ways and Means.

1832. By Mr. SEGER: Petition of Robert Haines and other residents of Paterson, N.J., and vicinity, protesting against radio censorship; to the Committee on Merchant Marine, Radio, and Fisheries.

1833. By Mr. SMITH of West Virginia: Petition signed by citizens of Beckley and other communities in West Virginia, protesting against attempts made to influence the Radio Commission to prevent the broadcasting of programs that are of public interest, convenience, and necessity; to the Committee on Merchant Marine, Radio, and Fisheries.

1834. By Mr. SUTPHIN: Memorial of the Essex County Medical Society, of Newark, N.J., favoring enactment of Senate bills 1944, 2000, and House bill 6110; to the Committee on Interstate and Foreign Commerce.

1835. By Mr. TARVER: Petition signed by J. Y. Denton and several thousand other residents of the seventh district of Georgia, protesting against wrongful interference with radio broadcasts of any lawful programs and asking legislation providing heavy penalties where coercion or other wrongful methods are used to prevent the broadcasting of programs of public interest, convenience, and necessity; to the Committee on Merchant Marine, Radio, and Fisheries.

1836. By Mr. TERRELL of Texas: petition of approximately 5,000 citizens of Texas, memorializing Congress against censorship of broadcasting speeches over the radio, and demanding freedom of speech as well as freedom of religion and freedom of press; to the Committee on Merchant Marine, Radio, and Fisheries.

1837. By Mr. THOMPSON of Illinois: Petition of residents of the Fourteenth Congressional District of Illinois, requesting Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1838. By Mr. WEAVER: Petition of various citizens of Buncombe and other counties in North Carolina, regarding the regulation of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1839. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to amend the income tax law, providing for a deduction of State income tax paid from the Federal income tax; to the Committee on Ways and Means.

1840. By Mrs. CLARKE of New York: Petition of Edward S. Buckland and approximately 2,500 citizens of the Thirty-fourth Congressional District of New York, protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1841. By the SPEAKER: Petition of the city of Bedford, Ohio, regarding passage of workers' unemployment and social insurance bill; to the Committee on Labor.

SENATE

FRIDAY, JANUARY 26, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met at 11 o'clock a.m. on the expiration of the recess.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR FEDERAL TRADE COMMISSION (S.DOC. NO. 121)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Trade Commission, fiscal year 1935, in the sum of $500,000, of which sum $150,000 is to be immediately available, to provide an additional amount for carrying into effect the provisions of the Securities Act of 1933, approved May 27, 1933, and for work in connection with the provisions of the National Industrial Recovery Act, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF WAR FINANCE CORPORATION (IN LIQUIDATION)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to law, the report of the Secretary of the Treasury on the War Finance Corporation (in liquidation), covering the period from January 1, 1933, to December 31, 1933, which, with the accompanying papers, was referred to the Committee on Finance.

INFORMATION RELATIVE TO PROCESSING TAXES (S.DOC. NO. 122)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, pursuant to Senate Resolution 121, agreed to January 8, 1934, information relative to processing taxes imposed under the provisions of the Agricultural Adjustment Act, which, with the accompanying papers, was ordered to lie on the table and to be printed.

REPORT OF FARM CREDIT ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Governor of the Farm Credit Administration, submitting, pursuant to law, the first report of the operations of that administration covering the period from May 27 (the date of organization) to December 31, 1933, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

A concurrent resolution to memorialize the Department of Agriculture of the United States to maintain the present compensatory tax schedules on all fibers used in competition with cotton

Whereas the Secretary of Agriculture of the United States will hold a meeting at Washington, D.C., on January 25 instant, for the purpose of reconsidering the compensatory tax on paper, with the possibility of its reduction or removal; and

Whereas it is the sense of the General Assembly of South Carolina that the compensatory tax on paper, and all other competing fibers with cotton, shall at least remain as now fixed by the Department of Agriculture so long as the processing tax on cotton remains effective: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That we memorialize the Department of Agriculture of the United States to adhere to the schedule of compensatory taxes on paper and upon all fibers used in competition with cotton so long as the processing tax remains on cotton. That to remove or to lower the compensatory taxes on these fibers and at the same time maintain the processing tax on cotton would invite and encourage the use and consumption of the nontaxed fibers and lessen the demand for cotton products, of which we now have a great surplus; be it further

Resolved, That a copy of this resolution be sent to the honorable the Secretary of Agriculture of the United States and to the Senators and Congressmen from South Carolina and to the clerks of both branches of the Congress.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S.C., January 24, 1934.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house of representatives and concurred in by the senate.

[SEAL] J. WILSON GIBBES,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint resolution memorializing the Congress of the United States to take certain action for the relief and rehabilitation of the dairy industry

Whereas Wisconsin cannot enjoy economic recovery until its great dairy industry is rehabilitated and stabilized; and

Whereas the stabilization of the dairy industry cannot be accomplished until some outlet is provided for the huge surplus of dairy products and the price level of such products is substantially raised; and

Whereas the Federal agricultural relief program has directly benefited certain branches of the agricultural industry by making provision for the payment of more than $600,000,000 as bonuses in the Corn and Hog Belt, the Wheat Belt, and the Cotton Belt, as direct aid to the farmers in these sections; and

Whereas, of this allotment, agricultural communities in the Corn and Hog Belt will receive $350,000,000, Iowa alone receiving over $65,000,000; and communities in the Wheat and Cotton Belts will receive in each case about $160,000,000, of which Kansas will receive as a wheat bonus $30,000,000 and North Dakota, $15,000,000; and in addition thereto a considerable amount has already been paid to tobacco farmers for acreage reduction; and

Whereas no bonus of any kind is in sight for the dairy industry, the greatest of all farm industries, nor is there any effective program for the relief of the dairy industry; and

Whereas a program providing for a reduction of one fifth of the dairy herds and an increase in the price of dairy products of 25 percent would afford immediate and needed relief to the dairy farmer and would tend to bring back the price level of dairy products to the 1926 level: Now, therefore be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorializes the Congress of the United States to give prompt attention to the question of economic rehabilitation of the dairy industry by including in the Federal agricultural relief program a proposal for reduction in dairy herds and increase in the price of dairy products substantially as above set forth; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress, and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Education and Labor:

Joint resolution memorializing Federal authorities to confine all contracts to be let for material and work to be used on or in connection with P.W.A. projects to American firms and corporations

Whereas the P.W.A. program is a great national project forwarded at the expense of the American taxpayers; and

Whereas economic conditions at the present time are such that any public money spent for construction projects should be utilized to give employment to the maximum number of American citizens: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully memorializes the Federal officials who have charge of the letting of contracts for any Federal construction project connected with the P.W.A. program, including contracts for the purchase of equipment and materials, to exclude from consideration any foreign corporation or other bidders, and to let such contracts only to American citizens and American firms and corporations, and to require that all material used in such projects shall be manufactured in the United States, and that only American labor be employed: Be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the Secretary of the

Interior, and to the Presiding Officers of both Houses of the Congress of the United States.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to amend the income tax law, providing for a deduction of State income tax paid from Federal income tax, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. DUFFY on the 25th instant.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of Bedford, Ohio, favoring the passage of workers' unemployment and social insurance legislation, and also the making of an appropriation to continue the operation of the Civil Works Administration, which was referred to the Committee on Appropriations.

Mr. ROBINSON of Arkansas presented telegrams in the nature of memorials from Thomas B. Pryor, of Fort Smith, Ark., and R. E. Wiley and Henry Donham, of Little Rock, Ark., remonstrating against the contemplated use of several million dollars of Public Works funds for the purchase of trucks to transport National Guard men as being detrimental to the railroads, which were referred to the Committee on Interstate Commerce.

REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 1077) for the relief of Lueco R. Gooch, reported it without amendment and submitted a report (No. 235) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 254. An act for the relief of Fred H. Cotter (Rept. No. 236); and

S. 413. An act for the relief of Edith N. Lindquist (Rept. No. 237).

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (S. 1853) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine, reported it without amendment and submitted a report (No. 238) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TRAMMELL:

A bill (S. 2493) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels, and for other purposes; to the Committee on Naval Affairs.

By Mr. NORRIS:

A bill (S. 2494) for the relief of Fred Edward Nordstrom; to the Committee on Military Affairs.

By Mr. CLARK:

A bill (S. 2495) for the relief of Minnie D. Hines; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 2496) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower; to the Committee on Claims.

By Mr. McGILL:

A bill (S. 2497) to correct the military record of Judson B. Isbester (with an accompanying paper); to the Committee on Military Affairs.

By Mr. NEELY:

A bill (S. 2498) for the relief of Herbert E. Guthrie; to the Committee on Military Affairs.

By Mr. HAYDEN:

A bill (S. 2499) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes; to the Committee on Indian Affairs.

By Mr. SMITH:

A bill (S. 2500) to aid in relieving the existing national emergency through the free distribution to the needy of cotton and cotton products; to the Committee on Agriculture and Forestry.

By Mr. McKELLAR:

A bill (S. 2501) for the relief of Dr. R. N. Harwood (with accompanying papers); to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 2502) to authorize until June 30, 1935, contracts for and purchase of printing supplies and stationery in the locality of certain Government activities; to the Committee on Printing.

By Mr. CAPPER:

A joint resolution (S.J.Res. 77) for the relief of W. K. Richardson; to the Committee on Military Affairs.

ASSISTANT CLERK TO COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. ADAMS submitted the following resolution (S.Res. 156), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Irrigation and Reclamation hereby is authorized to employ an assistant clerk for the remainder of the present session of Congress, to be paid at the rate of $2,000 per annum from the contingent fund of the Senate.

THE POSITION OF SILVER IN THE WORLD

Mr. PITTMAN. Mr. President, I have received a number of letters asking my opinion as to the effect of the London silver agreement on the position of silver in the world, particularly with respect to the effect it may have on its market price in the world. I have here a letter written by me in response to that question and some other statements made in regard to it and also notifications of the ratification of that agreement by certain governments. I ask to have these matters printed in the RECORD for the information of the Senate.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *January 25, 1934.*

Mr. E. R. COOMBES,
Editor the Mining Congress Journal,
Munsey Building, Washington, D.C.

MY DEAR MR. COOMBES: Permit me to express my pleasure that you have honored me by publishing in your journal the extemporaneous speech that I delivered before the mining congress in December entitled "The Position of Silver in the World."

I regret that by reason of my absence from Washington I did not have an opportunity to revise the text of my remarks. No blame attaches to you in this matter, of course, as a stenographic transcript was sent to my office. The figures quoted by me are correctly set out in the printed article. Therefore, revising of the address was unnecessary.

Since this speech was delivered the President has issued his proclamation providing for the opening of the mints of the United States to the coinage of silver mined in the United States and its dependencies subsequent to the date of the proclamation.

The Government of the United States takes half of the bullion tendered as seigniorage and coins the balance for the tenderer of the silver. This, in effect, means that the miner is receiving 64½ cents an ounce for his silver. This in no way fixes the price of silver even in the United States, because the producer of silver is at liberty to hold his silver for a higher price or sell it anywhere in the world. He is assured, however, at the present time of a price 50 percent above the world price.

If the world price of silver rises to 64½ cents an ounce it will be obligatory upon the President to raise the price of American silver because he is obligated in the agreement between the United States and other governments to take into the Treasury of the United States 24,461,000 ounces of silver annually from the mined production for a period of 4 years.

If foreigners should outbid our Government for our silver, then the President could not carry out this agreement, because there will probably not be in excess of 24,461,000 ounces of silver produced in 1934. He will increase the bid for United States silver to meet foreign bidding by reducing the amount of bullion that the Government takes for seigniorage.

This process may go on—and I believe it will go on—until the miner will receive coined silver dollars for all of his bullion, which

means that he will be receiving $1.29 an ounce for his silver, or the parity price based on the ratio of 16 to 1.

I am satisfied that the world price is going to advance. The London agreement, which has been ratified by India, United States, Australia, and Mexico, and which undoubtedly will soon be ratified by the other parties to the agreement, namely, Canada, Peru, China, and Spain, will result in there being only approximately 160,000,000 ounces of silver on the world market in 1934.

When the people of the Orient and other peoples who use silver as the reservoir of their wealth and a medium of exchange become aware of this fact, they will do as they have always done in the past—go into the world market and bid for silver. It is the history of these peoples that as silver rises in price their bids increase. When there is a bear movement in silver and silver starts down, they sell silver and buy gold. When silver starts up and they believe it will continue to rise, they sell gold and buy silver.

It may take 2 or 3 months for the world market to absorb the speculative silver that has accumulated in New York to meet the demands on the silver exchange.

The President's proclamation, while it recognizes silver as money, was not intended so much to establish a policy of the United States as it was to constitute a ratification of the London agreement. In his message he stated that he did not desire to make any further recommendation to Congress with regard to silver until he had ascertained the results of the London agreement. That agreement will undoubtedly be completely ratified in the near future. I feel, however, that the President's action and his attitude toward silver may be interpreted to mean that the position of silver as a world money, free of discrimination, will soon be restored.

The President is leading an evolution—not only in our monetary system but in the monetary systems of the world. He is doing it with extraordinary success, and we should follow and support him.

With best wishes for the success of the Mining Congress and of your journal, I beg to remain,

Sincerely yours,

KEY PITTMAN.

[From the Mining Congress Journal, January 1934. Address before Mining Congress, Washington, Dec. 17, 1933]

THE POSITION OF SILVER IN THE WORLD

By Hon. KEY PITTMAN

In a short extemporaneous address I find it quite difficult to know how even to approach the silver problem. I think the great trouble about the silver problem is that it is generally written about by those who know nothing about the production and consumption of metals. They know all about the theory of economics; they are perfectly familiar with what we understand as monetary systems.

Another error that is made is the belief that no one is interested in this subject except the comparatively few producers of silver throughout the world. Now, if that assumption were true, it would be a great waste of time to bring a matter of this kind to the consideration of the American Mining Congress or to the Congress of the United States, or to a great gathering such as we had in London a few months ago where 66 governments were represented.

As a matter of fact, those 66 governments did not consider the question as only a commodity question. The United States, Canada, Mexico, Peru, Ecuador, and Australia produce nearly all of the silver that is produced in the world. If the matter was of interest solely from the commodity standpoint, then you would only expect those governments to be interested and not the rest of the 66 governments that were interested. Just that in itself is an answer to the unfortunately ignorant discussion of this matter purely from a commodity standpoint.

At London there were two things presented, and they were presented on behalf of the United States. The first was a resolution dealing with the whole monetary standpoint. I had the honor on behalf of our delegation as a member of the monetary commission to present our monetary resolution. Probably because I presented it, most of the press of the world only took note of that part of the resolution dealing with silver. As a matter of fact, the resolution dealt with both gold and silver and was prepared before we left Washington, was discussed in the informal conferences held here in Washington between our Government and the representatives of various governments who came here.

The gold part of that resolution was substantially this, as I remember it: "It is the sense of the governments represented at this conference that governments return to the gold-standard measure of international exchange as soon as practicable."

The question arose as to what the word "practicable" meant. The Japanese delegate said, "It is not practical for us to return to the gold standard at the present time because we haven't the gold reserves, and we can't obtain them. We desire, however, to return to the gold-standard measure of international exchange as soon as possible."

Lord Hailshan arose, representing the delegation from England, he was a member of the Cabinet, and as a member of the Cabinet, the Secretary of War, and he said: "If I understand the delegate from the United States, he means by the word 'practical' that each government is to determine for itself the time of the return to the gold-standard exchange and the ratio." As that was my understanding of it, I accepted that amendment.

That was unanimously adopted by all of the 66 governments. As a matter of fact, under the rule of the League of Nations which governed that body, everything must be adopted unanimously. They take no votes on it because if there is an objection of a government to it, a substantial objection, and that cannot be overcome, realizing that you can't compel a government to do anything, that subject is passed.

When that part of the resolution was adopted they separated that portion of it dealing with the silver question. The first issue that arose was whether we should treat silver as a commodity the same as they were trying to treat wheat and cotton, or whether it should be treated from the monetary standpoint as money. The decision of that would cause it to be referred either to the economic commission or to the monetary commission. After a very full discussion of the subject they decided to discuss it from the monetary standpoint and it was referred to the monetary commission, and there the questions were considered and determined.

The silver resolution that was adopted by the 66 governments was substantially this: They all agreed on behalf of their governments, as far as they could bind their governments, that they would no longer permit the debasement of silver coin but would return to at least 0.800 fine silver coins as budgetary conditions permitted, that they would replace low-valued paper currency with silver coin, and that they would not permit legislation that could depreciate the value of silver on the market of the world. I think that is a substantial advance for 66 governments to unanimously agree to. As we know, the cause of the depreciation in the value of silver money is due entirely to prejudicial action of governments in the past, and when they agree to stop that, then you know that, sooner or later, the law of supply and demand will govern. I will get to that question a little later.

I may say, just in passing, that the Government of France is now replacing its low-valued paper currency, its 5- and 10-franc notes, little disagreeable shinplasters, with silver coins, and is carrying that out now.

In addition to that, the resolution that we took over to London provided that there should be every effort made to bring about an understanding or agreement between those countries producing large quantities of silver and those countries holding or using large quantities of silver. In fact, that was a condition of the adoption of the main resolution.

The reason of that was plain. It was first the debasement of the silver coins of Great Britain, France, Belgium, and other countries, and the consequent dumping of the surplus silver derived from such debasement upon the market of the world that started the downward price of silver. But they said, "Why should we desist from this practice if India, who holds probably a billion ounces of silver in the form of silver rupees, is going on arbitrarily without restriction and possibly without reason to melt up those silver coins and dump them on the market of the world in any quantities at any time at any price? Therefore, we want you to obtain that agreement."

Two days before that conference adjourned we obtained the agreement, signed up. That agreement provided that the Government of China would not sell any silver derived from the debasement of melting up of silver coins, that the Government of Spain would not sell to exceed 5,000,000 ounces a year for a period of 4 years commencing January 1, 1934, at the end of 4 years they would go under the general resolution of never again debasing of melting up silver coins. The Government of India agreed to limit their sales of silver to 35,000,000 ounces of silver annually commencing on the 1st of January, 1934, for a period of 4 years, and after that they would go under the general resolution and would sell no more silver derived from the debasement of melting up of silver coins.

There was a limitation, there was a certainty that people could count on, but, on the other hand, the producing Governments of the United States, Canada, Mexico, Peru, and Australia are the Governments to offset this limited oversupply by taking from their own mines 35,000,000 ounces of silver a year for 4 years during the same period of time. That neutralized the limited oversupply.

In that understanding there was also a separate arrangement between the United States, Canada, Mexico, Peru, and Australia as to the amount each of these Governments should take off of the market. The United States was required to bear the large part of the burden of that for several reasons. In the first reason, the addition of 30 millions of currency a year to the currency of the United States is a negligible thing; the addition of 30 millions of currency in Canada might be disturbing in its effect upon their monetary system. Again, taking into consideration our wealth, the amount of circulating currency that we have, the relation of our silver currency to our gold currency, justified the demand that we take the particular burden of it.

Not only that, but those Governments were aware of the fact that two sessions ago I introduced a bill in the Congress of the United States requiring our Government to purchase at least 24,000,000 ounces of silver a year for a period of 4 years. That was all of the silver we produced last year, and that was intended to purchase all of that silver and to pay for it either with standard silver dollars into which this silver would be coined or silver certificates as they saw fit. So we were required to purchase of the 35 millions 24 millions.

The Banking and Currency Committee of the United States Senate, the majority have already approved unofficially the purchase of 24,000,000 ounces of silver a year for 4 years. I did not urge a report on that because I desired to wait until after the Economic Conference has acted.

The President has full authority to carry out that understanding. India already had carried it out. The Indian Council passed an order, which is a law in India, prohibiting the sale of over

35,000,000 ounces of silver a year commencing on the 1st of January, 1934, for a period of 4 years. They have acted. Now it is up to us to act. We have the authority to act. The President has the authority to act.

In the so-called "Thomas amendment" it was provided that the President of the United States might fix the ratio between gold and silver and that he might coin silver at that ratio. It was also provided in that same act that if an agreement was reached at the world conference, which Congress authorized the President to participate in, he should carry out that agreement. Now, he has this power. If he doesn't see fit to exert it then Congress undoubtedly will exert it, because it is a moral obligation imposed upon us because our Government with the authority of Congress initiated this understanding. I think that you will find that it will be carried out either by the President or by Congress.

It may be carried out in many ways, either by opening the mint to the coinage of American silver, which would take off at least 24,000,000 ounces a year, deducting a certain portion of the bullion so deposited as seigniorage and as cost to theh Government, or through direct purchase by act of Congress. That is the situation with regard to silver as it stands today.

Now let me briefly go to the more important phase of it for a few minutes. It is contended constantly by economists of reputation that the price of silver does not in any way, or not materially, affect our export trade, that China, for instance, does not buy from us with silver, but she buys from us with her exports.

In theory that is true. You take two well-developed countries such as Germany and France and the balance of trade would probably limit exports and imports. It was not true in the United States in the early days when we had this vast territory back of us with raw resources; we had no money to start with here, it all came in from somewhere else. We finally melted up the gold and silver and made it into our own money. A prospector would go out in the hills with a slab of bacon and some beans and a burro and he would find a mine, a gold mine or a silver mine, or a copper mine or a coal mine, or what not; he would sell that to a British syndicate for something, $50,000, $100,000, or a million. That man had this money with which to buy anywhere in the world. He didn't get it from exports; that money didn't come in from exports. You have got to get down not only to the invisible income such as everyone recognizes, money sent back to China by the Chinese here, back to Italy by the Italians here, the tourist trade, and those things.

But added to that is another factor which always exists in the development of a pioneer country, and that is the creation of a new wealth by discovery and by making it available for the world. That is the position of China today, a country as large as the United States and nearly all of Mexico combined, with nothing but the fringe of it developed in great cities, that vast country waiting for development, 400,000,000 of energetic people wanting to have their standard raised, and in the last few years they have made remarkable strides toward it.

When I was over in China in 1925 there had been little change; when I was over there in 1931 I saw the girls on the street wearing American clothes, with their hair bobbed, and wearing American hats and American shoes. Our trade commenced to do well with China, and so did Great Britain's trade.

But what happened? They may have some other explanation for it, but we have lost since the fall of silver started in 1928, 75 percent of our manufactured exports to China. Oh, but they will say we lost it elsewhere. We did; but elsewhere there was poverty and distress such as we have experienced in 3 years, but during that time in China there was a boom going on every minute, and is today. Why? Because China has become industrialized. When the exchange value of the Chinese money was so low that it took from four to five of their dollars to exchange for one of ours, with which to buy our goods, they ceased to buy anything except what they had to have. And what they are buying is raw material.

I don't want to take your time with figures, but let's see what happened to Great Britain in that period of time. In 1928 Great Birtain exported to China 153,399,100 square yards of cotton piece goods. In 1929 it dropped to 149,000,000, in 1930 it dropped to 41,000,000, in 1931 to 41,000,000 and just a little less.

Now, what happened to us? Take our exports of raw cotton to England. In 1928 it was about 1,997,000 bales. In 1931 it was 899,000 bales, less than half. Why? Because Great Britain is our great market for raw cotton and China was one of her great markets, and India, too, for her cotton piece goods. She not only lost her cotton piece-goods market to China but she lost it to India and Mexico and South America and everywhere else in tropical countries where they use it. And why? Why, the economists will say that we lost it everywhere, but that isn't a fact. China was prosperous.

Take the report of that great commission that was sent over from London to China in 1930 and 1931 under Sir Ernest Thompson called the Economic and Monetary Commissions of the Far East. What did they report? They reported these facts and they gave us the cause of it, that the low price of silver had lowered the exchange value of the Chinese money with the pound sterling to such an extent that the Chinese couldn't afford to buy British piece goods. They couldn't buy it from Japan, and what did Japan do? Japan did what the British did; they went into China with their gold, they exchanged it for the cheap silver money on a ratio of 4 or 5 to 1, bought factories, enlarged factories, built new factories, and put the Chinese to work making cotton piece goods. That market is gone forever, and it is going every day of the world.

Take for instance our own exports to that country, and it is quite interesting. Here is what happens: Apparently we were all right. In 1929 we exported to China of raw products $40,000,000 worth; in 1930, $38,000,000 worth; in 1931, $55,000,000 worth, an increase of 38 percent. That is raw products, that is cotton.

But what happened to the manufactured stuff? In 1929, $2,531,000; in 1930, $1,898,000, but those figures are added to that, that is higher; in 1931, $1,119,667. In other words, our exports dropped from the index figure of 100 in 1929 to 43 in 1931. Those are the last exact figures I have.

Now, what happened to silver during that period of time? Silver was around 60 cents an ounce when this thing started, and it moved on down in 1931 to 25.5 cents an ounce. The figures are so simple, so plain, as to what is happening to us. The reports of this great commission from Great Britain, which was under the auspices of the cabinet member in charge of the Board of Trade, show it. In their reports they put their finger on it, and they state that it is the duty of Great Britain to take the initiative in removing the obstacles to the natural rise in the price of silver. That is Great Britain. Great Britain doesn't produce any silver except possibly in Canada and Australia a little bit. They were not interested in the price of silver except as it affected the commerce of the world. Why, everyone now is getting so they understand the effect of depreciated currency on exports and imports; everyone knows now who knows anything about exports and imports that the Government with its depreciated money has an advantage in export trade and a disadvantage in import trade.

They understand that with regard to the currencies of countries that were formerly on the gold standard, but for some mysterious reason they can't understand that the same law applies to countries who have nothing but silver money. It doesn't make any difference what kind of money it is—as a matter of fact, today in the world there is no kind of money, there is no gold standard; they might call it a gold standard in France and Switzerland or Holland or Italy, but it is a managed-gold standard and so tied in and held in that it is just a little local secret among themselves; there is no such thing among the great nations of the world as a gold standard, except in this: It is the intention of Great Britain and it is the intention of every one of those 66 governments to go back to the use of gold as the measure of the value of currency in international trade and as a limitation of issue, and if it wasn't for that gold wouldn't be worth much more than iron is today. They are bidding for gold because they know that gold is scarce, and they believe that some way, somehow, sometime it will be reestablished as the measure of the value of the currencies of the world; and I believe it will, too.

Now, getting down to bimetallism, there are two different definitions of bimetallism. We have bimetallism in the United States today, but it is not the same kind of bimetallism as Holland has; it is not the same kind of bimetallism that we had in the beginning of this Government; it is not the same kind that we had down to 1873. Originally our bimetallism meant that our measure of the dollar was 23.22 grains of gold—it was a little more than that on the start, but it is that now—and that the other measure of the dollar was 371.25 grains of silver—two measures—and that you could pay your debts in either measure until 1873, of course, when we adopted the single gold-standard measure.

But that hasn't made any particular difference to us here except to this extent: Right today 12 percent of the currency of this country is silver, and that silver is running on a parity with all gold currencies and has run on a parity with all gold currencies through this century, and it has run on the parity of 16 to 1. I know, if you use that term "16 to 1", somebody will immediately think you are crazy, but the reason it is 16 to 1 is that 371.25 is about 16 times 23.22. In other words, it takes 16 times as many grains of silver to measure a dollar as it does gold.

Why was that done? That is not just an arbitrary thing that happened. Napoleon, way back in the early days of 1818, established the ratio at 15 to 1, after he had had the greatest statisticians and scholars of that age determine the preciosity of gold and silver, and they determined that the production of the two was as 15 to 1 and that, the demand being exactly the same for money, the ratio of exchange should be 15 to 1.

Great Britain wanted to go them one better so they said, "We don't think it is quite that good, we will call it 15.5 to 1," and then of course they traded in it, they bought silver in Great Britain, carried it across the straits and coined it in France at a half a cent an ounce profit. That caused gold to flow into Great Britain, silver back into France, and then Great Britain having nothing but gold declared the single gold standard in 1818 and made the first discrimination against the use of silver as money. From time to time they have discriminated against its use for money.

Then they say that the law of supply and demand is working. Why, take away from gold the possibility of ever again being used as money, and I doubt if it will be as valuable as tin. What do you want with it if you don't use it for money? Half of it is used for jewelry and the arts and sciences. What would become of the other half if you didn't need it for money? Give exactly the same demand for silver for use as money as you do to gold and the law of supply and demand would undoubtedly run right along.

Today we have nearly $800,000,000 in silver in circulation in this country, 12 percent of all of our currency. Every one of those dollars today is circulating and paying debts at $1.29 an ounce. Nobody ever questioned it. Our Government since 1873 has made

about $265,000,000 in profit buying the silver from the miner and selling it to the banker and the grocer and the merchant to do business with. There hasn't been any strain on our credit. In 1900, 30 percent of all the circulating currency of the United States was silver. We could increase the silver circulation in this country $1,500,000,000 and then we would not reach the proportion of silver currency to gold currency of 1900.

Why should there be any great fear of inflation even if we coin the annual production of this country of 24,000,000 ounces a year at a value of $1.29 an ounce? It wouldn't add but a little over 30 millions a year to our currency of this country, and they could keep adding to it until they had added $1,500,000,000 before it would be as was the proportion of 1900. What is all this talk about being afraid that you will disturb the ratio and bearing of the currencies of the United States by any of these small acts? It is perfectly absurd.

Why is it that people want gold? It is not a serviceable metal, practically. There are not enough teeth to be filled to use a fifth of it. They want it for the same reason they have wanted it throughout the ages, because it is precious metal that is recognized as precious throughout the world from the time of barter and trade when they wanted to reach further out and have a substitute for transferring a cow for a horse, they found out that a chunk of metal about as big as this match case was scarce, and that if they took that chunk of metal for the cow, this man somewhere else would take that chunk of metal for a horse. It was the scarcity of it. The functions of money are to transport things, like a railroad; not only that, but to measure excess labor for the future, to hold it to hand down to your children and to posterity, to meet the hard times of poverty. But not only that, it must be so limited in its production that it will be a sound measure of money. It must be found everywhere, not like platinum, in a few places.

So we find that from the beginning of time peoples everywhere have recognized that there were two precious metals, gold and silver, that nature limited their production, and that natural limitations gave it its value as money and made it stable. They not only found that out in the course of time, but even before professors and statisticians existed and roved the country, they themselves found out that there was just about 15 or 16 or 14 times as much silver as gold. They established the ratio themselves in their trades with silver before it had the stamp of a weight on it, or a government.

The same thing that causes people, our most intelligent, educated people, our great bankers, for instance, to long to get the gold into their hands, is because they don't trust anything else.

Well, I don't blame them much. No one who can see what is happening to the great powerful governments of Europe and their paper money, which has no intrinsic value, no value whatever outside of their own country, can help but fear what we call fiat paper money.

I have read the stories of Barney Baruch in the papers about the terrible destruction of fiat money. I thoroughly agree with him. He doesn't have to paint the history of Europe, the mark, we all know it. That is the reason Barney wants gold, and if he couldn't get gold he would want silver, just as the Chinese want silver and the Indian wants silver. The Indian there has his wife covered with bracelets, anklets, breastplates of silver, because the Indian woman can't inherit but she can keep that and when poverty comes, when the drought comes, she cuts off a little piece of that silver and takes it in to the bazaar and buys food and clothing with it.

During the good times they have hoarded. There are probably 8,000,000,000 ounces of silver hoarded in India. Nothing on earth could drag it out of India save necessity, poverty, famine, distress.

When silver was $1.38 an ounce, the highest in the history of the world, in 1919, I think it was, the Chinese were buying more silver than they ever bought before. The more valuable it becomes, the more they want it.

When there is a bear movement on silver like India created, the Chinese speculators know that it is going down and they join in the selling movement and buy gold and hoard gold, and they have been hoarding gold in India and China to an estimated amount of probably a billion dollars.

But as silver starts up their gold comes out to buy silver and they buy silver. I wouldn't be afraid now to open the mints of the United States to the coinage of the silver of the world, because my studies of it have convinced me that you couldn't get over 250,000,000 to 300,000,000 ounces in here for coinage. As a matter of fact, when there is a tendency to draw silver to this country, China puts her embargo upon the exportation of silver because she doesn't intend to have her country denuded of silver. So with England.

All we have got to do is just simply to remove the Government restrictions and limitations that have been put on silver money. A rise in the price of silver doesn't make China buy from us. Some economist the other day said that in the first 8 months of this year our exports fell off 16 percent to China, and during that time the silver was 4 cents higher than it was in 1932. It takes a little period like that. But he forgets that the price of cotton went up from 5½ cents to 9 cents during that period of time and the rise in the price of silver was not near as high as the rise in the cost of cotton and wheat and other things. That is your statistician. He picks out a little speck, a little section and says, "Look at that," instead of taking an average of 3 or 4 years.

The price of silver dropped from 65 to 25.5. Measure your trade, your exports, as did Great Britain, and you will find out what has happened.

What I mean is this: Some of you members of the Mining Congress are engaged in coal mining, others in iron mining, others in silver mining, lead, gold, copper, zinc, whatnot, and therefore I am discussing the economics of this proposition.

Your automobile sales went to pieces in China. We sold 80 percent of all the automobiles sold in China, and yet Mr. Soong, the Minister of Finance, who was educated in this country and is a great banker, testified before the Economic Commission over in London: "Of course we can't afford to buy your trucks and your automobiles, because a little truck that we paid $1,200 for in our money 3 years ago we now pay $3,400 for in our money." They said, "But wouldn't China benefit by cheap silver? Isn't it industrializing China?"

He said, "Yes; it is industrializing the coast cities, but my ambition is to develop China, the great resources back of it, and I can't do it without credit. I can't keep my credit unless I can pay the service debt on the $500,000,000 of gold that we owe. When we borrowed that gold 1,000,000,000 Chinese dollars would pay it; today it takes 2,500,000,000 Chinese dollars to pay it. We can collect $4 on the hundred taxes in our silver dollars, but when we get to pay on the debt it is only $1. No government can live in China without credit, and no government in China can get credit until it can pay its foreign-service debts, and they can't pay the foreign-service debts when you value our money at one fourth or one fifth of your money."

There is your history. If only you who are interested in metals would carry the truth to the country, would answer the foolish articles that are written in the papers like that written by Mr. Robey here the other day, it would help. He said, "Why, there are only four or five States interested in silver; there are only probably 100,000 people directly interested in silver. The gross value of it last year was only about, I should say, $8,000,000. Why should we worry ourselves about that little crop?"

Well, we shouldn't if that was all there was to it, but it has never occurred to him ever to read the reports of these other countries on these various questions that stand undisputed. Why, our commerce today, and ever since silver went up above 40, our exports to China, have been increasing right along. Why doesn't he segregate that period? Of course, that difference of 4 cents an ounce between 1932 and the 8 months in 1933, when we had raised the cost of everything, was not a fair comparison.

They say, "If the Chinaman's bank account was doubled he wouldn't buy any more." Well, it is human nature that if you double a man's bank account he is going to buy just a little more. If you double my bank account, I would probably buy a new automobile instead of running the one that I have been running for 5 or 6 years. You give the Chinese dollar the purchasing power even that it had in 1926, 1927, and 1928, and for years, of 60 to 65 cents an ounce, and you would pretty nearly double his purchasing power in the United States, and allow him to pay interest on his national debt, you would allow him to borrow more money, you would allow him to carry out the program that that national government promised, and that was to build railroads and wagon roads and canals.

The only reason they couldn't carry it out and the only reason the national government of China was under fire was because they couldn't carry out the promise, and they couldn't carry out the promise because they had to buy these things outside of their country, where their currency was depreciated.

Now we are depreciating the dollar deliberately, there is no use talking about that, and for exactly the same reason that Great Britain depreciated the pound and France depreciated the franc, because a country with a depreciated currency compared with other currencies has the best of the export trade. France got it first and prospered all during the hard times; Great Britain, when she depreciated the pound, got it, and now we are getting it. That is all there is to it. But if we recognize that law with regard to export, why if we appreciate the currency of another country instead of depreciating ours, aren't we accomplishing the same thing? We are, and by appreciating or reestablishing the value of silver money throughout the world by comparison with our own currency, it has the same effect as the law of appreciation and depreciation, and over half the people of the world will have their purchasing power in our country, not at home but in our country, doubled, and they will buy from us. There isn't any question about that at all, and it is coming.

The question is, people are afraid to start to coining the silver of the world in the United States, and there is a basis for fear. While I may believe that only 250,000,000 to 300,000,000 ounces will come in here, others may say, "Why not 12,000,000,000 ounces? That exists in the world, why not have it come in?"

There is no proof it won't. It was that argument that did more to destroy the Bryan movement than any other argument that was ever offered. The cheap-money argument had not half to do with it as did the flood of silver into our country and the driving out of gold. It is for that reason that I feel that the logical, natural, easy step to take which will get support will first be to try it out by limiting the coinage to our silver that is produced in this country. We know how much that is. There never has been over 62,000,000 ounces. It certainly can't be that much more for a long time, because 80 percent of the silver that is produced in this country is a byproduct of the mining of copper, lead, and zinc, and until there is a demand for copper, lead, and zinc, until prosperity returns, then the production of

silver cannot increase. It is a governor, it is a safety valve; there can be no such thing as the over-production of silver. Why, when silver was over $1 an ounce for 3 years and all of the mining companies sent their scouts and engineers and geologists out and took the old pillars out of mines and worked the old dumps over all throughout the world, the total increase over the prior period was only 25 percent, and a part of that was involved in the natural increase of about 3 percent per annum.

I say to you that the fear of all of this is based upon the willful ignorance of economists and statisticians and writers in going to the basic facts of production and consumption of these metals. They are not interested. They still preach that there is a great stream of silver flowing somewhere that may be poured in here and drive out the gold. Well, there isn't any danger of driving out the gold right at present, and in my opinion there never will be. If you should give the value to the silver of the world that we give to our $800,000,000 in this country, you would have a basic purchasing power of silver of $15,000,000,000 throughout the world instead of $5,000,000,000.

There isn't enough gold to reestablish the old gold standard, and every government knows it; there never will be enough gold to reestablish the old gold standard. There may be enough if it is in a closed circuit in central banks used solely for the purpose of the settlement of the balance of trade between countries, but if you are going to have sound local currency you have got to have it based on metal, and there won't be enough gold to base it both ways, and the logical, the sound, the safe way to do it is to base it on the other precious metal as a supplement to gold. Then you will have no fear of the issue of fiat money in this country or anywhere else throughout the world.

[Full translation of editorial from the El Nacional, Mexico City, Jan. 18, 1934]

SILVER AND SENATOR PITTMAN

The Governor of the State of Sonora, Don Rodolfo Elias Calles, has telegraphed to our Ambassador in Washington, asking him to invite the American Senator KEY PITTMAN, in the name of that State, to be guest of honor at a celebration to be held in the city of Nogales by all the mining interests of the Republic. Senator PITTMAN, as is well known, is one of the most outstanding economists and one of the most persistent champions of the rehabilitation of silver. To him is due in large measure the fact that the authorities of the United States are directing the entire economy of the Nation to the sole end of fixing silver as the basis of all exchange (como divisa de todos los cambios) independently of the stipulations of the London convention. Now, at last, the stabilization of the dollar seems conclusive, by drastic measures and without losing sight of the increasing importance of silver.

There is, says President Roosevelt in his message to Congress of last Monday, a precious metal of importance, namely, silver, which has been used from time immemorial, not only as the metallic basis for the monetary systems but also as a medium of exchange. It is used in that form probably by half the population of the world and is to a great extent a decisive factor in international commerce.

Nevertheless, the President of the United States very prudently refrains from making definite conclusions so long as there are not available—as he says—better data regarding the results of the London convention and the measures which have been taken at home for the rehabilitation of silver. Meanwhile, the President asks the Congress of his country to approve a law whereby the Government is granted permanent and incontrovertible possession of all the gold, which amounts to $4,000,000,000. This last measure may be interpreted as a protective one, but also as its evident purpose is to remove gold from circulation and exchange, as a measure to establish an economy based exclusively on the power of silver; all the more so as the London convention liquidated, so to speak, the outworn bimetalist system, if not exactly by doing away with the importance of gold in the future (something impossible) at least, by delivering the new economy from an unbalanced system favorable in the last analysis to great capitalistic absorptions.

Now, the measures adopted by all or most of the nations substantiate the wise foresight of General Calles, embodied in the law which bears his name, under which silver took the place of gold in transactions, thus reestablishing tranquillity and stable exchange. Perhaps our economic problems bearing on international commerce would have disappeared or become less acute had the promulgation of the Calles law found the world converted to the silver standard (sometido a la plata). At home Mexico is particularly favored by the adoption and support of silver everywhere, for it should not be forgotten that we are the leading silver-producing country.

This explains and justifies the celebration which the authorities of Sonora are preparing in honor of Senator PITTMAN, as recognition of his tireless and fruitful labors in convincing the people and authorities of his country of the great necessity of giving to silver all the importance which is due it in the present and future commerce of the world. There are still, as President Roosevelt says, many uncertainties. Economists declare in favor of gold and silver, and other economists declare in favor of silver alone. But such uncertainties are a part of every period of transition in which custom and prejudice oppose all progress. Fortunately opinions are now beginning to agree, in view of the necessities, because necessities by their own despotic nature speak with more eloquence than cold reports, and not only do they speak, but they also command, under the severest penalties. Nearly all the political problems everywhere have ceded to economic problems, and the latter will command the attention of the world for many years. Assuredly the future will contain no problems of greater importance, since the masses of workers and the proletariate in general are augmenting their legal and social status. This will radically change the face of everything.

The happy proposal of the Governor of Sonora will have a glorious outcome when Senator PITTMAN makes his visit to Nogales. It will be an act of justice too little used in such matters; for, generally—as we have seen with much frequency among ourselves—credit is begrudged the living and glorification is reserved until after death. There has been greater resistance when it was a case of honoring personages living far away. But a people which can do honor to merit wherever it be found, whether at home or among aliens, is a people with a high sense of humanity. The act of homage of which we speak will be attended by high personages of both countries, and the noted guest of honor will be presented, as a souvenir, with an artistic Aztec calendar done in silver, weighing not less than 50 kilos. Mr. PITTMAN is convinced that the old economy, now on its death bed, should die, and the sooner the better, for it serves no purpose and obstructs all innovation; wherefore we need champions like him, a man who for a long time has inflexibly combatted routine and public opinion in his country until he brought about the rehabilitation—or more than the rehabilitation, the privileged position which it now holds—of silver in the commerce of the world.

DEPARTMENT OF STATE,
Washington, January 20, 1934.

The Honorable KEY PITTMAN,
United States Senate.

MY DEAR SENATOR PITTMAN: The Department has received information from the Australian High Commissioner at London, through the American Embassy there, that the international silver agreement signed at London July 22, 1933, has been ratified by the Parliament of the Commonwealth of Australia, and that the first quarterly deposit of silver will be made about March 31, 1934.

The Commissioner adds that a copy of the act of Parliament ratifying the agreement will be forwarded as soon as it is received from Australia.

Sincerely yours,

WILLIAM PHILLIPS,
Acting Secretary.

DEPARTMENT OF STATE,
Washington, January 24, 1934.

The Honorable KEY PITTMAN,
United States Senate.

MY DEAR SENATOR PITTMAN: The Department is in receipt of a despatch from the American Ambassador at Mexico City reporting that the Diario Oficial of January 9, 1934, contains a decree ratifying, on the part of Mexico, the silver agreement signed at London on July 22, 1933. It is presumed that official notification of its action will soon be given this Government by the Mexican Government.

Sincerely yours,

CORDELL HULL.

ABRAHAM LINCOLN—ADDRESS BY REV. J. W. HILL

Mr. McKELLAR. Mr. President, on Saturday forenoon at 11 o'clock, July 8, 1933, at Cedar Point, Ohio, before a session of the annual meeting of the Ohio Bar Association, an address was delivered on Lincoln, the Lawyer, by Rev. Dr. John Wesley Hill, chancellor of the Lincoln Memorial University, Cumberland Gap, Tenn.

The address was replete with the spirit and ideals of Lincoln as citizen and lawyer, an appropriate tribute to Lincoln on the approaching one hundred and twenty-fifth anniversary of the birth of the great American, and the thirty-seventh anniversary of the founding of Lincoln Memorial University. In recognition of Lincoln's preeminence at the bar, no less than of the Lincoln Memorial University at Cumberland Gap, which is engaged in a practical work among the plain but ambitious youth of the southern highlands, the stock from which Lincoln came and which bears the name of the immortal American, I ask unanimous consent to print this address in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I am happy in the privilege of this visit to my native State. Soon after arriving at my majority I was compelled, by the annihilating competition I encountered in Ohio, to move to fields less obnoxious to mediocrity.

Upon one occasion, while addressing a banquet in New York City, dwelling upon the transcendental attractions of my native State, I was challenged with the question: "If Ohio is such a great State, why didn't you stay there?"; to which I replied: "The competition was too great for me!"

We are gathered here today to pay tribute to Lincoln, the lawyer.

Rightly to analyze the greatness of Lincoln we must measure his background.

Oliver Wendell Holmes said that "the making of a great man must begin 150 years before he is born."

Early in the Civil War, the Darwinian theory was dawning. A group of soldiers were discussing it, when finally one of them exclaimed: "Boys, the rest of us may have sprung from monkeys, but only God Almighty could make such a man as Father Abraham!"

Understand, I am not assailing evolution. I come from Tennessee, near Dayton, where Bryan and Darrow fought it out.

The pioneer stock from which Lincoln came was born and bred under the spell of the ages. All the dim memories buried deep in their consciousness; the vague shadows far back in their history; the dangers lurking in the forest gloom; the phantom colors of the sky; the mystic voices in the murmuring trees; the reposeful hush of sylvan glades; the weird bewitching dreams that evolved the shadowy forest gods, Pan, Thor, and Woden, awoke echoes in the expanding soul of Abraham Lincoln and laid in him the foundation of forest fortitude.

In that environment Lincoln was born; through it he made his way.

In early life he became familiar with nature, with mystic and mysterious things, the springs of action and seeds of thought, the forms and forces, laws and growths of nature, the poem of the rising sum, the elegy of its setting, the epic of the star-lit night, the drama of the dawning.

Home and forest were alike to Lincoln—home at the feet of Nature, where you can see a real sun and learn the literature of stars and clouds and heavenly constellations; where you can hear the patter of the rain beating time with the rhythmic sighing of the winds; where Autumn chants her mournful threnody, Winter weaves her winding sheet of death; and where Spring, with her wizardry of sight and scent and sound, bursts into the minstrelsy of the resurrection; where every field is a patch of paradise, every flower a fragrant thought, every tree a burning bush in a fairyland of wonder, and you can preserve your self-respect in the country, where one "is an aggregation of atoms, while in the city he is an atom of aggregations."

Lincoln was "an aggregation of atoms."

He was an epitome of the universe, a compendium of creation, a cosmic revelation of the infinite.

He was schooled in poverty—not the poverty of the Old World, made despicable by centuries of submission to despotism, but the poverty of the New, in which the germ of manhood grows unrestrained by the demands of luxury and untainted by the poison of prodigality—the poverty that stands erect upon the bosom of gentle nature and entails neither the spirit of cringing nor fawning.

In the solitude of the forest he found God; in its sequential order he discerned law; in its democracy he developed his destiny.

His early reading was confined to six books—the Bible, Pilgrim's Progress, Robinson Cruso, Aesop's Fables, Weems' Life of Washington, and a History of the United States, later enriched and enlarged with the Statutes of Indiana and Blackstone's Commentaries.

Holland declares that "the poverty of Lincoln's library was the wealth of his mind."

No academy welcomed Lincoln to its shades. He did not go through a college, but several colleges went through him.

He would not take the risk of being "merely learned."

He was built upon a gigantic scale. Pericles once said: "I do not know how to play a fiddle, but I know how to transform a village into a city of world-wide influence and power."

Lincoln was not a fiddler but an archer. He could bend the bow of Ulysses. He shot to hit.

Bob Ingersoll, master of epigram and alliteration, declared, "Colleges are places where pebbles are polished and diamonds are dimmed."

Lincoln was not a polished pebble.

His was not the genius of gesture, the virtue of voice, the beauty of syntax, the vacuity of words, nor the exuberance of rhetoric.

He remembered the advice of Nestor to the Greek generals in their attack on Troy, when he said, "The secret of victory is in getting a good ready."

Lincoln could wait. He knew that for a steady light a tallow dip is more illuminating than a skyrocket.

His Harvard was the crude fireplace, before which he would study and stretch from one side of the room to another. A pine shovel was his writing tablet, on which he would copy his lesson, meditate, memorize, and scrape the shovel for another installment, literally scooping the ideas into his head. Then he would climb hand over hand along the pegs driven into the walls of the cabin and, throwing himself upon a pile of straw in the garret, he would masticate and assimilate and dream until faith lifted the thatched roof of his cramped shack above the stars and let in the light of things invisible, immortal, and divine.

Through long and lonely hours of wearisome struggle Lincoln the railsplitter, carpenter, boatsman, postmaster, clerk, and surveyor slowly advanced until his final admission to the bar, before which he practiced 23 crowded years and from which he stepped into the Presidency.

That his preparation for the law was painstaking, laborious, and thorough, those who knew him best were best able to judge.

To a student who applied early in his career for advice as to the best method of acquiring knowledge of the law, Lincoln, speaking from his own experience, said: "The mode is very simple, though irksome and tedious. Get the books, study, and master them.

"Begin with Blackstone's Commentaries, and when you have thoroughly familiarized yourself with its principles, take up Chitty's Pleadings, Greenleaf's Evidence, Story's Equity, and all books necessary to your legal education, and read, read, and work until you get there."

Stephen A. Douglas declared that, "Mr. Lincoln had no equal as an advocate before a jury"; Leonard Swett, himself one of the greatest advocates and a trial lawyer seldom equaled by any man of his generation, said, "If Lincoln ever had a superior before a jury, I have never met him." Judge David Davis, the circuit judge of the old eighth circuit of Illinois during the time Mr. Lincoln traveled that circuit, declared: "In all the elements that constitute the great lawyer Lincoln had few equals."

In his career at the bar he crossed swords in the arena of his profession with the greatest lawyers of his day, appearing as counsel in innumerable cases in all the courts, county and State, while in the Supreme Court of Illinois he appeared as counsel in 51 cases, winning verdicts in 31, and appearing as associate counsel in 124 cases, in which the parties in whose behalf he appeared were successful in 65. In 23 cases he appeared alone for the appellant or plaintiff in error, and he was successful in 14, while in 71 cases taken to the Supreme Court of Illinois by parties represented by him in which other counsel was associated his clients were successful in 37, and of 19 cases taken to the same court on appeal by Lincoln reversals in decisions of the trial court were secured in 10 cases.

Lincoln was admitted to the bar of the Supreme Court March 7, 1849. The cases of *Lewis* v. *Lewis* and *Forsythe* v. *Reynolds* were outstanding cases, establishing important principles of law, in one of which Lincoln made the principle argument and in both of which he appeared as counsel before that supreme tribunal.

What was the standing of the lawyer in Lincoln's day?

It must be said with keen regret that it was higher in certain characteristics than it is today.

De Tocqueville, who wrote his Democracy in America about the time of Lincoln's admission to the bar in Illinois, says that "lawyers in the United States were everywhere recognized not only as the chief exponents of public opinion but the one class trusted and honored in the administration of government."

Publicity was the order and necessity of that period.

Scandals were not hushed, but ventilated; they were tried in the sunlight.

The courthouse was the peoples' forum—theater, radio, moving picture, and Chautauqua—heterogeneous gatherings composed of old-timers and cosmopolitans, with a wonderful admixture of sense and sentiment; political prophets, who could foresee events by a sudden illuminating flash and foretold them in a quick, pithy sentence; frontier preachers who knew how to fight as well as to preach; lawyers educated in the wilderness, masters in the fundamentals of the law, able to expound and sometimes expound in analyzing the law and the evidence, the court and the jury; exchanging ideas as they exchanged the products of the soil and chase, clashing in verbal encounters that were as educational in their day as the discussions in the academic groves of Athens.

The primitive courthouses were always crowded to overflowing. The merits of a case often divided the entire community and were loudly discussed on the street corners. Those houses of justice were not dreams in marble, but shacks in rustic simplicity, frequently floorless, doorless, and windowless, and yet forums where the law was brought home to the people. They were not only spectators of the moving drama of government but living actors, actuated by love of fair play and the homely virtues.

It bred respect for the law, a sense of its dignity, its integrity and majesty. With them law observance took priority over law enforcement. Judges and lawyers were regarded as the public champions of justice, and the instruments through which righteous order must prevail. They were servants of the law, not the public. They knew that Government is impossible by tumultuous assemblage. The proposal to recall judges would have been regarded as sacrilegious as an attempt to recall God.

In such an atmosphere Lincoln grew to the full stature of his power. His conception of the lawyer's duty is the standard for all time.

He never accepted a case that he did not believe was right, regardless of the proffered retainer. He never charged an exorbitant fee. He never took an unfair advantage, even though supported by technical legal authority. He never played a trick, or resorted to an ignoble practice in all his career at the bar. He was one man, at least, who believed with Lord Cotton that "law and justice were two things that God hath joined and no man should put asunder"; and also with Justinian, who declared: "Justice is in granting to every man his dues."

Every case that Lincoln tried, every detail of his practice, is an open book to the students of his life. There has been found nowhere in this record the slightest incident that taints his fame.

A lawyer, hesitating between two points, as to what his duty is in any circumstance, need but ask himself, "What would Lincoln do?"

One of Lincoln's intimate associates at the bar in Illinois says, "It was morally impossible for Lincoln to allow dishonesty."

No one ever doubted the honesty of Abraham Lincoln. Those who saw his practice could not doubt it. He would not take a bad case if he knew it. He often persuaded a fair-minded client of the injustice of his case and induced him to give it up.

In his notes for a law lecture, Lincoln said: "Discourage litigation, persuade your client to compromise wherever you can. As a peacemaker the lawyer has a valuable opportunity of being a good man, and there will be still business enough."

In his first case in Henry County he said to the magistrate: "I cannot find a single case on my side. I have found several strong cases exactly fitting the other side, and I have brought a list of them to aid you in making your decision."

The other lawyer said with a whimsical sneer: "Lincoln is a great lawyer, is he not?"

And he was, for he never knowingly took the wrong side of a case.

Sometimes he was deceived. Once he went to the judge and said: "Your Honor, I am going to leave this case, the man is guilty." The judge said: "You can't do it under your oath. It would prejudice his case. Stay with it. You need not ask for a verdict. Simply see that the forms of the law are carried out."

Mr. Lincoln obeyed, but when the verdict was entered the foreman of the jury said: "As we see this evidence this man is guilty, but you know that Mr. Lincoln never takes the wrong side." And so the scamp was cleared.

He stated his cases clearly and fairly and with such absolute integrity that the court would sometimes stop and say: "If that is the case, we will hear the other side."

He said to a proposed client: "I reckon I can gain your suit. I can set a whole neighborhood at loggerheads. I can distress a widowed mother and six fatherless children, and thereby get for you the $600, which rightfully belongs to them. No! no! I shall not take your case, but I will give you a little advice for nothing. I would advise you to try your hand at making $600 in some other way."

Gentlemen, were I a lawyer, honored with membership in that great and honorable profession, and I confess that such was once my ambition, I would cling to the memory of Abraham Lincoln, knowing that one such character as Lincoln would make a profession honorable for a thousand years.

The real secret of Lincoln's success, if it can be designated as a secret, was his blunt good humor, flat-footed, square-toed, unyielding moral character. He was known as "Honest Abe."

There is a difference between character and reputation. A man may have one without the other. Reputation is the dust started in the street by the startled swine. Character is the verdict of Almighty God.

Lincoln was clothed and crowned with incorruptible integrity.

Carl Schurz said: "It was not surprising that the mere appearance of so conscientious an attorney in any case should have carried not only to juries but even to judges the presumption that he was in the right."

To a young man who aspired to the legal profession Lincoln wrote these pertinent words: "If in your judgment you cannot be an honest lawyer, resolve to be honest without being a lawyer."

Honesty is the base and bond of character. No man can be a good lawyer without being a good man.

Lincoln never charged an exorbitant fee, yet he insisted upon adequate payment when his service and the client deserved it.

He was employed by the Illinois Central Railroad Co. in an important tax case, and he submitted a bill for $5,000, which the company refused to pay. Lincoln brought suit and secured judgment by default, but when the railroad company asked to be heard, Lincoln, although not required to do so, consented to set the judgment aside and reopen the case. It was tried by a jury and a verdict rendered for the full amount. Then a strange thing occurred which demonstrated the quality of Lincoln. Before the final judgment was rendered, he arose and told the court that the defendant had forgotten to prove the payment of a retainer to him of $200, which ought to be credited on the amount of the verdict.

The case was closed with a check to Lincoln for $4,800. This canceled check is now on exhibition in the Lincoln room of Lincoln Memorial University, a perpetual credential of the incorruptible integrity of the man who received it.

The stories of the charity cases which Lincoln took, with their quaint quality of wit and humor, pathos and tragedy, should be garlanded.

He recovered the proceeds of an estate from a defaulting guardian on behalf of an injured ward, and he did it simply for love of fair play.

He refused to take a case of trespassing, although the client was able to pay a good fee, and the claim could have been easily established, because he was unwilling to distress a helpless family.

He gave up an engagement in the midst of his campaign for Congress, walked alone for 10 miles through the mud and night, to attend court in an adjoining county in order to defend, without money and without price, a charge of murder against a poor lad whose parents had once befriended him, and whose mother had written him a pathetic letter for his help.

And when the boy, freed by the jury, fainted in the court room, it was the strong arms of Lincoln who carried him to his mother's embrace.

Lincoln was the ideal American lawyer.

If he were a practitioner at the bar today, what would he say or do in that capacity in view of the grave increase of lawlessness in recent years which has threatened the stability of our representative democracy? What would he do as a lawyer in the face of a Nation-wide break-down of law enforcement?

The statistics are written in blood. The United States leads the world in crime. Chief Justice Taft affirmed sometime before his decease that the administration of criminal law in this country is a disgrace to civilization, nor can this condition be lightly charged to the World War, or prohibition, or our heterogeneous population.

Admitting that the World War has shell-shocked our civilization, disturbing its equilibrium; acknowledging the criminal activities of bootleggers and racketeers, and the flooding of our gates with undesirables during the years preceding the recent restrictions, and the intrigues of the vicious and criminal among them, aimed at the destruction of our Government, the gravity of the problem, coupled with a deep-seated suspicion as to the authority, adequacy, and impartiality of our legal machinery is inescapable.

This apprehension is so wide-spread that the average American business man distrusts the legal institutions, which should be regarded as his protection.

Government, drifting from the Constitution to the crowd, from principles to passion, from democracy to autocracy, is fraught with serious apprehension.

His fears are not measured by the enormous expense, interminable delays, and maneuverings of the process, but the foreboding spector that the law has miscarried, that courts and officers can be influenced by personal or political considerations, and that the thing to do in any emergency is to employ an attorney who has a nimble brain and dexterous touch, one who has pull, rather than character.

Who can imagine Abraham Lincoln approached by such a client?

In one of his cases, when he was prosecuting a civil action, evidence was introduced showing that the client was attempting fraud in the case. Lincoln arose and left the room in disgust. The judge sent for him, and Lincoln sent word back to the judge: "My hands are dirty, and I came back to the hotel to wash them."

Here is a moral standard to which all self-respecting lawyers can repair, a principle of ethics as inexorable as the Ten Commandments. When a lawyer or any other officer of the court is tempted to double dealing, let him follow the example of Lincoln and wash his hands of the whole dirty business.

There is no question as to the attitude of Lincoln toward the legal practice and its principles. He was not only the champion of justice but of all looking to justice for protection. He was the big brother of the helpless!

This attitude was so ingrained that Lincoln said upon one occasion, "I am for the under dog in the fight."

I do not hesitate to say that this sympathetic attitude of Lincoln was his greatest single contribution to the exaltation of the legal profession.

His most fundamental creed breathed the spirit of the Declaration of Independence.

When but 28 years of age, speaking before the lyceum in Springfield, he employed expressions as progressive in thought, and as cumulus in their portrayals of the dangers of injustice and as striking and appropriate as if fresh from his lips. That oration, as superb as anything in the English language, reached its climax when he exclaimed: "Let every American, every lover of liberty everywhere swear to posterity never to violate in the least particular the laws of his country and never to tolerate the violation of others. As the patriots of '76 did to the Declaration of Independence, so to the support of the Constitution and laws, let every American pledge his life, his property, and his sacred honor. Let reverence for the laws be breathed by every American mother to the lisping babe that prattles on her knee; let it be taught in schools, in seminaries, and in colleges; let it be written in primers, spelling books, and almanacs; let it be preached from pulpits, proclaimed in legislative halls, and enforced in courts of justice; in short, let it become the political religion of America."

What America needs today, as never before, is a return to the foundation principles incarnate in the life of Lincoln.

We are facing a period in which it is necessary for us to go back in order to go forward, back to those ideals of the law as the deliberate will of the people of its supremacy while it remains the law—ideals which are a part of our Anglo-Saxon heritage, and which need to be revived, revitalized, and applied, not in an abstract and detached way, but in a mood that nothing will satisfy short of prompt execution.

Lincoln was neither a reactionary nor a revolutionary. The reactionary would worship the devil because of his antiquity; the revolutionary wearies of God because of His eternity.

Lincoln stood midway between the extremes. Charles A. Dana declared, "He was never a step too late nor a step too soon." He moved slowly, a step at a time. He would further, not father, the Government. He stood for regulation, not strangulation. He believed in the Constitution without mutilation, liberty without license, and progress without revolution. He insisted that "new views should be true views." With William the Silent, he believed that "events are God marching." Lincoln kept step to that music. He believed in the divine imminence. In the face of discouragement and disaster he exclaimed, "Having chosen our course without guile and with a pure purpose, let us renew our trust in God and go forward with manly hearts."

In 1802 Wordsworth wrote of Milton and expressed the wish for the return of the poet statesman to the councils of those stirring times.

The stress of these days is far greater, the problem confronting us more complicated, and the issues involved are so vital and imminent that Wordsworth's longing for the return of Milton finds its counterpart in the oft-repeated appeals which are being made from pulpit and press, court and forum, to Lincoln's spiritual leadership.

It was never more urgent than at this moment. If we could but behold again the tall, commanding form, crowned with the tall, unshapely hat, which was his correspondence file, his clipping bureau and brief case, clad as yesterday with his brown shawl clinging loosely to his stooped shoulders, his eyes penetrating into the depths of things, his heart responsive to every call of humanity, his spirit aglow with the flame of the Infinite, his cosmic brain functioning as statesman, lawyer, and friend, then indeed might Wordsworth's call to the soul of Milton be paraphrased into the yearning cry of America for the return of Lincoln:

"O Lincoln, thou shouldst be living at this hour;
America hath need of thee; she is a fen
Of stagnant waters; altar, sword, and pen,
Fireside, the heroic wealth of hall and bower,
Have forfeited their ancient English dower
Of inward happiness. We are selfish men;
Oh! raise us up, return to us again;
And give us manners, virtue, freedom, and power.
Thy soul was like a star, and dwelt apart;
Thou hadst a voice whose sound was like the sea;
Pure as the naked heavens, majestic, free,
So didst thou travel on life's common way,
In cheerful godliness; and yet thy heart
The lowliest duties on herself did lay.
O Lincoln, return to us again!"

UNITED STATES MONETARY SYSTEM

The Senate resumed the consideration of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 14, line 3.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	Keyes	Robinson, Ind.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	McAdoo	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkley	Gibson	McNary	Townsend
Bulow	Glass	Murphy	Trammell
Byrnes	Goldsborough	Neely	Vandenberg
Capper	Gore	Norris	Van Nuys
Caraway	Hale	Nye	Wagner
Carey	Harrison	O'Mahoney	Walcott
Clark	Hastings	Overton	Walsh
Connally	Hatch	Patterson	Wheeler
Coolidge	Hatfield	Pittman	White
Copeland	Hayden	Pope	
Costigan	Hebert	Reed	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Oklahoma [Mr. THOMAS] is detained from the Senate on account of illness.

I desire to announce further that the Senator from Virginia [Mr. BYRD], the Senator from Maryland [Mr. TYDINGS], and the Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

Mr. BAILEY obtained the floor.

Mr. McNARY. Mr. President——

Mr. BAILEY. I was going to proceed; but if the Senator from Oregon has something to say, I will take my seat.

Mr. McNARY. No; I rose to attract the interest of the Senator from North Carolina, as I thought he wanted to proceed at this time.

The VICE PRESIDENT. The Senator from North Carolina has the floor.

Mr. BAILEY. Mr. President, I shall support the bill before us on several grounds, which I will state as follows:

First, as an extraordinary measure addressed to extraordinary circumstances.

Second, as a step in the direction of redemption in gold, and also in the direction of keeping our party's pledge and the assurance given the country in the campaign and in the hour of his inaugural by our President.

Third, as a means of raising our prices in the world market and of stimulating them at home.

Fourth, as a means of protecting and stabilizing our currency and, therefore, our commerce at home and abroad.

Fifth, as a means of relieving an otherwise impossible situation as between debtor and creditor and without detriment to the creditor.

Sixth, recognizing its novel character and its dangers, I consider the proposed legislation as a necessity under the circumstances.

With that outline of the considerations which have moved me to support this proposed legislation, I shall proceed with the discussion.

Mr. President, we have been discussing this measure as if it had been presented under normal conditions. I think I am perfectly safe in saying, the statements of other Senators to the contrary notwithstanding, that neither the President of the United States nor any Member of the Senate would propose this legislation under normal conditions. I have heard it stated here, with great emphasis, that this is not emergency legislation. Of course it is emergency legislation. It is addressed to every phase of the emergency in which we find our country and ourselves, not only to the monetary phase, but to all the other phases of those conditions which we have formed the habit of describing as "the depression."

What are the outstanding emergency conditions which called for legislation of this character and which produced the motive for this particular bill?

DEBT OBSTACLE TO RECOVERY

In the first place we are confronted with the debt obstacle to recovery. I do not know that I can state the amount of the indebtedness of the American people and institutions in accurate terms, but I do have information from reliable sources that the indebtedness altogether in this country at this time is in the sum of around $220,000,000,000. Divided into long-term debt and short-term debt, it appears that the long-term debt is around $110,000,000,000, and that the short-term debt is about $107,000,000,000 to $110,000,000,000.

Mr. NORRIS. Mr. President, will the Senator permit me to interrupt him at that point?

The PRESIDING OFFICER (Mr. McADOO in the chair). Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. BAILEY. I yield.

Mr. NORRIS. I should like to know upon what basis, in those figures which the Senator has just given, he has divided the long-term debt from the short-term debt. What, in his definition, is a long-term debt and what is a short-term debt?

Mr. BAILEY. Responding to the Senator, the bonds maturing over a period of years, the bonds of railroad corporations, the bonds of many private corporations——

Mr. NORRIS. I think the Senator misinterpreted my question as I intended it. For the purpose of comparison, I should like to know the length of time that would be considered as classifying one as a long-term debt and the other as a short-term debt.

Mr. BAILEY. Responding to that point, a short-term debt, I think, is pretty well defined in the present status of the indebtedness of the United States. Notes maturing within a year or 2 years would be considered short-term debts. Notes maturing in part or in whole over a period of years, such as are customary with our municipalities, our counties, our States, and the United States, maturing in part or in whole at more distant dates, are considered long-term debts. I hope I have made that distinction clear.

The normal indebtedness in this country prior to what is very properly to be described as the inflationary period of the twenties was $75,000,000,000. Here is the point: That indebtedness of $217,000,000,000, or that excess indebted-

ness of nearly $150,000,000,000, was contracted very largely in the period of inflation and high prices. It might have been paid had that period of inflation and high prices not come to an absolute and, I fear, an irrevocable end. But it did come to the end, and with an amazing suddenness the American people fell as over a precipice so far as their commerce and their debts are concerned, fell from the heights of $1.50 wheat and 30-cent cotton and high wages down to the point of 30- or 40-cent wheat, 5- and 6-cent cotton, and low wages and no wages.

I need not go through the figures. If we had any hope that the prices under which this tremendously excessive debt was created could be restored, there would probably be no necessity for legislation of this sort. But the significant thing about it is that the present price level in America is not abnormal when compared with the price level for 50 or 100 years. It is not abnormal when compared with any period in our history outside of 4 or 5 or 10 years of any war period.

Mr. President, there is not the remotest possibility that the American people—corporations, individuals, and public institutions—can ever pay this debt under the present standard of prices and of wages.

Let us compare the debt for a moment with the national income. In the period in which the debt was contracted the national income rose to as high as $85,000,000,000. That is in the report of the Department of Commerce issued in the last few days. But that national income has dropped in the last 4 years below $50,000,000,000. A proper statement of it, according to official reports, is that the national income in 1932 was $49,000,000,000.

To undertake to hold a people to the payment of debts contracted in expansive times and under the influences of an inflation is just as much to be condemned as the inflations which are now so much feared upon this floor. To hold a people with an income of $49,000,000,000 to undertake to pay a debt of $217,000,000,000 is to demand of them the impossible. If the course is pursued, there can be but one consequence, and that is the liquidation of the millions of the debtors of our land in the courts of bankruptcy, out of which the creditors will receive, not the payment of the debts but, perhaps, not more than 10 cents on the dollar, that being the average in my part of the country.

But, Mr. President, that matter has been discussed here so fully, and I wish to confine myself to as short a time as possible, that I do not feel I should undertake further to elaborate upon it. I do not think that Pharaoh was more unreasonable in demanding that the enslaved children of Israel should make bricks without straw than the Government or the Congress would be in pursuing a course which would encourage the creditors of America to require the debtors of America to pay this excessive debt contracted upon a basis of inflation, and to pay it under the circumstances of a deflation so deep and so wide-spread and so great that it will require the lapse of many years in order that the historians may see it in its true perspective and describe it in its proper terms.

That, Mr. President, is the first of the emergency conditions which call upon the Congress to undertake to exercise its powers to regulate the value of the money in which the debts of the American people and the American institutions are to be paid.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. BAILEY. I yield.

Mr. GORE. I want to get the authority for the Senator's statement that the debt is $217,000,000,000. It is fair to state that Evans Clark, in his book on the subject, gave the debt as $110,000,000,000.

Mr. BAILEY. I have given a great deal of study to just that matter, and I think perhaps, when Mr. Clark gave his statement in the terms in which the Senator states it, he was speaking of the short-term debts.

Mr. GORE. I think it was the interest-bearing debts.

Mr. BAILEY. Very well. I have the data in my papers, but I would not undertake to go into a discussion here to establish just the amount of the debt. There are some things we know; and if I did not have any data at all, I would know that the indebtedness of the American people is 100 to 200 percent greater than the normal debt, and I think everyone else here knows that. If I undertook to take the time to describe how that came on, and to give the mortgage debt, I would require time beyond the limitations of the time I wish to take. If I may just throw it in here, the debt on the urban homes of America is $8,000,000,000, as against about one billion 10 years ago. The indebtedness of the farmers of America 12 years ago was about 18 percent of the farms. Today it is 50 percent. We cannot get around those facts. They confront us.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. BAILEY. I do.

Mr. NORRIS. In that percentage the Senator has also included the homes that are not mortgaged at all, I suppose; has he not?

Mr. BAILEY. No; I said the mortgage debt was eight billions.

Mr. NORRIS. I understood that the Senator gave it in percentages.

Mr. BAILEY. No; eight billions. I gave the farms in percentages.

Mr. NORRIS. That is what I desire to interrogate the Senator about. That includes the farms that are not mortgaged at all?

Mr. BAILEY. That is 50 percent of all the farms. That leaves 50 percent unmortgaged.

Mr. NORRIS. If the Senator included only the farms that are mortgaged, he would get a percentage that was much greater than he has given.

Mr. BAILEY. Yes; that is very true, and I thank the Senator. However, that was just a detail in response to the inquiry of the Senator from Oklahoma [Mr. GORE].

Having stated that as the first of the great conditions of emergency calling forth legislation of this type, I move on to the second.

THE TRADE WAR

The second emergency condition is this, and I have been rather amazed that so little has been made of it here in this discussion: That emergency is the existence of a state of rivalry and competition in international trade amounting to nothing less than a monetary war—a war which we did not initiate, but of which we shall be the victims unless we take prompt measures of self-defense.

My mind recurs for the moment to our entrance into the World War. We were in the World War, Mr. President, probably a year before the declaration of war was made. The declaration was merely a statement of a fact in existence, and in existence for some months; and very probably had we not gone into the World War, had it been won by the Central Powers, we would have been the victims without ever having suspected that we were engaged in the war.

Here is this trade war. It did not spring up yesterday. A resolution was submitted from this floor, I think, fully 18 months ago by the senior Senator from Pennsylvania [Mr. REED]—and I voted for it—making inquiry precisely upon that question.

What are the terms of the present world war with respect to trade and commerce?

In the first place, 33 nations of the earth, including all of them of importance except Holland and France, are trading in the markets of the world in depreciated currencies at the expense of the American dollar. They did that before we suspended gold payments. The suspension of gold payments aided us to a certain degree, but that suspension was the first act of self-defense on the part of the United States with respect to its international trade.

What was the effect of that? The depreciated pound of Great Britain, the depreciated franc of France, and the de-

preciated yen of Japan enabled those countries to undersell us in the markets of the world and even in our own home market. In Congress, and, I think, throughout this country, we have been in the habit of looking to the tariff as the great instrumentality of offense and of defense in international trade; but under the influences of currency operations, the tariff became a secondary weapon, and the monetary operations, the depreciation of the currency, the reducing of the cost of manufacture enabled practically every country on earth to undermine the tariff and come into our land, and certainly in the world market—that is, amongst the other nations—to undersell us everywhere and reduce our export trade to the minimum.

The question here is: Shall we permit that to go on? I shall speak directly as to the effects of the bill.

I may say at this point that the grand objective of this bill is the stabilization of our currency, looking in the direction of a return to specie payments in gold of reduced weight, and to provide a fund which will enable the American people to determine the value of their money at home and abroad. If I were inclined to indulge in rhetorical statements, I should say that reduced to one issue, in the greater aspects of the question here, the real question is not whether Mr. Roosevelt shall determine the value of the money or whether a board shall determine it or whether the Congress shall determine it, but the real question here is whether the American people shall determine the value of their money or whether the people of the other nations of the earth shall do it.

We can sit still, and we can do nothing, and we can see the trade of our country destroyed at home and abroad, with all the wreck and ruin that that will mean, with a debt upon the people of $200,000,000,000; or we can take monetary arms against a world that has taken monetary arms against us. We can go into the arena, and we can defend ourselves as best we can.

There is no aspect of this matter that commends itself to my mind so much as that. I would appeal to our friends on the other side and invoke the spirit which gave the Republican Party its banner of protection of American industry and commerce, and recall to you the issue upon which you have won many a campaign in America, and say to you that if you believe in protecting American industry, as you do, you will rise to this occasion and gladly embrace it in order that by way of defense and by way of the operation of our currency you may accomplish precisely the same ends which you have sought to accomplish by way of the protective tariff, and which you never again can accomplish by way of the protective tariff.

So, Mr. President, that is the second phase of the emergency situation which has called forth this bill.

Now, the third:

The third extraordinary condition is this: We cannot go on under the existing state of our currency. I take it that there will be general agreement on this point. We suspended gold payments on June 5, I think. No one at that time undertook to say that the action taken by the Congress at the instance of the President was anything more than temporary and of an emergency character. I think it was well taken, though not because I wanted to take it, and I do not think anybody wished to take it. It was well taken because the necessities of the situation drove us inevitably and helplessly to it. We cannot go on in the present state of instability. I do not want to go on in the present state of all sorts of threats as to what may be done. I want to know something definite. My little wish is of no importance; but the interests of agriculture and commerce and industry in our land, and the interests of international trade, demand that there shall be an end as soon as possible to the condition of instability and uncertainty and the establishment of a reasonable certainty.

Nor can we return to our former state; we cannot go back to the resumption of gold payments on the 23.22-grain gold dollar. I have heard protests against this legislation from many quarters here, but I have heard nobody suggest that we go back to redemption of currency in the 23.22-grain dollar; and yet that or acceptance of the existent state of instability must be the position of anyone who opposes this legislation. He must take one or the other.

What would happen if we went back to the gold dollar under the former standard of 23.22 grains? We would establish, if we could, the old gold base, and every nation on the face of the earth would trade at our expense. Every American wage would be measured in gold of that value and that weight. Every commodity would be measured in precisely the same weight; and the value of our cotton and our wheat and our wages and our services likewise being so measured, would go down to those points from which they have been drawn up in the last year under the leadership of the President.

If anyone wants to go back to 30-cent wheat; if anyone wishes to go back to 6-cent cotton; if anyone wishes to go back to 10-cent tobacco; if anyone wishes to see the army of the unemployed recruited by the million throughout the land; if anyone wishes wages to sink to the levels from which we have elevated them since March the 4th, 1933, let him amend the bill and let him vote for and let him declare that he is for the return from the present situation to the 23.22-grain dollar. I may take in a lot of territory, Mr. President, but it is my sober judgment that there is no one here who would undertake to do so. I have not heard one Senator who has objected to this bill suggest anything of that sort.

I will go further. Were we to undertake to do so, we could not do so. It is an impossibility. I can tell the Senate precisely what would happen if we undertook to do so. We would absolutely wreck the commerce of the country. We would not only destroy the farmer, we would not only starve the workers, but we would close the doors of the businesses of America.

What would happen were we to resume gold payments today and were we to agree to pay 23.22 grains of gold for this dollar [holding up a paper dollar]? Were that to be done, we would see the process of hoarding run to such riotous course that it would be extremely difficult, even by the severest penalties, to prevent the speculator and the hoarder from making his demand, draining the Treasury of the last dollar, and taking the last dollar from the Federal Reserve System and the Federal Reserve banks and leaving them on a paper basis. That is precisely what would happen in such circumstances.

Mr. President, a great deal has been said in this debate about the Federal Reserve System. I hope I may be able to say without offense and with utmost respect that the real friends of the Federal Reserve System, if they wish to preserve it, ought to support this legislation. What would happen to that System were we to resume gold payments today? The heart of that System is 3½ billion dollars of gold. How long would it remain there under the present circumstances were we to resume gold payments?

WHY GOLD PAYMENTS WERE SUSPENDED

That brings me, Mr. President, to the point where I may make a remark which I think ought to be made in this Chamber and in America, so that the world may know our position. There has been a great deal of debate as to whether we should have gone off the gold standard or not, and there have been many solemn affirmations made that we should have remained on the gold standard at 23.22 grains of gold to the dollar. It is my sober opinion, Mr. President, and it seems perfectly clear to me, at least, that that was an impossibility.

We have heard Senators defending Great Britain for suspending gold payments and defending other nations for suspending gold payments on the ground of necessity. I read in the New York Times some weeks ago an editorial in which it was sought to draw a distinction, the editorial saying that the United States went off the gold standard voluntarily, but England was driven off. Not so. Under the conditions of hoarding and speculating in gold that were going on in the month of May 1933, the only prudent thing the President could do, the only righteous thing that Congress could do, was to suspend gold payments and save the

gold to the Treasury, to the Federal Reserve banks, and to the country, while it could be saved. It was the difference between putting out a fire before the house was burned down and trying to put it out after it was burned to the ground.

I am willing to go before the American people and my constituents and say that if it had been possible, I would have kept the country on the gold standard. I am sure the President would say no less than that. I am sure that the Congress would say no less than that. I am equally sure, Mr. President, that the American people will know and do now know that we responded here precisely to the same necessities that Great Britain and the other 32 countries responded. And so far from arguing that we should have waited until the last dollar was drained, as Great Britain did—I heard here the other day that she had less than $20,000,000 in gold in her treasury at the time she suspended the gold payments—so far from arguing that we should have waited until the gold reserves were destroyed and the Federal Reserve bank was prostrated, I thank God for the courage and the wisdom, the prudence and the power of a President and a Congress that could stop those payments before the ruinous work was done.

So, Mr. President, that is the third emergency. Having stated the terms of the conditions which have brought forth this legislation, the question now remains to be discussed as to whether the bill will meet, or tend to meet, or measurably meet, the demands of the existing situation.

I do not regard the bill as a final solution of our difficulties, and, of course, I know, and I think everyone else knows by this time, that there is no one final solution. I do regard the bill as a second stage in the administration's monetary policy, I having just now described and undertaken to justify the first stage. And upon examination and earnest study of the bill I am prepared to undertake to maintain that it looks to a third and ultimate stage, and the fulfillment of the platform pledges of our party and the solemn assurances of our President. I am going to take that up at this point.

Our platform—and I do not regret that we wrote it, and I am here to say that it was written in good faith, and it will be maintained in good faith—provided, with respect to the currency, that we should have "a sound currency, to be preserved at all hazards." It has been preserved at all hazards, except the hazard of impossibility. The President, in his inaugural, in that solemn hour following a campaign in which he had uttered the phrase frequently, entered into a covenant with the American people to maintain a sound and adequate currency.

Now, hear me, Mr. President and Senators. That is the pole star of all the legislation here under the leadership of the President and the Democratic Party. I pledge myself to that. I adhere to that. And though I be driven into the wilderness a thousand miles by way of necessities and emergencies, I shall always be traveling in the direction of a return to the solemn covenant of the President and the deliberate promise of my party—a sound and adequate currency.

It seems strange to me to find myself differing with men for whose intelligence and character I have the very highest regard, in that I interpret this bill as a step around the way back to a sound and adequate currency, while they discuss it as if it were going off into a wilderness of uncontrolled inflation, when every line and term of the bill is in the direction of a specie payment and a specie value, and a control of the value of the currency itself by the operations of the $2,000,000,000-gold fund set apart for the purpose.

SOUND AND ADEQUATE CURRENCY

I think it may now be timely, since I have used those phrases, for me to define what I understand by "a sound and adequate currency." I am pledged to that. I want my associates and my constituents to know that I stand for that, and I am perfectly willing to give my definition in order that they may know beyond a peradventure what I stand for: which is, a sound currency, a currency redeemable in specific, certain, and unvarying value on demand. I do not think any other currency is sound. I take it that that is the bedrock of a sound currency. Any currency that varies in its value or that is not payable in specific, true, unvarying value on demand is not a fit vehicle for commerce; it does not come within the terms of the historical meaning of money. An adequate currency is a currency that will respond instantly and equitably to all the exigencies of commerce, industry, and agriculture to the relation of debtor and creditor, to the progress of business and the promotion of enterprise, that will freely and truly serve as the medium of exchange, both of services and of goods.

I take it, it will be agreed that that is at least a reasonable definition of an adequate and a sound currency; and I take it that every man in his senses is for that sort of currency, for the simple reason that no other currency will serve as currency. I am here to say that my party is pledged to that, and the President of the United States is pledged to that, and I do not for one moment suspect that my party will go back on its pledge or that the President of the United States will propose a bill or make a recommendation that is inconsistent with the solemn assurance he gave the American people in the hour in which he took the oath of his office.

Now, a question arises in looking back upon our situation and the transactions with respect to the currency as to whether the currency prior to June 5, 1925, purporting by law to be redeemable in 23.22 grains of gold to the dollar on demand was or was not a sound currency. I am here to say it was unsound; it was unjust; it was ruinous; it was impossible. America could not stand on that with all the other nations off. American trade could not live on that with all the other nations living on depreciated currency. American debtors could not hope to pay their debts with that sort of currency.

OLD GOLD STANDARD UNSOUND

Mr. President, I do not think it can be controverted that gold in the last several years, in response to more than one influence, has attained an abnormal economic value. If so, the insistence upon the 23.22-grain gold dollar is an insistence upon adhering to a monetary standard that has varied up; and one that goes up is worse than one that goes down, because as it goes up it deflates everything on earth; it breaks up the home of the worker and turns him on the street; it impoverishes the farmer and dooms him to despair; it destroys the creditors and makes them beggars in a bankrupt court; it undermines the foundations of our country.

If I am right in that premise, that the standard itself of our currency had obtained an abnormal economic value—and I do not think I have to define that term—then I am right in the conclusion that it was not only necessary but it was absolutely just, and it is now just, that there shall be a correction—not an inflation but a correction—by way of restoring the dollar to sound economic value.

Now, let us see about that. What happened to gold? Mr. President, during the last 4 years every country on the face of the earth and every human being practically has been in a mad race for gold. That condition obtained in this country to such an extent last spring that our records show that $1,600,000,000 of gold were taken out of the banks and out of the Treasury and hidden or shipped to Europe. Everybody wanted gold; everybody wanted gold more than they wanted any other commodity on earth. France wanted it, Great Britain wanted it, Germany wanted it, Italy wanted it, Japan wanted it, America wanted it, and the American people also wanted it. I do not think I have to go further about that. That many people wanting gold created a demand that raised its value a great deal more, in my opinion, than 100 percent. I think the figures with respect to farm commodities show that it raised its value with respect to farm commodities to 170 percent. That accounts for the fact that the prices of commodities went down. They had to go down. Everybody wanted gold and everybody unloaded commodities; everybody wanted gold and everybody drove the worker to the wall; everybody wanted gold and everybody cut expenses. Every great business in America wanted gold; it had to have gold in order to pay its debts, and it

curtailed its output, threw its inventories upon the market; it did anything to get gold. In doing so, we built in America the greatest army of unemployed that ever trod the earth. I do not think I have to argue that, Mr. President and Senators. How could it be otherwise? With the whole world demanding gold, how could it be other than that gold went up and up and up. As gold went up and up and up, every commodity and the real estate on which we live went down and down and down. So, I think, Mr. President, that we are very moderate, but I believe under the circumstances we are quite wise, in undertaking now to restore the economic normal value of the currency of the United States in gold.

How could we do otherwise? We have the power to regulate the value of money. Why do we have that power? Why did the fathers write that power into the Constitution with respect to the Congress? Why did they use the word "regulate"? If it was intended that we should live and die on a fixed weight of gold in the dollar, why did they not say so in the Constitution? They did not say "fixed" and they did not say the number of grains; they did not say anything about the weight, but they said we should regulate; and the word "regulate" is not susceptible to any equivocal meaning. We know what "regulate" means. It means to change from time to time.

Do not for a moment suspect that I would change it unjustly; do not for one moment suspect that I would rob a creditor of his just debts; and do not for one moment suspect that I would sit here and permit any man anywhere to derive an unearned increment on the money in his pockets; but that is exactly what was going on in America. I believe in the unearned increment of real estate; I am against Henry George in his theory as to that; I believe in the interest being paid by the debtor to the creditor; but I abhor, I hate, and I denounce any system and any condition—and it is intolerable to think of a Congress and the country permitting a monetary system—that enables the creditor to exact 100, 200, or 300 percent from the debtor. To follow such a course is to follow the course in which one sits calmly by and sees the debtor robbed in order that we may maintain a mere arithmetical number written in the laws 30 and 100 years ago, having been written twice. So, Mr. President, on that point I come to my conclusion.

THE PROCESS OF STABILIZATION

Second. As to stabilization. I said just now in mentioning the six considerations which induced me to support this bill that we could not go on under the existing unstable condition of the currency. That ought to be clear enough. We cannot trade well either at home or abroad on uncertain money; that is the great argument for what we call "sound money and specie payments".

We have now, Mr. President, an uncertain money and we have in the world market a condition of instability that tends to destroy the entire export commerce of our land. We find other nations, their bankers and merchants seeking to take our trade away from us by way of keeping our currency in an unstable condition. Shall we sit still and do nothing about that? If so, Mr. President, we are the only nation on earth that will.

We hear invoked very often the conservatism and the wisdom of the statesmen of Great Britain. I have the utmost respect for them, but are we doing here anything other than they have been doing from the moment they suspended gold payments? No. The curse of it is, and the crime of it is—I take that word back and will say that the curse of it is and the wrong of it is that we have so long delayed. I would not offer any criticism of the former President of the United States. I have said privately, and I do not hesitate to say publicly, that he wrought at his task with all the earnestness in the world; that he would have given, I think, his life if he could have extricated this country from its woes—and in saying that I say no more for him than I would say for any man here on either side—but I think the historian will describe as the crowning and ruinous blunder of his administration that when England suspended gold payments and proceeded to manage her currency at our expense he sat still and permitted that to go on.

Now let us see what has happened to us since we took the other course. It was in June 1933—the 5th of June, I think, nearly 2 years late—that the President of the United States suspended, by the authority of Congress, gold payments and proceeded with a managed currency; and at once we were able to cope with the other nations of the earth in the matter of international trade.

Gentlemen ask what will come of this bill. Suppose we look back to the past rather than venture upon vain prophecy. What has happened since we suspended gold payments? Have prices gone down or have they gone up? Has the condition of the people of the country improved or have they gone further down? There is no question about that. Sometimes I think we tend to forget the real figures. It happens that I read yesterday morning an editorial in the New York Times, dated Thursday, January 25, a statement of farm prices, and in that editorial it is stated, speaking of farm commodity prices:

> Since then (December) they have been rising, and a new estimate published yesterday placed the figure at 70. If this is still short of the best market reached last summer, it is nearly 40 percent above the level of a year ago. Since the Government's figures represent prices actually received by the farmers rather than market quotations, it is evident that a large increase has been made in farm purchasing power by comparison with a year ago.

Of course it has. The farm income in America is more than $1,000,000,000 by way of the harvest of 1933 than it was from the harvest of 1932 without any increase in the volume of output. It is money increase.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER (Mr. AUSTIN in the chair). Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. BAILEY. I yield.

Mr. DICKINSON. Will the Senator read the rest of the editorial wherein it is stated that it will cost the Government $1,800,000,000 in order to do this?

Mr. BAILEY. I am glad the Senator interrupted me. The editorial does not say it cost the Government that much to bring about this increase. I am going to read it. There is no trouble about it. I brought it here to read it. I shall read it all. I am going to skip now the paragraph that the Senator requested me to read in order to connect it logically with my statement, but I am going to read the paragraph which the Senator wishes me to read:

> The improvement of farm prices is described by some observers as the direct consequences of monetary policies pursued by the Government.

I am not afraid to read an editorial in support of my argument that contains that statement. That is precisely what I am arguing and precisely what I am saying.

> That these measures have had a large influence on cotton and other commodities of importance in export trade, and therefore sensitive to fluctuations in foreign exchange, is scarcely to be denied. But that other influences have also been at work is demonstrated by the fact that the general advance of farm prices actually concealed a wide diversity of movement in the case of individual products. At one extreme we find wool rising by 95 percent last year, oats by 91, and hides by 90.

I can add to that that cotton has risen from 6½ to 10½ cents. Senators can figure the percentage for themselves. It is about 60 percent. Tobacco produced in my State increased from 12½ cents to 17 cents, or about 43 or 44 percent. Wages in America have been increasing in volume at the rate of $70,000,000 a week.

> But at the other we find hogs gaining less than 12 percent and beef actually declining by 14.

I take it that that is what the Senator from Iowa desired me to read. I am not going into a discussion of that. We will always have conditions in which one commodity will outrun the other, but the whole point of my discussion is that in response to adjusting the American currency situation to the currency situation throughout the world, in response to the act of suspending gold payments and insti-

tuting a managed currency, as all other countries have done, the New York Times, at any rate, says that the rise in the price of our export products can be attribtued to the currency policy.

I note that the Senator from Iowa has just left the Chamber. I promised to read the particular paragraph, and I shall read it although it is not connected with the discussion:

Nor do these figures tell the whole story. Wholly aside from higher prices, purchasing power on the farms has been increased by the direct aid from the Government. A recent estimate of Moody's Investors Service places at $1,883,000,000 the total amount already spent and still to be spent for the benefit of American agriculture during the fiscal year which ends in June.

I wonder if the distinguished Senator from Iowa is complaining of that? I wonder if he desires me to put that in the RECORD in order that he may go back to Iowa and tell the farmers of Iowa that when the Government sent them their portion of this money it was wrong and they ought to give it back. I am perfectly willing to have it appear in the RECORD that I read the editorial into the RECORD at his request.

Of this, $515,000,000 represents cash bounties paid by the A.A.A. as a reward for acreage reduction and $1,368,000,000 consists of crop loans, mortgage relief, loans for export—

And so forth.

Now I have read it all. I realize that I am out of the arrangement of my remarks as originally contemplated, but since the Senator from Iowa demanded that I read these statements in the editorial, I am going to say that I read them with pride that the present administration has gone to the rescue of the farmers of America to the extent of $1,386,000,000. I am here to state that had it done less it would not have done right. They were entitled to it from the Government that kept the farmers of America on a 23.22-grain dollar while they were driven down to the earth. That Government owes them at least the consideration to extricate them from the hands of creditors who were armed with power to destroy them because the Government failed to act in the day of their need.

I go farther. If they had not received it I do not know what would have happened to that great mass of men to whom we all pay tribute and to whom we all owe the annual production of wealth in our land as we owe to no other class. If it requires more from the Treasury of the United States to rescue the farmers of our land, save their homes and their farms to them, whatever else may be said about other money-spending programs, no country ever broke itself, no country ever injured itself by seeing to it that the farmers upon whom it lives have farms upon which to farm and homes in which to live.

So, Mr. President, I move forward. I have mentioned some of the effects of the bill. I do not think I need to discuss the operations of the stabilization fund. I am glad that it is as great as it is. I am glad that it is greater than the fund of any other nation. I am not capable of operating such a fund. I would not want the responsibility.

The Congress is not capable of operating such a fund, either, and I say it with the utmost respect. The processes of stabilization of monetary values are instant and often secret processes. Imagine that there arises a situation in international finance in which the dollar is rising and rising in response to British purchasing of the dollar or French purchasing of the dollar. Somebody comes in and tells us that the dollar is being boosted in the market at London and therefore the world market. Someone introduces a resolution in the House that we take action. The resolution passes the House and comes over to the Senate and we debate it. I am not protesting against that. Very probably we ought to debate all these matters of legislation. Suppose we get through our debate in 3 days—which would probably break the record—what would happen to the dollar in the meantime? It is not conceivable that any parliament on earth could act with the expedition required in countering the governments of other nations in fixing the value of our currency in the world market. So the power must be delegated.

We determine the exercise of the power. We have the implied power to do whatever the power itself declares should be done, and with the actual specified power in the Constitution plus the implied power attendant upon it, we determine the limitation at 50 or 60 cents gold value of the dollar. Then we commit it, within those limitations, to the President or to a board appointed by the President, with full understanding that if we do not do it that way we should have to constitute a board operating instantly under the Congress.

We could not do it ourselves and so we commit it, as I have stated, with the full understanding that if we leave it to the President himself he also will have to invoke the aid of associates and men of great skill and understanding and experience. So all this debate about the mechanics of the thing resolves it down simply to the fact that we have the power, but we do not have the mechanics here, and we cannot, in the very nature of things, have the mechanics here. There is nothing else to do but to commit it properly to some person whom we shall trust; and if we cannot trust the President of the United States in the present hour in this land, whom may we trust?

THE FACTOR OF FAITH

I will make a departure here. Mr. President, the great asset of the American people in the circumstances in which we find them, and ourselves with them, is their faith in the President of the United States. Many things have been done by the Congress, many acts have been passed, but in their effect and their contribution to our civilization and to our progress in the direction of the long-sought relief, none of them can compare with the great factor of faith of the masses that constitute the Republic in the man whom they elevated as their chosen instrument, their vindicator, and their deliverer, the President. I do not think it would become us to distrust him when we know that there is not one of us here whose constituents trust himself with half the faith they trust the President.

It was said of old time, by one of the prophets, in a time of great distress "a man shall be as the shadow of a great rock in a weary land." It always has been so, Mr. President. The masses of mankind never have looked to groups, and never have looked to mass meetings, and never have looked to marshaled hosts. By some means that we cannot fathom, down in their hearts they have a sense of faith and trust, and they place themselves in the hands of one whom they can trust, and they rest as the weary traveler in the sunburned desert as in the shadow of a great rock.

If America has been saved from demoralization; if the morale of the American people has been restored since March 4; if there is hope and confidence throughout our land today, whereas a year ago there was fear and horror, it is due to the fact that the people who sent us here and whom we represent consider in their heart of hearts that they have found their man.

I think it always has been so. Faith, after all, is the greatest factor in national life. Faith, after all, is the most important element in the life of the American people and the American Republic.

I think the Pilgrim Fathers made their progress across the stormy Atlantic by faith.

I think George Washington led his armies from Valley Forge to Yorktown by faith.

I think John Marshall wrought the Constitution, Thomas Jefferson wrote the Declaration of Independence, and their words and their deliverances were accepted, by reason of the faith of the American people in them.

I think Abraham Lincoln saved the Union by faith. I am from the South; my father was a Confederate soldier; but I thank God that he did.

I think Robert E. Lee brought comfort and hope to the Confederates who followed him and to the great section of the country that went down into defeat with him—a sort of defeat which could not really mean defeat—and they went back to their normal lives and restored themselves to the Union largely because of their faith in Robert E. Lee.

So, Mr. President, I believe I will conclude with just one word more.

It happened that years ago, up in the New England country, at Plymouth, I saw the monument to the Pilgrim Fathers—the great shaft high in the air, and around the base of the shaft four figures, and, as I recall, one representing morality and one representing education and another representing hope, perhaps, and another representing some other of the great spiritual values; but high up upon that shaft the form of a woman with her hands stretched westward across the land, the figure of Faith—the symbol of our Republic's life and the secret of its progress:

By faith they wrought righteousness and obtained promises.
By faith they stopped the mouths of lions.
By faith they quenched the violence of fire.
By faith out of weakness they were made strong.
By faith they turned to flight the armies of the alien.

So, Mr. President, having finished my argument, I am willing to go the whole way on this bill, because I know it is addressed to the necessities of our people; it is addressed to the protection of agriculture, commerce, and industry; it is addressed to the stability of the currency; it is addressed to the restoration of specific value in the currency; and, so far as the mechanics of it is concerned, I am perfectly willing to put my faith in him in whom the American people have put their faith.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, and it was subsequently signed by the Vice President.

UNITED STATES MONETARY SYSTEM

The Senate resumed the consideration of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

Mr. REED obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Reed
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Kean	Robinson, Ark.
Bachman	Davis	Keyes	Robinson, Ind.
Bailey	Dickinson	King	Russell
Bankhead	Dieterich	La Follette	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Lonergan	Smith
Bone	Fess	McAdoo	Steiwer
Borah	Fletcher	McCarran	Stephens
Brown	Frazier	McGill	Thomas, Utah
Bulkley	George	McKellar	Thompson
Bulow	Gibson	McNary	Townsend
Byrd	Glass	Murphy	Trammell
Byrnes	Goldsborough	Neely	Tydings
Capper	Gore	Norris	Vandenberg
Caraway	Hale	Nye	Van Nuys
Carey	Harrison	O'Mahoney	Wagner
Clark	Hastings	Overton	Walcott
Connally	Hatch	Patterson	Walsh
Coolidge	Hatfield	Pittman	Wheeler
Copeland	Hayden	Pope	White

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. PITTMAN. Mr. President——

Mr. REED. I yield to the Senator from Nevada.

Mr. PITTMAN. I do not like to interrupt the Senator, but I desire to propose an amendment to the bill; and, as the time is so short, I ask that it be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and, without objection, printed in the RECORD.

The amendment is as follows:

At the proper place in the bill insert the following:

"That subdivision (2) of subsection (b) of section 43, title III, of an act entitled 'An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, be amended as follows:

"By adding at the end of said subdivision (2) the following:

"'The President, in addition to the authority to provide for the unlimited coinage of such gold and silver at the ratio so fixed under such terms and conditions as he may prescribe, is further authorized to cause to be issued and delivered to the tenderer of silver for coinage, silver certificates in lieu of the standard silver dollars to which the tenderer would be entitled and in an amount in dollars equal to the number of coined standard silver dollars that the tenderer of such silver for coinage would receive in standard silver dollars.

"'The President is further authorized to issue silver certificates in such denominations as he may prescribe against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates. The President may issue and deliver silver certificates in exchange for any standard silver dollars surrendered and delivered to the Treasury in exchange for silver certificates.

"'The President is authorized, in his discretion, to prescribe different terms and conditions and to make higher charges, or to collect larger seigniorage, for the coinage of foreign silver, or silver not produced in the United States or its dependencies. The silver certificates herein referred to shall be issued, delivered, and circulated substantially in conformity with the law now governing existing silver certificates, except as may herein be expressly provided to the contrary, and shall have and possess all of the privileges and the legal-tender characteristics of existing silver certificates now in the Treasury of the United States or in circulation.

"'The Secretary of the Treasury, with the approval of the President, may make such rules and regulations as may be necessary to carry out the provisions of said subdivision (2), subsection (b), of section 43, title III.'"

Mr. REED. Mr. President, I hope my fellow Senators will understand that it is through no discourtesy to them that I should prefer not to yield; but when I finish what little I have to say I shall be very glad indeed to try to answer any questions.

I do not believe it is possible to exaggerate the importance to American life of the measure which is now pending before the Senate. Every one of us must feel his own inadequacy to discuss it effectively. It is being urged with all the pressure of the administration. We all know the bill is going to pass. The principal questions to be decided by the Senate are with regard to the amendments that have been recommended by the Committee on Banking and Currency.

Nevertheless, although the passage of the bill seems to be assured, we should be false to our duty if we did not now, before its passage, express the objections that we see to it, and tell why we think it is going to work havoc upon the average American; why it is going to embarrass not only the generation that breathes today but the generations yet unborn who will take over from us the occupancy of this country.

I have decided, for two reasons, to make no exhaustive discussion of the constitutionality of the bill.

In the first place, that task has already been performed superbly by the Senator from Delaware [Mr. HASTINGS] and the Senator from Vermont [Mr. AUSTIN], who spoke at length on that phase of the matter yesterday.

In the second place, I confess my own bewilderment as to the present condition of the safeguards of the Bill of Rights and the other safeguards in the Federal Constitution, because after a careful reading of the majority opinion in the Minnesota mortgage moratorium decision I could draw no other lesson from it than that the Supreme Court has said that the safeguards of the Constitution are to be effective only when we do not need them.

The declared purpose of the pending bill is to enable the administration to restore a fairer price level—a most praiseworthy object, if it is the duty of Government to regulate the level of all prices. It is praiseworthy, of course, that

the Government should wish to restore prices to a fairer level than those prevailing.

In the discussion of the bill it seems to have been assumed that a fair price level is about that which obtained in the year 1926, although examination will show, if one runs back over the course of prices of the past century, that almost never during that century were prices as high as they were in 1926. But I pass all that. If we are going to authorize the administration to correct the level of prices of commodities and labor and all else that sells for prices, I am willing to grant that, as far as I know, the 1926 level is just as good as any other year's level.

In discussing the purposes of the pending bill I am going to try, Mr. President, to use the simplest words of which I am capable. I think the subject has been made mysterious by the long words and the involved phrases that have been used by the sponsors of the bill in describing what it proposes to do.

I think it is fair to say that the bill has three purposes, each of which is of vast importance.

The first purpose is to create a great fund of money in the Treasury, which, of course, we will have to borrow, because our income is not beginning to keep up with our expenses. We will have to borrow the sum of two thousand million dollars and vest that sum in the Secretary of the Treasury to use in his uncontrolled discretion for the purpose of fixing exchange rates—that is, the rates at which our money shall be exchanged for the money of foreign countries; and also to peg the price of Government bonds in the stock market so that it will be easier for us to sell additional billions of Government bonds to our own people, who will be misled by that pegged price on the stock market into thinking that Government bonds are worth that much.

In other words, the first purpose of this bill is to do with Government bonds that dishonest thing that we have been damning the bankers of the country for doing with other types of securities—to create an artificial market which will mislead bond buyers into thinking that such market expresses the fair level of the credit of the country and the fair value of the obligations of the country.

When bankers do that we cry, "Jail them." When the Government does it it is considered to be praiseworthy. At all events the first purpose to be accomplished by the pending bill is the setting aside of $2,000,000,000 in order to act as a weapon of artificial control of foreign exchange rates and American Government bond prices.

I would not complain so much of that. The device was used shortly after the armistice, when our debt was at its earlier peak. Mr. Eugene Meyer carried on with honesty and ability a system of attempted price fixing in the Government bond market. He was not able to keep the prices up. The price of Liberties of shortest maturity actually go down in the lower 80's. I remember seeing Fourth Liberties quoted at 84, if my memory serves me right, and had it not been for Mr. Meyer's operations they undoubtedly would have been quoted much lower. Some such process as that is proposed to be carried on here. The operations in exchange will be very much like those of the British fund, which resembles this one. So there is nothing unprecedented in what is proposed to be done in this first purpose of the bill.

But I suggest, Mr. President, that to give $2,000,000,000 to any human being and invite him to administer that fund in utmost secrecy, with no obligation whatever to make an accounting of his operations to the public, whose money it is, is scandalously bad governmental practice.

I suppose there was nothing that worked so effectively toward discrediting the reign of George III of England as his practice of requiring appropriations for which he refused to account to the subjects whose money was thus given to him. He used the great majority which he had in the British Parliament to club through those appropriations, and spent them as he pleased, with no accounting whatsoever. It was only indirectly that the people of Great Britain learned that much of that money was corruptly and dishonestly spent. We still look back to the time of George III as the low-water mark in parliamentary government in the English-speaking world.

Why should we now imitate those practices that were found to be fallacious in his time?

Or, Mr. President, if we want a more modern and up-to-date illustration of the unwisdom of such practice, let us merely look to the present situation of the Civil Works Administration, where we gave a smaller sum than that proposed to be given the Secretary of the Treasury, in this case to a man of equal honesty with the present Secretary of the Treasury. No one that I know has ever suggested a suspicion or doubt of the entire honesty and incorruptibility of Mr. Hopkins, whom the President has had managing the C.W.A. Yet, Mr. Hopkins himself says that the system, which is only a few months old, is already rotten with graft and corruption. How, then, can we think that the fund proposed to be established by the pending bill, to be administered under the direction of a very busy Secretary of the Treasury by subordinates whose identity no one knows, is not going to be subject to the same temptations that the C.W.A. fund has been subject to? The difference will be that instead of seeing political machines being built up in the C.W.A., flaunted before our faces on the roads and the public works of all our States, this system will be worked by night, in secret, by men whose very names we do not know.

The Secretary of the Treasury personally cannot, with the utmost diligence on his part, know the details of the administration of his fund. Here we are giving from the Treasury of a sorely tried Nation an incredibly vast sum to be administered by unknowns, in the dark, without the slightest obligation to account, except secretly to the President, without the requirement of any published audit whatsoever.

The American people can justly hold us to blame for the loss that may happen to them if we pass this bill in its present form, without any requirement of an audit of the management of that great fund.

I pass on then to the second and more important purpose of the bill, and that is the taking of the gold of the Federal Reserve banks by the Federal Government and placing it in the Federal Treasury. That is entirely within the power of the Federal Government to do. Any property, real property or personal property, can be taken by the power of eminent domain. I am not questioning our power to take it. Under the fifth amendment to the Constitution the Government is required to make just compensation for what it takes.

Obviously, if we take 2 ounces of gold and offer to pay for it by a warehouse certificate calling for 1 ounce of gold, we are not making just compensation for the taking of the 2 ounces. And when our professor friends, with whom Washington teems at present, blandly talk about the profit to be made by the United States Government from this taking, the answer to that is that not until the Supreme Court has spoken will it be known whether there is any profit there whatsoever; and if the compensation be just, and if full value is paid for what is taken, there cannot be any profit. I think that their assumption that they are going by this process to create for themselves a profit equal in nominal value to the present value of the gold they take is quite unwarranted and will prove to be disappointing to them before the end comes.

That, however, is not the principal objection. I am not so concerned about just compensation being made for this gold that is taken. The Federal Reserve authorities are intelligent, and they know the courts exist, and they know how to protect themselves, and there is no need for us to do more than give them the opportunity to protect themselves. We need not shed many tears over the taking of that gold merely as it tends to affect these banks.

It is not from that standpoint that the matter seems to me to be serious. Where I think it is vitally serious lies in this, that we are taking from a nonpolitical central banking authority practically all of its tangible assets, and are putting those assets into a highly political central authority, which will really exercise most of the prerogative of the Federal Reserve. It will control the credit of the Nation.

I do not think it is for the good of the country that our banking credits be taken from nonpolitical control and thrown into the maelstrom of partisan politics, as will be done if we do what is proposed to be done in the pending bill. I believe we are doing a sore injury to the banking system of America by transferring this wealth from the nonpolitical custody in which it now is, into the highly specialized political control in which it will be in the future. In other words, we shall be taking away from the Federal Reserve System its best proven advantage; we shall be weakening the entire banking structure of America by this proposed act; and that is vastly more important to me than the question of how many of these new dollars shall be given for the taking of this metal.

The third purpose of this bill is to reduce the number of grains of gold for which each dollar stands, called sometimes "dollar devaluation", sometimes "dollar debasement"; at any rate, it is an exercise of the power the Constitution gives us to regulate the value of the coinage. We are prescribing by this proposed act a lower gold content for each American dollar than has existed for many decades past; we are changing the value of our money, not because we have to do so but because we think that is one step toward the restoration of what we conceive to be a fairer price level.

I pass over the question of the constitutionality of the delegation of power. That question was exceptionally well argued yesterday by the Senator from Vermont [Mr. AUSTIN]. Let us assume, for the purpose of the argument, that every word in this part of the bill is entirely constitutional. The question to which I wish to direct attention is: Is it wise, is it fair to the great mass of the American people, to do the thing we are now proposing to do? I would set aside all technicalities of constitutional construction just as I am trying to set aside the use of all technical terms and try to reduce this discussion to the simplest words possible in the effort to show just what this measure is going to do to the life of the average American in the years to come.

It is not necessary to be a prophet. I do not claim that faculty. We do not need to prophesy, because in so many cases we have seen this same process resorted to under the compulsion of the conditions that followed the World War. We saw it done in France; we saw it done in Italy; we saw it done in several of the central European countries, and all within the last 15 years. So we need not go back to the inflation periods of the eighteenth century in France. It may be they are so old that they are no longer good lessons for us, though I think they are good lessons. However, we do not need to resort to them. We have right before our eyes actions similar to this which were taken in those European countries within the memory of everyone who sits within the sound of my voice. So no prophecy is necessary, nor is any historical research necessary, to be able to foretell, with comparative accuracy, just what the passage of this bill is going to do to the average American and his family. It is going to require years to register the full effect of this action of debasing the dollar. Some effects will happen instantly; in fact, as the markets have a trick of anticipating coming events, some results have already happened.

The first effect of any kind of inflation—and this is plainly inflation—is an immediate increase in the prices of all those commodities that are dealt with generally over the world, such as wheat, which takes its price level largely from quotations in Liverpool; such as rubber, tea, coffee, and tin, and the multitude of things that are imported by practically all countries and come from several sources. Those commodities already represent quite accurately the changed value of the American dollar to approximately 60 percent of its prior value; but that same action has not yet been had in the case of commodities which we call commodities of domestic exchange and domestic production and domestic consumption. They are made or produced here and they are sold here and they are consumed here, so that the condition of the international exchanges does not affect them at all. It will require some time before the effect of this inflation is going to be noticed to its full extent on the domestic prices of things produced and consumed here. We saw that happen in France and we saw it happen in Italy. France, as will be remembered, had inflation down to 10 percent of the nominal value, the pre-war value, of the franc, and then, under the very courageous leadership of Mr. Poincaré, stabilization and a balanced budget followed, and the franc was stabilized at 4 cents as against its prior value of about 20 cents; to be exact, 3.90 against 19.3. That was a reduction of 80 percent of the pre-war value of the franc. Italy made a similar reduction to the extent of about 75 percent, and her lira was stabilized at about 25 percent of its pre-war value.

In both those countries we saw, as we have seen here, an almost instantaneous reflection of the inflation on international commodities and a delayed but, nevertheless, certain correction of the price of domestic commodities. So, for months following the enactment of this bill, we will see domestic commodities stiffen in price; the price level of everything tangible will, after 6 months or so, have risen to reflect the changed value of the dollar.

What happens then? Everybody realizes that it costs more to live; everybody, without realizing the why of it, finds that his bills are bigger, that the same amount of money taken to the store on Saturday will not buy the same amount of goods. Great complaint will come, as it came in Italy and France, from the plain people of the country that, for some reason which they do not understand, their wages will not buy the same amount of comforts for their families. Then we shall see agitation for wage increases; it will continue and wage increases ultimately will come, but only after a lag such as occurred in both the countries referred to and also in central Europe, and during which the plain people of the country will have suffered great hardships. That is the first bad result that we are going to see in America from the adoption of this policy. Wages, then, will go up, and after them, but probably not with them, salaries will increase. The white-collar class will suffer even longer than the working class, but in the same degree and in the same way.

Then, long afterward, rents and real-estate prices will rise. It took years for inflation to be reflected fully in rents and real-estate prices in those European countries. And, after that is all over, the rates of utilities will very reluctantly be allowed to be corrected, while meantime the cost of operating them will have increased. Likewise, it will be impossible for the railroads of the country to pay a decent wage to the people who work for them because of the long delay that is inevitable in the correction of their rates. The same thing is true of the trolleys and the telephones and what not. I am sorry for the working people who are employed by the utilities during the period upon which we are now entering, because it will be years—it may be 5 years—before the full correction will have taken place.

Furthermore, some conditions never will be corrected. Think of the veteran who is living on a fixed money pension. By the passage of this bill we will have cut his pension 40 percent at least. Think of the retired old man, the widow who is living on a fixed money payment from an investment, from an insurance policy, or from some source such as that; by the passage of this bill we will have cut off from the income of those people not less than 40 percent. They do not know it as yet, but they will know it most certainly in the months to come, and then we will have to answer why did we do it. When we tell them that we did it in order to help the debtor group, they will answer to us and say, "But we are debtors; it does not help us; it is true my mortgage on my dwelling house or on my farm is a little easier to pay; yes, it is easier to pay that mortgage, but all my cost of living has gone up so that the surplus I was putting aside to get rid of my debts has disappeared; I can only buy the bare necessities for my family because of what you have done to prices by the passage of this bill."

Picture to yourself, Mr. President, a man named John Jones, who has a family of three children and a modest house on which he has a mortgage about equal to his an-

nual income. He is paying a little on it now; he has a job with the railroad, let us say; he is paying a little on his mortgage; he is paying a little on his insurance; he is having some difficulty but he is taking good care of his family. What is this measure going to do to him? John Jones discovers that everything he buys for himself or for his family to eat or to wear is costing him more. He will discover it by July 1934. His pay will not go up; the railroad is just breaking even and it cannot raise his pay, but John Jones, who is working on a fixed wage, finds that keeping his family is a great deal harder than it has been at any time up to now. Perhaps he will not know then that it was this bill that Congress passed in January 1934 that did it to him, but sooner or later he is going to learn it. Then he finds that other things are beginning to cost more.

If he wants to have a job done by a painter or carpenter, whose wages are not held down like those who work for utility companies, he will find that that work costs him more. Everything about him is costing more, his pay stands still, and he realizes while as a debtor on his mortgage he has obtained some advantage in the reduction of the mortgage, that by this process the advantage has been far more than compensated by the rise in the cost of living, which pinches him at every turn, and before very long he has nothing with which to make payments on his mortgage and is in danger of foreclosure; that he cannot pay his insurance premiums and his policies are lapsing. So, in the long run, John Jones, the debtor, finds that he has lost far more than he has gained by the enactment of this bill.

When we talk about assessing the creditor class for the benefit of the debtors, the hard-pressed debtors of America, we do not stop often enough to think who constitute the creditor class. Obviously, the person who owns a bond is a creditor; we all know that. The person who owns a mortgage is a creditor; we know that; but we do not think of the people who have laid up their savings and built up little savings accounts in banks as being of the creditor class, and yet they are one of the biggest creditor classes in America. We do not think of the insurance policyholders of the United States as being of the creditor class; yet they hold some 55,000,000 insurance policies, and we, by this process, are cutting the value of every one of those 55,000,000 policies 40 percent. We never think of the line at the pay window on Saturday night as being of the creditor class, but those men to whom wages are owing constitute the biggest creditor class in the United States. They are the people whom we are hitting directly by this bill. If we were called upon to consider a bill providing that "all wages in the United States are hereby reduced 40 percent", who would think that the introducer of such a measure was in his sound senses? Yet that is exactly what this bill provides. The bill we are considering is a 40-percent wage reduction for every workman and working woman in the United States.

Heaven knows that it has been hard enough to get adequate compensation given and retained for those veterans who were disabled in the service of their country. This bill cuts the compensation of every disabled veteran 40 percent in addition to all the other terrific cuts he has been forced to stand under the recent Economy Act and the Presidential regulation. Is there any chance that in the near future Congress will restate the schedule of veterans' compensation so as to increase it and absorb the cut in value of those veterans' compensation that we are making by this bill? We all know there is not. We all know there is no chance of increasing the compensation payable to veterans of the World War in order to make up for the cut in value that we are inflicting by this measure.

Now, who wins by this process? Again we have only to look to the experience of those European countries which have followed this same road. They did it by compulsion. We are doing it by choice. Always and in every land the speculator wins, the speculator, like Stinnes, who borrows money from his trusting fellow citizens and buys on a shoestring tangible property that he knows will sooner or later reflect this inflation of the currency. Stinnes made billions of marks out of the German inflation. Men like him in Italy and France and Central Europe made money out of the distress of their fellow citizens by that process. The speculator wins. We are benefiting him by this method.

Some debtors win—those debtors only who have a considerable amount of tangible property whose price reflects the inflation process. Most debtors will not win. The working man who has a mortgage on his home will find that mortgage not one bit easier to pay, because his wages go down in value to the same extent and at the some moment that the mortgage goes down. By comparison with his income his debt remains just as big. That kind of debtor is not going to be affected in the slightest.

The average workingman of America ought not to be told that this is a measure for his relief. I do not care how much he is in debt, it will not relieve him, because both sides of the picture, his money and his obligations, go down in value to the same extent and at the same moment, and the mortgage will look just as big to him after this bill has passed as before it was introduced. So that vast group of debtors, the greatest group of them all, is not a winner.

There is one debtor that gains conspicuously at the first and that is the United States Government, because by this measure it is cutting almost in half the obligations that it owes to its citizens. It is a striking thing that practically every bond issued by the Government now outstanding is held in America. Practically all of the American public debt is owned by American citizens. When we remember how that debt was incurred, how in the horror of war times people's feelings were aroused to the utmost and we begged them to buy until it hurt, when we remember that they did buy until it hurt, we must admit that there is something more than the sanctity of the ordinary commercial debt about the transaction.

I can remember when the second Liberty bond issue was being floated. My regiment at that time was at Camp Meade. By persuasion, applied awfully hard, we induced every officer and man in the regiment to subscribe to a second Liberty bond. We took it out of their pitiful pay, so that when the monthly pay day came oftentimes the balance of the pay of a fine soldier was less than $1 when all these deductions had been made.

That is the kind of people who bought our Liberty bonds. They bought them out of patriotism; they bought them out of savings that had been held sacred for other purposes; they bought them on credit to be paid for out of their wages to come. They bought under circumstances that make that a sacred debt of America, and yet here, cavalierly and without giving a thought to those people, we are wiping away 40 to 50 percent of the amount that we promised to pay them. It is just as if the American Government stole in at night to the box where the citizen keeps his bonds and tore up or burned every alternate bond that was found in the box. Morally this action is exactly the same as that.

We are not driven to this action. We could be on the gold basis today. We have the biggest gold reserve of any nation on earth. If it were not for this deliberate policy upon which we are embarking at the instance of professors with the idea that somehow we are going to make prices go up, we would not need to indulge in any of this sort of legislation. The professors have an idea that America would be more prosperous if one apple sells for 2 debased cents instead of 1 sound cent. It is just as if they told us that we would be warmer if we put more lines on the thermometer.

The whole American currency system is being debased in order to prove to some professors—a small minority of the professorate of the country—that their theory will not work. For the last 3 or 4 months we have been paying foreigners about 60 percent more than we pay Americans for a lot of gold that we did not need, but that we have been buying abroad to prove to Professor Warren that his theory of buying gold to put up prices had no sense in it. We have spent millions of dollars in proving to Professor Warren that his theory is a silly one and that it will not work; and that the great majority of professors who said it would not work were right and that he was wrong. This bill is going

to be a still more expensive way of proving to some other professors that their present theory is wrong.

The American Government is going to gain in the first instance by repudiating that part of the debt it owes its patriotic citizens, but in the long run we are going to learn from the injury to American credit that honesty after all is the best policy. In the long run, American credit, which hitherto has stood unequaled in the civilized world, is going to reflect the dishonesty of this action. We will pay in lowered credit and we will pay in higher interest rates, for many a long year to come, for the essential immorality and dishonesty of the policy that is declared by this bill.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Pennsylvania [Mr. REED] minimized the importance of the constitutional issue and sought to give emphasis to the economic effect of the measure involved. I have no intention at this time of claiming the time of the Senate to reply in detail to the address of the Senator from Pennsylvania. If any conclusion can be reached from his argument, it is that the policy of laissez faire, the policy that prevailed in the Federal administration under President Hoover until the 4th of March last, should be continued indefinitely.

There is in this body no abler lawyer, no more resourceful debater than the Senator from Pennsylvania [Mr. REED]. Summarizing the conclusions into which he has entered, I say that the only thing he leaves in the minds of Senators is that it is morally wrong for the Congress of the United States to exercise its power under the Constitution to coin money and regulate its value, because rights have vested under the existing law pertaining to that subject—rights and interests which may be affected by this legislation. He does not take into consideration, in my judgment, that the holders of insurance policies and the holders of other obligations are dependent, in order that their rights may be safeguarded and preserved, upon a readjustment of the value of monetary units in the United States.

With respect to the constitutional question, it was asserted on the floor of the Senate by the Senator from Virginia [Mr. GLASS], who is not a lawyer, but whose experience has been so comprehensive and whose ability is so generally recognized that his opinion commands respect and confidence wherever it is asserted, that the Attorney General of the United States, in expressing the very opinion confirmed and approved by the Senator from Pennsylvania, had violated sound legal principles.

The Senator from Pennsylvania said that no constitutional question arises upon the power or right of the Congress in the exercise of eminent domain to provide for the seizure of gold.

The Senator from Virginia injected into the debate, with apparently great confidence, that the Attorney General had omitted from his reference to the Monongahela case certain excerpts to the effect that the amount of compensation recoverable in a case where eminent domain is exercised is a judicial question.

Mr. PRESIDENT, that issue is not involved except in a most collateral way, in the bill pending before the Senate. No lawyer with whom I am acquainted has raised the question or asserted that the measure of compensation is a legislative matter and not a judicial matter.

Mr. GLASS. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Virginia.

Mr. GLASS. I have not the opinion of the Attorney General before me, and, therefore, I may not exactly say whether the Attorney General in his opinion or before the Banking and Currency Committee undertook to state that just compensation was provided in the bill, in that the banks would be given some sort of gold certificates in return for the gold. My impression is that he included that statement in his written opinion. Certainly he made the statement before the Banking and Currency Committee that just compensation was provided.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Let me answer the Senator from Virginia.

Mr. BARKLEY. I want to state what the Attorney General stated in the committee. After the reading of the Attorney General's opinion, in a verbal discussion with the committee the Attorney General emphatically stated that there is nothing in this bill, nor could there be, that deprives any Federal Reserve bank or any other interested party, of the right to go to court to establish the measure of just compensation if not satisfied with that established in the bill.

Mr. ROBINSON of Arkansas. Mr. President, every lawyer knows that it is competent for the legislative department to tender what it considers just compensation. There is not a lawyer who hears me who does not know that in all the States statutes have been enacted providing for what the legislature considers just compensation; and no lawyer has contended that the owner of property taken by the Government for a public use is estopped from asserting his rights in the courts.

The opinion of the Attorney General, which I have before me, does not deal primarily with the question of just compensation. It implies that the measure of compensation fixed in the bill in all probability will be held by the courts to be just compensation. It is my humble opinion that his position in that particular is so well stated and so well grounded that the Senator from Pennsylvania wisely passed over a legal issue which he is peculiarly competent to discuss, and directed his argument to questions pertaining to the economic value of the measure.

The opinion of the Attorney General is contained in a letter addressed to the Secretary of the Treasury under date of January 17, 1934, and I read it:

THE SECRETARY OF THE TREASURY.

MY DEAR MR. SECRETARY: I am pleased to comply with your request for an expression of my views as to the constitutionality of section 2 (a) of the proposed gold-reserve bill.

The section under consideration provides that all right, title, and interest, and every claim of the Federal Reserve Board, of every Federal Reserve bank, and every Federal Reserve agent in and to any and all gold coin and gold bullion shall pass to and are hereby vested in the United States. Payment is to be made in gold certificates in equivalent amounts of dollars.

The monetary gold stock may be taken by the Government in the exercise of its right of eminent domain.

The Senator from Pennsylvania admits that that declaration is unquestionable, and it would be absurd for me to present further argument on that subject.

Such power extends to every form of property required for public use.

The Supreme Court observed in *Kohl* v. *United States* (91 U.S. 367, 371) that the right of eminent domain "is inseparable from sovereignty"; and in *United States* v. *Jones* (109 U.S. 513, 518) that it "belongs to every independent government."

The manner in which the power is exercised is within the control of the legislature. This principle was formulated in *Secombe* v. *Railroad Co.* (23 Wall. 108, 117), in the following language:

"It is no longer an open question in this country that the mode of exercising the right of eminent domain, in the absence of any provision in the organic law prescribing a contrary course, is within the discretion of the legislature. There is no limitation upon the power of the legislature in this respect, if the purpose be a public one, and just compensation be paid or tendered to the owner for the property taken."

Likewise, the necessity for the exercise of the power is a matter solely for legislative determination (*Monongahela Navigation Co.* v. *United States*, 148 U.S. 312, 327).

Unquestionably, the taking of gold for monetary purposes is for a public use.

The establishment and the regulation of a monetary system is one of the fundamental functions of government. The power to coin money and regulate the value thereof is expressly reposed in Congress by article I, section 8, clause 5, of the Constitution (*Veazie Bank* v. *Fenno*, 8 Wall. 533, 549). In fact, monetary gold is a commodity affected with public interest (*Ling Su Fan* v. *United States*, 218 U.S. 302).

The requirement for just compensation is completely satisfied by the provision for payment in gold certificates in equivalent amounts of dollars.

That is a quotation from the opinion, and no doubt that is the expression to which the Senator from Virginia referred a moment ago.

I continue with the Attorney General's opinion:

Since the decision in the *Legal Tender cases* (12 Wall. 457), it may no longer be successfully disputed that Congress may make

paper money legal tender for the payment of all debts, public or private, and that the Government may discharge its obligations in currency of that type.

The amount of just compensation is determined as of the time of taking, and not as of some subsequent date. The mere fact that at a later period the property may acquire an enhanced value, or that there may be an accretion to the thing taken, does not increase the compensation to which the owner is entitled. Thus, in this instance, the value of the gold must be determined as of the moment that title passes to the United States. The mere fact that, if thereafter the weight of the gold dollar should be reduced, the value of the gold would become proportionately greater does not serve to give the prior owner any right to secure increased reimbursement (*Brooks Scanlon Corp.* v. *United States*, 265 U.S. 106).

The measure of compensation must be the prevailing price (*Vogelstein* v. *United States*, 262 U.S. 337). The prevailing price of gold coin and gold bullion in the United States (other than newly mined gold) is fixed by statute. The act of March 14, 1900 (U.S. Code, title 31, sec. 314), prescribes that the weight of the gold dollar shall be $25^{8}/_{10}$ grains, nine tenths fine, which in turn makes gold worth $20.67 an ounce. That is the price that the owner of gold would have received at the mint, if he had presented it for deposit, prior to March 4, 1933. That is likewise the price that he would have received at any subsequent time if he surrendered it in accordance with the requirements of the Executive orders or the orders of the Secretary of the Treasury issued under the act of March 9, 1933. This is also the price that it is proposed to pay for the gold to be taken under section 2 of the bill under consideration. The conclusion seems inescapable that this provision safeguards the owners in their right to receive as just compensation the value prevailing at the time of taking.

The fact that the market price of gold in foreign countries is greater than the statutory price in the United States avails the owners nothing. An owner of gold in the United States has no way of shipping the gold abroad, in view of the prohibition against the export of gold from this country, promulgated under the act of March 9, 1933. Consequently, an owner of gold in the United States is in no position to secure the so-called "world price", and, therefore, his gold is not worth more than the statutory price.

The prohibition of the export of gold is constitutional. Thus, in *Ling Su Fan* v. *United States* (218 U.S. 302), the Supreme Court upheld the validity of an act placing an embargo on the export of silver coin from the Philippine Islands, in spite of the contention that the result was a taking of property, because of the fact that in China silver bullion had a higher market value than its nominal coinage value in the Philippines.

The question has been raised as to whether the member banks have any right, title, and interest in the gold coin or bullion held by the Federal Reserve banks. In my opinon, this inquiry should be answered in the negative. The member banks have no claim against the assets of the Federal Reserve banks except as stockholders, and, of course, it cannot be contended that in taking any of the assets of a corporation any compensation should be paid directly to the stockholders thereof. Every Federal Reserve bank is now required to maintain a gold reserve against circulating notes and deposits (Federal Reserve Act, sec. 16; U.S.C., title 12, sec. 413). Any part of such reserve may be used as part of the collateral for Federal Reserve notes, which is required to be deposited with Federal Reserve agents. The mere fact that the source of some or all of such gold may be deposits made by member banks with the Federal Reserve banks, is immaterial. As soon as the gold is deposited with the Federal Reserve bank it loses its identity, and the relationship between the Federal Reserve bank and the member bank becomes that of debtor and creditor.

The gold reserves of the Federal Reserve banks must not be confused with the reserve balances which every member is required, by section 19 of the Federal Reserve Act, to maintain with its Federal Reserve bank. The reserve balances of the member banks need not be in gold.

In closing, I desire to call to your attention the following expressions of the Supreme Court in *Ling Su Fan* v. *United States* (218 U.S. 302, 310):

"Conceding the title of the owner of such coins, yet there is attached to such ownership those limitations which public policy may require by reason of their quality as a legal tender and as a medium of exchange. These limitations are due to the fact that public law gives to such coinage a value which does not attach as a mere consequence of intrinsic value. Their quality as a legal tender is an attribute of law aside from their bullion value. They bear, therefore, the impress of sovereign power which fixes their value and authorizes their use in exchange."

The foregoing considerations lead me to the conclusion that section 2 (a) of the bill is constitutional.

Very truly yours,

HOMER CUMMINGS, *Attorney General.*

Mr. BULKLEY. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Ohio.

Mr. BULKLEY. I desire to add a suggestion. Apart from all legal argument as to just compensation in this matter, the whole question seems to me a good deal of a moot question, because the Federal Reserve Board and the Governors of the Federal Reserve banks have all agreed that any profit that may result from devaluation being the result of an act of the Government, the Government should take that profit. Furthermore, if the profit should remain in the Federal Reserve banks, still the ultimate beneficial interest in it belongs to the Government, because it is so provided in the Federal Reserve Act, which is the original charter of the Federal Reserve banks. I read this sentence:

> Should a Federal Reserve bank be dissolved or go into liquidation, any surplus remaining, after the payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stock, shall be paid to and become the property of the United States and shall be similarly applied.

So there is no question in any of this affecting the moral right to the profit.

Mr. ROBINSON of Arkansas. The question recurs on the subject of what constitutes just compensation. Availing of a well-considered memorandum on the subject the following seems conclusive of the constitutionality of the provisions for the taking by the Government of monetary gold.

There have been some suggestions, in connection with the gold-reserve bill, that the question of what constitutes just compensation is a matter for judicial determination. Possibly it was intended thereby to raise the question whether the fact that the bill fixes the amount of compensation to be paid for the gold and the medium in which payment is to be made, without making provision for review by the courts, renders the bill unconstitutional. The answer is an unqualified "no."

It is, of course, well established that where the Government takes property by eminent domain, a promise to pay just compensation is implied. Consequently, the owner may maintain an action in the Court of Claims to recover just compensation in such an instance. This principle has been enunciated and applied by the Supreme Court in numerous cases (*Campbell* v. *United States*, 266 U.S. 368, 371; *Portsmouth Co.* v. *United States*, 260 U.S. 327; *United States* v. *Cress*, 243 U.S. 316, 329; *United States* v. *Lynah*, 188 U.S. 445, 465; *Russian Volunteer Fleet* v. *United States*, 282 U.S. 481, 489).

This doctrine was also expressly recognized and approved by Judge Woolsey in a recent case in the United States District Court for the Southern District of New York, United States against Campbell. In that case the so-called "gold-hoarding provisions" contained in section 2 of the Emergency Banking Act of March 9, 1933, were held constitutional.

In view of the fact that the right to bring suit for just compensation under the general jurisdiction of the Court of Claims exists in such cases, an express grant or recognition of such right in a statute authorizing such taking is not necessary; and the absence of such a provision does not affect the constitutionality of the act.

Nevertheless, it is frequently wise and desirable for the legislature to fix the amount of compensation where property is to be taken by eminent domain so that if the owner is satisfied with the amount so determined, he may receive payment immediately without being compelled to resort to the courts. The insertion of such a provision in the statute clearly does not render it invalid.

The decision in *Monongahela Navigation Co.* v. *United States* (148 U.S. 312) throws an interesting light on this point. In that case the statute authorized the Secretary of War to condemn certain property for a lock and dam, and provided that in estimating the amount of compensation to be paid by the United States the value of the franchise to collect tolls should not be considered. In condemnation proceedings damages were assessed in accordance with the formula prescribed in the act. On an appeal to the Supreme Court that tribunal held that the franchise constituted a property right, and consequently the owner was entitled to be compensated for its value as well as for the value of the physical property. Accordingly, the judgment was reversed and the case remanded for a new trial.

The significance of the decision, as affecting the pending matter, is found in the fact that while Congress prescribed the measure of compensation in the act, which measure was

found by the Supreme Court to be erroneous, that fact did not lead to a judgment that the statute was unconstitutional, but resulted merely in a readjustment of the amount of compensation.

It may be useful to give some consideration to the extent to which the courts will review the question of what constitutes just compensation.

Insofar as concerns the medium in which the payment is to be made, the legislative fiat is final. In view of the decision in the *Legal Tender cases* (12 Wall. 457), Congress may properly provide for the discharge of the obligation of the Government in any form of currency which it has declared to be legal tender. The courts, therefore, may not upset the provision for the payment of compensation in this instance in gold certificates, as there can be no doubt that gold certificates are legal tender for the payment of all debts, public and private (act of Dec. 24, 1919, 41 Stat. 370; U.S. Code, title 31, sec. 451).

As concerns the amount of compensation, in the case of the types of property that the Government has had occasion to take by eminent domain in the past, the amount of just compensation is a judicial question and the courts are not bound by legislative declaration of what is fair compensation. Were we dealing with an ordinary commodity, therefore the courts might pass de novo on all questions of law and fact in ascertaining the amount of just compensation.

If monetary metal is to be treated as an ordinary commodity—which, as is shown hereafter, should not be done—and the question of just compensation is open to the courts for decision, it is difficult to conceive how the courts could reach any conclusion other than that $20.67 an ounce constitutes just compensation. That sum constitutes the statutory price of gold bullion fixed by the Congress and is the only price which the owner of monetary gold is able to get if he desires to dispose of his property. Consequently, under the decisions in eminent domain proceedings, such price must constitute the measure of just compensation.

Should it be suggested that a person may sell gold for use in the arts, and, possibly, receive a price different from the statutory price for gold bullion, the answer is that the gold in question cannot find its way into the arts. The gold coin and gold bullion used by the Federal Reserve banks is employed solely for monetary purposes. It surely cannot be seriously contended that the Federal Reserve banks could sell their gold metal for use in industry.

The conclusion would seem to follow that even if we are to deal with monetary gold as though it were an ordinary commodity, the courts, in reviewing the question of what constitutes just compensation, would nevertheless be obliged to arrive at the same measure as that proposed in the bill.

In ascertaining the amount of just compensation for monetary metal, however, we are not dealing with an ordinary commodity. We are dealing with money. The property is given certain attributes and a certain fixed measure of value by the very fact that it has been declared to constitute money. The Constitution, in article I, section 8, clause 5, expressly confers upon Congress the power—

> To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

In the exercise of this power the Congress has heretofore fixed the value of monetary gold as being $20.67 an ounce. For the courts to fix any other measure of compensation would be an attempt to exercise an authority which has been expressly granted to Congress.

It would seem to follow, therefore, that the courts would not be authorized to admit evidence or to determine the value of monetary gold as an open question of fact but would be required to render judgment for the statutory price fixed by the Congress.

Consequently, if the owner of such metal brought suit for just compensation, the power of the courts would be limited to the rendition of a judgment for the gold taken at the rate of $20.67 an ounce.

The peculiar characteristics of money would seem irresistibly to lead to this result. Money is the standard or measure of value. Its chief usefulness consists in the fact that the value of other forms of property is calculated in terms of money. For that reason, in all civilized countries, money has a fixed, arbitrary value given to it by the legislature. That value cannot vary from time to time except as provided by law, for otherwise money would lose its basic attributes and would cease to be money.

It is, perhaps, anomalous that one case cited on the question of compensation should relate to coal rather than to gold, since the two are not in the same category and are not fitly to be compared. But even if the rule as to compensation be the same, it is that "the full money equivalent of the property taken" must be paid, as declared in the case of *United States* v. *New River Collieries* (262 U.S. 341). Gold, however, particularly gold in the Federal Reserve banks, whether it be in the form of coin, bars, or bullion, possesses a monetary character (U.S. Code, title 31, secs. 325, 327, 333), otherwise it would not be held by these banks which have no use for it except as money or as a reserve for the issuance of other forms of money. Since it is treated and held by the banks as such, the Congress may take it over for fiscal or monetary reasons, as the pending bill proposes to do, as part of the Treasury's gold stock and to maintain the Government's credit, or for other reasons which Congress may approve in the public interest. Full compensation is provided for and is to be made at once by substituting another form of money of equivalent value for the gold, according to the existing standard, which is the only standard which the courts can recognize, if appealed to, to wit, dollar for dollar.

The question of compensation then comes to this: If the Treasury may, in the public interest, especially when thereto authorized by Congress, take the citizen's $20-gold piece, or other coin, and make compensation in lawful money of the United States, may it not do likewise with the billings in the Federal Reserve banks and compensate them in like manner when Congress so directs?

I shall conclude what I have to say on this subject at present with a further reference to the remarks of the Senator from Pennsylvania [Mr. REED]. He commended the speech of the Senator from Vermont [Mr. AUSTIN] and that of the Senator from Delaware [Mr. HASTINGS]. The latter address was largely a political address. I think anyone listening to it or reading it would reach that conclusion. Its primary intention and purpose was to stimulate, promote, and cause, if possible, political opposition to the President and to his policies.

The Senator from Vermont [Mr. AUSTIN], in discussing the question of the validity of the proposed legislation, stated that it was an invalid or an unlawful delegation of legislative power. There were some interruptions and some discussion at the time as to the correct rule upon the limitation of the power of Congress to delegate its authority. That rule, I believe, is well stated—and I think it does not conflict with any principle of law asserted by the Senator from Vermont—by Burdick in the Law of the American Constitution in the following language:

> The true distinction * * * is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first cannot be done; to the latter no valid objection can be made.

The authorities are uniform that before a court can properly hold a statute unconstitutional as delegating legislative power it must clearly appear that the power in question is purely legislative. All that will be accomplished by the passage of this bill, as was so ably stated by the Senator from North Carolina [Mr. BAILEY], will be to give a rather broad discretion to the Secretary of the Treasury in the administration of the law; he is not given the power to make laws.

Let me say, in this connection, that during a long service in the Congress it has not been my privilege to listen to a more persuasive or conclusive address on any measure of legislation pending before the Senate or the House of Representatives than that which was delivered this morning by the Senator from North Carolina [Mr. BAILEY]. The Sena-or

from Pennsylvania [Mr. REED] controverted his conclusions; he waived the constitutional question insofar as he could do so without repudiating the position taken by the Senator from Delaware [Mr. HASTINGS] and the Senator from Vermont [Mr. AUSTIN]. He says it does not amount to anything, anyway, and the Supreme Court has become so unconstitutional that it will sustain this measure, no matter what may be put into it. Senators, I do not believe that the attack of the Senator from Pennsylvania on the Supreme Court of the United States is justified. He had better have admitted that the arguments made by his colleagues, the Senator from Delaware and the Senator from Vermont, were, in his judgment, not well grounded on authorities than to have said, "The Supreme Court will sustain the measure, but the Supreme Court in doing so will act corruptly or in violation of the Constitution."

The simple truth of the matter is that an effort is being made to defeat this measure on the ground of its unconstitutionality when the real opposition to it is economic considerations. There are those here who do not care how low the prices may fall; there are those here who do not care how great the purchasing power of the gold dollar might have become. They would have left us at the mercy of our competitors in foreign trade; they apparently would have approved of the policies of our competitors in foreign commerce in going off the gold standard. They would have had us remain on the gold standard, even though it were necessary to continue the policies of the former administration through which ruin was coming to the people of this country and to every interest they hold dear. They will not be permitted to make a covert political attack in their opposition to this bill.

This bill represents the best thought that has been put forth on the subject of our monetary system considered in connection with foreign exchange. Those who oppose it do so on the theory that the old doctrine of laissez faire—sit still and do nothing—should continue to prevail; and every Senator who votes against the bill but suggests no constructive measure in lieu of it will commit himself to the policy of doing nothing. The time has arrived when action should be taken.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Arkansas yield to the Senator from South Carolina?

Mr. ROBINSON of Arkansas. I yield to the Senator from South Carolina.

Mr. BYRNES. The Senator from Pennsylvania [Mr. REED] presented a very appealing picture of the soldiers who during the World War purchased Government bonds and who would be injured by an increase in price levels. Does the Senator think that many of those soldiers who during the war bought bonds today own those bonds, or are they held by bankers and other investors who purchased them at a discount?

Mr. ROBINSON of Arkansas. No; the Senator from Pennsylvania knows that the Liberty bonds of the United States or other bonds of the United States are not held by the veterans of the World War. The Senator from Pennsylvania in one breath complains of the action taken by the Government under Mr. Eugene Meyer in sustaining the Liberty bonds, and then ridicules the Government for not sustaining them now. That is the consistency in the argument of my good friend the Senator from Pennsylvania.

I want to say now, with all the emphasis at my command, that, while ordinarily I would not wish to see the Government of the United States engage in common market operations, yet if there is, as has been demonstrated by the Senator from North Carolina this morning, an exchange war in progress, and if those representing the opposition to my Government make an attack on the American dollar through American bonds, by all that is right and holy, I should like to see my Government in a position to sustain its bonds and to maintain its credit and its honor. The very argument made by the Senator from Pennsylvania against the bill is susceptible of being controverted into one of the best arguments that can be offered in support of it. The Senator from Pennsylvania says that the enactment of this measure will raise prices. That is among the purposes of the bill. The Senator also says it will make the debt burden, demonstrated this morning by the Senator from North Carolina to be unbearable, lighter than it now is. If that be true, then it constitutes a justification for supporting rather than for defeating the measure.

Mr. President, I had not intended to enter into a general discussion of this subject. It is better that these readjustments be made now as promptly, as decisively, and as finally as possible. It is better that the readjustments may affect the holders of insurance policies than that the insurance companies go into bankruptcy and all their policies become worthless. There is not a man who hears me who does not know that when the tide was made to turn, following the 4th of March, the whole insurance system of the Nation was trembling in the balance. There was danger then that the insurance companies would be wrecked and destroyed. It is better, far better, that the readjustments contemplated by the bill should come now, and as speedily as possible, rather than that the doctrine of my good friend, the Senator from Pennsylvania, should prevail, and that we should go on doing nothing and sink into a black chasm of despair.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 14, line 3.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Reed
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Kean	Robinson, Ark.
Bachman	Davis	Keyes	Robinson, Ind.
Bailey	Dickinson	King	Russell
Bankhead	Dieterich	La Follette	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Lonergan	Smith
Bone	Fess	McAdoo	Steiwer
Borah	Fletcher	McCarran	Stephens
Brown	Frazier	McGill	Thomas, Utah
Bulkley	George	McKellar	Thompson
Bulow	Gibson	McNary	Townsend
Byrd	Glass	Murphy	Trammell
Byrnes	Goldsborough	Neely	Tydings
Capper	Gore	Norris	Vandenberg
Caraway	Hale	Nye	Van Nuys
Carey	Harrison	O'Mahoney	Wagner
Clark	Hastings	Overton	Walcott
Connally	Hatch	Patterson	Walsh
Coolidge	Hatfield	Pittman	Wheeler
Copeland	Hayden	Pope	White

Mr. LEWIS. I desire to announce that the Senator from Oklahoma [Mr. THOMAS] is detained from the Senate by illness, and the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate.

The PRESIDING OFFICER. Ninety-two Senators having responded to their names, a quorum is present.

Mr. BORAH. Mr. President, there are two schools of thought with reference to the monetary question with which we are now dealing, and they are ranging themselves on either side in accordance with the views which they entertain. There is one body of men who hold that we should have a larger volume of circulating medium, a larger volume of currency, believing that that will result in an increase in the price of commodities. On the other hand, there are those who do not believe that we shall escape from our present dilemma or from the economic catastrophe which has engulfed us by legislating in any respect relative to money. They do not accept the view that our enlarged volume of money will augment the price of commodities or, if it would have that effect, that it would be a wise or just thing to do.

I am a believer in the first proposition. I feel quite sure that we shall not see a rise in the price of commodities in this country until we increase the volume of the circulating medium. That, of course, gives rise to the question of sound and unsound currency, or sound and unsound money. No one desires unsound currency. No one desires unsound money. No one would suffer more from unsound currency or unsound money than the agricultural interests of the country or the labor interests. When we come to discuss the question of sound or unsound money there is again a divi-

sion. Some believe that gold alone must constitute the sole metallic base of our monetary system. There are others who believe that we should broaden the metallic base by using silver, that it would still be sound money.

Mr. President, I support this measure because I believe it is a step in the right direction. I do not anticipate the benefits to flow from this measure which are expected upon the part of some, but I think it will be helpful. I expect in the near future we shall have to take other remedial action, but I think this action is a forward move. I support it because it is based on the principle in which I believe, but I would go further in the application of that principle.

The able Senator from Pennsylvania [Mr. REED] was of the opinion that this bill, if enacted into law, would result in an increase in the price of commodities. He seemed to believe, at least so I infer from his argument, that there will be a considerable increase in the price of commodities. I support the bill for the very reason that he opposes it. In other words, as I understand the able Senator, he does not believe anything ought to be done in the way of legislation to effect a rise in the price of commodities. He does not favor that which he thinks the bill, if enacted into law, will accomplish. Naturally, he opposes it.

Mr. President, we are in a most extraordinary situation. The world has never faced just such a situation as that of the present in regard to money. I do not believe that anything less than drastic, almost revolutionary, movement will lift us out of our present condition. When we consider the amount of indebtedness which now rests upon the human family, something like $400,000,000,000, when we contemplate the stupendous tax burden which we are carrying, increasing year by year, and then take into consideration the very low level of prices corresponding to the low level of wages, when we contemplate the low purchasing power of the people generally, it seems to me that nothing less than a stupendous effort will bring anything in the nature of real relief. This bill is but a mild remedy compared with what we shall have to have to find real and permanent relief.

I do not fear this measure, therefore, because of any supposed radical changes which it is making in our monetary system. I rather believe that it will prove insufficient to accomplish all that its authors have in mind. But I realize that the President of the United States carries a great responsibility at this time. He doubtless believes it would not be wise to move other than by very deliberate steps and in a most conservative way. So long as the move is in the right direction, I do not feel that I should vote against a measure because it is not all I should like. The people have sacrificed and suffered beyond measure, and let us not blind ourselves to the fact that they are suffering still. I confess I am impatient with what seems to me procrastination in doing those things which appeal to me as indispensable to recovery. But in such a matter it may be that it is best to make haste slowly. In any event, I do not question the motives of those who feel it best to move slowly. But it is not out of order to state my views as to necessity of a more advanced program.

We have in the world today about $11,500,000,000 or $12,000,000,000 of gold. Three nations of the world possess practically all of the monetary gold of the world. Between 80 and 85 percent of the monetary gold of the world is now in the possession of the United States, Great Britain, and France. The remainder of the world, with a population of about 1,500,000,000, have but a few cents per capita primary money upon which to do business. It seems to me most extraordinary, therefore, that anyone should favor the restoration of the gold standard unless a way can be found to redistribute the gold which is now in the possession of these three nations, and also find more gold.

How are we going to redistribute it? We are not going to give it to the other nations. Indeed, the three nations which now possess it are uneasy lest they possess too little of it. These nations are making every effort to get more. Other nations of the world cannot borrow it, because we will not lend it. They cannot buy it, because they have no means under present tariff systems with which to buy. There is no method, it seems to me, by which we can redistribute the gold now in the possession of the three nations of the world. Unless we can redistribute it, there can be no possibility of restoring the gold standard.

The highest virtue of the gold standard was that it was an international standard, that it satisfied the nations of the world and made them at ease in the matter of international exchange. But if we have something like 250,000,000 people in possession of practically all the gold and 1,500,000,000 without it how may we restore the gold standard as an international standard or a world standard? Under present conditions, or under conditions which are to continue indefinitely, there can be no restoration of the gold standard.

Mr. President, we are dealing with a situation which really involves the reconstruction, the rebuilding of the entire monetary system of the world. Suppose that we divide the gold which we have; suppose the three nations of the world divide the gold which they now have, as we are proposing to do, making more dollars, creating more units of gold, the money, however devalued, would still be in the possession of the three nations. That does not help us in the least to redistribute it among the nations of the world. We are still in possession of it and still propose to hold it. It does not help us in the least to establish a basis for the reestablishment of a world gold standard. We are in a position where, whatever we may do in the matter of redividing or subdividing our own money, we cannot thereby benefit the outside world or the world which is now without primary money. In any event, geographically, the gold standard is impossible. In any event the business of the world requires more primary money than there is gold to supply. Conditions which no human power can control forbid the return to the gold standard as it existed before the war.

A large portion of the world which is without gold cannot use paper. They have no banking system. They have no checking system. They cannot use paper money; they cannot use credit currency. They must have metallic money. They want and will continue to require metal money. They cannot get gold. They cannot use paper. They want silver. They have used silver for 2,000 years. In the name of justice why not give it to them? Why should they not have the money they have always used, the money which they want to use, and the money which served them well.

How shall we restore trade with those nations or restore prosperity among the 57 nations of the world unless they have some kind of money with which to transact business, some medium of exchange, some method by which to measure value, some way by which to enable them to hold their savings? At the present time they do not have it. Shall we refuse to recognize the realities which confront the whole world in this question of money.

Great Britain, France, and the United States cannot be prosperous if the remained of the world is not prosperous. We cannot be prosperous and we cannot build up trade and commerce if the balance of the world is without a medium of exchange or without a measure of value. The question today is not merely one of dealing with the present situation in our own United States, but what steps shall we, as the great Nation, take in leading up to a monetary system which will serve a world tied together in business and in economics.

Mr. President, as I look at the measure today, the bill which is now before the Senate receiving our consideration is the logical result of 100 long years of legislation not only in this country but throughout the world for the purpose of effectuating a scarcity of primary money. For more than 100 years nation after nation has legislated with the particular object in view of making primary money scarce. We have it now. We have the scarcity which brutal selfishness has been fighting to bring about. It is so scarce that a large portion of the population of the world cannot buy it or borrow it. This bill itself is an effort to meet that scarcity by subdividing gold and making gold go further than it would as it obtained for the last 100 years. What we are undertaking to do is still to make gold the basis of

our monetary system by dividing it and resubdividing it and reducing the gold content of the dollar. It will not meet the requirements of the age in which we live. We shall have to go much further. The gold is not to be had in sufficient quantity for any of the nations, and not to be had at all by the greater part of the world's population. What the people of the world have suffered through this scarcity of primary money exceeds all efforts to portray. I venture to believe that this prolonged suffering is to have an end. The start we are making today will go forward; we cannot turn back.

It will be recalled that Brooks Adams, in one of his historical essays written some years ago, had this to say:

> It appears to be a natural law that when social development has reached a certain stage and capital has accumulated sufficiently, the class which has had the capacity to absorb it shall try to enhance the value of their property by legislation. This is done most easily by reducing the quantity of the currency, which is a legal tender for payment of debts. A currency obviously gains in power as it shrinks in volume.

It has been a custom practiced by nations of wealth to increase the value of their own holdings by decreasing the amount of money in circulation. Is that true?

We are in fact at this time by this bill trying to meet in part a situation which has been brought on by this more than century of legislation in the interest of the scarcity of primary money. In the mad scramble for gold, in this effort to divide and subdivide what gold we have, we are realizing the consummation of a story of selfishness and greed which has no parallel in history. It began in 1816, the year in which England demonetized silver. There had been no call upon the part of the people for demonetization. Among the masses, who were to suffer by the act, there had been no demand for this extraordinary measure.

It was believed in some quarters that, as England was entering upon an era of industrial development, becoming a creditor nation and anxious to buy cheap raw material abroad, it was to her interest to accentuate the value of money. It would increase the value of her securities and cheapen the value of raw material. There was no concealment of the purpose; and, from a purely national standpoint, it seemed altogether a sound policy. But after the demonetization of silver in England, began the fall of prices, which continued for the next 34 years. Prices fell to the extent of some 35 percent. There is nothing more cruel, nothing more prolific of human misery, than the glacial pressure of the fall of prices of commodities. During this period of 34 years, as history now records, almost indescribable misery prevailed throughout England and other parts of the world. The prices continued to fall, and this wide-spread human misery continued to prevail until the discovery of gold in California and Australia. Nature provided the remedy. The discovery of gold and the increased volume of money brought relief. Prosperity again returned. The prices of commodities immediately began to rise.

The next event in this fateful history came after the close of the Franco-German War. After this war Germany levied tribute against France to the extent of a billion dollars. It seemed in the interest of Germany to increase the value of the tribute. Germany had long been on a bimetallic basis. But without delay she demonetized silver. This increased the burden upon France and worked to the great advantage of Germany—another move against silver had its foundation in pure selfishness. A short time thereafter silver was demonetized in the United States. These events again inaugurated a period of fall in prices, which continued for the next 23 years and reached the alarming extent of 40 percent. Never, except in the present period, have there been such wide-spread want and poverty and bankruptcy as followed the demonetization of silver in Germany and the United States. Again this period of deprivation, of human suffering, was ended by discovery of gold in the Klondike and Colorado and elsewhere. Business immediately revived. Prices increased and wages increased. The people were again prosperous.

Will it be argued that an increase in the volume of circulating medium has no effect upon prices? Do not the incontrovertible facts of history prove the contrary? Decreasing the volume of circulating medium inevitably results in the fall of prices. An increase in volume of circulating medium is invariably followed by an increase in prices of commodities. There is no historic incident with which I am familiar touching this subject in contravention of this fact.

Let me cite one more incident. In 1925 a move was made to demonetize silver in the Orient. At this time more than 800,000,000 people were using silver as money. It was their only medium of exchange. It was their only means of savings. They had used it from time immemorial. Nevertheless, the movement for the demonetization of silver had its origin in the adoption of the gold-bullion standard for India. Why was it necessary to change the medium of exchange of some 800,000,000 people? Why was it necessary to remove or take from these people their medium of exchange, their only method of storing values or of measuring values? Had there been any call upon the part of the people for such action? Had there been any fault found with the use of silver? Had the people complained of their medium of exchange?

Permit me to pause here to read an authority that ought to be accepted by all. It is the President of the Imperial Bank of India, Sir Osborne A. Smith. He says:

> The economists throughout the world are agreed that maldistribution of gold and overproduction of goods are two of the fundamental causes of the depression. If we consider the fact that the great masses of the Orient are half-starved and less than half-clad, one cannot say that there is overproduction in terms of requirements but rather that there is overproduction in terms of purchasing power. Our job, then, is to re-create purchasing power, and we have the instrument at hand in silver, of which these masses are possessed. The remonetization of silver will furnish us with a needed purchasing power and will cause to disappear, through consumption, the world overproduction of goods.

This man owns no silver mines. He is not interested in silver as a commodity. He is interested in giving his people sound money. He is interested in humanity, in his own half-clad and half-starved people who have had taken from them the only means they possessed of conserving their values and effectuating exchange.

I venture to say there is no act in all history more inhuman, more selfish, more cruel, than that which destroyed the only money the oriental people had or could secure. And what are we doing in this country at the present time? We are carrying out a program for the curtailment of the acreage of cotton. We are curtailing the acreage for the production of wheat. We are slaughtering pigs. At the very time this program is going forward, nearly one half the human race is on the verge of hunger, more than one half is poorly clad. While millions stand in want and beg for food, a great nation is engaged in destroying food and destroying the possibility of clothing. Why are we doing this? We are trying to conform our system of production to a system of distribution, which system of distribution is embarrassed, demoralized, and controlled by a defective, inefficient monetary system. Instead of conforming our monetary system to the demands and necessities of the world and to the people, instead of conforming it to production and distribution, we are undertaking to conform production and distribution to the monetary structure. And I venture to say it makes little difference how many pigs we slaughter or what acreage we may succeed in reducing, if the circulating medium of the country continues to rise in value, continues to take on greater scarcity, our producers in the end will be no better off. I reject the doctrine of overproduction when half the world is hungry. I reject the philosophy that industry is a menace, that energy is a curse, that the inventive genius of man is man's cruel master instead of his slave. If the human family could have a breakfast tomorrow morning commensurate with their needs, there would be very little discussion during the day of overproduction. What we need is a monetary system commensurate with our capacity for production and our desire for consumption. The world does

not produce more than the world needs. It is not overproduction; it is want of distribution and underconsumption.

Mr. President, the able Senator from Pennsylvania [Mr. REED] declared that this bill would increase the price of commodities, and he thought by reason of that fact the people who had laid by some savings, widows and orphans who had likewise made savings, would be adversely and most sadly affected. What is the condition of those people now? Are they able to collect their interest upon their securities? Are they receiving returns upon their investments? Is there any Senator here who cannot recall dozens of people who thought they had stored away enough for old age, who expected to live upon the interest of their securities to enable them to care for their homes in their declining years? They now have not the means by which to pay rent or to buy food. Why? They are not able to collect the interest on their savings. They are unable to realize upon their mortgages. They can get nothing for their securities. On the other hand, I venture to say, if the prices of commodities were restored, these people would realize upon their securities and be able to collect their interest, realize upon their mortgages, and enjoy the contentment and ease to which they are entitled. These people who had put aside their life's earnings find their savings are worthless. When the producers, when those who create wealth, receive nothing for their services, you may be assured that the highest in the social ladder will in the end feel the effects.

The Senator from Pennsylvania, with his great ability, must realize that when the prices of commodities are restored, while labor may lag, as he says, while the white-collar man's salary may be affected adversely for a time by reason of the increase in prices of things he has to buy, yet it is the history of all such things that in time the laborer comes to receive his compensation in accordance with the compensation of the producer. When those who produce wealth are prosperous, the world must be prosperous. And the laborer and the white-collar man share in that prosperity.

That was the effect in 1849 after the discovery of gold in California when the volume of circulating medium was increased. At first there was a rise in prices of commodities, then followed an increase in wages, an increase in the purchasing power of the people generally, all of which revitalized the entire industry of the world. That was the effect of the discovery of gold in the Klondike. When it began to pour into the channels of trade, the prices of commodities began to rise, the wage of labor increased, and prosperity generally followed. It is written all over the experience of mankind that the depletion of the precious metals means poverty and misery, that the increased production of precious metals—gold and silver—means prosperity and affluence not with the few but with the masses.

Mr. President, in considering this bill we must not consider it in the light of the interest of any particular class. If we legislate, we should legislate for the entire country and for all classes. What we do will affect for good or evil the entire body of the people of the United States.

I spoke a moment ago about the legislation which had for its purpose the creation of the scarcity of money. The effect of this was disclosed at the close of the World War. There was a debt of some $400,000,000,000. We had about eleven and a half billion dollars in gold. When the demand for gold arose, the crisis came. Some of the debts had to be met. The demand for gold became abnormal. The result was an immediate period of liquidation. Collapse soon followed.

The gold standard is based upon the theory that every dollar of currency and practically every dollar of indebtedness is payable in gold. The gold standard works well enough when everything is serene and nobody inquires about whether or not he can secure gold. But the moment a cloud arises in the economic sky, the moment a disturbance takes place in the financial world and people make a demand for gold, the crisis comes. Since the adoption of the gold standard in 1816 by England, we have averaged a financial crisis about every 15 years. When that comes, when liquidation takes place, the man of ordinary means is wiped out, liquidated, ruined. For instance, in 1929 we had in this country about $60,000,000,000 in credit currency, every dollar of which was supposed to be payable in gold if gold was demanded. We had about 3½ billion dollars gold with which to meet the $60,000,000,000 currency. That is what I would call fiat money. And when the demand for gold came, the crisis came. Such was the condition, Mr. President, at the close of the war. When the demand for gold came, there was no gold with which to meet the demand. Every Nation was hunting for gold, grabbing for gold. Gold finally found its way into about two or three nations of the world. The other nations of the world were without means of carrying on trade or business. And it will be recalled that the first step in this break-down was the collapse of foreign trade.

The nations of the earth had not that with which to deal with one another. They had not gold. They could not get gold. We had destroyed silver. They could not use banks; they could not use currency; and 1,500,000,000 people were without the means of trade with their fellow man. Unless we are willing to restore the primary money which they have been using through all these years, there will not be, in my judgment, any revival of trade with these oriental countries.

The present bill, Mr. President, proposes to devaluate the gold dollar to a certain extent. Insofar as that has a tendency to increase the price of commodities, it is certainly, to my mind, a step in the right direction. But after we have accomplished that, what are we going to do with the 1,500,000,000 on the outside? How can the United States live and prosper and not trade with the remainder of the world? After we have reduced the gold content of our dollar and effectuated to some extent a rise in our domestic prices, what are we going to do with the trade with the outside world? Their silver money is debased, and they have no other means with which to trade.

I undertake to say, Mr. President, that until we shall have restored the money of the Constitution—specifically written into the Constitution, designedly so, by both Hamilton and Jefferson—until we shall give to the people of the world a metallic basis for their currency, we shall not be in a position to expect any trade or commerce from that part of the world which has no metallic money, and we shall not restore the purchasing power of the masses.

Mr. President, there are some two or three constitutional questions involved in the bill. I am not going to discuss them. Were I permitted to pass upon them, without the previous decision of the Supreme Court, I would have a very definite idea about them. I would but for these decisions regard the bill as unconstitutional. But I can see no difference in the matter of delegation of legislative power in the pending bill and the delegation of legislative power to the Tariff Commission. I thought at the time of the passage of the bill, respecting the Tariff Commission, it was unconstitutional, and I argued the question at some length. I thought it was a delegation of legislative power. The Supreme Court decided otherwise. It did not change my mind, but it established the law.

I do not know any longer what rule it is which determines whether a delegation of power is legislative or merely administrative. The action proposed in the pending bill would seem to me to be quite within the rule were it not for the decision of the Supreme Court of the United States in the Tariff Commission case and in two other cases. We shall not know until the Supreme Court passes upon the question whether the present case comes within the rule of the delegation of legislative power.

In view of the fact that the pending bill establishes a rule of conduct for the administrative officers quite as plain, and quite as direct, and quite as definite as that which was established in the Tariff Commission law, I do not feel that I am called upon to contravene by my vote the views of the Supreme Court on that question. It may be that in a 5-to-4 decision some particular judge will entertain a different view; but as the decision now stands there is no reason to assume that the rule which the Supreme Court announced

in the Tariff Commission case is not the rule of the court. If it is, certainly this proposed law is constitutional.

There is another proposition contained in the pending bill to which I will refer before I sit down, and that is the question of creating a board instead of giving the power in question to the Secretary of the Treasury alone. My first impression was to vote for the board, but I have changed my mind. I have done so for the reason that there is no increase in the volume of currency in the pending bill unless it meets with the approval of the Secretary of the Treasury. He may give us an increased amount of circulating medium, or he may refuse to do so. So far as I am concerned, I do not want any divided responsibility upon that question. I have reached the point where I want exact responsibility. The responsibility should rest with the administration. I have concluded I want to center and fix the responsibility. If we do not have an enlarged volume of currency, I want someone to be directly responsible and to be held responsible.

The President of the United States said in his speech on a Sunday night a few weeks ago, that the increase of the price of commodities was not satisfactory; that the administration had not been as successful as it had hoped to be in increasing the price of commodities, but that he was going to raise the price of commodities; that if he could not do it in one way, he would do it in another way; "but", said he, "do it I will." That is the doctrine, Mr. President, in which I am interested. I shall vote for undivided responsibility.

Let therefore the responsibility rest upon those who have given the American people the pledge that they will increase the price of commodities. No divided board can prevent the President from doing what he wants to do under this law.

It may be thought, Mr. President, by my colleagues that some of the remarks I have made are not pertinent to this particular bill. My contention is they are pertinent to the issue raised by the bill. They are pertinent to the most vital question before the world today, and that is, how are we going to restore purchasing power to the great body of the people, how are we going to increase the prices of commodities and give the producers of wealth a living compensation for their labor? I do not complain of many of the emergency remedies adopted to meet this crisis which now confronts us. But they are merely emergency remedies. They do not reach the fundamental problems involved. And until we seize hold of those problems and solve them, we are only drifting toward more certain and more dire disaster. We cannot escape from this awful situation by spending public money. We cannot escape by curtailing the powers of production. We cannot escape by destroying that which the world needs. Our money structure must be reformed and rebuilt in accordance with the world's business possibilities. Entertaining this view, I have ventured to go beyond the mere technical discussion of this bill. I know if we do our full duty, we shall soon return to the subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. VANDENBERG. I call for the yeas and nays.

The yeas and nays were ordered; the legislative clerk proceeded to call the roll, and Mr. ADAMS voted in the affirmative when his name was called.

Mr. McNARY. Mr. President, have any votes been cast?

The PRESIDING OFFICER. One vote has been recorded.

Mr. McNARY. I think we should have the amendment stated.

The PRESIDING OFFICER. Without objection, the roll call will be interrupted for the purpose of having the amendment again stated.

The CHIEF CLERK. On page 14, after line 2, it is proposed by the committee to insert the following:

SEC. 10. (a) There is hereby created a Foreign Exchange Board for the purpose of administering the stabilization fund hereinafter provided for. The board shall consist of the Secretary of the Treasury, the Comptroller of the Currency, the Governor of the Federal Reserve Board, and two other persons appointed by the President, by and with the advice and consent of the Senate. The two members so appointed by the President shall receive salaries of $10,000 per annum, and such salaries and all expenses of the board shall be paid from the stabilization fund.

Mr. McNARY. Mr. President, I ask unanimous consent that the order for the vote be rescinded and vacated, and I suggest the absence of a quorum.

Mr. FLETCHER. I do not see how that can be done, Mr. President.

Mr. McNARY. It can be done by unanimous consent.

The PRESIDING OFFICER. The Senator from Oregon asks unanimous consent that the order by which the yeas and nays were ordered be vacated, and that he be permitted to make a point of no quorum. Is there objection? The Chair hears none, and the Clerk will call the roll for a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Cutting	Kean	Robinson, Ark.
Ashurst	Davis	Keyes	Robinson, Ind.
Austin	Dickinson	King	Russell
Bachman	Dieterich	La Follette	Schall
Bailey	Dill	Lewis	Sheppard
Bankhead	Duffy	Logan	Shipstead
Barbour	Erickson	Lonergan	Smith
Barkley	Fess	McAdoo	Steiwer
Black	Fletcher	McCarran	Stephens
Bone	Frazier	McGill	Thomas, Utah
Borah	George	McKellar	Thompson
Brown	Gibson	McNary	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Goldsborough	Neely	Tydings
Byrd	Gore	Norris	Vandenberg
Capper	Hale	Nye	Van Nuys
Caraway	Harrison	O'Mahoney	Wagner
Carey	Hastings	Overton	Walcott
Clark	Hatch	Patterson	Walsh
Connally	Hatfield	Pittman	Wheeler
Coolidge	Hayden	Pope	White
Copeland	Hebert	Reed	
Costigan	Johnson	Reynolds	

Mr. LEWIS. I desire to announce that the Senator from Oklahoma [Mr. THOMAS] is detained from the Senate, occasioned by illness.

I am also requested to announce that the Senator from Rhode Island [Mr. METCALF] and the Senator from Louisiana [Mr. LONG] are necessarily detained from the Senate.

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

The question recurs on the committee amendment upon which the yeas and nays have been ordered.

Mr. FLETCHER. Mr. President, I merely desire to say that I hope the amendment will be defeated.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. VANDENBERG (when Mr. COUZENS' name was called). The senior Senator from Michigan [Mr. COUZENS] is necessarily absent in the hearings of the Committee on Banking and Currency. If he were present, he would vote "yea" upon this amendment.

Mr. GORE (when his name was called). On this vote I am paired with the Senator from South Dakota [Mr. NORBECK]. If at liberty to vote, I should vote for the committee amendment, and the Senator from South Dakota, if present, would vote "nay."

Mr. LEWIS (when the name of Mr. THOMAS of Oklahoma was called). I am authorized to state that the Senator from Oklahoma [Mr. THOMAS] is sick at home. If present, he would vote "nay." He is paired with the Senator from Rhode Island [Mr. METCALF], who, I am instructed to say, if present, would vote "yea."

The roll call was concluded.

Mr. HEBERT. I wish to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent. As announced by the Senator from Illinois [Mr. LEWIS], he is paired with the Senator from Oklahoma [Mr. THOMAS]. If present, my colleague would vote "yea" on this question.

I am also requested to announce the necessary absence of the Senator from South Dakota [Mr. NORBECK], who is paired with the Senator from Oklahoma [Mr. GORE]. If present, I am informed that the Senator from South Dakota would vote "nay" on this question.

The result was announced—yeas 36, nays 54, as follows:

YEAS—36

Adams	Fess	Kean	Reed
Austin	Frazier	Keyes	Robinson, Ind.
Barbour	Gibson	La Follette	Schall
Byrd	Glass	Lonergan	Steiwer
Capper	Goldsborough	McAdoo	Townsend
Carey	Hale	McGill	Tydings
Cutting	Hastings	McNary	Vandenberg
Davis	Hatfield	Nye	Walcott
Dickinson	Hebert	Patterson	White

NAYS—54

Ashurst	Connally	King	Russell
Bachman	Coolidge	Lewis	Sheppard
Bailey	Copeland	Logan	Shipstead
Bankhead	Costigan	McCarran	Smith
Barkley	Dieterich	McKellar	Stephens
Black	Dill	Murphy	Thomas, Utah
Bone	Duffy	Neely	Thompson
Borah	Erickson	Norris	Trammell
Brown	Fletcher	O'Mahoney	Van Nuys
Bulkley	George	Overton	Wagner
Bulow	Harrison	Pittman	Walsh
Byrnes	Hatch	Pope	Wheeler
Caraway	Hayden	Reynolds	
Clark	Johnson	Robinson, Ark.	

NOT VOTING—6

Couzens	Long	Norbeck	Thomas, Okla.
Gore	Metcalf		

So the amendment of the committee was rejected.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate, by Mr. Latta, one of his secretaries, who also announced that on January 25, 1934, the President approved and signed the act (S. 2284) relating to contracts and agreements under the Agricultural Adjustment Act.

STUDIES OF THE GREAT LAKES-ST. LAWRENCE SEAWAY (S.DOC. NO. 116, PT. 4)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, as follows:

To the Senate:

I transmit herewith for the information of the Senate a report on the economic advisability of the St. Lawrence power project, prepared by the Federal Power Commission with the cooperation of the Power Authority of the State of New York.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 26, 1934.*

Mr. PITTMAN. I ask that the message, together with the report and illustrations accompanying it, be printed as a Senate document and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES MONETARY SYSTEM

The Senate resumed the consideration of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

Mr. VANDENBERG. Mr. President, before we leave the subject upon which we have just voted I want to give notice that when we reach the appropriate point in the text of the House bill I shall offer an amendment on behalf of the senior Senator from Michigan [Mr. COUZENS] and myself, adding the words "with the approval of the President" after the words "Secretary of the Treasury."

My point, and the point which I submit in behalf of my colleague, is that in every other responsibility given to the Secretary of the Treasury under this bill it is always specifically and verbatim with the approval of the President of the United States, and it is our view that a similar phrase should be added in connection with this authority.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. VANDENBERG. I yield.

Mr. BYRNES. Mr. President, in the committee that question was discussed, and it was thought that it was covered by the language on the following page, which specifically provides that—

The fund shall be available for expenditure, under the direction of the Secretary of the Treasury.

Which in the original draft included the words "with the approval of the President." So far as my own position is concerned, I agree with the Senator from Michigan that, in order to avoid any misunderstanding, at the place stated by the Senator from Michigan the words "with the approval of the President" should be included.

Mr. VANDENBERG. Then, I assume we may hope——

Mr. BYRNES. I am not speaking for the committee; I am expressing my own view that it should be done.

Mr. VANDENBERG. In view of the Senator's expression, I feel quite certain that we may hope at least to make that specific identification.

Mr. FLETCHER. Mr. President, I think there will be no difficulty about that when it is in order.

Mr. VANDENBERG. Very well.

Mr. GORE. Mr. President, I do not understand where the Senator from Michigan desires to make the insertion.

Mr. VANDENBERG. I desire to add that identification after the words "Secretary of the Treasury" where he is given the authority to use the stabilization fund.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The CHIEF CLERK. On page 14, line 13, it is proposed to strike out "Sec. 10. (a)" and insert "(b)."

Mr. FLETCHER. Mr. President, since subdivision (a) has been rejected, I think the amendment just stated should also be rejected.

The PRESIDING OFFICER. Without objection, the amendment is rejected. The next amendment will be stated.

The CHIEF CLERK. In the same line, before the word "purpose", it is proposed to insert the word "sole."

Mr. FLETCHER. That amendment also should be disagreed to because it is a companion amendment to the first one which has been rejected.

The PRESIDING OFFICER. Without objection, the amendment will be rejected. The next amendment will be stated.

Mr. GLASS. Mr. President, those of us back here cannot understand what is going on. The Chairman of the Committee on Banking and Currency announces that an amendment should be disagreed to, but we are unable to know what the amendment is.

The PRESIDING OFFICER. The Chair will state to the Senator from Virginia that the Chair has no disposition to deprive the Senator of any of his rights. The chairman of the committee suggested that the amendment should be disagreed to in view of the fact that the previous amendment had been rejected, and the Chair stated that, without objection, the amendment would be rejected.

Mr. GLASS. What was the previous amendment? Nobody had an opportunity to know.

The PRESIDING OFFICER. Without objection, the clerk will again state the amendment.

The CHIEF CLERK. The first amendment disagreed to is on page 14, line 3, beginning—

SEC. 10. (a) There is hereby created a foreign-exchange board—

And so forth. The amendment disagreed to thereafter is on the same page, line 13, to strike out "Sec. 10. (a)" and insert "(b)."

Mr. GLASS. Mr. President, let it be made clear for the RECORD then that this $2,000,000,000 fund is not for the purpose solely of stabilizing exchange but for any other use that the Secretary of the Treasury, with the approval of the President, may care to make of it. I just wanted to make that statement for the RECORD.

The PRESIDING OFFICER. The question is on agreeing to the amendment [putting the question].

The amendment was rejected.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. On the same page, in line 13, before the word "purpose", it is proposed to insert the word "sole."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. KING. Mr. President, I ask the chairman of the committee if the word "sole" is eliminated, taking into account the context and all of the provisions of the bill, to what purpose the $2,000,000,000 fund may be devoted? What use is to be made of it if not for the stabilization of exchange?

Mr. FLETCHER. It is to be used for the stabilization of exchange; but I think it is unwise to insert the word "sole" there because there may be other ways of doing that, and it is thought that the authority given here should not be limited to that particular thing.

Mr. KING. May I inquire of the Senator—and it is really supplemental to the inquiry just made—to what other purpose may this $2,000,000,000 be devoted, taking into account the provisions of the bill? Certainly it is not to be used for any purpose to which the Secretary of the Treasury, even with the approval of the President, may conceive it should be devoted. There ought to be some limitation upon the use to which it may be put.

Mr. FLETCHER. There is a limitation.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. KING. I yield.

Mr. BYRNES. I submit to the Senator from Utah that under the language of the bill, "for the purpose of stabilizing the exchange value of the dollar", it can be used for no other purpose other than to stabilize the exchange value of the dollar. When it is said that it shall be used for that purpose it can be used for no other purpose not authorized by that section.

Mr. GLASS. Then, what is the objection to the use of the word "sole"?

Mr. BYRNES. I can see no reason for its being added, because when the bill provides for the doing of one thing and no other purpose is set out, no other purpose is authorized.

Mr. GLASS. Mr. President, I can see a very great use for it. I will say to the Senator from Utah that the meaning of that provision in the bill was more completely reflected in the original draft of the bill, which authorized the Secretary of the Treasury to buy local bills of exchange, bankers' acceptances, to rediscount notes, to do anything and everything that a member bank in the Federal Reserve System or a bank not a member of the Federal Reserve System now authorized by National and State laws could do. I objected in the committee rather vehemently to setting up a one-man central bank here in Washington with authority to do everything that either a Federal Reserve bank or a member bank is authorized by law to do. Then they changed the phraseology and fooled me for a while, because I am rather dense and not a lawyer, but the Senator from Michigan [Mr. COUZENS], who is rather agile of mind and quick of discernment, discovered that the change of phraseology did not alter the authority conferred on the Secretary of the Treasury to do any kind of banking business he may want to do. That is the reason why I moved to insert the word "sole", and that is the reason the Banking and Currency Committee, by a vote of 12 to 18, adopted the amendment.

Mr. FLETCHER. Mr. President, the word "sole" is inserted there as a limitation and along with that amendment the Senator from Virginia offered the amendment inserting in the next line the words "in relation to the currencies of foreign governments." Thus it reads:

> For the sole purpose of stabilizing the exchange value of the dollar in relation to the currencies of foreign governments—

And so forth. Both of those provisions should go out. I contemplate the Senate disagreeing to the amendment inserting the words "in relation to the currencies of foreign governments." In other words, we are not to be limited to price fixing abroad, but we will have something to say about price fixing at home.

Mr. REED. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Pennsylvania?

Mr. FLETCHER. I yield.

Mr. REED. I notice on the following page, page 15, beginning in line 12, these words:

> The fund shall be available for expenditure under the direction of the Secretary of the Treasury and in his discretion, for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund which the Secretary of the Treasury, with the approval of the President, may from time to time determine not currently required for stabilizing the exchange value of the dollar.

Obviously, if funds are not at the time required for stabilizing the exchange value, then to invest and reinvest them for any purpose in various securities, including Federal securities, is a pretty large power. That is given by indirection if we cut out the word "sole" which the committee inserted. I hope very much, if we are going to launch into market operations, that we will do so frankly and state it on the face of the bill.

Mr. FLETCHER. The point is that the word "sole" applies not only to the principal language of the bill, "for the purpose of stabilizing the exchange value of the dollar", but also in relation to the currencies of foreign governments. We ought to disagree to both those amendments, so that the language will read:

> For the purpose of stabilizing the exchange value of the dollar, the Secretary of the Treasury, directly or through such agencies as he may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section.

Mr. REED. Mr. President, will the Senator permit another question?

Mr. FLETCHER. Certainly.

Mr. REED. When we talk of the exchange value of the dollar we mean the value of the dollar in exchange for something else.

Mr. FLETCHER. Yes.

Mr. REED. Obviously the committee has added the words which explain what exchange value is. When we talk of exchange of the dollar, it is exchanging the dollar for something else. If we mean foreign currencies, the committee amendment has made that a little more lucid. What other kind of exchange value has the Senator in mind than the exchange value for foreign currency?

Mr. FLETCHER. The exchange value of the dollar wherever it may be.

Mr. REED. Does the Senator mean exchange value for commodities? Is this a pool to peg commodities?

Mr. FLETCHER. No; but I do not think the power ought to be restricted or limited to operations abroad.

Mr. BARKLEY. Mr. President, we must take into consideration the two subsections (a) and (b) in interpreting the section. The Secretary of the Treasury is authorized not only to use this fund for the stabilization of the dollar by purchasing gold and foreign exchange and such other evidences of credit and securities as he may deem necessary to carry out the purposes of this section—not the subsection but section 10—but in subsection (b) of section 10 the Secretary of the Treasury is authorized to use whatever part of this fund may not be required to stabilize the dollar in foreign exchange to invest and reinvest in Government securities.

It may be, and it is entirely conceivable, that there may come a time when there will be some interests in the country that will desire to drive down the price of Government securities. It might be necessary and wise to use a part of the fund to maintain the normal price of Government securities. It would, therefore, be within the power of the Secretary of the Treasury to do that under subsection (b) of section 10. But if we insert the word "sole" we even hamper the Secretary of the Treasury in dealing with this

surplus fund over and above what may be necessary to stabilize the dollar in foreign exchange in his effort to stabilize the falling prices of securities of the United States. For that additional reason it seems to me it would be unwise to insert the word "sole."

Mr. GLASS. Mr. President, if we leave out the word "sole" and the other words, we set up the Secretary of the Treasury as a one-man central bank in Washington. That is exactly what is done. That is what we were told was not intended to be done when the language was altered. If we are going to set up a one-man central bank in Washington, I am glad that it is to be under a Democratic administration instead of under a Republican administration. [Laughter.] I would certainly deplore having any such unprecedented and tremendous authority conferred upon a partisan Republican Secretary of the Treasury or a partisan Republican President. I am glad it is to be administered by a Democratic administration.

Mr. REED. Mr. President, will the Senator permit a question?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. GLASS. I yield.

Mr. REED. My attention is attracted by the word "securities" which occurs on page 14, line 19. This one-man central bank, which operates in the dark with $2,000,000,000 of the people's money, is authorized to buy securities if in his discretion he wishes to do so. That would include not only bills of exchange and promissory notes but common stocks. Does the Senator believe it is a happy thing to trust even a sanctified Democrat with power to gamble in common stocks with $2,000,000,000 of the people's money?

Mr. GLASS. I would not think a Democrat would do that. [Laughter] If there were a Republican President and Republican Secretary of the Treasury, they might do it.

Mr. REED. Inasmuch as the country is going Republican again very soon, does not the Senator think we had better restrict this power by retaining the committee amendment?

Mr. GLASS. I do not concede the premise. I do not think the country is going Republican at any time soon.

Mr. REED. The Senator practically admits it by insisting on his committee amendment.

Mr. GLASS. No; I am insisting on the amendment because the amendment is right. So far as maintaining the credit of United States bonds is concerned, that has been done, by direction of the Treasury, by the Federal Reserve open-market committee, and the Federal Reserve banks acquiring $2,500,000,000 of United States bonds, for not one dollar of which they had any use on the face of the earth. They may be depended upon hereafter, at the direction of the Secretary of the Treasury, to acquire as many more as may be necessary to maintain the market value of United States bonds.

Mr. BARKLEY. Mr. President, just a word in reply to the suggestion of the Senator about this section creating the Secretary of the Treasury as a central bank. This section authorizes the Secretary of the Treasury to do whatever he does for two purposes: First, to stabilize the American dollar in foreign exchange. He may buy gold or bills of exchange, but whatever he does under subsection (a) is done for the purpose of enabling him to stabilize the American dollar.

The only other thing the entire section authorizes him to do is, if he has any part of the $2,000,000,000 not necessary for that purpose, that he may buy Government securities. He is not authorized in any part of the section, either subsection (a) or subsection (b), to go out in the open market as a central bank and deal in securities. He can only use it under subsection (a) for the purpose of stabilizing the American dollar in foreign exchange. All he can do under subsection (b) is to buy Government securities with any of the money which he does not need to stabilize the dollar. It is inconceivable that the Secretary of the Treasury would have any desire to do that unless it were necessary to maintain the price for securities of the United States Government. In neither instance, according to my interpretation of a central bank, is the Secretary of the Treasury made a central bank by this section, or any part of it.

Mr. GLASS. It was the considered opinion, delivered to the committee by men of a vast deal of banking experience—such men as Owen D. Young and Mr. Anderson, an international expert—that this provision of the bill does set up the Secretary of the Treasury in rival competition with the open-market committee of the Federal Reserve Banking System to go into the open market and do anything that the Federal Reserve bank may do or that a member bank may do.

Mr. FLETCHER. Mr. President, the amendment inserting the word "sole" and the words "in relation to the currencies of foreign governments" was embraced in one amendment as considered by the committee. The word "sole" and the language following, "in relation to the currencies of foreign governments", would limit the Secretary of the Treasury to foreign exchange entirely. He could not do anything else with this fund except to use it in the handling of foreign exchange. That is the purpose of the amendment. We want it broad enough so he will have the power, as mentioned here, "to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section."

The amendment inserting the word "sole" should be disagreed to, and the amendment inserting the words "in relation to the currencies of foreign governments" should likewise be rejected, in order that this provision affecting the price level and stabilization should apply not only abroad, but at home as well.

Mr. GLASS. I am just a little puzzled—no; I am not puzzled—but those Senators who were not on the Banking and Currency Committee and did not hear the discussions there might naturally be puzzled to know why the provision starts out by saying, "for a purpose" and then have it told here on the floor that it is not only for that purpose, but it is for many other purposes.

I do not want to appear wiser than I am. That is not very wise. As a matter of fact, the member of the Federal Reserve Board of longest service and perhaps of greatest experience in dealing with banking and economic questions suggested to me that it was imperative that that word should go in, and therefore I proposed to put it in, and the committee agreed.

Mr. STEIWER. Mr. President, the chairman of the committee, as I recall, was quite right in his statement that the committee adopted the two changes in lines 13 and 14 all in one operation and as part of one amendment. They are now, I understand, to be presented to the Senate as two separate amendments. To that I have no objection; but, nevertheless, they might well be considered together.

I was one of those who acted with the majority of the committee and supported the proposal of the Senator from Virginia in the inclusion of both these amendments. It seemed to me then, however, and it seems to me now, that we may be wasting considerable time in trying to determine the exact relationship of the word "sole" to the meaning of the sentence. I doubt much if it is of any considerable importance. To say that something is done for a purpose defined in the act is not changed to any perceptible degree by saying that it is done for the sole purpose defined in the act. However, I shall vote for the amendment, because certainly the inclusion of the word "sole" cannot take anything away from the defined purpose of the act. If it has any effect, it merely makes it a little more lucid and definite in its interpretation.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. STEIWER. Yes.

Mr. KING. I ask for information, not having been a member of the committee and not having had an opportunity to read the hearings. Will the Senator tell us what he means by the purpose of the act? What is the purpose of the act with respect to this $2,000,000,000 fund?

Mr. STEIWER. I am very sorry the Senator addressed that question to me. I have spent a week on the question, and I am utterly unable to answer it; and I doubt if any three Members of this body would come to the same conclusion if they attempted to analyze the language.

Mr. KING. May I say to the Senator that while I have the utmost confidence in the present Secretary of the Treasury and supreme confidence in the President of the United States; if I were the President and if I were Secretary of the Treasury, I would not want unrestricted and unlimited authority conferred upon me to use the $2,000,000,000 for any purpose that may be contemplated by some who may place interpretations upon this bill.

I am perfectly willing to vote for, and shall be glad to vote for, a proposition giving to the Secretary of the Treasury, particularly under the direction of the President, full and absolute authority to utilize this $2,000,000,000 for the purpose of stabilizing the exchange of the dollar, not only in the markets of the world but in the markets at home; but if this bill contemplates that he may use it for any purpose other than that—that he may go and buy stocks and bonds and engage in transactions which ought to be, if they are to be carried on at all, under the direction of the Federal Reserve Board—I should have some hesitancy. Therefore, I submitted the interrogatory as to the purposes that the Senator believes this bill has in mind.

Mr. STEIWER. I agree with the Senator thoroughly that the language used here ought to define the real object and purpose of the bill. It would aid it on the constitutional questions which have been advanced here; and, in my opinion, it would support the President in his administration of the act.

In expressing a rather lukewarm interest in the use of the word "sole" as it is used in line 13, I do not want to be misunderstood as having the same kind of a lukewarm interest with relation to the words in lines 14 and 15. Those words were placed in the provision deliberately by the majority of the committee, and I am entirely in accord with the Senator from Virginia in attaching importance to them. Unless those words are retained in accordance with the committee amendment there are going to be those who will contend that the authority of the Secretary of the Treasury is not limited strictly and technically to activities in relation to the exchange value of the dollar in terms of foreign currencies. Somebody will be saying that the authority of the Secretary will be to deal with the exchange value of the dollar in some other relationship.

Mr. REED and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from Pennsylvania.

Mr. REED. Mr. President, if I correctly understood the chairman of the committee, he made exactly that claim a few moments ago. Perhaps the Senator did not hear him.

Mr. STEIWER. I heard him, Mr. President.

Mr. REED. He spoke of the exchange value of the dollar in terms of domestic commodities, which means price fixing.

Mr. STEIWER. There will be no way to control that.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. STEIWER. I yield, of course, to the Senator.

Mr. BARKLEY. Does not the Senator visualize a situation where it may be necessary to synchronize the value of the American dollar internally with its value externally? We now have a situation where the American dollar is worth 62 cents outside of this country, and about $1.40 in this country.

Mr. STEIWER. I think I know what the Senator means.

Mr. BARKLEY. The purpose of this section, of course, is to enable the Secretary of the Treasury to stabilize the American dollar.

Mr. STEIWER. In what respect?

Mr. BARKLEY. Chiefly, I should say, with relation to foreign currencies; but does the Senator realize no need, no necessity, no occasion when it might be necessary conceivably to try to have the internal dollar somewhat follow after the fashion of the external dollar, so that there would be a real stabilization of the dollar?

Mr. STEIWER. I think there is power enough in the bill, Mr. President, in sections of the bill that have not been alluded to here, and also in the language on page 15, to give to the Secretary all the power he will need in that regard. The danger of this language, unless the committee amendment is agreed to, is that the Secretary or his unidentified or unknown board of experts, who, we understand, are to act for him with respect to this matter, may interpret the law in a broader way than we are interpreting it now. If that eventuality happens, there is no control in the world—there is no authority of Congress, certainly; there is no authority in the courts; there is no authority in the Comptroller General; there is not any power in our Government, unless the President of the United States may have his attention directed to the matter—to determine whether or not these gentlemen are proceeding in the way that we had rather hoped they would proceed.

I suggest, therefore——

Mr. CONNALLY and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I should like to finish my statement, Mr. President. I suggest, therefore, that the first duty of Congress is to use clear and definite language, so as to place upon these gentlemen a certain responsibility, not subject to whim or caprice in administration.

Mr. SHIPSTEAD. Mr. President, will the Senator yield now?

Mr. STEIWER. Yes; I yield to the Senator from Minnesota. I will yield to the Senator from Texas in just a minute.

Mr. SHIPSTEAD. It seems to me the language of the two sections is ambiguous. In section 10, subsection (a), we read:

> There is hereby created a Foreign Exchange Board for the purpose of administering the stabilization fund hereinafter provided for.

Mr. STEIWER. That is stricken out.

Mr. FLETCHER. That has been defeated.

Mr. STEIWER. Yes; that has been defeated.

The PRESIDING OFFICER. The Chair will state to the Senator from Minnesota that subsection (a) was voted down.

Mr. SHIPSTEAD. Then in subsection (b), which is now, I take it, subsection (a)——

Mr. STEIWER. That is right.

Mr. SHIPSTEAD. Originally, we had this language:

> For the purpose of stabilizing the exchange value of the dollar, the Secretary of the Treasury, directly or through such agencies as he may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section.

Mr. STEIWER. May I interrupt the Senator at that point in his reading merely to observe that the language "to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary" is itself a very unusual power.

Mr. SHIPSTEAD. It seems to me that the most important words in the original part of that section are "stabilizing the exchange value of the dollar"; and they are restricted by the committee amendment confining stabilization solely in relation to currencies of foreign countries.

If we want to use this fund solely for the purpose of regulating foreign exchange, and the dollar in relation to the exchange of other countries, then I think we should vote for the committee amendment. If we want to use this fund for the purpose of managing the currency, or stabilizing, or whatever it is called, the domestic purchasing power of the dollar, I think it can be done under the original bill.

There are two things provided for here: One, under the committee amendment, confining the activities for which this fund can be used solely to the manipulation of foreign exchange and the stabilization of the dollar in relation to foreign currencies; or, under the original wording of the section, it seems to me it is quite plain that what is meant—and if it is not meant, it should be clarified—is that the relation of the dollar to other things than foreign exchange can be regulated. If that is the intention of the bill, and if that is what we want, we should vote down the committee amendment, it seems to me.

Mr. STEIWER. I think that is a very clear statement; and the committee thought the bill ought to be limited to the matter of dealing with the exchange value of the dollar in its relation to international exchange.

Mr. ADAMS. Mr. President——

Mr. STEIWER. I yield to the Senator from Colorado.

Mr. ADAMS. It occurs to me that there is hardly the significance in the change in language that is being expressed. I will say, in reference to the suggestion of the Senator from Kentucky, that if he wants the power reposed in the Secretary of the Treasury which he thinks he should have, he ought to offer an amendment to this section, because, as I read it, the amendment does not give the Secretary of the Treasury any authority to deal in domestic exchange. It is limited in terms to the exchange value, which has to do with international exchange. I think very little is added either by the word "sole" or by limiting it to foreign countries. So, if we want to have the broad interpretation, the amendment should be rejected.

One other suggestion, if the Senator from Oregon will permit me: The bill, on page 15, provides that this fund shall be under the exclusive control of the Secretary of the Treasury, whose decisions shall be final and not be subject to review by any other officer of the United States, which includes the President. So, if the Secretary of the Treasury wants to decide that he can deal in any form of exchange or securities or otherwise, his decision is not subject to review.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Texas?

Mr. STEIWER. Yes; I am happy to yield to the Senator.

Mr. CONNALLY. The Senator from Colorado says that the Secretary of the Treasury can do something and not even the President can control him. That is patently a mistake. The Secretary of the Treasury is merely the servant of the President, and when we put the responsibility on the Secretary of the Treasury we are putting the responsibility on the President of the United States.

I do not see that the point the Senator is making about the word "sole"—if he will permit me—has any value at all, because the Secretary of the Treasury gets whatever power he may exercise out of this bill; and this bill says "for the purpose of dealing in dollar exchange", as I understand. Then what else can he do but do that? He cannot go any further.

The Senator says somebody might think the Secretary has more power. Unless the Secretary thought he had more power, and unless the President thought he had more power, what difference would it make what other people thought? The responsibility will be directly on the President of the United States.

Mr. ADAMS. Mr. President, will the Senator permit me to answer the Senator from Texas?

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Oregon yield to the Senator from Colorado?

Mr. STEIWER. I do.

Mr. ADAMS. I am wondering what interpretation the Senator from Texas puts upon the words on page 15, line 10, which say that the exclusive control of this fund shall be in the hands of the Secretary of the Treasury, "whose decisions shall be final and not be subject to review by any other officer of the United States."

Mr. CONNALLY. Here is my construction of that:

The Constitution makes the President the executive officer, and his Cabinet members are simply his servants. We cannot change that constitutional power by this statute. If the Secretary of the Treasury gets too fresh, the President can kick him out of office tomorrow, without consulting Congress or anybody else.

Mr. ADAMS. True; but we are putting that power in the hands of the Secretary of the Treasury unless the President sees fit to discharge him.

Mr. CONNALLY. We are really putting it in the President of the United States, because the Secretary of the Treasury is not known to the Constitution at all. None of these Cabinet officers are. They are simply servants of the President; and when we give the power to the Secretary of the Treasury, we are giving it to the President of the United States, because he is responsible for the Secretary's appointment, he is responsible for the conduct of his office, and he is responsible for how long he stays there. Whenever a Secretary of the Tresaury gets gay with any President he ought to be fired, and the President now in the White House will fire him.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. STEIWER. If the Senator from Kentucky will permit me to conclude my observation, I will yield the floor to him.

Mr. BARKLEY. I do not ask to have the floor.

Mr. STEIWER. If the Senator will indulge me for a moment, I desire to say that what I had hoped would be accomplished when I obtained the floor has been accomplished. It has been shown that we are in hopeless disagreement in regard to the construction of the language in question. The majority of the committee thought it their duty to the Senate to incorporate language unequivocal in meaning, such as the language in line 14, with relation to the currencies of foreign governments. If the Senate desires a plain and unequivocal statement, there it is. If the Senate does not desire to have that language, of course it can vote down the amendment of the committee, throw the language of the bill back into obscurity again, and turn it all over to the Secretary of the Treasury and his experts for interpretation.

Mr. NORRIS. Mr. President, bearing directly on whether the amendment in question ought to be agreed to or rejected, it seems to me we should consider the language on page 15, commencing near the end of line 12:

> The fund shall be available for expenditure, under the direction of the Secretary of the Treasury and in his discretion, for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund—

There are set forth in the bill at least two purposes for which, in specific language, we have authorized the Secretary of the Treasury to use the fund. Subsection (a), page 14, line 13, refers to the use of the fund for stabilizing the exchange value of the dollar. The Secretary of the Treasury can, under the provisions of the bill, do at least two things: He can use the fund for the purpose of stabilizing the exchange value of the dollar, or he can use it, as provided on page 15, for the purpose of—

> Investment and reinvestment in direct obligations of the United States of any portions of the fund * * *.

If we put in the word "sole", we have, in effect, nullified the language on page 15. The word "sole" will confine the use of the fund to the purpose of stabilizing the exchange value of the dollar. We ought not to put in the word "sole" unless we strike out of the bill the language which is found on page 15.

Mr. STEIWER. Mr. President, will the Senator yield to me for a suggestion?

Mr. NORRIS. Yes.

Mr. STEIWER. It would appear that there may be a higher degree of use with respect to international exchange

than with respect to the second proposition to which the Senator just now called attention. I desire the Senator to note that in line 19 there is a limitation. That limitation is to the effect that the second power may be carried out by the use of portions of the fund which the Secretary or board, " with the approval of the President "—I now read—

May from time to time determine are not currently required for stabilizing the exchange value of the dollar.

Mr. NORRIS. Yes.

Mr. STEIWER. I think the Senator will agree, therefore, that the first duty with respect to use of the fund would be for stabilization by the fund of the exchange value of the dollar.

Mr. NORRIS. I do.

Mr. STEIWER. But that such money as is not needed for that purpose may be used for the second purpose to which the Senator from Nebraska has called attention. There need not necessarily then be any conflict between the two. The one comes first, and the other afterward.

Mr. NORRIS. But we see in the first language I referred to that the fund is to be used for the sole purpose of stabilizing the exchange value of the dollar. We so provide if we put the word " sole " in the bill. If that is true, the Secretary of the Treasury cannot use the fund for any other purpose. On page 15, however, we explicitly authorize its use, or that portion of it which is not used for stabilizing the dollar, for a further use, but it is use of the fund just the same. We explicitly authorize the use thereof for the purchase or sale of Government bonds.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. It is entirely possible that the latter use of the fund may be the larger use.

Mr. NORRIS. Yes; it may be. I do not know.

Mr. BARKLEY. It may not be necessary to use half the fund for the stabilization of exchange; and in that case, while the first object of the fund is to stabilize exchange, it is entirely possible that more of it would be used for the secondary purpose than for the primary purpose.

Mr. NORRIS. That may be. As long, however, as there is a dollar of it left, if we put in the word " sole ", it cannot be used unless there is a conflict in the provisions of the bill. There are two statements contained in it. One says the Secretary of the Treasury may use it, and the other says he may not; but if the word " sole " is given its full effect he cannot utilize any portion of the fund for the purchase of United States securities, as is provided on page 15.

Mr. STEIWER. Will the Senator from Nebraska again yield?

Mr. NORRIS. Yes.

Mr. STEIWER. May I point out to the Senator from Nebraska that in the first part of the language, commencing in line 13 on page 14, the Secretary is authorized, for the purpose there named and for the account of the fund, to do certain named things. They are " to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary ", and so forth.

In the second power, which the Senator is discussing, there is a different provision. That provision is that he may purchase and deal in the direct obligations of the United States. The authors of the language evidently are intending to make a distinction, not only between purposes but between the things which the Secretary may do.

Mr. NORRIS. I think so. I agree with the Senator.

Mr. STEIWER. I am not sure, therefore, that the first is in conflict with the latter.

Mr. NORRIS. It seems to me it must necessarily be. If by law we state the Secretary can use it solely for the first purpose, we have not left him any discretion.

Mr. STEIWER. The bill does not say that the fund may be used solely for that purpose, but solely for that purpose he may do one prescribed thing, and for another purpose possibly he may do another thing. Is that not what the language means?

Mr. NORRIS. I do not think so. I do not construe it in that way at all. I am not saying that the language on page 15 is right. That is not the question that is now before the Senate. Whether that ought to be stricken out, or whether the power is too great or not, has not been argued. It certainly seems plain to me that the word " sole " should not be put in the bill unless first the other authority is taken away.

Mr. FLETCHER. I think the Senator from Nebraska is entirely right about that. The provision on page 15 enables the Secretary, if he has this fund lying idle and not drawing any interest, to invest it in Government securities and let it draw interest.

Mr. NORRIS. Exactly; and then the Secretary has the right to sell them. I take it the purpose is not only that of keeping up the price of Government bonds but he can invest the fund in such bonds and get the interest on them, or, at least, stop the Government from paying some outsiders that interest, and sell them on the market afterwards and use the money for the purpose named in the first part of the section.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. NORRIS. I yield.

Mr. GLASS. I will say to the Senator that my view is that the fund may be used for two purposes. It may be used for stabilization purposes, to begin with, and if it is not needed for that, it may be used for the purpose of buying direct obligations of the United States. Its use for stabilization purposes, however, must be for the stabilization of foreign exchange and not to engage in a general banking business for the purpose of stabilizing domestic prices.

Mr. NORRIS. The Senator has advocated the same idea which the Senator from Oregon has suggested, that the word " sole " applies only to the first part of the section.

Mr. GLASS. To stabilization.

Mr. NORRIS. I call the Senator's attention to the fact that all the language I have quoted on page 15, as well as page 14, is in the same section—section 2—although in different paragraphs of that section. As I construe it—and I believe it is a fair construction—the Secretary could not use the fund, if he had some of it left, for the purpose of buying Government bonds, for instance. I should like him to have the right to use it for that purpose, for the reason that while he would get the interest on it, it would be the payment of money from one department of Government into another department of Government. If he did not buy the bonds, the Government would have to pay out the interest on them to the private persons who held the bonds. It might result in a very great saving to the Government. The fund could safely be invested in Government bonds, because they always have a market, and the Secretary can readily get the money at any time he wants to if he wishes to use it in accordance with the first part of the section.

Mr. GLASS. I simply wish to emphasize what I have already said, that there are two processes specified for the use of the fund. One is for stabilization purposes, and the other is, if the money is not being used for stabilization purposes, that it may be used for the purpose of purchase of direct obligations of the United States. In the use of the fund for stabilization purposes, it may only be used to stabilize foreign exchange, and may not be used for the purchase of bills of exchange and bankers' acceptances and rediscount purposes and open-market operations—functions that properly belong to tested and experienced bankers, and which are exercised by them.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. ADAMS. I merely wish to supplement the statement of the Senator from Virginia. There are specified in the bill the two purposes to which he referred. The second purpose, however, is carefully distinguished, and there is attached to it another condition, which is that the Secretary of the Treasury must first determine that the funds are not needed to stabilize the exchange value of the dollar, and

that the President must approve. In other words, the first use is unlimited in the hands of the Secretary of the Treasury; the second use carefully distinguished; and there must be the definite finding of proof by the President that it is not needed for the first purpose. So I do not believe that the term "sole" applies to the second use.

Mr. NORRIS. I cannot see how Senators can draw that construction. We have here this fund. Its authorization is going to be confined to one purpose. That is what will be meant if the word "sole" is put in the bill. The fund cannot be used for anything else. Its use is then confined to one purpose, and one purpose only.

Mr. GLASS. When we attempt to stabilize.

Mr. NORRIS. Then later on in the bill it is provided that it can be used for another purpose.

Mr. GLASS. No; one purpose only, while we are devoting our attention to that purpose, which is stabilization.

Mr. NORRIS. Oh, yes; but that is not in the bill.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. If the word "sole" is left in the bill, by transposing the language on page 15 back to the first subsection of section 10, the provision would read as follows:

> For the sole purpose of stabilizing the exchange value of the dollar in relation to foreign currencies, the Secretary may do certain things, including the investment and reinvestment in direct obligations of the United States.

That certainly, it seems to me, shows that if the word "sole" is there it limits everything the Secretary of the Treasury may do in connection with this transaction, including the purchase of United States Government bonds.

Mr. NORRIS. It certainly confines it to the purpose of stabilizing the exchange value of the dollar. I believe it will be conceded that using the money to buy Government bonds is not for that purpose. The bill says so, indirectly at least. So there is a purpose that he cannot use it for. He can use it solely to stabilize the dollar, and it is admitted that the buying of Government bonds with this money is not stabilizing the dollar. So that is left out.

I may be wrong about it, but my idea is that one of the great purposes of the bill, under the language on page 15, is to save money for the Government by investing this money in Government bonds and stopping the interest the Government would have to pay. Probably a large portion of it might be used in that way. There would be times, perhaps, when a large portion of this fund would not be used for the purpose of stabilizing the dollar, and there the money would be, doing no good, drawing no interest. So the Secretary of the Treasury says, "Well, I will take the remainder of the $2,000,000,000"—a large amount of money—"and I will buy some Government bonds which draw 4 percent or 4¼ or 4½, and I will stop the payment of interest on the amount of the bonds I have bought." Incidentally, that would help to keep up the market for Government bonds, which everybody would like to do; it would help indirectly when it was desired, to sell some other bonds.

So I do not look at this question lightly. The language on page 15 is important, in my judgment, and I should dislike to take action here that would make it at least doubtful whether any legal effect could be given to that language.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield?

Mr. NORRIS. I yield first to the Senator from Washington.

Mr. BONE. Mr. President, I do not like to prolong this discussion, but I feel so completely in accord with what the Senator from Nebraska has said that I merely want to add a word. I do not believe there is a lawyer in this body—and there are many able lawyers here—who can escape the conclusion that the words "of this section", in line 4, on page 15, refer not to some subparagraph of the section but to section 10, which begins on line 3 on page 14. If that be not true, then, I think every lawyer here will have to unlearn all he has ever learned from experience in the trial of cases in court involving subsections of complete sections. This can have only one meaning, and, in my opinion, the Senator from Nebraska is right.

Mr. VANDENBERG. Mr. President, now will the Senator from Nebraska yield?

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. VANDENBERG. May I suggest to the Senator from Michigan that his view and the view of the Senator from Virginia would be met if we used an adverb and made the language read as follows:

> For the purpose of stabilizing the exchange value of the dollar solely in relation to the currencies of foreign governments.

Would not that accomplish the purpose in mind?

Mr. NORRIS. I do not know whether we want to accomplish that or whether we want to confine it to that; but that is beside the question.

Mr. VANDENBERG. I am trying to avoid the Senator's difficulty.

Mr. GLASS. Mr. President, there are two definitely expressed purposes for which this $2,000,000,000 may be used. One of them, under this amendment, is solely for the purpose of stabilizing foreign exchange, and that, we were led to believe, is the purpose of transferring the $2,000,000,000 to the Secretary of the Treasury. The other purpose is to protect the credit of the United States by buying direct obligations of the United States Government. That, however, is not all, for if the Senator will read the language on page 15, he will see that it says:

> For any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States.

In other words, he can do any sort of banking business he pleases.

Mr. BARKLEY. Mr. President, if the Senator will permit me, that is the only language in the whole section that authorizes the Secretary of the Treasury to invest or reinvest in Government securities.

Mr. GLASS. But he can do anything, it says.

Mr. FLETCHER. Question!

The PRESIDING OFFICER. The question is on the amendment reported by the committee.

Mr. FESS. I ask for the yeas and nays.

Mr. BARKLEY. I make the point that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Reynolds
Ashurst	Cutting	Johnson	Robinson, Ark.
Austin	Davis	Kean	Robinson, Ind.
Bachman	Dickinson	Keyes	Schall
Bailey	Dieterich	La Follette	Sheppard
Bankhead	Dill	Lewis	Shipstead
Barbour	Duffy	Logan	Smith
Barkley	Erickson	Lonergan	Steiwer
Black	Fess	McCarran	Thomas, Utah
Bone	Fletcher	McGill	Thompson
Brown	Frazier	McKellar	Townsend
Bulkley	George	McNary	Trammell
Bulow	Gibson	Murphy	Tydings
Byrd	Glass	Neely	Vandenberg
Byrnes	Goldsborough	Norris	Van Nuys
Capper	Gore	Nye	Wagner
Caraway	Hale	O'Mahoney	Walcott
Carey	Harrison	Overton	Walsh
Clark	Hastings	Patterson	Wheeler
Connally	Hatch	Pittman	White
Coolidge	Hatfield	Pope	
Copeland	Hayden	Reed	

Mr. LEWIS. I desire to announce that the Senator from Georgia [Mr. RUSSELL] is detained from the Senate on departmental business.

I also desire to announce that the Senator from Utah [Mr. KING] and the Senator from Mississippi [Mr. STEPHENS] are detained from the Senate by committee work.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present. The question is on the amendment reported by the committee.

Mr. FESS. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. VANDENBERG (when Mr. COUZENS name was called). The senior Senator from Michigan [Mr. COUZENS] is still engaged in the Committee on Banking and Currency. If present, he would vote "yea" on the committee amendment.

Mr. GIBSON (when his name was called). I have a pair with the junior Senator from South Dakota [Mr. BULOW]. My understanding is that if present that Senator would vote "nay." If permitted to vote, I would vote "yea."

Mr. GORE (when his name was called). I desire to make the same announcement as before with reference to my pair with the senior Senator from South Dakota [Mr. NORBECK]. If I were at liberty to vote, I would vote "yea" and if the Senator from South Dakota were present and voting, he would vote "nay."

The roll call was concluded.

Mr. HEBERT. I desire to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent. He is paired with the Senator from Oklahoma [Mr. THOMAS]. If my colleague were present on this question he would vote "yea", and if the Senator from Oklahoma were present he would vote "nay."

I was also requested to announce the necessary absence of the Senator from South Dakota [Mr. NORBECK], who is paired with the Senator from Oklahoma [Mr. GORE]. If the Senator from South Dakota were present, on this question he would vote "nay."

Mr. ROBINSON of Indiana (after having voted in the affirmative). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I inquire if that Senator has voted.

The VICE PRESIDENT. He has not voted.

Mr. ROBINSON of Indiana. Then I am forced to withdraw my vote and withhold it.

Mr. BARKLEY. I was requested to announce that the junior Senator from California [Mr. MCADOO] is unavoidably absent. I do not know how he would vote on this amendment, and therefore make no announcement.

The result was announced—yeas 32, nays 50, as follows:

YEAS—32

Adams	Dickinson	Hebert	Schall
Austin	Fess	Kean	Steiwer
Barbour	Frazier	Keyes	Townsend
Bulkley	Glass	Lonergan	Tydings
Byrd	Goldsborough	McNary	Vandenberg
Capper	Hale	Nye	Van Nuys
Carey	Hastings	Patterson	Walcott
Davis	Hatfield	Reed	White

NAYS—50

Ashurst	Copeland	La Follette	Reynolds
Bachman	Costigan	Lewis	Robinson, Ark.
Bailey	Cutting	Logan	Sheppard
Bankhead	Dieterich	McCarran	Shipstead
Barkley	Dill	McGill	Smith
Black	Duffy	McKellar	Thomas, Utah
Bone	Erickson	Murphy	Thompson
Brown	Fletcher	Neely	Trammell
Byrnes	George	Norris	Wagner
Caraway	Harrison	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hayden	Pittman	
Coolidge	Johnson	Pope	

NOT VOTING—14

Borah	Gore	Metcalf	Stephens
Bulow	King	Norbeck	Thomas, Okla.
Couzens	Long	Robinson, Ind.	
Gibson	McAdoo	Russell	

So the committee amendment was rejected.

The VICE PRESIDENT. The clerk will state the next amendment.

The next amendment was, on page 14, line 14, after the word "dollar", to insert the words "in relation to the currencies of foreign governments."

Mr. FLETCHER. That should be rejected. It is the companion amendment to the amendment just disagreed to.

The VICE PRESIDENT. Without objection, the amendment is rejected.

The next amendment was, on page 14, line 15, after the word "dollar", to strike out "the Secretary of the Treasury" and insert the words "the board"; in line 16, to strike out the word "he" and insert the word "it"; and in line 19 to strike out the word "he" and insert the word "it", so as to read:

For the purpose of stabilizing the exchange value of the dollar the board, directly or through such agency as it may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as it may deem necessary to carry out the purpose of this section.

The VICE PRESIDENT. Without objection, the amendment is rejected.

Mr. VANDENBERG. Mr. President, have the words "the Secretary of the Treasury", in the language of the House text in line 15, been stricken out?

The VICE PRESIDENT. Those words have not been stricken out.

Mr. VANDENBERG. At what parliamentary point should an amendment be offered to have the words "with the approval of the President" inserted after the words "Secretary of the Treasury"? Is that in order at this time?

The VICE PRESIDENT. It will not be in order until committee amendments shall have been disposed of. The clerk will state the next amendment.

The next amendment was, on page 14, line 22, after the word "President", to strike out:

And a general report on the operation of the fund shall be made by the President to the Congress within the period beginning 90 days before and ending 90 days after the expiration of 3 years from the date of enablement of this act.

Mr. FLETCHER. That amendment should be agreed to.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 15, line 3, to strike out "(b)" and insert "(c)."

The amendment was rejected.

The next amendment was, on page 15, line 3, to strike out the words "Secretary of the Treasury" and insert "board."

The VICE PRESIDENT. Without objection, the amendment is rejected.

The next amendment was, on page 15, line 10, to strike out the words "Secretary of the Treasury" and insert the word "board."

The VICE PRESIDENT. Without objection, the amendment is rejected.

The next amendment was, on page 15, line 13, to strike out the words "Secretary of the Treasury and in his" and insert the words "board and in its", so as to read:

The fund shall be available for expenditure, under the direction of the board and in its discretion, etc.

The amendment was rejected.

The next amendment was, on page 15, line 18, to strike out "Secretary of the Treasury" and insert the word "board."

The VICE PRESIDENT. Without objection, the amendment is rejected.

The next amendment was, on page 16, line 1, to insert the following new paragraph:

(c) All the powers conferred by this section shall expire 2 years after the date of enactment of this act, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated; but the President may extend such period for not more than 1 additional year after such date by proclamation recognizing the continuance of such emergency.

Mr. FLETCHER. I see no particular objection to that provision. It might as well go to conference.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 16, line 22, after the word "require", to insert the following:

Except that such powers shall expire 2 years after the date of enactment of the Gold Reserve Act of 1934 unless the President shall sooner declare the existing emergency ended, but the President may extend such period for not more than 1 additional year after such date by proclamation recognizing the continuance of such emergency.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 19, line 11, to strike out the subtitle "definitions."

The VICE PRESIDENT. Without objection, the amendment is agreed to. That completes the committee amendments. Other amendments are now in order.

Mr. VANDENBERG. Mr. President, on behalf of my colleague [Mr. COUZENS] and myself, I now offer the amendment to which I referred earlier in the day and to which the Senator from South Carolina [Mr. BYRNES] indicated his assent. On page 14, line 15, after the words "the Secretary of the Treasury", I move to insert the words "with the approval of the President."

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 14, line 15, after the words "the Secretary of the Treasury", it is proposed to insert the words "with the approval of the President", so as to read:

For the purpose of stabilizing the exchange value of the dollar the Secretary of the Treasury, with the approval of the President, directly or through such agencies as he may designate, is authorized, for the account of the fund established in this section, to deal in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of this section.

Mr. FLETCHER. I do not object to the amendment.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. VANDENBERG. I desire to offer the same amendment in another place. On page 15, line 10, after the words "Secretary of the Treasury", insert the words "with the approval of the President."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GORE. Mr. President, in line 25, on page 12, I move to strike out the words "or with any funds in the Treasury not otherwise appropriated."

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 12, line 25, it is proposed to strike out the words "or with any money in the Treasury not otherwise appropriated."

Mr. FLETCHER. I think the amendment ought to be rejected.

The amendment was rejected.

Mr. GORE. On page 15, line 11, I move to strike out the clause "and not be subject to review by any other officer of the United States."

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 15, line 11, after the word "final", it is proposed to strike out the words "and not be subject to review by any other officer of the United States", so as to make the sentence read:

To enable the Secretary of the Treasury to carry out the provisions of this section there is hereby appropriated, out of the receipts which are directed to be covered into the Treasury under section 7 hereof, the sum of $2,000,000,000, which sum when available shall be deposited with the Treasurer of the United States in a stabilization fund (hereinafter called the "fund") under the exclusive control of the Secretary of the Treasury, whose decision shall be final.

Mr. GORE. Mr. President, I invite the attention of Senators to that language. It is absolute. It is unequivocal. The action of the Secretary of the Treasury under this clause would not be subject to review by the President of the United States himself. It would not be subject to review by the Comptroller General.

I do not know who drafted this bill. The Chairman of the Banking and Currency Committee, I believe, does not know the draftsman of the bill. The Committee on Banking and Currency made some effort to ascertain who drew the bill now pending, and we were unable to discover the draftsman. I do not believe, for the sake of our own self-respect, that we ought to adopt this language, no matter who drew the bill.

The next clause provides that the Secretary of the Treasury shall act with the approval of the President, but under this clause he acts upon his own discretion, and it is expressly provided that no other officer of the Government has the right or the power to review either the use or abuse of that discretion.

Mr. President, there is a theory underlying our constitutional system, based upon the experience of centuries, that the sword and the purse ought to be placed in distinct and separate hands. Centuries of experience, I might say of tragedy, gave birth to that principle. Under our constitutional system the purse is placed in the hands of Congress, in the hands of the chosen representatives of the people, while the sword is placed where it should be placed—in the hands of the Chief Executive. The separation of the sword and the purse was deemed by our fathers to be indispensable to civil liberty. Where they are united their tyranny exists. This measure places the control of the purse, insofar as this provision is concerned, in the hands of the Secretary of the Treasury; not subject to revision even by the President, not subject to revision by any other authority under the Constitution of the United States.

Mr. President, the Secretary of the Treasury is required by law to submit his annual report to the Congress and not to the President. Other Cabinet officers make their reports to the President, but the Secretary of the Treasury is required to submit his report to the representatives of the people.

Mr. LOGAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. GORE. Yes; I yield.

Mr. LOGAN. I should like to ask the Senator from Oklahoma if his objection cannot be obviated by a very simple amendment that would answer as well as the one which he has offered. At present the bill provides that the decision by the Secretary in respect of any issue shall be final. If we should amend it so as to state that the decision of the Secretary, when approved by the President, shall be final, and not subject to review, would not that fix it?

Mr. BYRNES. Mr. President, will the Senator from Oklahoma yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from South Carolina?

Mr. GORE. Yes, sir.

Mr. BYRNES. I wonder whether the Senator from Oklahoma understood the amendment offered by the Senator from Michigan [Mr. VANDENBERG], which has been agreed to.

Mr. GORE. I did not get the full import of it. I made inquiry, but I did not have the context.

Mr. BYRNES. The amendment of the Senator from Michigan does provide that this fund shall be under the exclusive control of the Secretary of the Treasury, with the approval of the President, whose decision shall be final, and not be subject to review by any other officer of the United States.

Mr. VANDENBERG. That is correct.

Mr. GORE. And the amendment was inserted at that point?

Mr. BYRNES. Yes; only a few moments ago. I did not think the Senator was aware of that fact.

Mr. LOGAN. Then the suggestion I was trying to make has already been carried out.

Mr. GORE. Mr. President, that substantially meets the objection which I was urging. I will add one or two other considerations in order that my own point of view may be understood.

The theory obtained in the Old World, a century or so ago, that "the king could do no wrong." That doctrine was accepted and exploited by the king, and was at least acquiesced in by his subjects. That doctrine has no place in a republic, in a democracy, or under any other form of free government. I wish to add that in raising this point I do not mean to raise any doubt as to the President, as to his good faith, or as to his ability in the administration of this or any other measure. I say that because the intimation has sometimes been made that any sort of dissent from one of these recommended measures implies a sort of distrust of the President himself. I am sure every Senator on either

side of the aisle has implicit faith in the President's good faith and good intentions; and on this side we have faith in his judgment and in his ability.

Mr. President, it is my wish to see this administration succeed, first, on account of the country; then, I may add, on account of the Democratic Party. I am anxious to see the President succeed himself, and I am anxious to see the President succeeded by a Democrat; but sometimes the American people fall under a sort of mental aberration in the choice of a President. After all, fortune is a "wincing jade."

I am afraid that one day a Republican President might be chosen—and I mean nothing invidious toward the other side when I say that it is a source of pride and satisfaction to me that there never has been a national scandal in a Democratic Cabinet. Some Republican Cabinets have been less lucky. I remember that Belknap was impeached, that a scandal occurred when General Alger was Secretary of War. We might have a Republican President come to power, and he might place a Mellon in the secretaryship of the Treasury. By this I do not impeach either the personal or the official integrity of Mr. Mellon. We might have a Republican President come to power who might place an Albert B. Fall in the secretaryship of the Treasury. Another Republican President might make a Harry M. Daugherty Secretary of the Treasury. Still another Republican President might make a Walter F. Brown Secretary of the Treasury.

My amendment and my remarks are entirely impersonal so far as the present Secretary of the Treasury is concerned. I have known him many years and have marked his rise with interest.

My point is, Mr. President, that Congress has some legislative responsibilities which it has no right to abdicate, which it cannot abdicate without a breach of duty and of responsibility. So far as I am concerned, I should like to see, and my first purpose was to move to insert, after the words "United States" in this line, the words "except by the Comptroller General"; but I shall be content with the amendment submitted by the Senator from Michigan [Mr. VANDENBERG] and be adopted by the Senate.

The VICE PRESIDENT. The Senator from Oklahoma withdraws his amendment.

Mr. WHEELER. Mr. President, on behalf of the Senator from Utah [Mr. KING] and myself, I send to the desk an amendment which authorizes the Treasurer of the United States to purchase a certain amount of silver.

I will say to the Senate that on account of the lateness of the hour I am going to ask that I be permitted to discuss this amendment tomorrow morning. We have been here from 11 o'clock until the present hour. There has been no attempt on the part of anybody to filibuster this bill. On the other hand, there are several Members of the Senate who desire to discuss this particular amendment. It is a matter of great interest to millions of people throughout the United States, and particularly to the farmers throughout the western section.

It will be recalled that heretofore an amendment somewhat similar to this came within 10 votes of passing the Senate. I am going to ask that I be permitted to offer the amendment at the present time, have it printed, and discuss it tomorrow forenoon.

I am perfectly willing to fix a time when we shall vote on the amendment tomorrow, say, at 3 o'clock in the afternoon. I do not want to delay the passage of the bill under consideration. I am in favor of the bill; I advocate its passage, and I do not want to delay it. I do think, however, that when an amendment of this kind, which is of such vital importance, is before the Senate, we ought not to be forced to discuss it at this late hour.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WHEELER. I yield.

Mr. ROBINSON of Arkansas. The Senator from Florida [Mr. FLETCHER] has charge of this bill. He has asked me to make a brief statement, we being in hearty accord on the subject matter.

A good many Senators have approached the Senator from Florida this afternoon, as well as myself, and indicated a desire to conclude the consideration of the bill today. With the exception of the Senator from Montana, and certain other Senators who are supporting his amendment, I think there is a general feeling here that the consideration of the bill should be concluded today, in order that there need be no session of the Senate tomorrow. I realize, however, and the Senator from Florida realizes, that some time will be required for the disposition of this amendment; that there are several Senators who desire to speak on it; and, with the approval of the Senator from Florida, I am going to make a suggestion which I think will enable us to grant the request of the Senator from Montana.

As stated yesterday, it is very desirable that this bill be disposed of tomorrow; and I am going to propose a unanimous-consent request which, if agreed to, will result in the discontinuance of proceedings today, as requested by the Senator from Montana. It is that on tomorrow, if the bill shall not be previously disposed of, after the hour of 4 o'clock no Senator shall speak more than once or longer than 10 minutes on the bill or any amendment thereto, and that before the conclusion of the calendar day a final vote shall be taken on all amendments and on the bill.

Mr. WHEELER. Mr. President, that is entirely satisfactory to me; but, as I have said, several Senators want to discuss the amendment.

Mr. MCNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WHEELER. I yield; of course.

Mr. MCNARY. I was called from the floor, and hence was absent when the proposal was made by the Senator from Montana. I heard the proposal made by the Senator from Arkansas. As it stands now, I will say without further discussion that I shall have to object to the proposal made by the majority leader.

Mr. ROBINSON of Arkansas. May I ask the Senator from Oregon if he is prepared to suggest a modification of the proposition I have made?

Mr. MCNARY. I do not know, Mr. President. I want to cooperate, as the Senator knows, in the early disposition of the unfinished business. It is useless for me to refer again to the importance of the measure. There has been no evidence of a filibuster. Everyone seems to be willing to go through with it; but I am in this situation: The Senator from Montana has an important amendment. It involves the buying of a great quantity of silver. I do not know how long that amendment is going to be discussed. I do know that there are Members on this side of the Chamber who have not yet been heard who desire to discuss the general principles quite at length. It may be that the Senator from Montana will conclude his argument by 2 or 3 o'clock tomorrow, and the others who are in favor of his position; but it might be that the argument on the silver question would run until 3 or 4 o'clock, in which event there would be a denial of the rights of those who desire to discuss the general purposes of the bill. For that reason it would be extremely unfair at this time, this late in the evening, to attempt to come to some understanding regarding a limitation of debate for tomorrow.

Mr. ROBINSON of Arkansas. Mr. President, I do not think the lateness of the hour this evening has anything whatever to do with the fairness of the proposition to limit debate. If it has, it emphasizes the fairness of it. May I say to my friend from Oregon that I had no opportunity to discuss this request with him prior to its presentation. It came up rather unexpectedly on the floor.

We are in this situation: If no arrangement for a vote can be made that is satisfactory to the Senate, both the Senator from Florida and I feel that we shall have to proceed with the bill this evening.

It is perfectly manifest to me that general discussion on the bill has been pretty well exhausted. There is no con-

tention here that there has been a filibuster or that there is a filibuster; but it is believed that ample time has been afforded and will be afforded on tomorrow to conclude the consideration of the bill. It was my intention to suggest that the Senate take a recess until 11 o'clock tomorrow in order to afford more time for the discussion of the bill. I do not know what length of time the Senator from Montana feels will be necessary for the consideration of his amendment. So far as I know, the amendment is the only one of importance that has not been taken up. There is nothing, of course, to enable one to determine how long that particular amendment will require; but meeting at 11 o'clock, and imposing a limitation on debate at 4, would afford 5 hours of general debate, which probably would not be confined to the amendment of the Senator from Montana.

I hope the Senator from Oregon will not persist in his objection.

Mr. McNARY. Mr. President, I am sure the Senator from Arkansas would not act so unjustly as to impose without notice a night session on the Senate. The Senator well knows that the practice has always been not to hold a night session until ample opportunity has been given to Senators to arrange their evening and their work. For that reason I am sure the Senator would not want to take advantage of the situation and hold a session tonight without first giving notice of his intention to do so.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. McNARY. Just a moment, if the Senator please. Secondly, I wish to say that if the Senator desires to have the Senate meet at 11 o'clock tomorrow morning, I am in full accord therewith; and if the Senate shall meet at 11, it may be that debate will exhaust itself by 3 or 4 o'clock. I think we all on this side are as anxious as are Senators on the other side to get through with the consideration of the bill, and if a recess be taken tonight between half past 5 and 6, and we meet tomorrow at 11, I think I can extend great hope that we may conclude the consideration of the bill tomorrow afternoon.

For that reason, Mr. President, I shall have to insist upon my objection.

Mr. FLETCHER. Mr. President, let me ask the Senator why we cannot agree on an hour, then.

Mr. McNARY. I stated the reason therefor. I do not know how long the silver amendment is going to be debated. I am trying to protect the rights of those who have not discussed the substance of the pending bill and its purposes.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Oregon will recall that on yesterday, in making the request for unanimous consent, I stated that it was desired to conclude the consideration of this bill today, gave the reason for it, and announced that if it became apparent that the bill could not be concluded today it would be necessary to lengthen the session. There is nothing unreasonable in that. There is nothing unjust or oppressive in it. We are not taking an unusual course in asking for an arrangement that will bring the pending measure to a conclusion.

Of course, I realize that a single objection will prevent an adjustment; but if the Senator persists in his objection I shall certainly not consent to a recess now.

Mr. McNARY. Let me suggest to the Senator a way out—that we conclude the session this evening, say, at half past 5, meet at 11 o'clock in the morning, see how the debate progresses, and probably at 2 or 3 o'clock we can sit down and get together, perhaps earlier.

Mr. ROBINSON of Arkansas. That would not be satisfactory to me.

Mr. WHEELER. Mr. President, I will say to the Senator from Arkansas that I doubt if we will take more than 2 hours in debating the silver amendment.

Mr. ROBINSON of Arkansas. Very well. Let us limit the time, then, and see if we cannot get an agreement.

I ask unanimous consent, then, that when the Senate concludes its labors today it take a recess until 11 o'clock tomorrow; that it proceed then to the consideration of the amendment of the Senator from Montana, and that not later than 2 o'clock——

Mr. WHEELER. Mr. President, will the Senator permit me to suggest 3 o'clock? That will give us 3 hours.

Mr. ROBINSON of Arkansas. Does the Senator want 4 hours? I understood the Senator to say a short while ago that he wanted 2½ hours. I ask unanimous consent that not later than 2 o'clock tomorrow the Senate proceed to vote on the amendment, and, if the consideration of the bill and amendments shall not be concluded prior to 4 o'clock, that after the hour of 4 o'clock debate be limited to 10 minutes on the bill and to 10 minutes on each amendment.

Mr. FESS. Mr. President, reserving the right to object, I do not know whether I understand exactly what the Senator is asking for. Is it the Senator's suggestion that we vote on the amendment at 2 o'clock?

Mr. ROBINSON of Arkansas. That at not later than 2 o'clock we vote on the Wheeler amendment, and that after that we do anything we please—anything that is in order—until the hour of 4 o'clock, when we impose a limitation to the effect that no Senator shall speak more than once nor longer than 10 minutes on the bill or any amendment.

Mr. FESS. After 4 o'clock.

Mr. ROBINSON of Arkansas. After 4 o'clock. That does not fix an exact time for a vote on the bill, but it assures that a vote can be had before the end of the calendar day.

Mr. ROBINSON of Indiana. Mr. President——

VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Indiana?

Mr. ROBINSON of Arkansas. I yield.

Mr. ROBINSON of Indiana. Do I understand that that would mean a total of 20 minutes on an amendment and the bill?

Mr. ROBINSON of Arkansas. Yes.

Mr. FESS. Mr. President, I do not like to inject myself into the discussion, but I should like to have an opportunity of speaking sometime about 2 o'clock.

Mr. FLETCHER. The Senator will have from 2 o'clock to 4 o'clock.

Mr. ROBINSON of Arkansas. So far as I am concerned, the Senator can waste all the time between 2 o'clock and 4 o'clock. I do not think we ought to agree that any particular Senator shall have that time.

Mr. FESS. Mr. President, I think I shall have to object unless it can be understood that I am not going to be shut out in doing what I desire to do.

Mr. ROBINSON of Arkansas. Very well. Let us proceed with the bill, then.

Mr. WHEELER. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The Senator from Montana offers an amendment, which will be stated.

The CHIEF CLERK. The Senator from Montana, on behalf of himself and the Senator from Utah [Mr. KING], offers the following amendment:

On page 12, line 20, after "Sec. 8.", to insert "(a)."

On page 13, after line 10, to insert the following new subsection:

"(b) The Secretary of the Treasury is hereby directed to purchase silver, at the rate of not less than 50,000,000 ounces per month, until there shall be added to the monetary resources of the United States 1,000,000,000 ounces of silver, except that whenever 371¼ grains of pure silver equals in purchasing power 23.22 grains of pure gold the purchase of silver under this subsection shall be suspended. Such silver shall be purchased, at home or abroad, wherever silver shall be procurable at or under the value specified above, with any direct obligations, coin, or currency of the United States authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as the Secretary of the Treasury may deem most advantageous to the public interest; and the silver so purchased shall be held in reserve in the Treasury against the issue of certificates of deposit payable to bearer on demand in silver bullion as hereinafter provided. Such silver certificates shall be issued by the Treasury in an amount which, in the aggregate, shall equal the cost of such silver to the Treasury. Upon presentation of any such silver certificates the Treasurer of the United States shall redeem the same by the delivery of the face value thereof in silver bullion of the gold equivalent value at the time of demand, to the end that the silver delivered shall be measured by

value rather than by weight. The silver certificates issued under the provisions of this subsection shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues."

Mr. WHEELER obtained the floor.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. WHEELER. I yield.

Mr. WALSH. Will the Senator state whether or not his proposed amendment has been submitted to the Committee on Banking and Currency?

Mr. WHEELER. It has not.

Mr. WALSH. So there is no record in the hearings before that committee of any discussion of the measure?

Mr. WHEELER. There was a discussion before the committee of an amendment similar to this, or a suggestion similar to this.

Mr. WALSH. During the present session of Congress?

Mr. WHEELER. During the present session of Congress; yes; and in connection with the bill now under consideration.

Mr. WALSH. So it is not an entirely new subject with the Committee on Banking and Currency?

Mr. WHEELER. Oh, not at all. I will say, likewise, at the suggestion of the Senator from Texas [Mr. CONNALLY], that it is not a new subject to the Senate, excepting in a way which I wish to make perfectly plain to the Senate. The amendment I propose does not provide for the free and unlimited coinage of silver on the basis of 16 to 1. I appreciate the fact that there is in the minds of a great many people, particularly throughout the East, a certain prejudice against that idea; and consequently, notwithstanding my own views about the matter, and for the purpose of giving the general principle a trial, I have offered the amendment as a compromise and for an experiment, to test the plan. If it is found to be workable, then in my judgment it will be and should be adopted as a fundamental principle of our Government.

Mr. WALSH. I understand the position of the Senator.

Mr. WHEELER addressed the Senate. After having spoken, with interruptions, for about 1 hour, he said: Mr. President, I am wondering if I may not be permitted to conclude my argument tomorrow morning.

Mr. BARKLEY. Do I understand that the Senator from Montana desires to conclude his remarks tonight?

Mr. WHEELER. I do not. Unless Senators desire to stay here a long time, I will not conclude tonight.

Mr. BARKLEY. If the Senator will yield to me, I will present an agreement which has been worked out which will permit of adjournment at an early hour today and leave the Senator from Montana in possession of the floor.

Mr. WHEELER. I yield.

(Mr. WHEELER's speech is published entire on p. 1445.)

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its session this afternoon it take a recess until 11 o'clock a.m. tomorrow, and that at an hour not later than 2 p.m. tomorrow, the Senate shall vote on the amendment of the Senator from Montana; that thereafter debate may proceed to 4 o'clock p.m., and that after 4 o'clock p.m. no Senator shall be permitted to speak more than once nor longer than 10 minutes on the bill or on any pending amendment.

Mr. McNARY. Mr. President, that is the agreement reached by the Senator from Kentucky and myself; but I desire to have the agreement include an understanding that we shall now recess until 11 o'clock in the morning.

Mr. ROBINSON of Arkansas. If that suggestion is satisfactory to the Senator from Montana, he need not lose possession of the floor.

Mr. McNARY. I understand the Senator from Montana is as anxious as other Senators are that we shall take a recess until tomorrow.

Mr. WHEELER. I am agreeable to that being done.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that when the Senate concludes its labors today it take a recess until 11 o'clock tomorrow, and that at not later than 2 o'clock the Senate shall proceed to vote on the pending amendment, and that after the hour of 4 o'clock all debate shall be so limited that no Senator shall speak more than once nor longer than 10 minutes on the bill or any amendment thereto.

Mr. WHEELER. It will be understood, I assume, that I shall be able to resume the floor in the morning.

Mr. ROBINSON of Arkansas. Yes; the Senator from Montana retains the floor.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and it is so ordered.

FEDERAL RELIEF ADMINISTRATION

Mr. SCHALL. Mr. President, I ask unanimous consent to insert in the RECORD a news item from the Minneapolis Journal for January 24, 1934, relative to a request made by more than 200 educators of 30 colleges and universities of America for an explanation from the administration of its purpose for making economic storm troops thruogh the Federal Relief Administration. This attempt, they say, "is not even a thinly veiled advocacy of the German Nazi's dictatorship methods."

There being no objection, the news item was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Journal of Jan. 24, 1934]

RESIGNATION OF WOODRING IS ASKED OF F. R.—200 EDUCATORS PROTEST MAGAZINE ARTICLE PROPOSING ECONOMIC STORM TROOPS

NEW YORK, January 24.—Educators of 30 colleges and universities demanded of President Roosevelt today the resignation of Harry H. Woodring, Assistant Secretary of War, because of a magazine article entitled "The American Army Stands Ready", in which he proposed organization of economic storm troops through Federal Relief Administration.

The declaration was made in a letter, signed by more than 200 educators, which was made public here.

Among those protesting Woodring's statements were E. A. Ross, professor of sociology, University of Wisconsin; Robert Morss Lovett, professor of English, University of Chicago; Edward Hulme, professor of history, Stanford University; Gordon Allport, professor of history, Harvard University; Broadus Mitchell, professor of economics, Johns Hopkins; M. E. Curti, professor of history, Smith College; and Colston E. Warne, professor of economics, Amherst College.

The educators called Woodring's statement that the Army "is our ace in the hole for peace as well as war" a "totally unwarranted threat to the civil liberties of the American people" and a veiled advocacy of Nazi dictatorship.

"Were we deceived", the letter asked of the President, "when, in response to vigorous protests against apparent militarization of the Civil Conservation Corps at its formation, the people were assured militarization was not even considered? If not, then Mr. Woodring has made presumptuous and dangerous assumptions as to his official function with reference to this branch of the Federal relief and conservation program.

"We contend Mr. Woodring's suggestion 'to organize the veterans of the World War, the C.C.C. men, and, through them, the administration of relief into a system of economic storm troops', is not even a thinly veiled advocacy of the German Nazi's dictatorship methods. * * *

"We contend, Mr. President, that this is a totally unwarranted threat to the civil liberties of the American people; and, if this attitude prevails in the War Department of your administration, we are made to feel our country is being prepared for such an abuse of powers as is intolerable to contemplate. * * * We submit that a man who proposes such a plan * * * be forced to resign his public office."

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of A. Raymond Raff, of Philadelphia, Pa., to be Superintendent of the Mint of the United States at Philadelphia, Pa., in place of Freas Styer.

Mr. CONNALLY, from the Committee on Finance, to which was recommitted the nomination of Wright Matthews, of Texas, to be Assistant to the Commissioner of Internal Revenue, to fill an existing vacancy, reported it favorably.

Mr. ROBINSON of Arkansas (for Mr. McKELLAR), from the Committee on Post Offices and Post Roads, reported favorably the nomination of Benjamin F. Love to be postmaster at Mountain Home, Ark., in place of I. J. Morris, resigned, and also the nominations of sundry other postmasters in the State of Arkansas.

Mr. ADAMS (for Mr. WAGNER), from the Committee on Public Lands and Surveys, reported favorably the following nominations:

Edward W. Griffin, of Alaska, to be secretary of the Territory of Alaska, vice Karl Theile, whose appointment has been terminated;

Mrs. Antoinette Funk, of New Mexico, to be Assistant Commissioner of the General Land Office, vice Thomas C. Havell, resigned;

Miss Ruth Lockett, of California, to be Recorder of the General Land Office, vice Mrs. Emma L. Warren, whose appointment has been terminated;

Ellis Purlee, of California, to be register of the land office at Sacramento, Calif., vice John C. Ing, whose appointment will be terminated;

Chris Bertsch, of North Dakota, to be register of the land office at Bismarck, N.Dak., vice Charles Gilbert Boise, whose term has expired; and

William F. Jackson, of Oregon, to be register of the land office at The Dalles, Oreg., vice Robert J. Carsner, deceased.

The PRESIDING OFFICER. The reports will be placed on the calendar.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate stand in recess in pursuance of the agreement heretofore entered into.

The motion was agreed to; and (at 5 o'clock and 52 minutes p.m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, January 27, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate January 26 (legislative day of Jan. 23), 1934

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Jefferson Caffery, of Louisiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Cuba.

UNITED STATES ATTORNEY

Harry C. Blanton, of Missouri, to be United States attorney, eastern district of Missouri, to succeed Louis H. Breuer, whose resignation is effective at the close of January 31, 1934.

REGISTRAR OF THE LAND OFFICE

Patrick J. Keohane, of Arizona, to be registrar of the land office at Phoenix, Ariz., vice Henry A. Morgan.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY
TO QUARTERMASTER CORPS

Lt. Col. Thomas Jefferson Johnson, Field Artillery, (assigned to duty with Quartermaster Corps), with rank from May 1, 1932.

TO FIELD ARTILLERY

Maj. Kenneth Prince Lord, Finance Department, with rank from July 1, 1920.

TO CAVALRY

Second Lt. George Reynolds Grunert, Infantry, with rank from June 10, 1932, effective June 10, 1934.

TO INFANTRY

First Lt. James Robert Manees, Finance Department, with rank from July 1, 1920.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 26, 1934

The House met at 12 o'clock noon.

Rev. Harvey D. Hoover, of the Lutheran Theological Seminary, Gettysburg, Pa., offered the following prayer:

Merciful Father, almighty God of our fathers, who hast laid the sure foundations of our beloved Nation, who art living in the hearts of its noble citizens, Thou who art law and love, we thank Thee for all who are living an unselfish life of service for others, for all in public office who are devoting their lives to the common weal. We thank Thee for the spirit that moves humanity truly to seek and bravely to do Thy will.

Richly bless, we pray Thee, all who are in authority with Thy wisdom and Thy spirit; enable them to hear sympathetically the voice of the people, to listen understandingly to Thy voice, to be faithful to their trust, and to do valiantly as Thy prophetic leaders and our creative statesmen.

Set all Thy people free from selfishness and sin. Grant to all Thy children the realization of their divine destiny. Fulfill, we pray Thee, Thy holy dream when all the nations and peoples of the earth shall become the kingdom of heaven. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

PRESENTATION OF GAVEL TO THE SPEAKER

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in which to present a gavel to the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I hold in my hand a gavel composed of 13 varieties of Colorado wood, representing the 13 Colonies, and fabricated in 73 pieces, representing the Seventy-third Congress. On the side of the gavel is a disc of Colorado silver inscribed to the Speaker as follows:

House of Representatives, Seventy-third Congress. Presented to the Speaker, the Hon. Henry T. Rainey, by R. H. Tusler.

On behalf of Mr. Tusler, who resides at Colorado Springs, Colo., and who designed and made this gavel, I have the honor to present it to the Speaker. [Applause.]

The SPEAKER. Please tell Mr. Tusler that the Speaker appreciates this beautiful gavel coming from the gentleman's State. It is historical, and the Speaker will use it today in presiding over the House.

Mr. MARTIN of Colorado. Thank you very much, Mr. Speaker. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on Wednesday, February 7, immediately after clearing the matters on the Speaker's desk, I may be permitted to address the House for 45 minutes on the subject of Muscle Shoals.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

REFINANCING OF FARM DEBTS

Mr. JONES. Mr. Speaker, I call up the conference report on the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 37, and 38; and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert " but the rates of compensation of such agents, officers, and employees of the corporation shall not exceed the rates of compensation prescribed for comparable duties by the Classification Act of 1923, as amended "; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert " the Federal Farm Mortgage Corporation, either in cash or in bonds of the corporation at his election, but no such loans shall be made by him after February 1, 1936, except for the purpose of refinancing loans previously made by him under this section. Not to exceed $600,000,000 of the bonds and proceeds thereof "; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert on page 11, line 4, of the House bill after " and " a comma and the following: " with the approval of the Secretary of the Treasury, to "; and the Senate agree to the same.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

DUNCAN U. FLETCHER,
ROBERT F. WAGNER,
PHILLIPS LEE GOLDSBOROUGH,
JOHN G. TOWNSEND, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6670) to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: Under the House bill the Governor of the Farm Credit Administration was authorized to organize and charter the Federal Farm Mortgage Corporation. The Senate amendment does not change the fundamental principles of the organization contemplated, but eliminates the authorization and establishes the corporation by the act itself. The House recedes.

On amendment no. 2: This amendment provides that the principal office of the corporation shall be in the District of Columbia. There is no comparable provision in the House bill. The House recedes.

On amendments nos. 3, 4, and 5: These Senate amendments reduce the directorate of the corporation to three members and eliminate the provisions of the House bill providing for the service on the board of directors of two officers of the Farm Credit Administration appointed by the Governor; and the House recedes.

On amendments nos. 6 and 7: These amendments authorize the board of directors to adopt rules and regulations necessary for the conduct of the business of the corporation, and change the provision of the House bill authorizing the directors to make amendments to the charter of the corporation so that the directors' power to make amendments is confined to amending bylaws, rules, and regulations; and the House recedes.

On amendment no. 8: This is a clarifying amendment; and the House recedes.

On amendment no. 9: This is a clarifying amendment expressly authorizing the directors to fix the duties of the agents, officers, and employees of the corporation; and the House recedes.

On amendment no. 10: This amendment authorizes the directors to require bonds and fix the penalties thereof of agents, officers, and employees of the corporation, and to dismiss them at pleasure; and the House recedes.

On amendment no. 11: This amendment strikes out the provisions of the House bill limiting the rates of compensation of offices and positions under the corporation to rates comparable to the rates under the Classification Act of 1923, as amended, and substitutes therefor a provision subjecting the rates of compensation of agents, officers, and employees of the corporation to the limitation contained in section 66 of the Farm Credit Act and a provision requiring appointment of such agents, officers, and employees by and with the advice and consent of the Senate if at a salary of $4,000 or more per annum.

The effect of the conference agreement is to insert the provision of the House bill with clarifying changes in language.

On amendments nos. 12, 15, 16, 17, 18, 19, and 20: These are clarifying clerical amendments; and the House recedes.

On amendment no. 13: This amendment limits the incidental powers of the corporation to such powers as are related to carrying out this act. The provision of the House bill authorized such powers as were necessary to carry out powers and duties under any other act of Congress or under its charter and bylaws and amendments thereto. See amendment no. 1. The House recedes.

On amendment no. 14: Under the House bill the funds and proceeds thereof made available to the Land Bank Commissioner under the direct-lending provisions of the Emergency Farm Mortgage Act of 1933 and the mortgages made and credit instruments secured thereby were transferred and made available to the Governor of the Farm Credit Administration to enable him to make capital subscription to the Federal Farm Mortgage Corporation. Under this Senate amendment such transfer is made directly to the corporation. The House recedes.

On amendment no. 21: This amendment strikes out as surplusage the language of the House bill which states that the bonds are made lawful investments for certain funds because of the Federal guaranty; and the House recedes.

On amendments nos. 22, 23, 24, 25, 26, 27, and 28: These amendments make it certain that the bonds for which the corporation may exchange its bonds, or which it may purchase, or upon the security of which it may make loans, shall be consolidated farm-loan bonds; and the House recedes.

On amendment no. 29: This amendment expressly authorizes the corporation to invest its funds in direct farm mortgage loans under section 32 of the Emergency Farm Mortgage Act; and the House recedes.

On amendment no. 30: This is a clarifying amendment; and the House recedes.

On amendments nos. 31, 32, and 34: Under the House bill the Land Bank Commissioner on behalf of the corporation is authorized to make, subject to the provisions applicable under present law, the direct loans under section 32 of the Emergency Farm Mortgage Act in cash or in bonds

of the corporation at his election. These Senate amendments make no change in the substance of these provisions but make them effective by amendment to section 32 of the Emergency Farm Mortgage Act, which is found in section 9 of the bill, rather than by including such provisions in section 6 of the bill as was provided in the House bill.

The House recedes on amendments nos. 31 and 32 and recedes with an amendment on amendment no. 34, the effect of which is to authorize the corporation to make loans after February 1, 1936, if such loans are made for the purpose of refinancing direct loans made under the section.

On amendment no. 33: This amendment strikes out the provision of the House bill providing that the Land Bank Commissioner shall, upon issuance of the corporation charter, make direct loans and substitutes therefor a provision which authorizes the making of such loans until February 1, 1936. See amendment no. 34. The House recedes.

On amendment no. 35: This amendment makes it clear that the proceeds of the $600,000,000 of bonds made available for direct lending are to be in addition to the capital transferred to the corporation; and the House recedes.

On amendment no. 36: This amendment requires the approval of the Secretary of the Treasury of the Governor's subscription to capital stock or paid-in surplus of the Federal intermediate credit banks. The House recedes with an amendment the effect of which is to limit the Secretary's power of approval to the expenditure of the funds.

On amendment no. 37: This is a clerical amendment, and the House recedes.

On amendment no. 38: This amendment rewrites the provisions of section 16 of the House bill which provide that Federal Farm Mortgage Corporation bonds may be used as security for 15-day lending by Federal Reserve banks and may, if they have maturities not exceeding 6 months from the date of purchase, be bought and sold by Federal Reserve banks so as to make such provisions amendments to the proper sections of the Federal Reserve Act. The House recedes.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. JONES. The conference report retains the essentials of the House bill. Most of the changes are in the language rather than the substance. The House amendment increasing the commissioners' loans to $7,500 remains in the bill. The changes are explained in the report which has just been read.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. JONES. I yield.

Mr. COCHRAN of Missouri. With reference to amendment no. 11, which was inserted by Senator CLARK, of Missouri, in that amendment the Senator sought to hold salaries to the limitations contained in section 66 of the Farm Credit Act and to provide further that no person should be appointed as agent, officer, or employee, drawing a salary in excess of $4,000 a year, unless with the advice and consent of the Senate. I know the Senator from Missouri is very much interested in that amendment, and I am wondering whether the gentleman could tell us why that was stricken out and why other language was substituted?

Mr. JONES. The first part of the amendment was retained practically in the language of the House bill, which carries the limitation on salaries contained in the original act, and also making those salaries subject to the maximum provisions of the Reclassification Act. The other provision was eliminated. The Senate conferees did not insist, at least, not very strenuously. It seemed to the conferees on the part of the House that that was an impracticable amendment. I believe that this administration should pay more attention to the recommendations of Members of Congress, or at least should consult with them more than they have been doing. I have so stated to them. But to require that all the employees of the corporation, wherever located, whether they are Presidential appointments or not, shall be confirmed by the Senate would practically turn the Senate into an investigating body and would be wholly impractical.

Mr. COCHRAN of Missouri. It only applies to those drawing salaries over $4,000.

Mr. JONES. If that is to be done, I think it should be established as a general policy, because while I think this organization has been subject to some just criticism along that line, I think it is not any more so, and perhaps less so, than some of the other departments of government. I do not think this is the way to reach it. I do not think that requiring all of the subordinate employees to be investigated and confirmed by the Senate is the practical way to handle the proposition.

Then, in the second place, while these matters are important, the main matter of importance is to get the job done, and these people have been doing a real job of refinancing the farmers of the country; and if they will carry on and refinance and save American farm homes, I will forgive them a great many other things.

Mr. COCHRAN of Missouri. I agree with the gentleman, it is a rather crude way to reach the situation; but is it not the only way that Congress is going to reach it? As the gentleman says that the Senate conferees receded on the amendment, then, of course, we cannot blame the managers on the part of the House for agreeing. I simply made the inquiry to learn if it was the Senate conferees that suggested the elimination of the Clark amendment. I know nothing of the situation the Senator desired to correct, other than what I have heard said here on the floor and in the cloakroom. The Members know that there has been sharp criticism.

I hope those administrating the act will not take the elimination of the Clark amendment as indicating the Congress approves of existing conditions.

Mr. JONES. I am sure they will not do so. I feel that in many instances the Member is in a position to furnish valuable information and thus to assist in getting an efficient organization. But the main purpose is to accomplish the vastly important work of refinancing.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

MEETING OF THE COMMITTEE ON AGRICULTURE

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have the privilege, during the remainder of this session, of holding its meetings during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNELL. Mr. Speaker, reserving the right to object, do I understand the gentleman to ask this permission to extend throughout the entire session?

Mr. JONES. That was my request. If there is objection, I will limit it.

Mr. SNELL. It is agreeable to me if it is to the majority leader. The request usually states a reasonable length of time. We do not want to give general permission to all the committees.

Mr. JONES. Then, Mr. Speaker, I modify my request and ask unanimous consent that for the next week the Committee on Agriculture be given permission to sit during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

C.W.A. RELIEF PROGRAM

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, it has always been the policy of the Republican Party to support the administration in power during great emergencies in peace and in war. We supported Woodrow Wilson during the entire World War, to the very end of the war; and we have been doing our part in supporting the N.R.A. under the present administration. No one can say that the Republican Party has tried to block, hinder, or destroy the N.R.A., whether it succeeds or fails. I believe the members of my party will also go along on the Civil Works program and favor an extension of this much-needed relief work at least until May.

I am not speaking for my party, although I believe most of the Republican Members of the House hold the same views. I have the highest regard for and confidence in Harry L. Hopkins, the Administrator of the C.W.A. He is well qualified for the important position he holds through training and experience. For 2 years he was the relief administrator in the State of New York. He also served as the head of the southern division of the Red Cross prior to that. Just because there may be some dishonest and petty grafters who have taken advantage of their emergency positions, which is not surprising when you put 4,000,000 men to work almost overnight, it is not fair to condemn the C.W.A. work or that of the Administrator in trying to solve the relief problem by putting men to work instead of paying doles or granting charity.

My reason for speaking today is not to criticize what has been done. We realize that almost overnight 4,000,000 Americans were put to work. What I want to discuss now is—and it applies to Republicans and Democrats alike—that we must make sure that no politics is played with human misery, and that those millions who are in actual need, the destitute, the people who are walking the streets in need of food to support their own families, should be given preference in obtaining and retaining C.W.A. jobs as long as it lasts. I do not know whether it is wide-spread or not, but from my district I am receiving many complaints that people with political influence, young boys whose fathers have money in the bank, who own automobiles, relatives and personal friends, are getting those jobs in order to make pin-money or to buy automobiles; and that those unfortunate Americans who are absolutely destitute and virtually starving are given no preference over men and women with money in the bank or with paying investments.

It must be self-evident that the purpose of this act is to take care of those in actual need, those who are undernourished, destitute, and particularly those who have families to feed, clothe, and house.

I take this opportunity to request, or rather demand, that the Administrator—because it is within his power to do it within 48 hours if he wanted to—issue an order to every one of his State administrators compelling first preference to be given to those who are neediest and second preference to those next neediest, and that those not in need should be kept off the Government pay rolls until all in actual need have been taken care of.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield for a brief question.

Mr. FORD. Is it not true that the people put on C.W.A. work are those who have been registered as absolutely in need?

Mr. FISH. No; the gentleman is entirely mistaken.

Mr. FORD. Such is the case in California.

Mr. FISH. Up to December 8 it was true they had to come from relief agencies. Since December 8 all that has been scrapped.

Mr. FORD. Not in California.

Mr. FISH. It has been in my State; it has been unfortunately scrapped. Need is no longer a requisite to secure C.W.A. jobs. Political, social, and financial influence is becoming a stronger factor every day and actual need, less. The fact is that needy men have to wait to get jobs when they ought to be given immediate preference over those who are more fortunate and not in actual need.

What I am saying is not a criticism of the Civil Works Administration; I believe in this relief work as much as any Democrat, but I think we are all agreed, first, that there should be no politics in it either from the Republican side or the Democratic side; and, second, that those in need must be given absolute preference.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. FULLER. The gentleman must be mistaken about the date. Throughout the South people to be eligible must be on the relief rolls as of the 7th day of December.

Mr. FISH. I agree with the gentleman that up to December 7 the relief rolls constituted the eligible list, but that was scrapped 6 weeks ago. In my State the relief rolls have been done away with, and the men employed on the C.W.A. work now are simply chosen without regard to need.

I am very glad this question has been raised, because evidently there is some misunderstanding among a good many Members of Congress.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. KELLER. In Illinois at least—and I think you will find it so everywhere—the fact is that those people making up the first 2,000,000 put to work on C.W.A. projects were taken entirely from the ranks of the unemployed, particularly those who were on relief rolls. The next 2,000,000 men were not taken entirely from the relief rolls, because it was found that a great many men were suffering because they were too proud to go on the relief rolls—men who badly needed the work.

Mr. FISH. I agree with the gentleman. I think the gentleman will agree with me and I think the House will agree that we can very well, regardless of partisanship, make a definite demand upon the Administrator at least to send out word by telegram to the State administrators that those actually in need must be given preference, just as the veterans are given preference now.

I hope that the Administrator will take this up himself, acting on his own powers, and send out these telegrams immediately. If we are going to continue the C.W.A. program to May 1, and possibly beyond, then he ought to act immediately.

Mr. PARSONS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. PARSONS. The gentleman said this should be a nonpolitical activity. I agree with the gentleman completely, but I wish he would tell the House how we can have a nonpartisan, fair, impartial administration of this program if Republicans are named as State directors, county chairmen, and precinct committeemen to administer it, as has been done in a number of States of the Union.

Mr. FISH. There are probably more Democrats than Republicans holding administrative positions in the C.W.A., and all, regardless of partisanship in this economic emergency, should administer the duties of their office without political favoritism and for the best interests of the needy.

Mr. PARSONS. If the gentleman will yield further, I will amplify my question by asking how we can have a fair, impartial administration when Democratic politicians are named to all these administrative positions, as they have been in some of these other States? Can the gentleman tell the House how we may get a fair, impartial administration of this program if it is administered in any place solely by members of one political party?

Mr. FISH. Yes; the gentleman knows that almost overnight machinery cannot be perfected to put 4,000,000 men to work. I do not think the Administrator is a politician himself. I do not know what his politics are. He comes from my State, but he has never been in politics and, I am confident, is opposed to the use of political influence in the operation of the Civil Works program.

Of course, politics will creep into such a huge undertaking; grafters and racketeers will also creep into it, as we

have found out, but probably few in number. I believe the people back home do not want anyone, Republican or Democrat, to play politics with human misery. I believe it is contemptible and despicable, and when such a condition is found to exist the Administrator ought to remove the offending official at once. The C.W.A. must not become a political football, and needy Americans among our unemployed must be given an absolute preference in securing and retaining employment as long as the C.W.A. lasts.

[Here the gavel fell.]

Mr. PARSONS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. SNYDER. Mr. Speaker, I object.

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. ARNOLD. Mr. Speaker, reserving the right to object, and I shall not object, we have the Treasury-Post Office bill before us and want to finish its consideration, so I shall be constrained to object to any further requests for time.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

GEN. JOZEF HALLER

Mr. KOPPLEMANN. Mr. Speaker, one of the most outstanding personages of modern history will be paid homage during the next few days in the district which it is my privilege to represent in Congress.

I refer to that distinguished Polish soldier of the World War, patriot, and statesmen, Gen. Jozef Haller, one of the oldest retired generals of the Polish Army, who is touring the United States and who is paying Hartford County, Conn., the honor of a visit during this week-end.

The passing of time too often dims the record of accomplishment of men who have earned the undying gratitude, not only of a single nation, but of the entire world; therefore, while I fully appreciate the importance of the problems which present themselves to Congress at present, I feel justified in utilizing the time that has been allotted to me to insert in the permanent records of this honorable body a word of recognition to General Haller, to the nation that claims his allegiance, and to the nationality from which he comes and which he so truly typifies.

While the program in Hartford County will center mainly in Hartford and New Britain, it will not, by any means, be a matter of strictly local celebration. From the great industrial plants of my county wherein artisans of Polish birth or extraction skillfully fabricate hardware, office appliances, and almost every known implement and utensil of modern convenience and necessity; from its financial centers from which radiate the activities of internationally respected financial and insurance activities; from the agricultural regions of the county where tireless sons of the soil bring into existence the necessities of life and produce the famous Connecticut wrapper tobacco—representing every known field of human endeavor and every walk of life—men, women, and children will converge during the coming week-end upon Hartford and New Britain, vying with one another in bestowing upon this distinguished gentleman of Poland the honors he so richly deserves.

We cannot think of General Haller and of his important place in the annals of the World War without thinking of his brave compatriots of the United States who banded with him in the darkest days of the war, even prior to the participation of this Nation in that conflict. We cannot do honor to him without honoring those men who forsook the safety and comfort of their homes, their places in civil life, to don uniforms and shoulder arms with that great fighting unit—the Polish Legion of the French Army. Neither can we omit from this great roll of honor the families of these men, their wives, their children, those whom they held nearest and dearest, those who were left behind when the brave men of the Polish Legion marched forth to do battle. It has been said, and truly so: "They serve, too, who only sit and wait."

Fortunately, many of these courageous men have been spared the fate that befell comrades and have returned to take up their places in civil life; many will be numbered among those present in Hartford and New Britain in the next few days to honor their war-time leader.

At the risk of repeating facts which doubtless are known to many of you, but because they constitute an important page in twentieth-century history, I am going to sketch briefly the story of this patriot who is to the twentieth century what Kosciusko and Pulaski were to the eighteenth.

Gen. Jozef Haller was the war-time commander of the Second Brigade of the Polish Legion, a post won by him through his valor and success on the battlefields of Europe. Twice he was seriously wounded, but each time returned to the field and with the valiant group he was leading achieved yet greater triumphs. In 1918 he advanced with the Polish troops to Russia, then to France, where he joined the Polish Army with the Allies. Subsequently he organized Polish detachments from America and other countries in France.

Over 25,000 of the entire Haller army were from the United States.

The extent of Poland's participation in the World War may, perhaps, be best reflected by recalling that 600,000 of her sons were conscripted in the German Army and an equal number in the Austrian forces, while 1,300,000 wore the uniform of the Russian Army. Compelled to fight each other in the ranks of their oppressors, three quarters of them have fallen on the battlefield.

The World War over, in 1919 he returned to Poland, where as the commander of a Polish Army corps, he took part in the war against Soviet Russia. In March of 1920 he achieved his greatest triumph when the waters of the Baltic were once again opened for the new Republic of Poland.

Poland's achievements during the World War and in her subsequent campaigns against nations which desired her complete subordination are of historical significance, for they reminded the world that the Polish Nation still lives—a fact forgotten or ignored by diplomacy of the nineteenth and early twentieth centuries.

Dominating this force in spirit from its very beginning and in the later days as its actual commander, was Haller, the soldier who organized the Polish Legian in the United States and as its commander brought it to the Western Front over a circuitous and perilous route. Made up in its entirety of residents of the United States of Polish birth or extraction, his legion was actually our own, intrusted to his capable hands and guidance. [Applause.]

Mrs. CLARKE of New York. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there any objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. CLARKE of New York. Mr. Speaker, I wish to urge the restoration of the force and equipment allowance the year around for rural mail carriers.

The 4-cent allowance cut has worked a very great hardship upon rural mail carriers. In the winter and spring months when the country roads are worst, they are forced to use horses or hire auxiliary help much of the time, and the expense has to come out of their already meager pay. In some sections and in cases where they do not have teams available, they are forced to have a snowmobile for winter use. This necessitates licensing two cars and also insurance and repairs, together with a 4-cent gas tax and other expenses. Reducing the allowance to 4 months of the year leaves out March and April, which are 2 of the hardest months upon equipment which has to be used on dirt roads. Some of the men in my district have often had to abandon their equipment altogether and do many miles on foot to serve all their patrons. These men are entitled to a fair equipment allowance in addition to the 5-percent restoration of their pay cut, since, like all Government employees, they are prohibited from engaging in other occupations to augment their income.

No one is more aware than I of the necessity for economy at the present time, but it seems as though there might be

other ways to save this amount that would be more humanitarian than taking it from these men whose lives are already so hard. [Applause.]

ACTION OF THE HITLER REGIME AGAINST THE JEWS

Mr. FULLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio address of Hon. CHARLES KRAMER, of California, delivered on November 3, 1933.

The SPEAKER. Is there any objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FULLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

My dear radio friends, I am pleased to have this opportunity today to discuss with you a matter that is very close to the hearts of all of us—a matter in which every red-blooded American is interested. I refer to the dastardly actions of the Hitler regime in Germany against the Jewish people.

Nazi-ism is waging a relentless warfare against the Jews. Under the guise of patriotism for the fatherland, the Nazis are really taking a left-handed slap at our American Government. It is not only creating hatred toward honorable and upright Jewish men and women but it also breeds disrespect for the very foundation of our American Government.

It is a great menace to civilization. It not only is attempting to crush the ideas of freedom and tolerance, which have ever been the foundation of America, but it seeks to exterminate our fine Jewish people who have fought and bled for our country, shoulder to shoulder with the gentiles, ever since the Revolutionary War.

When Germany sent her sons forth to be killed and wounded in the name of military supremacy, she did not differentiate between Jews and gentiles—she needed the Jews then to fight the common foe, and she will need them again, even in a more marked degree.

We have no right to say how Germany shall conduct the affairs of her country, so long as the men in power do not interfere with the rights of American citizens. If the German people are willing to be hog-tied and made servile simply to carry out the policy of Hitlerism in Germany, it is their privilege to do so.

It is not our object to formally protest against any brutality and inhumanity which that Government has been guilty of toward its own subjects, no matter how our hearts may bleed for these Jewish victims of tyranny and oppressicn. There is nothing we can do except to join other enlightened nations in assisting these victims in every way possible to alleviate their distress and help them to reestablish their lives on a humane basis.

While in a sense we cannot take official action to remedy the situation of these victims of bigotry and oppression in Germany, we can take cognizance of the subtle propaganda being disseminated in America to bring about the identical situation here, as regards the treatment of the Jewish people as prevails in Germany.

A newspaper has been started in our country to carry on the campaign of hatred against the Jews. Pamphlets and periodicals are being circulated, broadcasting this relentless war of ignorance and oppression. Thousands of dollars are being expended in this campaign. Nazi storm troops are being drilled in America. They are against the Jews, and they are against America.

We must stifle this movement and stamp it out. It is a form of communism more dangerous than the radical red movement that we have been fighting against for years.

We can circumvent this new movement of hatred and intolerance if we act quickly and vigorously. This propaganda against the Jewish people and against the American form of Government is not being directed by ignorant groups. It is being directed by men and women who are well educated, but nevertheless blind to the human principles that make America the land of the free and the home of the oppressed.

Our Jewish people in America are conforming to the laws of country and State. They are doing everything in their power to develop the social art and industrial life of the community.

If these Nazi advocates from a foreign shore do not intend to conform to the laws and customs of America, then they should go back to Germany where they can live and be happy in working for the principles that they love.

I have just been appointed by Congressman SAMUEL DICKSTEIN, chairman of the House Committee on Immigration and Naturalization, at Washington, as a member of the committee to investigate Nazi activities on the Pacific coast.

I am going to make a detailed investigation as to the activities of these organizations seeking to propagate hatred, bigotry, and internal disturbance. A full report will be made covering the movement in all parts of the country, and I expect drastic action to be taken on this growing menace to our country and our civilization.

We all did our part to make the world safe for democracy in the World War.

We are all doing our part in winning the war against depression, and now, as Americans, we have to win our fight against this un-American menace of Nazi-ism.

I thank you.

CITIZENSHIP LAWS AFFECTING PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill (H.R. 5330) amending provisions of the present organic act with respect to citizenship laws affecting Puerto Rico.

The SPEAKER. Is there any objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, ladies and gentlemen of the House:

First. It would establish the equivalent of the American constitutional rule regarding citizenship:

All persons born * * * in the United States and subject to the jurisdiction thereof, are citizens of the United States.

Second. It would facilitate the proof of American citizenship when required. One born here after April 11, 1899, and domiciled here, would need to establish only the facts of his birth and domicile, without submitting any evidence as to the American nationality of his father.

Third. It would strengthen the Puerto Rican case against any attempted discrimination with respect to status in the Federal laws and regulations, as in veterans' pension claims.

Fourth. It would point to a greater approximation of Puerto Rico to the mainland.

Section 5 of title 8 of the United States Code—based on law approved March 2, 1917—provides that the following shall be considered citizens:

(1) All citizens of Puerto Rico as defined by section 733 of title 48 of the United States Code. This section 733 of title 48 is not sufficiently clear, because it refers back to section 5 of title 8 and also makes a distinction between citizens of Puerto Rico and citizens of the United States, but apparently it intended to designate as citizens of Puerto Rico all inhabitants who were Spanish subjects on April 11, 1899, and then resided in Puerto Rico, and their children born subsequent thereto, except such as elected to remain Spanish subjects in accordance with the treaty of peace of 1899. From the citizens of Puerto Rico so declared American citizens those are excepted who within 6 months from March 2, 1917, elected not to become American citizens.

(2) All natives of Puerto Rico, not citizens of a foreign country, who were temporarily absent from that island on April 11, 1899, and returned prior to March 2, 1917, and were on the last-mentioned date permanently residing there, except such as within 6 months from March 2, 1917, elected not to become American citizens.

(3) Persons born in Puerto Rico of an alien parent and permanently residing on said island, who within 6 months from March 2, 1917, or within 1 year after coming of age expressly elected to become American citizens.

It will be apparent that under (1) and (2) above, when the citizens of Puerto Rico were made American citizens in 1917, those were excepted who within a period of 6 months declared that they did not wish American citizenship. Out of 1,500,000 inhabitants only some 200 made this declaration. Many of these persons afterward regretted having done so and desired an opportunity to become American citizens. It will also be observed that under (3) above persons born in Puerto Rico of foreign parents had only a limited time to choose American citizenship, the rule being different from that prevailing in other parts of the United States, where all native-born persons not subject to a foreign power, are declared to be citizens (U.S. Code, title 8, sec. 1). It frequently happened through ignorance or inadvertence that the period designated in the law was allowed to lapse. In order to meet these two situations a law approved March 4, 1927, granted a further period of 1 year to elect American citizenship. This law enacted section 5 (a) to title 8 of the United States Code and added the following as American citizens:

(4) Persons born in Puerto Rico of alien parents who did not make the election to become citizens within the time specified in (3) above, but who did make such declaration within 1 year after March 4, 1927.

(5) Persons who elected not to become American citizens as stated in (1) and (2) above, but who elected to become such citizens within 1 year from March 4, 1927.

CONFUSION AND DIFFICULTY SHOULD BE AVOIDED

This is the present situation. The exceptions and specific periods designated in the law occasionally give rise to con-

fusion and difficulty. This is especially the case with regard to persons who could have become citizens under nos. (3) and (4) above, but failed to do so within the time designated. There is no good reason why there should be a special time limitation in such cases, nor why the rule for native-born children of aliens should be different in Puerto Rico from what it is elsewhere in the United States. It has repeatedly happened that an alien's son, born and raised in Puerto Rico, has through ignorance of the law failed to make the election in time and has consequently found himself in an embarrassing situation. Circumstances may arise in which such persons are persons without a country.

As a typical case among hundreds of others of natives of the island, may be cited this one that is self-explanatory.

I have with great pleasure read in local newspapers part of your important memorandum to the honorable, the president of the American Federation of Labor, in reference to nationality of children born in Puerto Rico, of alien parents, which are termed by the law, as "aliens born in Puerto Rico", and to which class, I found myself to belong, with no other alternative than to accept it and patiently await for the opportunity to acquire citizenship by naturalization after going through the usual legal course, but with the handicap, that I could not enter the United States of America to do so, according to the State Department in Washington, as I was of Spanish nationality, and according to the Spanish legation in Santo Domingo, I was an American citizen, and consequently none of the two could issue a passport. A man without a country. Born and raised in Puerto Rico, and educated in continental United States.

I have traveled through mostly all Europe, and back and forth to United States and Puerto Rico as an American citizen, but in July 1928 I tried to enter Puerto Rico as the American citizen I thought I was and was denied admission on the grounds that I was not an American citizen, and had lost my residence there, due to my absence for over 6 months. Then I learned that I could have acquired American citizenship upon becoming of age, but it was too late, as I already had 24 years, and this privilege was only granted for 1 year after becoming of age.

My principals run a weekly steamship passenger service from Santo Domingo to San Juan, and every week we have identical cases to mine; people that come over from Puerto Rico under the impression that they are American citizens due to their being born in Puerto Rico, and upon returning after being abroad for a period of over 6 months, they have lost their residence in United States and are only allowed to reenter with a nonquota immigration visa, as aliens born in Puerto Rico, which is no nationality at all.

THE NATIONALITY OF PUERTO RICANS

Contrary to common belief, mere birth in Puerto Rico—unlike birth elsewhere in American territory, including the Virgin Islands, although excluding the Philippine Archipelago and Samoa—does not vest the native with United States citizenship. The organic act of 1917—so-called "Jones-Shafroth Act"—extended American citizenship, not to all natives of Puerto Rico, but only to such persons as were described or recognized by prior legislation as citizens of Puerto Rico, namely, (a) as to natives of Spain, those who being residents of the island from April 11, 1899, to April 11, 1900, failed to make during that period a declaration to preserve allegiance to Spain under the Peace Treaty (of Paris) of 1899; (b) as to natives of Puerto Rico, those who were Spanish subjects on April 11, 1899, and continued to reside in the island through to April 12, 1900; and (c) children born subsequent to April 11, 1899, of fathers who became citizens of Pueto Rico as stated in the two preceding excerpts ("a" and "b"), which children acquired Puerto Rican nationality at birth.

The Jones Act also naturalized those natives of Puerto Rico who were Spanish subjects on April 11, 1899, who were temporarily absent from the island on the date mentioned, and who returned thereto prior to March 2, 1917. Persons born in Puerto Rico of alien fathers were left out entirely, except for the short naturalization provisions enacted for them in the organic act of 1917. The full citizenship provisions of said act are as follows:

SEC. 5. That all citizens of Puerto Rico, as defined by section 7 of the act of April 12, 1900, "temporarily to provide revenues and a civil government for Puerto Rico, and for other purposes," and all natives of Puerto Rico who were temporarily absent from that island on April 11, 1899, and have since returned and are permanently residing in that island, and are not citizens of any other foreign country, are hereby declared, and shall be deemed and held to be, citizens of the United States: *Provided*, That any person hereinbefore described may retain his present political status by making a declaration, under oath, of his decision to do so within 6 months of the taking effect of this act before the district court in the district in which he resides, the declaration to be in form as follows:

"I, ————, being duly sworn, hereby declare my intention not to become a citizen of the United States, as provided in the act of Congress conferring United States citizenship upon citizens of Puerto Rico and certain natives permanently residing in said island."

In the case of any such person who may be absent from the island during said 6 months the term of this proviso may be availed of by transmitting a declaration, under oath, in the form herein provided, within 6 months of the taking effect of this act, to the executive secretary of Puerto Rico: *And provided further*, That any person who is born in Puerto Rico of an alien parent and is permanently residing in that island may, if of full age, within 6 months of the taking effect of this act, or, if a minor, upon reaching his majority, or within 1 year thereafter, make a sworn declaration of allegiance to the United States before the United States District Court for Puerto Rico, setting forth therein all the facts connected with his or her birth, and from and after the making of such declaration shall be considered to be a citizen of the United States. (This last proviso was reenacted in 1927.)

This legislation, of course, extended citizenship to the bulk of the Puerto Rican population, but (probably inadvertently) it also established in the island the rule of citizenship by blood or parentage (so-called "jus sanguinis"), quite different from the American constitutional rule of citizenship by place of birth (jus soli), also acknowledged in many other countries. The island being, by judicial declaration (U.S. Sup. Ct.) an unincorporated territory, said constitutional rule is not, of course, in force ex proprio vigore in Puerto Rico, but the Congress has power to make the rule operative here by special legislation, as it did for the Virgin Islands in 1927.

Accordingly, and to correct the defects noted and improve generally the nationality laws affecting Puerto Ricans, House bill 5330 was introduced at the last special session by the Resident Commissioner from Puerto Rico to the United States. The bill seeks to add a new section 5 (b) to the present Organic Act, providing as follows:

SEC. 5. (b) All persons born in Puerto Rico on or after April 11, 1899 (whether before or after the effective date of this act), and subject to the jurisdiction of the United States, are hereby declared to be citizens of the United States: *Provided*, That this act shall not be construed as depriving any person, native of Puerto Rico, of his or her American citizenship heretofore otherwise lawfully acquired by such person; or to extend such citizenship to persons who shall have renounced or lost it under the treaties and/or laws of the United States, or who are now residing permanently abroad and are citizens or subjects of a foreign country: *Provided further*, That any woman, native of Puerto Rico and permanently residing therein, who prior to March 2, 1917, has lost her American nationality by reason of her marriage to an alien eligible to citizenship, or by reason of the loss of United States citizenship by her husband, may be naturalized under the provisions of section 4 of the act of September 22, 1922, entitled "An act relative to the naturalization of married women", as amended.

CITIZENSHIP AT BIRTH

The effect of this bill would be: (1) To enable all persons born in Puerto Rico to acquire United States citizenship at birth, as all natives of New York, Illinois, Florida, and so forth, do; (2) to make this naturalization provision retroactive so as to cover all persons born in Puerto Rico after the change of sovereignty in the island—that is, since April 11, 1899—and who are permanently domiciled here, those temporarily residing abroad included; and (3) to give Puerto Rico born women equality of rights of naturalization with (continental) United States born women. The bill also coincides with the policy of approximation to which the declaration of the last—national—Democratic platform with respect to Puerto Rico—statehood—clearly points.

House bill 5330 was referred, in due course, to the Committee on Insular Affairs of the United States House of Representatives, where it is to be considered at the next regular session of Congress. It was brought to the attention of the Honorable George R. Dern, Secretary of War, who wrote his views to the Honorable SANTIAGO IGLESIAS, Resident Commissioner, as follows:

WAR DEPARTMENT,
Washington, June 16, 1933.

Hon. SANTIAGO IGLESIAS,
Resident Commissioner from Puerto Rico,
House of Representatives, Washington, D.C.

DEAR MR. COMMISSIONER: Referring to my letter of May 9, 1933, acknowledging your previous letter of May 2, 1933, in which you request my views regarding H.R. 5330, to amend the act of Con-

gress of March 2, 1917, with respect to citizenship, no objection other than indicated below, is seen by this Department to the enactment of H.R. 5330.

It is to be observed that the phrase "and subject to the jurisdiction of the United States" occurring in the proposed section 5 (b) (lines 9 and 10, p. 1, of the bill) appears to be ambiguous. It is believed that the meaning presumably intended in the proposed section 5 (b) of the bill would be clarified by amending the first four lines of the section to read as follows:

"SEC. 5. (b) All persons born in Puerto Rico on or after April 11, 1899 (whether before or after the effective date of this act), and not subject to any foreign power are hereby declared to be citizens of the United States."

With reference to the last proviso (lines 8–16, inclusive, p. 2) of the proposed section 5 (b) of the bill, it is noted that the proviso apparently does not cover the case of a woman, native of Puerto Rico but not a citizen of the United States under the act of March 2, 1917, who has since that date become a subject of a foreign power by marriage to an alien eligible to citizenship, or by reason of the loss of the United States citizenship by her husband.

Sincerely yours,

GEORGE H. DERN, *Secretary of War.*

The following comments, apropos of the above-quoted communication, seem pertinent:

The phrase "and subject to the jurisdiction of the United States" was taken from amendment 14, section 1, of the Federal Constitution, which, as the Department knows, provides:

All persons born * * * in the United States and subject to the jurisdiction thereof are citizens, etc.

The phrase, it is understood, has a technical meaning, the effect of which would be to exclude the children of foreign ambassadors and ministers; that is, persons born of foreigners and in places without or not subject to the jurisdiction of the United States—for example, foreign legations and warships.

The legal import of the phrase in question, it is believed, is discussed in, first, United States Supreme Court decisions (*Geofroy* v. *Riggs*, 133 U.S. 258; *Elk* v. *Williams*, 112 U.S. 94; *United States* v. *Wong Kim Ark*, 169 U.S. 649); second, in the legal encyclopedia Corpus Juris (vol. 11, pp. 778–79, sec. —); and, third, in textbooks, such as Hyde's International Law Chiefly as Interpreted by the United States (vol. I, pp. 614–4, sec. 344) and Borchard's Diplomatic Protection of Citizens Abroad (p. 607, sec. 269). In the treatise last cited it is said:

The uniform construction of the law at the present time * * * interprets the clause "subject to the jurisdiction" as excluding merely children born in places enjoying extraterritoriality, such as foreign legations or public vessels.

It was with this construction in view that the phrase in question was made a part of the proposed amendment, even in preference to the suggested substitute "and not subject to any foreign power"; for the latter, although apparently having the same meaning as the former, and originally used in the Civil Rights Act of 1866, has not received as thorough a judicial interpretation as the clause now shown in the bill.

However, should the Department feel convinced that the proposed substitute phrase will not be construed differently—for example, it might be argued that it meant "and not citizens or subjects of a foreign power", in which case, if such interpretation prevailed, the amendment would be nullified—the Resident Commissioner has no objection to the suggested change of phraseology. Nevertheless, it would seem proper to point out, in this connection, that when legislating for the Virgin Islands with the same purpose in view as sought in H.R. 5330, Congress used precisely the same phrase. In 1927 it provided by law:

All persons born in the Virgin Islands of the United States on or after January 17, 1917 (whether before or after the effective date of this act), and subject to the jurisdiction of the United States, are hereby declared to be citizens of the United States (44 Stat. 1235; U.S.C., Supp. VI, title 8, sec. 5c).

As to the Department's suggestion with reference to the last proviso (married women) of H.R. 5330, it is acknowledged that it tends to broaden the provisions of the present draft of the bill. The original purpose of the latter was, of course, to include without any doubt all women, native of Puerto Rico, who at the time of their marriage to aliens were at least nationals (although not citizens) of the United States. However, it is now thought that under the present wording of the bill, Puerto Rico-born women who married aliens at a time when they (the women) because of parentage or otherwise, could not be regarded, under existing law, as United States citizens or nationals, would be left out of the enabling benefits of the proposed measure, which would naturalize males (whether single or married) similarly situated (insofar as birth is concerned), and this involved a discrimination which, naturally, should not be favored and was never contemplated. Possibly the following changes in the draft would accomplish the desired purpose:

First. In lieu of the phrase "prior to March 2, 1917", substitute "prior to the effective date of this act"; and

Second. After the phrase "American nationality", insert the clause "or become the subject of a foreign power."

No objection to the bill is anticipated on the part of those affected (the number may reach into the thousands). On the contrary, it is believed that the great majority of them will welcome the reform and the opportunity to be speedily naturalized.

RECOMMENDATION

It should be recommended that in the new citizenship law the inhabitants of Puerto Rico be treated in the same manner as those of the mainland and that all natives of Puerto Rico and their children, except those who are citizens of a foreign country, shall be considered American citizens in the same manner as natives of the various States of the United States.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL—FISCAL YEAR 1935

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 7295, the Treasury and Post Office Departments appropriation bill, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. There is a pending amendment which the Clerk will read for the information of the Committee.

The Clerk read as follows:

Amendment offered by Mr. HENNEY: On page 52, line 19, strike out the figures "$82,902,500" and insert in lieu thereof the figures "$92,562,500."

The CHAIRMAN. The question is on the pending amendment.

The question was taken; and on a devision (demanded by Mr. MARTIN of Massachusetts) there were—ayes 34, noes 51.

So the amendment was rejected.

The Clerk read as follows:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the Merchant Marine Act of 1828 (U.S.C., title 46, secs. 861–889; sup. VI, title 46, secs. 886–891x), $37,500,000: *Provided*, That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.: *Provided further*, That not to exceed $7,000,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1936 in excess of $7,000,000: *Provided further*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed $250,000, to cover the cost to the United States for maintaining sea-post service on ocean steamships conveying the mails to and from the United States, including the salary of the Assistant Director, Division of International Postal Service, with headquarters at New York City.

Mr. CHASE. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CHASE: Page 55, line 8, strike out "$37,500,000" and insert in lieu thereof "$4,750,000."

Mr. CHASE. Mr. Chairman, there is only one question involved in this amendment, and that is, whether or not this

House will vote money for subsidies that are at the present time under criticism.

I am proud of the character of the contribution to this subcommittee from the Republican side of this Chamber. You gentlemen on the Democratic side have every reason to be proud of the quality of your Representatives. They have been fair, candid, and honest.

I quote briefly from page 20 of their committee report:

The domestic air mail is on a subsidy basis. With expenditures for the current year at $14,000,000, revenues are estimated at $6,500,000, indicating a minimum subsidy to the contractors of $7,500,000.

And from page 21:

The committee has no means of knowing what the right sum to appropriate may be and until the results of these studies and investigations lead to a sound conclusion the position of standing on the present rate of expenditure is adopted even though it may be arbitrary in character.

Foreign air mail: * * * This service is provided for under contract to South and Central America and is an essential feature of our trade relations and communication with the countries of that portion of the world. This service, as in the case of domestic air mail and ocean mail, is definitely on a subsidy basis, the estimated revenues being $1,250,000 and the excess cost or subsidy amounting to approximately $5,750,000.

Ocean mail contracts under the Merchant Marine Act of 1928: * * * Ocean mail contracts under the Merchant Marine Act are also on a definite subsidy basis with compensation fixed by law for vessels of various classes, graded by speed and tonnage, without reference to the amount of mail carried.

* * * * * * *

For the fiscal year 1933 the subsidy amounted to $24,730,000. For the fiscal year 1935 it will amount to approximately $27,000,000.

* * * * * * * *

Aggregate subsidies—the cost of the subsidy features of ocean mail contracts, domestic air mail contracts, and foreign air mail contracts may be summarized as follows:

Foreign air mail contracts	$5,750,000
Domestic air mail contracts	7,500,000
Ocean mail contracts under the Merchant Marine Act of 1928	27,000,000
Total	40,250,000

The committee has been fair, and the chairman has been fair. No one could be more honest, candid, or frank. He has neither concealed nor evaded the issue. Yesterday he said, and I quote from column 2, page 1344, of the CONGRESSIONAL RECORD:

Doubtless gentlemen have heard before from me from this floor my opposition to this method of granting subsidies for the development of aviation, for the development of our merchant marine, and for the development of our trade relations with the Central and South American Republics.

Then turn to column 1, page 1345:

Mr. ARNOLD. If the money is not made available, and those contracts are valid contracts, the holders of the contracts can go into the Court of Claims and sue the Government and recover.

This is a perfectly fair, candid statement. The companies' rights are protected. They will have their day in court.

Now, for the other side of the picture.

I respectfully read to you the campaign pledge of my party, the Republican Party, to the taxpayers of America:

We urge prompt and drastic reduction of public expenditure and resistance to every appropriation not demonstrably necessary to the performance of the essential functions of government, national or local.

The Democratic campaign pledge is clearer—brief, definite, concise, and to the point. It says:

We condemn the open and covert resistance of administration officials to every effort made by congressional committees to curtail the extravagant expenditures of the Government and to revoke improvident subsidies granted to favorite interests.

This is your campaign pledge made by the party which sent you here.

In column 2, page 15, of the October 9, 1933 edition of Time, appears this statement:

Senator BLACK estimated that Export Steamship Corporation, the first of 50 shipping companies on the committee's list for scrutiny, had received Federal subsidies and benefits worth $26,663,151 since 1928. Yet Export officials testified that their company was now "in worse condition" than in 1930, that it "still owed the United States some $8,000,000, of which $1,200,000 was already past due."

[Here the gavel fell.]

Mr. CHASE. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHASE. Over at the other end of the Capitol you have a diligent committee, headed by a great Senator from a great State, and through his courtesy I read from the manuscript of Senator BLACK, where by radio he brought to the minds of the American people the conditions relative to the payment of subsidies from the money of the taxpayers of this country.

Quoting from page 2 of the manuscript:

It is impossible, in the short span of time I am to talk, to give details of the evidence before our committee. The record, however, discloses that the huge subsidies paid by the Government to build up a merchant marine have been diverted from that channel and have been largely spent in high salaries, extravagant expense accounts, highly paid lobbyists, and huge dividends.

Since 1928 our Government has contributed practically $1,000,000,000 by mail subsidies, ship sales, and Government loans, to shipping interests. A few illustrations will show how much of this money has gone:

One man drew more than $300,000 per year for his salary and expenses, charging up to the company of which he was an officer, as much as $75 for 1 day's meal; $100 for waiters; $75 for taxicabs.

Back in my old home city of Anoka an old-time friend of mine, Frank Hickman, who during the Spanish-American War volunteered in his country's service and lost his health in that service, is now almost completely disabled. He is 70 years of age, has no other means of support, and the misnamed economy bill allows him $15 a month to maintain life. Of this amount $5 goes for rent and $10 to support himself and help support his sister.

I ask you here today whether you favor paying crippled, disabled veterans with war-incurred disability $15 a month, and voting to contribute $75 for one meal for a New York multimillionaire?

Quoting again:

Another shipping official charged his own company a commission for buying Government boats, amounting to more than $600,000 and a part of these payments were made when the company was in default to the Government on its indebtedness for the same ships.

One company started in the shipping business with $500 paid-in capital. In a period of 8 years more than $7,000,000 profits were made.

Another official of a holding company owning a subsidized shipping line drew in salaries and bonuses more than $500,000 in 1 year.

Another man made in net profits more than $3,500,000 from the time he began to have Government contracts until 1923.

Attorneys' fees of $100,000 have been paid to one individual law firm for services in connection with a single Government contract.

Subsidized ship operators have become millionaires practically overnight, while not even able to name the various companies constituting their network of holding companies, subsidiaries, affiliates, and associated companies.

Quoting from the bottom of page 4 of the manuscript:

When the air mail map had been redrafted, it was found that the eighteen or more million dollars of taxpayers' money annually paid for the carriage of air mail was controlled more than 90 percent by four companies.

At the directors' tables there sat not the pioneer air pilots, but the masters of American finance. The control of aviation had been ruthlessly taken away from men who could fly, and bestowed upon bankers, brokers, promoters, and politicians, sitting in their inner offices, allotting among themselves the taxpayers' money.

Again fortunes were made overnight. Forty dollars invested in an airplane company went upward to a subsidized aviation company, and in approximately 2 years, gave to the $40 investor a value of $6,000,000.

Two hundred and seven dollars made another man worth $25,000,000.

Two hundred and fifty-three dollars made another man worth $35,000,000.

This is our problem here today.

Here is the committee, here is the bill, here is the appropriation, here is the subsidy—how will you vote?

Will you repudiate Senator BLACK, the administration's spokesman, before the people of America and vote for these appropriations? Or will you vote down the appropriations and support him? Will you keep your campaign pledges, written into the party platform, or will you break them? Were those statements sincere, honest expressions of conviction drafted by responsible representatives of the Democratic Party, or were they merely political bunk?

This is your administration. You have made the criticism. You have the power, and with it the responsibility. Just how will you vote?

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not going to discuss the question of the policy of subsidies. I am simply going to call your attention to this fact: In the independent offices appropriation bill which was passed last year there was contained a provision that the President of the United States should have the right to consider, cancel, alter, modify, or repeal any contracts entered into with respect to the transportation of air and ocean mail.

Now, gentlemen, can we not trust the President of the United States when full information shall have been secured, when he shall have carried forward the work that is being done not only by Seantor BLACK's committee but also—as I personally know—by the Department of Commerce in investigating all questions? Then when our great President, who has made no mistakes, makes his decision, we should abide by his judgment.

I am simply asking you not to curtail or injure the President's program.

Mr. RICH. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. RICH. I did not know that this was the President's bill. I thought it was a bill that came from the committee. Does not the gentleman think we are trying to shove upon the President too much responsibility, and that we ought to assume some of these things rather than to say we will give it to the President? I think he will have so much to do it will be impossible for him and his associates to handle all this business.

Mr. BLAND. Upon the suggestion of the administration the power was given to the President which he desired.

Mr. MOTT. Will the gentleman yield?

Mr. BLAND. I will.

Mr. MOTT. Did the law give the President the authority to cancel all contracts, or only those that were entered into illegally?

Mr. BLAND. As I recall, the President was given full power to modify or cancel all contracts. I will ask the chairman of the committee if that is not the fact?

Mr. ARNOLD. That is entirely true, insofar as they related to transportation.

Mr. DURGAN of Indiana. Will the gentleman yield?

Mr. BLAND. Yes.

Mr. DURGAN of Indiana. As I understand, these contracts are valid contracts, and they can recover from the Government on the contracts?

Mr. BLAND. The President was given full power, and if they are valid, to determine what is just to be paid.

Mr. DURGAN of Indiana. Were these contracts entered into prior to or after March 4?

Mr. BLAND. Prior to March 4.

Mr. TABER. Will the gentleman yield?

Mr. BLAND. I will be glad to yield to the gentleman from New York.

Mr. TABER. My understanding is that the independent offices bill gave the President the right to cancel these contracts regardless of whether they were valid or not.

Mr. BLAND. That is my understanding.

Mr. TABER. The authority in the independent offices bill gave the President authority to fix the compensation for the contractors, and they would have the right to accept his offer or go to the Court of Claims for damages.

Mr. BLAND. Yes; if the President desires to cancel the contracts.

Mr. WEIDEMAN. Mr. Chairman, I move to strike out the last word. I listened to the gentleman from Minnesota [Mr. CHASE] getting all wrought up over these air subsidies and other matters in this bill. I want the people to know that it is not in the making of the Democratic Party that these subsidies were put into this bill. These unconscionable subsidies were all granted by the previous administrations, and under 10-year contracts. When the gentleman wants support from this side of the House in a matter of economy, he will get it. I, for one, have always voted against gags, and I voted against subsidies, and I shall continue to vote against them, and also continue to vote to abolish, as far as possible, the tremendous powers of the bureaus that now operate in the Government. Along the line of economy, I wish the gentleman would go down to the Treasury Building and see the number of people employed there. There were two messengers at each table, and on one floor of the Treasury a total of 36 men acting as messengers, sitting around reading newspapers, doing nothing. That is only one department. Go to the Bureau of Internal Revenue, and in some of the positions under the civil service there the people do not have enough to keep them busy, while under the N.R.A. the people work overtime, and I am not in favor of that. I am in favor of a fair deal for every employee, whether under the civil servive or the N.R.A., which, by the way, has not been so anxious to enforce its own codes among its own employees. The Democratic Party has always been for a liberal and progressive government and economic administration, while the gentlemen on the other side have not been for liberality and progress. We are following the President. I am going to follow him on everything, except when I have to violate a pledge that I have made to my people. I am for real economy, the abolition of some of these useless bureaus and civil-service positions. I am not for penalizing the veterans or the Federal employee in the smaller brackets. It is the big swindlers and grafters, who have been robbing our Government for years, that I am after.

I think the gentleman knows that this side of the House has supported them on many occasions when they were right; and we are going to support measures as a matter of principle rather than as a matter of politics. I hope when these matters come before the House we shall support these matters of economy on principle and not as a matter of politics. We are not for giving away millions of dollars to air mail contractors, by virtue of which contracts men who are able to raise a $40 investment to a value of some $6,000,000. Also in an initial investment of $207 in the Pratt-Whitney Co. George Mead, formerly of the United Aircraft Corporation, made $7,800,000 profit in cash and still holds stock of the value of $750,000. There is not a Member of this House who is in favor of that, not one Member on the committee in favor of it. There is not one Member of this whole body who is in favor of giving away any of the moneys of the Government uselessly. No one should be able to profiteer from the granting of any Government contract or subsidy.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WEIDEMAN. Yes.

Mr. RICH. Is the gentleman in favor of the construction of plants in West Virginia by the Government to manufacture material for the Post Office Department, at the request of the wife of the President.

Mr. WEIDEMAN. I do not believe that individual enterprises should be financed by the Government in competition with free industries set up in other parts of the country. Many industries in Detroit and some of your other northern industrial cities have been shifted to the southern areas of the country the last few years under your administration, when there were cheap wages in the South, but now, due to the operation of the new industrial codes, we find competition with cheap wages in certain parts of the country is not so furious, and that labor is paid a decent wage, all due to the National Industrial Recovery Act. I think if we let

things alone we will not have to build these factories. In answer to the gentleman's question, I am not in favor of it.

There are too many factories empty and too many people unemployed in industrial centers for the Government at this time to spend $525,000 for the building of a factory anywhere with public funds. So the Members of the House may understand more thoroughly what the gentleman from Pennsylvania refers to, it is this: The Government proposes to build a factory at Reedsville, W.Va., for the purpose of making post-office screens, which will include the post-office boxes in the post offices, the counters, the delivery windows, and so forth. Reedsville has a population of about 400. A population of this number cannot supply the number of needed mechanics, cabinetmakers, and steel workers and other artisans to run the factory, and will draw workers from other parts of the country. This particular project will tend to destroy our industrial centers, if continued, representing the investment of hundreds of millions of dollars, and consequently hurt every property owner of an industrial center by drawing business away from his home town, and indirectly lowering the value of his property. Let us rehabilitate our destroyed centers of industry before building new ones.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ARNOLD. Mr. Chairman, I ask unanimous consent that all debate upon the pending amendment close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman and members of the Committee, I think most of you realize the situation that we are in. When the present administration came into power it found legislation on the statute books authorizing subsidy contracts for the development of our merchant marine and contracts that had been entered into by a prior administration. Those contracts were entered into under authority of law that had heretofore been granted by this Congress. There has been much comment lately as to the validity of some of these contracts. Investigations are being conducted, and from disclosures already made there is serious doubt as to some of them. So far as the contracts on their face are concerned they are regular, they were entered into by the proper officials of the Government who were authorized to enter into them, and the contracts that will be affected by the amendment offered by the gentleman from Minnesota [Mr. CHASE] are all 10-year contracts. They are based on variables contained in the contracts and the law under which they were made possible by which the amounts payable are subject to fluctuation. The obligation of the Government is fixed, so far as those contracts are concerned, within a defined range, and the only thing that the Government can do, having already obligated itself, is to go ahead and perform its part of the obligation resting upon it by virtue of the contracts. If those contracts are void in their inception, of course, there could be no enforcement of any obligation against the Government to recover the amount of compensation the Government agreed to pay under the contract; but, if the contracts are not void in their inception, then there is a fixed obligation on the part of the Government to pay its monetary obligation under the contract, and that is an obligation that cannot be escaped, that cannot be evaded.

If the appropriation should not be made for the purpose of carrying out these contracts, and they are valid, the holders could go into the Court of Claims and enforce that obligation against the Government of the United States. We do not know whether the contracts are valid or not. The investigations now under way may determine that question. It is indefinite and uncertain at this time and we cannot determine that question here. Since our obligation is definite and since we are bound by a solemn contract obligation, we can only go along and make the money available for our part of obligations.

Mr. MOTT. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MOTT. I understood the gentleman to say a short time ago that the President was given authority, under the bill passed at the last session, to cancel these air mail contracts, whether they were valid contracts or not.

Mr. ARNOLD. The President was given power to cancel and annul any of the contracts providing for the transportation of persons and things, upon rendering due compensation to the parties who hold the contracts. Now, what is due compensation? It would be the amount of damages that would be recoverable under the contracts. That is true as far as the contracts which are valid are concerned. Of course, if the contracts were fraudulent in their inception, then there would be no recovery. The committee at the other end of the Capitol that is investigating the matter is going into it very thoroughly, and making an investigation of the set-up of these various concerns and going into the question of whether or not the contracts had been properly or improperly let; and until it is determined in some way—until we have some information upon which to base our action—the only thing we can do is to proceed as we are now.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired on this amendment. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. CHASE].

The amendment was rejected.

The Clerk read as follows:

Amendment offered by Mr. CHASE: Page 55, strike out line 11 and all down to the colon in line 14.

Mr. CHASE. Mr. Chairman, night before last I tried to state as clearly as possible, as a Member of the Republican side of this Chamber, that, Republican or Democrat, I am against the misuse of public money and against graft.

It has been freely and fluently charged around this country, from the platform and over the radio, that we of the Republican Party are guilty of wasteful expenditure of public money. If that charge is true, as a Republican, I would like to have it stopped, and I would like to help stop it.

The accepted spokesman for the Democratic Party, Senator BLACK, reporting to the voters and taxpayers of this country by radio, has declared, in effect, that there is graft, and has gone far to prove his statement. I realize that the committee was somewhat bound in its consideration of these proposed appropriations, but this House is not bound, and the Committee of the Whole is not bound. It was my purpose to present to you, just as clearly as possible, an opportunity to vote out the subsidy provisions and to pay the companies on a poundage basis only. If you gentlemen do not wish to cut out the subsidies, vote down the amendment. It is your responsibility, not mine. This is the new deal and you are in power. You have absolute and exclusive control.

But if you vote for these subsidies, when you go back on the stump tell your constituents frankly: "I voted for the subsidies." For when you vote down these amendments, as manifestly you are going to do, you will be doing what our friend from Michigan was just trying to condemn, namely, sanctioning the payment of subsidies, which practice under a Republican administration you denounced.

Mr. Chairman, I yield back the balance of my time.

OCEAN MAIL SUBSIDIES

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

The Republicans are criticizing the Democrats on account of the appropriation for ocean mail contracts. The subsidy system for steamship lines and air lines to carry the mail was started under the Republican regime. I think the ocean mail contracts was one of the biggest rackets growing out of the disposition of property acquired during the war for emergency purposes. January 18, 1930, an appropriation bill for these same departments was pending before this House. At that time I brought to the attention of Congress the great subsidies that were being paid to steamship lines and offered an amendment which would have prevented similar subsidies from being adopted in the future—there were 13 such contracts in contemplation at the time.

ONE OF FIRST TO EXPOSE RACKET

So far as I have been able to find out, I was the first Member of Congress to expose in detail the small amount of service rendered by the subsidized steamship lines and the large amount of money received therefor.

Permission having been granted, I insert herewith a part of the CONGRESSIONAL RECORD of January 18, 1930, and which appears on page 1914 of the bound volume of the CONGRESSIONAL RECORD for the Seventy-first Congress, second session:

Mr. PATMAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

"Amendment offered by Mr. PATMAN: Page 75, line 20, strike out the figures '$28,000,000' and insert in lieu thereof the figures '$21,400,000.'"

Mr. PATMAN. If the appropriation for ocean mail service is decreased to $21,400,000, it will mean that contemplated contracts cannot be carried out until an additional appropriation is made. The contemplated routes, 13 in number, are estimated to cost, the next fiscal year, $6,600,000. In order that the Members of the House may know something about these contemplated contracts, I desire to invite your attention to the one that is contemplated from Tacoma, Wash., to Valparaiso. The Post Office Department will probably issue an order today asking for bids from steamship companies to carry the mail on this line. The Department will require 17 trips each year and will pay for the service $284,920, or $16,700 a trip. Of course, we do not know how much mail this line will carry. Upon investigation, I discovered that a line was operated between these points during the year 1929 and made 18 trips. The total amount of first-class mail carried was 42 pounds. The total amount of other mail, including parcel post, amounted to 1,263 pounds. The largest amount of mail carried on either of these trips was 5 pounds of letters and 145 pounds of parcel post.

If this appropriation is not reduced, the Post Office Department, in compliance with a duty under existing law, will no doubt enter into a contract with a steamship company for a term of 10 years under which the Government will be obligated to pay this steamship company $284,920 a year, or $2,849,200 for 10 years for carrying the United States mail on a line where the total amount carried during the fiscal year of 1929 amount to 42 pounds of letters and 1,263 pounds of packages.

There are 12 other contemplated contracts besides this one. I have not had the time to investigate them. This is the only contemplated contract on which I have been able to receive information so far, although the officials in the Post Office Department have cooperated with me fully in obtaining this information, and there was no reluctance on the part of anyone in that Department to disclose the facts fully.

If the same amount of mail is carried by the Tacoma-Valparaiso line that was carried during the fiscal year 1929, the value of the services rendered on each trip by the steamship company to the United States Government will be $2.36; 61 cents' worth of letters and $1.75 worth of packages. For each one of these trips the steamship company will receive $16,700. In other words, the steamship company will receive about $7,000 for every $1 worth of service rendered.

A glaring example of a subsidy may be pointed out in the case of recent ocean mail contracts where the owners of one vessel received from the Government $14,915 for transporting a few pounds of mail. A service that was worth $7.10.

November 14, 1929, the steamship *Everett* sailed from Tacoma, Wash., for Manila. It carried as a part of its cargo United States mail consisting of 16 pounds of letters, or first-class mail, and 136 pounds of parcel post. The *Everett* is owned by the Tacoma Oriental Navigation Co., a private corporation; on February 16, 1928, she was purchased by this company from the United States Shipping Board; before the purchase the name of the vessel was *West Ison*. The purchase price was $91,644; one fourth of the amount, or $22,911, was paid in cash and the remainder to be paid to the Government in eight annual payments; the unpaid amount draws interest at the rate of 4¼ percent. The Shipping Board, at the expense of the Government, before delivering this vessel, put it in first-class condition and ready for operation.

If the owners of the *Everett* were paid the same price that foreign vessels will carry our mail for, they would have received $7.10 for conveying this 16 pounds of letters and 136 pounds of parcel post. But, instead of the Government paying the owners $7.10 for this service, the owners of this vessel are receiving from the Government $14,915 for carrying a hatful of letters and a mailsackful of parcels.

REPUBLICANS RESPONSIBLE

The question immediately arises, "What did the Republicans do at that time to help stop such outrageous contracts?" Here is a case where we had an opportunity on an appropriation bill to reduce the appropriation to such an amount that it would have been impossible for Postmaster General Brown to approve 13 contemplated routes at an estimated cost of $6,600,000 a year for 10 years, or $66,000,000 in all.

It so happened that there was a roll call on this amendment, and I am inserting herewith the proceedings on the same day, which include the roll call in the House of Representatives on this question:

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PATMAN. Yes, sir.

The SPEAKER. The gentleman from Texas offers a motion to recommit. The Clerk will report it.

The Clerk read as follows:

"Mr. PATMAN moves to recommit the bill to the Committee on Appropriations, with instructions to report it back to the House forthwith, with the following amendment: On page 70, line 20, strike out the figures '$28,000,000', and insert in lieu thereof the figures '$21,400,000.'"

Mr. WOOD. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit, submitted by the gentleman from Texas [Mr. PATMAN].

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. PATMAN. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 13, noes 112.

Mr. PATMAN. Mr. Speaker, I object to the vote on the ground of no quorum.

The SPEAKER. The Chair will count. [After counting.] Evidently not a sufficient number. The Clerk will call the roll. As many as favor the motion to recommit will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 62, nays 178, not voting 187, as follows:

[Roll No. 4]

Yeas—62: Allgood, Almon, Arnold, Bell, Box, Brand of Georgia, Briggs, Browning, Byrns, Cannon, Cartwright, Collier, Cooper of Tennessee, Cross, Doxey, Drewry, Edwards, Eslick, Fulmer, Garner, Gasque, Glover, Hammer, Hare, Hastings, Hill of Alabama, Howard, Huddleston, Johnson of Oklahoma, Johnson of Texas, Jones of Texas, Kvale, Lampert, Lankford of Georgia, Larsen, Lee of Texas, Lozier, McCloskey, McKeown, McSwain, Milligan, Moore of Kentucky, Morehead, Nelson of Missouri, Parks, Patman, Patterson, Peavey, Quin, Ragon, Henry T. Rainey, Ramspeck, Rankin, Rayburn, Romjue, Sanders of Texas, Stevenson, Tarver, Warren, Wingo, and Wright.

Nays—178: Ackerman, Adkins, Allen, Andresen, Andrew, Arentz, Aswell, Ayres, Bacharach, Bacon, Baird, Barbour, Beedy, Beers, Black, Bloom, Bolton, Brigham, Britten, Brumm, Buckbee, Burtness, Campbell of Iowa, Campbell of Pennsylvania, Carter of Wyoming, Chalmers, Chindblom, Clague, Clancy, Cochran of Missouri, Cochran of Pennsylvania, Connery, Corning, Coyle, Craddock, Cramton, Crowther, Culkin, Cullen, Dallinger, Darrow, Denison, DeRouen, Douglass of Massachusetts, Dowell, Dunbar, Eaton of Colorado, Eaton of New Jersey, Elliott, Englebright, Esterly, Fitzgerald, Fitzpatrick, Free, Freeman, French, Garber of Oklahoma, Garber of Virginia, Glynn, Green, Greenwood, Guyer, Hall of Illinois, Hall of Indiana, Hall of North Dakota, Halsey, Hardy, Hawley, Hess, Hill of Washington, Hoch, Hoffman, Hogg, Holaday, Hooper, Hope, Morton D. Hull, Hull of Wisconsin, Igoe, Irwin, Jenkins, Johnson of Illinois, Johnson of Indiana, Johnston of Missouri, Jonas of North Carolina, Kading, Kearns, Kemp, Kendall of Pennsylvania, Ketcham, Kiess, Kopp, Kurtz, Lambertson, Langley, Lankford of Virginia, Leavitt, Letts, Ludlow, McCormack of Massachusetts, McDuffie, McLaughlin, McMillan, Maas, Manlove, Mapes, Mead, Michaelson, Michener, Miller, Montet, Moore of Ohio, Morgan, Mouser, Nelson of Wisconsin, Newhall, Niedringhaus, O'Connell of New York, O'Connell of Rhode Island, O'Connor of Louisiana, O'Connor of Oklahoma, Owen, Palmer, Pittenger, Pritchard, Frank M. Ramey, Ramseyer, Reece, Reed of New York, Robinson, Rogers, Rowbottom, Sandlin, Schafer of Wisconsin, Sears, Selvig, Shott of West Virginia, Shreve, Simmons, Sinclair, Sirovich, Sloan, Smith of Idaho, Snell, Snow, Sparks, Speaks, Spearing, Sproul of Illinois, Sproul of Kansas, Stafford, Stalker, Stobbs, Strong of Kansas, Strong of Pennsylvania, Swanson, Swick, Swing, Taber, Taylor of Tennessee, Temple, Thatcher, Thurston, Tilson, Vestal, Vincent of Michigan, Wainwright, Wason, Watres, Watson, Welch of California, Whittington, Wigglesworth, Williamson, Wilson, Wolverton of New Jersey, Wolverton of West Virginia, and Wood.

Not voting—187: Abernethy, Aldrich, Auf der Heide, Bachmann, Bankhead, Beck, Blackburn, Bland, Bohn, Bowman, Boylan, Brand of Ohio, Browne, Brunner, Buchanan, Burdick, Busby, Butler, Cable, Canfield, Carley, Carter of California, Celler, Chase, Christgau, Christopherson, Clark of Maryland, Clark of North Carolina, Clarke of New York, Cole, Collins, Colton, Connolly, Cooke, Cooper of Ohio, Cooper of Wisconsin, Cox, Crail, Crisp, Crosser, Curry, Davenport, Davis, Dempsey, De Priest, Dickinson, Dickstein, Dominick, Doughton, Douglas of Arizona, Doutrich, Doyle, Drane, Driver, Dyer, Ellis, Estep, Evans of California, Evans of Montana, Fenn, Fish, Fisher, Fort, Foss, Frear, Fuller, Gambrill, Garrett, Gavagan, Gibson, Gifford, Golder, Goldsborough, Goodwin, Graham, Gregory, Griffin, Hadley, Hale, Hall of Mississippi, Hancock, Hartley, Haugen, Hickey, Hopkins, Houston, Hudson, Hudspeth, Hughes, Hull of Tennessee, William E. Hull, James, Jeffers, Johnson of Nebraska, Johnson of South Dakota, Johnson of Washington, Kahn, Kelly,

Kendall of Kentucky, Kerr, Kiefner, Kincheloe, Knutson, Korell, Kunz, LaGuardia, Lanham, Lea of California, Leech, Lehlbach, Lindsay, Linthicum, Luce, McClintic of Oklahoma, McClintock of Ohio, McCormick of Illinois, McFadden, McLeod, McReynolds, Magrady, Mansfield, Martin, Menges, Merritt, Montague, Mooney, Moore of Virginia, Murphy, Nelson of Maine, Nolan, Norton, O'Connor of New York, Oldfield, Oliver of Alabama, Oliver of New York, Palmisano, Parker, Perkins, Porter, Pou, Prall, Harcourt J. Pratt, Ruth Pratt, Purnell, Quayle, Ransley, Reid of Illinois, Rutherford, Sanders of New York, Schneider, Seger, Seiberling, Shaffer of Virginia, Short of Missouri, Simms, Smith of West Virginia, Somers of New York, Steagall, Stedman, Stone, Sullivan of New York, Sullivan of Pennsylvania, Summers of Washington, Sumners of Texas, Taylor of Colorado, Thompson, Timberlake, Tinkham, Treadway, Tucker, Turpin, Underhill, Underwood, Vinson of Georgia, Walker, Welsh of Pennsylvania, White, Whitehead, Whitley, Williams, Wolfenden, Woodruff, Woodrum, Wyant, Yates, Yon, and Zihlman.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. McClintic of Oklahoma (for) with Mr. Magrady (against).

REPUBLICANS OPPOSED AMENDMENT

It will be noticed that every Republican except Mr. PEAVEY, of Wisconsin, voted against this amendment. Mr. PEAVEY was known as a "progressive Republican." Our present Speaker, the Honorable HENRY T. RAINEY, voted for the amendment; so did our present majority leader, the Honorable JOSEPH W. BYRNS. It will also be noticed that the distinguished gentleman from Illinois, Mr. ARNOLD, the present chairman of this subcommittee, voted for the amendment.

Every Republican except Mr. PEAVEY, of Wisconsin—and the Republicans were greatly in the majority at that time—voted against the proposal to stop 13 contemplated ocean mail contracts which were later agreed upon by and between the steamship companies and Postmaster General Brown, and which has caused the inclusion in this bill of $6,600,000 to pay said steamship companies their subsidy for the next year. During the Seventy-first Congress, first session, there were 267 Republicans, 163 Democrats, and 1 Farmer-Laborite.

INFORMATION GIVEN HOUSE

The Republicans cannot claim that they did not know what kind of contracts they were. I told them the names of the companies and the amount of the subsidy that many of the companies would get. I showed where Postmaster General Brown if not stopped would let a contract to a steamship company that would cause this Government to pay $7,000 for every one dollar's worth of service rendered. I have not quoted all of my speech on that occasion.

I am sorry that it was impossible to obtain the support of the Members on the Republican side at a time when something could be done that would definitely stop a large number of ocean mail contracts such as they now complain about. The best time to stop such contracts is before they are let.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CHRISTIANSON. Is not the gentleman thankful for Republican constituencies which have sent to Congress men who now stand for the same thing which the gentleman claims he stood for 3 years ago?

Mr. PATMAN. Yes. Of course we had lots of Republicans here 4 years ago, but we did not hear of but one of them voting with us.

Mr. CHRISTIANSON. Let me ask the gentleman this question, if I may: Will the gentleman stand in the same place now that he did then?

Mr. PATMAN. I am against such contracts. I am not familiar with the one we have now, but I am against all those contracts.

Mr. CHRISTIANSON. Do I understand from the gentleman that he proposes to vote for this amendment?

Mr. PATMAN. I am not acquainted with the amendment. As I stated to the gentleman, I am against all these contracts and expect to vote accordingly.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the pending amendment is directed against the air mail contracts of companies carrying air mail to Central and South America. It applies with equal force, though, to all foreign air mail contracts, the other lines being New York to Montreal, Seattle to Victoria, and Bangor to Halifax. However, the principal item in this amendment has reference to the Air Mail Service to Central and South America.

When the original bill providing aid to foreign air mail lines was brought into this House, it was based upon a broad general policy that we must not allow the carrying of air mail or the establishment of airplane routes in the Caribbean region to get into the hands of Europeans; that these routes should be in our control and not under the control of either the Germans or the French. The Germans had already established a line in the Caribbean, and the French were contemplating one. Congress determined that the Panama Canal was of such importance to this country that air routes in the Caribbean should be under the control of this country, and the result was a deliberate policy entered into by the Congress. I may say as far as this particular phase of air mail contracts was concerned, there was no opposition from either side of the House. It was treated as a broad national policy and as having a great deal to do with our national defense.

As a result of this policy the Pan American Airways Co. was formed. I know nothing about the details of the company; I do not know anything about its personnel, but I do know they have established a most efficient air mail line from Florida through Central America to the Panama Canal on one side of the Caribbean, and through the island of Puerto Rico, the Virgin Islands, Santo Domingo, Haiti, and on to South America on the other side of the Caribbean. They circle the Caribbean and they circle South America, flying the Andes with remarkable efficiency. They have a record of delivering over 99 percent of the mail on time under trying circumstances. And in so doing they are the flying carriers of messages of friendship and good will between our country and Central and South America.

I know from the testimony of members of our Diplomatic Service stationed in Central American points, given before committees of Congress, that the establishment of these air mail routes has been of great benefit in bringing Central, South, and North America together in a better spirit of cooperation. I know whereof I speak, for I was a member of the subcommittee dealing with this matter when the question came up. I have seen letters written by hundreds of business concerns in every State of the Union stating that because of this service they were able to close contracts to sell American goods, whereas they could not have done otherwise. This Air Mail Service has brought Buenos Aires, for example, within 7 days of New York. It has saved merchants thousands and thousands of dollars in transshipment of funds. Instead of sending the funds by steamship, which would take 21 days, they now can cut the time down to 7 days through use of the air mail and save 14 days' cost of insurance. The Department of Commerce reports that—

> This service has reduced by about two thirds the time required for communication with the countries to the south of us, and has been of incalculable value in enabling our foreign traders to keep in close contact with Latin American markets under difficult and rapidly shifting conditions. It has been absolutely essential to them in meeting the competition of European companies, which, under heavy subsidies, have pushed their air lines across the Atlantic and are rapidly penetrating the countries of South America.

This Air Mail Service has been of the greatest benefit to the merchants of this country in their trade relations with Central and South America; it has been of the greatest benefit in the higher plane of diplomacy, friendship, and good will in bringing the countries of Central and South America closer to us and bringing us closer to them. The President of the United States now is engaged in conversation with Central and South American countries looking toward better trade relationships.

If we do anything to hurt this service at this time, we will be putting an obstacle in the path of the President in his

efforts today to bring Central America, South America, and North America closer together. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from Minnesota.

The amendment was rejected.

The Clerk read as follows:

For the inland transportation of mail by aircraft, under contract as authorized by law, and for the incidental expenses thereof, including not to exceed $17,760 for supervisory officials and clerks at air mail transfer points, and not to exceed $34,967 for personal services in the District of Columbia and incidental and travel expenses, $14,000,000.

Mr. CHASE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHASE: Page 56, line 7, strike out "$14,000,000" and insert in lieu thereof "$6,500,000."

Mr. CHASE. Mr. Chairman, I shall not take the time of the House to discuss this amendment at any length. It is along the same line as the other two amendments. It merely cuts the subsidy amount from the appropriation and leaves the item at poundage rates.

In your party platform and by spokesmen over the radio you have declared to the American people that this subsidy money is misused. If you are correct, a few of us here will help you put a stop to this alleged misuse.

If you wish to vote the money, this is your administration, your Congress, and your bill.

If you think subsidies are wrong, here is your chance to register your opinion. If you think that they are right and Senator BLACK is mistaken, vote down this amendment and vote for the subsidies.

But having done so and thereby having put the stamp of your approval on the policy of subsidies and the actual practice of which Senator BLACK told his radio audience, do not go out on the stump and give us hell for permitting misuse of public money when you have yourselves voted to furnish the money for misuse.

Mr. KELLY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment. I want the committee to know the destructive nature of this proposal.

The effect of the amendment offered by the gentleman from Minnesota is to strike out the appropriation for the domestic Air Mail Service, which was the same amount as that carried in the bill last year, and to substitute therefor $6,500,000. Exactly on what philosophy the proposed amount is fixed I cannot understand. The effect is the same as though the entire amount were eliminated.

Representatives of the Department stated, as shown by the hearings, that revenues derived from domestic Air Mail Service were $6,500,000. The Committee on the Post Office and Post Roads of the House have made a thorough investigation of this matter and are convinced that on the present amount of mail, which is reduced on account of the depression, the revenues are approximately $9,000,000.

Now, providing only $6,500,000 for a year's service means absolute destruction of the air mail system. We have spent $73,000,000 over the entire life of the Air Mail Service, and never was there a better expenditure in the history of Congress. Five hundred millions of dollars of private money has been invested in aviation. Without the Air Mail Service there would be no private aviation industry whatever in this Nation. We have built up, besides, a reservoir of men and materials, a corps of trained pilots who may be used for national defense at any moment. We have established a service which is an astounding exhibition of what can be done by efficient organization aided by the helping hand of the Government.

No one opposed the original Watres amendment and the policy it embodied more vigorously than I did. With the present chairman of the committee, the gentleman from New York [Mr. MEAD], I undertook to prevent injurious changes in the settled policy in the Air Mail Service. We did change many features suggested in the original bill, and the troubles since that time have been due to violations of the spirit, at least, of the amendment as it was finally enacted.

I am sure the gentleman from New York, the chairman of the committee, will agree with me when I say that we are earnestly in favor of making the Air Mail Service self-sustaining. We can do it. It cannot be done, of course, by such action as this pending proposal, for that is destructive. It can be done by the passage of the legislation which has been unanimously approved by our committee. In that bill we go back to the original basis of the Air Mail Service, which was that without $1 of subsidy we could establish the finest air mail service of all countries in the world. That is what we can do now. We can do it by paying for the pounds of mail actually carried; and we have worked out a basis of 2 mills a pound-mile. If we could now establish a rate of 2 mills per pound-mile, we could compensate the larger companies for their service and not have a cent of subsidy. Two thirds of the entire Air Mail Service could be put on a self-supporting basis immediately at that rate of payment.

However, some of the companies that are not carrying a sufficient volume of mail would go out of business on that rate if enforced at once. We provide in the measure before the committee for the basic rate, and where there were certain lines that could not exist on this rate, for the next 3 years we allow them additional pay, not to exceed 25 cents per mile for the miles flown. At the end of 3 years this would be eliminated, and they would be paid on a flat per-pound per-mile basis. With increased mail volume the compensation will be adequate.

When we reach that point, we will have our Air Mail Service without one penny of subsidy. Every dollar will come out of the revenues received. We will keep the air mail maps intact, with the exception of a few illogical routes which now exist. There will be a chance for the establishment of new routes. We will have taken valuable action for the national defense of the country, and maintained America as first in commercial aviation among all the countries of the world. Let us be constructive, not destructive. [Applause.]

Mr. MEAD. Mr. Chairman, I rise in opposition to the amendment.

I am somewhat in sympathy with the effort of those who would eliminate the subsidies contained in this and other sections of the bill, and, to indicate my attitude more definitely, let me say that, together with my colleague on the Post Office Committee who has just concluded a very illuminating and effective argument against the adoption of this amendment, I brought in a minority report against the adoption of the Watres Act. I urged its defeat on the floor of the House. I believe I was the means of taking that bill off the calendar and sending it back to the committee for further amendment, and as it was finally amended it was highly unsatisfactory.

All of the criticism that has grown up around our Air Mail Service resulted from maladministration of the Watres Act. To destroy subsidies when an appropriation bill is on the floor by amendments that may be worthily conceived but illogical, because they substitute no constructive method and destroy that which exists in its entirety, is the wrong method of procedure.

Our committee has investigated the Air Mail Service. We are receiving in the United States $20,000,000 worth of service, as contracted for by the former Postmaster General, for the $14,000,000 contained in this bill, to the credit of the present administration. We are getting exactly the same amount of service for approximately $6,000,000 less in expenditure.

The proper way to approach this subject, in my judgment, is to await the legislation which will emanate from the Committee on the Post Office and Post Roads of this House and a similar committee in the Senate that is now doing what we have done, namely, investigating the entire subject of subsidies. Personally, I believe the expenditure of $14,000,000 for domestic air mail is a very worthy expenditure. We are receiving more for this small sum of money as a national defense medium than we are in the expenditure of twice that sum of money insofar as the Army and Navy activities

are concerned. For $14,000,000 we are not only developing a revenue of approximately half that much for the Post Office Department but we are maintaining over 600 pilots, trained to the minute, ready to go to the defense of the Government within an hour's time. We are keeping over 700 ships of the latest model and type in the air, and we are developing the best commercial aviation system of all the nations in the world.

Today we are in serious competition with Germany and France in the South American and Central American field. Today, by reason of the support given the industry, our country's ships fly over the various countries of Central and South America and the islands of the Caribbean Sea. Shortly, we expect a trans-Atlantic route will be attempted by an American company, and we will have aviation rights in Europe. It is my judgment that this country ought to promote aviation and become the leader of the nations of the world, and at the same time, by a constructive method of legislation, wipe out these subsidies and put them all on a self-sustaining basis. This is the object of our committee; and I trust when our committee brings legislation before the House that we will have the support of those who are today suggesting amendments which, if adopted, would have a destructive effect upon the work which we contemplate doing.

Mr. CHASE. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Minnesota.

Mr. CHASE. I appreciate the fact that the distinguished gentleman is an authority on this subject, and I respectfully inquire for my own information, whether or not the gentleman, in view of his statement, agrees with the charges made over the radio by the chairman of the Black investigation committee and believes them to be correct. Are those charges true, and is this money misused? Or are those charges false, and is this money being properly used?

Mr. MEAD. Unfortunately I did not hear the radio address, but I will say that the administration of the air mail law on the part of the former Postmaster General was deserving of criticism and even condemnation. In my judgment, the administration of the postal air mail laws by former Postmaster General Brown has brought the industry and the legislation into disrepute, but under the present administration we are getting more for our money, and I do not believe that there is any merited criticism that can be directed at the present Postmaster General. He is trying, and we are trying, and with the cooperation of the Department and of Congress we will straighten out the unfortunate situation.

Our legislative committee has no jurisdiction over the ocean mail contracts. This matter is considered by our Committee on Merchant Marine and Fisheries. We have jurisdiction in the matter of air mail contracts, and we are very anxious to reduce the air mail subsidy as rapidly as possible and hope to place this service on a self-sustaining basis.

[Here the gavel fell.]

The CHAIRMAN. The question is on the pending amendment.

The question was taken; and on a division (demanded by Mr. Goss) there were—ayes 3, noes 29.

So the amendment was rejected.

The Clerk read as follows:

For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and material necessary for same, and for incidental expenses pertaining thereto; also material, machinery, and tools necessary for the manufacture and repair in the equipment shops at Washington, D.C., of such other equipment for the Postal Service as may be deemed expedient; for the expenses of maintenance and repair of the mail-bag equipment shops building and equipment, including fuel, light, power, and miscellaneous supplies and services; for compensation to labor employed in the equipment shops and in the operation, care, maintenance, and protection of the equipment shops building at Washington, D.C., $804,500, of which not to exceed $499,500 may be expended for personal services in the District of Columbia: *Provided*, That out of this appropriation the Postmaster General is authorized to use as much of the sum, not exceeding $15,000, as may be deemed necessary for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

Mr. LUDLOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. LUDLOW: Page 59, line 8, before the word "For", insert "Equipment shops, Washington, D.C."; line 11, strike out the word "also"; lines 13 and 14, strike out the following: "in the equipment shops at Washington, D.C."; line 21, strike out the following: "at Washington, D.C."

Mr. LUDLOW. Mr. Chairman, from and in behalf of the Committee on Appropriations I offer this amendment, the purpose of which is to make clear the intent of Congress that the manufacturing activities authorized by this bill shall be confined to the District of Columbia. The amendment is offered in compliance with and to carry into effect the expressed intent of Members of the House that no part of the appropriations carried by this bill shall be used to finance the proposed Government furniture factory in the State of West Virginia.

While I honor and respect the proponents of that project for the high altruistic and humanitarian purpose that motivates them, I would be less than human if I did not hear the cries of distress coming from various parts of the country, including my own district, from those who will surely suffer if this West Virginia project is carried out. The baneful effects of this project would be national in scope, but I think I can best illustrate the evils that would follow by citing a concrete illustration that has come to my attention in my efforts to serve the city of Indianapolis in the Congress. Execution of the plan means the destruction of the Keyless Lock Co., one of the old-established manufacturing institutions of my home city. Other post-office furniture factories in Connecticut, New York, and other States also would be injuriously affected by this Government enterprise.

I would be a poor Representative if I did not fight for my home people who will lose their positions and their homes and who will be reduced from self-respecting independence to the miserable existence of charity—seeking mendicants—if this project goes into effect. But I am just as much interested in relieving distress wherever it exists. The mails have brought to me their plaintive appeals. Their cries have penetrated my heart, and, if I never do anything else, I will stand by these good citizens who face eviction from their jobs because of this paternalistic adventure, and will resist with all my power this destructive incursion of Government competition into the realm of private industry.

When Secretary Ickes allotted $525,000 of Public Works funds to establish a Government furniture factory in West Virginia he was actuated by a noble purpose, but I submit that he must not have taken into consideration the fact that nothing would be gained from a humanitarian standpoint by giving factory employment to unemployed coal miners in West Virginia if at the same time an equal number of heads of families are robbed of their employment and thrown on the charity lists elsewhere. Many of the men employed by the Keyless Lock Co. have done nothing else all their lives. Their fathers worked for the company before them. They have a specialized knowledge that is useless in any other occupation. To be thrown out of work now leaves them helpless. No wonder they are despondent.

The proposal to put the Government in competition with private business violates the fundamentals of American philosophy and sets a precedent that will hound and plague this country for years to come. I know that a vast majority, if not all, of the Members of the House do not want this thing done, and, in keeping with what I believe is a general feeling of the Membership of this body, I ask for the adoption of this amendment.

Mr. ARNOLD. Mr. Chairman, the gentleman from Connecticut [Mr. Goss] yesterday raised a question as to whether or not these funds could be used for purposes other than in the plant in the District of Columbia. I told the gentleman at that time I was satisfied in my own mind they could not, but I would look into the matter a little further. In order to prevent any misunderstanding so far as the construction of the language of this paragraph is con-

cerned, I think the amendment offered by the gentleman from Indiana [Mr. LUDLOW] clears it up entirely and therefore the committee has no objection to the amendment.

The amendment was agreed to.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 60, line 6, after the period insert:

"*Provided, further,* That no part of any appropriation heretofore made shall be used for the construction of a factory or factories for the manufacture of lockboxes, postal equipment, and postal furniture."

Mr. ARNOLD. Mr. Chairman, I make a point of order against the amendment.

Mr. GOSS. Will the gentleman reserve his point of order?

Mr. ARNOLD. I reserve the point of order if the gentleman wishes it.

Mr. GOSS. Mr. Chairman, I admit frankly this amendment is subject to a point of order, but I call the Chairman's attention to the fact that under the P.W.A. fund there has been $525,000 allotted to build such a factory. The Committee has already accepted the amendment of the gentleman from Indiana [Mr. LUDLOW], which will prevent any expense money being allocated to the factory. My amendment goes one step further and stops the construction of the factory.

There is no question but what the amendment is subject to a point of order, but I may say to the gentleman that if it is important to stop the maintenance and operating expenses of this very factory, and if the Committee is willing to do this, if the point of order is withdrawn against this amendment we will stop the construction of the factory, and I think this is most desirable at this time.

We all have in our districts plants making lockboxes and other mail equipment, and I am sure if the gentleman would withdraw his point of order the Committee would be pleased to pass on this question and agree to the amendment, just as they have agreed to the amendment of the gentleman from Indiana.

Mr. ARNOLD. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made a short while ago and to include therein certain statements I made in a speech in 1930, and to also include the roll call on the question then before the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

For the transportation and delivery of equipment, materials, and supplies for the Post Office Department and Postal Service by freight, express, or motor transportation, and other incidental expenses, $344,100.

Mr. GOSS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 61, line 22, after the period, insert "*Provided,* That no part of any appropriation contained under this title shall be used for the maintenance and operation of any shop for the production of postal equipment and supplies other than such as may be specifically provided in this title."

Mr. GOSS. Mr. Chairman, this amendment is not subject to a point of order. It is plainly a limitation on this paragraph, which deals with the transportation and delivery of equipment, materials, and supplies for the Post Office Department and postal service by freight. In other words, I am joining with the gentleman from Indiana and the chairman of the subcommittee in trying to make the bill as tight as possible so that no part can be received of the equipment to be manufactured by the new factory about to be constructed by money from the P.W.A.

I ask the chairman of the subcommittee if he will not accept this amendment here, because this deals with the transportation of equipment. It can do no harm and it is tying it up tight.

Mr. ARNOLD. Mr. Chairman, I can see no use in the gentleman's amendment. If he wants to stop the building of the factory in West Virginia he ought to take the proper course and go to the proper source.

Mr. GOSS. I contemplate doing that but in the meantime I call attention to the fact that this paragraph deals with transportation of equipment and this can do no harm and it will actually prevent sending any of their goods here by transportation.

Mr. ARNOLD. If they do not manufacture the goods they cannot transport them.

Mr. GOSS. This paragraph deals with the transportation of equipment and material and supplies for the Postal Service anywhere in the United States. It does tie that up. If the gentleman does not want to accept it, all right. I say if you are going part way why not go all the way.

Mr. ARNOLD. I cannot accept the amendment. I see no useful purpose that it will serve.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. Goss) there were 8 ayes and 37 noes.

So the amendment was rejected.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last two words. I do that for the reason that I wanted to offer an amendment to the provisions for salaries of clerks and employees and carriers in the Postal Department, which are to be found on pages 51 and 52, but I got into the Chamber too late, after the section has been passed.

In any event I have learned that the proposed amendment would be out of order on the bill. Nevertheless, I am rising to call to the attention of the House and the country the very desperate situation of the substitute carriers, clerks, and employees in the Postal Service.

My interest is stimulated in the subject by a pathetic letter I received yesterday from a constituent, who stated that at the end of the day on which he wrote he had only made 85 cents, and that his average wages as a substitute carrier are from five to six dollars per week.

This comes from a man in one of the busy post offices in the city of New York. It is not an isolated case. It is general. There is, perhaps, not a Member of the House from a large city in this country who has not been faced with the same situation and the same complaint. The position of these men is pathetic. It is shameful, in a country such as ours today, where we have even built up N.R.A. codes guaranteeing to the employees of private industrial concerns at least $15 a week, that the Government itself, which exacts so much benevolence from others, should skimp its own employees to a miserable five or six dollars a week.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. COCHRAN of Missouri. The same situation exists in my city, St. Louis, although I think the average is a little above that; but I know it is a most disgraceful situation and a disgrace to the Government of the United States, requiring these men over this long period of years, 4, 5, or 6 years, to act as substitutes, and then providing for the payment of such small wages is an outrage. It should be corrected by legislation.

Mr. DONDERO. And did we not compel those people to yield 15 percent of that small wage under the Economy Act?

Mr. GRIFFIN. That is the disgrace of it. This miserable wage that these people get is still further reduced through the application of the Economy Act by 15 percent.

Mr. ROGERS of Oklahoma. Is it not a fact that these men are discriminated against in the Public Works and C.W.A. and that they cannot get anything there because they are Government employees?

Mr. GRIFFIN. That is another thing. They are working for the Government ostensibly, and if they apply to the welfare agencies they are told that they are already employed by the Government.

Mr. MEAD. And it is also true of ex-service men who may be disabled drawing a pension of $75. Because he is a Federal employee he is automatically reduced to $6, and

because he is a substitute he cannot earn over six or seven dollars a week. So there is a double penalty because a man is a Federal employee and an ex-service man.

Mr. GRIFFIN. Precisely.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GRIFFIN. On page 70 of the hearings on the Post Office bill now before us you will find a list of 25 post offices in the United States where the situation of these substitute carriers, clerks, and employees is broken down. The gentleman from Missouri [Mr. COCHRAN] spoke of the situation in his city. In Kansas City they have 50 substitute clerks, and their average earnings for 3 months were $234. However, in Chicago, Ill., they have 423 substitutes, and their average earnings were only $65 for 3 months, or 13 weeks, at an average of $5 per week. You will note there is a great disparity in the treatment accorded to these employees in the different cities, which only emphasizes the evil. I want to pay my respects to my colleague, Mr. MCLEOD, for opening up a discussion of this subject, on page 54 of the hearings. He brought out the fact that these men are paid 65 cents an hour, subject to a deduction of 15 percent. Laboring employees get 55 cents an hour, also subject to the 15-percent reduction. That is clearly an outrage.

My idea of getting over the difficulty was by an amendment increasing the appropriation and providing the following limitation:

> Of which such amount shall be immediately available as is necessary to pay such substitutes and employees a minimum wage of $15 a week in conformity with the N.R.A. codes. It is further provided that in computing the time of such substitutes they shall be credited with not less than a half day's pay in any single day they are employed, and their compensation shall not be subject to any deduction under the Economy Act.

The purpose of that is clear. It is manifest that the Government has put itself in a peculiarly embarrassing situation when it requires industrial and commercial organizations to pay $15 a week and yet pays its own employees only $5 or $6 a week.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. MEAD. And in providing a minimum wage of $15 a week, the gentleman would not be giving the substitutes anything for nothing, because in a mobile force, such as the post office has—that is, ever-changing shifts over a 24-hour period—we require these substitutes to show up two and three and four times a day, to fill in if their services are necessary. They pay their street-car fare and devote their time and bring their lunches, and the reward in many cases is to be sent home without compensation. In private industry, as, for instance, in the railroads, they pay 4 hours' pay to any substitute who is called and sent home without being put to work.

Mr. GRIFFIN. That is a matter of obvious justice, because a man is working when he reports ready for work. These men go to the place where they are supposed to work, and they stay on, waiting to be called, and if they do not get a job all day long they get nothing. If they get 1 hour's work, they get 65 cents.

Mr. OLIVER of New York. And unless they do report they are eliminated from their civil-service standing, and they cannot get on the C.W.A. because they are Government employees.

Mr. GRIFFIN. That is another embarrassing hardship.

Mr. HOEPPEL. Does the gentleman not think it would be more just to give these Federal substitute employees a just rate rather than to pay these fabulous high salaries to these political satraps who are flooding Washington so that no one can find a decent apartment to live in?

Mr. GRIFFIN. Yes.

Mr. BEITER. Evidently these 20,000 substitutes are forgotten men.

Mr. GRIFFIN. Evidently so. I rose to call this situation to the attention of the House, and I trust my friend and colleague the gentleman from New York [Mr. MEAD], Chairman of the Committee on the Post Office and Post Roads, will take it up in a legislative way.

Mr. MEAD. We will bring in a very modest and reasonable bill, and I know the gentleman will give it his cordial support.

Mr. GRIFFIN. I hope the gentleman will give them 4 hours' pay for every day they report. That will give them a minimum of $15 a week.

The CHAIRMAN. The time of the gentleman from New York has again expired.

The Clerk read as follows:

> Operating supplies: For fuel, steam, gas, and electric current for lighting, heating, and power purposes, water, ice, lighting supplies, removal of ashes and rubbish, snow and ice, cutting grass and weeds, washing towels, telephone service for custodial forces, and for miscellaneous services and supplies, tools and appliances, for the operation and maintenance of completed and occupied public buildings and grounds, including mechanical and electrical equipment, but not the repair thereof, under the administration of the Post Office Department, including the Washington Post Office and the Customhouse Building in the District of Columbia, and for the transportation of articles and supplies authorized herein, $4,150,000: *Provided*, That the foregoing appropriation shall not be available for personal services except for work done by contract, or for temporary job labor under exigency not exceeding at one time the sum of $100 at any one building: *Provided further*, That the Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone-switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

Mr. TAYLOR of Tennessee. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question. For many years the custodial force in the Federal buildings throughout the Nation has been under civil service. In order to obtain a position in the custodial force it has been necessary to take a civil-service examination and be selected from the civil-service register. I understand that since the custodial force has been transferred from the Treasury Department to the office of the Fourth Assistant Postmaster General, they have been taken out of civil service. The employees who have been selected heretofore on a civil-service test have been justified in the belief that their employment was for life or during good behavior or until retirement. I should like to know if it is the purpose of the administration to throw those jobs that have heretofore been under civil service into the hopper of political patronage in the ordinary acceptation of that term? To do this would not only be an injustice to the individual affected but would also be a calamity to this service.

Mr. ARNOLD. Let me say that their anxiety is wholly unfounded. When this custodial force was transferred from the Treasury Department to the Post Office Department, for the maintenance of the post-office buildings, they still remained under civil service.

Mr. TAYLOR of Tennessee. I am very much gratified to have that assurance.

Mr. GOSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to call attention, on page 42 of the report, to the specific and indefinite permanent appropriations, which in this bill amount to $1,363,494,072. I notice that under our sinking fund the amount increased this year over last year by $86,000,000 under the Treasury Department. On the interest on the public debt it has increased $99,349,000. I should like to ask the chairman of the committee if he knows whether this increase in the interest, of about $100,000,000 per year, which will go on forever unless these permanent laws are repealed, and the increase of $86,000,000 for the sinking fund are all the increases for sinking fund and interest for this recovery program?

Mr. ARNOLD. Of course, the increase in the sinking fund and the increase in the interest on the public debt is

due to the new securities that the Government has put out in refinancing. I cannot tell the gentleman when it will end. It depends altogether upon the necessities of the Government in refunding these obligations and in taking care of new obligations that must be issued to carry on the recovery program.

Mr. GOSS. Has the gentleman any information as to how much of the whole program this covers? Perhaps it covers it all. I do not know. Has the gentleman any information on that subject?

Mr. ARNOLD. I do not have any information on that, but the gentleman can see the report that comes from the Treasury every week. I think there is one on the 15th of every month that is very exhaustive and gives a list and the character and amount of each and every one of the obligations of the Government.

Mr. GOSS. I have seen that report, and I read it occasionally, but here is an annual appropriation that will go on under permanent law forever until it is repealed, or being of an indefinite nature, may increase or decrease. Now, I understand that the Bureau of the Budget for 1935 estimates that it is only necessary to increase it by $86,000,000 for the sinking fund and $100,000,000 for interest. If that is an estimate from the Budget, I am wondering if we can accurately take that to be the figure on the increased cost of this new program, or whether it is just a part of it. The reports to which the gentleman referred a moment ago do not indicate to me the exact position on this question of sinking fund and public debt, inasmuch as we have these permanent appropriations. Shall we add this amount to the amount that comes up in those reports, or should part of it be deducted? How do we get at the problem?

Mr. ARNOLD. Of course, the proportionate increase in the amount of interest on the public debt compared to the increase in the sinking fund is due to the fact that in short-term financing there is no sinking fund required, and there has been a great amount of short-term financing.

Mr. GOSS. We refund those all the time. Is that not the reason?

Mr. ARNOLD. We refund those all the time, and no sinking fund is required. The sinking-fund obligation applies only to long-term financing, and is 2½ percent each year.

Mr. GOSS. So that really the $86,000,000 represents the permanent law of 2½-percent sinking fund?

Mr. ARNOLD. Yes. Of course, that will be carried until the obligations mature, naturally.

Mr. GOSS. Of course, the country probably does know, but we are increasing and have increased in this bill our interest charge by $100,000,000. Besides the regular amount carried in the annual supply bill of $820,000,000, we must really add the permanent appropriation of $1,363,000,000, so that this bill, with the permanent indefinite and specific appropriations would really carry something over $2,000,000,000, would it not?

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. Goss] has expired.

Mr. GOSS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes until I get an answer to my question.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ARNOLD. I did not understand the gentleman's question.

Mr. GOSS. The permanent appropriations amount to $1,363,000,000 as far as this bill is concerned. That is permanent law, to which should really be added the $820,000,000, which includes $265,000,000 for special items in the Fourth Deficiency Act; so that we have got over $2,000,000,000 that we are actually appropriating, whether it be in the annual supply bill or in the permanent appropriation; is that not correct?

Mr. ARNOLD. Well, I do not know about the amount. I presume the gentleman's figures are correct. He has evidently figured it, but none of the permanent indefinite appropriations appear in the annual supply bill.

Mr. GOSS. That is just my point. None of them appear, so that when we get these bills we are apt to figure we are spending $820,000,000 a year in the Treasury and Post Office Departments, and instead of that we are spending a little over $2,000,000,000. I want to say again that we have a committee which I understand will probably come to hearings before long on these permanent appropriations, and all of these subjects can be taken up at that time. I notice an item of "obligations retired from cash repayments of principal by foreign governments." On that item we are reducing our estimate from the Budget by $90,000,000.

Mr. GOSS. I assume, therefore, that we are expecting to lose some $90,000,000 owed us by foreign governments this coming year; and I direct attention to page 42 of the report.

Mr. ARNOLD. The gentleman does not mean to say that we are going to lose it; he means to say we are not going to get it.

Mr. GOSS. Well, after all, not getting it and losing it are the same. It appears, therefore, from the appropriation provided for in this bill that the amounts due to but not expected to be received by this Government from foreign governments exceed the interest item carried in this bill.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 4. This title may be cited as the "Post Office Department Appropriation Act, 1935."

Mr. McLEOD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: Page 66, after line 17, insert a new section, as follows:

"No part of the appropriation contained in this act shall be used for any purpose other than that for which appropriated."

Mr. ARNOLD. Mr. Chairman, I make a point of order against the amendment.

Mr. McLEOD. Mr. Chairman, will the gentleman reserve his point of order that I may explain the purpose of the amendment?

Mr. ARNOLD. Yes.

Mr. McLEOD. Mr. Chairman, if the chairman of this subcommittee would indicate his willingness or the willingness of the subcommittee to accept this amendment, and if the majority party will support it, they will give the people of the country an opportunity of knowing where their money is being spent. Over $2,200,000,000 is carried in this bill. As the law now stands portions of this money can be used for purposes other than those for which appropriated and the people of the country will have no possible way of knowing at this time where it is to go.

The act of March 31, 1933, permits administrative officers to use unexpended moneys heretofore appropriated for any purposes the administration sees fit.

Mr. Chairman, this amendment is strictly a limitation on expenditures and is not subject to a point of order.

Before the gentleman from Illinois presses his point of order, which I assume he is about to make, I would urge him to permit the amendment to come to a vote and to support it in order that the majority party may assure the country it will attempt to carry on in a fair way not only this appropriation but all the appropriations to be provided before the present session adjourns, appropriations which will amount to many billions of dollars.

My amendment is offered for the sole purpose of letting the country know where and how its money is going to be spent.

As I say, I do not believe a point of order will lie against the amendment; and I ask the gentleman what is his objection to letting this matter go to a vote?

Mr. ARNOLD. Mr. Chairman, since the gentleman has made his explanation, and, on reflection, I am inclined to think his amendment is simply a limitation and not subject to a point of order.

Therefore, Mr. Chairman, I withdraw the point of order.

Mr. McLEOD. Will the gentleman accept the amendment as a committee amendment?

Mr. ARNOLD. No; I could not do that.

Mr. McLEOD. In the event this amendment is voted down by the majority party in the House, will the gentleman, as chairman of the subcommittee, offer an amendment to strike $26,400,000 from this bill, which represents the 12 percent which may be assigned for any purpose whatsoever without the knowledge of the people of the country as to where it is to go and what it is to be used for?

Mr. ARNOLD. No; the gentleman from Illinois could not agree to that.

Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Michigan is nothing more than declaratory of existing law. The purpose of the gentleman from Michigan seems to be to make sure that the amounts appropriated for specific items shall be used for those items and no other purpose.

Permit me to call the attention of the Chair to the provisions of existing law. Title XXXI, section 628, contains this language with reference to appropriations:

> Except as otherwise provided by law sums appropriated for the various branches of expenditures in the public service shall be applied solely to the objects for which they are respectively made and for no others.

This is existing law, which fully covers the object sought by the amendment of the gentleman from Michigan; so it is useless to adopt that amendment.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. McLEOD. It is a fact, of course, that should the House adopt the pending amendment, money appropriated in this bill could not be assigned for any purposes not provided for in this bill.

One of the reasons that prompted me to offer the amendment is that where, in certain sections of the country, appropriations were made for public buildings, plans were drawn, even the land was condemned, yet the money was assigned to other departments and until another appropriation is made for the purpose those buildings cannot be constructed, which means two appropriations for the same project. Now, that is contrary to the policy adopted at the time bills authorizing those public buildings were passed.

Mr. ARNOLD. The gentleman knows, does he not, that those transfers were made in accordance with legislation which was enacted at that time.

Mr. McLEOD. That is correct; but it seems hardly fair that 12 percent of these appropriations, as provided in the economy bill, may be used for purposes other than those specified in the bill making the appropriations.

Mr. ARNOLD. It is advisable to have some leeway there; at least, to the extent of 12 percent.

Mr. TABER. Mr. Chairman, I ask recognition in favor of the amendment.

It is true that with the language read by the gentleman from Illinois, if there were no subsequent legislation like the economy bill and no authority for transfers, it would not be necessary to have the proviso offered as an amendment by the gentleman from Michigan [Mr. McLEOD].

If we are ever going to keep the executive departments within their appropriations as authorized by the House when we make the appropriations, we must have some such language as this in the bill. I hope this amendment will be adopted and that the appropriations will be earmarked so they will have to be spent for the purposes for which appropriated or not spent at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. McLEOD) there were—ayes 22, noes 53.

So the amendment was rejected.

Mr. ARNOLD. Mr. Chairman, I find some things have been passed over which should be corrected.

For instance, there is the Bureau of Industrial Alcohol. The scope of activity has been broadened by some new acts coming in which their appropriation will cover. There is a beer bill and a Liquor Tax Act of 1934.

Mr. Chairman, I ask unanimous consent to return to that paragraph for the purpose of offering an amendment, which I send to the Clerk's desk.

The CHAIRMAN. Is there any objection to the request of the gentleman from Illinois?

Mr. GOSS. Reserving the right to object, may we have the amendment reported, Mr. Chairman?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Committee amendment: Page 13, line 24, before the word "including", insert "and the provisions of the act of March 22, 1933 (48 Stat. 16), as amended, and the 'Liquor Taxing Act of 1934', approved January 11, 1934."

Mr. TABER. Will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. TABER. Does this amendment change the funds that are available?

Mr. ARNOLD. Not at all.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ARNOLD. Mr. Chairman, there is an error on page 18 of the bill which we have discovered. The Coast Guard came before our subcommittee and showed where 30 additional officers were provided for. We were going on the assumption that funds had been carried in the bill for those 30 additional officers. Upon investigation, when they called our attention to the matter, we found that there was not any money carried in the bill for those 30 officers. That they would not be commissioned until the last 2 weeks of the fiscal year 1935. Whatever expense there may be at that time for these officers will be absorbed out of the appropriation. The amount your committee struck from the Budget estimate was $96,951 and we find that is necessary for the restoration of the 5-percent pay increase. If this is omitted the item will not carry enough money to restore to these people their 5 percent pay increase.

Mr. GOSS. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Connecticut.

Mr. GOSS. Are these 30 officers the cadets graduating from the Coast Guard Academy at New London, Conn.?

Mr. ARNOLD. Out of the class of 1935?

Mr. GOSS. That is what I mean.

Mr. ARNOLD. Yes.

Mr. GOSS. The 30 are the graduates from the 1935 class of the Coast Guard School at New London, Conn.?

Mr. ARNOLD. The gentleman is correct.

Mr. Chairman, I ask unanimous consent to return to page 18, line 18, for the purpose of offering an amendment.

The CHAIRMAN. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read as follows:

> Committee amendment: Page 18, line 18, strike out the sum $14,127,657 and insert in lieu thereof the sum $14,224,608.

The committee amendment was agreed to.

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 7295, the Treasury and Post Office Departments appropriation bill, had directed him to report the same back to the House with sundry amendments, with the recommendation

that the amendments be agreed to and that the bill as amended do pass.

Mr. ARNOLD. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ARNOLD, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct the totals in the bill.

The SPEAKER. Is there any objection to the request of the gentleman from Illinois?

There was no objection.

UNITED STATES ROANOKE COLONY COMMISSION

Mr. WARREN. Mr. Speaker, I offer a concurrent resolution (H.Con.Res. 27) and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 27

Resolved by the House of Representatives (the Senate concurring), That the House concurrent resolution of the Seventy-second Congress establishing the United States Roanoke Colony Commission is continued in full force and effect during the Seventy-third Congress, and, as continued, section 2 of such resolution is amended by striking out "1934" and inserting in lieu thereof "1937."

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman yield for a brief question?

Mr. WARREN. Yes.

Mr. SNELL. As I understand the situation, there was no appropriation by Congress for this Commission?

Mr. WARREN. Five hundred dollars was appropriated, of which only $65 has been expended. It is the Commission of which Senator ROBINSON of Arkansas is chairman. The resolution simply extends the life of the Commission 3 years.

Mr. SNELL. I see no objection to the resolution.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The concurrent resolution was agreed to.

On motion of Mr. WARREN, a motion to reconsider the vote by which the concurrent resolution was agreed to was laid on the table.

TREASURY AND POST OFFICE APPROPRIATION BILL

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including certain remarks that my colleague the gentleman from Ohio [Mr. LAMNECK] intended to express upon this bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FIESINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following remarks that my colleague the gentleman from Ohio [Mr. LAMNECK] intended to express upon this bill:

Mr. LAMNECK. Mr. Speaker, I wish to address myself to the provisions of the pending bill which carry appropriations for our Air Mail Service. Since the policy of the Government with respect to subsidies for this service has become a controversial one, I believe many pertinent and relevent facts have been lost sight of. I hope I may have the attention of the Membership present, because I believe I can relieve your mind on many questions that have been raised about our subsidy policy.

At the outset, let me emphasize that the basic principle of the air mail subsidy was to build up and keep alive the American aviation manufacturing industry. Behind this was another important purpose—that of keeping a trained corps of pilots and technicians in reserve at all times in case of national emergency. The cost to the Government of the transportation of mail by air was more or less an incidental proposition. The primary purpose was to insure and guard against this country's having to start from scratch again, as far as aviation resources are concerned, in the event of a national emergency.

I do not presume to make a defense of any contracts that have been let by the Post Office Department for air mail service under authority granted by Congress. However, I believe that in granting contracts for carrying air mail, the Post Office Department was required to weigh the financial responsibility of a bidder on a contract just as much as it was required to consider the price submitted by the bidder as against the price contained in other bids. There is no question that the air mail carried today could be carried at a cheaper cost to the Government. But to do so would defeat the real purpose of our subsidy policy. You would find smaller planes used. You would find the factor of safety decreased. You would find the incentive to develop new and larger and faster planes and other equipment to promote safety of air travel practically diminished. You would get the mail carried for less cost, and that is all you would get.

Looking at our subsidy policy, strictly from the standpoint of developing the aviation industry, I believe it can be said without contradiction that amazing development has taken place since 1921. The record showing the reduction in time for delivery of air mail has decreased every year. This reduction has been accomplished by the manufacturing industry, in cooperation with the air mail contractors, in the production of faster and safer planes. Without the air mail subsidy where would the manufacturing industry find steady customers to purchase new and better commercial equipment each year? Without the air mail subsidy it would have been impossible to reduce the time for delivery of mail from coast to coast from 60 hours in 1921 to 30 hours and 45 minutes in 1926 to 18 hours and 30 minutes in 1934. These figures, I believe, show an almost unbelievable progress for the commercial industry. It should also be remembered that in 1921, when it took 60 hours for the mail to be flown across the country, the planes were single-motored planes with no provision for passengers, while in 1934, with 18 hours and 30 minutes of time consumed, the planes carry upwards of 10 passengers in addition to mail and express.

We all know that attempts to imitate or copy anything are a distinct tribute to the thing to be copied or imitated. I believe that one of the finest tributes ever paid our Air Mail Service is contained in a dispatch from London, appearing in the Washington Herald, January 23, 1934. The dispatch is as follows:

BRITAIN PLANS AIR MAIL LINES ON UNITED STATES SCALE

"LONDON, January 22.—British cabinet members today are considering a project for wide-spread development of all forms of British commercial aviation.

"This was revealed by the aeronautical correspondent of the London Morning Post, who stated a cabinet committee is investigating possibilities of air-transport expansion on a large scale.

SUBSIDY SYSTEMS

"According to the Morning Post, the project is aimed at development of an air mail service comparable to that in the United States. The newspaper said:

"'A great national air development plan embracing every phase of commercial air transport is under consideration by a cabinet committee.

"'Faster mails and modified subsidy systems and England-Canada and England-Australia routes are among the subjects being examined.

"'An attempt will be made to start a period of intensive progress toward Empire air communications and an air mail system approaching in scale that in the United States.

"'The subsidy agreement with the Imperial Airways ends 5 years hence. In order to insure that development on Empire lines is continued, various suggestions have been made, among them that Government assistance should take the form of an air mail agreement for carriage of first-class matter.

FOR OCEAN SERVICE

"'It is felt in air circles that there is need of Government assistance for an Atlantic air service. An agreement has been entered into between Imperial Airways and Pan American Airways as to establishment of this line, but the British company is hampered in preparation of suitable aircraft by uncertainty regarding the attitude of the British Government in the future.'"

In our Air Mail Service today we find 600 planes operating in the United States and in the neighboring Central and South American countries—1 air liner for every 9 pullman cars. How many of us realize the extent that commercial aviation has reduced travel time between various large cities in this country? Today Chicago is but 5 hours from New York; St. Louis is but 9 hours from New York; Washington is 6 hours from Chicago; Atlanta is 6 hours from Washington; Cleveland is 11 hours from Fort Worth; Los Angeles is less than 6 hours from Salt Lake City; the Canal Zone is 3 days from New York; Puerto Rico is 2 days from New York; Mexico City is 2 days from New York; Lima, Peru, is 4 days from New York; Santiago, Chile, is 6 days from New York; and Rio de Janeiro, Brazil, and Buenos Aires, Argentina, are 7 days from New York.

Here is a very interesting point about our Mail Service. A business man can drop two letters in the mail chute of a New York skyscraper at the close of a business day, one addressed to a person in New York City, the other air mailed to a person in Omaha, Nebr. Both letters will be delivered at the same time.

I hope Members will take the time to read the hearings on this bill covering our foreign Air Mail Service, which links our industrial and commercial centers to 104 cities in 32 countries to the south of us. The hearings contain valuable information showing the importance of this foreign system from trade and social standpoints. Information supplied the committee shows that during the period of large decreases in the ordinary mails to Latin America, the air mails have showed an actual and material increase and the utility of these lines by commercial travelers has

increased tremendously. In 3 years express shipments over the air mail lines to Latin America have increased nearly 600,000 pounds.

I would advise Members to also examine Appropriations Committee hearings to see the commercial aviation activity of European countries in South America. These countries are aware of the fact that Latin America holds huge trade possibilities, and they are leaving no stone unturned to obtain all of the business they can.

Closer contacts and communication mean better trade and social relations, and our air lines in Latin America have more than held their own against our European competitors in this respect.

As I stated earlier, I am making no defense of the awarding of any air mail contract. These awards are being inquired into in another quarter. Should any fraud or corruption be unearthed, there should be vigorous prosecution. However, my main purpose in making these few remarks today is to bring out the fact that real progress has been made by our commercial aviation industry through these subsidies. Our commercial aviation system is the greatest in the world today, and we should always regard it in the light of tomorrow's emergency.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6670. An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p.m.) the House, in accordance with its previous order, adjourned to meet on Monday, January 29, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

309. A communication from the President of the United States, transmitting for the consideration of Congress supplemental estimates of appropriations for the District of Columbia for the Alcoholic Beverage Control Board, District of Columbia, fiscal years 1934 and 1935, $75,000, and office of the corporation counsel, District of Columbia, fiscal years 1934 and 1935, $12,793, for the purpose of carrying into effect the provisions of the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934 (H.Doc. No. 226); to the Committee on Appropriations and ordered to be printed.

310. A letter from the Secretary of the Treasury, transmitting report of the Secretary of the Treasury on the War Finance Corporation (in liquidation), covering the period from January 1, 1933, to December 31, 1933 (H.Doc. No. 227); to the Committee on Banking and Currency and ordered to be printed.

311. A letter from the vice chairman of the national legislative committee of the American Legion, transmitting the financial statement of the American Legion for the period ending December 31, 1933; to the Committee on World War Veterans' Legislation.

312. A letter from the Acting Secretary of the Navy, transmitting draft of a bill to repeal certain provisions of the Naval Appropriation Act of March 2, 1907, as amended by the Naval Appropriation Acts of March 3, 1909, and August 29, 1916, relating to statutory limit for repairs or changes on naval vessels; to the Committee on Naval Affairs.

313. A letter from the president of the Mount Rushmore National Memorial Commission, transmitting the fifth annual report of the Commission (H.Doc. No. 228); to the Committee on the Library and ordered to be printed.

314. A letter from the Assistant Deputy Administrator of the National Recovery Administration, transmitting resolutions of Local Unions Nos. 6531, 5493, and 5147, United Mine Workers of America, urging that a tax be placed on natural gas and oil; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H.R. 7205. A bill to provide for the care and transportation of seamen from shipwrecked fishing and whaling vessels; without amendment (Rept. No. 350). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McMILLAN: A bill (H.R. 7391) to amend the Air Mail Act of February 2, 1925, as amended, for the purpose of further encouraging commercial aviation; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of Minnesota: A bill (H.R. 7392) to authorize the Post Office Department to hold railroad companies responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the railroad company or an agent or employee thereof; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 7393) to extend the tariff to certain oil-bearing seeds and nuts not included in the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. STALKER: A bill (H.R. 7394) to provide for the acquisition, improvement, equipment, management, operation, maintenance, and disposition of a civil air field and any appurtenances, inclusive of repairs, lighting, and communication systems, and all structures of any kind deemed necessary and useful in connection therewith; to the Committee on the District of Columbia.

By Mr. SWEENEY: A bill (H.R. 7395) to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching; to the Committee on the Judiciary.

By Mr. KOPPLEMANN: A bill (H.R. 7396) to amend section 284 (e) of the Revenue Act of 1926; to the Committee on Ways and Means.

By Mr. McCLINTIC: A bill (H.R. 7397) to provide for the payment of adjusted-service certificates to enable veterans to own their homes clear of indebtedness; to the Committee on Ways and Means.

By Mr. HAINES: A bill (H.R. 7398) reducing the rates of taxation on tobacco products; to the Committee on Ways and Means.

By Mr. GRISWOLD: A bill (H.R. 7399) to limit the car length of trains which may be operated upon railroads by common carriers engaged in interstate foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. HARLAN: A bill (H.R. 7400) to repeal, as obsolete, section 1132 of the Revised Statues, in part, as amended, and to improve the United States Code; to the Committee on Revision of the Laws.

By Mr. WITHROW: A bill (H.R. 7401) to limit the car length of trains which may be operated upon railroads by common carriers engaged in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to amend the

income tax law providing for a deduction of State income tax paid from Federal income tax; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to confine all contracts to be let for material and work to be used on or in connection with Public Works Administration projects to American firms and corporations; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to take certain action for the relief and rehabilitation of the dairy industry; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BECK: A bill (H.R. 7402) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of George A. Corden and Anderson T. Herd against the United States in respect of certain ships taken during the World War by the United States; to the Committee on the Judiciary.

By Mr. CONNOLLY: A bill (H.R. 7403) granting a pension to Paul Matthew Schell; to the Committee on Pensions.

By Mr. CRAVENS: A bill (H.R. 7404) granting a pension to Theta B. Spring; to the Committee on Pensions.

By Mr. FULMER: A bill (H.R. 7405) granting a pension to Maggie Cooper; to the Committee on Pensions.

By Mr. KOPPLEMANN: A bill (H.R. 7406) for the relief of John J. Moran; to the Committee on the Post Office and Post Roads.

By Mr. LEWIS of Colorado: A bill (H.R. 7407) granting a pension to Lillian S. Budd; to the Committee on Invalid Pensions.

By Mr. MEEKS: A bill (H.R. 7408) granting a pension to Alice Payton; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H.R. 7409) granting a pension to Josie Bradley; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7410) granting a pension to Verna Maddux Hyder; to the Committee on Pensions.

Also, a bill (H.R. 7411) for the relief of Drew N. Keever; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1842. By Mr. ANDREW of Massachusetts: Petition signed by Oliver W. Fiske, of Beverly, Mass., and approximately 3,000 other residents of the Sixth Congressional District of Massachusetts, urging that Congress act to safeguard the inherent rights of the American people in relation to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1843. By Mr. CADY: Petition of certain residents of the Sixth Congressional District of Michigan, protesting against alleged censorship of radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

1844. By Mr. DARROW: Petition of about 7,000 residents of the Seventh Congressional District of Pennsylvania, relative to the regulation of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1845. By Mr. DEROUEN: Petition of citizens of the United States residing in the Seventh Congressional District of the State of Louisiana, capable of determining for themselves what they wish to hear broadcast by radio, without censorship by the clergy or anyone else, hereby protest to the Congress against certain wrongful interference with their rights; to the Committee on Merchant Marine, Radio, and Fisheries.

1846. By Mr. GOODWIN: Petition of Mrs. H. B. Ambler, Chatham, N.Y., protesting against the elimination of section 114b (2) and (4), as recommended by the Treasury Department in connection with the percentage depletion allowance in the Federal Revenue Act; to the Committee on Ways and Means.

1847. By Mr. GRAY: Petition signed by 5,523 residents of the Tenth Congressional District of Indiana, urging that a heavy penalty should be laid against all persons or corporations that attempt by coercion or other wrongful methods to prevent the broadcasting of programs over the radio that are of public interest, convenience, and necessity; to the Committee on Merchant Marine, Radio, and Fisheries.

1848. By Mr. HAINES: Petition signed by Clayton Hess and about 3,826 other citizens of the Twenty-second District of Pennsylvania, protesting against radio discrimination; to the Committee on Merchant Marine, Radio, and Fisheries.

1849. By Mr. HIGGINS: Petition of M. Tisner and 2,800 other citizens of the Second Congressional District of Connecticut, protesting against the control and censorship of radiobroadcasting by the Columbia and National Broadcasting Cos.; to the Committee on Merchant Marine, Radio, and Fisheries.

1850. By Mr. HOPE: Petition of citizens of the Seventh Congressional District, Kansas, asking Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1851. By Mr. JOHNSON of Minnesota: Resolution by the Stillwater Association, Stillwater, Minn., urging the early ratification of the St. Lawrence waterway, and the completion of the 9-foot channel of the Mississippi River; to the Committee on Foreign Affairs.

1852. By Mr. RUDD: Petition of N. D. Q. Specialty Corporation, Brooklyn, N.Y., favoring the repeal of the excise tax on candy; to the Committee on Ways and Means.

1853. By Mr. LINDSAY: Petition of R. M. Haan Candy Co., Inc., New York City, opposing excise tax on candy; to the Committee on Ways and Means.

1854. Also, petitions of James F. Walsh, John A. O'Gorman, John J. Clainey, Ernst Schwarz, Lena C. Greene, and Carl Hansen, all of Brooklyn, N.Y., concerning the monetary program before Congress; to the Committee on Coinage, Weights, and Measures.

1855. Also, petition of J. A. Melnick Co., Brooklyn, N.Y., urging support of House bill 6460, introduced by Congressman DUFFY, of Ohio; to the Committee on Banking and Currency.

1856. Also, petition of American Coalition of Patriotic, Civic, and Fraternal Societies, Washington, D.C., opposing the passage of House bill 3522; to the Committee on Immigration and Naturalization.

1857. By Mr. PARKS: Petition of numerous citizens of the Seventh Congressional District of Arkansas; to the Committee on Merchant Marine, Radio, and Fisheries.

1858. By Mr. RANSLEY: Petition of residents of the First Congressional District of Pennsylvania, requesting Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1859. By Mr. RUDD: Petition of R. M. Haan Candy Co., Inc., New York City, favoring the repeal of the excise tax on candy; to the Committee on Ways and Means.

1860. Also, petition of J. A. Melnick Co., Brooklyn, N.Y., favoring the passage of House bill 6460, amending the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

1861. Also, petition of Mason, Au & Magenheimer Confectionery Manufacturing Co., Brooklyn, N.Y., favoring the repeal of the excise tax on candy; to the Committee on Ways and Means.

1862. Also, petition of American coalition of patriotic, civic, and fraternal societies, Washington, D.C., opposing the passage of House bill 3522; to the Committee on Immigration and Naturalization.

1863. By Mr. WHITLEY: Petition of residents of the Thirty-eighth Congressional District of the State of New York, urging that Congress take action to safeguard the inherent rights of the American people in the matter of radiobroadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1864. By Mr. WOLFENDEN: Petition of certain citizens of the Eighth District of Pennsylvania, protesting against censorship of radiobroadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1865. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to take certain action for the relief and rehabilitation of the dairy industry; to the Committee on Agriculture.

1866. By the SPEAKER: Petition of the Polish Centrale of St. Paul, Minn., urging the support of President Roosevelt's monetary policy; to the Committee on Coinage, Weights, and Measures.

1867. Also, petition submitted by Congressman J. LEROY ADAIR in behalf of the residents of the Fifteenth Congressional District of Illinois, protesting against the alleged discriminations in the matter of radio control; to the Committee on Merchant Marine, Radio, and Fisheries.

1868. Also, petition of Oliver Cox and numerous citizens of the Twentieth Congressional District of the State of Illinois, regarding the unfair and unethical practices of certain major broadcasting interests; to the Committee on Merchant Marine, Radio, and Fisheries.

1869. Also, petition of the Willing Workers Sunday School class of the First Methodist Episcopal Church of Waverly, Ill., regarding maintenance of peace; to the Committee on Foreign Affairs.

1870. Also, petition of Henry W. Ronel, regarding the continuation of the Civil Works Administration painting project; to the Committee on Ways and Means.

SENATE

SATURDAY, JANUARY 27, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of Thursday, January 25, and Friday, January 26, was dispensed with, and the Journal was approved.

UNITED STATES MONETARY SYSTEM—AMENDMENT

Mr. PITTMAN. Mr. President, yesterday morning I sent to the desk an amendment which I intend to offer after action on the Wheeler amendment. By oversight there was left out of it a sentence and a paragraph. I refer to the amendment as printed on page 1393 of the RECORD of January 26, so that it may be found by those who wish to read it. I will send to the desk a rewritten amendment for the purpose of the RECORD. After the words "silver certificates", in the third paragraph, I want to insert the words "and to coin standard silver dollars or subsidiary currency for the redemption of such silver certificates."

Then before the beginning of the last paragraph, before the words "Secretary of the Treasury", I wish to insert the following:

> The President is authorized, in addition to other powers, to maintain the parity of the standard silver dollar with the gold dollar by reducing the weight of the standard silver dollar in the same percentage that he reduces the weight of the gold dollar. The weight of the silver dollar shall not be fixed in any event at more than 60 percent of its present weight.
>
> The President is further authorized to reduce and fix the weight of subsidiary coins so as to aid and maintain the parity of such coins with the standard silver dollar and the gold dollar.

I will substitute for the amendment I presented yesterday the rewritten one with these changes. I am only presenting it to be offered after action on the amendment of the Senator from Montana [Mr. WHEELER].

Mr. ROBINSON of Arkansas. Mr. President, I understand that the amendment is not printed in its revised form?

Mr. PITTMAN. No; it was printed in the form in which it was presented yesterday.

Mr. ROBINSON of Arkansas. May I suggest that it be sent down and printed as quickly as practicable?

Mr. PITTMAN. I will ask that that be done; and I hope that it may be printed before we conclude the consideration of the amendment of the Senator from Montana.

The PRESIDING OFFICER. The amendment will be received and lie on the table, and will be sent to the Printing Office as quickly as possible for printing.

The amendment entire intended to be proposed by Mr. PITTMAN to House bill 6976 is as follows:

> At the proper place in the bill to insert the following:
>
> "That subdivision (2) of subsection (b) of section 43, title III, of an act entitled 'An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes', approved May 12, 1933, be amended as follows:
>
> "By adding at the end of said subdivision (2) the following:
>
> "'The President, in addition to the authority to provide for the unlimited coinage of such gold and silver at the ratio so fixed under such terms and conditions as he may prescribe, is further authorized to cause to be issued and delivered to the tenderer of silver for coinage, silver certificates in lieu of the standard silver dollars to which the tenderer would be entitled and in an amount in dollars equal to the number of coined standard silver dollars that the tenderer of such silver for coinage would receive in standard silver dollars.
>
> "'The President is further authorized to issue silver certificates in such denominations as he may prescribe against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, and to coin standard silver dollars or subsidiary currency for the redemption of such silver certificates. The President may issue and deliver silver certificates in exchange for any standard silver dollars surrendered and delivered to the Treasury in exchange for silver certificates.
>
> "'The President is authorized, in his discretion, to prescribe different terms and conditions and to make higher charges, or to collect larger seigniorage, for the coinage of foreign silver, or silver not produced in the United States or its dependencies. The silver certificates herein referred to shall be issued, delivered, and circulated substantially in conformity with the law now governing existing silver certificates, except as may herein be expressly provided to the contrary, and shall have and possess all of the privileges and the legal tender characteristics of existing silver certificates now in the Treasury of the United States, or in circulation.
>
> "'The President is authorized, in addition to other powers, to maintain the parity of the standard silver dollar with the gold dollar by reducing the weight of the standard silver dollar in the same percentage that he reduces the weight of the gold dollar. The weight of the silver dollar shall not be fixed in any event at more than 60 percent of its present weight.
>
> "'The President is further authorized to reduce and fix the weight of subsidiary coins so as to aid and maintain the parity of such coins with the standard silver dollar and with the gold dollar.
>
> "'The Secretary of the Treasury, with the approval of the President, may make such rules and regulations as may be necessary to carry out the provisions of said subdivision (2), subsection (b), of section 43, title III.'"

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by Representative Martin L. Sweeney's Roosevelt League for the Advancement of Social Justice, Cleveland, Ohio, favoring the passage of the so-called "Dunn bill", being House bill 5694, to create a bureau for the blind in the Post Office Department with power to issue licenses to persons without sight to operate stands in Federal buildings, which was referred to the Committee on Public Buildings and Grounds.

He also laid before the Senate a letter in the nature of a petition from Mr. and Mrs. Frank Trochowski, of Chicago, Ill., praying for the passage of legislation restoring the price level of silver, which was ordered to lie on the table.

He also laid before the Senate petitions of sundry citizens, being Federal employees of the States of Alabama, Arizona, Colorado, Florida, Georgia, Idaho, Illinois, Maryland, Michigan, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming, Virginia, the Territory of Alaska, and the Canal Zone, praying for the passage of legislation, sponsored by the American Federaton of Labor and the American Federation of Government Employees, to imme-

diately abolish the 15-percent pay cut of Federal employees, which were referred to the Committee on Appropriations.

Mr. KEYES presented a petition of sundry citizens, being Federal employees of the State of New Hampshire, praying for the passage of legislation, sponsored by the American Federation of Labor and the American Federation of Government Employees, to immediately abolish the 15-percent pay cut of Federal employees, which was referred to the Committee on Appropriations.

Mr. COPELAND presented the petition of the mayor, the president of the Utica Civic Forum, and sundry citizens, all of Utica, N.Y., praying for the passage of Federal anti-lynching legislation, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Board of Supervisors of Westchester County, N.Y., favoring the continuation of the Federal Civil Works program during the winter months and the gradual decrease of such a program thereafter until unemployment can be absorbed in other public-works projects or by private employers, which was referred to the Committee on Appropriations.

He also presented petitions of sundry citizens of Schuyler County, N.Y., praying for the making of an additional appropriation of $1,016,000,000 for the continuance of the C.W.A. program, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by the common council of the city of Lockport, N.Y., favoring the continuance of appropriations for the C.W.A. program, which was referred to the Committee on Appropriations.

He also presented a resolution of officers and members of Local No. 2, the American Workers' Association, of Tonawanda, N.Y., favoring the passage of legislation to alleviate the condition of workingmen and their dependents and to spread wealth so as to lift some of the burdens now carried by small home owners and reduce the direct property tax, etc., which was referred to the Committee on Finance.

He also presented the petition of International Workers' Order, Branch No. 467, of Brooklyn, N.Y., praying for the inauguration of more public works and the abandonment of all policies looking toward war and war works, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of Mechanicville, N.Y., praying for world peace and the adoption of measures for the prevention of war, which was referred to the Committee on Foreign Relations.

He also presented the petition of the Lunch Meeting of Flatbush, Long Island, N.Y., praying for the inauguration of more public works and the abandonment of all policies looking toward war and war works, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the board of directors of Associated Industries of New York City, Inc., at Syracuse, N.Y., favoring the establishment of a congressional committee to report upon the facts as to the nature of employment relations in industry and commerce, the viewpoint of employers and employees, the number of employees dealing individually or through various forms of collective bargaining with employers, the prevailing characteristics of such forms, and the nature and extent of Federal authority to deal with employment relations in industry and commerce, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Astoria Heights Taxpayers Association, Inc., of Long Island, N.Y., opposing the continuation of the Boulevard Housing Corporation, organized under the laws of the State of New York, through which agency the Federal Government has obligated itself to lend to such domestic corporation a sum aggregating $3,400,000 for the construction of 10 buildings housing 960 families in the area commonly referred to as Woodside, Long Island, in the Borough of Queens, N.Y., which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the faculty and students of St. John's University, of Brooklyn, N.Y., Branch No. 104, the Holy Name Society, of the Church of the Incarnation, of New York City, and the Catholic Women's Union of New York State, protesting against the passage of legislation authorizing the dissemination of birth-control information, which were referred to the Committee on the Judiciary.

REPORTS OF THE COMMITTEE ON CLAIMS

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1540) for the relief of the Concrete Engineering Co., reported it without amendment and submitted a report (No. 239) thereon.

He also, from the same committee, to which was referred the bill (S. 1258) for the relief of Charles F. Littlepage, reported it with amendments and submitted a report (No. 242) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 2496) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower, reported it with an amendment and submitted a report (No. 240) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 1078) for the relief of Mrs. Asa Caswell Hawkins, reported it with an amendment and submitted a report (No. 241) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, unanimous consent, the second time, and referred as follows:

By Mr. DAVIS:

A bill (S. 2503) to provide for guaranteeing the principal of bonds issued by the Home Owners' Loan Corporation, to extend the benefits of the Home Owners' Loan Act of 1933, and to limit the amounts of aid which may be extended under such act in any one State; to the Committee on Banking and Currency.

By Mr. McGILL:

A bill (S. 2504) granting a pension to Wilbur T. Lardie; to the Committee on Pensions.

By Mr. BACHMAN:

A bill (S. 2505) granting a pension to Rue S. Jackson; to the Committee on Pensions.

By Mr. DILL:

A bill (S. 2506) to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 2507) for the relief of certain officers of the Army whose household and other effects were damaged or destroyed by the flooding of a warehouse at Fort Myer, Va.; to the Committee on Claims.

By Mr. KING:

A bill (S. 2508) authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek, in the District of Columbia; and

A bill (S. 2509) to readjust the boundaries of Whitehaven Parkway at Huidekoper Place, in the District of Columbia, provide for an exchange of land, and for other purposes; to the Committee on the District of Columbia.

By Mr. ASHURST:

A bill (S. 2510) to amend section 51 of chapter 2, title 45, of the Code of Laws of the United States of America; to the Committee on Interstate Commerce.

By Mr. WALSH:

A bill (S. 2511) for the relief of William R. Smith; to the Committee on Claims.

By Mr. KEAN:

A bill (S. 2512) to amend the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933; to the Committee on Finance.

By Mr. WHEELER:

A bill (S. 2513) authorizing the Court of Claims to investigate and determine the facts in connection with the claim

of the First National Bank of Billings, Mont.; to the Committee on Claims.

By Mr. BANKHEAD:

A bill (S. 2514) to provide for the exploitation for oil, gas, and other minerals on the lands comprising Fort Morgan Military Reservation, Ala.; to the Committee on Military Affairs.

By Mr. TRAMMELL:

A bill (S. 2515) to supply additional aviators for the United States Navy; to the Committee on Naval Affairs.

By Mr. GORE:

A bill (S. 2516) for the relief of the Playa de Flor Land & Improvement Co.; and

A bill (S. 2517) to provide for the method of measurement of vessels using the Panama Canal; to the Committee on Interoceanic Canals.

By Mr. BLACK:

A bill (S. 2518) limiting the hours of service of common carriers; and

A bill (S. 2519) to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; to the Committee on Interstate Commerce.

PRICE FIXING IN FAIR-COMPETITION CODES

Mr. COSTIGAN submitted a resolution (S.Res. 157), which was ordered to lie over under the rule, as follows:

Resolved, That the National Recovery Administration is requested to transmit to the Senate at the earliest practicable date copies of all codes of fair competition in which price fixing in any form has been resorted to, together with the industrial, consumers', and labor analyses with respect to such codes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H.Con.Res. 27) continuing in full force and effect during the Seventy-third Congress the concurrent resolution of the House establishing the United States Roanoke Colony Commission, in which it requested the concurrence of the Senate.

THE PROPOSED TAX LAW

Mr. LA FOLLETTE. Mr. President, in the issue of the Washington Daily News of today, January 27, there appears a very important and illuminating editorial entitled "Not Enough Taxes!" The editorial reads:

NOT ENOUGH TAXES!

The proposed tax bill is inadequate. The Ways and Means Committee of the House has done some useful tinkering with the law, and in taxing unearned income more than earned income has revived a just principle. In ordinary circumstances this might be enough. But with the Government facing a $31,000,000,000 debt, it is not enough.

To borrow huge sums as the Government is doing, and must do, without raising taxes is unwise. It is bad business, because it means that revenues will be eaten up by interest charges on the public debt rather than on reduction of principal. And it is bad morals, because it seeks to pass on to the next generation the debts and burdens of this generation.

There is an added consideration. It is the danger of uncontrolled inflation. We must have reflation—no sensible citizen denies that. But every sensible citizen is anxious that the administration be able to carry out its pledge to control inflation. That is not easy. Indeed it probably will be impossible for any political administration to control inflation if it resorts to unlimited borrowing.

During the emergency we cannot hold to a pay-as-you-go policy. But we can afford to pay much more than is contemplated by this proposed tax bill.

The new proposal would not materially increase income taxes on earned incomes—that is, the majority of incomes—in the lower and middle brackets. This is wrong. Every citizen lucky enough in these days to have a job and an income should be willing to help pay our way out of the depression.

Compared with citizens in other countries, we are slackers in income-tax payments. Our system makes a gesture of putting a heavy tax on very large incomes, incomes of a half million and a million dollars yearly. But that does not mean much in terms of revenue, because the number of such incomes is small. The real test from the standpoint of revenue is the amount collected from the middle brackets—from incomes of $10,000 to $100,000. The reason the Government debt is mounting so rapidly is that we never have had an administration with sufficient political courage to tax this great class.

A comparison of the present rate of this and other countries for earned net income of a married person with no dependents, for instance, shows: on a $10,000 income in this country, 4.8 percent; in Great Britain, 18.6 percent; in France, 25.2 percent; on $25,000 in this country, 10 percent; Great Britain, 29 percent; France, 38 percent; on $50,000 in this country, 17 percent; Great Britain, 39 percent; France, 47 percent; on $100,000 in this country, 30 percent; Great Britain, 48 percent; France, 54 percent.

Thus a substantial and progressive increase all along the line is possible in this country on the basis of the experience of other countries. We do not believe that Americans are any less patriotic than foreigners. Americans with net incomes of $10,000 to $100,000 should be—and we believe are—of the opinion that they are fortunate to have incomes on which to pay a heavy tax.

The same principle applies to death duties.

President Roosevelt has provided leadership in other ways. So far he has not announced a tax policy. Here is his opportunity.

COTTON-REDUCING PLAN—ADDRESS BY SENATOR SMITH

Mr. SHEPPARD. Mr. President, I ask to have inserted in the RECORD a very able and interesting radio address delivered on January 23, by Senator ELLISON D. SMITH, of South Carolina, on the subject "The Cotton Reducing Plan of the A.A.A."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to begin by saying the cotton-reduction campaign of last year was a marvelous success. Before the campaign could be gotten under way, cotton had been planted and some of it had reached the stage of maturity. Yet, the farmers of the Cotton Belt responded in a manner that startled the world and gave an impetus to the Agricultural Adjustment Administration that would have been impossible had they not thus responded. I think it will be conceded by all that this response and the results accruing therefrom is largely responsible for the general feeling of confidence that the depression will be broken. The objective sought to be reached was the reduction of the surplus. This has been partially achieved. On the same general plan, the cotton producers of the South are now engaged in signing the 1934 producers' adjustment contracts.

There still exists a surplus of American cotton that must be absorbed before we can attain a normal relationship of supply and demand in the world markets. It must be understood that the Department is making no attempt to create a scarcity of American cotton nor is the program designed in any way to impair the dominance of American cotton in the world markets. It is estimated that there is for the current year a world supply of American cotton of 24,800,000 bales. This is some 1,200,000 bales less than the record supply of the previous 2 years, but it is still in the neighborhood of 6,000,000 bales in excess of the normal supply and carry-over. It is for the welfare of the cotton producers that this acreage reduction, with the hearty cooperation of the administration, is now being carried forward. It is absolutely essential in order to relieve us of the surplus of cotton which is the direct result of the disastrous depression through which we have passed. Producers are not asked, as they have been heretofore, to reduce their acreage and their production without compensation. The greater part of this surplus is now held by those who do not produce cotton but who bought it as an investment at the ruinous prices obtained during the marketing of this surplus.

A reduction in production, therefore, resulting in an advanced price for cotton, would immediately compensate those who held this cotton and would, of course, ultimately benefit the producer; but the Government is offering an attractive rental for the acreage agreed to be held out of production, and in addition to that, other benefits are offered. The Government, in offering these benefits, is attempting to eliminate any excuse or reason for any producer to refuse to join in a unified program with his neighbors to bring about what is essential to be done without any sacrifice on his or their part. This program, if carried out as it is now being done, will enhance the material welfare of the producer as well as bring about an economic condition which will mean the restoration of cotton prices and prosperity in the South. The objective is to take out some 15,000,000 acres which should not be planted to produce cotton for which no market exists. If these 15,000,000 acres are eliminated, reducing the acreage by 40 percent, it is reasonable to anticipate a production which will result in a normal condition approximately in 1935.

The farmers who participate will receive around $125,000,000. The payment to farmers who sign these contracts will be made on the basis of the average yield of the land they agree to withhold from production. The rate of the rental payment will be 3½ cents per pound on the average yield of the rented acres for the 5-year base period preceding. This rental, if the cotton producers of the South join in this program, will total around $100,000,000. In addition to the rental payments each participating producer will be given a domestic allotment on which he will receive a benefit or parity payment of not less than 1 cent per pound upon this allotment which is figured at 40 percent

of his average production for the 5 years. It is significant that these rental payments are to be made in two equal installments. If producers complete the signing of the contracts within a reasonable time, get their contracts into Washington, the checks will be distributed about planting time, thus aiding the individual producer this spring in making his crop. The second installment, it is estimated, will aggregate around $50,000,000; and will be sent out some time in August, this giving the producer funds with which to finance the picking of the crop. The parity payment should be received in December, thus spreading a little Christmas cheer through the South. Through the distribution of the rental payments—the first installment about planting time and the second installment about picking time—the cotton producers of the South will be given cash when it is most sorely needed in meeting their pressing obligations.

In addition to the direct benefits of acreage rental and parity payments to cotton farmers there are other benefits to be derived from the 1934 cotton program. First, the program has as its objective a better price for cotton. Congress in enacting the Agricultural Adjustment Act recognized that agriculture was not receiving a fair share of the Nation's income. Parity for the farmer, which means economic justice, was the principle written into the Federal law; and through this 1934 cotton-adjustment program the effort is being made to carry out this mandate. So one of the principal benefits that would accrue to cotton producers from this program would be the improved price that a participating producer will receive on the cotton he does produce. It constitutes a virtual guarantee to the farmer who cooperates against a disastrously low price.

I have already alluded to the direct benefit of the cash payments, the $125,000,000 which will be distributed ratably among the participating cotton farmers.

There is another potentiality in this program which I do not feel has been given sufficient attention by the cotton producers in considering the 1934 contract. As the author of the original option plan I was deeply concerned with the opportunity that could be afforded cotton producers by the substitution of Government-held cotton for that portion of the normal crop which they would limit or withhold from production. The option plan was one of the salient features of the 1933 program. Approximately 2,400,000 bales were optioned last summer to participating producers at 6 cents per pound. After the 1933 campaign was completed and 10,400,000 acres taken out of production, ideal climatic conditions resulted in the production of a crop of over 13,000,000 bales despite the elimination of more than 4,000,000 bales from production. As a consequence, cotton prices did not respond as fully as many had hoped to the emergency program of the past summer, and when low prices were again threatening disaster to the South the 10-cent loan plan was inaugurated and producers were given the opportunity to obtain a loan of 10 cents on the unsold portion of their crop on the condition that they would participate in the 1934 program. I am advised that more than 2,000,000 bales are now included in these loans. In addition, under the cotton-option pool arrangement, an additional 2,000,000 bales have been assigned to the pool. From these 4,000,000 bales of cotton producers have the opportunity to realize additional profit. If, as a result of the 1934 program, the price of middling cotton can be brought to 15 cents by August 1, between 500,000 and 1,000,000 producers should benefit to the extent of $20 per bale on more than 4,000,000 bales. This means that the producers themselves will have an opportunity to increase their equity in these 4,000,000 bales of cotton.

While no one can predict with any precise degree of certainty concerning the price or production of cotton from one season to the next, it seems reasonable to assume that if the present sign-up is a success and if producers faithfully perform the requirements of the contract and restrict cotton acreage to 25,000,000 acres for the coming season, a price of 15 cents per pound or more would not be surprising. In brief this means that the producers have it in their own hands to realize some eighty million dollars out of the cotton covered by options and loans and in addition would gain other benefits that will accrue through this program.

It should be emphasized that under the terms of the 1934–35 cotton-adjustment contract a sufficient number of contracts must be signed by January 31 for the Secretary of Agriculture to determine that the program will be effective. Individual cotton producers again have the opportunity to determine their fate. It is up to them to decide whether we shall have a program. This is the democratic theory under which this farm-adjustment program is operated.

The results of the 1933 adjustment program are familiar to every citizen of the South. During a brief period of less than 6 weeks last summer 1,042,000 contracts were signed. A total of 98 percent of the growers who signed contracts faithfully performed their conditions. For this they received in acreage rentals approximately $112,000,000 and potential option profits of at least $48,000,000. But greater than these direct benefits was the effectiveness of this program in preventing a disaster of major proportions throughout the South and the Nation. Had there been no program and had the entire crop of the past year been permitted to mature, the supplies of American cotton would have reached the highest proportion of record. Seventeen million six hundred thousand bales added to a carry-over of 11,600,000 bales would have resulted in a supply of American cotton for the current year of 29,200,000 bales, the largest of history. There is little doubt that the cotton price would have been disastrously low had a full crop reached maturity. Cotton farmers this past summer struck out boldly and with teams and tractors went into the fields to decrease this burdensome surplus. They now have the opportunity to consolidate the gains that have been made and to adjust their production to a basis where it will not only be more profitable for each individual farmer but make a substantial contribution to the economic recovery of America.

NEEDED N.R.A. REFORMS—ADDRESS BY SENATOR NYE

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from North Dakota [Mr. NYE] over the radio last night, January 26, on the subject of "Needed N.R.A. Reforms."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Who would stand in the way of the administering of such remedies as will end this impossible state which finds plenty of everything, including food, housing, clothing, and work to be done, yet at the same time untold suffering by millions for want of those same things?

Certainly not I. But I fear that in our zeal to put these remedies at work we are failing to observe how the new-deal machinery is being captured by the old dealers, with a resultant threat that we may emerge from the present program and find ourselves back precisely where we were prior to 1929, when a greedy few found their selfish profiteering programs builded upon nothing more than sand that would not and could not carry the terrible load which fictitious investment profit had saddled upon the masses of American people.

WATER FOR MILK

Unless America is ready for a departure from that selfish direction of other days which rewarded so few, unless we are ready to further curb the ambitions of the few to monopolize the business of the world, for heaven's sake let us quit talking about a "new deal."

We want again a land of milk and honey. We want it for all, not for just a few financial giants and business combinations, but for all who are willing to work and give to the service of mankind. The ending of child labor, the providing of higher minimum-wage scales, the closing of the sweatshops are evidence that the N.R.A. program has produced sweet honey. Now we must watch our step lest the restoration of the milk of which we speak proves to be nothing more than the water and wind of investment boom days returned to the status it enjoyed until the crash of 1929.

N.R.A. NOT TIMELY

I have long criticized the N.R.A. program as being poorly timed. Convinced as I have been, and still am, that the years of economic punishment inflicted upon that half of our population which is directly dependent upon agriculture was the more direct cause of our national crash. I would first have restored such agricultural prices as would return a buying power to the farmer. That buying power would quickly be reflected on the railroad, in the mill and factory, and in every trading house in the land. But the N.R.A. has moved so much faster than the agricultural recovery program that the farmer today finds himself carrying new and added burdens by reason of the increased prices which the N.R.A. program has tacked to his living and operating costs. The farmer justly complains about this, but there is no turning back at this stage. There is no halting the N.R.A. Then it behooves us to make the best of it, hoping that the agricultural program will accomplish those results which will give the farmer a fair return on his 1934 production and restore economic balance for him.

PIONEER IN TRADE-PRACTICE CURES

I have never criticized the basic purpose and principle of N.R.A. I know there are terrible business methods to be done away with. I am not afraid of code agreements through which business will do away with its vicious trade practices, and have the help of Government in enforcing the agreements. Indeed, I feel that I pioneered in this field. Four years ago, and again 2 years ago, I introduced in the Senate the so-called "fair trade bills." In the House they were sponsored by my very good friend and colleague, JAMES H. SINCLAIR, than whom there is no more sincere champion of fair play for all. These bills provided for trade agreements to wipe out the unfair trade practices. The bills, however, were carefully drawn to prevent larger advantage going to the monopolists. Indeed, the purpose of the bills was that of giving decently, efficiently conducted business protection against the powerful and greedy industrialists. Extensive hearings were held upon these bills. Though they never became law, they did serve to pave the way in a degree for more ready acceptance of the N.R.A. when it was presented during the great emergency of last spring. Codes honestly adopted certainly do not find me afraid or prejudiced.

REAL PRINCIPLE OF N.R.A. THREATENED

However, I have made free to criticize what threatens to become permanent N.R.A. policies. I cannot refrain from criticism when I see the real principle of the N.R.A. threatened by such advisers as have had the ear of those administering the act. Far too much reliance has been placed in men guilty of iniquities in the conduct of business. I cannot remain silent when I see monopolists taking advantage of N.R.A. machinery and improving upon their chance to win a more complete concentration of industry, of wealth, and of the power that always goes with it. I cannot refrain from criticizing when I observe a course being pursued which destroys the smaller business institution and industrialist. I ob-

ject strenuously, and will continue to do so, to the advantage which big business is taking under N.R.A. to again dominate, reestablish its leadership, and the false capitalizations upon which to base dividends and profits, and to then force all their competitors to abide by an N.R.A. code program that will surely destroy the competitor. If big business continues to dominate through retaining important posts it has won in the administration of N.R.A. codes, then the recovery program is doomed, and recovery will prove to be the fortune of the few, not of the masses.

My criticism has brought upon me the charge of seeking to undermine the N.R.A. program, of trying to embarrass the administration of President Roosevelt, of chiseling, of wanting to go back to those impossible do-nothing days of other years.

TO ENCOURAGE SMALL INDUSTRY

Naturally, I resent such contention, for no one more thoroughly desires departure from the old course than I. The President has said concerning the purpose of the N.R.A.:

"We are seeking the encouragement of small local industries, thus furthering the principles of a better-balanced life."

Do I undermine his program and embarrass the President, then, when I fight what appears plainly to be the effort of selfishness and greed to destroy small local industries? The answer is evident. I have yet to see any indication that the President is displeased by such criticism as I have offered.

It is said that I would reopen the sweatshops, go back to the miserable hours of labor, and low wages which have prevailed. There has been no reason for any such conclusion. The N.R.A. program and its administrators shall always have my praise for what was accomplished in these matters, and I hope they may go forward and accomplish more, including a sharing of industrial profits with the workers and adequate old-age pensions for those who give their productive years to the benefit of an industry.

ANTITRUST LAWS

It is said that I would repeal features of the National Industrial Recovery Act relating to the antitrust laws and thus destroy the N.R.A. and all the good it has won. I do not know that repeal of the anti-trust-waiver features of the law is necessary to accomplish the reforms sought. In fact, I believe the faults which I find can be corrected by administrative action. The truth, however, is that I fail to find a solitary good thing accomplished by the N.R.A. that could not have been won with the antitrust laws in full force and effect. On the other hand, it appears that big business has taken advantage of the antitrust law dodge in the Recovery Act and is engaging in price fixing in no uncertain way, to the detriment of the smaller producer in industry, of the consumer, and of the very life of the N.R.A. program itself.

Court decisions are not indicative of conclusions that the antitrust laws would prevent agreements involving the fixing of hours of labor, of minimum wages. Those decisions do not reveal that child labor and the sweatshop could not be ended without a waiving of the provisions of the antitrust laws. The truth is that monopolists have grabbed at the anti-trust-waiver feature of the National Recovery Act and are using it to destroy competition and at the same time lift their prices to a level that will permit them to pay profits on the basis of their watered and inflated investments and continue excessive salaries and bonuses to their executives. It is said that small business complains about the N.R.A. and codes only because it cannot pay the minimum wages called for, or because it cannot abide by the minimum-hour requirements of the N.R.A. codes. The insistence is that small business does not pay living wages to its employees and therefore objects to the new deal codes. This is most unfair. Of the hundreds of complaints which have come to me from so-called "smaller business units" not 1 percent of them have voiced complaint concerning the minimum-wage scale or the provisions limiting hours of labor. Indeed, there is ample showing that most of them were paying well over the minimum scale before N.R.A. came into being.

NO BRIEF FOR SOME OF SMALL BUSINESS VENTURES

I make no defense of the man who is a misfit in the business world. The law of the survival of the fittest will automatically eliminate him from the picture in the course of time even under the most ideal conditions. If a business will not pay decent living wages, and if it resorts to jungle methods, it ought to be destroyed.

The so-called "small business", whose brief I do and will gladly hold, is that which has played fair with its employees, has contributed to the maintenance of happy communities, has paid taxes, has sold at prices intended to maintain decent living for its owners and employees, not at prices intended to put someone else out of business. Of that kind there are thousands complaining today. And now to see them threatened, as they are under some of the N.R.A. codes, because they remain a source of competition to the monopoly operators, calls for such response as will once and for all destroy the monopolistic dreams of the few.

WHO KILLED THE GOOSE

To listen to the defense made against the criticism which has been leveled against some of the seeming policies of N.R.A. one would guess that our economic crack-up of 1929 was caused by unscrupulous small business enterprises. The conclusion which the powerful business interests and their spokesmen would have us draw is that if there had been no small business in 1929 and if big business and monopoly had been in charge of all business, there would have been no economic crash—no depression. The sad part of it all is that some people accept this smokescreen as truth.

What was the immediate cause of our economic break-down? What, if anything, contributed more to it than the damnable concentration which big business had accomplished through the selfish and greedy practices which found the few rolling in profits while the many were without the means to provide the barest necessities?

Through monopoly and unfair business practices, through price cutting to hurt a competitor, through cutthroat methods, through what amounts to theft from the public and their stockholders, big business brought us to a pass which found a mere handful of men possessing the great percentage of the wealth of the country. This possession and control is revealed as continuing in the recently announced report covering income taxes paid by corporations in 1931.

CONCENTRATION THROUGH MONOPOLY

Of the 381,000 corporations, big and little businesses alike, 632 of them show possession of $154,000,000,000 of the total assets of all corporations amounting to $296,000,000,000. That means that one sixth of 1 percent of all corporations have over 50 percent of the total assets. These 632 giants own over half of the capital assets, over half of the liquid assets; they paid over three fifths of the cash dividends during the year by all corporations, though the few reported slightly more than one fourth of the gross sales of all corporations. Of the total of surpluses and undivided profits the 632 corporations showed themselves possessed of three fifths while reporting only a little more than one third of the total compiled receipts. Who needs whatever help the Government is prepared to give business now? It seems to me that these figures represent about all the concentration we want to accept, that monopoly and big business have reached a stage beyond which they ought not to be permitted to pass. It is time they were checked, not helped.

DIVORCEMENT FROM HOGGISHNESS

But here they are, instead, taking advantage of N.R.A. codes, clubbing to death what remains of competition, while they and their agents stand on the side lines shouting "Little business is what upset our economic structure and brought on the depression." And some Americans thoughtlessly say, "Amen!"

Oh, for divorcement from the hoggishness, the hungriness for huge profits demonstrated by these pirates in American business! Save America from being "saved" by these, its exploiters! Let us win divorcement from that order which seems to place our program to accomplish recovery in the hands of those who so grossly betrayed and abused the trust and confidence placed in them during the days of unregulated business! Let us close our eyes and ears to them when they plead that we see the little independent business man and enterprise as the real cause of our economic trouble.

THE WAY BACK TO TROUBLE

President Roosevelt has said that no business has ever been known to purge itself of its own iniquities, yet here we are with those guilty of great iniquity praising the N.R.A. to the skies while they man the machinery of recovery with their men and lord it over the little fellow in business and the consumer. I do not know how we could better proceed to get back to that selfish era of 1928 and 1929 than to let these monopolists lead the way back to recovery, accepting, of course, their kind of recovery.

TO WHAT SMALL BUSINESS OBJECTS

I repeat: It is not the increased wage costs, not the lessened hours of employment, not the abandonment of child labor and the sweatshops against which the independent business man and consumer complains. It is plain from that vast correspondence which has come to me that the objection to N.R.A. codes is to the matter written into these codes by their monopolistic brethren and to the fact that these monopolists administer, translate, and do the enforcing of these codes, naturally to their own advantage.

I might say that I have heard little or no objection to codes adopted in those fields of business where monopoly has not been able to control an excessively large part of the total product in a line of business. In other words, when monopoly has not reached such growth as has been witnessed in the electrical, steel, cleaning, oil distribution, and like businesses, the codes seem to be working quite satisfactorily. When a monopoly is not dominant in the field, the complaints of price gouging, price fixing, advantage taking are rare.

It comes to this: In the cases of preparation of those codes involving fields of business in which monopoly has a strong foothold there is large evidence that the N.R.A. authorities have heard quite alone the advice of the monopolist; the lesser producers in that field have had little or no voice. There is proof that men have resigned from their places in the employ of big business, accepted appointment in the N.R.A., supervised the writing of the code for the line of business in which he had been employed, then resigned from N.R.A. to accept employment with the code authority to administer that particular code. Invariably the personnel of these code authorities is most largely representative of the monoplist group in the business. What chance does the independent have operating under such an authority when "big business" is the maker of the law, the arresting officer, the judge, the jury, and the executioner?

But, it is said, surely there is possible appeal from the decisions of code authorities; they cannot be the last voice. Of course, they are not the last authority. But there has been at least one case where the N.R.A. has said they could not consider changes in codes unless the changes were submitted by the code authority. It was open criticism which finally remedied this injustice.

It is true that any complainant under the codes can appeal to the compliance board of N.R.A. But experience before that board has found informatio nabout the complaint's getting back to the monopolists who have then made life the more unpleasant for those who would dare to appeal. Plainly, there have been agents for big business watching at every gate. Plainly, to ask small business men to lodge their complaint with the N.R.A. board has been like asking the three little pigs to go over and ask for cookies of the big bad wolf.

Yesterday it was announced that Administrator Johnson would name a board of men, all recognized as antimonopolists, whose duty will be that of weighing the complaints of independents and recommending code changes when the existing code is found to be aiding monopoly or monopolistic practices. It is likewise encouraging to note the plan of N.R.A. to reconsider all of the scores of codes which have thus far been approved with a view to eliminating injustices.

A serious fault about the code making has been the speed with which they have been pushed through. Too often the desire seems to have been to see how many codes per minute could be rushed through, not how good and fair to all they were.

PRICE FIXING

There is justified complaint being voiced by the smaller business establishments against what is known as "the open price-filing provisions" found within so many codes. Under this agreement every business must post its prices from time to time with its code authority. Suppose one operator quotes a price lower than the other quotes. His lower price is immediately known. It matters not if this lower price represents a fair return to the one quoting it, practice has shown that the bigger operators have threatened the one quoting low. The general result has been a fixed price with the advantage of such going to the monopolist who has a large selling force and who has deprived his competitor of his only weapon, namely, a lower price. Surely, if there is provision against selling below cost, I see no reason why one manufacturer should have to tell his competitor what his price is for today. If there is to be continuation of price posting, let the posting be done with N.R.A., not with the competitor. It must be seen that this price posting accomplishes in the end unadulterated price fixing, the fondest dream of monopoly so long as the fixing can be high. It should be remembered, too, that these monopolists were the first to protest price fixing on farm products.

PROTECT FALSE CAPITALIZATION

One practice under the N.R.A. certain ultimately to breed no end of trouble and injustice is that which finds many code authorities in a position to prevent any new enterprise in their field. If business can show that it is overproduced, it can go far in preventing new competition. If this is true, it must be seen that the monopolist-controlled code authorities have the power to maintain profits on obsolete plants and fictitious capitalizations by holding off new competitors, honestly capitalized, and prepared therefore to produce more cheaply.

POWER DELEGATED MONOPOLY

Were the time mine tonight, I would recite endless justification for the complaint concerning the aid which monopoly is enjoying under the N.R.A. codes. Unless we are on our toes, industrial plunderers are going to be even more strongly entrenched. They must be fought. My mail is evidence that men are ready to fight. While this mail has been heavy, I have appreciated it because of the insight it afforded into the result of code features in individual and collective cases. I hope there may be more such letters, reciting the specific experience of those who have suffered injustices under the codes. It seems to me that our gravest danger lies in the delegation of power to business through its code authorities which are too often the monopolists themselves. We give them power to rest upon a false base of costs of production by permitting a return upon overcapitalized structures. Perhaps, in the overhauling of codes, the N.R.A. authorities will destroy the power now held by monopolies on code authorities by giving representation upon same to number of industrials involved rather than upon the present basis of quantity of production.

Certainly, we should by now have had enough of domination by the monopolies whose leaders are bent alone upon accumulation of profits. Surely, their selfishness is evident to all. The executives of these monopolies are turning heaven and earth to control the N.R.A. machinery. Why would not they? If they can control production and all producers, they can control price. If they can control price, then the public, the consumer, can be damned, and monopoly can go on paying returns on the overcapitalized structures they established a few years ago when a liberal amount of water was poured into these structures to accomplish the gigantic fortunes won by the few.

REGULATING BIG BUSINESS

We cannot, we must not, even try to rebuild business on this overcapitalized structure. If we do try to do this, we but build, or try to build, another folly. The people cannot go on paying prices which will net a return on the water and which will continue the exorbitant salaries paid big business executives. If small business, without watered stock to pay dividends on and without excessive executive salaries and bonuses to be paid, can sell for less than big business can, it should be permitted to do so. Yet, under the N.R.A. program, the tendency thus far has been to deal most tenderly with the profiteers, cuddle them, and give them the large voice in charting the course that business is to pursue in the future.

Some quiet talk prevails about the need for encouraging monopoly—about fewer businesses and stronger businesses. Upon what theory? Upon the mistaken theory that if there are fewer, business will be easier to regulate. What tommyrot! When, during the lifetime of business in America has it been easier to control a monopoly than a number of small business establishments? The facts are that the bigger business has grown, the more completely has it controlled Government. Some question exists right now as to which is the strongest, big business or the Government.

The danger under what appears at times to be the policy of N.R.A. is that the control which Government would have over business is control confined to the small operator rather than of the more obnoxious violators of fair play and decency.

N.R.A. APPRECIATES DANGER

But appreciation within the N.R.A. of the grave danger confronting small business as a result of code agreements and enforcement, of which appreciation I have seen large evidence during late days, will bring about reform of policies that will make N.R.A. play fairly with all, giving advantage to none, certainly not to monopoly; and then out of the N.R.A. program will come a new business life that will revert to the advantage of the many, not to the building of enlarged fortunes alone for the few.

Which brings me to my closing thought. I ask: What has big business and monopoly contributed to the cause of progress? It has contributed but little more than that which it has bought or stolen from small, courageous business men and enterprises. If there was proven to be profit in any enterprise, into it has gone big business, but not until profit was assured.

The small, courageous independent venturer in the business world has been the real contributor to progress. If we would thrive, we should encourage small business in every possible way. Certainly we do not want to go back to that boasted rugged individualism of other days. Why must one be accused of arguing in support of it when he urges a course that will accomplish that state which finds the reward of toil going to the greatest possible number of toilers? Certainly departure from rugged individualism does not mean that we shall have to surrender our interests in a way such as will enslave the many and turn even richer rewards to big business and the cause of easy wealth for those who have it all now.

NEW OR OLD DEAL

The facts are that our so-called "captains of industry" have learned nothing. Profit remains their constant watchword. Yet today they strut as never before, leading the industrial-recovery parade—the parade to a new deal. Seriously, any program supporting overcapitalized industrial structures is not in any sense a new deal. It is the old deal over and over—the deal that got us into our present economic mess. I cannot believe our President sponsors any such deal, and I am sure that these approaching days are going to see the adoption of policies by N.R.A. such as will permit the sun to shine again for the consumer and for the owners and employees of small business ventures still remaining despite the onslaughts of monopoly and its unfair practices. Without the adoption of these policies then well may the industrial plunderers adopt the Last Round-up as their theme song, go forward stamping out the last sign of competition for monopoly, and fasten upon the consumer the burdens which lack of competition always brings.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

HOUSE BILL REFERRED

The bill (H.R. 7295) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1935, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

UNITED STATES MONETARY SYSTEM

The Senate resumed the consideration of the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	Dickinson	Hale
Ashurst	Byrnes	Dieterich	Harrison
Austin	Capper	Dill	Hatch
Bachman	Caraway	Duffy	Hatfield
Bailey	Carey	Erickson	Hayden
Bankhead	Clark	Fess	Hebert
Barbour	Connally	Fletcher	Johnson
Barkley	Coolidge	Frazier	Kean
Black	Copeland	George	Keyes
Bone	Costigan	Gibson	King
Borah	Couzens	Glass	La Follette
Brown	Cutting	Goldsborough	Lewis
Bulkley	Davis	Gore	Logan

Lonergan	O'Mahoney	Schall	Tydings
McAdoo	Overton	Sheppard	Vandenberg
McCarran	Patterson	Shipstead	Van Nuys
McGill	Pittman	Smith	Wagner
McKellar	Pope	Steiwer	Walcott
McNary	Reed	Stephens	Walsh
Murphy	Reynolds	Thomas, Utah	Wheeler
Neely	Robinson, Ark.	Thompson	White
Norris	Robinson, Ind.	Townsend	
Nye	Russell	Trammell	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Oklahoma [Mr. THOMAS] is still detained from the Senate on account of illness.

I desire also to announce that the Senator from Louisiana [Mr. LONG] and the Senator from South Dakota [Mr. BULOW] are necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF], the Senator from Delaware [Mr. HASTINGS], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

[Mr. WHEELER resumed and concluded the speech begun by him yesterday. His speech entire is as follows:]

Friday, January 26, 1934

Mr. WHEELER. Mr. President, as I have said, I feel that it is not entirely fair to me to be forced to undertake a discussion of the amendment at this late hour. I appreciate that most of the Members of the Senate have been here from 11 o'clock until the present time listening to the debate on the bill and the various amendments proposed to it, and that everyone is weary and wants to go home. It is not fair, it seems to me, to be obliged to offer the amendment at this late hour and attempt to discuss it before the Senate under such circumstances and conditions.

This matter, Mr. President, is one of vital interest not only to the administration but to all the people of the United States, and there are millions of people in the United States who are interested in this subject who, if we are forced, may I say, to take a vote upon the amendment under such circumstances as now confront us, will resent that action.

I have gone along with the administration on the pending bill. I am in favor, Mr. President, of the bill proposed by the administration, but I desire to say here and now, without fear of contradiction, that if we simply cut down the gold content of the dollar, without issuing any currency whatsoever, or any more currency than has been issued at the present time, commodity prices in this country will not and they cannot be increased. Commodity prices cannot be increased simply by cutting down the gold content of the dollar and taking the proposed $2,000,000,000 fund and putting it in the hands of the Secretary of the Treasury for the purpose of dealing in foreign exchange. I challenge any man upon the floor of the Senate to point out to me how such action can raise commodity prices in the United States, outside of the prices of commodities that have to be sold upon the world markets.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Texas?

Mr. WHEELER. I yield.

Mr. CONNALLY. The Senator's theory is, is it not, that the more dollars we have the higher prices will go?

Mr. WHEELER. Yes.

Mr. CONNALLY. If we have more gold dollars than we had before will not prices rise?

Mr. WHEELER. Yes; but we cannot make any more gold out of what we have.

Mr. CONNALLY. It can be done under the pending bill.

Mr. WHEELER. Oh, it can be; yes.

Mr. CONNALLY. Does not the Senator trust the President to do it?

Mr. WHEELER. Yes. Permit me to say to the Senator that I trust the President, and I trust him much more implicitly than do some of the other Senators who voted for him, because I will say I was one of the first men who came out for him for President of the United States. Yes; I trust the President implicitly. But let me call the attention of the Senator to the fact that with the gold we have at the present time we could expand the currency of the United States to the extent of four or five billion dollars without ever cutting the gold content of the dollar one iota. Not only that, but we could expand the currency of the United States under the powers given to the President by the Thomas amendment. We could have remonetized silver under the Thomas amendment. What I am contending, however, is that that has not been done, and therefore I am proposing the amendment. There has not been any currency expansion up to the present time, and commodity prices in this country have not risen to any great extent, except by reason of the fact that money has been spent by the Government in connection with the various operations which it is conducting, in the carrying out of which money is being paid out of the Treasury of the United States.

We all know what took place right after the Thomas amendment was adopted and after the Congress of the United States adjourned. The prices of commodities in this country immediately began to rise. Why did they rise? Because of the fact that there was a general feeling upon the part of everybody in the United States that there was going to be inflation; that public works were going forward, and that other matters were going to be taken up; but when statements were given out from Capitol Hill in Washington that there would be no inflation, and that public works were being held up, we all know what took place. We found commodity prices immediately dropping throughout the United States, and we found employment decreasing. Then it was that the administration took money and put men to work under the C.W.A. We have them there today, and the problem that confronts our Government is not how to keep them in the C.W.A. but how to take them off the C.W.A. rolls and have them absorbed by industry.

Mr. President, I have pointed out on the floor of the Senate repeatedly that it was absolutely necessary for our Government to go off the gold standard and depreciate its currency if we were going to meet the competition of Great Britain and other countries. As the Senator from Idaho [Mr. BORAH] pointed out this afternoon, we can cut the gold content of the dollar, but by simply cutting the gold content of the dollar and raising the price of gold we are not for a moment going to meet the difficulty that exists in the world today, and that is to furnish a monetary base for those countries that have no gold or no primary money.

What the President has already done I approve. What he has already done with reference to meeting European competition has helped to the extent that commodities have gone up where they have had to be sold in competition in foreign exchange. For instance, copper has been helped; wheat has been helped to some extent, and cotton has been helped to some extent; but I am sure the Senator from Texas and Senators from other cotton-growing States would not for a moment contend that the cutting of the gold content of the dollar has been responsible for the rise in the price of cotton. On the contrary, what saved the cotton industry, to a large extent, were the loans which were made by the Department of Agriculture on cotton, and which, in other words, fixed definitely the loan price upon cotton, and the same thing is true of corn and hogs. Otherwise, the price of cotton would have gone down; the price of hogs and the price of corn would have gone down.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Montana yield to the Senator from Texas?

Mr. WHEELER. I do.

Mr. CONNALLY. I do not want to interrupt the Senator and consume too much time, but I must candidly state with regard to cotton that the price of cotton reflected immediately the change in the gold value of the dollar under the operations of the President when he brought the price of

gold up to $34 an ounce. Every time gold went up cotton went up. The reason for that is that a Britisher or a Frenchman could buy cotton for 6½ cents in gold in his own money, and that meant 10 cents to us here in the United States. All cotton exporters knew that. I have talked with them about it, and I know that to be the fact. Every time the gold content of the dollar was changed, or the gold value of the dollar was changed, cotton went up, because it is an export crop and its price is fixed in foreign gold money.

Mr. WHEELER. Mr. President, there is no question about the correctness of what I said a moment ago; it did help the price of cotton; but it did not put the price of cotton where it is today. Representatives of all the cotton-producing States came here; their testimony was taken before the Committee on Agriculture, and there was not one of the experts who came before the Agricultural Committee who did not testify that if it had not been for the loans that had been made on cotton the price of cotton would have gone down and would have remained down; and there is a question as to whether or not it would not have gone much lower than it did if it had not been for the pegging of the price by those loans.

However, I do not intend to get into a discussion of that particular feature, Mr. President. I wanted to point out some of the features of the amendment I have offered, and call attention to the fact that it provides that—

The Secretary of the Treasury is hereby directed to purchase silver, at the rate of not less than 50,000,000 ounces per month, until there shall be added to the monetary resources of the United States 1,000,000,000 ounces of silver.

The other limitation is that whenever 371¼ grains of pure silver shall equal in purchasing power 23.22 grains of pure gold the Treasury of the United States shall cease buying silver.

What will that do? I think, Mr. President, no one will contend for a moment that the Government of the United States can possibly purchase to exceed from 250 to 300 million ounces of silver. I want to call attention to the further fact that this proposal will not cost the Treasury of the United States one 5-cent piece, because, under the amendment, silver certificates are going to be issued against the silver purchased. In other words, there will be issued certificates of deposit.

The amendment further provides:

And the silver so purchased shall be held in reserve in the Treasury against the issue of certificates of deposit payable to bearer on demand in silver bullion as hereinafter provided. Such silver certificates shall be issued by the Treasury in an amount which, in the aggregate, shall equal the cost of such silver to the Treasury. Upon presentation of any such silver certificates the Treasurer of the United States shall redeem the same by the delivery of the face value thereof in silver bullion of the gold equivalent value at the time of demand, to the end that the silver delivered shall be measured by value rather than by weight. The silver certificates issued under the provisions of this subsection shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues.

In other words, Mr. President, the silver certificates will be certificates of deposit. This identical system is at the present time in vogue in the Netherlands and in other European countries; and the silver certificates which are in circulation there are discounted at the banks throughout Europe at their full face value, at their value in gold. Under this amendment the certificates would not be redeemable in gold but would be redeemable in silver bars.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. ADAMS. If I understand correctly, what the amendment proposes is not the establishment of a bimetallic standard but the maintenance of the gold standard, and silver is to be measured in terms of gold?

Mr. WHEELER. That is exactly correct. The amendment does not provide for the bimetallic system; it does not bring about the free and unlimited coinage of silver; but I challenge any Senator in this body to show that the silver certificates which would be issued under the provisions of the amendment would not be backed up by more than any other kind of currency we have in the United States, because they will always be redeemable in an amount of silver that will be equal to their face value in gold.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. COSTIGAN. The able Senator from Montana is seeking to supply supplementary currency?

Mr. WHEELER. Exactly.

Mr. President, the President of the United States, when he issued his proclamation recently, stated, among other things:

Whereas from investigations made by me I find it necessary, in aid of the stabilization of domestic prices and in accordance with the policy and program authorized by Congress which are now being administered and to protect our foreign commerce against the adverse effect of depreciated foreign currencies—

What?—

that the price of silver be enhanced and stabilized.

So, Mr. President, in offering this amendment to this bill I am doing exactly what the President of the United States said in his proclamation he desired to do and that it was necessary to do in order to stabilize the price of commodities in the United States.

Mr. SMITH. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from South Carolina?

Mr. WHEELER. Yes, sir.

Mr. SMITH. It was stated in the debate this morning that this country and one or two other countries own practically all the monetary gold or the coverage against which gold certificates are issued.

Mr. WHEELER. That is correct.

Mr. SMITH. If the Senator's amendment should be adopted providing for the purchase of silver and its use as a supplementary currency, would that not enable oriental countries to trade with us upon the basis of our recognition of silver as a supplementary currency? In other words, if those countries have no gold upon which to stabilize their circulating medium, how are they to trade with us except in accordance with such fluctuations as are incident to mere barter?

Mr. WHEELER. There is not any question but that the Senator is absolutely correct.

Let me say to the Senator that I received a cablegram from a business man in Shanghai, China, in which he said that he hoped this amendment would be adopted, because it would stabilize the currencies of the Orient and make it possible for the people of those eastern countries to buy from the people of the United States rather than to do what some of their manufacturers have been doing, dumping their products upon this market and dumping their cotton manufactured goods upon the markets of the countries of the rest of the world at a cost far below what they can be produced for in the United States.

Mr. ADAMS. Mr. President——

Mr. WHEELER. I yield to the Senator from Colorado.

Mr. ADAMS. May I right here at this point refer to a sentence in the President's message delivered on the 15th of January?

Mr. WHEELER. Yes, indeed.

Mr. ADAMS. The President stated in his message of January 15, a week ago Monday:

The other principal precious metal—silver—has also been used from time immemorial as a metallic base for currencies as well as for actual currency itself. It is used as such by probably half the population of the world. It constitutes a very important part of our own monetary structure. It is such a crucial factor in much of the world's international trade that it cannot be neglected.

Mr. WHEELER. That is exactly the point.

I wish now to call to the attention particularly of Senators from the cotton-growing States and the cotton-textile States some startling figures which were given to me by the Department of Commerce.

Mr. President, I have watched oriental countries capture our foreign textile markets and invade our home market because of their lower production costs, due to their depreciated currencies. We are debating the pending gold bill, and the reason why we are proposing to pass the bill is to meet the depreciated currencies of Europe; but there is nothing in this bill, and nothing has been done up to the present time, to meet the situation caused by the depreciated currencies of the Orient.

When Japan went off the gold standard the yen depreciated 60 percent. This lowered her production costs accordingly and gave her an advantage over the gold-standard countries that soon manifested itself by a tremendous increase in her textile export trade.

I obtained the following figures from the United States Department of Commerce: In 1912 the number of cotton spindles in Japan was 2,177,000, while in 1932 the number was 7,965,000.

In 1912 Japan had 22,000 looms; 22 years later she had 79,000 looms.

During the same 20-year period, from 1912 to 1932, her exports of cotton goods increased as follows:

The number of yards exported to China in 1912 was 168,000,000; in 1932 it was 194,000,000. This increase was not very great, due to the fact that China was also developing her textile industry during the same period of time. But let us see what happened in other countries. In 1912 Japan exported to India 8,000,000 square yards, and in 1932 645,000,000 square yards. During the same period of 20 years her exports to East India increased from 2,000,000 yards to 352,000,000 yards, and to Egypt the increase was from 36,000 yards to 195,000,000 yards.

To Australia the increase was from 3,000,000 yards to 36,000,000 yards; to the Philippine Islands it was from 5,000,000 to 21,000,000 yards, and to South America from 76,000 yards in 1912 to 27,000,000 yards in 1932.

In China the number of spindles in 1915 was 1,009,000 and in 1932 it had increased to 4,612,000, while during the same period the number of looms in China increased from 4,564 to 40,000. The increase in production of cotton yarn was from 225,000,000 pounds in 1915 to 933,000,000 pounds in 1932. Her increase in production of cloth was from 50,000,000 yards in 1915 to 800,000,000 yards in 1932.

A prominent individual connected with the Government of the United States said to me, "If you remonetize silver and raise the price of silver to $1.29, and the effect will be—to do what? It will be to stop the industrialization of China." I said, "Yes; it will to some extent retard the industrialization of China, but you must remember that every time you open a cotton mill in Shanghai or Bombay or Tokyo or any of those other places, you likewise put men on the streets who are manufacturing cotton textiles in the United States."

The same thing is happening likewise in the cigarette and tobacco industry. Formerly China was one of the greatest markets in the world for American-made cotton goods and it was one of the greatest markets in the world for American-made cigarettes. Today, by reason of depreciated currency and the low price of silver, we find China manufacturing cigarettes. We find them going into the manufacture of textiles, of boots and shoes, of soap, and engaging in all the light industries. I want to predict here and now that if the price of silver remains down where it is, in 25 years the Orient will put the manufacturers of the United States out of the so-called "light industry."

Italy is complaining. A textile manufacturer the other day called my attention to the fact that their importations are coming into this country, and some are coming in with an N.R.A. stamp. They are laying their products down cheaper in New York City than they could be manufactured by the textile interests in the city of New York.

The effect of raising the price of silver, the effect of doing what I propose in this measure, is to increase the cost of production to the manufacturer in China and in all silver-using countries. It is bound to raise the cost of production to cotton and tobacco manufacturers in all silver-using countries, the same as it has tended to increase the cost of production of wheat in the silver-using countries that produce wheat.

Let me call attention to the fact that Queen Victoria in 1889 appointed what was known as "the British Royal Commission." That commission held hearings. In the testimony given at that time by the then experts and economists of Great Britain it was said that as we depress the price of silver we make it possible for the English pound to purchase more rupees in India, and with the purchase of more rupees in India more goods can be purchased. As the price of silver goes down, likewise the price of cotton and wheat and other products in the North American Continent will go down.

That has been the history of the reduction of the price of silver. Why was it the British Government desired to keep down the price of silver? It was because of the fact that the British Isles comprise a manufacturing nation. Her ships were taking manufactured products throughout the world. She was getting cheap raw materials from North America, Canada, Australia, and India. She wanted the cheap raw materials in those countries, and in return she wanted to sell them her manufactured articles at a higher price. With her ships and cheap raw materials she could undersell and control the commerce of the entire world, which she did for years.

But what happened? Finally some smart Britishers and some Japanese went into India. Who controls industry in Shanghai and in Hong Kong at the present time? The people who control the textile industry in those places are either the Japanese or the British. Does the Chinaman get any benefit whatever out of it? Not the slightest except that he is given a little more money. The men who are making money by reason of the depreciation in the price of silver are the Japanese manufacturers who are located in those particular countries, and the British manufacturers as well.

The chairman of the board of directors of the Midland National Bank, who for many years was president of one of the biggest banks in India, said to me last spring: "I know of a friend of mine whose company is in the manufacture of textiles in Hong Kong. They made 300 percent upon their investment because of the depreciation of the price of silver. I know another man in Shanghai, a Japanese manufacturer, who made 30 percent upon his investment. He paid 10 percent dividends and set aside 20 percent in reserve."

These manufacturers said, "We not only can get the cheap raw materials over here, but by reason of the depreciated price of silver we can likewise get cheap labor, and we can undersell in the world market any manufacturer in the world."

Not only would the remonetization of silver or the raising of the price of silver to a high price act as a tariff barrier to the dumping of these goods of the Orient upon our country, but likewise it would raise their cost of production so we would be able to compete with those countries in the foreign markets.

Almost every morning as we pick up a paper we see headlines saying there is great possibility of war between Japan and Russia next spring. We not only see it in the newspapers, but it is common talk that there will be a war. What happened when the last war came, when England wanted to pay her Indian soldiers? She had to come to the United States and get the silver from the Treasury in order to pay her Indian soldiers in India. If we do not buy the silver for any other purpose than as a "washer", it would be the greatest asset we could possibly have in the event of a war in the Orient.

I have called attention to what China and Japan have done. In India the increased production in textiles was not so pronounced. The number of spindles in India in 1912 was 6,400,000, and in 1932 it was 9,500,000. The number of looms was 89,000 in 1912 and 186,000 in 1932. The production of cotton yarn in India was 688,000 pounds in 1912, while in 1932 it was 1,016,000 pounds. The production of cotton cloth increased from 2,350,000 yards in 1912 to 4,670,000 yards in 1932.

During this same period of time, and I want to impress this upon the Senate, particularly Senators from the cotton-manufacturing States, American exports were decreasing as follows: To British India, from 13,000,000 yards in 1913 to only 2,000,000 yards in 1932. To China our exports decreased from 80,000,000 yards in 1913 to 1,420,000 yards in 1932.

Why was this? It was because of the depreciation of the price of silver that those people were unable to buy from a country that was on the gold standard and with a high-priced dollar. They had to buy from countries that were upon the silver standard. They are buying from Japan and China and starting in the textile business themselves. They were forced to do it by reason of the fact that they were unable to buy these products in the United States, because they had to give us so many more of their silver dollars in order to get our gold dollar.

Senators may philosophize all they want to, they may say that we can trade goods for goods, they may listen to theorists and experts; but they cannot dispute the cold figures and the cold facts that are given to me by the Department of Commerce of the United States. They cannot dispute the fact that the low price of silver has driven the American manufacturer out of the oriental market and has built up the foreign manufacturer in China, in India, and in Japan.

I desire at this point to call attention to the statement of Mr. Denny, one of the leading economists of Great Britain. He has this to say:

> In countries where silver is the currency, as, for instance, China, where the drop in silver between the year 1926 and 1931 is approximately 50 percent, he would have to pay twice as much in his silver money as he would have done in 1926, or, expressed in goods, he would have to produce twice the quantity to pay for goods purchased in the United States.
>
> It will be seen at once, therefore, that the greater the departure of the currency of a country from the gold standard the more difficult it becomes for that country to deal with another country which remains on it. Contrariwise, two countries which have both left it may find that their position relative to each other is practically unchanged, and naturally the tendency would be in such cases for those countries to deal with each other rather than with the gold-standard countries.

A striking example of this fact is found in an Associated Press dispatch in the Washington Star of January 4, 1934, to this effect:

> The United States may expect a restricted market for its raw cotton in Japan this year as a result of an Indo-Japanese commercial agreement obligating Japan to buy 1,500,000 bales of Indian raw cotton annually.
>
> This is in return for exportation of 400,000,000 square yards of Japanese cotton textiles to India each year.

Mr. President, I am aware that it may be said that the figures I have given with reference to the exportations from Japan have no bearing upon the case because it will be urged that Japan has been upon the gold standard.

Notwithstanding the fact that Japan has been upon the gold standard, however, her money and her exchange are affected by the price of silver because of the fact that a large amount of her trade—and practically most of her trade—has been in the Orient. The Senator from Utah [Mr. THOMAS] has been in Japan, and I am sure he will verify the statement I make, because he knows something with reference to that particular subject.

If the price of silver remains down, not only are the oriental countries going to drive us out of the production of manufactured goods but there is bound to be a stimulation of the production of raw cotton in the silver-using countries, because, if their silver remains down, and we have a high-priced dollar, there is only one thing they can do: They must buy their cotton from silver-using countries where they can get it cheaper than they can in the United States. If we put up the price of cotton in the United States of America, immediately, by reason of their exchange, they must and will of necessity buy their cotton from India and other silver-using countries. As we restrict the production of cotton in this country, they will stimulate production in these other countries to take the place of the amount of cotton that we cut down in the United States.

The result of that is this, and I challenge any manufacturer or any man who has made a study of the figures and the facts that have been presented to me to disprove the assertion: Not only are the oriental nations going to buy their cotton and their other raw materials from silver-using countries, and thus have the benefit of cheap raw materials, but likewise, by reason of the depreciated price of their silver, they are going to have lower manufacturing costs, and they will be able to undersell the United States of America in any place in the world, and will do it just as surely as we are sitting in these seats today.

Mr. President, I am not interested merely in the rehabilitation of silver. Notwithstanding the fact that I happen to come from a silver State, I have said repeatedly on the floor of the Senate and I have said to the executive branches of the Government that I am not interested in doing something to subsidize the mining companies of my part of the country. I am not the slightest bit interested in that. While I want to see them prosper, I am not interested in seeing them get a subsidy. I am interested in silver if it is going to do something to help the manufacturers of this country; if it is going to help put men to work in the factories of this country; if it is going to create a buying power so that we can sell our surplus products; if it is going to take these men off the C.W.A., as ultimately they must come off, and put them back into industry. I say without fear of contradiction that nothing that has been done up to the present time, except the depreciation of our present dollar, has done one thing to increase our exports or to help commodity prices in this country, and the depreciation of the dollar has helped only to the extent that it has helped those commodities that have to be sold upon the world market.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Maryland?

Mr. WHEELER. I yield.

Mr. TYDINGS. I think the Senator will concede that in the last analysis any country buying from the United States products such as cotton, for example, must pay for those products in goods.

Mr. WHEELER. There is no question about that.

Mr. TYDINGS. In other words, unless we can buy the products of the Orient, they cannot buy the products of the United States.

Mr. WHEELER. I would not agree to that entirely with reference to the Orient, because the Orient is in a somewhat different position from the rest of the countries of the world with reference to that particular subject.

Mr. TYDINGS. Let me put it in a different way. Let me ask the Senator how much monetary silver there is in China.

Mr. WHEELER. I do not think anybody can say definitely how much monetary silver there is in China. Someone has said that there is approximately from 250,000,000 to 350,000,000 ounces of monetary silver in the world that is not being used at the present time.

Mr. TYDINGS. I think that is true; but what I wanted the Senator to estimate was the amount of monetary silver in China at the present time.

Mr. WHEELER. I could not estimate it.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Nevada?

Mr. WHEELER. I do.

Mr. PITTMAN. That can only be estimated by taking the amount of silver that has been produced and deducting from that the depreciation, the loss from abrasion, natural losses, and those things.

Mr. TYDINGS. I was going to say that the United States Bureau of the Mint some time ago—about 2 years ago, I think, in 1931—at the price of silver then prevailing, estimated that there were $654,698,000 worth of monetary silver in China. Taking that as a basis for this argument, assuming that there is approximately $700,000,000 worth of silver in China, if China were to purchase $700,000,000 worth of

American products, and there were no other monetary silver in China, that would be the limit of China's buying capacity.

Mr. WHEELER. That is correct.

Mr. TYDINGS. The point I am trying to bring out is that in the last analysis China keeps her silver in China, so that she can buy another allotment of cotton by selling to somebody else some goods for which she gets money, and in the end uses that same money to buy our goods.

Mr. WHEELER. Exactly. There is no question about it.

Mr. TYDINGS. While I do not contend for a moment that the Senator's argument is not well taken, I did want to bring out the point that the money is only an incident to the transaction, and in the last analysis we simply swap goods for goods; and under the present economic set-up in the world, one reason, in my judgment, why we have no market today, is that we have a set of tariff restrictions and embargoes that curtail and limit trade rather than encourage and accentuate it.

Mr. WHEELER. There is no question but that the trade restrictions do that; but let me call the Senator's attention to the fact that the statement is repeatedly made that we trade goods for goods, and consequently that it does not make any difference what kind of money is used.

Mr. TYDINGS. I did not say that.

Mr. WHEELER. No; I understand that the Senator did not say it, and I do not say it; but the statement has been made to me by economists and by some bankers that we simply trade goods for goods, and it does not make any difference what the price of silver is, or how much the currency is depreciated. That is the old argument that was always made by the monometallists and the gold-standard people. What has happened since the break-down of the gold standard, however, has demonstrated beyond a question of a doubt that the depreciation of the currencies of the various countries acts as a restriction upon a country with depreciated currency in selling to or buying from a country that is off the gold standard.

Mr. TYDINGS. Mr. President, will the Senator yield right there?

Mr. WHEELER. Yes.

Mr. TYDINGS. I agree with the Senator, and I want to qualify my agreement with this illustration: If silver goes down in price in India or in the world, as far as the trade between one Chinaman and another Chinaman in China is concerned, probably the price of silver is secondary.

Mr. WHEELER. Exactly.

Mr. TYDINGS. But when it comes to international trade, I think the Senator's point is absolutely sound—that they translate their products into money in China; and therefore, when that is out of relationship with our money, it diminishes or increases the amount of trade as the price of silver fluctuates up or down.

Mr. WHEELER. Exactly; and that is the reason why the argument of the Senator from Pennsylvania [Mr. REED] with reference to our depreciating our currency in foreign exchange has no application to prices in this country, for the simple reason that it was clearly demonstrated that when Great Britain depreciated her currency the price of commodities did not rise commensurately with the amount of the depreciation.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Nevada?

Mr. WHEELER. I yield.

Mr. PITTMAN. The figures that the Senator from Maryland quoted were in dollars.

Mr. TYDINGS. They were in dollars.

Mr. PITTMAN. As a matter of fact, they were based, as I recollect, on a silver price of about 30 cents an ounce.

Mr. TYDINGS. I think that is correct.

Mr. PITTMAN. As a general thing, in dealing with silver we are dealing with ounces, and I think the figures are as nearly correct as we can get them. There are probably 2,000,000,000 ounces of hoarded silver in India. There are probably 250,000,000 to 350,000,000 ounces of current silver in the large banks, like those of Shanghai. There are probably 6,000,000,000 of hoarded silver in India, and altogether there are probably 12,000,000,000 of silver in the world. Practically all of this silver is used for purchases—even the jewelry of India or chunks of silver in China.

If the Chinaman can buy four times as much with an ounce of silver in the United States, he will buy; his purchasing power in the United States is increased; and yet the silver that we receive in purchases here is less valuable than our own silver which we circulate here, the $800,000,000 worth of silver.

Just one other point as to this theory that a country can only buy as much goods as it sells. That is absolutely true as between two thoroughly developed countries like France and Germany. It was not true at all at the beginning of the settlement of this country, because we allowed a man to take a homestead, and it cost him nothing. A farmer from Great Britain came over here and paid him a thousand pounds for it. The day before the American farmer had nothing except a piece of land. The next day he had a thousand pounds, with which he could make purchases anywhere in the world. A prospector went out and found a coal mine in West Virginia or an iron mine in Michigan. Prospectors found mines everywhere. The prospector paid nothing for the mine. It was new wealth; and yet the British, the French, the Germans, and the Dutch came over here, and they paid millions and millions of pounds for this wealth. It was wealth in this country—new wealth. The man that had it could buy with it.

There are two factors. One of them is the shipment of money to a country, the income that cannot be figured on. The other is the natural wealth of a country that is brought into use as a buying power that formerly did not exist.

Just one other statement: If we can give to China $3,000,000,000 worth of purchasing power they will start in buying rails if they need them; they will start in buying engines, automobiles, machinery to dig canals, and so forth. They will open up that country; and as they open it up capital will flow in from the world to take advantage of those raw resources and again start buying power.

Mr. WHEELER. I thank the Senator.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WHEELER. Yes; I yield.

Mr. TYDINGS. I am not in disagreement with what the Senator from Nevada has just said. The only point he brought out that I have not brought out is that as the silver comes here to buy raw materials, or rails, or what not, and goes back to China, it creates new wealth there to take the place of the silver which came out in the form of an inflow of capital, and keeps money in balance.

What I rose to bring out—it might be a good point to have these figures—was this:

In 1932 the United States Treasury Department issued a pamphlet called "The World Monetary Stock." That pamphlet claimed that from the year 1492, 15,170,272,102 ounces of silver had been found in all the world. The pamphlet went on to show that the average amount of silver produced each year in relation to the gold production was constant, that it was around 93 percent, but that the value of the silver fluctuated anywhere from 24 to 70 percent of the value of the gold, which I think illustrates what the Senator has been saying.

[At this point Mr. WHEELER yielded the floor for the day.]

Saturday, January 27, 1934

Mr. WHEELER. Mr. President, as I said last night, I hope that nothing I may say and nothing I may do with reference to the pending amendment will be construed or can be construed by anyone as an attempt in any wise to hinder the President's program. On the contrary, I am thoroughly convinced, as are many other Members of this body and of the House of Representatives, that instead of hindering the President's program the amendment which I am offering to the gold reserve bill will materially assist in doing the very thing which he by his proclamation of May 12, 1933, said that he wanted to do. In that proclamation he stated:

By proclamation to fix the weight of the gold dollar in grains 0.9 fine, and also to fix the weight of the silver dollar in grains 0.9 fine, at a definite fixed ratio to the gold dollar at such amounts as he finds necessary from his investigation—

To do what?—

to stabilize domestic prices or to protect farm commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of said gold and silver at the ratio so fixed.

Then he stated:

Whereas, from investigations made by me, I find it necessary, in aid of the stabilization of domestic prices and in accordance with the policy and program authorized by Congress, which are now being administered, and to protect our foreign commerce against the adverse effect of depreciated foreign currencies, that the price of silver be enhanced and stabilized.

When that proclamation was issued, it provided for the purchase of domestically mined silver at approximately 64½ cents an ounce. That, of course, was of assistance and value to the western mining interests. As to that there can be no question whatsoever. In effect, it amounted to a subsidy to the silver-mining interests to the extent of the difference between the world market price and the price of 64½ cents. I have never fought for a subsidy for the mining interests, and I have never been interested in the price of silver from the standpoint of simply granting a subsidy to the mining interests. I have been interested in it because of the firm conviction which I now have and which I have always had, and which the President apparently has, to the effect that only by raising the world price of silver can we affect world commodity prices as distinguished from domestic prices.

The amendment which I have offered is exactly in line with the statements which have been made by the President of the United States in his speeches during the campaign, one of which was made in my home city of Butte, Mont., and in his statements to the Congress. It is in line with his proclamation and with his desire to reestablish commodity prices at the 1926 level. I think every Member of the Senate is in accord with the President's idea of raising commodity prices to the 1926 level. I think it is a most commendable idea.

While I have offered the amendment as a compromise, it does not, as I said yesterday, open the mints to the free coinage of silver. It does not establish the 16-to-1 ratio between silver and gold, as I had wanted to do and as I had asked should be done in bills previously introduced by me. But the amendment does propose to raise the price of silver in the world market. It does give to the administration an opportunity, not based upon argument, not upon the advice of college professors, to demonstrate the correctness of the theory which I have advanced and which many other Members of the Senate have advanced and which the great leaders of the Democratic and Republican Parties in the past have advanced, namely, that if we raise the price of silver we are going to help our foreign trade in the Orient and in all silver-using countries, and, in addition to that, we are going to make it possible for the opening up of China for capital exports to that country as well as to South and Central American countries. That was very ably explained yesterday by the distinguished Senator from Nevada [Mr. PITTMAN].

While I am on this subject, let me invite attention to the fact that this is not a partisan matter. I quote from President Benjamin Harrison in his message to the Senate of April 26, 1892, in which he said:

It may not be inappropriate, however, to say here that believing that the full use of silver as a coined metal upon an agreed ratio by the great commercial nations of the world would very highly promote the prosperity of all their peoples.

That is taken from volume 9, page 238, of President's Messages.

Alexander Hamilton, the greatest Secretary of the Treasury of the United States up to the advent of Mr. Mellon, in his able and invaluable report in 1791 on the establishment of the mint, declared that—

To annul the use of either gold or silver as money is to abridge the quantity of circulating medium and is liable to all the objections which arise from a comparison of the benefits of a full circulation with the evils of a scanty circulation. It seems most advisable not to attach the unit exclusively to either of the metals because this cannot be done effectually without destroying the office and character of them as money and reducing it to the situation of merchandise.

This is exactly what has happened in the world at the present time. This is exactly what Alexander Hamilton predicted.

Let me invite the attention of the Members of the Senate to the fact that on the question of gold and silver, on the question of using those two metals as a standard to measure the exchange value of commodities of the Occident with those of the Orient, the only point that could be agreed upon by both Hamilton and Jefferson was that in this Nation we should have a bimetallic standard.

Some people look upon bimetallism as Bryanism. Some have said, "I should like to vote with you except that it would be looked upon as Bryanism." Bryan was not the author of this plan. It was none other than Alexander Hamilton and Thomas Jefferson who were the authors and fathers of this system of money in the United States. It was written not only into our monetary laws, but likewise in the Constitution of the United States.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. The Senator might add that bimetallism was established in all parts of the world generally when we drafted the act of 1792; so that they simply accepted as a fait accompli the bimetallic or double standard which existed throughout the world.

Mr. WHEELER. Mr. President, John A. Logan, speaking in 1899, said:

The cause of our depression is money famine and nothing else.

What was true then is true now. As the distinguished Senator from Idaho [Mr. BORAH] pointed out yesterday, the trouble is at the present time that there is not sufficient primary money in the world upon which to base the currencies and the credits of the world. Consequently, after the war we had the greatest currency and credit inflation that the world has ever seen, based not upon any metal, not upon primary money but based entirely upon a paper foundation.

I wish we could for just a moment visualize the idea that this condition was due not only to a money famine but likewise that it was due to the fact that there was not enough primary money in the world. What took place after the war? We all know that in 1920 and 1922, after the tremendous credit and currency inflation caused by the war, the international bankers met, first, I think, at Berne, Switzerland, and again at some other place and said, "Let us put the world back upon the gold standard."

They attempted to do it, and they practically even turned over to Germany a tremendous amount of gold for the purpose of putting Germany back on the gold standard. But because France was a creditor nation, and our position in the world changed from that of a debtor nation to that of a creditor nation, and because these two nations had 70 percent of all the gold in the world, the other nations, as they lost their gold, had to contract their currencies if they wanted to remain upon the gold standard. They contracted them to a point where they could not longer contract them, because as they contracted their currencies the price of their commodities went down. Finally, one after another, they went off the gold standard, until practically 40 nations in the world had abandoned it. Then they started to depreciate their currencies, with the result that finally our Nation, notwithstanding the fact that it had all the gold it could possibly use and more gold than it could use, was forced off the gold standard, not because we were losing our gold, but because we were losing our commerce and our business. That is the reason why we went off the gold standard. We went off it because we wanted to protect our foreign trade as against the competing nations of the world that were

unable to trade with us because of their depreciated currencies.

I have heard men talk, I think, on the floor of the Senate, about what happened to France when she cut the gold content of her franc. Let me call attention to the fact that what France did was not first to cut the gold content of her franc. What France actually did was to go to a paper inflation. She put out so much paper that her franc gradually went down until her money became worth very little. Then, instead of first cutting the gold content, France, by issuing paper currency, devaluated her money, and then finally stabilized it at a higher value than her money had at the time it was stabilized.

To those who think that just because we are going to cut the gold content of the dollar we are going to have any more money in circulation or that our action is going to help commodity prices in this country, I desire to state that they are going to have a rude awakening unless more currency shall be issued upon the value of the gold that is already outstanding.

I desire to make a prediction. I noticed an article in the Hearst papers this morning to the effect that the administration had entered into some kind of arrangement with great Britain to stabilize the dollar at 60 cents. Rumor has it that no more currency is to be issued. Let me predict that if we shall simply cut the gold content of the dollar, and no more currency shall be issued, and silver shall not be used for the purpose of increasing the amount of money in circulation, we will have a continuance of low commodity prices.

It is not simply a question of cutting the gold content of the dollar. If anyone of us had $20 or $50 and we simply cut the gold content of the dollar, but the equivalent of the gold thus released was not permitted to be used and put in circulation, it would have no effect upon domestic commodity prices.

What the administration thus far has done has been to depress the dollar by buying gold, and cheapening the dollar in that way with reference to gold. The officials of the administration have depressed the dollar by artificial means in the world market; and by thus depressing it forcibly in the world market they have aided our foreign trade and our foreign commerce, because in that way they have depreciated our currency in foreign markets. But the moment they stabilize it at any figure, unless more currency shall be placed in circulation and unless credit shall be loosened up tremendously, just that minute we will see the dollar go up, because in comparison to our natural resources, in comparison to the virility of the American people, we have less money in circulation at the present time than almost any other nation in the world.

I desire now to quote James G. Blaine, who for many years was the guiding genius of the Republican Party. He said upon the floor of the House on February 7, 1878:

> On the much-vexed and long-mooted question as to a bimetallic or nonmetallic standard, my own views are sufficiently indicated in the remarks I have made. I believe the struggle now going on in this country and in other countries for a single gold standard would, if successful, produce wide-spread disaster in and throughout the commercial world.
>
> The destruction of silver as money and establishing gold as the sole unit of value must have a ruinous effect on all forms of property except those investments which yield a fixed return in money. These would be enormously enhanced in value and would gain a disproportionate and unfair advantage over every other species of property. If, as the most reliable statistics affirm, there are nearly $7,000,000,000 of coin or bullion in the world, not very unequally divided between gold and silver, it is impossible to strike silver out of existence as money without results which will prove distressing to millions and utterly disastrous to tens oft thousands.

As my distinguished colleage from Idaho [Mr. BORAH] said on yesterday, had it not been for the tremendous amount of gold which was found just after 1896, or about that time, in South Africa, every prediction made by James G. Blaine and other leading Republicans at that time on the floor of the House of Representatives and on the floor of the Senate would have come true. It was because of the tremendous new production of gold at that time in South Africa, and because of the development of new machinery for the purpose of recovering gold from low-grade ore, that that disaster was prevented.

Again, Mr. Blaine said:

> I believe gold and silver coin to be the money of the Constitution; indeed, the money of the American people, anterior to the Constitution which the great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare either metal should not be money.

He went so far as to say that:

> Congress has therefore, in my judgment, no power to demonetize silver any more than to demonetize gold.

Senator John Sherman, of Ohio, said in 1869:

> The contraction of the currency is a far more distressing operation than Senators suppose. Our own and other nations have gone through that operation before. It is not possible to take that voyage without the sorest distress. To every person except a capitalist out of debt, or a salaried officer or annuitant, it is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy, and disaster. It means ruin of all dealers whose debts are twice their business capital, though one third less than their actual property. It means the fall of all agricultural production without any great reduction of taxes. What prudent man would dare to build a house, a railroad, a factory, or a barn with this certain fact before him?

Are we not experiencing exactly that situation at the present time?

John G. Carlisle, then a Member of the House of Representatives, said on February 21, 1878:

> I know that the world's stock of precious metals is none too large, and I see no reason to apprehend that it will ever be so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population and industry. According to my views of the subject the conspiracy which seems to have been formed here and in Europe to destroy, by legislation and otherwise, from three seventhe to one half the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilences, and famines that ever occurred in the history of the world.
>
> The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads, and other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one half of the metallic money of the world.

The then junior Senator from Texas, Mr. Roger Q. Mills, on the 3d of February 1886, on the floor of the Senate, said:

> But in all the wild, reckless, and remorseless brutalities that have marked the footprints of resistless power there is some extenuating circumstance that mitigates the severity of the punishment due the crime. Some have been the product of the fierce passions of war, some have come from the antipathy that separates alien races, some from the superstitions of opposing religions.
>
> But the crime that is now sought to be perpetrated on more than 50,000,000 of people comes neither from the camp of a conqueror, the hand of a foreigner, nor the altar of an idolator. But it comes from those in whose veins runs the blood of the common ancestry who were born under the same skies, speak the same language, reared in the same institutions, and nurtured in the principles of the same religious faith. It comes from the cold, phlegmatic, marble heart of avarice—avarice that seeks to paralyze labor, increase the burden of debt, and fill the land with destitution and suffering to gratify the lust for gold—avarice surrounded by every comfort that wealth can command, and rich enough to satisfy every want save that which refuses to be satisfied without the suffocation and strangulation of all the labor of the land. With a forehead that refuses to be ashamed it demands of Congress an act that will paralyze all the forces of production, shut out labor from all employment, increase the burden of debts and taxation, and send desolation and suffering to all the homes of the poor.

Wendell Phillips said—and it is very significant to remember at this particular moment what he said:

> In other words, it was the currency which, rightly arranged, opened a nation's wellsprings, found work for willing hands to do, and filled them with a just return, while honest capital, daily larger and more secure, ministered to a glad prosperity. Or it was currency, wickedly and selfishly juggled, that made merchants bankrupt and starved labor into discontent and slavery, while capital added house to house and field to field, and gathered into its miserly hands all the wealth left in a ruined land.

The first question, therefore, in an industrial nation is, Where ought control of the currency to rest? Every writer of political economy, from Aristotle to Adam Smith, allows that a change in the currency alters the price of every ounce and yard of merchandise and every foot of land. Whom can we trust with this despotism? At present the banks and the money kings wield this power. They own the yardstick and can make it longer or shorter, as they please. They own every pound weight and can make it heavier or lighter, as they choose. This explains the riddle, so mysterious to common people, that those who trade in money always grow rich, even while those who trade in other things go into bankruptcy.

Why was the metallic standard adopted? It was adopted because the people did not dare to trust the monetary standard to the despotism of any particular individual. Wendell Phillips expressed the thought in language that should be brought home to the American people at this very moment.

President William McKinley said:

I am for the largest use of silver in the currency of the country. I would not dishonor it. I would give it equal credit with gold. I would make no discrimination. I would utilize metals as money and discredit neither. I want the double standard.

Mr. President, there are those who have stated that we cannot adopt the double standard in this country at this time, because, it is said, we would be flooded with silver. I challenge any intelligent economist who has studied the subject of silver and knows anything about it to say that even were we to adopt the bill heretofore introduced by me, providing for the free and unlimited coinage of silver, this country would be flooded with silver, much less so if the compromise which I am now offering should be adopted.

The economist of one of the largest banks in New York City stated to me that at the present time unquestionably it would be impossible for China and India to send their silver to this country, because it is the only currency they know and the only currency they have, and if they should divest themselves of their silver it would be impossible for them to carry on business.

Someone may say, "But they could have a paper currency over there the same as in other countries." Not at all. Anyone who has traveled through China knows that that is an impossibility, because, as we all know, various war lords control different parts of China. Anyone who has traveled through that country will readily appreciate why it is that the people of China have to use a silver standard and why they have to have silver as money. It is because of the fact that when one war lord governs one place, and another war lord governs another place, and another war lord governs still another place, they might issue paper currency in one particular province which would have absolutely no value outside of that province. They cannot get enough gold to circulate as money, and the 500,000,000 people in China have no confidence, and can have no confidence under existing conditions, in a paper monetary system. So they are forced, not because they might not want to but by reason of the economic situation and by reason of the conditions existing in their country, to have silver coin of a certain weight and fineness circulated as money, so that regardless of what war lord is in power or what province it goes to, that money will have exactly the same value in all parts of China.

The economist to whom I referred said to me, therefore, that it is impossible for China to ship its silver to this country and the people there still to continue to carry on their trade and commerce. It should be apparent to any man who has ever studied the subject and who has ever visited China, that what this economist said to me is correct.

I likewise talked to one of the best-known economists in this country, residing here in the city of Washington, who by reason of his particular position was unable to come before the committee to testify, but who said identically the same thing. He said there was no question at all but that if we remonetize silver, if we raise the price of silver, for every penny in value we raise it, for every 5 cents in value we raise it, so likewise we raise the cost of production to the manufacturers in the silver-using countries.

Let me say to Senators from cotton- and tobacco-producing States, that as we raise the value of silver we likewise, beyond the peradventure of a doubt, raise the cost of production of cotton and tobacco in every silver-using country.

It is beyond my comprehension, Mr. President, why men who come from States that produce cotton, that produce tobacco, that are engaged in textile manufacture, cannot see the value which the raising of the price of silver would have to the industries of their respective States, how it would put men to work in their fields, bring prosperity to their farmers, and take men off the streets and put them back into the factories where they belong, instead of its being necessary to have them upon the rolls of C.W.A.

Mr. President, because of passions, because of political prejudices, are we afraid to do what we feel and know and believe ought to be done? What is the Senate of the United States coming to if men elected as representatives of the people of the Nation are afraid to express their honest convictions upon the floor of the Senate? What is going to become of representative government if we, the representatives of the people who sent us here, are afraid to stand on the floor of the Senate and express our honest convictions?

On yesterday I was asked whether I trusted the President of the United States. Yes; of course, I trust him. As I said then, and now repeat, I trusted him before the convention in the city of Chicago; I trusted him in that convention in Chicago; but that I trust him, that I like him, Mr. President, is no reason under the sun why I should stand on the floor of the Senate and be afraid to voice my honest convictions upon this or any other fundamental principle which affects the people of the United States or of my constituency. If the Members of the House of Representatives and the Members of the Senate become so cowardly that they are afraid to assert their manhood and their convictions and their principles upon the floor of Congress, then representative government in this country is at an end.

Mr. President, I am for the amendment because I know it is right. I know that every great thinker of this country who has served in Congress who has not been affected by greed and selfishness and avarice has stood and argued in favor of it upon the floor of Congress. I would present this cause upon the floor of the Senate and I would argue for it, believing in the principles of it as I do, even though I knew it would mean my defeat tomorrow.

Men may disagree with me. Never for one moment because a man honestly differs with me do I dislike him for it. I admire a man even though he disagrees with me if he has the courage of his convictions to stand in the Halls of Congress and disagree.

Mr. President, I am not asking for the remonetization of silver in the amendment now offered to the bill; I am simply asking that this amendment be put into the bill as an experiment, to demonstrate beyond peradventure to those who say that we cannot remonetize silver, and that it will wreck our financial system, that it can be done; and I say in all seriousness and without fear of contradiction that if we shall adopt this amendment to the bill we will be doing the administration a favor rather than a disfavor.

Mr. DAVIS. Mr. President, can the Senator give me an estimate of the number of men employed directly in the mining of silver?

Mr. WHEELER. I cannot state the exact number, but I will say that if this amendment were enacted into law the result would be that men who are now on the rolls of the C.W.A. in 11 States of the Union would be put to work in the silver mines. It would result in taking off the pay roll men now being paid out of money supplied by the Government to do possibly more or less useless things; it would result in taking them off what amounts practically to a dole and employing them in a way that would create wealth. It would result in their being employed in doing something that would not only be useful and would result in the creation of new wealth but would give our farmers purchasing power and would give purchasing power to 500,000,000 people in China, who want to purchase commodities produced by our people but are unable to do so at present because of the fact that they have to pay a greater price in their silver currency.

I now desire to call attention to a letter I have received from Mr. Frank B. Cook, of Salt Lake City, one of the best students of this subject of whom I know. He says:

I have recently been appearing before some of the lunch clubs in this city for the purpose of discussing the so-called "silver question" and find that the principal inquiry is, Will we not be flooded with silver if we open the mints to free and unlimited coinage?

My answer is that France held her mints open to free coinage of either metal from 1803 to 1874 at a ratio of 15½ to 1. During part of this period, 1834 to 1873, our mints were open at 15.998 to 1. France therefore valued silver more highly than we did. Notwithstanding this, by referring to the report of the Director of the Mint for 1880, page 59, it will be seen that, while in 1850 she had in circulation 2,126,607,000 francs in gold and 3,326,146,000 francs in silver, in 1873 she had 6,005,897,000 gold francs and 2,367,490,000 silver francs. This does not support the statement either that silver drove gold out of France or that any country would be deluged with the white metal by establishing unlimited demand at a stated ratio.

M. Robert Masson, at the annual banquet of the New York City bankers, January 19, 1914, explained how France at that time protected either metal as follows: How is this successful policy of the Bank of France materially possible? Precisely because it has the option to pay in silver as well as gold. When the situation is such that withdrawals of yellow metal is to be feared, the bank quotes a premium on gold. At present, for instance, the quotation is about one tenth of 1-percent premium; that is to say you will only get $999 in gold against $1,000 in notes. If you want to get $1,000 cash, you can get them, but in silver. I do not know when this rule went into effect, but it was continued up to the time of the World War.

I have asserted and do assert that, if the United States remonetized silver, we would not be flooded with silver for the following reasons:

First. It is human nature to retain possession of an article as the value (price) increases.

Second. The only important sources from which we could be flooded are from the hoarded silver of India and China. I quoted Dr. Arendtz, of Harvard. "The story about huge stocks of silver waiting to be dumped on the United States is simply a myth. The portions that are undoubtedly held in India and China in private hoards would not come out. Of that I have no doubt whatever, because those savings are the savings of the poor and middle-class people. They are kept not for speculative purposes, but, like savings deposits of the poor and middle-class people here, a man there will accumulate a little silver by way of ornaments or of silver bullion, against the marriage of his daughter or a death in the family, or his own death or famine, and all experience has shown that that comes out only when the contingencies arise and never because of a change in the gold value of the silver they have hoarded. A price of $1.35 or $1.38 in 1919 which we had brought no more than 50,000,000 ounces out of China. I think that shows pretty clearly that those hoards will not come. They are performing their function and will stay there. You won't get those."

Third. During a period of at least 75 years, which covers a time when the gold price of silver was both high and low and when, through selfish legislation, silver as a basis money was discredited, India bought more each year than she sold and with the exception of 2 years, China did likewise.

Fourth. Any silver which would come to us would result in a flood of orders for wheat, cotton, lumber, oil, tobacco, etc., from the Orient.

Fifth. The United States is a strong creditor nation and the balance of trade is in our favor. Unlimited demand at a stated ratio would immediately establish the price in every capital of the world. To think otherwise we must admit that a country able to extend credits of billions of dollars to foreign nations and their people cannot establish and maintain a price of a commodity of limited amount. Notwithstanding statements to the contrary, no country can properly spare a single ounce of silver from its monetary supply. A glance at the report of the Director of the Mint for 1933, pages 96 to 99, inclusive, will show this.

I will appreciate any comment you may care to make on what I have written.

With best wishes, I remain, sincerely,

F. B. COOK.

Let me likewise, Mr. President, call attention to a statement of a distinguished economist from another country, Mr. José Luis Requena, a Spaniard, whose book, entitled "The Crisis in the Gold Standard", has been translated into English. He said:

It is not true that such a thing is impossible—

Referring to silver—

It is not true that such a thing is impossible. Let us imagine for a moment that the United States, say, took the initiative and rehabilitated silver as a coin for its currency, and consequently seized and controlled Asiatic markets, like China, and India, likewise, in spite of British dominance, and the trade of the whole of Latin America and perhaps also of a number of other countries in the rest of the world, and we would then see how the other preponderant nations, England, France, Germany, Italy, and even Japan, would fold their wings and alight on the same competitive field.

We have taken the United States as the subject for our example, because it is at present the power wielding most influence in world economy. In regard to that nation, Dr. F. Mlynarcki says: "The share contributed by the United States to the total volume of world production is 33 percent. The proportion of raw materials produced by it is even higher. The American output of coal, pig iron, steel, zinc, lead, and tobacco amounts to about 40 percent of the world's production, and copper and cotton to 50 percent, maize to 60 percent, and petroleum to over 70 percent. The whole world is now dependent to a much greater extent on American production, than it was on English prior to the World War. * * * He whose interest in a business amounts to 33 percent has the control; a country furnishing 33 percent of the production of the whole world controls all the others, for good or ill."

So, Mr. President, not only did the economist for the leading banking house in New York, not only did a distinguished economist here in this city connected with one of our institutions, not only did other distinguished economists take this position but Mr. Requena and everyone else who has given serious consideration to the subject have predicted exactly the same course of events under the bill which I previously offered for the free and unlimited coinage of silver.

Let me call attention to the fact that the certificates of deposit which would be issued under my amendment would be the soundest money that could possibly be suggested or which this Government would have, because always back of those silver certificates would be silver bullion to equal their gold value. It would absolutely be the soundest and the safest currency that could possibly be had in this country. The same kind of currency circulates in Europe at the present time. It is issued by the Netherlands, and is accepted at 100 cents upon the dollar throughout the entire length and breadth of Europe. The gold certificate, as has been pointed out here, is no longer redeemable in gold. The only certificate which would be redeemable would be the silver certificate. The silver dollar at the present time is redeemable only in approximately 70 cents gold. If this amendment shall be adopted, the silver certificate will be redeemable in its absolute face value in gold, and likewise every solitary silver certificate in the United States will be redeemable at 100 percent silver in its gold value.

Mr. President, in line with what I have been saying with reference to the demonetization of silver, I wish to call attention to an article which recently appeared in the Washington Herald of January 19 entitled "Economic Slavery", by Robert H. Hemphill, a financial authority. In this article he says:

The issuance of bonds due to the cost of the Civil War precipitated a crisis which came near resulting in the repeal of the National Bank Act and the issuance of full legal tender money by the Government.

Salmon P. Chase, Secretary of the United States Treasury and subsequently Associate Justice of the Supreme Court, eventually realized that he had been imposed upon by his friends, international bankers, and denounced the National Bank Act as follows:

"My agency in procuring the passage of the National Banking Act was the mistake of my life. It has built up a monopoly that affects every interest in the country. It should be repealed. But before this can be accomplished the people will be arrayed on one side and the banks on the other in a contest such as we have never seen in this country."

Then Mr. Hemphill goes on to say:

During this campaign, on March 12, 1893, the National Bankers Association sent out to all banks what was known as "the panic circular", as follows:

"DEAR SIR: The interests of national bankers require immediate financial legislation by Congress. Silver, silver certificates, and Treasury notes must be retired and the national bank notes, upon a gold basis, made the only money. This requires the authorization of $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation. You will at once retire one third of your circulation and call in one half of your loans. Be careful to make a money stringency felt among your patrons, especially among influential business men. Advocate an extra session of Congress for the repeal of the purchase clause of the Sherman law; and act with other banks of your city in securing a large petition to Congress for its unconditional repeal, as per accompanying form. Use personal influence with Congressmen; and particularly, let your wishes be known to your Senators. The future life of national

banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor of governmental legal tender notes and silver coinage."

In other words, Mr. President, this was done for the very purpose of securing the repeal of the Sherman law, which provided for a larger use of silver in the coinage of the United States.

With reference to the subject whether or not we will be flooded with silver, let me call attention to the fact that I think it was at a conference held here in the city of Washington by the so-called "Committee of the Nation" at which Professor Warren made the statement that, as a matter of fact, there was not silver enough in the world to raise commodity prices back to the price levels of 1926. In other words, instead of his fearing that we would be flooded with silver, instead of his fearing that we would have inflation enough, he said if we remonetized silver there would not come to this country enough silver and we would not have enough silver to raise commodity prices back to the level of 1926.

I wish also to call attention to a quotation from the same author from whom I quoted a few moments ago in his book entitled "The Crisis and the Gold Standard", giving a few statistics with reference to the production of gold and silver. He says:

Production of gold from 1493 to 1930, that is, over a period of 437 years, reached the enormous quantity of 32,479,547 kilograms. Production of silver over the same period amounted to 470,673,514 kilograms, the ratio between them being thus 14.5.

Taking a much shorter period, from 1873 to 1929, and calculating the output in ounces, the result obtained is in the form of figures absolutely ignored in those discussions. During that period of 56 years gold production amounted to 748,428,327 ounces of fine gold, as compared with 9,023,620,654 of silver, being a ratio between both metals, by weight, over that 56-year period, averaging 13.6. It should be noted that in some years, like 1914, 1915, and 1916, the ratio just mentioned dropped to 8.1, 7.6, and 8.2, respectively. Lastly, gold production in 1929 came to 19,496,721 ounces of fine gold and 262,598,000 ounces of silver, being a ratio of 13.4. As regards 1930, we find that production amounted to 20,160,355 ounces of gold and 248,139,133 of silver, according to data furnished by the New York Bureau of Mint. (World Almanac.) The ratio for that year dropped a trifle lower, as it was 12.4.

From the data herein quoted it would appear beyond a doubt that production of silver with respect to gold has not, over something more than 4 centuries, exceeded an average of 15 to 1. This factor would seem to be decisive if we were not obliged, in all faith, to admit that that low ratio is due to the considerably increased supply of gold yielded by the mines of the Transvaal and Rhodesia in the last few years.

But for a period of over four centuries, as this author points out, it has not been over 14 to 1.

Mr. President, I have invited attention to what it would mean to this country if we stabilized the price of silver at a ratio approximately relative to the price of gold. I have always contended that if that should happen it would increase the buying power of millions of Chinese, and particularly it would raise the costs of the manufacturers in that country so that the manufacturers of this country would be able to compete with them in the world markets. I think no one can contradict the statement I have made that as we raise the price of their money we increase the cost of production in all silver-using countries.

If that be true, what would it mean to the countries that produce silver, if silver were actually stabilized as money and was not simply a commodity fluctuating up and down? I can give an example of what it would mean. It would mean, as the Senator from Nevada [Mr. PITTMAN] has pointed out, that in a backward country like China capital would be transferred to that country and the development of railroads, for instance, would take place. It would mean in Mexico and other South American countries that there would be capital exports from this country.

I can give a striking example of what would happen. Between 1880 and 1890 all the railroads and many other works in Argentina were constructed with British capital and this brought a wave of prosperity which culminated in a great boom in British railroad and industrial stocks in 1888 and 1889, yet the population of Argentina at that time was only 6,000,000.

If this was the result of supplying the needs of 6,000,000 people, what might it be from supplying the needs of the 1,130,000,000—200 times as many—of the silver-using countries? I am informed that the total exports to these countries in 1929 and 1930 were $1,250,000,000; in 1931-32 they had shrunk to $490,000,000, which represents a paltry 44 cents per head for these 1,130,000,000 customers. I estimate that the purchases of these people would be many times what they are now.

It has been estimated by some that their purchases would be 100 times what they are today, but assume, for the sake of argument, that they were only 10 times; it would mean $5,000,000,000 coming into this country instead of the miserable present $497,000,000, which is all that can be squeezed from two thirds of the world starved and reduced to misery by the actions of those who destroyed our silver and who today control the economic destinies of the world.

And yet we are saying that the way to increase prices in this country is to destroy commodities, that we are suffering from overproduction of cotton when people throughout the Orient are going half naked. We are saying that the way to create wealth is to destroy wealth, that the way to raise the price of wheat is to destroy wheat; that in the midst of plenty there is starvation. In a radio address the other night, speaking upon this subject, I asked if anybody ever heard of a jackass in a field where there was plenty of hay starving to death because there was too much hay? Did anybody ever hear of a worm dying because when he was in the midst of an apple there was too much apple? Did anybody ever hear of any animal in the world except human beings starving and dying because of the fact there was too much food, or going naked because there was too much clothing?

The philosophy we are adopting in destroying hogs and other food and in destroying cotton is morally wrong when the world is full of starving people; and likewise it is morally wrong to destroy the commodities from which clothes are made when countless people are almost naked. It is morally wrong, it is legally wrong, and those who continue to do it are going to be punished if there is, as we believe there is, a just God.

What is needed in this country today, as well as throughout the world, is the means to purchase the things which are produced. The reason why we have not the means is that there is not only a shortage of gold, but whatever gold there is has been sterilized and confined to two or three countries. When we shall have cut the gold content of the dollar we are not going to provide basic money; we are not going to provide primary money for those countries that are not now on the gold standard and that cannot get any more gold. There is no intention to let that gold be redistributed at all. There is no intention to let that gold be put in the hands of other countries for the purpose of enabling them to have a primary money upon which they may issue currency and obtain credit so that they may buy our products—not at all, Mr. President.

Unless we shall create more currency and more credit than are in existence today it will be impossible to raise commodity prices in our country. If we create paper currency, if we have only a paper currency, commodity prices in this country may be raised, but that will not affect world commodity prices.

As I pointed out the other day, when Germany went to a paper basis and created a tremendous amount of paper currency, she did raise commodity prices in that country. As the increased amount of currency was issued, people said they would rather have commodities than that kind of currency, so they bought commodities with the money.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Montana yield to the Senator from Maryland?

Mr. WHEELER. I yield.

Mr. TYDINGS. I am very much impressed with what the Senator has said. I think he is making a very sound argu-

ment. Does he not believe that in the last analysis the thing the American people need is a market for the sale of their goods?

Mr. WHEELER. There is no question about that at all.

Mr. TYDINGS. Is it not the Senator's viewpoint that the only real increase that will come in commodity prices, one that will be basically sound and endure, will be through a revival of international trade?

Mr. WHEELER. There is no question about that at all. When I am seeking by this amendment a larger use of silver I am contending for exactly that thing. I am asking that we be able to put ourselves in position where we can sell our surplus products to South America and to the Orient rather than to have to plow them under and destroy them. I am asking that we find markets for our surplus farm products, for our surplus cotton, our surplus wheat, and our surplus manufactured articles as well. Until that is done there is no more possibility of prosperity returning to this country than there is that I am going to fly. Economists may say what they wish to the contrary, but history teaches that it cannot be done in any other manner.

There has been some talk about living within ourselves. It is going to be a physical impossibility for this Nation to live within itself, and why? Because of the fact that we sell 50 percent of our cotton abroad. If we have to do that, we cannot automatically cut down that 50 percent without destroying the purchasing power of a tremendous number of our people. If we produce only 5 percent more than we ship abroad that would be a different thing, but when in the case of a commodity such as cotton, upon which so many people depend for a living, we cut down the 50 percent which is shipped abroad we destroy the earning capacity and buying capacity of millions of people througout the United States.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. WHEELER. I yield.

Mr. TYDINGS. I would like to point out to the Senator that from 1893 down to date, a period of 40 years, there has not been a single year in which the United States has not sold more commodities in dollars to the world than the world has sold to the United States. The balance of trade for 40 years without one exception has been in our favor. During that period of time we have sold $119,000,000,000 of American commodities while buying only $84,000,000,000 in return. The favorable balance of trade is approximately $35,000,000,000. That has permitted Americans to go abroad and keep trade in substantial balance.

What I am unable to understand is how there can be any fundamental and lasting recovery until we get back the markets which we used to supply. I cannot see how we can get back those markets unless we take goods in exchange for our goods, money being an incident to the transaction.

I am glad the Senator has gone into this subject, because I am in full accord with what he has said on that phase of the problem.

Mr. WHEELER. I thank the Senator very much for his statement.

Mr. President, I have talked so long on this subject that I hesitate to say anything further, but I do want to invite the attention of the Senate to an article which is written by a man who is not from any State in which there are silver mines. It is not written by a man who is interested in silver in the remotest way. He has devoted his entire life to finance; but not as a college professor, not as one who studies in the classroom without any practical experience, not as one who is impractical, but as one who, by training and experience, has been a success in the business and financial world. He is the founder of the Tuck School of Business Administration at Dartmouth College. He has been so much interested in the education of our youth along sound economic lines that he established at that college, which is one of the greatest educational institutions in the United States, a school of business administration.

I refer to Edward Tuck, a man recognized throughout New England, a man whose home is in New Hampshire, remote from any mining of any kind or character. Mr. Tuck is at the present time, I think, in Europe; but he knows international exchange and international money as probably few men in the United States of America know it. He is a Republican—not a Progressive Republican but one who always has been on the conservative side—one of the leaders in Republican thought in New England States. I am not going to read all of his article, which appeared in the January number of Scribners but will quote from it the following:

> Money is an instrument of valuation, established by law, to measure, compare, and exchange values, and to serve as a legal tender for debts. The material of money is in principle unimportant, except so far as it is liable to affect the aggregate amount in existence—the total monetary mass. The value (purchasing power) of money is increased or decreased, ceteris paribus, in inverse proportion to its volume.

That is exactly what I have endeavored to say. If we simply cut the gold content of our dollar, but have no currency expansion, we will have no commodity price increase in this country. Let there be no mistake about that.

> Indefinite issues of paper money create redundancy and depreciation. Comparative fixity or limitation of supply is therefore requisite to give reasonable stability to the value of money. Paper money can be increased in amount indefinitely, at the will of the sovereign or of the legislators, while metallic money is susceptible of only a limited and measurable annual increase, which distributes itself among the nations. Added to the total accumulated monetary mass existing throughout the world, this increase forms but a very small percentage, and serves barely to supply the needs of constantly increasing population, production, and commerce. For these reasons it is agreed that metallic money alone constitutes a safe standard of value. From very early days, gold and silver have been selected by nations whose civilizations are built upon trade as the world's money metals. Hence they have received the name of "the precious metals."
>
> It is the legal function of money that gives to the metal its great value. It is the legislator who bestows upon the metal this function. The legislator can withdraw the money function and thereby destroy the metal's great value. Hence the term, "intrinsic value", applied to money, is misleading. Its value is almost entirely extrinsic. Aristotle says:
>
> "Money itself is only a frivolity, a futility; it has value only by the law and not by nature, inasmuch as a change of agreement among those who use it can depreciate it completely."
>
> If an example be needed to prove conclusively the accuracy of the great philosopher's conception of money, we have it in the monetary history of the last 60 years as regards silver.
>
> Bimetallism is the privilege of unlimited coinage of both gold and silver as full legal-tender money, at a ratio of weight fixed by law. This does not mean, as some suppose, redemption or convertibility of one metal by or into the other. Both metals stand on a perfect equality before the law. In the United States the silver dollars and silver certificates at present outstanding—465,000,000 in all—always stood at a parity with gold by reason of their equal legal tender quality for all debts. There is no good reason to doubt that the whole amount of silver belonging to our Government, including the silver bullion, could be paid out—were specie payments resumed—in dollars or in certificates, and retained in circulation at par with gold, as was the case prior to our going off the gold standard with the silver dollars and certificates then outstanding.
>
> Turgot, the great economist and Minister of Finance to Louis XVI, said:
>
> "Gold and silver are constituted money, and universal money, by the nature of things, independently of all convention and all law."
>
> Daniel Webster said in the United States Senate in 1836:
>
> "Gold and silver is the money of the Constitution. The constitutional standard of value is established and cannot be overturned. To overturn it would shake the whole system. Gold and silver at rates fixed by Congress constitute the legal standard af value in this country, and neither Congress nor any State has authority to establish any other standard or dispose of this."

Michel Chevalier is quoted by Mr. Tuck. Then he says:

> Many writers on economics today cite statistics of deposits, and prices compared with those of previous periods, seeking to prove thereby that the actual volume of gold suffices for the present needs of commerce and money circulation. If this is the case, how does it happen that not a single important nation can pay its obligations, either of maturing bonds or of its demand notes, in gold coin? Even in France, nominally still on the gold standard, napoleons are unobtainable except by purchase in the market at a premium equivalent to the price of gold in London.
>
> * * * * * * *
>
> The people began to realize that the annual increase in the production of gold is not keeping pace with the expansion of the world's production of staple commodities, and especially with the prodigious increase in existing debts. Chief among these debts are those of the governments of all countries in seeking to supply the deficiency of metallic money by vast issues of paper promises to pay money on demand, which are universally dishonored,

but to which the paper inflationists insist the United States shall add still further.

This world-wide paper-money inflation exists today to an unlimited excess and with augmenting depreciation in coin value.

That is why we had the great inflation of paper currency. It was because we did not have sufficient metallic money upon which to base the currencies of the country.

This increase in the coinage of both metals with its vivifying power was never considered money inflation. It was, in fact, the supply of a needed expansion of basic metallic money for increasing population and commerce. It is manifest today that gold alone does not suffice to satisfy this constantly growing need, and thereby the world is now threatened with financial ruin.

To the demonetization of silver, first by England in a fit of extreme insularity after the triumph of Waterloo, and subsequently by the United States, Germany, and (in consequence) France, may unquestionably be traced the present universal collapse. The eminent American economist, Prof. Francis A. Walker, author of a standard work, Money, published in 1877 and 1891, declared with emphasis:

"The history of the century would be searched in vain for a political blunder of equal enormity."

Fully 60 years ago the most acute and erudite students of monetary science warned the world of the inevitable consequences of this extrusion of silver as a joint monetary standard with gold. In the month of April 1870 Wolowski, a distinguished French economist, before a French currency commission, pointed out with remarkable accuracy the inevitable fall in price of all commodities as well as the great decline in the value of agricultural land and the increased burden of mortgages which the demonetization of silver would entail. He said:

"What the proposed change means is a veritable monetary revolution, and the worst of revolutions—one that leads to the unknown. Violent attacks are being made in our day on property. There is little to fear from open attacks upon the laws of human society that have grown up with man, emanating from his very nature. But I do not feel that there is the same security when it is a question of attacks which are the more perilous because those who make them are often not aware of their serious nature. Such would be the proposed measure regarding the demonetization of silver."

In 1871, 2 years before our own country demonetized silver, Ernest Seyd, well-known English author of Bullion and Foreign Exchanges, made this remarkably accurate forecast:

"It is a great mistake to suppose that the adoption of the gold valuation by other states besides England will be beneficial. It will only lead to the destruction of the monetary equilibrium hitherto existing and cause a fall in the value of silver from which England's trade and the Indian silver valuation will suffer more than any other interests, grievous as the general decline of prosperity all over the world will be. The strong doctrinism existing in England as regards the gold valuation is so blind that, when the time of depression sets in, there will be this special feature: The economical authorities of the country will refuse to listen to the cause here foreshadowed; every possible attempt will be made to prove that the decline of commerce is due to all sorts of causes and irreconcilable matters. The workman and his strikes will be the first convenient target; then speculation and overtrading will have their turn. Later on, when foreign nations, unable to pay in silver, have recourse to protection, when a number of other secondary causes develop themselves, then many would-be wise men will have the opportunity of pointing to specific reasons which in their eyes account for the falling off in every branch of trade. Many other allegations will be made, totally irrelevant to the real issue, but satisfactory to the moralizing tendency of financial writers."

At the foundation of our Government all Europe used what was then called the "double standard", the coinage of gold and silver at a fixed ratio of weight. Our own original standard money unit, as declared in 1792, was the Spanish silver dollar of 412½ grains.

I call attention, as I said a moment ago, to the views expressed in this article, because it is written by a man who does not come from a silver-producing State. Many men think that we of the West are interested in this question only because we produce silver; but here, let me say to the Senator from Massachusetts, is a New Englander, Mr. Edward Tuck, who I am sure the distinguished Senator knows, who, I know he will agree with me, is a man of great education and a profound student of economics, a great financial authority, who has no interest whatsoever in mines, mining, or anything else, but is interested only in the welfare of this Nation as a whole, and particularly interested in the welfare of his own native section of the country, New England.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. ADAMS. The Senator, in his long campaign for silver, has frequently been confronted with the argument that silver legislation meant a cheap dollar, has he not?

Mr. WHEELER. Yes.

Mr. ADAMS. Has not that been the standard argument—that if we had a cheap dollar we would have low wages and low prices to the farmer?

Mr. WHEELER. Yes.

Mr. ADAMS. I am wondering if the Senator will be good enough to reconcile the argument of those who oppose silver upon the ground that it would create a cheap dollar with the advocacy by the same people of a stabilization fund of $2,000,000,000 in order to give us a cheap dollar, which is based upon the premise, it is said, that other countries are establishing cheap currencies.

A cheap currency in Japan, in Germany, in England, in France, means but one thing—that they are producing the products which they export at a lower cost because they are paying their artisans and paying their farmers less for their labor. I hope the Senator can explain to me why, if we cheapen our dollar at great expense to us, it will not result in lower wages and lower prices to our farmers.

Mr. WHEELER. I shall be very happy to do so.

The difference, as I said, between a paper inflation and a remonetization of silver is this: A paper inflation has already taken place, and will continue to come about in this country. As I said, a tremendously large paper inflation is bound to be forced on us if we continue to issue bonds and more bonds and keep spending the money that we are having to spend for the C.W.A. and other things. I am not saying that that is not the right thing to do at the present time as a temporary expedient, but Mr. President, it is not going to raise commodity prices, and it is going to bankrupt the Nation if it is continued indefinitely.

What I am seeking to do, as the Senator from Maryland [Mr. TYDINGS] suggested a moment ago, is, first of all, to find a market for our surplus products, to feed the hungry mouths of the people of this and other countries, which can be accomplished by giving them a greater monetary base. The cheap dollar that is spoken of is the inflated dollar, the dollar which would correspond to the German paper mark, or the Austrian paper krone, or the Russian ruble. I am seeking to prevent such depreciated currency being issued in the United States. The way to do it is not by means of the method we have pursued, in my judgment, but the way to do it is to find markets for our surplus products, which will mean more employment in our factories and in our industries for the people who are now on the streets and those who are on the rolls of the C.W.A.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TYDINGS. The Senator from Montana has been frequently labeled as radical in some of the magazines and newspapers. I never heard a sounder or more conservative and constructive argument than the one he has made today. It looks to me as if he had taken the conservatives and put them in the radical camp, and had become conservative himself.

Mr. WHEELER. I thank the Senator.

Mr. NORRIS. Oh, no; if that is true, do not thank him, for heaven's sake. The Senator does not want to get in with the conservatives.

Mr. WHEELER. No. It depends on what the Senator from Maryland means by "conservative."

Mr. TYDINGS. Will the Senator permit me further to impose upon his time?

Mr. WHEELER. I yield.

Mr. TYDINGS. Ever since 1920 we have frequently heard that the economics of Adam Smith have been tried and failed. Everyone will concede, I think, that from 1920 there never has been a greater economic abortion in the world than that which our own country and the other nations have forced upon humanity. As a matter of fact, we would have had the depression in 1921 as the result of the World War had it not been that we were making loans to our customers with which they were buying our goods, and the minute we stopped making those loans the whole economic fabric crashed.

Mr. WHEELER. Of course.

Mr. TYDINGS. And the economics of Adam Smith have not had a chance since the World War.

Mr. WHEELER. Mr. President, if in 1920 and 1921 we had not loaned tremendous sums of money to Europe they could not have bought from us the products which they did buy and we would have had an economic crash at that very time, as the Senator from Maryland has said. We were, in effect, exporting gold to the countries of Europe. When we stopped exporting gold to those countries so as to give them the gold with which to buy our goods from us they could no longer buy goods from us, and we had an economic crash in the United States.

Mr. TYDINGS. Does the Senator care if I interrupt him further?

Mr. WHEELER. No.

Mr. TYDINGS. The Senator knows, however, that today many people who are advocates of an intense nationalism, with the plowing under of crops and all the other methods of curtailing production, predicate their belief that that is the thing to do upon the assumption that sound economic principles—they call them Wall Street principles—have been in play since 1920 and failed. As a matter of fact, Wall Street and the so-called "industrialists" who have dominated the political life of the country since 1920 were advocates of a policy which was not sound, and not economically set up so as to result in a balance of trade. I am glad the Senator is harking back to that mistake and seeking, so far as he may, to correct it with his amendment.

Mr. WHEELER. I agree entirely that that is the mistake which was made. For instance, Mr. Mitchell, formerly president of the National City Bank of New York, said a short time ago in a speech in Chicago that the thing to do was to put the countries of the world back on the gold standard. I ask now, how are we going to put those countries back on the gold standard? There is only one way in which we can put them back on the gold standard, and that is by taking our gold and giving it to them. We cannot do it otherwise. They attempted to take the gold by depreciating their currencies and depreciating their prices in the world markets so as to get gold, and they did it to such an extent that they were afraid of revolution and they were forced off of the gold standard. Then currencies were contracted all over the world; and we, of course, were left with the high-priced dollar; they could not trade with us, and they started trading with one another.

England, the father of the gold standard, had to leave it. But now, when we have depreciated our currency so as to meet the competition of Great Britain, what are they seeking to do? They are saying that we ought to stabilize our dollar. They say they want no silver legislation. Why do they not want any silver legislation? Because the banking interests of Great Britain want to dominate our money; and if we stabilize the dollar with reference to the pound they are going to manage the money, and they are going to fix the prices of commodities throughout the world, and are going to do it to the detriment of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield for one more interruption?

Mr. WHEELER. Yes; I yield.

Mr. TYDINGS. Coming down particularly to the Senator's amendment, he provides therein:

> (b) The Secretary of the Treasury is hereby directed to purchase silver, at the rate of not less than 50,000,000 ounces per month, until there shall be added to the monetary resources of the United States 1,000,000,000 ounces of silver, except that whenever 37¼ grains of pure silver equals in purchasing power 23.22 grains of pure gold the purchase of silver under this subsection shall be suspended.

That is the real meat of the Senator's amendment.

May I ask the Senator with what medium of exchange will the Secretary of the Treasury of the United States pay for the silver he purchases?

Mr. WHEELER. He will issue silver certificates in payment therefor, and the silver certificates will be redeemable in silver bullion. So it will not cost the Government of the United States a 1-cent piece. What the Secretary of the Treasury will do will be to issue what will be a certificate of deposit, as a matter of fact. The silver will be taken to the Treasury of the United States, which will issue a silver certificate redeemable at all times in silver of equal amount.

Mr. TYDINGS. The Senator, therefore, means, I suppose, that silver shall only be purchased within the continental United States?

Mr. WHEELER. No; I think it could be purchased anywhere, but——

Mr. TYDINGS. But then it would have to be paid for in gold?

Mr. WHEELER. No; we would not have to pay for it in gold, because the amendment expressly provides that it shall only be paid for with silver certificates.

Mr. TYDINGS. I am not taking issue with the Senator but trying to understand his thought. The Senator then means——

Mr. WHEELER. It cannot be paid for in gold dollars, because the gold is not available.

Mr. TYDINGS. That was what I was wondering about. The Senator means, therefore, that if we were to go out and buy silver, we could buy it in India?

Mr. WHEELER. Yes.

Mr. TYDINGS. Very well. If we bought silver in India, could we make payment in India with United States paper certificates predicated upon silver bullion?

Mr. WHEELER. Yes. If we bought silver in India, they would have to take their payment in silver certificates, or take surplus goods which we want to get rid of from the United States.

Mr. TYDINGS. I think the Senator's proposition may work out that way, and certainly so long as we purchased the silver in the United States it would; but I am frank to say that I have some misgivings about the Indian Government accepting United States paper dollars, or any other government accepting United States paper dollars.

Mr. WHEELER. If that were true, then the only silver we could get would be silver in the United States.

Mr. TYDINGS. Yes. Of course, the Secretary of the Treasury could pay for it in gold.

Mr. WHEELER. He could if gold were free, but he cannot under the provisions of my proposed amendment.

Mr. TYDINGS. The President could, however, issue an order to take care of the situation. I was just coming down to the economics of it. In such case we would be swapping gold for silver, and that would not be a good thing to do.

Mr. WHEELER. That could not be done under the provisions of my amendment, because a silver certificate is not redeemable in gold but is redeemable in bullion silver. The silver certificate could be used in payment of taxes; it could not be redeemed in gold; it is only redeemable in silver bullion. It could not be redeemed in gold even if we had free gold. Under the terms of the pending bill our gold will be held in the Treasury of the United States. Consequently the holders of silver certificates could not get gold. They could not get gold anyway, because the certificate is redeemable only in silver bullion.

Mr. TYDINGS. Let me read this sentence from the amendment:

> Such silver shall be purchased, at home or abroad, wherever silver shall be procurable at or under the value specified above, with any direct obligations, coin, or currency of the United States authorized by law, or with any funds in the Treasury not otherwise appropriated—

And so on, and so on. It seems to me under that provision—it may be a good provision, but I am merely trying to find out what can be done—that the Treasurer of the United States could send gold certificates to India with which to buy the silver.

Mr. WHEELER. Of course gold certificates could not be used for such purpose at the present time because they are not available. One could be prosecuted if he tried to pass a gold certificate.

Mr. TYDINGS. There are many of them in circulation.

Mr. WHEELER. But the Senator had better not be caught with any.

Mr. TYDINGS. Paper money, I am talking about. We are still allowed to own paper money. It has not been re-

quested so far that it be turned in. So the Secretary of the Treasury could send gold certificates to India and make payment in gold certificates. Therefore, in effect, in that case we would be swapping our gold for silver.

Mr. WHEELER. Let me say to the Senator that is not my purpose at all. My purpose, my idea is that when silver is bought it shall be paid for with silver certificates, which are only redeemable in silver bullion. If the Indian does not want to take such certificates, or if anyone else does not wish to take them, they can take in payment for silver products manufactured in this country.

Mr. TYDINGS. I do not mean to say that the gold would not come back to this country, and that it would not be a sound transaction. What I was trying to find out was what could be done under the language of the proposal?

Mr. WHEELER. Mr. President, I do not believe we could, in 1896, have maintained the policy of bimetallism in the United States independently and alone. We could not have done it for the simple reason that at that time we were a debtor nation, as distinguished from being a creditor nation, such as we are at the present time. But now, being a creditor nation, if we raise the price of silver we increase the exportation of manufactured articles and raw materials from this country to the Orient, and consequently we increase our position as a creditor nation with the Orient.

The raising of the price of silver is, let me say to the Republicans in the Senate, like putting a tariff wall against Japanese and Chinese products which are shipped into our country in competition with our own products. The situation created by Far Eastern competition in our home market cannot be cured by a tariff, because those countries can depreciate their currency and lower the price of their products. If we raise the price of silver we automatically raise the cost of production of our competitors. We make it possible for them to buy from us, but we make it impossible for them to dump their products upon us at prices below the cost of production in this country. In other words, we make it not only possible for ourselves to compete with the oriental in this country, but we make it more possible to compete with him in the world market.

I previously pointed out how the low price of silver has affected our cotton textile trade during the last 20 years.

The figures I presented, concerning our trade with China, which were furnished me by the Department of Commerce, astounded me. Notwithstanding the fact that China has increased her consumption of manufactured cotton goods in the last 20 years, our sale of cotton goods to China has dropped from 80,000,000—I think those were the figures I gave yesterday—down to 2,000,000 square yards. Why? Because of the low price of silver. And as I pointed out last night, not only is Japan starting in to buy raw cotton from us, and making that cotton into the manufactured goods but now as we are starting to raise the price of cotton she is going down to India. She made a deal this month, in January, to buy raw cotton of India in exchange for cotton manufactured goods in the United States of America.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. The Senator provides in his amendment for the purchase of 50,000,000 ounces of silver per month until a billion ounces shall have been purchased, which means that over a period of 20 years it is proposed to purchase 50,000,000 ounces a month?

Mr. WHEELER. Let me say to the Senator it is impossible to obtain a billion ounces of silver.

Mr. BARKLEY. That is not the point I am coming to. If it were possible, if that could be done——

Mr. WHEELER. It is not possible.

Mr. BARKLEY. It is provided in the amendment that this silver may be paid for by the Government or by the Secretary of the Treasury in any lawful money, which might be silver certificates or any other money that is lawful, except gold, for of course the Secretary could not pay for it with gold or gold certificates.

Assume that an owner of silver brings a hundred thousand ounces into the Treasury and gets silver certificates in return for it and that bullion is held in reserve against the additional silver certificates that might be issued based not upon weight but upon the value of the silver, would not that result in the issue of $2 in silver certificates for every dollar's worth of silver that is bought and held in the Treasury?

Mr. WHEELER. Not at all.

Mr. BARKLEY. Why not?

Mr. WHEELER. Because, as a matter of fact, under the amendment only silver certificates are going to be issued for the amount of silver that is obtained.

Mr. BARKLEY. I understand that; but certificates are to be issued to the holder of silver in the first instance when he brings the silver to the Treasury, and——

Mr. WHEELER. The amendment does not provide that silver certificates shall be issued in addition to that.

Mr. BARKLEY. Why not? What does it mean? It provides that such silver shall be paid for in—

> Coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as the Secretary of the Treasury may deem most advantageous to the public interest; and the silver so purchased—

That means after it has been brought into the Treasury and silver certificates or some other form of money has been paid for it—

> And the silver so purchased shall be held in reserve in the Treasury against the issue of certificates of deposit payable to bearer on demand in silver bullion as hereinafter provided.

Then the amendment provides:

> Such silver certificates shall be issued by the Treasury in an amount, which, in the aggregate, shall equal the cost of such silver to the Treasury. Upon presentation of any such silver certificates the Treasurer of the United States shall redeem the same by the delivery of the face value thereof in silver bullion.

Mr. WHEELER. Is it not apparent to the Senator that if the silver certificates are redeemable in silver bullion but one certificate can be issued against an equal amount of silver bullion, because silver dollars would not be issued.

Mr. BARKLEY. It should not be when there has already been issued one certificate in payment of the silver in the first instance, that the Treasury could issue another one on the impounded silver as, it seems to me, the amendment provides.

Mr. WHEELER. All I am trying to do is to give some more discretion to the Secretary of the Treasury. The Senator has been advocating upon the floor of the Senate that we should give the Secretary all these powers. I simply want to give him discretion to the extent that he can buy silver and issue certificates against it.

Mr. BARKLEY. Does this amendment harmonize with, or does it counteract or nullify, the provisions which we included in the Thomas amendment at the last session with reference to the purchase of silver?

Mr. WHEELER. It harmonizes with it entirely, in my judgment. In the Thomas amendment—and as a matter of fact the Senator from Utah [Mr. KING] and I wrote the provision with reference to silver very hurriedly, in a few minutes' time—it was provided that the President of the United States might by proclamation remonetize silver upon any basis that he wanted to remonetize it up to 16 to 1, or at any definite fixed ratio.

Mr. BARKLEY. Subsequently to that, of course, the London agreement in regard to silver was entered into, in which the Senator from Nevada [Mr. PITTMAN] had a large part. Under that agreement we have three situations, it seems to me, which we have to keep in mind in connection with the effect of this amendment. We have the Thomas amendment, to which the Senator has referred; we have the London agreement, which we are trying to carry out; and now we have this amendment, which, it seems to me, presents a third prong to the silver situation, which I am unable to harmonize with the other two.

Mr. WHEELER. I am sure that if the Senator had studied the subject carefully he would be able to harmonize it.

Mr. PITTMAN. Mr. President——

Mr. WHEELER. I yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, I want to say that there is nothing in this amendment out of harmony with the London agreement. Under that agreement 66 governments agreed to abandon the practice and policy of depressing the markets of the world with silver derived from melting up and debasing silver coins. They further agreed to replace the low-value paper currency with silver coin, which would furnish a market for silver. They further agreed that they would never again permit a law to be passed that would depreciate the price of silver in the world. In other words, those three things removed the cause of the depression in silver throughout the world. That has not anything to do with the purchase of silver in our country.

Mr. WHEELER. It entirely harmonizes with it.

Mr. PITTMAN. The only other agreement was that two countries said, "We cannot stop right away; we have got to sell 35,000,000 ounces a year for 4 years, but we will limit that, and after we get through with that we will enter into the general agreement, provided the five countries where silver is mostly produced, namely, the United States, Canada, Mexico, Peru, and Australia, will take from their own mines in the aggregate 35,000,000 ounces a year for those 4 years. The President has proceeded to do that under his proclamation; so that there is no conflict there.

Mr. BARKLEY. Mr. President, if the Senator from Montana will yield further, I am wondering, though, whether we have gone far enough in carrying out the original Thomas amendment, which provided, as we know, certain things with reference to the purchase of silver, and the London agreement, to make us feel sure-footed in taking this additional step with reference to the purchase of silver. I wonder whether the administration feels that it has gone far enough in that direction to justify the change in the situation which, it seems to me, will be produced by this amendment? I am seeking information.

Mr. PITTMAN. I am satisfied it does not conflict with the London agreement, which we have ratified and which now has been ratified by four governments and probably will be ratified by all of them within the next few days. I am satisfied it does not conflict with the so-called "Thomas amendment" in the act of May 23 last in any way whatever. It simply is another method for the President to get more basic silver in the United States.

Mr. WHEELER. I thank the Senator from Nevada.

Mr. BARKLEY. Mr. President, does the Senator know whether the officers who would deal with this question feel that this amendment is needed in order that they may go forward with such program as has been already authorized either by the Thomas amendment or the London agreement?

Mr. WHEELER. I can answer that, I think, to the satisfaction of the Senator. Let me say that the London agreement has nothing to do with this amendment. Of course, if we are going to stop with the London agreement and do nothing more, that is one question; but let me say that the London agreement and what the President has done with reference to silver, as I pointed out when the Senator was absent from the Chamber, help the situation, acting as a subsidy, as a matter of fact, to the mining companies of the country at the present time; but they have not, to any great extent, materially helped to raise the world price of silver.

What was done at London was very helpful in that these countries have agreed that they will not melt up any more silver. Consequently, if this amendment were agreed to, it would mean that there would not be any flooding of silver because of other countries melting their silver.

Mr. PITTMAN. I wish to say, if the Senator will allow me, that he has made an accurate statement. As the Senator knows, and as most of the other Senators know, there has never been a natural oversupply of silver. As a matter of fact, silver has only increased about 2 or 3 percent per annum over a great many years, about the same percentage that gold has increased. Furthermore, as a matter of fact, while silver was falling in price rapidly, production throughout the world was also falling rapidly. It was due to an oversupply, as we all know, caused by governments melting up silver coin, taking half the silver out, and putting in alloy and selling that silver.

India, that had the greatest amount of silver coins in the world, amounting probably to a billion ounces of silver, had the authority to melt up its silver coins at any time and to sell any quantity of the silver at any price, and India proceeded to do it. India had more silver coin which she could melt up and sell than the world could supply from the mines for 4 years. So long as that went on, it was exceedingly difficult for any government to attempt to reestablish the monetary situation with regard to silver. That circumstance prevented it. The agreement probably will have its affect on the world price a little later; it has not as yet.

We now know, since the unnatural supply has been eliminated, that there can be but 160,000,000 ounces of silver on the markets of the world in 1934, because that was all that was produced from the mines of the world in 1933, and we know the conditions are more adverse than they were in 1933. So, of course, when the people of China and of India and of all other countries, such as Mexico and South American countries, find that there is going to be a shortage in the supply of silver, 30 percent below a normal supply in 1934, and probably for 3 or 4 years to come, they will do as they always have done; they will start buying.

That may be probably 3 or 4 months from now; nobody knows; but in the meantime it would be undoubtedly a great help throughout the world if some of that which we call floating silver—and there may be three hundred or four hundred million ounces of it—speculative silver that brokers hold in various countries could be absorbed in the United States. It would tend to the stabilization of the exchange value of silver coin throughout the world; it would tend to bring it back to its normal price, and not only bring it back to its normal price but stabilize it at its normal price; and in doing that there is not any question of the favorable effect on our trade.

Let me interject right here—I was talking to a very distinguished British economist who said, "You have not lost your trade with China and we have not lost our trade with China on account of the fall in the price of silver; we lost it everywhere on account of the depression"; but, like some economists who know nothing about the production of silver or the consumption of silver or the amount of silver or about anything in any other country except their own, he did not realize that during the last 4 or 5 years, while the depression was threatening every other country in the world, China was booming.

The prices of lots on the Bund in Shanghai were higher than the prices of lots in Wall Street. Things were booming there for the reason the Senator from Montana has given, namely, that gold was flowing into China to exchange for her cheap silver money, which passed at par in China, for the purpose of building factories, buying houses, building hotels, and for general development. The loss of 75 percent of our export trade in manufactures and the loss of 75 percent of the export trade in manufactures of Great Britain was not on account of the distress and poverty in China, as it was in other parts of the world, but was wholly on account of the tremendous difference in the exchange value of their money, owing to the lower price of silver as compared with the money of Great Britain and this country.

Mr. WHEELER. I thank the Senator very much.

Mr. ADAMS. Mr. President, may I recall to the Senator's mind the inquiry of the Senator from Maryland as to a detail of the bill? It is my understanding that the Senator only contemplated the purchase of silver through silver certificates, those certificates being redeemable in bullion at their gold value.

Mr. WHEELER. Exactly.

Mr. ADAMS. I have this suggestion to make, that in the amendment there is something more than that included, which I think could be stricken out with advantage. The terminology is similar to and parallel with that of section 8 of the gold bill with which we have been dealing,

and provides that silver may be purchased at home or abroad with any direct obligation, coin or currency, of the United States. It was not the contemplation of the Senator, as I understand, to authorize the purchase of silver with bonds or with currency or with coin, but to limit the purchase to silver certificates of the kind provided. So I suggest that that language which goes beyond the Senator's intent, be eliminated from the bill.

Mr. WHEELER. If the Senator will work that out, I shall be glad to accept such an amendment because that is all that is intended. The only reason why I put in the provision, as I said to the Senator from Kentucky [Mr. BARKLEY], was to give discretion to the Secretary of the Treasury. I have no objection to its being stricken out. If we issue the silver certificates, the United States is the place where they will do good. The people of the eastern countries will use them in the United States for the purpose of buying our manufactured articles, thus doing exactly what we want them to do, and enabling us to sell our surplus of manufactured articles and farm products. When we shall do that, and not until we shall do that, will prosperity return to the United States.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WHEELER. I yield.

Mr. COSTIGAN. Reverting to the earlier discussion of the eloquent Senator from Montana, may I express the hope that Dr. Tuck's article in Scribner's Magazine may be appended in full at the conclusion of the Senator's remarks?

May I also address an inquiry to the Senator from Montana? Now that the Senator—adopting the more or less humorous expression of the Senator from Maryland [Mr. TYDINGS]—has joined the conservatives, perhaps the Senator will be good enough to explain why the conservatives of this country have for years discriminated against the use of silver in our coinage. Recently I requested data concerning the ratio in various years of silver dollars in stock and in circulation to the total money in stock and in circulation in this country. The reply was that the ratio in 1890 was 14 percent; in 1895, 18 percent; in 1900, 14 percent; in 1905, 12 percent; in 1910, 10 percent; in 1915, 9 percent; in 1920, 3 percent; in 1925, 4 percent; in 1930, 4 percent; and in 1932, 3½ percent.

Mr. WHEELER. I thank the Senator for those figures.

Mr. President, I apologize for having taken so much time, and I now want to conclude. The reason why silver has been discriminated against is that if we have only a gold currency it is much easier for certain banking groups to control world finance, and particularly, as in this instance the British have done, to control the price level.

Mr. COSTIGAN. I suggest that, even within the conservative limits of so-called "sound" money, there has been—if the figures given are accurate—obvious, continuous, and unjustified discrimination against the use of silver.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. BARKLEY. I merely desire to refer again to the fear I expressed a while ago, which I am frank to say is based upon two or three paragraphs in the President's message which he sent here in connection with the bill we are now considering. If the Senator does not object, I should like to read those paragraphs.

Mr. WHEELER. I shall be glad to have the Senator do so.

Mr. BARKLEY. After discussing the gold bill and the stabilization fund, the President said:

> The foregoing recommendations relate chiefly to gold. The other principal precious metal—silver—has also been used from time immemorial as a metallic base for currencies as well as for actual currency itself. It is used as such by probably half the population of the world. It constitutes a very important part of our own monetary structure. It is such a crucial factor in much of the world's international trade that it cannot be neglected.
>
> On December 21, 1933, I issued a proclamation providing for the coinage of our newly mined silver and for increasing our reserves of silver bullion, thereby putting us among the first nations to carry out the silver agreement entered into by 66 governments at the London Conference. This agreement is distinctly a step in the right direction and we are proceeding to perform our part of it.
>
> All of the 66 nations agreed to refrain from melting or debasing their silver coins, to replace paper currency of small denominations with silver coins, and to refrain from legislation that would depreciate the value of silver in the world markets. Those nations producing large quantities of silver agreed to take specified amounts from their domestic production, and those holding and using large quantities agreed to restrict the amount they would sell during the 4 years covered by the agreement.
>
> If all these undertakings are carried out by the governments concerned, there will be a marked increase in the use and value of silver.
>
> Governments can well, as they have in the past, employ silver as a basis for currency, and I look for a greatly increased use. I am, however, withhholding any recommendation to the Congress looking to further extension of the monetary use of silver because I believe that we should gain more knowledge of the results of the London agreement and of our other monetary measures.

I take for granted that that language is to be interpreted as a feeling on the part of the President that an amendment such as that which has been offered by the Senator ought not to be engrafted onto this measure.

Mr. WHEELER. I will say to the Senator quite frankly that the President takes the position that he prefers not to have it done in this way on this measure. But we know perfectly well that in this body and in the other body the overwhelming sentiment is in favor of doing something with reference to promoting the larger use of silver. The President had the power given to him under the Thomas amendment to remonetize silver if he wanted to do so. Nothing was done about it; though, of course, he did take a step in the right direction.

If we in this body take an affirmative stand with reference to this matter, it is going to help the President's program more than any other thing that has been done by the Congress. If every man in this body is going to sacrifice his principles and not advocate the things in which he believes, merely because someone says he thinks it ought to be put off a little longer, then we might as well disband the Senate of the United States.

Mr. BARKLEY. Of course the Senator understands that I do not advocate any Senator's surrendering his principles.

Mr. WHEELER. Oh, of course; I understand that.

Mr. BARKLEY. But along with the advocacy, as a matter of principle, there is also an important equation in the matter of policy. The time element, it seems to me, enters into the situation somewhat. A man might be an enthusiastic free silverite—and I am not going to get into a discussion of that subject at all—but he might have some doubt about whether an amendment such as that now offered ought to be put upon a bill that deals wholly with the devaluation of gold and the setting up of a fund to engage in international transactions.

Mr. WHEELER. Let me answer that by saying that I offered this as an amendment to the banking bill and was told it must not be attached to that measure. I offered it to other bills and was again told the same thing. If it is not right to offer it in connection with a measure dealing with money, then it has not any business being offered at all.

There is no man in the Senate who has a higher regard for the President of the United States than have I, but I am not willing to surrender my principles and views because some professor has said this is not the particular time to take certain action. I want to be helpful. I have gone along with the President of the United States, both before the convention and after the convention; I have gone along with him in the Congress; but I do not want to be stifled when I believe in a principle. I think it is the time to do what my amendment proposes. I think every Member of the Senate who believes in it and votes for it will be helping the President rather than hurting or retarding his program.

With that statement, Mr. President, I am ready to yield the floor.

Mr. LEWIS. Mr. President, before he takes his seat may I ask the Sentor from Montana a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Illinois?

Mr. WHEELER. I yield.

Mr. LEWIS. May I ask the Senator from Montana, having observed the fullness to which his discussion has gone, if he will give me information as to one point that is con-

stantly paraded as a reason why silver and gold cannot go together. Sometime past a writer of the English domain, by the name of Gresham, proclaimed the theory that if silver and gold were presented together, it would drive gold into hiding on the theory that that which is the greatest loses itself or is taken care of by others to be hidden from usage if the lesser can be used to serve the purpose. If that be true, and silver and gold were treated upon the theory of the eminent gentlemen who represent the silver cause, is it true there is any foundation for what is called the Gresham law that gold would be taken out of existence in the nature of something like a fugitive? Has that been proved as a matter of experience?

Mr. WHEELER. I hesitate to argue with the Senator from Illinois with reference to the silver question, because one of the most able arguments I ever read on the question of remonetization of silver was made by the distinguished Senator from Illinois when he was a Member of the House of Representatives. Knowing his understanding of the subject, I hesitate to say anything in his presence with reference to it. I have sat at his feet to study the silver question.

I am sure the Senator realizes that where there is a definite and fixed value for a commodity, and there is created an unlimited demand for it upon a definite and fixed ratio, such a thing as the Gresham law cannot possibly work. What was known as the "Gresham law" came into vogue or effect when France was paying more for silver than we were; so silver left this country and went to France, and gold came to this country in return. That result came to be known as the "Gresham law."

What I am seeking to do is to have the value fixed upon a definite ratio so that the workings of the Gresham law would not be effective. Of course, if England paid more for silver than we, silver would go to England. But that is not so at the present time, and that principle could not possibly apply. I am satisfied that if the amendment shall be adopted, we will ultimately get a world agreement with reference to the remonetization of silver, because Great Britain and France will have to come to such an agreement or lose their trade, not only in the Orient but in Central and South America.

Mr. STEIWER. Mr. President, I desire to present briefly a viewpoint which I feel justifies support of the pending amendment.

It has been assumed throughout the debate upon the bill that the inevitable result of the devaluation of the dollar through the reduction of the gold content would be enhancement of the commodity price level in this country. Some doubt was expressed, I think, by the Senator from Idaho [Mr. BORAH]; but, generally speaking, all of those who have debated the bill have done so upon that assumption.

Upon yesterday the Senator from North Carolina [Mr. BAILEY] presented a powerful argument for relief of debtors in this country, all predicated upon the theory that the bill, when passed, would result in enhancement of commodity prices.

I do not at this time take a dogmatic stand with respect to that question. I do not array my own personal judgment against that of others whose opportunity for knowledge and whose right to speculate upon the subject are equally as good as mine. I do want to point out, however, that there is no assurance in the bill that any such enhancement in the price level will result.

In the field of economics we find sharp differences of opinion upon this subject. There is one group—conspicuous among them being Professor Warren, who is one of the advisers of the President, so it is said—who believe that there is a mathematical relationship between devaluation of the monetary unit and the price level. There are others who absolutely refuse to accept this theory and who contend that devaluation will not, in and of itself, result in any relief, either to debtors or to producers, by enhancement of domestic prices.

Let us examine the situation. We know that the leading nations of the world have in recent years cut down the gold content of their units, or they have left the gold standard and have depreciated their paper money, or by other devices have brought about a lower monetary level. In some cases they did it to meet the necessities of their situation. In other cases they did it with the expectation of enhancement in price level; and I am assuming that those who advocate this bill upon the theory of enhancement believe that it will mean a readjustment in prices upward to such an extent that there will be debtor relief and relief for producers.

Now, I desire to state briefly the experience of the countries that have attempted the manipulation of monetary systems and to see whether there is any assurance that in our experience there will result any enhancement of prices.

In a very recent book published by the Institute of Economics of the Brookings Institution we find a very excellent, temperate, and to me a satisfactory, treatment of the subject by Dr. Pasvolsky. I will read briefly a paragraph from this book:

> Great Britain and Sweden abandoned the gold standard in September 1931 and Japan in December of that year. The depreciation of their currency units, the accompanying changes in the price of gold, and the movements of wholesale commodity prices are shown in the following table for the 18-month period prior to the depreciation of the American dollar.

I shall not read the table, but will proceed with the text:

> In Great Britain and Sweden, although the currency depreciated by roughly 30 percent, which means a rise in the price of gold of more than 40 percent, there was a slight decline in the level of commodity prices. In Japan the price of gold more than doubled, yet the general level of commodity prices registered a rise of only 19 percent.
>
> The failure of commodity price levels in Great Britain, Sweden, and Japan to respond fully to the rise in the price of gold, as measured by the depreciation of the pound, the krona, and the yen, cannot be explained by a corresponding rise in the world value of gold during the 18 months in question. Changes in the world value of gold would be indicated by the movement of commodity prices in countries still on the gold standard, the most important of which were the United States and France. During this period prices in the United States fell by 16 percent and in France by 18 percent. With allowance for this factor, the commodity price levels in Great Britain and Sweden should, in accordance with the theory, have been approximately 120 instead of 99 and 98, respectively, and in Japan about 190 instead of 119. With reference to Great Britain and Sweden, the most that can be said is that depreciation of the currency and the consequent rise in the price of gold prevented as large a decline in commodity prices as might otherwise have occurred during that period. In the case of Japan, an enormous rise in the price of gold was accompanied merely by a very moderate rise in the commodity price level.

Then the author examines the experience of certain countries which some years ago devalued their currency units. I quote again:

> Since 1927 the gold content of the French franc has been fixed at almost exactly one fifth of the pre-war weight. According to the theory the commodity price level should have become almost five times that of the United States (which was based on an unchanged currency unit) and should have moved during the 6 years 1927–32 in exact proportion with American prices at the ratio of 5 to 1.

And then the author points out that this result was not attained.

Mr. President, I am not going to take the position that the devaluation of the gold dollar will not in any case result in price enhancement. It may very well over the years, and given sufficient time, result in some appreciation in price. I think possibly it will attain that result. But certainly, in the face of the experience of the great nations of the world which in the last 6 years have depreciated their currencies and cut down the gold content of their monetary units without any resultant increase or with no substantial resultant increase in price level, it can not be safely concluded than any act of our Government in decreasing the gold content of the dollar will result immediately in appreciated prices in this country. At most, the result will be speculative and uncertain; and we are confronted with the fact that this bill will produce an uncertain and speculative result so far as price enhancement is concerned; but there is one certainty, and that is that we are going to introduce into our monetary system some very powerful agencies of ultimate inflation.

I shall not discuss that subject now; the net result of the whole thing is that although there is no guaranty of price enhancement at this time, or within a few months, or within a period essential to the relief of those in distress at this time, there is a guaranty that finally, and at the end of the experience, there will be a runaway of credit in this country, and a boom that will make the experience of 1929 look conservative in comparison.

Now, Mr. President, I desire without further discussion to offer for the RECORD three tables prepared by the division of Economic Research in the Bureau of Foreign and Domestic Commerce. These tables deal, respectively, with the experience of Great Britain, Japan, and Sweden; and they show by combined commodities and in some detail the experience of those countries with respect to price levels following their depreciation of currency units. It is disclosed that in Japan the combination of all commodities shows, for the period covered, an enhancement of 27 percent plus. In Sweden there is shown an enhancement of 2.8 percent, and in the United Kingdom there is shown an enhancement of 3.7 percent. These figures are so out of relation with the depreciation of their currency units that it may be safely concluded that other factors were more powerful than currency depreciation in affecting the price adjustment in those countries.

I send these three tables to the desk and ask that they may be incorporated in my remarks at this point.

The PRESIDING OFFICER (Mr. BONE in the chair). Without objection, it is so ordered.

The tables are as follows:

JAPAN

[1920=100 percent]

	September 1931	October 1933	Change
Combined commodities	48.7	62.3	+27.9
Cereals and vegetables	51.7	72.3	+39.8
Beverages and seasoning	69.7	70.9	+1.7
Meat and fish	52.7	65.3	+23.9
Clothing	36.9	54.6	+48.0
Building material	41.5	54.7	+31.8
Manure and fodder	45.0	60.4	+34.2

SWEDEN

[1913=100 percent]

Combined commodities	107	110	+2.8
Vegetable foodstuff	100	101	+1.0
Animal foodstuff	109	108	−0.9
Feed	84	95	+13.1
Fuel and oil	91	97	+6.6
Metal and metal products	95	96	+1.1
Lumber	154	149	−3.2
Pulp and paper	135	138	+2.2

UNITED KINGDOM

[1930=100 percent]

Combined commodities	83.0	86.1	+3.7
Cereals	78.0	80.5	+3.2
Iron and steel	90.3	95.3	+5.5
Coal	101.9	104.1	+2.2
Wool	74.4	99.9	+34.3
Cotton	71.8	80.6	+12.3
Metals and minerals	77.1	87.8	+13.9

Mr. STEIWER. Mr. President, if time permitted I should like to develop the idea that although there is no certainty of price enhancement in this bill as it presently stands, there is a certainty of ultimate credit expansion sufficient in amount to destroy America completely. In deference to those who are interested in this silver amendment I am not going to take the time now to refer to that. If I can obtain recognition later in the day I may attempt to point out the testimony adduced before the committee, and to draw some conclusions from that testimony with respect to the inherent dangers that lurk in this bill.

To proceed with the matter that is immediately before the Senate, let me point out that in this proposal of the Senator from Montana to purchase silver at the rate of 50,000,000 ounces per month, we would employ an influence, the result and tendency of which we can reasonably well measure. We have here an influence which will operate to increase the price of silver. It will operate to increase the buying power of all the people in the silver-using countries on the earth. It means that to the extent that buying power is enhanced, our foreign trade is going to be benefited. It means, with respect to every commodity of which we have an exportable surplus, that we are going to have a better market. It means that every commodity, the price of which in the domestic field is fixed by the export price, is going to be influenced upward. It means that for the uncertainty of immediate price enhancement which presently exists in the gold bill there will be substituted a fair degree of certainty. The exact amount we do not know, it is true, and yet the trend I think is undeniable; and by reason of this substitution of certainty in price enhancement, there is offered a hope for the American people. In my area of the country it means a great deal to know that the silver-using countries of the world, substantially half of all the population of the world, are going to deal with us in a currency of enhanced buying power.

Undoubtedly the advantages to be derived from that increase in the buying power of foreign countries will be reflected in our domestic markets. So I say, Mr. President, without any attempt to enlarge or develop this subject to the extent that it well deserves, and paying due deference to the rights of others who want to take part in this debate between now and the hour of 2 p.m., that there is in this amendment a real and tangible hope. There is in this amendment a proposal that will mean something to the American people. It will mean something in terms of present-day benefit. It will mean something in terms of expanded trade. It will mean something in terms of wider markets. It will mean something in terms of business improvement that will be fairly immediate, the result of which we may feel within the next few months to come. I feel that if there is any justification at all for this bill it will be enormously increased by the addition of the amendment of the Senator from Montana.

If time permitted I should like to refer more in detail to the agricultural situation with respect to the necessity of finding an outlet for surpluses. Probably it would be trite to enlarge upon it. This body has dealt over the years with the problem. We know the enormous amounts spent to stabilize upward the cotton and wheat and other markets. We know the great sacrifice that our people have made in order to provide the funds to carry out these stabilizing influences. Let me point out to you that at the present price of silver the entire purchases contemplated under the amendment of the Senator from Montana will not cost us any more than the amount we have already lost in stabilization enterprises that have not proved effective; and as a substitute for those stabilization enterprises, affecting the greater part of our agricultural industry in this country, and embracing in their scope both cotton and wheat, horticultural products, and many other things—for those unsatisfactory enterprises we have here something that gives promise of a sure and certain result in behalf of our people.

Mr. DILL. Mr. President——

Mr. STEIWER. I yield to the Senator from Washington.

Mr. DILL. The fact is that under this amendment it will not cost the Government anything, because it can issue silver certificates to circulate as legal-tender money to the amount which is paid for the silver.

Mr. STEIWER. Conceivably that is true; but I made the statement on the assumption that we were to pay in something other than silver certificates, and on the theory that every dollar invested will be a dollar out of the Treasury. I appreciate that the Senator from Washington is correct, and that result may not obtain.

Now I yield the floor, and I do so with the statement that although I have never been an advocate of bimetallism, although I have recognized the supposed force of Gresham's law, I see no evil in the proposal made by the Senator from Montana. I see nothing that should cause us to hesitate with respect to it; but I do see so much good and opportunity for the interests of that great mass of our producers who are compelled to sell in the export markets of the world

that I hope this body will give full consideration to the plight in which they find themselves at this time.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. ROBINSON of Arkansas. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Smith
Barkley	Erickson	McAdoo	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Utah
Borah	Frazier	McKellar	Thompson
Brown	George	McNary	Townsend
Bulkley	Gibson	Murphy	Trammell
Byrd	Glass	Neely	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Van Nuys
Caraway	Hale	O'Mahoney	Wagner
Carey	Harrison	Overton	Walcott
Clark	Hatch	Patterson	Walsh
Connally	Hatfield	Pittman	Wheeler
Coolidge	Hayden	Pope	White
Copeland	Hebert	Reed	
Costigan	Johnson	Reynolds	

Mr. LEWIS. Mr. President, I desire to announce that the senior Senator from Oklahoma [Mr. THOMAS] is detained from the Senate on account of illness.

I also desire to announce that the Senator from Louisiana [Mr. LONG] and the Senator from South Dakota [Mr. BULOW] are necessarily detained from the Senate.

The VICE PRESIDENT. Ninety Senators having answered to their names, there is a quorum present.

Mr. ROBINSON of Arkansas. Mr. President, in view of statements made during the course of the debate as to the attitude of the President and of the administration respecting the pending amendment, I feel it obligatory to make a brief statement defining the President's attitude as he has communicated it to me in writing.

The President regards the pending amendment as in conflict with the policy set forth in his message on the subject of monetary units, and particularly with respect to the last seven paragraphs in the message. His letter to me states, "that it is better to wait for the operation of the Pittman agreement", adopted at the London conference, than to undertake now "to order the purchase of silver under the terms of this amendment."

The President believes that he has "authority under existing law to buy such amounts of silver from time to time and at such prices as may seem desirable."

It is pointed out also that the amendment would require, not merely authorize, the purchase of a billion ounces of silver, if necessary, at the rate of 50,000,000 ounces per month, to force the price to $2.15 an ounce if there should be a 40-percent devaluation, and to $2.58 an ounce if there should be a 50-percent devaluation. The minimum rate of purchase specified in the amendment is 600,000,000 ounces a year, which is nearly four times the total world production during 1933, the latter being stated to me by the Treasury to have been about 160,000,000 ounces.

The Treasury states: "The amendment requires outright purchase by currency or security of the United States, and while provision is made for the issuance of silver certificates against the silver so purchased in an amount equal to its cost, the plan does not yield the profit which accrues to the Treasury under the seigniorage plan adopted by the President with reference to the purchase of newly mined silver under the authority of the Thomas amendment.

"More than half a billion dollars in silver certificates are now outstanding. They are redeemable in silver dollars containing 412½ grains, troy, of standard silver.

"The amendment, on the other hand, provides that silver certificates shall be issued by the Treasury in an amount which, in the aggregate, shall equal the cost of such silver to the Treasury. Upon presentation of any such silver certificates the Treasurer of the United States shall redeem the same by the delivery of the face value thereof in silver bullion of the gold-equivalent value at the time of demand, to the end that the silver delivery shall be measured by value rather than by weight.

"The effect of this provision on the standing of the half billion dollars of silver certificates now in circulation requires most careful consideration, since presumably large amounts of silver could be obtained at or near the present market price of about 45 cents an ounce. Any disparity in the metallic reserve and redemption of the two types of silver certificates as would result from this amendment raises serious questions as to its wisdom.

"The new silver certificates, with their greater metallic backing, would tend also to bring the parity value of our present silver dollars into serious question. Grave dangers to the maintenance of parity would therefore be created by this amendment."

The ratio proposed as the objective of the pending amendment is 16 to 1. The relative values of silver and gold ranged from 30 to 1 to 39.84 to 1 during the period 1894 to 1916. Thereafter gold lost so much in value that the ratio dropped to 15.31 to 1 in 1920, but reached 35.26 to 1 by 1928. The ratio aimed at in the pending amendment is therefore twice the ratio that prevailed before the World War or that that prevailed in 1928.

"At the present time the ratio is almost 80 to 1. This, of course, may not continue."

It probably would not continue.

"The amendment would cause a sharp rise in the price of silver, but this would probably be followed by a striking collapse unless some continuing program were adopted. Such a continuing program is now authorized and the program is being carried forward, as heretofore stated, under the Thomas amendment."

Some reference has been made during the debate about the effect of the adoption of the policy incorporated in the Wheeler amendment on our foreign commerce. That is recognized, I think, by all who hear me as a subject of the very greatest importance. The effort to work this matter out in concert with other silver-using nations is now in progress.

With respect to China, which has been mentioned in the debate, I think by the Senator from Oregon and by other Senators, it is believed that if the amendment should be carried into effect it would result in very violent deflation and probably bring about a silver embargo in China. A large silver reserve is probably desirable in the long-term view of the situation in the Orient.

"If it is to be built up, however, it should be built up gradually and as a part of a world-wide plan for rehabilitating silver to which the United States is committed in its agreement with 36 nations at the London Conference."

I think we all realize that the subject matter of the amendment of the Senator from Montana [Mr. WHEELER] is of the very greatest importance. The Senator has devoted himself with care and diligence to the study of this problem. The President does not feel that this is an opportune time to order the purchase of the very large amount of silver contemplated by the amendment, and feels that it would operate to impair the effectiveness of the international agreement already referred to.

Mr. President, I have concluded.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER] and the Senator from Utah [Mr. KING].

Mr. WHEELER. Mr. President, I desire to offer some amendments to perfect my own amendment.

The VICE PRESIDENT. The Senator has the right to modify his amendment.

Mr. WHEELER. First, I desire to say to the Senator from Arkansas that I know he quoted in all sincerity the statements that were furnished him by some of the pro-

fessors or economists connected with the Treasury Department. The same arguments have been presented to me.

I desire to say, however, that the adoption of the proposed amendment could not cause deflation in China to the extent that some of the professors have indicated it would. They totally misunderstand what the actual situation in China is. There is no paper in circulation in China; their circulating medium is simply silver. However, I am not going to argue the matter, but merely wish to perfect my own amendment. It has been suggested to me by some Members of the Senate that they should like to have me modify my amendment. I am going to modify it so as to provide that—

The Secretary of the Treasury is hereby directed to purchase silver at the rate of not less or more than 25,000,000 ounces for 2 months and ten or more million ounces thereafter until there shall be added to the monetary resources of the United States 750,000,000 ounces of silver.

Furthermore, at the suggestion of the Senator from Colorado [Mr. ADAMS] and the Senator from Maryland [Mr. TYDINGS], I ask to perfect my amendment on page 2 by striking out on that page, in line 3, after the period, all down through the period in line 13, and inserting in lieu thereof the following:

Such silver shall be purchased, at home or abroad, wherever silver shall be procurable at or under the values specified above, at such rates and upon such terms and conditions as the Secretary of the Treasury may deem most advantageous to the public interest; and payment therefor shall be made with silver certificates of deposit payable to bearer on demand in silver bullion. The silver so purchased shall be held in reserve in the Treasury against the issue of such certificates of deposit.

That will eliminate entirely the objection which has been made.

The VICE PRESIDENT. Without objection, the amendment is modified as requested.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. The time for debate has expired.

Mr. WHEELER. I am going to ask unanimous consent that I may explain the amendment in a very few words.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. WHEELER. I wish simply to say that the modifications, I think, eliminate entirely the objection which has been raised by the Treasury Department and meet the suggestion made by the Senator from Kentucky to the effect that the silver could be paid for in gold bullion. Under the amendment, as modified, it can only be paid for in silver certificates which can only be used in the United States for the purchase of our surplus production.

Mr. President, I submit the amendment.

The amendment of Mr. WHEELER and Mr. KING, as modified, is as follows:

On page 12, line 20, after "SEC. 8." insert "(a)."

On page 13, after line 10, insert the following new subsection:

"(b) The Secretary of the Treasury is hereby directed to purchase silver, at the rate of not less or more than 25,000,000 ounces per month for 2 months and 10 or more million ounces thereafter, until there shall be added to the monetary resources of the United States 750,000,000 ounces of silver; except that whenever 371¼ grains of pure silver equals in purchasing power 23.22 grains of pure gold, the purchase of silver under this subsection shall be suspended. Such silver shall be purchased, at home or abroad, wherever silver shall be procurable at or under the values specified above, at such rates and upon such terms and conditions as the Secretary of the Treasury may deem most advantageous to the public interest; and payment therefor shall be made with silver certificates of deposit payable to bearer on demand in silver bullion. The silver so purchased shall be held in reserve in the Treasury against the issue of such certificates of deposit. Such silver certificates shall be issued by the Treasury in an amount, which, in the aggregate, shall equal the cost of such silver to the Treasury. Upon presentation of any such silver certificates the Treasurer of the United States shall redeem the same by the delivery of the face value thereof in silver bullion of the gold equivalent value at the time of demand, to the end that the silver delivered shall be measured by value rather than by weight. The silver certificates issued under the provisions of this subsection shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Montana [Mr. WHEELER] and the Senator from Utah [Mr. KING], as modified.

Mr. CLARK and other Senators asked for the yeas and nays, and they were ordered.

Mr. WHEELER. I suggest the absence of a quorum. There are several Senators who desire to be present to vote on this amendment.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Smith
Barkley	Erickson	McAdoo	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Utah
Borah	Frazier	McKellar	Thompson
Brown	George	McNary	Townsend
Bulkley	Gibson	Murphy	Trammell
Byrd	Glass	Neely	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Van Nuys
Caraway	Hale	O'Mahoney	Wagner
Carey	Harrison	Overton	Walcott
Clark	Hatch	Patterson	Walsh
Connally	Hatfield	Pittman	Wheeler
Coolidge	Hayden	Pope	White
Copeland	Hebert	Reed	
Costigan	Johnson	Reynolds	

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment proposed by the Senator from Montana [Mr. WHEELER] and the Senator from Utah [Mr. KING], as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEWIS (when Mr. BULOW's name was called). I am authorized to state that the Senator from South Dakota [Mr. BULOW] is necessarily absent.

Mr. KEAN (when his name was called). On this vote I am paired with the Senator from South Dakota [Mr. BULOW], and therefore I am obliged to withhold my vote.

Mr. LEWIS (when the name of Mr. THOMAS of Oklahoma was called). I am instructed to state that the Senator from Oklahoma [Mr. THOMAS] is absent from the Senate because of illness. He is paired with the Senator from Rhode Island [Mr. METCALF]. I am also asked to state that if the Senator from Oklahoma were present he would vote "yea", and that the Senator from Rhode Island, if present, would vote "nay." I ask the Senator from Rhode Island if my statement concurs with his information?

Mr. HEBERT. The Senator has stated what is my understanding.

The roll call was concluded.

Mr. GORE. On this vote I am paired with the senior Senator from South Dakota [Mr. NORBECK]. If I were at liberty to vote, I should vote "nay", and if the Senator from South Dakota were present he would vote "yea."

Mr. HEBERT. I am requested to announce that on this question the Senator from Delaware [Mr. HASTINGS] is paired with the Senator from Louisiana [Mr. LONG]. If the Senator from Delaware were present, he would vote "nay", and the Senator from Louisiana, if present, would vote "yea."

I also wish to announce the necessary absence of the senior Senator from Rhode Island [Mr. METCALF] and the Senator from South Dakota [Mr. NORBECK].

Mr. ROBINSON of Arkansas. I am requested to announce that if the Senator from South Dakota [Mr. BULOW] were present he would vote "yea."

The result was announced—yeas 43, nays 45, as follows:

YEAS—43

Adams	Cutting	Hatch	McNary
Ashurst	Davis	Hatfield	Murphy
Bone	Dickinson	Hayden	Norris
Borah	Dill	King	Nye
Capper	Duffy	La Follette	Overton
Caraway	Erickson	Logan	Pittman
Clark	Frazier	McCarran	Pope
Costigan	George	McGill	Reynolds

Robinson, Ind.	Smith	Thompson	Van Nuys
Russell	Steiwer	Townsend	Wheeler
Shipstead	Thomas, Utah	Tydings	

NAYS—45

Austin	Connally	Hebert	Schall
Bachman	Coolidge	Johnson	Sheppard
Bailey	Copeland	Keyes	Stephens
Bankhead	Couzens	Lewis	Trammell
Barbour	Dieterich	Lonergan	Vandenberg
Barkley	Fess	McAdoo	Wagner
Black	Fletcher	McKellar	Walcott
Brown	Gibson	Neely	Walsh
Bulkley	Glass	O'Mahoney	White
Byrd	Goldsborough	Patterson	
Byrnes	Hale	Reed	
Carey	Harrison	Robinson, Ark.	

NOT VOTING—8

Bulow	Hastings	Long	Norbeck
Gore	Kean	Metcalf	Thomas, Okla.

So the amendment of Mr. WHEELER and Mr. KING, as modified, was rejected.

Mr. FESS obtained the floor.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. I desire to offer an amendment and have it read at the desk.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read the amendment, as follows:

On page 20, between lines 11 and 12, insert the following new sections:

"SEC. 16. Title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof three new sections to read as follows:

"'PAYMENT OF CERTIFICATES BEFORE MATURITY

"'SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"'(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"'(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section, the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1932.

"'(d) Upon payment under this section, the certificate and all rights thereunder shall be canceled.

"'(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(f) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made but before the negotiation of the check in payment, payment shall be made to the estate of the veteran irrespective of any beneficiary designation, if the application is filed (1) before the death occurs, or (2) after the death occurs, but before the mailing of the check in payment to the beneficiary under section 501.

"(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If at the time this section takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509 shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence.

"SEC. 17. The Secretary of the Treasury is authorized and directed to cover into the adjusted-service certificate fund, out of any profit covered into the Treasury under section 7 of this act, such sums as may be necessary to carry out the provisions of section 16 of this act."

[Change the numbers of the succeeding sections.]

Mr. PITTMAN. Mr. President, will the Senator from Ohio yield?

Mr. FESS. Certainly.

Mr. PITTMAN. I have on the desk an amendment presented yesterday which I believe is the next amendment in order. I do not, of course, desire to interrupt the Senator from Ohio—I cannot interrupt him in fact—but I give notice that immediately after he concludes I shall offer the amendment.

Mr. ROBINSON of Indiana. That is perfectly agreeable to me. I simply asked to have my amendment read. Following disposition of the amendment of the Senator from Nevada I shall ask the Senate to proceed to the consideration of my own amendment.

Mr. PITTMAN. Very well.

Mr. FESS. Mr. President, the debate on the proposal now before the Senate, while brief, has been of a very high order. The address yesterday by the Senator from North Carolina [Mr. BAILEY] was eloquent and rather persuasive. It was eloquent in the purposes which the Senator had in mind when he announced his reasons for his support of the bill. These reasons, as stated in the onset of his argument, have been reprinted throughout the country. They are clearly stated in plain language and are not difficult to understand as he expressed the purposes.

First, he said he is for the bill as an extraordinary measure addressed to extraordinary circumstances. The objection I would have to that being a justification for support of the bill is that the same reason could be given for the support of any kind of revolutionary proposal, even to the extent of suspending the Constitution of the United States. There is nothing so radical that it might not be urged to support if on the ground that it is offered because it is an extraordinary measure to meet extraordinary circumstances.

The Senator's second point was:

As a step in the direction of redemption in gold and also in the direction of keeping our party pledges and the assurance given the country in the campaign and in the hour of his inaugural by our President.

Long ago I ceased to be impressed with party pledges as expressed in party platforms. Too often such a pledge is made, in the language of President Woodrow Wilson, as "an opportunity to get in on, but not to stand on after you have gotten in", so I am not particular about that part of it.

But I am particular about the first part of the second statement that the bill "leads to the restoration of the gold standard." I know it is generally conceded that the proposal to stabilize somewhere between 50 cents and 60 cents is a proposal to stabilize on the basis of gold. But under the construction of this bill there is no such thing as a gold basis. If the bill we are now considering is to become the law, there is no gold basis, and stabilization therefore on a gold basis on such a plan as here written is a statement without meaning.

It is true that many people say that the worst thing that could happen to our country would be to be continued under this uncertainty where nobody can tell what the dollar will be worth from day to day. Therefore the one thing essential is stabilization. The Senator from North Carolina believes that stabilization is coming, and it is to be placed on

the basis of gold which, in his language, would be "a restoration of the gold standard." There is no such promise either in this bill or in anything that the President thus far has said.

The third statement of the Senator from North Carolina is that "it is a means of raising our prices in the world market and of stimulating them at home." I know that is the ostensible reason for the weakening of the dollar. I do not agree with many of those who differ from the proponents of the measure that it will not show an increase in the prices of foreign commodities. I think it will show an increase in the markets of the world, because in the degree that we cheapen the dollar it will be depreciated in the terms of foreign currency. I assume it will register to the degree it cheapens the rise in price. If it does not, then I cannot understand common arithmetic.

I do agree with those who say that it will not necessarily lead to an earlier increase of price in domestic production. I think it will do so in time. It may come sooner than those of us who are studying it expect. But if the purpose is to increase the price of commodities at home, and that purpose is carried out, then everyone knows that the increase of that commodity price will be at the expense of the great majority of our people who do not deal in commodities; so that the very success of this proposal to raise the prices of commodities at home would place its greatest burden on the large proportion of our people. Just how far to go is an unknown quantity.

The fourth reason given by the Senator from North Carolina for his support of the bill is that it will serve "as a means of protecting and stabilizing our currency and, therefore, our commerce at home and abroad." It is true that if we stabilize the currency so that it has a fixed purchasing value, it will assist commerce, both at home and abroad. That is the one great demand for establishing stabilization—as a means of relieving an otherwise impossible situation as between debtor and creditor.

Probably the most convincing thing the Senator said was what he said about the debtor class, in which he estimated debts to the amount of $220,000,000,000. Of course, he means Federal debts, State debts, county debts, municipal debts, township debts, and individual debts. It might be, if we take the accumulation of all those debts, that the sum will mount beyond the $200,000,000,000 mark. When we speak of the debtor class, however, we refer generally to the people who are overburdened with debt, who are threatened with foreclosure and the loss of their property. When we refer to it in that sense the debt does not appear to be as great as the insurance policies and the deposits in the form of insurance policies and in the form of savings in savings banks; but if we take all sorts of debts, I do not know what the limit is.

I want to congratulate any Senator who is bold enough to say that the purpose of this bill is repudiation on the matter of debt paying to the extent that the dollar is devalued. Senators do not like the ugly term "repudiation", but it makes it no easier to call it "inflation", and does not change the odor of it in the slightest degree. It is repudiation of an obligation that has been incurred in good faith; and some of those obligations were incurred when the dollar was low, as well as some of them were incurred when it was high. When we repudiate on the basis that the dollar today buys more than it did when the debts were incurred, that is true only in a sense, because some of these debts were incurred when the dollar was not as it is today; some of them were incurred when it was higher and some when it was lower. If we do this for one, it should be done for the other; and while one would require the devaluation of the dollar, the other would require an increased value of the dollar.

The sixth statement of the Senator from North Carolina is that while recognizing its novel character and its dangers, he considers the proposed legislation a necessity under the circumstances.

As I stated in discussing the first reason, that argument can be offered with reference to any kind of proposal for legislation that may be made here.

Mr. THOMPSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. FESS. I yield.

Mr. THOMPSON. Was not that identical question decided by the Supreme Court of the United States in a case reported in 79 Wallace, page 457? This was a suit growing out of the confiscation of some sheep in Texas. At the time of the trial we had the greenbacks in circulation. The case was taken to the Supreme Court of the United States. Mr. Justice Strong, delivering the opinion of the Court, said:

> The controlling questions in these cases are the following: Are the acts of Congress known as the "Legal Tender Acts" constitutional when applied to contracts made before their passage; and, secondly, are they valid as applicable to debts contracted since their enactment?

Mr. Justice Strong held in the affirmative on both of these questions, as shown by the second and third syllabi, which I read:

> 2. The acts of Congress known as the "legal tender" are constitutional when applied to contracts made before their passage. *Hepburn* v. *Griswold* (8 Wall. 603) on this point overruled.
> 3. They are also valid as applicable to contracts made since.

And in the course of the opinion the Court illustrated the identical idea upon which the honored Senator is now discoursing.

Mr. FESS. No, Mr. President; he was talking about the matter of constitutionality.

Mr. THOMPSON. That was just the question that they were talking about—whether it was repudiation or whether it was not repudiation.

Mr. FESS. The Senator misunderstood me. When I said the Senator was talking about constitutionality, I meant that the Senator from Nebraska is talking about the constitutionality of the proposed legislation. I am not talking about its constitutionality. I have not touched on it, and I do not intend to do so.

Mr. THOMPSON. Then, on the moral question, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator yield further?

Mr. FESS. No, Mr. President.

The PRESIDING OFFICER. The Senator refuses to yield.

Mr. THOMPSON. All I wanted to ask the Senator, in all kindness, was a question on the moral side of the matter.

Mr. FESS. Mr. President, I do not think it is moral for the Government to do what the Government would not permit a private citizen to do. The Senator may have a thousand bushels of wheat deposited in a warehouse, for which he has a warehouse receipt. If he took the warehouse receipt and asked for the thousand bushels of wheat that he owned, what would he think if he were told that he was to take only 500 bushels of wheat? I do not care whether the Government says it shall be done or not; I am talking about the common honesty of such a proposal as that.

Now I proceed.

Mr. THOMPSON. I thank the Senator for his courtesy.

Mr. FESS. I appreciate fully the Senator's gratefulness.

Mr. President, there is a group of thinkers, not only in the country but in this body, that regards the solution of the problem in terms of volume of currency. I do not think anyone could express that better than the Senator from Idaho [Mr. BORAH] did on yesterday. He is an advocate of the quantitative theory of money. He holds that prices in this country are to be determined by the amount of currency that is in circulation. So far as the price level is concerned, it is, of course, affected by the volume of currency, provided the volume of currency is beyond the uses of currency, and therefore becomes cheap. In that case the cheap currency, because more is in circulation than can be used, will reflect itself in an artificial increase of the prices of commodities. Nobody questions that. That is the reason why the cost of living will go out of sight if we start on the road of inflation and it gets beyond us. We shall be on the road that Germany took, and we shall be on the road on which France had her downfall in 1792 and 1795.

If I were a subscriber to the theory that what we need is an increased volume of currency, I certainly should not have

voted against the amendment offered by the Senator from Montana [Mr. WHEELER]. I even have some sympathy for that sort of legislation, outside of increase of the volume of currency. In fact, that is the least important feature of the amendment. I agree with those who have supported that kind of legislation that it might give us a better trade possibility in the Orient. I do not dispute that. It would give an additional market to silver in the Western States. I do not dispute that. It would also, I think, have more or less of a salutary effect upon the metallic basis of our money. I am, therefore, in a degree sympathetic with the efforts of those who have been promoting that sort of legislation, largely for the reasons I have mentioned; and certainly the old argument of Gresham's law, which is the outstanding, conclusive argument against bimetallism unless it is by agreement of the leading countries of the world—the old argument that poor money will drive out of circulation good money, and therefore that we should not pass silver legislation—has no force whatever now, because it is not applicable at the present time.

If we had gold in circulation as we had had it up to the time of the abandonment of the gold standard and the recall of gold coin, then, of course, silver would drive the gold out of circulation if silver were coined at a fixed ratio with gold, and we permitted the two to circulate freely. But gold is out of circulation. Gold has ceased to be a medium of exchange. Gold has ceased to be a measure of value. Silver today can, therefore, be coined and put in circulation without having any serious effect upon gold, because gold is out of circulation under the legislation that heretofore has taken place, and especially under the proposed legislation that we are now considering.

So that if the volume of money were the determining factor in the solution of our problem of prices, I certainly would have voted, if I believed it, for the silver amendment offered by the Senator from Montana. But I do not agree, except under certain conditions where the volume of money gets beyond our control, that it has any appreciable effect upon prices. It is not the volume of money that is in circulation, it is the amount that is at work, that determines the value of money.

We today do our business, and the world does its business, on a basis of 10 percent cash and 90 percent credit. If we did $10,000,000,000 worth of business, we probably would have less than a billion dollars in cash. We would do $9,000,000,000 worth of work without ever seeing a dollar, because it would be done on the basis of credit.

That is what is taking place and has taken place in the country ever since we have been on the credit system, which was inaugurated at the very beginning of our Nation. So that if we increase the circulating medium, that does not mean that we are going to have better business. There is not anything so conclusive in refuting such an idea as our own history.

We never had a higher rate of business than in 1928 and 1929. We are proposing now to get back to the basis of 1926. What was the amount of circulation in 1926?

In 1926 we had a stock of money of $8,000,000,000. We had a circulation of $4,800,000,000. Our circulation per capita was $41. That is the time to which we are proposing to return as far as prices are concerned. We never were on such a high exchange basis as in 1928 and 1929.

What was the circulation in those years of our greatest business activity? In January of 1928 we had a circulation per capita of $39.71. That was about $1.50 less than in 1926.

On January 1, 1929, we had a per capita circulation of $39.07, which is 64 cents per capita less than it was in 1928. We were then at the very height of our business activity. There was such a demand for an increased circulation that the preceding administration responded by legislation in Congress in the form of what is known as the Borah amendment. Then came a second item of legislation to increase the amount of circulation. It came, as the Senate will recall, in the strengthening of the Bank Act, in the early days of this administration.

What has happened? In January 1932, at the low point of business activity, we had a per capita circulation of $45.26—$6 per head greater than at the height of business activity in 1929. In December of 1932 it was $45.33. In January of 1933 it was $45.06, 27 cents less than the month before.

Then came, in 1933, the impulse, when we authorized large issues of Federal Reserve bank notes, when there was a leap from $45 to $52.23 per capita, an increase of $7, with no such increase in the price of commodities.

I again state that I will admit that when we increase the circulating medium to the point where the money itself becomes of less value, then the prices will increase; but as long as we maintain the sound value of money it is not a question of what form of money is in circulation, but the question is how much money or how little idle money is at work.

Mr. President, I have from the Treasury Department a statement of the money in circulation from 1916 until November 1933. It is very suggestive on this particular question, and I ask unanimous consent to have it inserted in the RECORD.

The PRESIDING OFFICER (Mr. BARKLEY). Without objection, it is so ordered.

The matter referred to is as follows:

Money in circulation

June 30	Amount in circulation	Per capita
1916	$3,649,258	$35.63
1917	4,066,404	39.05
1918	4,481,697	42.33
1919	4,876,638	45.95
1920	5,467,589	51.32
1921	4,910,992	45.38
1922	4,463,172	40.62
1923	4,823,275	43.24
1924	4,849,307	42.84
1925	4,815,208	41.92
1926	4,885,266	41.92
1927	4,851,321	41.04

Circulation statement of United States money

	Total amount of money in United States	Amount in circulation	Per capita
1928			
Jan. 31	$8,405,886,981	$4,677,054,676	$39.71
Feb. 29	8,360,797,917	4,690,430,100	39.79
Mar. 31	8,259,996,956	4,748,934,015	40.24
Apr. 30	8,225,271,179	4,748,458,057	40.20
May 31	8,123,846,787	4,744,074,316	40.12
June 30	8,118,085,757	4,796,621,260	40.52
July 31	8,142,809,667	4,700,535,405	39.67
Aug. 31	8,157,252,148	4,802,819,937	40.50
Sept. 30	8,216,251,118	4,846,198,357	40.82
Oct. 31	8,251,383,421	4,806,229,636	40.44
Nov. 30	8,281,523,377	4,990,114,367	41.95
Dec. 31	8,431,099,373	4,973,168,182	41.76
1929			
January	8,211,982,901	4,656,617,424	39.07
February	8,220,939,222	4,698,362,323	39.38
March	8,251,925,759	4,747,683,122	39.75
April	8,333,935,461	4,675,646,777	39.11
May	8,390,727,470	4,737,635,931	39.59
June	8,538,796,197	4,746,296,567	39.62
July	8,693,315,134	4,716,862,547	39.34
August	8,700,957,998	4,839,858,913	40.32
September	8,713,685,198	4,819,274,941	40.11
October	8,769,600,181	4,838,184,799	40.23
November	8,836,658,420	4,929,421,487	40.95
December	8,732,677,064	4,864,824,312	40.37
1930			
January	8,391,138,171	4,562,027,826	37.82
February	8,404,235,320	4,578,508,351	37.92
March	8,361,374,774	4,549,188,947	37.64
April	8,341,915,914	4,476,066,785	37.00
May	8,325,418,198	4,551,467,934	37.59
June	8,306,564,074	4,521,987,972	37.31
July	8,243,582,415	4,426,493,631	35.90
August	8,254,874,060	4,533,196,558	36.71
September	8,317,422,017	4,501,478,377	36.42
October	8,345,776,283	4,492,603,809	36.30
November	8,451,218,043	4,660,315,130	37.59
December	8,713,875,325	4,890,123,348	39.41
1931			
Jan. 31	8,642,545,161	4,609,687,314	37.11
Feb. 28	8,560,358,013	4,620,413,509	37.15
March	8,598,058,403	4,607,913,611	37.00

Circulation statement of United States money—Continued

	Total amount of money in United States	Amount in circulation	Per capita
1931—Continued			
April	$8,682,179,320	$4,652,414,437	$37.31
May	8,782,098,264	4,702,275,432	37.66
June	9,079,623,857	4,821,933,457	38.57
July	9,153,302,326	4,837,084,512	38.65
August	9,361,212,548	5,052,027,109	40.31
September	9,285,383,803	5,246,063,907	42.20
October	9,062,065,781	5,540,016,110	44.54
November	9,214,178,615	5,536,142,677	44.48
December	9,421,224,505	5,646,772,888	45.34
1932			
January	9,378,002,702	5,641,205,046	45.26
February	9,320,730,167	5,603,542,630	44.93
March	9,266,558,476	5,459,085,385	43.74
April	9,200,274,968	5,464,626,961	43.76
May	8,977,167,490	5,479,626,520	43.85
June	9,004,423,481	5,695,090,322	45.55
July	9,109,739,560	5,726,262,264	45.85
August	9,246,050,907	5,692,053,976	45.56
September	9,331,280,031	5,653,349,722	45.22
October	9,367,601,015	5,627,581,274	44.99
November	9,451,735,753	5,647,569,816	45.13
December	9,704,040,113	5,674,941,484	45.33
1933			
January	9,694,125,276	5,644,618,924	45.06
February	10,275,505,304	6,545,067,961	52.23
March	10,628,612,707	6,319,514,854	50.40
April	10,352,853,004	6,003,473,159	47.86
May	10,172,990,108	5,812,319,611	46.31
June	10,078,416,523	5,720,764,384	45.51
July	10,014,268,674	5,629,852,526	44.70
August	10,011,012,619	5,612,121,521	44.60
September	10,024,117,386	5,649,914,116	44.87
October	10,043,105,899	5,634,603,143	44.73
November		5,742,492,685	45.56

Mr. FESS. So much for the argument that we, in order to get any good results from this measure, must look to increase of circulation. Mr. President, the danger in this bill along that line is not, I believe, as well understood as it ought to be. If it were more money we needed, we could increase the circulation under our present system. For example, there are certain forms of money in circulation, in certain amounts, that will not increase. The silver will not increase unless we proceed along the lines suggested in the proclamation of the President. It will then increase to the amount therein stated. The national-bank notes may increase. They have already increased from $600,000,000 to over $900,000,000. The United States notes of $346,000,000, known as the greenbacks, will not increase unless the President exercises the authority we gave him to increase them to the amount of $3,000,000,000. If he does, then we will see what will be the effect on the prices of commodities.

The above items can only be increased either by act of Congress or by operation of the President under authority already granted to him. But there are increases of circulation that can be carried out without a single item of legislation from this body, or a single announcement from the President of the United States.

For example, the Federal Reserve Board can authorize the Federal Reserve banks to issue their notes or their bank notes on the basis, up to the present time, of a 40-percent reserve of gold. The Federal Reserve notes today outstanding are $3,202,000,000 plus. That is based upon 40 percent gold reserve. How much gold have these banks upon which they could issue Federal Reserve notes? Instead of 40 percent of $3,000,000,000, they have $3,500,000,000, and $3,500,000,000 in gold used as a 40-percent basis would enable them to issue, instead of $3,000,000,000, $9,000,000,000 of Federal Reserve notes. They can do so without any additional authority. If it is volume of currency that we need, no additional legislation is necessary to increase it. Operating under the present law, it could be increased three times the amount it now is.

That, however, is not all. Under the National Banking Act—our recent legislation—we have authorized the Federal Reserve banks to issue Federal Reserve bank notes on Government bonds. How many Government bonds are there? We are supposed to look to a public debt of over $30,000,000,000. It will be in some form—short-term certificates or long-term bonds. There is no limit to the amount of Federal Reserve bank notes that can be issued except that the amount is dependent upon the capital they have. If they have the capital to buy the bonds of the Government there is scarcely any limit that would be put upon the amount they could issue. So without writing a single item of new law, if we needed more currency, the agency is set up to increase it 4, 5, 6, 10 times what it now is.

Why is it not issued? Mr. President, that is the important point. Why is it not issued? Simply because we have wisely held the issuing power of notes to be circulated as medium within a corporation that is not responsive to political clamor as is the Government. The Federal Reserve Board will not respond to demagogy. The Federal Reserve Board will not reflect the manufactured effort of propagandizing. The Federal Reserve Board will issue no money beyond the needs of business. Having issued an increased number of notes to take up seasonal demands, when the seasonal demand is over then they will retire those notes, as they ought to, in the interest of stability and purchasing power of the dollar.

If that power is taken away from the Federal Reserve Board, a body that is independent, and given to the Government, a political body responding to the greatest possible pressure in a campaign that will be carried on demanding more money, we will have precisely the situation that Germany had and precisely the situation that France had. The only thing that saves our country from an inflation that would destroy the ability of business to carry on is that such power is not in a political body. It is in a business body.

I would call the attention of Senators to the argument that is heard in the Senate Chamber against the Federal Reserve Board. Why? Because it does not issue the amount of notes that its gold reserve would permit it to issue.

What else is charged? It is criticized because when it has once increased the amount of circulation in notes to meet temporary demand it decreases it when the demands of business no longer call for the additional money.

Here is a system which all of us thought would wisely respond to the business demands of America, that now is to be supplanted, where the issuing body may become a political body under the pressure of the greatest channels of popular clamor through wire and ether that recent politics can effect, and then we are on the road to uncontrolled inflation. That is the danger of this sort of legislation.

A great many people have contended that this is not inconvertible paper. They hold that it is not irredeemable currency. On the very face of it it is both. A Federal note cannot be converted into anything that has the basis of value in our history of gold. There has even been taken away from the United States note, the greenback, the $156,000,000 deposited as a redemption fund. That is gone. A greenback now is to stand only as a promise of the Government, just like a Federal bond stands. There is not an element of redemption in any of the money that we are to circulate after the proposed bill passes.

What does the bill say? Let me read:

Except to the extent permitted in regulations which may be issued hereunder by the Secretary of the Treasury with the approval of the President, no currency of the United States shall be redeemed in gold: *Provided*—

Hear me, Senators—

Provided, however, That gold certificates owned by the Federal Reserve banks shall be redeemed at such times and in such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain—

The parity of the currency.

What is the option there? The Secretary of the Treasury has the option whether he will redeem or not, and what amount he will pay for that which is outstanding. And with the option resting with the Government, there is no redemption. The redemption to be effective is when the holder of the note on demand can demand the gold.

Mr. President, memory is extremely short. Back in the nineties, when there was a persistent effort to sell or to find

a market for silver, there had been long discussion. First the law required that not less than two nor more than four million ounces of silver should be coined into money every month. That later was changed by the act called the "Silver Purchase Act", sometimes called the "Sherman Act." The original purchasing act was having the effect of driving out of circulation the gold dollar. As is always the case where two metals are circulating freely, if one is of less value it will drive out of circulation the good metal. That danger was intended to be met under the leadership of Sherman by what is known in our financial history as the "Sherman law." Instead of coining not less than 2,000,000 nor more than 4,000,000 ounces of silver every month, the Government was to purchase something like 54,000,000 ounces a year and issue for it certificates, Treasury notes, which are known in our history as "Sherman notes." The one distinctive thing in the note that was dangerous was the redemption requirement which was written on its face.

The United States will redeem this note at the Treasury at Washington in coin—

And so on.

The silver advocates insisted "in coin" means both gold and silver. Certainly "in coin" would include both, and the friends of silver claimed that when they demanded silver the Government had no choice but to give it to them; and when they demanded gold the Government had no choice but to give them gold; and they were right in both contentions.

President Cleveland, following his election, realized how that kind of legislation was operating. The holder of a Sherman note redeemable in coin, not "in gold" but "in coin", took it to the Treasury and demanded gold. Another one came demanding gold. The result was that the Sherman note created a vicious circle whereby it was used to drain gold from the Treasury. Up to that time under the law all the gold that was required to be in the Treasury was the $100,000,000 that had been provided under the resumption of specie-payments act back in 1879. That $100,000,000, which was for the purpose not of the redemption of the Sherman notes but for the redemption of greenbacks, was drawn out by the operation of the Sherman note. President Cleveland recognized the situation and called a special session of Congress, which is known up to this time as the "silver Congress", and he recommended the repeal of the silver-purchase clause of the Sherman Act.

Mr. President, that was in 1893. That is when William Jennings Bryan came to the front. He had come to Congress 2 years prior to that, in 1891, as I recall. I read the two speeches that William Jennings Bryan made, one on the tariff, the other on the repeal of the purchasing clause of the Sherman Act. The latter was one of the outstanding speeches at that session, which was notable for the fierce character of the debate. That speech attracted my attention; and I took occasion one morning while in chapel at the university to comment on the two speeches made by a young man from Nebraska who gave his age as 36. That speech was on the repeal of the purchasing clause of the Sherman Act, which was operating to drain the gold from the reserves which were placed in the Treasury for the redemption of the greenbacks. The law was repealed, and the fight started from that time.

It was in 1896 that the same young man made that remarkably eloquent speech in the Democratic convention of 1896 and outlined the issue for that year and for the next campaign.

The whole controversy turned on the phrase "in coin." If the Government should refuse to pay gold when it was demanded by the holder of the note, that was immediately a discrimination against silver, and it would place us on a silver basis. It was that redemption clause which was the turning point in the financial history of our country. The redemption feature has always been regarded as the only feature that maintains the parity of the currency.

We have $346,000,000 of greenbacks. Why are they worth a hundred cents on the dollar? It is because that fund in gold, up to the present time, has been resting in the Treasury for their redemption. We have the national-bank notes which are worth 100 cents on the dollar. Why? Because they are based on United States bonds, and up to within a few months have been redeemable or payable in gold. We have the Federal Reserve notes. Anyone can read on the face of the Federal Reserve notes the provision for their redemption:

Federal Reserve note. The United States of America will pay to bearer on demand $10.

And this appears on the face of the note—

Redeemable in gold on demand at Washington or in gold or lawful money at any Federal Reserve bank.

That is what Robert G. Ingersoll meant in 1876, speaking in the city of Indianapolis, when he said:

The greenback can stick up its head and say, "I know that my redeemer liveth", which makes it worth 100 cents on the dollar.

That is why the Federal Reserve note is worth 100 cents on the dollar. That is why every variety of our currency is worth its face value anywhere in the world where business is carried on.

What do we propose to do? To remove the redemption feature from the greenback, to remove it from the Federal Reserve note, to remove it from every form of currency that is outstanding. That is, that changing our redeemable currency into inconvertible paper is incontrovertible; that is the vice of the whole proposed legislation. Our currency will rest on nothing except the promise of the Government; and the promise of the Government is just as good as its ability and its willingness to keep its promise, its pledge.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Texas?

Mr. FESS. I yield.

Mr. CONNALLY. Does the Senator from Ohio think that it is quite a fair statement when he says there is nothing behind it except the promise of the Government to pay?

Mr. FESS. I think the statement is fair.

Mr. CONNALLY. Does not the Senator realize that all the gold bullion in the Treasury is behind the gold certificates?

Mr. FESS. It will not be after the passage of this bill.

Mr. CONNALLY. Well, what is it for? What function does it perform in the Treasury?

Mr. FESS. Do not ask me. [Laughter in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will preserve order.

Mr. CONNALLY. But I am asking the Senator. He yielded to me and I am asking him and he ought to answer the question.

Mr. FESS. Do not ask me why bullion is placed in the Treasury, with no ability to use it to redeem certificates of the Government at the demand of the holder thereof.

Mr. CONNALLY. Will the Senator yield further?

Mr. FESS. Yes.

Mr. CONNALLY. How much gold money has the Senator actually handled or used since the 1st of January of the past year?

Mr. FESS. I have not handled any gold, but I have handled money that represented gold.

Mr. CONNALLY. Certainly, and that is what the Senator will handle under this bill.

Mr. FESS. No.

Mr. CONNALLY. The Senator will not handle any gold, but he will handle what is represented by gold.

Mr. FESS. Not at all. That is where the Senator is wholly in error. Every dollar that I have heretofore handled speaks on its face that it is redeemable at my demand in gold and not at the whim of the Government. When a piece of money is redeemable in gold on the demand of the holder it is redeemable, but when it is at the option of the payer then it is irredeemable.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. FESS. I yield.

Mr. LOGAN. If it is true that the currency has been redeemable in gold, as argued by the distinguished Senator from Ohio, I will ask him if it would have been possible to have redeemed the outstanding certificates based on gold at the demand of the holder at any time during the last few years?

Mr. FESS. No; just as it never would be possible for all the depositors in any bank to secure all their deposits on any one day. Certainly not, and nobody ever held such a thought. If the Senator were afraid of a bank in which he had a deposit but found that that deposit was safe he would not want it; he would want it only when he was afraid he was going to lose his money. That is the way with money; that is the way with everything which is a symbol for something else. If, on the other hand, business of $1,000,000,000 is being done with about 0.1 cash, is it necessary to have $900,000,000 in gold to do a billion dollars' worth of business?

Mr. LOGAN. Then, do I understand the Senator to say that it is not the gold behind the money that makes it good, but it is the confidence of the people that the Government can pay in gold although everyone knows that it cannot do so.

Mr. FESS. It is the confidence that the holder of the note has in the Government that it will keep its faith with the people and that if they demand gold it will be given them. When they know it will be given them, they will not demand it, as the Senator knows, and as has always been the case; but they will demand it when they are afraid the Government does not have it.

Mr. LOGAN. The Government never does have it, does it?

Mr. FESS. The people will not even demand gold of the Government if they have confidence in the Government keeping its faith, as the Senator very well knows. That is the way in which business itself is carried on. The idea that any sensible man would stand on this floor and say that we cannot be on a gold basis because all the business done in the country cannot be done with gold is too silly to consider for one second.

Mr. LOGAN. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Kentucky?

Mr. FESS. Yes.

Mr. LOGAN. Why did England go off the gold standard?

Mr. FESS. She went off the gold standard because she could not help herself.

Mr. LOGAN. She could not pay any gold.

Mr. FESS. No, Mr. President, I have heard that over and over again. Great Britain was in a struggle because of her budget.

Mr. LOGAN. So are we. [Laughter.]

Mr. FESS. And we will be in a worse fix than England ever was if we do not look sharply.

Mr. LOGAN. Therefore, we would have to go off the gold standard for the same reason England did.

Mr. FESS. No. If the Senator will just hold his peace I am going to tell him something he has forgotten. [Laughter on the floor and in the galleries.]

The PRESIDING OFFICER. The Senate will be in order and the occupants of the galleries will refrain from any sort of demonstration.

Mr. FESS. Great Britain was engaged in the struggle of her life mainly because of the drains on her treasury from the dole system upon which she had entered and which she could not get rid of, just as we have entered upon it and just as we shall have the fight of our lives to get rid of it, as every Senator knows.

Ramsay MacDonald said, "There are two ways for us to balance the budget. One is to increase taxes sufficiently to take up the deficit and the other is reduce the expenses of the Government, including the dole." They decided on the latter plan. They have reached the level of taxation where they could not add anything to it. Their only alternative, in accordance with Ramsay MacDonald, was to reduce the expenses of the Government, including the dole. When that announcement was made, although it was after one of the greatest victories any cabinet ever had in Great Britain, there was a mutiny in the British Navy that most people overlooked.

The strong arm of Britain is not her defensive navy so much as her commercial navy. The main arm not only of Britain's self defense, but of her very commercial life, that represents 80 percent of her activities in the world, was at stake. The day after that mutiny took place the cabinet was called hurriedly into session and reversed the decision. Parliament met the day after the cabinet reversed the decision, and approved the cabinet change of position on reducing the expenses of the Government. That was the position of Great Britain when she could no longer balance the budget.

Now we are told something that is most surprising to me, in the statement made by the Senator from North Carolina [Mr. BAILEY] yesterday. I never listen to the Senator from North Carolina that I am not impressed not only with the clear-headedness and courage which so distinguish him, but also with what I regard as his accuracy of statement. But if I understood him right he announced that we went off the gold standard because we had no choice, that we were forced off of it. That was a strange statement.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from North Carolina?

Mr. FESS. Certainly.

Mr. BAILEY. I stated and I am willing to reiterate that the United States suspended gold payments because, under the condition of panic and hysteria and speculating in gold, the gold was being very rapidly withdrawn from the banks and the Treasury and the Federal Reserve, and had we not suspended gold payments precisely the same thing would have happened to us that happened to Great Britain. I say that we acted in a timely way to preserve and protect our gold before it could be withdrawn.

Of course, the figures at the time of suspension of gold payments on June 5, 1933, according to our records, indicated that the sum of $1,600,000,000 of gold had been withdrawn in the few weeks preceding that date. Upon that statement I am perfectly willing to stand.

Mr. FESS. I may have misconstrued what the Senator said yesterday. I did not read his remarks as they appeared in the RECORD today, and therefore I may have misinterpreted what he said.

There was a time when we were in danger of losing our gold. That was when the foreign securities held by Americans were beginning to be called for from the Old World. When we saw $600,000,000 gold go out within a very short time, it looked as if we were going to be endangered. But the time came, as Senators will recall, when these securities were paid and further drains could not be made, and we were perfectly safe. When President Hoover announced that we were within 3 weeks of the danger of going off the gold standard, the distinguished senior Senator from Virginia [Mr. GLASS] thought that there was not any such danger. Probably there was not; but at least the preceding President thought there was. However, that danger passed over, because the condition which enabled them to drain our gold without our approval had passed.

Mr. President, on the subject of our gold escaping or being withdrawn as the result of a fear on the part of anyone here or in Europe, I ask to insert in the RECORD figures which I have had prepared to show exactly the current of gold going from us and coming to us. From these figures the Senator from North Carolina will see that only 2 days out of the month did we lose more gold than we received; that we received new gold constantly every day except 2, and only on 2 days did we lose. That is wholly conclusive that there was no need of our going off the gold standard.

Mr. President, I ask unanimous consent to insert these figures in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Date	Net gain or loss		Total
	By import or export	Through earmark	
Feb. 20, 1933	+526	−10,051	−9,525
Feb. 21, 1933	+1,572	−13,998	−12,426
Feb. 22, 1933 (holiday)			
Feb. 23, 1933	−3,044	−14,302	−17,346
Feb. 24, 1933	−1,174	−15,655	−16,829
Feb. 25, 1933	−2,971	−11,244	−14,215
Feb. 26, 1933 (Sunday)			
Feb. 27, 1933	+304	−14,087	−13,783
Feb. 28, 1933	−530	−16,355	−16,885
Mar. 1, 1933	−10,210	−25,938	−36,148
Mar. 2, 1933	−108	−22,325	−22,433
Mar. 3, 1933	−7,271	−69,481	−76,752
Mar. 4, 1933 (bank holiday)			
Mar. 5, 1933 (Sunday)			
Mar. 6, 1933 (bank holiday)			
Mar. 7, 1933 (bank holiday)			
Mar 8, 1933 (bank holiday)			
Mar. 9, 1933	+325		+325
Mar. 10, 1933	+510		+510
Mar. 11, 1933			
Mar. 12, 1933 (Sunday)			
Mar. 13, 1933			
Mar. 14, 1933	+1,269		+1,269
Mar. 15, 1933	+72		+72
Mar. 16, 1933	+3		+3
Mar. 17, 1933	+127		+127
Mar. 18, 1933	−8,507	+8,508	+1
Mar. 19, 1933 (Sunday)			
Mar. 20, 1933	+1,153	+650	+1,803
Mar. 22, 1933	+117		+117
Mar. 23, 1933	+294		+294
Mar. 24, 1933	−602	+700	+98
Mar. 25, 1933	−8,542	+8,547	+5
Mar. 26, 1933 (Sunday)			
Mar. 27, 1933	+133		+133
Mar. 28, 1933	+2,385		+2,385
Mar. 29, 1933	+68	+1,453	+1,521
Mar. 30, 1933	+56		+56
Mar. 31, 1933	+2,688		+2,688
Apr. 1, 1933			
Apr. 2, 1933 (Sunday)			
Apr. 3, 1933			
Apr. 4, 1933	+6		+6
Apr. 5, 1933	+520		+520
Apr. 6, 1933	+67		+67
Apr. 7, 1933	+43	+3,000	+3,043
Apr. 8, 1933		−3,000	−3,000
Apr. 9, 1933 (Sunday)			
Apr. 10, 1933		+7,997	+7,997
Apr. 11, 1933	+274		+274
Apr. 12, 1933	+16		+16
Apr. 13, 1933		+18,701	+18,701
Apr. 14, 1933	+2,707		+2,707
Apr. 15, 1933			
Apr. 16, 1933 (Sunday)			
Apr. 17, 1933	+126		+126
Apr. 18, 1933	−3,993		−3,993
Apr. 19, 1933	+69		+69

Mr. FESS. Mr. President, reverting to what was said by the Senator from Texas [Mr. CONNALLY]——

Mr. BAILEY. Mr. President, may I interrupt the Senator at that point?

Mr. FESS. Certainly.

Mr. BAILEY. I simply want to remark that there is a vast difference between gold shipped in and out of the country and the unknown and very difficult-to-be-disclosed record of withdrawals of gold for the purpose of hoarding. I do not think there can be any question that throughout the country at the time we suspended gold payment there was a gold hoarding movement, not alone involving the withdrawal of gold from the banks in the first 2 weeks of March.

Mr. FESS. Let us suppose that what the Senator from North Carolina has said has the significance that he attaches to it; it still remains the fact that we had in the country, at the very time about which he is talking, the largest deposits of gold by far of any country on earth, and to say that we were in danger of going off the gold standard when we have six times the amount of gold which Britain had at the time she went off the gold standard is hardly correct.

Referring to what the Senator from Texas [Mr. CONNALLY] said, he assumed that the gold in the form of bullion in the Treasury is monetary and has a redemption value. If it is monetary it must have a value. If it has value it must be expressed in trade. There is no value that has no trade value. The only thing that gives a thing a value is the purchasing power it represents. This bullion is deposited in the Treasury and cannot be taken out except at the will of the Secretary of the Treasury, and then upon his caprice.

More than that, the theory of the Senator from Texas that the value of our currency will be equal to gold because the gold bullion is in the Treasury is denied by the letter sent to the Senator from Arkansas by the Attorney General on yesterday. Let me read his concluding remarks. The closing remark of Mr. Cummings' letter is this:

> These limitations are due to the fact that public law gives to such coinage a value which does not attach as a mere consequence of intrinsic value.

Listen:

> Their quality—

That is the term—

> Their quality as a legal tender is an attribute of law aside from their bullion value.

I invite the attention of the Senator from Texas to this particular sentence relating to the currencies:

> They bear, therefore, the imprint of sovereign power which fixes their value and authorizes their use in exchange.

What does that mean? It is not the value of the bullion. It is the sovereign imprint, it is the stamp of the Government, that makes the value of the currency. If that be true, then stamp the paper, start the printing presses, and put the sovereign impress on the paper, and pay the taxes without collecting them from the people.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Texas?

Mr. FESS. I yield.

Mr. CONNALLY. Does the Senator make that statement? Does he approve that statement?

Mr. FESS. I do not.

Mr. CONNALLY. Then why quote it and use that as the basis for argument?

Mr. FESS. I am quoting it to argue against the Senator.

Mr. CONNALLY. The Senator is erecting a straw man that he himself says is an imaginary being, and then he proceeds to knock him down and to say what a great hero he is for knocking down the straw man.

Mr. FESS. That is the only thing I can do with certain Senators. [Laughter.]

Mr. CONNALLY. I will admit the Senator is more effective when he is dealing with imaginary things than when he is dealing with actual things. [Laughter.]

Mr. FESS. Especially when I am appealing to the Senator from Texas.

Mr. CONNALLY. That may be true. May I ask the Senator from Ohio a question?

Mr. FESS. Very well.

Mr. CONNALLY. The Senator from Ohio admits that he is quoting something in which he does not believe at all and then is basing his argument upon it. We shall start out with that premise.

The Senator said a while ago that as long as we have gold in the Treasury and the people hold gold certificates and are not afraid of the Government refusing to pay in gold, they would never present their certificates. Did he not say that?

Mr. FESS. No; I did not.

Mr. CONNALLY. What did the Senator say?

Mr. FESS. I said as long as a citizen had a piece of currency that he knew could be redeemed at any time in gold he would not want the gold if he believed the Government would keep its pledge.

Mr. CONNALLY. Exactly. That is what I tried to say.

Mr. FESS. But the Senator did not say it.

Mr. CONNALLY. I accept what the Senator said. The Senator further said that in time of stress, when the people were afraid the Government was not going to redeem their gold money, is the only time they would want it.

Mr. FESS. Yes; I think that is the general rule.

Mr. CONNALLY. All right. Now, let us take those two statements and see where the Senator arrives.

Here is the Government, which has certain gold in the Treasury. It has more gold currency out than it has gold. In time of no trouble the people do not want the gold, and they do not present the currency; but when stress comes, and they are afraid that the gold is not going to be there, they rush to the Treasury for redemption of the currency. The result is that the first ones who get there get all the gold, and the rest of them are left with the bag to hold. Under this plan that will never occur.

Mr. FESS. No; because nobody can get anything now. [Laughter.] Certainly nobody can get it now.

Mr. CONNALLY. Under the Senator's plan, the very time that we ought to keep gold in the Treasury—because it would all be drained out the first day, and the rest of the holders of gold currency would not get any—you would wreck the Treasury. Under this plan, it says, "Wait. The gold is here. Your gold currency is good. Just keep down your excitement." The result would be that it would be for the general welfare, whereas under the Senator's plan they would drain all the gold out of the Treasury, and the rest of us who did not get there the first day would not get any. That is the result.

Mr. FESS. The only way to insure that the Government will always keep its pledge and never be embarrassed in the sense that the Senator is speaking of is never to elect to authority anybody who will disregard the sanctity of the Government's pledge. Then we will not have this difficulty that we have today.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. FESS. I yield.

Mr. HATFIELD. The Senator takes the position that the stamping by the Government of a basic metal like gold does not add anything to its value. Is that correct?

Mr. FESS. Yes; just as if the Government stamps a chip, and calls it a biscuit, it would not be a biscuit.

Mr. HATFIELD. I agree with the Senator.

Mr. FESS. The idea that all we need to do, in the language of the Attorney General, is to put the sovereign imprint upon a certificate and that makes it current 100 cents on the dollar is repudiated by every fact in history from the time civilization has used money.

We tried that. We tried it in the Colonies before the Federal Government was born, with results that everybody knows.

We tried in 1781 to 1787, in the confederation period, properly known as the critical period of American history. We there put the stamp of the sovereign authority on our paper, with the direful result that it was not worth anything.

The Confederate States of America tried that. They issued irredeemable paper, and everybody knows the result.

We tried it in the greenback craze; and only the redemption that came later in the law prevented those notes from going to nothing.

France tried it, with the most direful results known in history.

Germany tried it, with what everybody knows as the most fearful results in the destruction of all the savings of the people who had laid aside something for a rainy day.

That is our danger here. We are going on the theory, stated by the Attorney General, that the value of money is not its value in currents of trade but is measured by the imprint of the Government's stamp.

How could anybody make such an egregious statement as that if he did not believe that the stamp of the Government gave the money its purchasing power? If that is true, why should we continue to tax the people?

Mr. President, those who are claiming that our currency is going to be based upon bullion that cannot be gotten out of the Treasury overlook the fact that the Secretary of the Treasury can buy and sell bullion. Observe these words:

That gold certificates owned by the Federal Reserve banks shall be redeemed at such times and in such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain the equal purchasing power of every kind of currency of the United States.

That would sound as if there is a redemption; but it is broken down in the qualifying clause, "in the judgment of the Secretary of the Treasury"—that is, in the judgment of the redeemer, not at the demand of the holder. That destroys its convertibility. It cannot be converted by the will of the holder, as every other kind of money up to this day could be. That is why it is inconvertible and irredeemable.

Here is another thing:

That the reserve for United States notes—

That is, the $156,000,000 in the Treasury—

and for Treasury notes of 1890—

Those are the Sherman notes—

and the security for gold certificates—

That would be in the Federal Reserve System, because no individual is permitted to have a gold certificate—

shall be maintained in gold bullion equal to the dollar amounts required by law, and the reserve for Federal Reserve notes shall be maintained in gold certificates—

Not gold—

or in credits payable in gold certificates maintained with the Treasurer of the United States—

In connection with that authority, I want every Senator to interpret this:

and he—

The Secretary of the Treasury—

may sell gold in any amounts, at home or abroad, in such manner and at such rates and upon such terms and conditions as he may deem most advantageous to the public interest * * *.

At home! Who can buy gold at home? It is illegal to possess gold. Who would want to offer anything for gold or anything that he has not any right under the law to hold or to sell?

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Texas?

Mr. FESS. In a moment.

"At home or abroad!" What does that mean? How much can the Secretary sell abroad? What can he do with it? Can he deposit the billions of gold in the International Bank at Basle? Can he convey all American gold to Britain? What is the meaning of that particular authority given to the Secretary of the Treasury? It is something that ought to be interpreted here. While I do not hold any of the subaltern views that a good many people hold, yet there is a power that may be enormously abused.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. CONNALLY. I just want to get the attitude of the Senator. Does the Senator favor going back on the gold standard and paying all obligations and redemptions in the old gold dollar of 23 grains?

Mr. FESS. If I had my way, that is what I would do.

Mr. CONNALLY. That is what the Senator means, then. He wants to go back on the gold standard and require the redemption of all debts, the payment of all obligations, in the old gold dollar of 23 grains. Is that right?

Mr. FESS. Mr. President, I hold that I have no right to say to a creditor, You cannot collect your debt.

Mr. CONNALLY. Is that the position of the Senator?

Mr. FESS. I have a right to do what I can do to assist the debtor in the payment of his bill. I have no right to say that that debt shall not be paid; and if I had a right to scale it down 50 percent I could scale it down, by the same right, 100 percent.

Mr. CONNALLY. I know the Senator's rights. The Senator has lots of rights; but what is his position? Did the Senator from Texas state correctly the position of the Senator from Ohio?

Mr. FESS. Mr. President, I will answer the Senator by reading this letter:

Dear Senator——

Mr. CONNALLY. I want the Senator's answer. I do not want some correspondent's answer. [Laughter.] I want to know the attitude of the Senator from Ohio. Does he favor going back on the gold standard and requiring the redemption of all indebtedness in the old gold dollar of 23 grains? That is a simple question.

Mr. FESS. Mr. President, the Senator is voting for a law that denies all redemption on the part of the person who holds the certificate. I have to exercise the same right to use my own plan of answering the Senator. I take away his redemption power in that respect.

Mr. CONNALLY. Well, then, that is——

Mr. FESS. Mr. President——

Mr. CONNALLY. I do not think the Senator is quite fair.

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Texas?

Mr. FESS. No; I do not.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. FESS. Mr. President, I may be very short-sighted, but I have known the Senator from Texas long enough to know that he is watching the clock, and so am I; so he might just as well sit down. [Laughter.]

Mr. CONNALLY. Mr. President, the Senator from Ohio brought the Senator from Texas into his speech. I did not interject myself into his speech; and I do not think it is fair to address a speech to a Senator and then not give him an opportunity to reply.

Mr. FESS. Mr. President, I suppose I ought to give the Senator all the time he wants to reply, but I know he will take all my time if I do, and I am not going to do it. The Senator opened up the subject earlier in the year. When I sat under his voice across the aisle, and was wonderfully impressed with his sincerity, and I interrupted him and said, "If inflation is to come at all, that would be a specific way to bring it about," I had not the slightest idea that the Senator was opening up a question—for nobody paid any attention to him when he opened it—that would grow to such dimensions that now he has almost every Democratic Senator supporting it today. There is not anything so surprising to me in this body as that very fact; and I spoke to the Senator about it only yesterday.

Mr. CONNALLY. I thank the Senator, and forgive him for all of his brusqueness heretofore. [Laughter.]

Mr. FESS. Now, I will read this letter that I started to read a short time ago:

DEAR SENATOR: I was formerly a teacher in the public schools of this State, and I am now retired, living on a small farm. From the meager salary I received we managed to save a little for the rainy day, a considerable part of which was deposited in building and loans and banks which are now in the hands of receivers. Of course, they may pay out a small portion of the deposits, possibly 40 or 50 percent. Now that the dollar is to be devalued to 50 or 60 cents, our loss will be about twice as great; and the same is true of my life-insurance policy which I have carried through all the years when money was cheap and when money was high. Also a mortgage or two made in 1931 and 1932, when money was high, can now be repaid in cheap money; and last but not least, how about those Liberty bonds we bought after sending our own son to France and Italy for a year during the World War? Why should our Government repudiate its solemn contract? Why should the debtors receive all the consideration? Why not give the creditor some chance?

Many of these debtors have lost all their equity and will not be able to pay their debts even though the dollar were to depreciate to 10 cents. It is too bad, but it cannot be helped now; and the sooner they realize the condition, take the loss, and start over the better it will be for them.

I am not a plutocrat. I belong to the lower part of the middle-class people. The middle class seems to be getting the worst of this deal. Why should this class, which has been the very sinew of our Nation, be crushed between the upper and the nether millstones of depression and inflation? Why should innocent parties be made to suffer on account of the mistakes of those who plunged into obligations beyond their depth? If they made bad bargains with their eyes open, it is up to them to fulfill their obligations as best they can—

And so on. The sentiment seems a little harsh. This comes from a thinking citizen and is not unlike a great number of other letters, and certainly represents the sound judgment of a great mass of our people.

Mr. President, as certain as we go through with this legislation there will be such a revulsion in the near future that the people who have been talking about low prices will be talking about high prices. The people who are promising the farmer that the price of the thing he sells will go up and the price of the things he buys will go down will find the day of reckoning when the people awake to the effects of what I fear is an uncontrolled inflation, and I fear it because of the powerful voice of men like the Senator from Idaho, with his great ability and his genuine sincerity and his tremendous influence throughout the Nation, calling a remedy the increase of volume, without saying what the limit shall be.

There, Mr. President, is the trouble. That sort of thing feeds on itself. Right now I hear we are realizing some increase in prices due, it is said, to inflation. Not actual inflation, but, in a sense, psychological inflation. In fact, it is actual inflation because there is more currency in circulation now than there had been earlier. So there is some realization of increase of prices, and the proponents of this legislation say it is due to the promise that we will have cheaper money.

Right now people are saying, "If that is a good thing, then it is better to give us more."

Mr. BORAH. Mr. President, did I understand the Senator to say that the Senator from Idaho advocated an uncontrolled inflation?

Mr. FESS. No; I said the Senator was advocating the principle of an increased volume of currency, and I am afraid that will lead to uncontrolled inflation. I have no quarrel with the Senator from Idaho or anyone else who believes in the quantitative theory of money. That, as he said yesterday, represents a great school in America, and I have no quarrel with them. I do not agree with those who believe that the cure of the situation is the increase of volume. If that is the cure, then let us have the increase. But the difficulty is that when we start in on it new demands will be made, and when it is supported by organized back-fire from the people back home who think that is the way to do it, how are we going to manage it?

Mr. President, I have never known such confidence reposed in an individual as the Senate and House have reposed in President Roosevelt. There has never been anything like it in the history of America. It is the one outstanding wonder in my mind.

Here we have the silver question, which has been the subject of bitter contest for years, covering whole periods of our national life, in the discussion of which the greatest statesmen of America have engaged. This discussion has been going on in Senate and House during a good portion of our political history.

The Senator from Nevada presented what I think is a very reasonable bill on the subject, which was accepted.

We, without limit, have delegated to the President the authority to coin silver, free and unlimited, at a ratio to be fixed by him—an authority the like of which never was known in the history of any country. We have given this authority to him with respect to a subject that has been a bone of contention for ages, in which the greatest statesmen have engaged in the most bitter debates. We at one stroke say, "We will give the power to the President to do the thing upon which we have not been able to decide."

Not only that. We gave to the President the power to arrange for the sale of $3,000,000,000 of bonds to be, through the arrangement of the Secretary of the Treasury, sold in the open market by the Federal Reserve System, and we stated in that very law that in case the Secretary of the Treasury could not make the satisfactory arrangements with the Federal Reserve System, then the President is authorized to issue $3,000,000,000 of greenbacks, irredeemable.

The greenback issue has run through the debates of half a century. The greenback issue has been a question of dispute throughout our country. They were not called greenbacks until the Civil War, but the idea of inconvertible money has been with us ever since the Nation was born.

We even have builded into our history nom de plumes like that of Thomas H. Benton, who was called "Old Bullion." Why? Because he stood like the Rock of Gibraltar against cheap money of this kind. Yet with 100 years of debate, in the midst of a crisis the Senate and House delegates to one man the power to do what we never could agree to here.

When the question of the awful danger of such a thing was raised it was whispered everywhere, "You do not need to be afraid, because it will not be embraced." But I was afraid of it, and I am still afraid of it, although it has not been exercised.

That was not enough. In addition to that, in the light of a stupendous deficit that was coming, that was inevitable, we delegated to the President power without limit—except for the limit of 50 percent, to devalue the gold dollar not more than 50 percent. He has that power. The only thing the pending legislation will do is to fix a maximum above which he cannot go. We do not change the minimum. We do not change his authority. The authority still stays where it was given originally. The President has the authority to go down to 50 cents on the dollar—a thing that I doubt ever could have gotten through any other legislative body. When the question was raised, "Why do such a thing as that?" it was whispered, "It is necessary, to placate certain elements that will run wild if we do not do it."

The President has that power of free and unlimited coinage of silver at any ratio he fixes. That is in the authority given him. He has the power to issue $3,000,000,000 of greenbacks. He can do it at any time. He has the power to reduce the gold dollar not lower than 50 cents. All that is asked for in the pending bill is to fix a figure above which he cannot go.

If there ever was in the history of legislation such confidence in an individual I have never heard of it.

Mr. President, I do not think the President is an inflationist. The complaint I hear against him is that he does not inflate, that he does not exercise the power that is given to him. That is the common complaint I hear. That is the thing for which I like him. But I am asking: How long can he hold out?

We are spending now, if we keep up the rate through the year, $15,000,000,000 a year. Of course, we hope we will not keep that up. We must stop it sometime. As it is we are only spending in the year $10,000,000,000. How are we going to get the money? We cannot get it now by taxation. We may get it by borrowing, but we will have to get it by means of taxes later on.

The difficulty, Mr. President, is this: If it is only relief, as I fear it will be, next year we will be faced with the same demand. Then what are we going to do? A debt that is going to $32,000,000,000 for next year, and may go to $40,000,000,000 in a short time, is a terrific burden, and it ought to stir with concern every thoughtful American citizen. I do not know whether it can be in any way avoided, but if we get to the point where we cannot pay taxes and we cannot borrow, what next? Repudiation.

We are now proposing to authorize the President to take $5,000,000,000 of gold and by a decree make it $10,000,000,000, making $5,000,000,000 seignorage, and with the $5,000,000,000 that represents profit pay $5,000,000,000 of debt, if necessary. In this proposal a part of it, $2,000,000,000, is provided as a stabilization fund. The balance has some other function, but I assume it is to be used in the liquidation of obligations.

That is one way.

Another way is to add to that $5,000,000,000 of fiat money $3,000,000,000 of greenbacks already authorized. Can the President withstand the pressure in the face of obligations piling up? Nobody knows where the limit is; nobody knows how the obligations are going to be paid. Will we be forced to resort to such a thing as repudiation? If we are, we will be on the way that Germany took, we will be on the road that France took—we will be broke.

If this program will lead to stabilization, that much will be good. There has been much muddled thinking about France's stabilization and Britain's stabilization. France stabilized just as we redeemed specie payment in 1879. When she saw her franc going, as the mark had gone—it had gotten down to 3 cents, when it ought to be 20 cents—she put $110,000,000 in the bank and announced to all holders: "We will pay 3.9 to any holder of a franc who presents it." That, of course, stabilized her franc. But it was done because she was ready to pay in coin. Are we going to do that? If that is done, by that much is this legislation justified, if partial repudiation is ever justified, because the worst thing we can do is to continue the present uncertainty.

I thank the Senate for permitting me to speak on this subject, during which I had intended to introduce the observations of Dr. Andrew D. White on the greatest crisis in France, on the question of cheap money, but I do not have the time to do so. Suffice it to say that, in my judgment, Mr. President, we are treading very dangerous ground that will reveal itself within the near future.

Mr. PITTMAN. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from Nevada offers an amendment, which the clerk will read.

The LEGISLATIVE CLERK. On page 17, between lines 3 and 4, the Senator from Nevada proposes to insert:

Paragraph (2) of subsection (b) of section 43, title III, of an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended as follows:

"By adding at the end of said paragraph (2) the following:

"'The President, in addition to the authority to provide for the unlimited coinage of silver at the ratio so fixed, under such terms and conditions as he may prescribe, is further authorized to cause to be issued and delivered to the tenderer of silver for coinage, silver certificates in lieu of the standard silver dollars to which the tenderer would be entitled and in an amount in dollars equal to the number of coined standard silver dollars that the tenderer of such silver for coinage would receive in standard silver dollars.

"'The President is further authorized to issue silver certificates in such denominations as he may prescribe against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, and to coin standard silver dollars or subsidiary currency for the redemption of such silver certificates.

"'The President is authorized, in his discretion, to prescribe different terms and conditions and to make different charges, or to collect different seigniorage, for the coinage of silver, of foreign production than for the coinage of silver produced in the United States or its dependencies. The silver certificates herein referred to shall be issued, delivered, and circulated substantially in conformity with the law now governing existing silver certificates, except as may herein be expressly provided to the contrary, and shall have and possess all of the privileges and the legal-tender characteristics of existing silver certificates now in the Treasury of the United States, or in circulation.

"'The President is authorized, in addition to other powers, to reduce the weight of the standard silver dollar in the same percentage that he reduces the weight of the gold dollar.

"'The President is further authorized to reduce and fix the weight of subsidiary coins so as to maintain the parity of such coins with the standard silver dollar and with the gold dollar.'"

Mr. PITTMAN. Mr. President, I have submitted the amendment to the Chairman of the Committee on Banking and Currency and also to the counsel of the Treasury Department, and have modified it in accordance with the wishes of the chairman of the committee and the counsel of the Department.

I must say, sir, that I reserve the right to offer a separate bill later on to carry out certain features of what I have in view, but I do not desire to embarrass the committee, or the chairman of the committee, or the Senate, by suggesting anything which it might be thought would cause delay, either on the floor of the Senate or in conference.

I will explain the amendment briefly. Under the law enacted May 23, 1933, the Government has been coining silver produced in the United States since the issuance of the

President's proclamation. Under the proclamation, one half the bullion that is tendered for coinage is taken by the Treasury Department and placed in the Treasury of the United States. Unfortunately there is no law on the statute books today by which they may use the seigniorages in the Treasury of the United States. The amendment provides that the Treasury shall have authority to coin that silver into dollars and subsidiary coins and either to circulate it as currency or to issue bills or certificates against it.

Mr. BORAH. Mr. President, is that provision merely permissive?

Mr. PITTMAN. Yes; it is merely permissive.

One further comment: The amendment would also grant permission for the issuance of silver certificates against any other silver bullion or silver dollars which may be in the Treasury of the United States or which may come into the Treasury hereafter.

There is still another provision. Under the coinage proclamation at the present time the Treasury gives the coined silver dollar made out of half of the bullion to the tenderer of the silver. There is no provision of law by which they could tender to him a silver certificate if he desired it instead of the silver dollar itself. The amendment provides that they may have that authority.

The other material paragraph grants to the President the authority to charge a larger seigniorage for the coining of silver produced abroad than for that produced in the United States, or a different rate.

The necessity for that is that the President, in ratifying the London agreement, has obligated our Government to take at least 24,461,000 ounces of silver a year for 4 years from our mines. That is about the annual production of our country; and unless the President shall have the power to make the market price in the United States slightly above the world price, we probably will lose the silver from our country and the President will not be in position to carry out the agreement. That is the reason for that provision in the amendment.

The other provision, with regard to subsidiary coinage, was thought necessary by the Treasury Department because in the event of fixing any different ratio with regard to silver and gold it might become necessary to change the coinage ratio of the subsidiary coin.

I have submitted the whole matter to the Chairman of the Committee on Banking and Currency.

Mr. FLETCHER. Mr. President, as the amendment was originally offered, I had very serious objection to it, but as it has been modified by the Senator from Nevada I have no personal objection, and I think perhaps it would be well to have it adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

Mr. ROBINSON of Indiana. I now offer the amendment which was read at the desk earlier in the day.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The Senator from Indiana proposes, on page 20, between lines 11 and 12, to insert the following new sections:

SEC. 16. Title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof three new sections, to read as follows:

"PAYMENT OF CERTIFICATES BEFORE MATURITY

"SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1932.

"(d) Upon payment under this section, the certificate and all rights thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(f) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made but before the negotiation of the check in payment, payment shall be made to the estate of the veteran irrespective of any beneficiary designation, if the application is filed (1) before the death occurs, or (2) after the death occurs but before the mailing of the check in payment to the beneficiary under section 501.

"(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If at the time this section takes effect a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509, shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence."

SEC. 17. The Secretary of the Treasury is authorized and directed to cover into the adjusted-service-certificate fund, out of any profit covered into the Treasury under section 7 of this act, such sums as may be necessary to carry out the provisions of this act.

Mr. ROBINSON of Indiana. Mr. President, I shall not attempt any considerable discussion of the proposed amendment. In fact, I have only 10 minutes, under the rule. It requires no discussion because the Senate is familiar with what is sought to be accomplished by it.

In a word, it provides for immediate payment of the adjusted compensation certificates—commonly called the soldiers' bonus. If the amendment were to be adopted by the Senate and added to the bill, then the veterans of the World War who are entitled to the so-called "bonus" would be paid immediately out of any profits that may accrue as a result of the revaluation of the dollar.

The general impression is that this bill, if passed and signed by the President, will result in some $4,000,000,000 of profits to the United States Government through the revaluation process. The approximate amount due the veterans on their adjusted-compensation certificates is $2,000,000,000, or a little more. The bill provides that we shall turn over to the Secretary of the Treasury $2,000,000,000 to be used as a stabilization fund. It is also provided that the Secretary of the Treasury shall use this $2,000,000,000 fund practically in any manner he may see fit. His decision shall be final and not subject to review by any other officer of the United States.

I have not the slightest doubt in the world, in view of our experiences in the past in dealing with other nations in matters of this kind, that at the end of 3 years the Secretary of the Treasury will have lost the entire fund. Personally I am sorry to see Uncle Sam sitting in an international poker game, even though he has a "stack of chips aggregating $2,000,000,000", and that I believe is the language attributed to the President.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Montana?

Mr. ROBINSON of Indiana. I yield.

Mr. WHEELER. The Senator suggested that in his opinion at the end of 3 years Uncle Sam will have lost the $2,000,000,000. Does he mean he probably will have lost it in the international poker game?

Mr. ROBINSON of Indiana. I think that in the end he will lose it all. The entire $2,000,000,000 will have gone. In fact, from reliable sources one hears today that the English, astute as they are in matters of this kind, have already lost a large portion of their stabilization fund. Yet we turn over $2,000,000,000 to a reputedly charming young man, Mr. Morgenthau, but who has absolutely no experience in matters of this kind. We make it unnecessary for him to submit any kind of report to the American people as to what he is doing with the $2,000,000,000 of their money that we give to him.

Mr. President, we have veterans all over the United States waiting for the payment of a debt that has been due since the day the armistice was signed. We acknowledged the debt in 1924. If we owed this debt at all, it became due in 1918 upon the signing of the armistice and not in 1945, so it is some 16 years overdue now. Untold thousands of veterans are ragged and hungry. I would far rather turn over $2,000,000,000 of the profits coming out of this venture to the veterans of the United States who are in dire need today than to give it to Mr. Morgenthau, the Secretary of the Treasury, to gamble in international finance with powerful nations abroad. It would do much more good and there can be no question about that.

Mr. President, these veterans come from every home in the land. From every household in the country some loved one has gone forth to war, and I think that statement is true of the World War alone. Therefore, if one desires to make use of the profits out of this venture and to contribute toward the purchasing power of the American people and thereby furnish fuel for the recovery machine, what better use could be made of it than to pay off this debt which the Government owes to the veterans?

Mark you, it must be paid anyhow in 1945 at the latest. Within 10 years, then, in some manner or other it will be necessary to raise $2,000,000,000 additional. How are we going to raise it 10 years from now? Our national indebtedness will be $32,000,000,000 within the next year; and very probably long before 1945, at the rate we are going now, it will be forty or forty-five billion dollars. Then, on top of that, it will be necessary to raise $2,000,000,000 additional to pay off these adjusted-service certificates. I should like to pay them off now out of some of this emergency money we have, and for that we will get some real value. We will at least discharge a debt we owe and have owed since the day of the armistice.

Mr. CUTTING. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. CUTTING. Shall we not actually be saving the Government money by putting through such an amendment as the Senator proposes?

Mr. ROBINSON of Indiana. I think there can be no question about it, Mr. President.

Mr. CUTTING. And shall we not at the same time be increasing the purchasing power of the masses of the people?

Mr. ROBINSON of Indiana. Exactly; and we will place it in their hands at once. We have already arranged in this bill to turn over $2,000,000,000 to Mr. Morgenthau, the Secretary of the Treasury, to use in international financial matters. We have no means in the world of knowing what he will ever do with it—not the slightest. He never makes any report to anybody. The Senate has no right to ask him what he does with that money during the next 3 years, and that will not help purchasing power in this country in the slightest degree. This amendment merely proposes to take $2,000,000,000 of the profits from this gold venture and pay off a debt we owe and must pay off in the next 10 years at the latest. It will just add that large amount to the buying power of the American people, and it will go into every home in the land.

Because of that fact, Mr. President, I submit that the amendment ought to be accepted by the Senate.

Mr. FLETCHER. Mr. President, I desire to say that this amendment was never before the Banking and Currency Committee of the Senate. Therefore it had no consideration there at all. If it should be adopted—which, I take it, is impossible—it would destroy what we have done here in the last 4 or 5 days. It is quite in conflict with what we have already acted upon.

Mr. CUTTING. Mr. President, I shall, of course, vote for the amendment proposed by the Senator from Indiana [Mr. ROBINSON]. I am surprised to hear the distinguished chairman of the committee, the Senator from Florida [Mr. FLETCHER], say that such an amendment would destroy everything we have done in the last 4 days. That impels me to inquire just what we have done in the last 4 days.

I have sat here and listened to at least five sixths of the debate on this bill, and so far I have not yet heard a clear answer to the question propounded by the Senator from Idaho [Mr. BORAH] at the beginning of the debate, namely, What is the purpose of this legislation?

I am going to vote for the bill. I had that intention before the debate started, and I still retain that intention. I believe that the bill is a step—perhaps an infinitesimal step—in the right direction.

The Government must be master in its own house. This bill, as I see it, makes the Government master so far as the bullion is concerned. To some extent, no doubt, it makes it master of its currency system, although my impression is that the Government last spring obtained every power with regard to its currency which is proposed under the present amendment; and I think I am backed in that statement by the message of the President of the United States, written as a preface to this bill.

Regardless of that, however, the fact remains that in normal times nine tenths of the money of the United States consists not of currency but of credit; and insofar as this bill is concerned, we are not dealing with that fundamental aspect of the question which confronts the United States.

I have read all the hearings before the Senate committee. I have admired the golden cobwebs spun by Professor Warren and Professor Rogers, yet, to my mind, although credit expansion may conceivably result from this bill, the credit which will thereby be produced will go to the wrong people. It will go to the bankers and not to the public.

I do not often have occasion to quote the remarks of Mr. Owen D. Young, and yet I believe what Mr. Young said on page 274 of the hearings is entirely sound. To a question by the Senator from Alabama [Mr. BANKHEAD]:

> How much expansion of credit, Mr. Young, do you think we really need?

Mr. Young replied:

> It is not the expansion of credit that we need. It is the use of credit which we need. We now have eight or nine billions of inert potential credit in our banking system, and we cannot get it used.

The place we want credit is in the hands of the consumer. I do not think it is necessary to argue that point at this time in the history of the United States. Three or four years ago people thought you were crazy when you talked about equating the purchasing power of the country with the productive power. Now everybody recognizes that, so far as speech is concerned. We talk about purchasing power, but we take little action about it.

In my judgment, the Government is going to have to finance the consumer as a consumer—not primarily as a worker—and it is going to have to do it very soon. It can be done only through the establishment of some central government agency—call it a central bank or call it what you will—which will monopolize the credit system of the country for the benefit of the public and not for the benefit of the bankers. Such an agency must eventually absorb, at a greater or lesser rate of speed, the present Federal Reserve System. Our distributive system must be strengthened by the Government acting directly as an agent for the consumer.

I know the administration is attempting to do a great deal to relieve the common man in this country. Its sincerity is unassailable. Yet, Mr. President, we all know that in the haste which has been necessary many Government agents and agencies have been working at cross purposes with other Government agencies.

In a speech made last August, for instance, General Johnson said:

> Do not forget that nobody expects employers to pay the increased cost of reemployment. That is not possible. The consumer, as always, pays the bill.

Mr. President, when we come to think of such a statement, how preposterous it seems. Essentially the consumer and the wage earner are one and the same person in this country. So we are asking the wage earner to pay his own wages. We are asking the consumer to subsidize the rise of prices which he will have to pay. We are trying to pull ourselves over the fence by our bootstraps.

Mr. President, there are still 6,000,000 American citizens walking the streets. There are 4,000,000, thank God, being employed today by the C.W.A., yet we are talking seriously of cutting most of them off the rolls. If we cut down on those 4,000,000, where is our purchasing power going to come from? Are we going to absorb it elsewhere? I have heard rumors to that effect. It has been reported that 1,000,000 of those men are to be absorbed by the Public Works Administration; that 1,000,000 will go back to private industry, and that 1,000,000—let me say to my friends from the agricultural sections of the country—are expected to go back to the farms.

The VICE PRESIDENT. The Senator's time has expired.

Mr. CUTTING. Mr. President, have I still 10 minutes time to speak on the bill?

The VICE PRESIDENT. The Senator has 10 minutes time to speak on the bill.

Mr. CUTTING. I shall take the 10 minutes at this time.

Mr. President, such an absorption of C.W.A. labor seems to some of us entirely fantastic. Even assuming that we could absorb the men in the way that has been mentioned, we still have six millions who will not be absorbed through this program or through any other.

There are two parts of the Government program which, to my mind, alone account for what progress has been made toward the accomplishment of the goal which is before us all. One is the C.W.A. That has actually brought money where money was needed—money to the people who intend to spend it.

The second is the Agricultural Adjustment Act, which, however, preposterous we may consider the theory under which it operates, has actually brought some help to some people who are going to spend their allotment checks in consumption.

Outside of that what have we got? We have an N.R.A. which is based on the plan that the worker-consumer is going to pay the cost of providing himself with increased wages.

We have got the Public Works Administration, from which many of us hoped a great deal, which up to date, in the 7 months of its existence, has expended in grants to States and municipalities the sum of $50,000,000, as compared with the $250,000,000 spent by the C.W.A. in a few weeks. All the relief agencies of the Government together in the past fiscal year have spent a total of $700,000,000; yet the total emergency expenditures of the Government are listed at 7½ billion dollars.

There is something wrong, Mr. President, with that system. I am not uttering these words in any spirit of criticism. I feel myself as responsible for the present situation as any other Member of the Senate. But we have got to do something about it, and we cannot do something about it by spending 4½ days in discussing a bill which to my mind is not going to help feed one hungry human being in this country—which is not going to increase the purchasing power by one penny unless it is followed up by subsequent legislation.

Let us go ahead—I appeal to the Members on the majority side of the aisle—let us not have to say, as Lloyd George said in one of his most eloquent speeches at a crucial moment of the war, that "Everything that has been done so far was done too late." That is the danger which we face today. We are doing the right things perhaps. We are doing things which might have saved the situation 6 months or a year ago. We are doing them too late. We have got to speed up on this program if we are really going to meet the situation with which we are confronted.

Remember that while we have added considerable purchasing power, especially through the C.W.A., we have also cut down a great deal of purchasing power. We have cut $300,000,000 of purchasing power away from the people of the country through the Economy Act of last March. We have cut $600,000,000 through various forms of taxation amounting in essence to sales taxes. We cut away some $8,000,000,000 of purchasing power in closed banks at the very start of the program.

Mr. President, we have got to remedy this situation. We have got to remedy it at the present session. I am for the new deal. I believe, and I think an overwhelming majority of the people of this country believe, in the sincerity and good faith of the President of the United States, who is inaugurating the new deal. But I think there are too many people in the ranks of the administration who are at heart not "new dealers" at all, but old dealers in some other form.

The people of the country admire the President because he is not afraid to experiment. They admire him because he is willing to admit when an experiment has failed. But, Mr. President, sooner or later—and I think sooner—the time is coming when the people of this country are going to demand results. We have as yet few results to show them. We have got to get results, and we cannot afford to postpone them until it shall be "too late."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. ROBINSON].

The amendment was rejected.

Mr. ROBINSON of Arkansas. Mr. President, in connection with the remarks of the senior Senator from Vermont [Mr. AUSTIN] on the subject of the constitutionality of the pending bill, at my request the Attorney General prepared a memorandum having relation to some of the authorities cited by the Senator from Vermont, and citing other authorities. I ask to have the memorandum printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OPINION BY THE ATTORNEY GENERAL OF THE UNITED STATES—RE: CONSTITUTIONALITY OF GOLD RESERVE BILL

Senator AUSTIN in his speech in the Senate on January 25 (CONGRESSIONAL RECORD, p. 1322 et seq.) advances the argument that certain provisions of the gold reserve bill are unconstitutional in that they constitute a delegation of legislative power to the Executive.

He refers expressly to the following sections:

Section 6, which provides that except to the extent permitted in regulations which may be issued by the Secretary of the Treasury, with the approval of the President, no currency of the United States shall be redeemed in gold, provided, however, that gold certificates owned by the Federal Reserve banks shall be redeemed at such times and in such amounts as, in the judgment of the Secretary of the Treasury, are necessary to maintain the equal purchasing power of every kind of currency of the United States.

Section 8, which authorizes the Secretary of the Treasury to purchase gold, and section 9, which authorizes him to sell gold.

Section 10, which authorizes dealings in gold and foreign exchange for the purpose of stabilizing exchange value of the dollar.

Section 11, which inserts a limitation in the so-called "Thomas amendment", authorizing the President, by proclamation, to fix the weight of the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currency.

Insofar as sections 8, 9, and 10 are concerned, they seek to confer upon the Executive purely administrative powers. The right to purchase and sell gold and foreign exchange cannot, by any stretch of the imagination, be construed as a legislative function.

The act of March 17, 1862 (R.S., sec. 3700; U.S.C., title 31, sec. 734), conferred upon the Secretary of the Treasury the power to

purchase coin. That power has been exercised on occasion. The provisions of sections 8, 9, and 10 of the bill are merely an enlargement of the power conferred upon the Secretary of the Treasury in the act of 1862.

The other provisions to which Senator AUSTIN refers do not involve a delegation of legislative power to the Executive.

An examination of congressional legislation indicates that from the earliest days of the Republic Congress has had occasion to pass laws containing a general principle or a formula leaving to the Executive the determination of the occasion on which the general principle should be invoked and the manner in which it should be effectuated. Some acts included provisions that violations of any regulation that might be made by the Executive in carrying it into effect should be deemed criminal offenses. In a long line of decisions the Supreme Court has sustained the constitutionality of this type of legislation. It realizes that as a matter of practical administration of governmental affairs it is impossible to foresee and cover every detail by legislative enactment. Much must be left to the discretion of executive officials. The legislative branch of the Government need properly concern itself solely with enacting general principles, the detailed application of which must often be left to the judgment of administrative officers. Congress delineates and sketches a general outline; the Executive fills in the details.

These principles were summarized as follows in *Mutual Film Corporation* v. *Ohio Industrial Commission* (236 U.S. 230, 245):

"While administration and legislation are quite distinct powers, the line which separates exactly their exercise is not easy to define in words. It is best recognized in illustrations. Undoubtedly the legislature must declare the policy of the law and fix the legal principles which are to control in given cases; but an administrative body may be invested with the power to ascertain the facts and conditions to which the policy and principles apply. If this could not be done there would be infinite confusion in the laws, and in an effort to detail and to particularize, they would miss sufficiency both in provision and execution."

Within a few years after the adoption of the Constitution, during the second administration of George Washington, Congress, by the act of June 4, 1794, granted to the President authority to lay an embargo on all ships and vessels in the ports of the United States "whenever, in his opinion, the public safety shall so require", and under regulations, to be continued or revoked "whenever he shall think proper."

By the act of February 9, 1799, the President was given authority to remit and discontinue for the time being, the restraints and prohibitions which Congress had prescribed with respect to commercial intercourse with the French Republic "if he shall deem it expedient and consistent with the interest of the United States", and to revoke such order "whenever in his opinion, the interest of the United States shall require."

During the administration of Thomas Jefferson, Congress, by the act of December 19, 1806, delegated to the President the power to suspend the operation of the Nonimportation Act, "if, in his judgment, the public interest should require it."

By an act approved on May 1, 1810, by President Madison, who participated in the framing of the Constitution probably to a greater extent than any other single individual, Congress authorized the President to revive a former act as to Great Britain or France, if either country had not by a certain day so revoked or modified its edicts as not to violate the neutral commerce of the United States.

The act of March 3, 1815, conferred upon the President the power to declare the repeal as to any foreign nation of the several acts imposing tonnage and import duties, when he should be satisfied that the discriminating duties of such foreign nations, so far as they operate to the disadvantage of the United States, had been abolished.

It is a significant commentary on the topic under discussion that all of the statutes that have just been enumerated were enacted while many of the framers of the Constitution were still living and active in public life. It does not appear that the constitutionality of any of these statutes was ever called in question.

The act of May 31, 1830, contained provisions similar to those of the act of March 3, 1815.

By the act of March 6, 1866, the President was clothed with authority to declare inoperative the provisions of the act forbidding the importation of cattle whenever, in his judgment, that might be done without danger of the introduction or spread of contagious or infectious disease among the cattle of the United States.

The Tariff Act of October 1, 1890, authorized the President to suspend the free importation of sugar, molasses, etc., from any country which levied duties against importations from this country that he might deem unequal and unreasonable. The validity of this enactment was attacked as delegating legislative power to the President. The Court overruled this contention and sustained the validity of the statute (*Field* v. *Clark*, 143 U.S. 649, 680).

The act of March 2, 1897, prohibited the importation of inferior tea. It was provided that the Secretary of the Treasury should appoint a board of experts every year to fix and establish uniform standards of purity, quality, and fitness of all kinds of tea imported into this country. All tea inferior to such standards was to be deemed within the prohibition as to importation. In *Buttfield* v. *Stranahan* (192 U.S. 470, 496), the Supreme Court ruled that the statute was constitutional and did not involve the vesting of the Secretary of the Treasury with legislative power.

The Rivers and Harbors Act of March 3, 1899, authorized the Secretary of War to determine that certain structures constituted obstructions to navigation and to require their alteration or removal. Failure to comply with the order of the Secretary of War was made a criminal offense. The validity of this statute has been sustained in a number of cases and convictions for violations of the statute have been affirmed (*Union Bridge Co.* v. *United States*, 204 U.S. 364; *Hannibal Bridge Co.* v. *United States*, 221 U.S. 194; *Wisconsin* v. *Illinois*, 278 U.S. 367, 414).

By the act of February 1, 1905, the Secretary of Agriculture was authorized to make rules and regulations to regulate the occupancy and use of forest reserves and to preserve the forests from destruction. Any violation of the act or of such rules or regulations was made a criminal offense. The Secretary of Agriculture promulgated a regulation prohibiting the grazing of stock in any forest reserve without a permit. The defendants were indicted on a charge of driving and grazing sheep on a forest reserve without a permit. Demurrers to the indictments were sustained, and the Government appealed to the Supreme Court. The latter tribunal reversed the judgments, holding that the statute was constitutional and did not comprise any delegation of legislative power to the Secretary of Agriculture (*United States* v. *Grimaud*, 220 U.S. 506).

The Transportation Act of 1920 authorized the Interstate Commerce Commission, whenever it was of the opinion that an emergency existed requiring immediate action, to suspend its rules as to car service and to make such reasonable rules with regard to it as in its opinion would best promote the service. The act provided that violations of such rules should constitute a criminal offense. On July 25, 1922, the Commission issued an order reciting that in its opinion an emergency existed and formulating certain rules in reference to furnishing coal cars to the mines. A conviction of a violation of this rule was upheld and the constitutionality of the act sustained in *Avent* v. *United States* (266 U.S. 127). In discussing this point, Mr. Justice Holmes stated that "Congress may make violation of the Commission's rules a crime."

The Tariff Act of September 21, 1922, contained the so-called "flexible" provision authorizing the President to increase or decrease rates of duty by proclamation in order to equalize them with the difference in costs of production in the United States and the principal competing country. The constitutionality of this provision was challenged as an invalid delegation of legislative power to the Executive. The Supreme Court reached the conclusion that the act was constitutional (*Hampton & Co.* v. *United States*, 276 U.S. 394).

The Supreme Court has applied the same principles in passing upon the validity of State legislation. Thus, in *Sproles* v. *Binford* (286 U.S. 374), the Court upheld the validity of a provision of the Texas Motor Vehicle Act which prohibited the transportation over State highways of certain overweight or oversized vehicles, but authorizing the highway department to grant special permits for limited periods exempting from its operation equipment that could not be reasonably dismantled.

In the pending bill, section 6 does not seek to confer upon the Secretary of the Treasury unlimited authority to use his own discretion to redeem or not to redeem currency in gold, but fixes a formula or a standard which he must apply in reaching his decision. In that respect this provision is similar to the statutes enumerated above and is within the rule laid down by the cases which have been heretofore discussed.

Section 12 modifies the Thomas amendment. Senator AUSTIN'S objection is directed against the original Thomas amendment, and in no event has any application to the proposed modification. The question of constitutionality of existing law is not here in issue. It may be noted, however, that the discretion conferred upon the President in the Thomas amendment is likewise controlled by a standard which he is required to apply, and thus falls within the doctrine discussed above.

Senator AUSTIN refers to the opinion of Chief Justice Marshall in *Wayman* v. *Southard* (10 Wheat. 1, 42). It is interesting to note that this case upheld the constitutionality of the provision of the Judiciary Act conferring upon the courts the power to establish rules, as against an objection that the statute delegated legislative powers to the courts.

The argument that has been advanced by Senator AUSTIN was likewise interposed against the constitutionality of section 2 of the Emergency Banking Act of March 9, 1933, in the recent case of *United States* v. *Campbell*, decided on November 16, 1933, by Judge Woolsey in the United States District Court for the Southern District of New York. Judge Woolsey's opinion discusses this matter at considerable length and overrules the contention that section 2 of the act of March 9, 1933, involved any invalid litigation of legislative power to the Executive.

In *Field* v. *Clark*, supra, the Supreme Court had the occasion to consider the following provision of section 3 of the act of October 1, 1890, to reduce the revenue and equalize duties on imports, and for other purposes (ch. 1244, 26 Stat. 567, 612):

"That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the 1st day of January, 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which, in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States, he may deem to be reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty, to suspend, by proclamation to that effect, the provisions of this act relating to the free intro-

duction of such sugar, molasses, coffee, tea, and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides, the product of or exported from such designated country, as follows, namely."

In answer to the contention that this section delegated legislative power to the President, the Supreme Court said (pp. 690–693):

"It would seem to be unnecessary to make further reference to acts of Congress to show that the authority conferred upon the President by the third section of the act of October 1, 1890, is not an entirely new feature in the legislation of Congress, but has the sanction of many precedents in legislation. While some of these precedents are stronger than others, in their application to the case before us they all show that, in the judgment of the legislative branch of the Government, it is often desirable, if not essential for the protection of the interests of our people against the unfriendly or discriminating regulations established by foreign governments in the interests of their people, to invest the President with large discretion in matters arising out of the execution of statutes relating to trade and commerce with other nations. * * *

* * * * * * *

"That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular under consideration, is not inconsistent with that principle. It does not, in any real sense, invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries producing and exporting sugar, molasses, coffee, tea, and hides, Congress iteself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles, should be suspended as to any country producing and exporting them, that imposed exactions and duties on the agricultural and other products of the United States, which the President deemed, that is, which he found to be, reciprocally unequal and unreasonable. Congress itself prescribed, in advance, the duties to be levied, collected, and paid, on sugar, molasses, coffee, tea, or hides, produced by or exported from such designated country, while the suspension lasted. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. The words, "he may deem", in the third section, of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocally equal and reasonable, or the contrary, in their effect upon American products. But when he ascertained the fact that duties and exactions, reciprocally unequal and unreasonable, were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea, or hides, it became his duty to issue a proclamation declaring the suspension, as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the enforcement of the policy established by Congress. As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect. It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugars, molasses, coffee, tea, and hides, from particular countries, should be suspended, in a given contingency, and that in case of such suspension certain duties should be imposed."

Referring to this decision (*Field* v. *Clark*) in *Hampton & Co.* v. *United States*, supra, the Court said (pp. 410–411):

"* * * It was contended that this section delegated to the President both legislative and treaty-making powers and was unconstitutional. After an examination of all the authorities, the Court said that while Congress could not delegate legislative power to the President, this act did not in any real sense invest the President with the power of legislation, because nothing involving the expediency or just operation of such legislation was left to the determination of the President; that the legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was merely in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect."

In *Hampton & Co.* v. *United States*, supra, the Supreme Court upheld the constitutionality of section 315 of the Tariff Act of September 21, 1922 (19 U.S.C.A. 154 et seq.), which provides:

"(a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in costs of production in the United States and the principal competing country, he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in such costs of production necessary to equalize the same. Thirty days after the date of such proclamation or proclamations such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That the total increase or decrease of such rates of duty shall not exceed 50 percent of the rates specified in title I of this act, or in any amendatory act.

"(b) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles provided for in title I of this act, wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties prescribed in this act do not equalize said differences, and shall further find it thereby shown that the said differences in costs of production in the United States and the principal competing country cannot be equalized by proceeding under the provisions of subdivision (a) of this section, he shall make such findings public, together with a description of the articles to which they apply, in such detail as may be necessary for the guidance of appraising officers. In such cases and upon the proclamation by the President becoming effective the ad valorem duty or duty based in whole or in part upon the value of the imported article in the country of exportation shall thereafter be based upon the American selling price, as defined in subdivision (f) of section 402 of the act, of any similar competitive article manufactured or produced in the United States embraced within the class or kind of imported articles upon which the President has made a proclamation under subdivision (b) of this section.

"The ad valorem rate or rates of duty based upon such American selling price shall be the rate found, upon said investigation by the President, to be shown by the said differences in costs of production necessary to equalize such differences, but no such rate shall be decreased more than 50 percent of the rate specified in title I of this act upon such articles, nor shall any such rate be increased. Such rate or rates of duty shall become effective 15 days after the date of the said proclamation of the President, whereupon the duties so estimated and provided shall be levied, collected, and paid on such articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila). If there is any imported article within the class or kind of articles, upon which the President has made public a finding, for which there is no similar competitive article manufactured or produced in the United States, the value of such imported article shall be determined under the provision of paragraphs (1), (2), and (3) of subdivision (a) of section 402 of this act.

"(c) That in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of this section, the President, insofar as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar articles in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign articles in the principal markets of the United States; (3) advantages granted to a foreign producer by a foreign government, or by a person, partnership, corporation, or association in a foreign country; and (4) any other advantage or disadvantage in competition.

"Investigations to assist the President in ascertaining differences in costs of production under this section shall be made by the United States Tariff Commission, and no proclamation shall be issued under this section until such investigation shall have been made. The Commission shall give reasonable public notice of its hearings and shall give reasonable opportunity to parties interested to be present, to produce evidence, and to be heard. The Commission is authorized to adopt such reasonable procedure, rules, and regulations as it may deem necessary.

"The President, proceeding as hereinbefore provided for in proclaiming rates of duty, shall, when he determines that it is shown that the differences in costs of production have changed or no longer exist which led to such proclamation, accordingly as so shown, modify or terminate the same. Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list or from the free list to the dutiable list, nor a change in form of duty. Whenever it is provided in any paragraph of title I of this act that the duty or duties shall not exceed a specified ad valorem rate upon the articles provided for in such paragraph, no rate determined under the provision of this section upon such articles shall exceed the maximum ad valorem rate so specified.

"(d) For the purposes of this section, any coal-tar product provided for in paragraphs 27 or 28 of title I of this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those

accomplished to the domestic product when used in substantially the same manner.

"(e) The President is authorized to make all needful rules and regulations for carrying out the provisions of this section.

"(f) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of imported articles of the class or kind of articles upon which the President has made a proclamation under the provisions of subdivision (b) of this section and for the form of invoice required at time of entry."

Briefly, this section empowers and directs the President to increase or decrease duties imposed by the Tariff Act, so as to equalize the differences which, upon investigation, he finds and ascertains between the costs of producing at home and in competing foreign countries the kinds of articles to which such duties apply; and it lays down certain criteria to be taken into consideration in ascertaining the differences, fixes certain limits of change, and makes an investigation by the Tariff Commission, in aid of the President, a necessary preliminary to any proclamation changing the duties.

In support of the constitutionality of section 315, the Solicitor General, in his brief in the Supreme Court, among other things, said:

"Petitioner asserts that the act is unconstitutional because the President is allowed under it to exercise discretion. He may exercise discretion and judgment, but it is in respect of matters of fact and the weight to be given to evidence and the inferences to be drawn from it. Once the facts are settled and difference in costs of production has been ascertained, he is bound to compute and proclaim the new tariff according to the discretions of the statute" (p. 21).

"The statute does not attempt an unlawful delegation of legislative authority. It delegates to the President the power to find facts, not the power to make law. He is to determine, with the assistance of the commission, the domestic and foreign costs of production and the difference between them. The rules to be applied to the facts so found, in order to determine the new rate of duty, are prescribed by the statute. Congress may delegate to others a fact-finding power which the legislature may rightfully exercise itself. Although Congress cannot delegate its power to make the law, it can make a law delegating a power to determine some fact or state of things upon which the law makes, or intends to make, its own action depend. The rule of law prescribed by this statute is that within the limits fixed in the statute tariffs shall be adjusted to equalize the difference in the costs of production of foreign and domestic merchandise" (pp. 8–9).

"It seems clear that the statute delegates only the power to find facts, not the power to make laws, and under elementary rules long settled it must be sustained against the charge that it unlawfully delegates legislative authority" (p. 26).

The Supreme Court concurred in the views of the Solicitor General and declared section 315 constitutional. In the course of its opinion the Court said (pp. 409–10):

"It is conceded by counsel that Congress may use executive officers in the application and enforcement of a policy declared in law by Congress and authorize such officers in the application of the congressional declaration to enforce it by regulation equivalent to law. But it is said that this never has been permitted to be done where Congress has exercised the power to levy taxes and fix customs duties. The authorities make no such distinction. The same principle that permits Congress to exercise its rate-making power in interstate commerce by declaring the rule which shall prevail in the legislative fixing of rates and enables it to remit to a rate-making body created in accordance with its provisions the fixing of such rates justifies a similar provision for the fixing of customs duties on imported merchandise. If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power. If it is thought wise to vary the customs duties according to changing conditions of production at home and abroad, it may authorize the Chief Executive to carry out this purpose, with the advisory assistance of a tariff commission appointed under congressional authority. This conclusion is amply sustained by a case in which there was no advisory commission furnished the President—a case to which this Court gave the fullest consideration nearly 40 years ago." (Here the Court refers to and discusses *Field* v. *Clark, supra,* and in conclusion uses the language quoted above in this memorandum in connection with that case.)

Other helpful cases on the subject-matter are: *Frisher & Co.* v. *Elting,* 60 F. (2d) (C.C.A. 2d) 711 (certiorari denied).

Frisher & Co. v. *Bakelite Corporation,* 39 F. (2d) (Ct. Cust. & Pat. App.) 247.

The unreported decision of Judge Coxe of the United States District Court for the southern district of New York, in the recent case of *Kreutz* v. *Elting.*

Attention is invited particularly to the exhaustive opinion of the Court of Customs and Patent Appeals in the Hampton & Co. case (14 Ct. Cust. & Pat. App. 350).

Mr. ROBINSON of Arkansas. Mr. President, I should also like to have printed in the RECORD a statement appearing in the metropolitan press under the headline, "McKenna Supports United States Money Policy", McKenna being a former Chancellor of the British Exchequer and now the chairman of the Midland Bank.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCKENNA SUPPORTS UNITED STATES MONEY POLICY—EX-CHANCELLOR OF EXCHEQUER ASSERTS HE IS IN COMPLETE ACCORD WITH ROOSEVELT—HEADS ENGLISH BANK—DECLARES BRITAIN HAS ADOPTED PRINCIPLES OF MANAGED CURRENCY TO STABILIZE PRICES

LONDON, January 26.—Whole-hearted agreement with the basic premise of President Roosevelt's managed-currency theory was expressed today by the Right Honorable Reginald McKenna, one-time Chancellor of the Exchequer and now chairman of the Midland Bank, in his speech before the annual meeting of the shareholders of the bank.

He declared with approval that Great Britain has now adopted the principles of a managed currency with a view to maintaining a stable price level and asserted that in furtherance of this end "inflation has been undertaken, deliberately and on a large scale, during the past 2 years, and has been the most important element in our trade recovery."

CITES ROOSEVELT'S DIFFICULTIES

Explaining the apparent failure to restore prosperity through monetary action in the United States, Mr. McKenna pointed out:

"President Roosevelt has a battle against difficulties which our authorities are happily spared. He is called upon to bring about business recovery at the same time that he undertakes great social reforms, which elsewhere have taken generations to achieve; and he is required to do this largely through the instrumentality of an unresponsive banking system and in the face of problems created by inveterate habits of speculation, and occasional progress to panic and hoarding—a position which has no parallel in England."

ADVOCATES CHEAP MONEY

Therefore, Mr. McKenna urged that Great Britain should continue with the consistent maintenance of cheap, abundant supplies of money and that "until the world has learned how to secure stability of exchange without jeopardizing the stability of purchasing power, our inflexible task must be to demonstrate that a wise management of the monetary unit with no fixed attachment to gold is both practicable and in its results highly beneficial. The price level of commodities in daily use is recognized as the measure of stability in the value of money and the maintenance of such stability as the proper objective of monetary policy."

A highly condensed version of Mr. McKenna's argument that Great Britain has been inflating for 2 years runs thus:

"The quantity of money available in England is governed by action of the Bank of England in buying or selling gold and securities" (since by purchases it puts new money in circulation and by sales contracts the outstanding amount).

CALLED DELIBERATE INFLATION

For nearly 2 years the bank has purchased securities and gold, with the result that deposits in other banks since February 1932 show an increase of £300,000,000 (currently about $1,488,000,000). This creation of additional purchasing power was really deliberate inflation—not recognized as such merely because it has been well controlled.

* * * * * * *

Mr. AUSTIN. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 19, after line 10, the Senator from Vermont proposes to insert the following:

(d) All of the powers vested by this act in the President and in the Secretary of the Treasury shall expire 2 years after the date of enactment of this act unless the President shall sooner declare the existing emergency ended, but the President may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such emergency.

Mr. AUSTIN. Mr. President, I shall try to explain the purpose of this amendment. The only exception in the proposed act, as it now stands, to a permanent law and the establishment of extraordinary permanent power is the expression appearing on page 16, beginning at line 22, where the text reads:

Except that such powers shall expire 2 years after the date of enactment of the Gold Reserve Act of 1934 unless the President shall sooner declare the existing emergency ended, but the President may extend such period for not more than 1 additional year after such date by proclamation recognizing the continuance of such emergency.

To what powers does that exception apply? Upon examination of the text of the bill it will be seen that the exception applies only to those powers either referred to or specified in section 12 of the bill, namely, paragraph (b) (2) of section 43, title III, of the act approved May 12, 1933 (Public, No. 10, 73d Cong.), is amended by adding two new sentences at the end thereof reading as follows:

Nor shall the weight of the gold dollar be fixed in any event at more than 60 percent of its present weight. The powers of the

President specified in this paragraph shall be deemed to be separate, distinct, and continuing powers, and may be exercised by him, from time to time, severally or together, whenever and as the expressed objects of this section in his judgment may require.

Those powers are the ones which have been referred to many times before, to inflate the currency by certain specified methods, namely, by reducing the gold content of the dollar, or by dealing in the open market in the bonds of the Government, or by issuing greenbacks.

The other powers contained in this act which we claim are permanent are such great powers as the following: The power to determine—that is, the power to legislate—whether gold certificates owned by the Federal Reserve banks shall be redeemed or whether they shall not be redeemed.

Of course, this power, as it is set forth in section 6 of the bill, is a power of unlimited scope; it is a power which affects the purchasing power of every kind of currency and of all the currency of the United States, as expressly stated in the clause, for this power is given the President for the stated purpose of maintaining the equal purchasing power of every kind of currency of the United States.

Another power which would be affected by this amendment and attempted to be made temporary instead of permanent is the power vested in the Secretary of the Treasury, with the approval of the President, to legislate as to whether the currency of the United States shall be redeemed in gold; that is, the power to say whether or not the United States shall be at any time in the future or from time to time on or off the gold standard. That is also vested in the President by section 6 of the bill.

There are also other powers vested in the President so to deal in gold, in the buying and selling of gold at home and abroad, as to be able to enhance or depress the value of our money from time to time. It makes very little difference whether we apply the money, the currency, and other issues to gold or whether we apply the gold to the currency. In the one case, in section 8, the power to buy is given. In the other case, in section 9, the power to sell is given; and by means of the exercise of that power to the unlimited extent granted by the act, and without any of the powers granted by section 10, the President of the United States alone may determine from day to day the value and the purchasing power of the American dollar.

It is for the purpose of limiting those powers, to the same extent and time that the powers contained in section 10 are limited, that this amendment is offered.

I wish to state that I have not seen and have never before heard of the memorandum which has been placed in the RECORD, coming from the Attorney General of the United States. Of course, I feel very much complimented that he should have taken notice of my claims respecting the unconstitutionality of the bill to the extent of causing a brief by him to be inserted in the RECORD. I regard it as unfortunate that I have had no opportunity whatever of knowing what it contains; but during the brief moment which I have under the rule I wish to call attention to a portion of the holding in the rent cases, in which the Supreme Court undertook to make plain that it always kept a safety valve on its interpretations of extraordinary powers granted by Congress to other bodies and to other departments of the Government in times of emergency, namely, always having in mind that such powers are temporary, and that they shall not be regarded as precedents for permanent grants of power. The Court said:

> The same principle was applied in the Rent cases (*Block* v. *Hirsh*, 256 U.S. 135, and *Marcus Brown Holding Co.* v. *Feldman*, 256 U.S. 170), where this court sustained the legislative power to fix rents as between landlord and tenant upon the ground that the operation of the statutes was temporary to tide over an emergency and that the circumstances were such as to clothe "the letting of buildings * * * with a public interest so great as to justify regulation by law."
>
> The regulation is put and justified only as a temporary measure (citing *Wilson* v. *New*, supra). A limit in time to tide over a passing trouble well may justify a law that could not be upheld as a permanent change.

In the case of Home Building and Loan Association against Blaisdell & Blaisdell, relating to the Minnesota mortgage moratorium law, the decision being handed down by a divided court on January 8, 1934, and which decision has been placed in the RECORD at page 367, and following there is this pertinent expression:

> Emergency does not create power. Emergency does not increase granted power or remove or diminish the restrictions imposed upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the Federal Government and its limitations of the power of the States were determined in the light of emergency and they are not altered by emergency. What power was thus granted and what limitations were thus imposed are questions which have always been, and always will be, the subject of close examination under our constitutional system.
>
> While emergency does not create power, emergency may furnish the occasion for the exercise of power. "Although an emergency may not call into life a power which has never lived, nevertheless emergency may afford a reason for the exertion of a living power already enjoyed." (*Wilson* v. *New*, 243 U.S. 332, 348.)

The VICE PRESIDENT. The Senator's time on the amendment has expired.

Mr. AUSTIN. I will continue upon the bill—

> The constitutional question presented in the light of an emergency is whether the power possessed embraces the particular exercise of it in response to particular conditions. Thus the war power of the Federal Government is not created by the emergency of war but it is a power given to meet that emergency. It is a power to wage war successfully, and thus it permits the harnessing of the entire energies of the people in a supreme cooperative effort to preserve the Nation.

I invite particular attention to the significant language which follows:

> But even the war power does not remove constitutional limitations safeguarding essential liberties. When the provisions of the Constitution, in grant or restriction, are specific, so particularized as not to admit of construction, no question is presented. Thus emergency would not permit a State to have more than two Senators in the Congress, or permit the election of President by a general popular vote without regard to the number of electors to which the States are respectively entitled, or permit the States to "coin money."

That sounds particularly pertinent here, does it not?

> Or to "make anything but gold and silver coin a tender in payment of debts." But where constitutional grants and limitations of power are set forth in general clauses, which afford a broad outline, the process of construction is essential to fill in the details.

I am offering to the majority a reasonable amendment so that they may, if they see fit, place upon the bill an interpretation which has been the sole and only basis of the action of the Supreme Court in ever sustaining an act that does what this bill does, namely, transfer from the legislative department of government over to the executive department the power of legislation. I want to make it plain, however, that I do not believe that even with the amendment in the bill it would be constitutional or that this body will have successfully transmitted this power to the President, for I believe this is one of those great powers that cannot be transmitted even temporarily.

Mr. FLETCHER. Mr. President, if the amendment does not do any good, I do not see any use of considering it at all. In other words, the Senator's argument is that the measure would remain unconstitutional even though his amendment should be adopted. We have considered the question of limiting the time. We have provided a limitation as to all of section 10. As to all of section 12 we limited the time of the expiration of the powers to 2 years. I believe we have gone as far as we can go in that regard.

Mr. STEIWER. Mr. President, earlier in the day, in discussing the proposal made by the Senator from Montana [Mr. WHEELER], I urged that, although the pending gold bill lacks assurance of immediate or early price enhancement in our own domestic market, it does contain an assurance which I characterize as almost a guaranty that some day in the future there will be an enormous credit expansion under the new situation created by this legislation. I do not want that statement to stand upon my uncorroborated testimony. For its support I could call attention to the many utterances of economists and students and a very great deal that has been said by bankers in respect to the idea of creating new banking reserves that have not heretofore existed. I shall not detain the Senate in order to do that, but I will refer briefly to the hearings adduced before

the Committee on Banking and Currency to show what was thought by some of the leading experts who appeared before that committee.

I first call attention to the testimony of Dr. Kemmerer in volume 2, at page 152, where we find this statement:

> If we now desire to call a 50-cent piece of February a dollar, and if there should be no change in the value of gold for some time to come, I should say ultimately—it will take time, months or perhaps years—ultimately our price level would be twice as high as it would have been if we had called 100 cents a dollar; and if my expectation is realized, that the 1926 price level would come back, anyway, ultimately as soon as we stop hoarding gold, then our price level would not only go up to 200 as compared with February, but it would go up a great deal further.
>
> That would mean, then, that we would settle back on a price level at 200 to 300, as compared with February, a price level very much higher than 1926. I think the figures work out, on a 50-cent basis, to 111 percent higher, but I will have to check that.

Now, mark these words:

> If we devalued the dollar and got a 50-cent gold dollar, and then we depreciated the value of gold decidedly, and that became a less valuable dollar than 50-cent gold is now, the serious thing to me is that we are going to cut down, probably by 50 or 60 percent—possibly more. That is assuming we make our stabilization effective and it does not run away. I think there is a good probability that it will run away from us, but if we make it effective and it does not run aways it wipes out a very large percentage of the 100 billions of life insurance outstanding in the United States today.

There follow other comments along the same line.

Mr. President, I call attention to the fact that this distinguished economist sounds a warning that the new expansion possibilities in our monetary system, to be created by this bill, may go out of control, and, to use his expression, "may run away."

Let us see just why it is that such a result might be attained. One of the important witnesses before the committee was Dr. Anderson, whom we all know as an economist very highly regarded in his special field. In volume 1 of the testimony, at pages 59 and 60, I find this statement:

> Now, then, I find in this bill before you gentlemen a provision which will increase member-bank reserves by two billions; and I want to show you how to avoid that and still let the President do what he wants to do. It is the most important defect in the bill. There are many others, but this is absolutely vital. If this bill goes through this way with this provision in it, not even a President can control the ensuing inflation. Nobody can pull it down. Once the credit gets working, once confidence gets back, once speculation gets active, and things get moving, it cannot be controlled.

From the same volume, at page 55, I quote further:

> Mr. ANDERSON. The thing that I am going to call your attention to, gentlemen, is technical, but a failure to grasp this technical point can make all the difference between blowing this country sky-high in the ensuing few years and leaving it within the power of the administration somewhat to hold down the coming inflation.

This morning, Mr. President, I asserted with such earnestness as I could command that there is no immediate guaranty of an enhanced price level in this measure. Yet these and other experts agree that when the banking reserves of our country are increased by an enormous figure that runs up into the billions of dollars a situation is created which has in it a real menace to American institutions and to the very life of our country.

We are told by these gentlemen that the bank reserves in terms of ultimate credit are multiplied from 7 to 10 or even 20 multiples.

The very lowest estimate was that of Dr. Warren, and it was $7,000,000,000 of ultimate credit expansion. His highest estimate, I think, was $17,000,000,000, and in his testimony he stated that he did not know within a range of $10,000,000 how to estimate the expanded credit possibility created under the bill. Other witnesses used a higher factor in multiplying the banking reserves in order to arrive at the final result of expanded credit. Some used the figures 10, 15, or 20; indeed, there are estimates before the committee that 30 or 40 billion dollars would be created in ultimate credit expansion under the provisions of this bill; and one economist, with whom I talked outside the committee, made an estimate of $50,000,000,000. So we have here, partly in the record and in common knowledge about us, the fact that the economists of this country are saying that this bill creates a credit-expansion possibility that may produce inflation of from 7 to 50 billion dollars.

The PRESIDING OFFICER (Mr. BYRNES in the chair). The time of the Senator from Oregon on the amendment has expired.

Mr. STEIWER. Mr. President, I will proceed for a few moments on the bill.

We know, moreover, that we already have in America too great a possibility for credit expansion. We know that in 1928 and 1929 the conditions in this country stimulated the use of credit; that we used the possibilities then existing—and which still exist—that we employed those possibilities not only in legitimate business and industry but that the gambling spirit laid hold of our people and great speculative enterprises upon the stock exchange raised the values of Wall Street securities up to $90,000,000,000; that it resulted in an orgy of wild spending, the ultimate result of which was a crash that cost our people, almost overnight, some 30 billion or 40 billion dollars, and contributed in a very substantial way to the breaking down of the economic structure and to the bringing on of poverty, want, and hardship in this country.

We already have had an overexpansion of credit. What we want now is not further enhanced credit possibility, but a more moderate and more certain elevation in the price level for the relief of debtors and for the relief of producers, in order that we may do something for agriculture and in order that we may turn again the wheels of industry in America.

I want Senators to know, I want the RECORD to show, that one voice is raised here to say that in this bill there is a threat; and that many bankers and many economists are telling us solemnly that we may not be able, with all the powers of the Government, to hold in restraint this threat of ultimate credit expansion.

Mr. BULKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Ohio?

Mr. STEIWER. I am sorry, but I should prefer not to yield, on account of the limit upon my time; otherwise I should be happy to do so.

Mr. President, without elaborating further upon that theme, I want to call attention to the testimony of one more witness. Dr. Rogers is one of those who is said to be cooperating with Professor Warren and to be one of the advisers of the administration in monetary matters. It is worth while briefly to call attention to something he said to the committee. In volume 3, at page 252, we find in the testimony of Dr. Rogers this very significant utterance. I quote:

> Literally out of thin air does such a profit appear. Suddenly the Government finds itself in the possession of entirely new funds, which have come from no one and have to be returned to no one. Hence their expenditures, just as that of newly created greenbacks, is in the first instance purely inflationary. In other words, entirely new purchasing power is added to that already in existence and is pitted against existing supplies of commodities and securities.
>
> However, the secondary inflationary effect of the use of such funds, because potentially much larger, is correspondingly more far-reaching. Once paid out, these new funds, whatever their form—whether new notes, gold certificates, or simply a Government deposit in the Federal Reserve banks—flow to the reserves of the commercial banks. Here they provide the base for a loan and deposit expansion of 4 to 10 times their own magnitude. In a word, they swell the lending capacity of our banking system just as would a like expansion of Federal Reserve credit.

Mr. President, there is hardly any exception in the economic and banking thought of this country to the general proposition that the creating of new reserves means the creation of new credit; and that the creation of such new credit, on account of the lack of confidence among the business people of America, will lie dormant for a time, but that finally, when the day of returning confidence comes, the new credit then will be used, and a great many of the strongest minds in this country believe that we will not be able to deal with the situation which will then confront us; that is, that we will not be able to control that credit. We do not know with whom the credit will finally be lodged. It

may be in the hands of the President if he seeks to assert his authority in the premises. It may be in the control of the Secretary of the Treasury. It may be influenced by the unknown and unidentified board set up in the Treasury to deal in the matter of foreign exchanges. But wherever it is, it may be as ineffectual as in the past.

I warn my colleagues as earnestly as I am able that in this bill there lurks this menace of almost boundless credit expansion. This bill is to be passed with that menace, and Congress is forever going to share the responsibility for whatever may happen under the misdirected efforts which the bill permits.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was rejected.

Mr. THOMPSON. Mr. President, the senior Senator from Delaware [Mr. HASTINGS] urged as against House bill 6976 that its enactment would rob the child of its savings and annul the sacred contracts of business.

Further, he contended that there is no extraordinary condition now existing calling for such legislation. In answer to each of these contentions I submit the following remarks and quotations:

In *Knox* v. *Lee* (12 Wall. 457) it was held:

The acts of Congress known as the "legal tender" are constitutional when applied to contracts made before their passage. *Hepburn* v. *Griswold* (8 Wall. 603) on this point overruled.
They are also valid as applicable to contracts made since.

In the trial of the case, the court instructed the jury:

The proof as to the value of the sheep at the time of conversion has been of their specie value. You will assess that value and add to it the known premium which it requires to buy that much gold with paper.

The attorney, in stating the case, said:

Thus, in fact, while he recognized the principle that greenbacks might discharge the claim, he—

The court—

left the jury to infer that they can only be forced upon the creditor at the rate which they would bring in gold. This instruction was wrong, because, practically, it made a distinction between coin and paper tenders in regard to a debt accruing after the passage of all the Legal Tender Acts.

The court, in the course of its opinion, said (p. 531):

A decent respect for a coordinate branch of the Government demands that the judiciary should presume, until the contrary is clearly shown, that there has been no transgression of power by Congress—all the Members of which act under the obligation of an oath of fidelity to the Constitution. Such has always been the rule. In *Commonwealth* v. *Smith* the language of the court was: "It must be remembered that for weighty reasons it has been assumed as a principle, in construing constitutions, by the Supreme Court of the United States, by this court, and by every court of reputation in the United States that an act of the legislature is not to be declared void unless the violation of the Constitution is so manifest as to leave no room for reasonable doubt"; and in *Fletcher* v. *Peck* Chief Justice Marshall said, "It is not on slight implication and vague conjecture that the Legislature is to be pronounced to have transcended its powers and its acts to be considered void. The opposition between the Constitution and the law should be such that the judge feels a clear and strong conviction of their incompatibility with each other." It is incumbent, therefore, upon those who affirm the unconstitutionality of an act of Congress to show clearly that it is in violation of the provisions of the Constitution.

It is further stated (p. 541):

But if it be conceded that some other means might have been chosen for the accomplishment of these legitimate and necessary ends, the concession does not weaken the argument. It is urged now, after the lapse of 9 years, and when the emergency has passed, that Treasury notes without the legal-tender clause might have been issued, and that the necessities of the Government might thus have been supplied. Hence it is inferred there was no necessity for giving to the notes issued the capability of paying private debts. At best, this is mere conjecture. But admitting it to be true, what does it prove? Nothing more than that Congress had the choice of means for a legitimate end, each appropriate, and adapted to that end, though, perhaps, in different degrees. What then? Can this court say that it ought to have adopted one rather than the other? Is it our province to decide that the means selected were beyond the constitutional power of Congress, because we may think that other means to the same ends would have been more appropriate and equally efficient? That would be to assume legislative power, and to disregard the accepted rules for construing the Constitution. The degree of the necessity for any congressional enactment, or the relative degree of its appropriateness, if it have any appropriateness, is for consideration in Congress, not here.

Page 545:

The Constitution was intended to frame a government as distinguished from a league or compact, a government supreme in some particulars over States and people. It was designed to provide the same currency, having a uniform legal value in all the States. It was for this reason the power to coin money and regulate its value was conferred upon the Federal Government, while the same power, as well as the power to emit bills of credit, was withdrawn from the States.

Page 546:

Even the advocates of a strict literal construction of the phrase, "to coin money and regulate the value thereof", while insisting that it defines the material to be coined as metal, are compelled to concede to Congress large discretion in all other particulars. The Constitution does not ordain what metals may be coined, or prescribe that the legal value of the metals, when coined, shall correspond at all with their intrinsic value in the market. Nor does it even affirm that Congress may declare anything to be a legal tender for the payment of debts. Confessedly the power to regulate the value of money coined, and of foreign coins, is not exhausted by the first regulation. More than once in our history has the regulation been changed without any denial of the power of Congress to change it, and it seems to have been left to Congress to determine alike what metal shall be coined, its purity, and how far its statutory value, as money, shall correspond, from time to time, with the market value of the same metal as bullion. How then can the grant of a power to coin money and regulate its value, made in terms so liberal and unrestrained, coupled also with a denial to the States of all power over the currency, be regarded as an implied prohibition to Congress against declaring Treasury notes a legal tender, if such declaration is appropriate, and adapted to carrying into execution the admitted powers of the Government?

Again, on page 549, it is said:

Every contract for the payment of money, simply, is necessarily subject to the constitutional power of the Government over the currency, whatever that power may be, and the obligation of the parties is, therefore, assumed with reference to that power. Nor is this singular. A covenant for quiet enjoyment is not broken, nor is its obligation impaired by the Government's taking the land granted in virtue of its right of eminent domain. The expectation of the covenantee may be disappointed. He may not enjoy all he anticipated, but the grant was made and the covenant undertaken in subordination to the paramount right of the Government. We have been asked whether Congress can declare that a contract to deliver a quantity of grain may be satisfied by the tender of a less quantity. Undoubtedly not. But this is a false analogy. There is a wide distinction between a tender of quantities, or of specific articles, and a tender of legal values. Contracts for the delivery of specific articles belong exclusively to the domain of State legislation, while contracts for the payment of money are subject to the authority of Congress, at least so far as relates to the means of payment. They are engagements to pay with lawful money of the United States, and Congress is empowered to regulate that money. It cannot, therefore, be maintained that the Legal Tender Acts impaired the obligation of contracts.

Further, on page 551, it is stated:

As in a state of civil society property of a citizen or subject is ownership, subject to the lawful demands of the sovereign, so contracts must be understood as made in reference to the possible exercise of the rightful authority of the Government, and no obligation of a contract can extend to the defeat of legitimate Government authority.

On the same page it is stated:

A new tariff, an embargo, a draft, or a war may inevitably bring upon individuals great losses; may, indeed, render valuable property almost valueless. They may destroy the worth of contracts. But whoever supposed that, because of this, a tariff could not be changed, or a nonintercourse act, or an embargo be enacted, or a war be declared?

The VICE PRESIDENT. The question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. FLETCHER and Mr. ROBINSON of Arkansas called for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LEWIS. I wish to announce that the Senator from Oklahoma [Mr. THOMAS] is detained by illness. If he were present, he would vote "yea." He is paired with the Senator from Rhode Island [Mr. METCALF], who, I am instructed to say, if present, would vote "nay."

I am instructed also to inform the Senate that the Senator from South Dakota [Mr. BULOW] is necessarily absent. If he were here and voting, he would vote "yea."

I also announce, as instructed, that the Senator from Oklahoma [Mr. GORE] is necessarily absent. He is paired with the senior Senator from South Dakota [Mr. NORBECK].

I desire to announce also that the Senator from Louisiana [Mr. LONG] is necessarily detained from the Senate.

Mr. KEAN. I am paired with the Senator from South Dakota [Mr. BULOW]. I transfer that pair to the Senator from Rhode Island [Mr. HASTINGS] and vote "nay."

Mr. HEBERT. I announce the necessary absence of the Senator from South Dakota [Mr. NORBECK], who, if present, would vote "yea" on this question.

I also announce the necessary absence of the Senator from Delaware [Mr. HASTINGS], who, if present, would vote "nay."

I also desire to announce that my colleague the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent. If present, he would vote "nay."

The result was announced—yeas 66, nays 23, as follows:

YEAS—66

Adams	Coolidge	La Follette	Robinson, Ark.
Ashurst	Copeland	Lewis	Russell
Bachman	Costigan	Logan	Sheppard
Bailey	Couzens	Lonergan	Shipstead
Bankhead	Cutting	McAdoo	Smith
Barkley	Dieterich	McCarran	Stephens
Black	Dill	McGill	Thomas, Utah
Bone	Duffy	McKellar	Thompson
Borah	Erickson	Murphy	Trammell
Brown	Fletcher	Neely	Tydings
Bulkley	Frazier	Norris	Vandenberg
Byrd	George	Nye	Van Nuys
Byrnes	Harrison	O'Mahoney	Wagner
Capper	Hatch	Overton	Walsh
Caraway	Hayden	Pittman	Wheeler
Clark	Johnson	Pope	
Connally	King	Reynolds	

NAYS—23

Austin	Gibson	Kean	Schall
Barbour	Glass	Keyes	Steiwer
Carey	Goldsborough	McNary	Townsend
Davis	Hale	Patterson	Walcott
Dickinson	Hatfield	Reed	White
Fess	Hebert	Robinson, Ind.	

NOT VOTING—7

Bulow	Hastings	Metcalf	Thomas, Okla.
Gore	Long	Norbeck	

So the bill was passed.

UNITED STATES ROANOKE COLONY COMMISSION

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives, to which he calls the attention of the Senator from North Carolina [Mr. BAILEY].

The concurrent resolution (H.Con.Res. 27) continuing in full force and effect during the Seventy-third Congress the concurrent resolution of the House establishing the United States Roanoke Colony Commission was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the House concurrent resolution of the Seventy-second Congress establishing the United States Roanoke Colony Commission is continued in full force and effect during the Seventy-third Congress, and, as continued, section 2 of such resolution is amended by striking out "1934" and inserting in lieu thereof "1937."

Mr. BAILEY. I ask for the adoption of the concurrent resolution.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

SENATOR FROM LOUISIANA

Mr. BAILEY. Mr. President, the senior Senator from Louisiana [Mr. LONG] has requested me to inform the Senate that he will return to the city on Monday and desires to be heard on Monday morning on a matter of privilege.

DUTY OF REPUBLICAN PARTY—ADDRESS BY SENATOR ROBINSON OF INDIANA

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered over the radio on January 25, 1934, by the senior Senator from Indiana [Mr. ROBINSON] on th esubject of "The Budget and the Deficit."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Republican Party has a very important duty to perform in these troubled times. As the party of opposition it must be ever alert to the dangers confronting the country and see that they are promptly reported to the American people. If it does any less than this, it is unfaithful to its responsibilities. The truth should never be concealed; and even though it may sound harsh, it must be told.

Everybody is anxious to get out of the depression, and insofar as the President's policies may contribute to that end they should be supported by all the people. But if there be pitfalls and honest doubts should arise as to measures, then there should be sufficient courage on the part of Members of Congress to express their opposition, regardless of political consequences.

Very calmly the Chief Executive informs the country that the National Treasury is confronted with a deficit of more than $7,000,000,000 this year, and that within the next year or so the bonded indebtedness of the United States will be approximately $32,000,000,000. This notwithstanding the impression given the country by the President and his spokesmen during the past 9 months that the Budget was balanced.

Indeed, when the Chief Executive last March demanded that $400,000,000 be taken from the disabled veterans of the Nation and their dependents the chief reason advanced was that such action would enable the Treasury to balance the National Budget.

Under the Presidential lash the Congress hastened to obey, and to its everlasting shame passed the so-called "Economy Act", which drove veterans from the hospitals that a grateful people had erected for them, deprived them of needed buying power at a time when we were seeking to arrest the deflation, and added untold thousands to the bread lines all over the land. Aside from the misery and tragedy caused, it was a serious mistake from the economic standpoint. The net result was simply to transfer the burden of taxation from the large-income earners of the Nation to the local taxing units—to the farmers and small-property owners already taxed to death.

What followed? Increased misery and tragedy among the Nation's defenders. And then began the most reckless spending of the people's money the country has ever known.

Untold billions have been spent without the slightest check or balance. There has been no coordinated audit of any kind. Each emergency department has been spending without let or hindrance. Indeed, it is stated widely that no one knows today how many people are actually on the Government pay roll.

The President recognized this situation in his Budget message, wherein he said: "Up to now there has been no coordinated control over emergency expenditures. Today, by Executive order, I have imposed that necessary control in the Bureau of the Budget."

In other words, for more than 8 months each department spent as much money as it desired, and there was not the slightest check. Then, on January 7, the President issued his order to have the spending supervised by the Director of the Budget. How long was this order in force? Just 3 days. At the end of the third day, for some reason, the Chief Executive rescinded the order, and the spending without restraint was resumed. No wonder the deficit has reached such astounding figures. Nobody will complain about any reasonable expenditure of public funds for national recovery, but that there should be the most careful supervision and coordinated audit there can be no question.

It is well to bear in mind, too, that the money being expended comes to the Treasury as a result of borrowing, and sooner or later, ways and means must be devised for repaying the loans contracted.

At its peak our war indebtedness amounted to slightly more than 26 billions. Within the next few months the national obligations will aggregate more than 32 billions, with an annual interest charge of upward of a billion dollars. How can this enormous sum be repaid? That is the big question, and to date the administration has suggested no method. Enormously increased taxes is the inevitable answer.

Some of us have insisted that it was grossly unfair and unjust to take benefits from the disabled defenders of the Nation that aggregate less than half a billion dollars and immediately thereafter embark on a spending program involving untold billions, without restraint or adequate supervision. Some of us believed, too, that billions of frozen deposits belonging to the American people could have been released at much less cost in the spending program. This would have made tremendous purchasing power available, would have restored the American market; business, especially smaller business, would have been resumed; reemployment, on a permanent basis, of those now walking the streets looking for jobs, with none to be found, would have been made possible, and prosperity would have been brought much nearer. It was not undertaken, however, and now we can only hope that the program being unfolded may bring us out of the depression.

Just the same, we shall not close our eyes to the dangers involved and shall do our best from time to time to present the actual facts to the country.

To do this it is essential that there be no abridgment of free speech. Constitutional guaranties must be preserved. The Congress must not be gagged. Gag rule of the people's representatives is inimical to the welfare of the American people.

I suppose everybody is familiar with the fact that dictatorships flourish all over the world today. The origin of a dictatorship is always interesting. History is replete with such matters. Invariably in the past the first step in that direction taken by one who proposed to have himself constituted a dictator was to suppress the parliamentary bodies of the particular country in which he hoped to reign. The right of free speech by the people's representatives was, therefore, violated, and the representatives of the people in the parliamentary body were unable, because of the gag that had been placed upon them, properly to represent their constituents. In other words, the legislative assembly was practically suppressed, sometimes at the point of the sword, but in any event suppressed. That has invariably been the first step.

The next step has always been to muzzle the press and all means of communication among the people. That is the story history tells, and that is a statement of modern conditions throughout the world where dictators flourish. The press is never free in any place where a dictator rules. Parliamentary bodies are not free to express themselves in any country where there is despotism. I think it well, therefore, to observe some of the signs of the times in this country with reference to developments coming on apace.

I repeat, the first thing he who desires to rule by himself alone invariably does is to gag the legislative body or bodies in the nation over which he would rule; and when he does that, it amounts to a violation of the constitutional right of freedom of speech through preventing objections to pending measures in that body when objections may be apparent and awaiting opportunity for expression.

By forcing a gag rule on a legislative assembly he who desires to rule alone deprives a minority in that body of the right of freedom of discussion, although they are sent there by the people to represent them and to discuss problems which intimately concern them. There may be war veterans involved; and if the representatives who are there in that body are interested in the problems of the war veterans, a gag prevents them from expressing themselves on that problem, and without expression they are shunted off to the tender mercies of a bureaucracy, to people who have not been elected to represent them or to administer their affairs. It also is apt to be a betrayal of government employees in the nation where one desires to rule alone because they are deprived of representation and their problems cannot be discussed.

If it happens to be a country in which there is a tradition of checks and balances for a threefold form of government, it submerges one of the three departments—the legislative—places it under the domination of the executive, and the checks and balances are gone. Not only that, but it would deprive the people themselves of information they are entitled to have; it would force the surrender of the legislative power to the executive, to be then in turn delegated to a bureaucrat, and again representative government will have failed.

If such attempted dictation to a legislative body should transpire in a country such as ours, where we have a bicameral system, and it should apply to only one of the two bodies, the other body would then become the guardian of the people's liberty and the right of free speech. In this case it would be the Senate as the last fortress in which free speech and free discussion of public questions might survive. Because of these facts some of us are gravely concerned over the administration's insistence on a gag rule in one of the bodies of the Congress, such as was forced upon the House of Representatives a few days ago. This gag rule over the people's representatives, forced by an Executive who desires to rule by himself alone, together with reckless extravagance and the enormous deficit of billions confronting the Treasury of the United States, will cause the American people to lose confidence in their Government as it is now conducted as nothing else could cause them to lose confidence.

Free speech in the United States must be preserved at any price. Otherwise our liberties are gone.

For the past several weeks a controversy has been raging between the newspapers of the country and Gen. Hugh S. Johnson in which this question is seriously involved. The loquacious general has insisted that the Constitution is sufficient guaranty against executive usurpation, but the press has been equally insistent that a specific free-press reservation be incorporated in the proposed code.

In the controversy that has arisen the American people are vitally concerned. If there is one right on which they have insisted throughout the years, and on which they will continue to insist, it is that of free speech, as guaranteed by the Constitution. Free speech is absolutely impossible without a free and untrammeled press. Because of this fact the people refuse to become excited so long as the press remains unmuzzled and content.

But when the newspapers evidence concern, the people become justly alarmed, for they are aware that one of their most precious rights is seriously imperiled. That the Constitution itself is in danger there can be no doubt in unbiased minds. Evidence accumulates on all sides to substantiate this view. Executive dictatorship is well on the way, and State lines have wellnigh been obliterated. That the President now exercises too much power for the country's welfare is all too evident. That he is constantly reaching out for new and enlarged authority is also within the knowledge of everybody. Give him now the power to throttle the press, and his dictatorship is complete.

One may attribute to him the best of motives and still be seriously alarmed. It has been well said that the law of nature is not that tyrants make tyranny, but that tyranny makes tyrants.

Benevolent and kindly men have in the history of the past become the worst of despots.

General Johnson says he has no intention of attempting to muzzle the press, but incidents connected with his own administration tend to controvert that statement; and whether he be well-intentioned or not, the fact remains that he should not be given any semblance of such power.

We want no governmental control of the news sources of the country. Otherwise free speech will have gone, the day of political prisoners will have returned, and liberty will have vanished. The Constitution will then have become a memory.

Because of the seriousness of the situation, a section guaranteeing inviolability of the press in the proposed newspaper code becomes vastly important. Even such a section would not necessarily avail against pretended necessities for martial law, suspension of constitutional guaranties, and the possible development in the minds of our rulers of the idea that they are Heaven-sent. But for whatever it is worth, such a reservation should be insisted on, and the people, whose liberties are at stake, should be most outspoken of all in saving their rights, which can only be preserved by a free press.

National emergencies are fraught with dangers, not the least of which is the possibility that some of those temporarily intrusted with power may feel called upon to "rule or ruin."

If obsessed with such an idea, they are apt to stop at nothing to attain their ends. That such possibilities exist today there can be no doubt, and the American people should be on their guard. "Eternal vigilance is the price of liberty."

SELF-RELIANCE—EDITORIAL FROM KOSSUTH COUNTY ADVANCE

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Kossuth County Advance entitled "Educating Self-Reliance Out of the People."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EDUCATING SELF-RELIANCE OUT OF THE PEOPLE

The Winnebago supervisors decided to paint the courthouse as a P.W.A. project. They called in painters and accepted a bid at 75 cents an hour. Work was begun. Then the C.W.A. butted in with its $1.20 skilled-labor wage on other projects, and the painters struck. Now Winnebago, hat in hand, wants to tap Uncle Sam's purse again.

The painters, out of work, had been eager to take the job at 75 cents. In fact, considering the times, it was good pay, $6 for an 8-hour day; pretty good pay for any kind of times, one might say; more than many employers of labor are realizing now. But painters are human. When they saw a chance to get $10.60 a day from a rich uncle they made no bones about breaking a contract to get it.

The aftermath of the war has revealed many startling effects, and among the worst is the let-down in private and public morale. The number of debtors who deliberately seek to avoid paying has become legion. Men whose fathers would have thought breaking a contract a disgrace do it now almost as if it were praiseworthy. And the Government and the courts lead the way by dishonoring gold clauses and holding that States may impair contracts.

There may be colorable excuses in the Government cases, where there is no excuse for individuals, but average men are not educationally equipped to make the distinction. All they know is that the Government issued bonds containing a gold clause and then repudiated it, and that the Federal Constitution says no State shall pass any law impairing a contract, but that the Supreme Court found a way to get around the Constitution.

What the Government can do, citizens can do. That's the natural conclusion of the average man, and he has no scruples about acting on it.

Hand in hand with that sort of thing we are also educating the people in the art of beggary. The people are being taught to look to the Government for a living instead of relying on their own resources. This is not to say that where real need exists it should not be met; but no one can look at what is going on without feeling that there is great waste. And what will happen if, after we have accustomed the people to Government help, we cease giving it?

For sometime it must cease. Either the Government will run out of money or the emergency will be considered ended. But if in the meantime we have destroyed the self-reliance and the initiative of the people, and have accustomed them to generous Government help, will the emergency for them ever end? And if they elect subservient Congressmen, what will be the final outcome?

There is food for sober thought here. It might help to consider the pioneers. It would be worth while, in fact, to review American history all the way back to Jamestown and Plymouth Rock. For the Pilgrim Fathers and the pioneers of the West were one in the same indomitable spirit. To them a contract was a contract, debt a sacred obligation, and the necessity of alms acceptance a crushing disgrace.

The people of Kossuth County have only to consult their own comparatively brief history to know what stuff the pioneers were made of. The only Government help they knew anything about was a homestead in a wilderness. Once on the land, they had to carve their own way against every hardship, and without benefit, without thought even, of Government coddling. Where today is the unconquerable spirit of our sires?

REGULATION OF BANKING IN THE DISTRICT

Mr. KING. Mr. President, I ask unanimous consent for the present consideration of Senate bill 2465, to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia.

This bill was reported favorably several days ago by the Senate District Committee. It is important that the measure be passed at the earliest possible moment.

The purpose of the bill is explained in a letter from the Secretary of the Treasury dated January 23, 1934, in which he states:

This bill amends the present law to provide that stock of any savings bank, savings company, or banking institution doing business in the District of Columbia, issued after the date of the enactment of this bill into law, shall not be subject to double liability.

Since Congress, in the Banking Act of 1933, removed from future issues of national-bank stock the double liability, the bill under consideration would be in accordance with that policy, and unquestionably it would be helpful in the reorganization of the banks mentioned by you. Under the circumstances the Treasury Department has no objection to the bill.

Mr. C. F. Burton, who is the executive vice president of the Washington Mechanics' Savings Bank, in a letter to me as Chairman of the Senate District Committee under date of January 24, states:

On March 4, 1933, a law was enacted in which double liability on State bank stocks was created. In the Banking Act of 1933, passed in June, double liability on new issues of national-bank stocks was removed so as not to impede reorganizations or recapitalization; but the State banks of Washington were left out, although they are directly under the Comptroller of the Currency and many of the provisions of the national-bank acts apply to them.

This bank, which is open and unrestricted, is now in the process of absorbing the business of two closed banks with about 50,000 depositors and nearly $3,000,000 to distribute, but it is necessary that we raise our capital accounts in order to preserve a ratio of at least $1 of capital and surplus to $10 of deposits, due to the addition of the new deposits. The necessary stock has been subscribed for, provided that this double disability is removed on the new issue. Everything is in readiness to make this money available to these depositors within a very short time after S. 2465 is made a law, which only removes the liability from the new issue of stock.

I might add that this addition to our capital will bring it up to the minimum requirement of law so as to enable us to convert into a national-bank charter or apply for admission to the Federal Reserve System, one of which we intend to do immediately. It will also enable other small banks in Washington to increase their capital accounts for the same purpose which they must do in order to remain with the Federal Deposit Insurance Corporation; something that they could not do with such a barrier facing them in view of the many assessments that have been and will be levied on closed banks' stocks, which is known to all.

This short act will be of immense service toward finally clearing up the banking situation in Washington; moving all banks here toward national charters or membership in the Federal Reserve and at the same time serve to release this $3,000,000 to nearly 50,000 people who have been patiently waiting for nearly a year, and who cannot get their money until it is enacted.

Mr. President, it seems to me no further explanation is required, and I ask for the consideration and passage of the bill.

Mr. McNARY. Mr. President, when the consideration of this bill was proposed yesterday by the able Senator from Utah I objected. I think, however, it meets an emergent situation. It affects two banks and their desire to consolidate. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (a) of section 4 of the act entitled "An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes", approved March 4, 1933, is hereby repealed.

SEC. 2. The additional liability imposed by subsection (b) of section 4 of such act upon the shareholders of the savings banks, savings companies, and banking institutions specified in such subsection (b), shall not apply with respect to shares in any such savings bank, savings company, or banking institution issued after the date of enactment of this act.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting nominations and an international convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Charles W. Abbott to be postmaster at Albion, Maine, in place of C. W. Abbott, and also the nominations of sundry postmasters.

Mr. McKELLAR. Mr. President, I desire to state at this time that if these nomination slips are not passed into the hands of all Senators, I hope they will notify me, so that we may have that done.

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of William I. Myers, of New York, to be Governor of the Farm Credit Administration.

He also, from the same committee, reported favorably nominations for reappointment as members of the board of directors of the Reconstruction Finance Corporation for terms of 2 years from January 22, 1934, as follows: Harvey C. Couch, of Arkansas; Jesse H. Jones, of Texas; Frederic H. Taber, of Massachusetts; C. B. Merriam, of Kansas; and John J. Blaine, of Wisconsin.

The VICE PRESIDENT. The reports will be placed on the calendar.

The calendar is in order.

THE CALENDAR—INTERSTATE COMMERCE COMMISSION

The Chief Clerk read the nomination of Walter M. W. Splawn, of Texas, to be Interstate Commerce Commissioner for the term expiring December 31, 1940.

Mr. ROBINSON of Indiana. Mr. President, I have had a great many communications from members of the Railroad Brotherhoods opposing the confirmation of Mr. Splawn. I should like to ask someone on the committee if there was any opposition from that source before the committee?

Mr. DILL. Mr. President——

Mr. ROBINSON of Indiana. I yield to the Senator from Washington.

Mr. DILL. I have asked that this nomination be continued from day to day until Senators could have an opportunity to be here and understand the situation.

When Mr. Splawn's name was presented certain members of the legislative organization of the Railway Brotherhoods sent out a letter to all of the railroad unions of the United States protesting the appointment of Mr. Splawn and suggesting that they write and telegraph their Senators against the confirmation of Mr. Splawn's nomination. A few days later the executives of 21 railroad labor organizations held a meeting here in Washington and considered the matter further, and decided to withdraw their objection.

A hearing had been set before the Committee on Interstate Commerce. I insisted that a representative of the organizations come before the committee and explain why they had changed their attitude. Their objection had been based upon a vote by Mr. Splawn in 1927 when he was acting as an arbiter as to wages on a proposal to raise wages in the

western division of the United States. The demand was for an increase of 7½ percent. It was granted in the northeastern division and the southeastern division. Mr. Splawn and the man associated with him as the two arbiters representing the public voted with the two representatives of the railroads against an increase in the western division.

The representative of the labor organizations, in the light of Mr. Splawn's record in other matters and his broad knowledge of the subjects that would come before the Interstate Commerce Commission, decided that they did not care to press their objective, since they recognized that that was only one thing that he had done to which they were opposed, and therefore they withdrew their objection.

I think Senators have been receiving messages since action by the committee, but that was due largely to the fact that the letter did not reach many of the unions in time for action, and they have not yet been notified of the change of attitude on the part of the executives.

Mr. ROBINSON of Indiana. Then we are to understand that the objections have been withdrawn?

Mr. DILL. Yes.

The VICE PRESIDENT. The question is, Will the Senate advice and consent to the nomination? Without objection, the nomination is confirmed.

FEDERAL TRADE COMMISSION

The Chief Clerk read the nomination of George C. Mathews, of Wisconsin, to the Federal Trade Commission.

Mr. DILL. Mr. President, certain members of the Committee on Interstate Commerce have asked that this nomination be set down for consideration at a certain time—not so much because they want to oppose the nomination as because they want to make a statement of their position regarding it. I ask the Senator from Ohio [Mr. FESS], who is particularly interested, if next Wednesday will be satisfactory to him?

Mr. FESS. That will be satisfactory to me.

Mr. DILL. Does the Senator want an hour fixed? If not, I ask that at the close of legislative business on Wednesday the Senate take up the case of Mr. Mathews.

Mr. FESS. That is entirely agreeable to me.

The VICE PRESIDENT. The Senator from Washington asks unanimous consent that on next Wednesday, at the close of legislative business, there be an executive session, at which the nomination of Mr. George C. Mathews, to be Federal Trade Commissioner, shall be considered. Is there objection?

Mr. CLARK. Mr. President, I have no desire to object to the proposed unanimous-consent agreement; but I do desire to give notice that if Senators on the other side desire to speak at any length on this matter, the session probably should start a little bit early, because I shall desire to speak at some length on the qualifications of the gentleman whom Mr. Mathews is succeeding.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Nathanael H. Engle, of Washington, to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Henry Russell Amory, of California, to be Assistant Director, Bureau of Foreign and Domestic Commerce.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

CALIFORNIA DEBRIS COMMISSION

The Chief Clerk read the nomination of Maj. Elroy S. J. Irvine, Corps of Engineers, United States Army, to be a member of the California Debris Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Mrs. Antoinette Funk to be Assistant Commissioner of the General Land Office.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Miss Ruth Lockett, of California, to be recorder of the General Land Office.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

INTERNAL REVENUE BUREAU

The Chief Clerk read the nomination of Wright Matthews, of Texas, to be Assistant to the Commissioner of Internal Revenue.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

MINT OF THE UNITED STATES

The Chief Clerk read the nomination of A. Raymond Raff, of Philadelphia, Pa., to be Superintendent of the Mint, Philadelphia, Pa.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Edward W. Griffin, of Alaska, to be secretary of the Territory of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ellis Purlee to be register, land office, Sacramento, Calif.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Chris Bertsch to be register, land office, Bismarck, N.Dak.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William F. Jackson to be register, land office, The Dalles, Oreg.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Chair lay before the Senate the waterway treaty.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St.Lawrence deep waterway, signed July 18, 1932.

RECESS

Mr. LEWIS. Mr. President, I wish to ask the Senator from Arkansas [Mr. ROBINSON] and the Senator from Nevada [Mr. PITTMAN] if I am authorized to say to Senators who wish to address themselves to the treaty that it will be taken up on Monday; or is there some other legislation to be considered at that time?

Mr. ROBINSON of Arkansas. Mr. President, the treaty is now before the Senate, and it is expected that it will be discussed on next Tuesday. I was about to say that at the request of a large number of Senators who state that they are overwhelmed with work in their offices, to which they have not been able to give attention, it is my purpose to move that the Senate take a recess until next Tuesday at 12 o'clock.

I make that motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 5 o'clock and 35 minutes p.m.) the Senate, in executive session, took a recess until Tuesday, January 30, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 27 (legislative day of Jan. 23), 1934

POSTMASTERS

ALABAMA

James L. Day to be postmaster at Hartselle, Ala., in place of S. L. Sherrill, removed.

ARIZONA

George H. Todd to be postmaster at Phoenix, Ariz., in place of J. H. McClintock. Incumbent's commission expired December 7, 1932.

ARKANSAS

Charles F. Elza to be postmaster at Benton, Ark., in place of G. D. Downing. Incumbent's commission expired September 30, 1933.

James T. Alderson to be postmaster at Malvern, Ark., in place of A. I. Roland. Incumbent's commission expired December 16, 1933.

CALIFORNIA

Marguerite J. Decious to be postmaster at Fort Bidwell, Calif., in place of M. J. Decious. Incumbent's commission expired January 11, 1934.

Rowena A. Osborn to be postmaster at Orcutt, Calif., in place of G. P. Ide, deceased.

George W. Megrew to be postmaster at Rancho Santa Fe, Calif., in place of G. W. Megrew. Incumbent's commission expired December 11, 1932.

John R. Hutchison to be postmaster at Santa Maria, Calif., in place of E. T. Ketcham. Incumbent's commission expired March 11, 1930.

COLORADO

Nicholas C. Huffaker to be postmaster at Hot Sulphur Springs, Colo., in place of L. W. Kennedy, deceased.

Oren E. Stallings to be postmaster at Yuma, Colo., in place of R. N. Weekly. Incumbent's commission expired December 8, 1932.

CONNECTICUT

William A. Hayes to be postmaster at Bristol, Conn., in place of F. S. Merrill. Incumbent's commission expired December 8, 1932.

Ernest R. Knopf to be postmaster at Clinton, Conn., in place of F. D. Parker, resigned.

Thomas P. Horan to be postmaster at South Norwalk, Conn., in place of E. E. Crowe, deceased.

Matthew F. Geary to be postmaster at Uncasville, Conn., in place of M. H. Newton, removed.

Bernard V. Keevers to be postmaster at Windsor Locks, Conn., in place of F. T. Koehler, removed.

FLORIDA

Betsy R. Rives to be postmaster at Dunedin, Fla., in place of R. F. Blatchley. Incumbent's commission expired November 20, 1933.

Frank W. Dole to be postmaster at Fellsmere, Fla., in place of E. W. Morris. Incumbent's commission expired September 30, 1933.

Jean A. Hopkins to be postmaster at Reddick, Fla., in place of E. M. Cromartie. Incumbent's commission expired January 8, 1933.

GEORGIA

Alexander S. Chamlee to be postmaster at Bartow, Ga., in place of G. P. Whigham, removed.

John W. McCallum to be postmaster at Broxton, Ga., in place of Mae Gibbs. Incumbent's commission expired June 19, 1933.

Pierce E. Cody to be postmaster at Collins, Ga., in place of P. E. Cody. Incumbent's commission expired January 22, 1934.

Leighton W. McPherson to be postmaster at Columbus, Ga., in place of C. E. Walton, deceased.

Pearle H. Girardeau to be postmaster at McRae, Ga., in place of Edison Harbin, removed.

George W. Cornwell to be postmaster at Monticello, Ga., in place of J. D. Lane. Incumbent's commission expired May 23, 1933.

Dewey G. Burnette to be postmaster at Rockmart, Ga., in place of H. B. Wiley. Incumbent's commission expired June 19, 1933.

Victor L. Howe to be postmaster at Tallapoosa, Ga., in place of M. A. Greene, Jr., resigned.

John N. Sheram to be postmaster at Tennille, Ga., in place of W. B. Smith, resigned.

B. Clayton Blanton to be postmaster at Thomasville, Ga., in place of J. B. Roddenbery. Incumbent's commission expired December 20, 1932.

Cameron U. Young to be postmaster at Valdosta, Ga., in place of C. W. Barnes. Incumbent's commission expired April 11, 1932.

HAWAII

Marie Blankership to be postmaster at Koloa, Hawaii, in place of J. K. Cockett. Incumbent's commission expired January 8, 1934.

ILLINOIS

Ira W. Cawood to be postmaster at Flat Rock, Ill., in place of J. A. Duncan, removed.

Ethel D. Henry to be postmaster at Lewistown, Ill., in place of L. J. Boyd. Incumbent's commission expired December 15, 1931.

Homer J. Swope to be postmaster at Quincy, Ill., in place of C. H. Cottrell, deceased.

Lyle M. Cross to be postmaster at San Jose, Ill., in place of M. A. Barkmeier, deceased.

INDIANA

Jennette R. Winkelmann to be postmaster at Austin, Ind., in place of I. C. Morgan, resigned.

Asa C. Clark to be postmaster at Bedford, Ind., in place of B. F. Pitman, removed.

Charles H. Apple to be postmaster at French Lick, Ind., in place of J. H. Wells. Incumbent's commission expired September 18, 1933.

Irven V. Tyler to be postmaster at Georgetown, Ind., in place of W. L. Oster. Incumbent's commission expired January 11, 1934.

Charles A. Webster to be postmaster at North Vernon, Ind., in place of W. S. Matthews, removed.

IOWA

Daisy Oldham to be postmaster at Avoca, Iowa, in place of S. A. Garlow. Incumbent's commission expired January 9, 1933.

Jessie Branagan to be postmaster at Emmetsburg, Iowa, in place of L. H. Mayne, resigned.

Cotton Etter to be postmaster at Sigourney, Iowa, in place of W. H. Needham, removed.

KENTUCKY

Zaidee G. Neville to be postmaster at Arlington, Ky., in place of J. F. Graves, deceased.

George W. Tye to be postmaster at Barbourville, Ky., in place of Rebecca Green. Incumbent's commision expired February 28, 1933.

Herman A. House to be postmaster at London, Ky., in place of John Eversole, removed.

Henry T. Waldrop to be postmaster at Murray, Ky., in place of M. L. Whitnell. Incumbent's commission expired May 6, 1930.

John A. McCord to be postmaster at Pineville, Ky., in place of Robert Vanbever. Incumbent's commission expired May 17, 1932.

Lula Sharp to be postmaster at Sharpsburg, Ky., in place of M. S. Crockett. Incumbent's commission expired January 31, 1933.

Emma K. Riley to be postmaster at Sparta, Ky., in place of E. T. Wilson. Incumbent's commission expired February 17, 1931.

LOUISIANA

Amy B. Griffin to be postmaster at Gilbert, La., in place of A. B. Griffin. Incumbent's commission expired January 19, 1933.

Mary S. Hunter to be postmaster at Pineville, La., in place of M. S. Hunter. Incumbent's commission expires February 1, 1934.

Ida N. Boatner to be postmaster at Rochelle, La., in place of I. N. Boatner. Incumbent's commission expired December 18, 1933.

MAINE

Marjory D. Woolley to be postmaste at Bridgton, Maine, in place of G. O. M. Oberg. Incumbent's commission expired February 28, 1933.

Floyd A. Smith to be postmaster at Caribou, Maine, in place of R. C. Gary, resigned.

F. Raymond Brewster to be postmaster at Ogunquit, Maine, in place of C. H. Clark, removed.

Eddie J. Roderick to be postmaster at Rumford, Maine, in place of V. A. Linnell. Incumbent's commission expired January 15, 1933.

MARYLAND

Helena R. Guyther to be postmaster at Mechanicsville, Md., in place of L. H. Wise. Incumbent's commission expired January 31, 1933.

MASSACHUSETTS

Harriet A. Goggin to be postmaster at Seekonk, Mass., in place of C. J. Conyers. Incumbent's commission expired February 25, 1933.

Charles E. Cook to be postmaster at Uxbridge, Mass., in place of C. E. Cook. Incumbent's commission expired January 11, 1934.

Felix Pasqualino to be postmaster at Wakefield, Mass., in place of F. H. Hackett. Incumbent's commission expired January 29, 1933.

MISSISSIPPI

Lewis F. Henry to be postmaster at Carthage, Miss., in place of A. S. Johnston, Jr. Incumbent's commission expired February 11, 1933.

Fletcher H. Womack to be postmaster at Crenshaw, Miss., in place of F. H. Womack. Incumbent's commission expired January 16, 1934.

Joseph W. George to be postmaster at Greenwood, Miss., in place of Herbert Feaster, resigned.

Levi G. Bassett to be postmaster at Louin, Miss., in place of D. F. Hitt, resigned.

John B. Vinson to be postmaster at Magee, Miss., in place of A. S. Russell, removed.

Cecil D. Chadwick to be postmaster at Walnut Grove, Miss., in place of C. D. Chadwick. Incumbent's commission expired December 18, 1933.

MISSOURI

Ernest A. Hisle to be postmaster at Miami, Mo., in place of A. E. Jennings. Incumbent's commission expired December 17, 1932.

NEBRASKA

Frank A. Moon to be postmaster at Fairbury, Nebr., in place of J. L. Thornton. Incumbent's commission expired December 20, 1932.

Francis W. Purdy to be postmaster at Hildreth, Nebr., in place of F. W. Purdy. Incumbent's commission expired December 16, 1933.

James T. Haffey to be postmaster at Oxford, Nebr., in place of G. A. Ayer. Incumbent's commission expired January 9, 1933.

Homer S. King to be postmaster at York, Nebr., in place of G. H. Holdeman. Incumbent's commission expired December 20, 1932.

NEW HAMPSHIRE

Albert J. Picard to be postmaster at Derry, N.H., in place of E. L. Abbott. Incumbent's commission expired December 16, 1933.

James J. Cavanaugh to be postmaster at Dover, N.H., in place of T. N. Dearborn, deceased.

Edward K. Sweeney to be postmaster at Exeter, N.H., in place of R. C. Stevenson. Incumbent's commission expired December 16, 1933.

Edward E. Cossette to be postmaster at Gonic, N.H., in place of E. E. Cossette. Incumbent's commission expired December 16, 1933.

NEW JERSEY

John W. Penrod, Sr., to be postmaster at Beach Haven, N.J., in place of J. E. Spencer, removed.

Raphael C. Devlin to be postmaster at Matawan, N.J., in place of F. R. Thompson, removed.

NEW MEXICO

James W. Patterson to be postmaster at Fort Sumner, N.Mex., in place of B. C. Wright. Incumbent's commission expired December 15, 1931.

NEW YORK

Frank V. Wiatrowski to be postmaster at Angola, N.Y., in place of C. F. Wood. Incumbent's commission expired March 2, 1933.

Lillian O'Connor to be postmaster at Briarcliff Manor, N.Y., in place of Vincent Phelps. Incumbent's commission expired March 2, 1933.

Charles F. Boughton to be postmaster at Cobleskill, N.Y., in place of E. J. Eckerson, removed.

John Harvill, Sr., to be postmaster at Groton, N.Y., in place of E. W. Kostenbader, removed.

NORTH CAROLINA

Clinton E. Bolick to be postmaster at Conover, N.C., in place of P. P. Herman. Incumbent's commission expired January 29, 1933.

Vivian T. Davis to be postmaster at Forest City, N.C., in place of T. T. Long. Incumbent's commission expired May 27, 1933.

Clarence W. Boshamer to be postmaster at Gastonia, N.C., in place of R. P. Washam, resigned.

John W. Coleman to be postmaster at Greensboro, N.C., in place of R. C. Chandley. Incumbent's commission expired January 20, 1934.

Frederick R. Jones to be postmaster at Hayesville, N.C., in place of J. A. Chambers. Incumbent's commission expired January 29, 1933.

May Calvert to be postmaster at Jackson, N.C., in place of A. L. Lassiter. Incumbent's commission expired March 2, 1933.

James C. Reins to be postmaster at North Wilkesboro, N.C., in place of R. E. Walters. Incumbent's commission expired February 11, 1933.

Columbus L. Biggerstaff to be postmaster at Rutherfordton, N.C., in place of J. H. Williams, removed.

Thomas D. Boswell to be postmaster at Yanceyville, N.C., in place of T. J. Henderson. Incumbent's commission expired January 29, 1933.

OHIO

Herman A. Schafer to be postmaster at Bridgeport, Ohio, in place of G. H. Scheetz. Incumbent's commission expired December 20, 1932.

Sam F. Dickerson to be postmaster at Cadiz, Ohio, in place of W. C. Parks. Incumbent's commission expired December 18, 1932.

Harry D. Arnold to be postmaster at Leetonia, Ohio, in place of W. L. Peet. Incumbent's commission expired December 18, 1932.

James A. Anderson to be postmaster at Millersburg, Ohio, in place of C. I. Barnes. Incumbent's commission expired December 16, 1933.

Ruth H. Brinkman to be postmaster at Minster, Ohio, in place of Benjamin Hegemann. Incumbent's commission expired May 16, 1932.

Clarence J. Bartel to be postmaster at Piqua, Ohio, in place of C. C. Fisher. Incumbent's commission expired June 19, 1933.

Albert E. Beardmore to be postmaster at Salem, Ohio, in place of F. J. Eckstein. Incumbent's commission expired December 18, 1932.

Algy R. Murphy to be postmaster at Troy, Ohio, in place of H. B. Carver, deceased.

Mrs. Dale Kessel to be postmaster at Wellsville, Ohio, in place of E. T. Ewing. Incumbent's commission expired February 25, 1933.

Charles R. Treon to be postmaster at West Carrollton, Ohio, in place of W. D. Schuder. Incumbent's commission expired December 16, 1933.

PENNSYLVANIA

Stanley J. Van Vliet to be postmaster at Buck Hill Falls, Pa., in place of W. C. Minster, resigned.

Rebecca Campbell to be postmaster at Midway, Pa., in place of Rebecca Campbell. Incumbent's commission expired December 18, 1933.

SOUTH CAROLINA

Lorna M. Hutson to be postmaster at Hardeeville, S.C., in place of M. B. Welch. Incumbent's commission expired February 28, 1933.

Clarence A. Power to be postmaster at Laurens, S.C., in place of J. E. Minter. Incumbent's commission expired December 20, 1933.

Henry D. Stensell to be postmaster at Pelzer, S.C., in place of R. E. Ragsdale, transferred.

TENNESSEE

Marvin McKnight to be postmaster at Bemis, Tenn., in place of G. M. Steele. Incumbent's commission expired January 11, 1933.

Hollis Caldwell to be postmasted at Lookout Mountain, Tenn., in place of J. D. M. Marshall. Incumbent's commission expired December 16, 1933.

Lois McReynolds to be postmaster at South Pittsburg, Tenn., in place of Clara B. Tate, removed.

Raymond B. Gibson to be postmaster at Spring City, Tenn., in place of R. B. Ketchersid. Incumbent's commission expired December 12, 1932.

Phil W. Campbell to be postmaster at Tiptonville, Tenn., in place of Wilbur Walker, removed.

TEXAS

Edgar L. Watson to be postmaster at Athens, Tex., in place of E. E. Cornelius, removed.

John R. Griffin to be postmaster at Blooming Grove, Tex., in place of W. T. Reid. Incumbent's commission expired December 7, 1932.

Walter B. Luna to be postmaster at Dallas, Tex., in place of G. C. Young, transferred.

Charles D. Berry to be postmaster at Dawson, Texas, in place of W. A. Conner. Incumbent's commission expired April 24, 1933.

Burwell W. McKenzie to be postmaster at Denton, Texas, in place of C. A. Scott. Incumbent's commission expired April 24, 1933.

Edwin D. Holchak to be postmaster at Kenedy, Texas, in place of E. N. Stewart. Incumbent's commission expired September 18, 1933.

Grace McKay to be postmaster at Madisonville, Texas, in place of G. O. Buckhaults. Incumbent's commission expired June 19, 1933.

Clyde T. McWilliams to be postmaster at Malakoff, Texas, in place of Gladys Curtis, resigned.

Evlyn N. Berry to be postmaster at Mesquite, Texas, in place of Edgar Lewis. Incumbent's commission expired December 7, 1932.

Edgar F. Bonorden to be postmaster at Sinton, Texas, in place of Susan Sipes. Incumbent's commission expired January 8, 1933.

Mrs. Charles S. Fowler to be postmaster at South San Antonio, Texas, in place of L. A. Carhart, removed.

VIRGINIA

John S. White to be postmaster at Charlottesville, Va., in place of J. L. Humbert. Incumbent's commission expired December 20, 1932.

Curtis E. Smith to be postmaster at Grundy, Va., in place of I. L. Mullins, resigned.

Edward L. Graham to be postmaster at Lexington, Va., in place of McClung Patton, resigned.

John P. Mugler to be postmaster at Phoebus, Va., in place of A. M. Welch. Incumbent's commission expired January 5, 1932.

Jesse F. West, Jr., to be postmaster at Waverly, Va., in place of W. M. Chamberlain, removed.

WASHINGTON

I. Wells LittleJohn to be postmaster at Pateros, Wash., in place of I. W. LittleJohn. Incumbent's commission expired January 11, 1934.

WEST VIRGINIA

Raymond E. Snodgrass to be postmaster at Branchland, W.Va., in place of A. L. Davidson. Incumbent's commission expired May 29, 1933.

Eulalie B. Wheeler to be postmaster at Elkhorn, W.Va., in place of E. B. Wheeler. Incumbent's commission expired December 18, 1933.

Jeremiah W. Dingess to be postmaster at Huntington, W.Va., in place of W. C. Price, resigned.

John Kenna Kerwood to be postmaster at Ripley, W.Va., in place of M. C. Archer, removed.

Joseph V. Emig to be postmaster at Wellsburg, W.Va., in place of G. E. Patterson, removed.

WISCONSIN

Charles N. Cody to be postmaster at Antigo, Wis., in place of E. S. Tradewell. Incumbent's commission expired January 31, 1933.

John Heindl to be postmaster at Barton, Wis., in place of A. H. Ottan. Incumbent's commission expired January 29, 1933.

Ray Sornberger to be postmaster at Belmont, Wis., in place of O. T. Huggins. Incumbent's commission expired January 29, 1933.

Irene Knapmiller to be postmaster at Birchwood, Wis., in place of L. H. Thayer, resigned.

Perlee W. Dickey to be postmaster at Black River Falls, Wis., in place of R. A. Jones. Incumbent's commission expired February 28, 1933.

Homer J. Samson to be postmaster at Cameron, Wis., in place of H. J. Samson. Incumbent's commission expired May 23, 1933.

Ted Cole to be postmaster at Cashton, Wis., in place of H. P. Barth. Incumbent's commission expired January 21, 1933.

George J. Armbruster to be postmaster at Cedarburg, Wis., in place of A. L. Jochem. Incumbent's commission expired February 28, 1933.

Earl F. Moldenhauer to be postmaster at Clintonville, Wis., in place of S. J. Tilleson. Incumbent's commission expired January 21, 1933.

August H. LaRenzie to be postmaster at Eagle River, Wis., in place of M. E. Adams. Incumbent's commission expired January 29, 1933.

Frank J. Shortner to be postmaster at Edgar, Wis., in place of A. J. Cherney. Incumbent's commission expired October 31, 1933.

Esther Cody to be postmaster at Lone Rock, Wis., in place of A. H. Fries. Incumbent's commission expired February 28, 1933.

John K. Buhr to be postmaster at Marion, Wis., in place of E. S. Byers. Incumbent's commission expired October 31, 1933.

Frank Hanley to be postmaster at North Freedom, Wis., in place of F. G. DuBois. Incumbent's commission expired March 2, 1933.

Thomas J. Burns to be postmaster at Oakfield, Wis., in place of W. F. Sommerfield. Incumbent's commission expired January 21, 1933.

W. Joseph Hand to be postmaster at Random Lake, Wis., in place of W. E. Hoelz. Incumbent's commission expired January 29, 1933.

Joseph P. Kelly to be postmaster at Richland Center, Wis., in place of E. D. Recob. Incumbent's commission expired January 29, 1933.

Mable A. DeWitt to be postmaster at Sayner, Wis., in place of A. V. DeWitt. Incumbent's commission expired February 28, 1933.

Frank P. O'Meara to be postmaster at West Bend, Wis., in place of M. F. Walter. Incumbent's commission expired January 29, 1933.

Martin J. Williams to be postmaster at Winneconne, Wis., in place of G. E. King, deceased.

WYOMING

Ernest A. Littleton to be postmaster at Gillette, Wyo., in place of R. R. Long, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 27 (legislative day of Jan. 23), 1934

MEMBER OF THE INTERSTATE COMMERCE COMMISSION

Walter M. W. Splawn to be Interstate Commerce Commissioner.

ASSISTANT DIRECTORS, BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Nathanial H. Engle to be Assistant Director, Bureau of Foreign and Domestic Commerce.

Henry Russell Amory to be Assistant Director, Bureau of Foreign and Domestic Commerce.

MEMBER OF THE CALIFORNIA DEBRIS COMMISSION

Maj. Elroy S. J. Irvine to be a member, California Debris Commission.

ASSISTANT COMMISSIONER OF THE GENERAL LAND OFFICE

Mrs. Antoinette Funk to be Assistant Commissioner of the General Land Office.

RECORDER OF THE GENERAL LAND OFFICE

Miss Ruth Lockett to be Recorder of the General Land Office.

ASSISTANT TO THE COMMISSIONER OF INTERNAL REVENUE

Wright Matthews to be assistant to the Commissioner of Internal Revenue.

SUPERINTENDENT OF THE MINT

A. Raymond Raff to be Superintendent of the Mint at Philadelphia, Pa.

SECRETARY OF THE TERRITORY OF ALASKA

Edwin W. Griffin to be Secretary of the Territory of Alaska.

REGISTERS OF LAND OFFICES

Ellis Purlee to be register, land office, Sacramento, Calif.

Chris Bertsch to be register, land office, Bismarck, N.Dak.

William F. Jackson to be register, land office, The Dalles, Oreg.

POSTMASTERS

ARKANSAS

Thomas B. Gatling, Bearden.
Herbert A. Whitley, Bradford.
Benjamin F. Love, Mountain Home.
James H. Nobles, Parkdale.
George O. Yingling, Searcy.
Clyde F. Flatt, Siloam Springs.
Isaac H. Steed, Star City.
Mabel Edith Whaley, Sulphur Springs.

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 29, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Give ear, O Shepherd of Israel, and may all hearts be full of response and generous impulse. Create in us a noble passion and a fine ideal of life. Thou art our Heavenly Father. Be Thou our full assurance, our quiet hope, and our brave endurance. While there are any sorrows left, while there are any yearnings unrealized, there is evidence of divine love that has not forsaken us. We praise Thee for Thy all-restoring power. So long as there is a beseeching hand reaching upward, so long as it is striving to touch the book of the Recording Angel with supplicating tips of outstretched fingers, there Thou art with redeeming benediction for all who dwell beneath the skies. Be with us today, merciful God. If trials overtake us, let us not despair; if temptations meet us, let them not stain our souls. O let Thy hand be upon us and lead us to the heights of rich blessing and enlargement. Amen.

The Journal of the proceedings of Friday, January 26, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6976. An act to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

The message also announced that the Senate had agreed to a concurrent resolution of the House of the following title:

H.Con.Res. 27. Concurrent resolution continuing in full force and effect during the Seventy-third Congress the concurrent resolution of the House establishing the United States Roanoke Colony Commission.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2465. An act to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia.

UNITED STATES MONETARY SYSTEM

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes, and agree to the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

Mr. SNELL. Reserving the right to object, are the Senate amendments in print?

Mr. SOMERS of New York. I have a copy in my hand and there is another copy here, but they are rather scarce.

Mr. SNELL. Are there copies for the use of Members?

Mr. SOMERS of New York. They are being printed.

Mr. SNELL. Does not the gentleman think—whether there is any opposition or not—that we ought to have printed copies before the House of Senate amendments to House bills? I say that without special reference to this bill. I think that on every important bill there should be copies of Senate amendments, so that we may know what we are doing.

Mr. SOMERS of New York. Ordinarily I would say that the gentleman is absolutely right. These amendments are printed in the Saturday RECORD.

Mr. BYRNS. May I say that I agree with the gentleman from New York; but in bringing matters of this kind promptly before the House, it is of the utmost importance that action be taken on this bill. In addition to that, these

amendments are very simple—the question being whether there should be a limitation put on the powers given to the Secretary of the Treasury, and that was contended for by those who opposed the bill.

Mr. SNELL. As I said, I do not intend to object. But several times this has come up, and I think that every important House bill with Senate amendments should be before us in order that we may know what we are doing.

Mr. BYRNS. I agree with the gentleman, but this amendment is very simple.

The Clerk read the Senate amendments, as follows:

Page 2, strike out all after line 14 down to and including line 17, page 3, and insert:

"(b) Section 16 of the Federal Reserve Act, as amended, is further amended in the following respects:

"(1) The third sentence of the first paragraph is amended to read as follows: 'They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, D.C., or at any Federal Reserve bank.'

"(2) So much of the third sentence of the second paragraph as precedes the proviso is amended to read as follows: 'The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of section 13 of this act, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of section 14 of this act, or bankers' acceptances purchased under the provisions of said section 14, or gold certificates.'

"(3) The first sentence of the third paragraph is amended to read as follows: 'Every Federal Reserve bank shall maintain reserves in gold certificates or lawful money of not less than 35 percent against its deposits and reserves in gold certificates of not less than 40 percent against its Federal Reserve notes in actual circulation: *Provided, however,* That when the Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued to the bank such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation.'

"(4) The fifth and sixth sentences of the third paragraph are amended to read as follows: 'Notes presented for redemption at the Treasury of the United States shall be paid out of the redemption fund and returned to the Federal Reserve banks through which they were originally issued, and thereupon such Federal Reserve bank shall, upon demand of the Secretary of the Treasury, reimburse such redemption fund in lawful money, or if such Federal Reserve notes have been redeemed by the Treasurer in gold certificates, then such funds shall be reimbursed to the extent deemed necessary by the Secretary of the Treasury in gold certificates, and such Federal Reserve bank shall, so long as any of its Federal Reserve notes remain outstanding, maintain with the Treasurer in gold certificates an amount sufficient in the judgment of the Secretary to provide for all redemptions to be made by the Treasurer. Federal Reserve notes received by the Treasurer otherwise than for redemption may be exchanged for gold certificates out of the redemption fund hereinafter provided and returned to the Reserve bank through which they were originally issued, or they may be returned to such bank for the credit of the United States.'

"(5) The fourth, fifth, and sixth paragraphs are amended to read as follows:

"'The Federal Reserve Board shall require each Federal Reserve bank to maintain on deposit in the Treasury of the United States a sum in gold certificates sufficient in the judgment of the Secretary of the Treasury for the redemption of the Federal Reserve notes issued to such bank, but in no event less than 5 percent of the total amount of notes issued less the amount of gold certificates held by the Federal Reserve agent as collateral security; but such deposit of gold certificates shall be counted and included as part of the 40 percent reserve hereinbefore required. The Board shall have the right, acting through the Federal Reserve agent, to grant in whole or in part, or to reject entirely the application of any Federal Reserve bank for Federal Reserve notes; but to the extent that such application may be granted the Federal Reserve Board shall, through its local Federal Reserve agent, supply Federal Reserve notes to the banks so applying, and such bank shall be charged with the amount of notes issued to it and shall pay such rate of interest as may be established by the Federal Reserve Board on only that amount of such notes which equals the total amount of its outstanding Federal Reserve notes less the amount of gold certificates held by the Federal Reserve agent as collateral security. Federal Reserve notes issued to any such bank shall, upon delivery, together with such notes of such Federal Reserve bank as may be issued under section 18 of this act upon security of United States 2-percent Government bonds, become a first and paramount lien on all the assets of such bank.

"'Any Federal Reserve bank may at any time reduce its liability for outstanding Federal Reserve notes by depositing with the Federal Reserve agent its Federal Reserve notes, gold certificates, or lawful money of the United States. Federal Reserve notes so deposited shall not be reissued, except upon compliance with the conditions of an original issue.

"'The Federal Reserve agent shall hold such gold certificates or lawful money available exclusively for exchange for the outstanding Federal Reserve notes when offered by the Reserve bank of which he is a director. Upon the request of the Secretary of the Treasury the Federal Reserve Board shall require the Federal Reserve agent to transmit to the Treasurer of the United States so much of the gold certificates held by him as collateral security for Federal Reserve notes as may be required for the exclusive purpose of the redemption of such Federal Reserve notes, but such gold certificates when deposited with the Treasurer shall be counted and considered as if collateral security on deposit with the Federal Reserve agent.'

"(6) The eighth paragraph is amended to read as follows:

"'All Federal Reserve notes and all gold certificates and lawful money issued to or deposited with any Federal Reserve agent under the provisions of the Federal Reserve Act shall hereafter be held for such agent, under such rules and regulations as the Federal Reserve Board may prescribe, in the joint custody of himself and the Federal Reserve bank to which he is accredited. Such agent and such Federal Reserve bank shall be jointly liable for the safekeeping of such Federal Reserve notes, gold certificates, and lawful money. Nothing herein contained, however, shall be construed to prohibit a Federal Reserve agent from depositing gold certificates with the Federal Reserve Board, to be held by such Board subject to his order, or with the Treasurer of the United States for the purposes authorized by law.'

"(7) The sixteenth paragraph is amended to read as follows:

"'The Secretary of the Treasury is hereby authorized and directed to receive deposits of gold or of gold certificates with the Treasurer or any Assistant Treasurer of the United States when tendered by any Federal Reserve bank or Federal Reserve agent for credit to its or his account with the Federal Reserve Board. The Secretary shall prescribe by regulation the form of receipt to be issued by the Treasurer or Assistant Treasurer to the Federal Reserve bank or Federal Reserve agent making the deposit, and a duplicate of such receipt shall be delivered to the Federal Reserve Board by the Treasurer at Washington upon proper advices from any Assistant Treasurer that such deposit has been made. Deposits so made shall be held subject to the orders of the Federal Reserve Board and shall be payable in gold certificates on the order of the Federal Reserve Board to any Federal Reserve bank or Federal Reserve agent at the Treasury or at the Subtreasury of the United States nearest the place of business of such Federal Reserve bank or such Federal Reserve agent. The order used by the Federal Reserve Board in making such payments shall be signed by the Governor or Vice Governor, or such other officers or members as the Board may by regulation prescribe. The form of such order shall be approved by the Secretary of the Treasury.'

"(8) The eighteenth paragraph is amended to read as follows:

"'Deposits made under this section standing to the credit of any Federal Reserve bank with the Federal Reserve Board shall, at the option of said bank, be counted as part of the lawful reserve which it is required to maintain against outstanding Federal Reserve notes, or as a part of the reserve it is required to maintain against deposits.'"

Page 8, line 4, after "Treasury", insert "with the approval of the President"

Page 8, line 11, strike out all after "President" down to and including "act" in line 15.

Page 8, line 23, after "Treasury", insert "with the approval of the President"

Page 9, after line 13, insert:

"(c) All the powers conferred by this section shall expire 2 years after the date of enactment of this act, unless the President shall sooner declare the existing emergency ended and the operation of the stabilization fund terminated; but the President may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such emergency."

Page 10, line 4, after "require", insert "; except that such powers shall expire 2 years after the date of enactment of the Gold Reserve Act of 1934 unless the President shall sooner declare the existing emergency ended, but the President may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such emergency."

Page 10, after line 4, insert:

"Paragraph (2) of subsection (b) of section 43, title III, of an act entitled 'An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes', approved May 12, 1933, is amended by adding at the end of said paragraph (2) the following:

"'The President, in addition to the authority to provide for the unlimited coinage of silver at the ratio so fixed, under such terms and conditions as he may prescribe, is further authorized to cause to be issued and delivered to the tenderer of silver for coinage, silver certificates in lieu of the standard silver dollars to which the tenderer would be entitled and in an amount in dollars equal to the number of coined standard silver dollars that the tenderer of such silver for coinage would receive in standard silver dollars.

"'The President is further authorized to issue silver certificates in such denominations as he may prescribe against any silver bullion, silver, or standard silver dollars in the Treasury not then held for redemption of any outstanding silver certificates, and to coin standard silver dollars or subsidiary currency for the redemption of such silver certificates.

"'The President is authorized, in his discretion, to prescribe different terms and conditions and to make different charges, or

to collect different seigniorage, for the coinage of silver of foreign production than for the coinage of silver produced in the United States or its dependencies. The silver certificates herein referred to shall be issued, delivered, and circulated substantially in conformity with the law now governing existing silver certificates except as may herein be expressly provided to the contrary, and shall have and possess all of the privileges and the legal-tender characteristics of existing silver certificates now in the Treasury of the United States or in circulation.

"'The President is authorized, in addition to other powers, to reduce the weight of the standard silver dollar in the same percentage that he reduces the weight of the gold dollar.

"'The President is further authorized to reduce and fix the weight of subsidiary coins so as to maintain the parity of such coins with the standard silver dollar and with the gold dollar.'"

Page 12, strike out line 11.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. LUCE. Reserving the right to object, not to criticize or oppose, but in order to acquaint certain citizens of the country with the result of the expression of views on the part of the minority when the bill was under consideration. These citizens believe that there should be no criticism of anything the President may propose. Here is a striking instance of the value of the minority, whose function and whose duty it is to criticize. We did not secure all we wished, but in one important particular evidently the President was persuaded to recommend or permit a change. So many of our citizens these days believe that there should be no opposition on the part of the minority. It ought to be called to their attention that the minority here is usefully functioning and that in every 2-party system of government there ought to be a critical minority bent on improving where it can the measures that the majority presents.

Mr. McFADDEN. Mr. Speaker, I reserve the right to object. These amendments are of the gravest importance. I am interested to know whether or not the majority is going to give the minority any explanation or attempted explanation of the important provisions of these amendments, or are we going to pass them without any record being made or any explanation to the minority or the country by the majority?

Mr. SOMERS of New York. Mr. Speaker, may I inquire whether the former Chairman of the Banking and Currency Committee, a banker in a great banking institution in Philadelphia, is going to ask what is legal tender or whether Hawaii is included in the bill? If the gentleman wants a straightforward answer to any question, I will be glad to give it to him at any time, and I shall now endeavor to do so. Eight amendments were tacked onto this bill by the Senate. The first amendment, and the longest amendment, is the least important. It is simply a change of method. Where the House employed the method of striking out single words and inserting in lieu thereof other words, the Senate has used a broader method of explaining in more detail the amended act.

Amendment 2 simply reads "with the approval of the President", following the word "Treasury", on page 8, line 4. I think that is very simple. On page 8, line 11, they strike out all after the word "President" down to and including the word "act", in line 15. That is the House amendment, which is no longer necessary under the new Senate amendments. Amendment numbered 4, page 8, line 23, after "Treasury", insert "with the approval of the President."

The next two amendments, amendments 5 and 6, are the important amendments. They limit the duration of this fund, and the authority to devalue, to a period of 2 years, except that the President has the right by proclamation to extend it 1 year more. The other important amendment is amendment numbered 7, which appears on page 10, line 4. That provides for the issuance of silver certificates against any silver reserve we have in the Treasury. It also provides for maintaining equilibrium of the prices through a difference in seniorage for home-produced silver and foreign-produced silver. It further provides that the weight of silver in our currency and coinage shall not be reduced out of proportion to the reduction in the weight of gold in the dollar. Does that satisfy the gentleman?

Mr. McFADDEN. Mr. Speaker, the explanation is about as clear as mud. I do not accept it as an explanation in detail of these important amendments, though I presume it is all the explanation that we are going to get. In connection with the amendments that are offered, will the gentleman state whether these gold certificates which are supposed to be issued by the Secretary of the Treasury and given to the Federal Reserve are actually redeemable in gold?

Mr. SOMERS of New York. The gentleman knows very well that this is a system of managed currency. Let us be fair and reasonable. Does the gentleman know of any managed currency that redeems in gold? I do not.

Mr. McFADDEN. I am asking the gentleman whether these particular gold certificates are redeemable in gold.

Mr. SOMERS of New York. Of course not, except in the discretion of the Secretary.

Mr. McFADDEN. Then, what is the use of issuing gold certificates to the Federal Reserve in payment for their gold, when these certificates are not redeemable in gold?

Mr. SOMERS of New York. To limit their currency issue.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider the vote by which the Senate amendments were agreed to was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. GUYER. Mr. Speaker, I ask unanimous consent to proceed for 25 minutes.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Mr. Speaker, I reserve the right to object.

Mr. GUYER. I shall probably not use more than 15 minutes.

Mr. BYRNS. Mr. Speaker, there are two rules which it is stated will not take very much time of the House to be disposed of this afternoon. It is imperative that one of those rules pass today. Would the gentleman mind deferring his request until these rules can be disposed of?

Mr. GUYER. Certainly not.

Mr. BYRNS. I do not know what the situation is with reference to the Louisiana contest, but those are the only matters to come before the House today. I am sure the gentleman will have full opportunity to make his address later. I am very anxious to hear it myself.

The SPEAKER. The gentleman withholds his request.

A TRIBUTE TO GEORGIA

Mr. BYRNS. Mr. Speaker, on January 28, yesterday, the gentleman from Georgia [Mr. PARKER] delivered a very excellent and eloquent address at the Washington Memorial Chapel, Valley Forge, Pa. I am sure every Member will be interested in reading it. I ask unanimous consent that I may be permitted to insert that address in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. Homer C. Parker, of Georgia, in the Washington Memorial Chapel, Valley Forge, Pa., January 28, 1934; also article entitled "A Tribute to Georgia", by the Cedartown High School:

ADDRESS OF HON. HOMER C. PARKER, OF GEORGIA

My friends, it is with pardonable pride that I am here today to represent the great State of Georgia and to pinch hit for her courageous Governor on this occasion. Governor Talmadge, who delegated to me this delightful duty, paid me a high compliment in so doing. It is an honor to speak for Georgia anywhere and at any time. To me it is a pleasure and a privilege to represent Georgia's Governor. In our State we often use the slogan, "It is great to be a Georgian."

Perhaps you would be interested in knowing just who I am and whence I came. My name is PARKER, and I originated in Georgia. I have the honor of representing the First Congressional District of Georgia in the Congress of the United States. More than a third of a million people live in the district that I represent. The city of Savannah lies in the First District, which

is not only first in name but in fact also. It was at Savannah that James Edward Oglethorpe founded the Georgia Colony on February 12, 1733. Georgia has recently celebrated the two hundredth anniversary of her birth. The Georgia Bicentennial Commission, of which our great President, who oftentimes refers to Georgia as his other State, was the honorary head, completed its program and brought to an end the bicentennial celebrations on November 18 last, at which time the President of the United States visited Savannah and made an address to tens of thousands of our people.

My home is in Bulloch County, one of the 18 counties of the First Congressional District. This county was named for Archibald Bulloch, Georgia's first Republican President. The office that he held corresponds to that of Governor at this time. Archibald Bulloch would have signed the Declaration of Independence on behalf of the State of Georgia had it not been for the fact that his official duties required his presence elsewhere at the time the document was actually signed. He was the great-grandfather of Theodore Roosevelt, and, if I am correctly informed, he was the great-great-grandfather of Mrs. Franklin D. Roosevelt, America's first lady.

Georgia, as you know, was the fourth State to enter the Union of States. It is for this reason that the fourth Sunday in this year has been set apart by you as "Georgia Day." This, I believe, is the eleventh year that you have honored yourselves and your community by paying a tribute of love and respect to our honored dead who suffered so gallantly at Valley Forge.

In attempting to deliver an address at this shrine of patriotism, I am acutely aware of the difficulties which beset me, for I realize that the tremendous significance of Valley Forge has been spoken of by eloquent orators and written about by gifted writers for so many years that there is little original thought that anyone may hope to contribute to the volumes that have already been expressed.

The service today is dedicated to Georgia, the infant Colony at the time of the Revolution but which, despite its youth, took a part in the Revolution of which its citizens may well be proud. Georgia's part in the War for Independence was none the less distinctive, although it was far removed from the thick of the conflict.

It is pleasing for me to note that Georgia, despite its remoteness from this historic valley and the fact that it was beset with hostile Indians and Spaniards, in addition to the British, made one definite, and I am constrained to say important, contribution to the hard-won success of the encampment here. I refer to Gen. Lachlin McIntosh, of Georgia, who was in command of the southern troops, notably the Carolinians, at Valley Forge. This distinguished Georgian was one of General Washington's brigadiers, and his worth is attested by the high esteem in which he was held by the great general himself.

General McIntosh came to Georgia from Scotland when he was a boy, and his departure from his native land was largely caused by the confiscation of his father's property by the English following the unsuccessful rebellion of 1715. His father lived in poverty and obscurity from that time until 1736, when he accepted General Oglethorpe's invitation to settle in the new Colony of Georgia.

Lachlin McIntosh's father, John More McIntosh, settled on the Altamaha River in 1736 with 130 other Highlanders. Their place of settlement was named "New Iverness", and it lives today under the name of "Darien."

Naturally the blood of freemen ran high in the elder and the younger McIntosh, for both had suffered at the hands of an oppressor. General McIntosh's father took part in the campaign of 1740 against the Spaniards in Florida as the commander of the Highlanders who invaded Florida by land, while General Oglethorpe went by the water route. In this campaign the elder McIntosh was wounded and imprisoned by the Spaniards, who sent him to Spain, where he remained in captivity for many years.

Lachlin McIntosh and his elder brother, when Lachlin was 13 years old, heard of a second attempt to be made by the Stuart pretender against the ruling house in England. Young McIntosh, eager to aid in restoring the Stuarts to the throne, attempted to return to Scotland by hiding himself and his brother on the ship that was taking General Oglethorpe back to England. They were discovered and Oglethorpe himself dissuaded the eager boys and exacted a promise that they would never attempt such an effort for the Stuarts.

I cite these occurrences in the life and background of General McIntosh in order to show the warrior strain that was in him and and his inbred love for freedom. Indeed, this gallant soldier, who had a command at Valley Forge in the dark days of 1778, was, by nature and training, well qualified for the arduous tasks that fell to him, and I can say, without exaggeration, that Lachlin McIntosh represented the finest qualities of manhood that had at that time been produced by the young Colony of Georgia.

In this splendid character and brave soldier I feel that we Georgians can rightfully claim a part in the sacred achievements of that encampment on this historic spot. In emphasizing the presence at Valley Forge of General McIntosh, I take particular pride because his old home is in the First Congressional District of Georgia and the section in which he was reared has been, with great justice, named McIntosh County. Darien, Ga., formerly called Iverness, is the county seat.

It so happened that when quarters were assigned to the various commanders here McIntosh was given the poorest quarters in the lot. All quarters were comparatively poor and not in any sense to be compared with the luxurious lodgings of the British in Philadelphia, but McIntosh's were even poorer than those of his fellow officers, since he was quartered in a house that had been occupied by Negroes. Although his fellow officers were given more livable quarters than was McIntosh, there is no record of any effort by him to secure quarters more suitable for an officer of his rank. Indeed, so far as the records show, he shouldered his added share of the burden and discomfort with the fortitude of a gallant soldier.

General Washington's opinion of Georgia's gallant general is attested by the various difficult commissions that he gave McIntosh to perform. The most notable of these perhaps was the command given him to defend the western portions of Pennsylvania and Virginia. The Indians had been inflamed by the British and were fighting the Americans on this frontier, and the hazardous task of defending these outposts was given to McIntosh. I hope the somewhat lengthy exposition I have given in referring to General McIntosh has not imposed upon you too much. The fact is, I am proud of this officer, who was one of the commanders at Valley Forge, and I am most anxious that credit be given to him for his contribution to the cause of liberty as it was evidenced by the heroic fortitude displayed by him in this sacred community.

My friends, I think it is fairly well agreed that American independence was determined at Valley Forge. Deciding battles were fought elsewhere. Heroic victories were won in other colonies, and hardships and suffering were rife throughout the Colonies generally, but a careful analysis of the facts surrounding Valley Forge leads me to believe that the unflinching courage with which Washington's war-worn, ragged army withstood the onslaught of a fierce winter in this historic community and emerged from the ordeal with its loyalty and patriotism undiminished marked the real turning point in our war for independence.

It was within this valley that the courage and patriotism of that little army was tried and found to be sufficient, and it was this self-same courage and determination that enabled that tattered army to withstand the attacks of highly trained, well-equipped British regulars, and finally at Yorktown to see the surrender of Cornwallis and the resultant establishment of the liberty of the American people.

It may be truly said, I think, that the real valor and courage of America was determined in this historic valley, and after Washington's threadbare and hungry soldiers emerged from this ordeal they knew full well that no other force could defeat them.

As was written during the dark winter of 1778, "These are the times that try men's souls", so indeed and in truth those were the times that tried the souls of the American people. But as the inferno of the blast furnace changes raw ore into tempered steel, so did the ordeal of Valley Forge change a discouraged, sick, and hungry army of soldiers into an army with a triumphant spirit that went forth from here to achieve a victory that started the world on a new era of self-government.

This was the sacred spot which represented our valley of the shadow of death. Our hopes and fears and ambitions were all centered here during that bitter winter of hardship, and Washington's army marched out of this valley of the shadow to establish a new civilization that has realized hopes and ambitions far beyond the dreams of the most ardent patriot of those stormy times.

As I talk to you of that soul-trying ordeal of 1778, I cannot but think of another valley of the shadow through which the American people are passing and which, I am thankful to say, they will withstand with the same fortitude that characterized Washington's army in this hallowed territory.

Just as Washington's army was threadbare, hungry, and cold during the winter of 1778, so for three long winters have a vast proportion of our entire people been denied the comforts of adequate food, clothing, and shelter. Just as this sacred valley witnessed the suffering of Washington's soldiers, so has every city, town, and settlement witnessed the tragic suffering of millions of our fellow countrymen. In this instance, though, it is not merely the men who are denied the necessities of life, but the women and children also share the destitution. Through the bleak winters of the past 4 years we have seen the rank and file of our people go through an ordeal of suffering that usually characterizes a land that has been devastated by a cruel, heartless, invading army.

In these desolate years we have seen our whole people bear up under their hardships with the same spirit of self-sacrifice and fortitude with which Washington's army braved the cold and hunger 156 years ago. Just as Washington's followers patiently waited for the dawn of victory, so are the poor and oppressed of this day enduring hunger, cold, and suffering, awaiting the coming of a new and better day.

My friends, I think the fortitude of Washington's Army at Valley Forge can only be likened to the bravery with which our whole people endured the terrible years from 1930 to 1933. They did not desert their ideals and institutions, just as Washington's soldiers did not desert their ideal of liberty in 1778. With their wives and their children hungry, our brave men accepted what was given them, and with faith in their great country they waited day after day, month after month, and year after year for the return of plenty, or the return of at least a meager living.

In tenements and on farms, in mines, and in villages the men, women, and children of America adhered to their ideals in a time of national distress and patiently waited for a leadership that would guide them from the wilderness.

I think the comparison may be carried even further, for when the Army of Washington evacuated Valley Forge in June of 1778 victory had not then been achieved but the worst part of the war was over. Similarly the victory over want and hunger has not yet

been completed, but we know that today millions of people are able to earn their daily bread who 12 months ago were suffering untold hardships. Victory has not been won over the forces of oppression and despair, but the darkest hour has been passed, and it is my belief that just as the fortitude and bravery of Washington's army at Valley Forge paved the way for the triumph at Yorktown in 1781, so will the fortitude of the American people make possible a victory over oppression and poverty that will be just as significant to the future of our country as was the victory over Cornwallis at Yorktown.

In neither instance was victory assured until the valley of the shadow had been entered into and safely and courageously left behind. I believe the trials which our people have undergone in the past 4 years will result in a new regime of economic liberty that will mean as much to this Nation as the political liberty that was won by the Revolution.

Tatters and rags were the uniforms of the soldiers at Valley Forge, but this sad raiment did not drive them to despair as they fought the magnificently uniformed troops of George the Third. And as rags and tatters were the clothing of our Revolutionary troops in their war against political tyranny, so have our people been clothed in ragged and tattered garments in their grim and silent stand against the forces of economic despotism that in the recent past has seen millions of them deprived of food, clothing, and shelter.

When Washington marched his army out of this valley in 1778 the only tangible sign of encouragement was the treaty with France that had been signed the month before in Paris, but this little army, with only one ray of hope 3,000 miles away to cheer it onward, went forth from Valley Forge to achieve a triumph that has rung on down through the centuries.

So it is with our people at this time. They have signs of encouragement as they now strive to provide themselves and their loved ones with the necessities of life. Their spirit and their efforts indicate a deeper confidence in themselves and in their leaders. They know that they have been tried in their firey furnace of abject poverty and that they have withstood for 4 years the assaults of hunger and cold. They have survived this ordeal and now they know that their souls have been proven and that they, with the leadership that has been given them, can march forward to a victory as decisive as that of Yorktown. Their souls have been tried and proven true, as were the souls of Washington's Army at Valley Forge, and with the courage, the faith, and the patience of the American people they will emerge into the bright sunshine of plenty.

Before delivering the above address the Congressman was requested by Dr. Prevost, the rector of the chapel, to read A Tribute to Georgia, by the Cedartown High School. Mr. PARKER read the following:

A TRIBUTE TO GEORGIA

By the Cedartown High School

My friends, we people of Georgia have just brought to a close a year of celebration which marked the bicentennial of the founding of our State. Of our progress and growth during these 200 years we are justly proud; in fact, we feel that if the spirit of our founder, Gen. James Edward Oglethorpe, could return to earth today and miraculously view, in one great panoramic sweep, the glorious history of his Georgia, now grown into the charming and hospitable Empire State of the South, his heart would swell with pride to see all his fondest dreams realized, and more, much more, of which he never dared to dream.

Could it have been his privilege to stand before us here today to pay this tribute to her, the embodiment of his dream, I fancy that such words as these could well have been his:

"Georgia, my daughter fair, I labored faithfully many years ago to lay for you a firm foundation. Then I entrusted to you the task of going forward along all the paths that were right and good. My heart rejoices, therefore, to find that you have ever been true to that sacred trust.

"I returned to my native England, you know, before I had opportunity to realize quite how beautiful a land was yours. I little dreamed, for instance, that many miles to the northward from Yamacraw Bluff and the blue waters of the Savannah there stretched the magnificent foothills of the Blue Ridge Mountains and the Appalachian Range. Small wonder now I find that all who know you praise your beauty, with your purple mountains, your broad green fields, your red old hills, your ample forests, and your gently flowing streams.

"Nor are these all, for along whatever highway or trail one chances to wander, one finds fields rich unto the harvest—broad acres of snowy cotton, groves of the finest nuts, amber waves of grain, orchards laden with luscious fruits, and fields gaily red with peppers, or soberly green with melons and cane, or somber and brown with the ripening leaves of the tobacco plant. All of these you have in abundance, O Georgia, more because the seasons smile indulgently upon you, and God has been generous in lavishing upon you a diversity of climate and soil unequaled anywhere else in the South."

Thus would Oglethorpe praise the natural resources of our State, but I believe that he would not be content with this—he would go a step further and we would hear him say:

"Moreover, as I look far and wide across your 58,000 square miles, I see scattered here and there fair cities, centers of industry and trade, whose 4,800 manufacturing plants fairly hum a tune of progress and industrial development. I catch glimpses, too, of valuable minerals and ores being brought forth from the rock-ribbed hills and fertile valleys, and I see your network of railways, highways, air routes, and ports that link you up with every section of this great United States.

"Nor am I proud of these alone. I am happier still over your unsullied records upon the pages of history. At every strategic point in the Nation's struggles you have contributed freely and bravely of your valor and your manhood, as such illustrious names as these bear eloquent witness: There are your celebrated signers of the Declaration of Independence, George Walton, Lyman Hall, and Button Gwinnett; such loyal and stanch champions of your cause as John B. Gordon, Alexander H. Stephens, Benjamin H. Hill, Robert Toombs, William H. Crawford, and Henry W. Grady; and names so universally honored and loved as Crawford W. Long, Joel Chandler Harris, Sidney Lanier, Martha Berry, and many others, chief among whom is that much beloved and highly honored adopted son of yours, Franklin Delano Roosevelt."

Thus, I believe, would Oglethorpe speak, and then it seems to me that I can hear him add: "But greater far than all of these is that indescribable something which emanates from your people themselves—that human element that plays so large a part in every phase of life and gives to you, fair Georgia, a peculiar charm which all who come to know you quickly recognize and admire, and which not only draws strangers into your midst, but constrains them to linger with you and bask in the sunshine of your warm hospitality.

"This charm of personality is the outgrowth of a rich heritage of fine traditions to which your people have been able to cling with exceptional tenacity. This has been possible, I believe, because the pioneer strain has survived with remarkable purity within your boundaries, 99½ percent of your present-day citizens being American born, while the mountain people of your northern sections are known to have in their veins the purest Anglo-Saxon blood in all this country of yours.

"I find your people, O Georgia, to be sturdy, hospitable, home-loving, and God-fearing, possessing the same substantial characteristics as those which marked their worthy ancestors. They are eager, too, moving ever onward, 'their eyes alight' with the vision of a greater day. Each succeeding generation has found its problems, to be sure, but each has met them with a courage that has always brought victory, and so shall it ever be, because your ideals will never perish. Your old men shall continue to see visions and your young men shall ever dream dreams of a greater and more glorious State."

Thus would the spirit of Oglethorpe greet you today, my friends, and thus would he pay tribute to Georgia's past traditions, her present enviable record, and her future of untold possibilities. And, as he gives final expression to his fond and sincere wish for her continued prosperity, I can hear 3,000,000 loyal Georgians blend their voices with his in one mighty chorus as they say:

"Dear Georgia, thou imperial State,
Fair, God-blest ever be thy fate;
In commerce, labor, mine, or field,
May nature boundless treasures yield;
May the best plans thou hath in view
And all thy happiest dreams come true,
Till starlike shall thy splendid name
Shine on the pinnacle of fame."

THE ELLENBOGEN PLAN EMBODIED IN H.R. 6564 WILL PROVIDE TRUE RELIEF FOR HOME OWNERS AND WILL REVIVE THE CONSTRUCTION INDUSTRY

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a speech that I delivered yesterday on relief of home owners.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio address I delivered at Pittsburgh, Pa., January 28, 1934:

When we consider the plight of the home owner, we must keep in mind that his problem is not merely a financial one. The family home is closer to one's heart than anything else. Often it is the place where one was born, or the place one was able to buy after long years of hard labor—a place where there are invested not only the savings of a lifetime but the loving attention of many years.

Now, the economic disaster which has overtaken us all threatens the home. It threatens to dispossess the owner from the place where he lived for years and to put him and his family, literally speaking, on the street.

The home owners and the farm owners have a stake in the land. That little piece of land is theirs. They are rooted in it; they are wedded to it. If the home and farm owner are threatened with ruin, the entire economic structure is likewise threatened.

We have in the United States over 10,000,000 individual homes occupied by their owners. Against these homes there are mortgages outstanding of $21,000,000,000. If delinquent taxes, municipal liens, and judgments are added, the total indebtedness against the homes of the American people exceeds $25,000,000,000.

In Pennsylvania, according to the census of 1930, we have 1,056,000 urban homes. Assuming that at least one half of these

homes are mortgaged, which is a conservative estimate, we find that in Pennsylvania 528,000 urban homes are mortgaged.

It has been the custom in Pennsylvania to make mortgage loans for a period of 3 years. In 1931 it became difficult to obtain mortgage money, and since 1933 practically no mortgage money has been available in most parts of Pennsylvania. That means that a home owner whose mortgage has become due and who does not have sufficient money to pay off the mortgage (and very few home owners have that money) cannot repay it by obtaining a loan elsewhere. Most of the mortgages in Pennsylvania now in force were given in 1929, in 1930, and in prior years. They are overdue today. It is therefore, a conservative estimate to say that 75 percent of the mortgages—396,000 mortgages—are in default today.

Almost 400,000 home owners in Pennsylvania are in danger of losing their homes by sheriff's sale and of being dispossessed.

It is clear to every thinking person that such a situation is intolerable. The constant threat, the ever-pressing danger of instant foreclosure are a menace to the peace and good order of society. It is necessary to provide a status where a home owner will have reasonable assurance that he will be permitted to retain the ownership of his home and remain in possession thereof.

What I have said about home owners applies with equal force to the owners of farms.

Congress, at the special session in the spring of 1933, passed the Home Owners' Loan Act. I have discussed the provisions of that law many times over the radio and have written about it in the public press; therefore, it is unnecessary to review it now. But I do want to say that the relief afforded by the Home Owners' Loan Act of 1933 is inadequate. There are weaknesses and defects in the law. The administration of the act was disappointingly slow in the beginning. But the home-loan offices have now speeded up and are rendering more efficient service.

On last Thursday the Pittsburgh office of the Home Owners' Loan Corporation had actually closed 1,222 loans, amounting to $3,750,000. In Pennsylvania 3,299 loans have been closed up to that date, amounting to $9,555,810.24. In the United States, 65,349 loans, amounting to $157,001,108, were closed as of January 19, 1934.

I have given the plight of the home owners my constant attention for more than a year. Only last month I urged measures on the Pennsylvania State Legislature at Harrisburg for the relief of home owners—measures which were defeated by short-sighted and reactionary politicians.

On the opening day of the session I introduced in Congress two bills for relief of home owners which make fundamental changes in the law as it now exists. Later on I introduced a third bill, which consolidated these two bills and improved upon them and which is known as "House bill 6564."

I should like to discuss with you the main provisions and the underlying principles of that bill.

One of the main defects in the present law is that the bonds which the Home Owners' Loan Corporation issues in exchange for distressed home mortgages are unattractive. They are guaranteed by the Government of the United States only as to interest. Many building and loan associations, banks, and other financial institutions have refused to accept them.

The bill I have introduced provides that the bonds of the Home Owners' Loan Corporation shall be guaranteed both as to principal and as to interest by the United States Government, thus making them Government bonds. It will make the bonds the most desirable security listed on any of the financial markets in the United States or elsewhere.

The bill further provides that these bonds shall have the circulation privilege, a privilege enjoyed by all other Government bonds. That means that Federal Reserve banks or national banks may deposit these bonds with the Treasurer of the United States as security and then receive bank notes in an amount equal to the face value of the bonds. This will assure a ready market for the home-loan bonds at or about par.

My bill provides that instead of $2,000,000,000 the Home Owners' Loan Corporation shall have power to issue $5,000,000,000 of bonds. This increase is necessary to care for applications for loans which will be filed by home owners and for additional types of loans for which my bill provides.

The bill further permits the Home Owners' Loan Corporation to make loans for the construction of new homes.

In normal years about 4½ billion dollars were expended yearly in the construction industry. In the years from 1924 to 1926 in 257 cities of the United States over $2,000,000,000 were expended yearly in the construction of homes; in 1932 and in 1933, however, only a little more than $100,000,000 were expended in these 257 cities. Thus the yearly expenditure for the construction of new homes in these cities has fallen from $2,000,000,000 to a mere $100,000,000.

In normal years the building industry throughout the United States employs directly and indirectly about 4½ million people. Most of these 4½ million men are now unemployed. It is vital, it is imperative, that some measure be taken to revive the construction industry and give employment to its unemployed.

Therefore my bill provides that the Home Owners' Loan Corporation make loans of between a billion and a billion and a half dollars for the construction of new homes. This will revive the construction industry, provide homes that are needed, give employment to more than a million people, and will go a long way to bring about recovery.

All this will be done without the expenditure of a single dollar of Government money. The loans will be made in the new type of home-loan bonds. They will in no way affect the Budget or call for any expenditure by the Government of the United States. My plan provides the only method which has been suggested for the revival of the construction industry without the direct expenditure of millions of dollars by the Government.

The bill also provides that the Home Owners' Loan Corporation shall make loans on homes that are free of mortgages, up to 60 percent of the value of the home. Today the home owner who desires to borrow on his home is unable to do so. Under the bill the home owner obtains his loan in the new type of bonds of the Home Owners' Loan Corporation. Then he may sell the bonds or borrow money on their security at his bank. Since these are Government bonds, every bank will be willing to loan money on them. The home owner can then use the money for repairs of his home, for investment in his business, or for any other useful purpose.

There are many other features of the bill. By a careful study of the operation of the Home Owners' Loan Act I have found many defects, and I have removed these defects in the bill which I am sponsoring.

My bill has received national attention. It has been endorsed by the National Lumber Dealers Association, the National Lumber Manufacturers Association, by the Pennsylvania Real Estate Association, by the Pittsburgh Real Estate Board, and by many other organizations.

I discussed the bill with President Roosevelt at the White House. The President showed keen interest in the bill and was in sympathy with the principles underlying it.

I believe that this plan, in the form in which I have presented it, or in a modified form, will be enacted into law at this session of Congress.

At last true relief will be provided for the home owner. At last 400,000 home owners in Pennsylvania, whose mortgages are in default, will know that a way has been provided to save their homes and thereby to save them, and to rehabilitate our economic structure.

INSTALLATION OF THE PRESIDENT OF THE NATIONAL PRESS CLUB

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address delivered Saturday night by Gov. Paul V. McNutt, of Indiana, who was the guest of honor and principal speaker at the National Press Club, the occasion being the inauguration of the officers of the club for 1934. Mr. William C. Murphy, an Indiana man, chief of the Washington bureau of the Philadelphia Public Ledger, was installed as president of the club. Governor McNutt's address contains extensive journalistic history of the Hoosier State, and I feel it will be of interest to hundreds of people. I ask unanimous consent to insert it in the RECORD.

The SPEAKER. Is there objection?

Mr. LUCE. Reserving the right to object, Mr. Speaker, in previous Congresses, a colleague of mine from Massachusetts took occasion, whenever requests of this sort were made, to carry out his belief that the RECORD should not be used to carry remarks made by others than Members of Congress or those in high official position in Washington. I have observed in this session that no Member of either minority or majority has undertaken to continue that very useful work. May I ask the majority leader if it is not his belief that somebody on his side would consent to make a martyr of himself by serving the country in this fashion?

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROWE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

It devolves on me to give Mr. Murphy, as he is inducted into his high office, the blessings of his native State, to give him official notification of his enrollment in our hall of fame, to felicitate Post 20 of the American Legion on the selection of its first past commander as president of the club, and to congratulate the National Press Club upon its good fortune in again having an Indiana man at its head. In representing the State of Indiana on such occasions I have always been careful to conceal a natural feeling of State pride. I liked the patriotism of Lowell. He did not brag. To boast is an unfailing sign of provincialism and Indiana is neither provincial nor boastful. Therefore I will make only an objective statement of the truth, even though it may seem to be an understatement of the fact. The fact, gentlemen, is that Indiana is the fountainhead of the American newspaper world. It is therefore fitting and appropriate, I might say it is almost unavoidable, that this club in choosing its president should turn to a son of Indiana.

Many are those who, drawing the first breath of life in Indiana and receiving their early training there, have gone to positions of responsibility and prominence in the newspaper world, in the National Capital, and in the great metropolitan centers of the country. For 30 years and more that supreme product of a Century of Progress, which every morning begins the day by reminding itself that it is the world's greatest newspaper, has depended

upon a Tippecanoe County boy, John T. McCutcheon, for the cartoons which come nearer than anything else to justifying its claim. Public-spirited citizens of New York have turned to the ganglia of the brain trust on Morningside Heights and are trying to train a group of journalists who will redeem their city from the humiliation of having the world's greatest newspaper printed in Chicago. There is promise of success in their action in getting as dean of Columbia School of Journalism, some 3 years ago, Carl William Ackerman, of Richmond, Ind., a graduate of Earlham College. They are banking, also, on another Hoosier who maintained himself as a student at Butler College by working as a cub reporter on the Indianapolis News, Edwin C. Hill, star reporter, not only for the printed page but for the air.

Metropolitan and country newspapers alike, in large measure, depend for the gathering of the news on the press associations. At the head of one of these great organizations is another Indiana man, Kent Cooper, born at Columbus, student at Indiana University, married at Indianapolis, reporter on the Indianapolis papers, and called from that city to positions of constantly increasing responsibility with the Associated Press.

Another leader in this field, Roy Howard, who started as a newsboy in Indianapolis, became a reporter on Indianapolis papers, advanced rapidly in the newspaper field, became the head of the United Press, and is now the Howard of Scripps-Howard. The story of his life has replaced the Alger series in the libraries of youngsters who look to journalism as a profession.

Newspaper men often attain distinction in other pursuits. Many of Mr. Murphy's colleagues from Indiana belong to this list. A young reporter and staff correspondent of Indianapolis papers came to Washington about 30 years ago, and after 5 years of apprenticeship as private secretary to an Indiana Senator decided that what Congressmen needed most was an expert advertising consultant. Thomas R. Shipp became one. I am told that in 20 years he has made more reputations than the crash of 1929 destroyed, and that he has launched almost as many movements as has our present recovery program.

Ernest P. Bicknell graduated from newspaper work, chiefly in Indianapolis, into charity organizations and the vice-presidency of the American Red Cross. The world of books and magazines has turned Elmer Davis, a Rhodes scholar from Franklin College, Franklin, Ind., from the staff of the New York Times to the pursuit of pure and applied literature. He may well serve as an illustration of the high literary quality which our State gives to its newspaper writers.

Another son of Indiana, a predecessor of Mr. Murphy as president of the National Press Club, enjoys the unique distinction of being the first newspaper correspondent to go from the press gallery to a seat in Congress. Having gone "From Cornfield to Press Gallery", he stepped down, may I say it without disrespect, into the arena of the House itself; and, if rumor is correct, he is still asking himself, "What next?" If it were not inappropriate to suggest the technique of a political convention to a group of men to whom political conventions are a stale story, I would point with pride to our genial friend LOUIS LUDLOW.

May I also remind the president and members of the Press Club that at the capital of Spain, that country which discovered America and took possession of the larger part of it, the United States is now represented by an Indiana newspaper man, author, and orator—Claude G. Bowers. I am sure that if ever our relations with Spain become critical, one of Claude's keynote speeches will win the unanimous support of the Spanish Republic for friendly relations with the United States.

Meredith Nicholson, author of "The House of a Thousand Candles", and a score of other best sellers, produced his books after a newspaper apprenticeship. He has been called to the field of diplomacy, serving today as the American Minister to Paraguay.

Though many of those whom I have mentioned no longer reside in the Hoosier State, they come back to us often, and they still regard themselves as Hoosiers. Lest any of you should think that all of our great men in Indiana have moved away, I may say, not as a boast but as a simple statement of fact, that our Indiana newspapers continue to reap a plentiful crop of Pulitzer prizes and of the other honors of the newspaper world.

At the risk of embarrassing some who are present, I may also say that the present correspondents at Washington of our newspapers set a standard for their colleagues of which we are not ashamed. Though their papers may not all belong to the right political party nor appreciate to the full the blessings they enjoy under a Democratic regime, their Washington correspondents transmit to their constituents the earliest information and the clearest insight of the developments in this busy and complex center of government.

I want to say to you that those of us who are back at home are proud of our representatives in your number—Everett C. Watkins; Mark Thistlethewaite, James P. Hornaday—and of the others who keep us enlightened about the doings in Washington—Lowell Mellett, George Holmes, Frank Weller, Bob Anderson, Jepp Cadou, Ernest Lindley, Nelson Poynter, and Paul Leach.

Other Indianians in Washington newspaper work are Francis M. Stephenson, president of the White House Correspondents Association; Felix Bruner, Arthur Weil, Frederick William Wile, William S. Neal, W. Edward Jamieson, Perry Te Walt, Frank Hall, and Byron Price, chief of the Associated Press in Washington. In New York a Hoosier, Kenneth Hogate, is editor in chief of the Wall Street Journal.

Newspapermen, perhaps more than those in other professions, are influenced by the traditions and the background of their craft. Mr. Murphy and the others of whom I have spoken are the heirs of more than a century of first-class journalism and of generations of distinctive literature. Their careers really began when Elihu Stout (that was the way he pronounced his name), a Kentucky printer, brought a font of type and a press from Frankfort to Vincennes, Ind., and on the Fourth of July 1804 published the first issue of the Indiana Gazette. Undaunted by a fire which burned him out, he went back to Frankfort and brought a new outfit down the Kentucky and Ohio Rivers and up the Wabash to begin in 1807 the Western Sun, which still continues as our oldest paper.

William Hendricks was the owner of the second printing press set up in Indiana and established the Western Eagle, published at Madison, Ind., when Indiana was still a territory. When Indiana attained statehood in 1816, it elected Editor William Hendricks as its first Representative to Congress. He was later to serve as a United States Senator and as Governor. William Hendricks was an uncle of Thomas A. Hendricks who was to become one of the several vice presidents that Indiana has supplied to the Nation.

Fearless editors, and radical for those times, followed soon after. Frances Wright, in that center of enlightenment founded by Robert Owen, in 1828 began the publication of the resounding New Harmony and Nashoba Gazette, or Free Enquirer, to advocate the rights which few women then wanted for themselves and which no men were willing to concede, but which all women enjoy today. Henry Ward Beecher, while preaching at Indianapolis, published the Indiana Farmer and Gardener, which was sold to more than 1,200 subscribers for 50 cents per year. Solon Robinson, king of squatters and founder of Crown Point, Ind., became the country's leading agricultural writer and editor of that department of Horace Greeley's New York Tribune.

Schuyler Colfax rose from editor of a South Bend paper to become Vice President of the United States. John H. Holliday in 1869 became the pioneer of both politically independent and afternoon papers in the Middle West when he founded the Indianapolis News in 1869. He showed the mettle of Indiana journalism by getting out an extra the day before the first paper was published, an extra containing Grant's message on pensions, an extra which he himself printed and then sold in person on the streets. In his later life he made in vain a standing offer of $500 for a copy of this prenatal extra.

But a mere mention of energetic, fearless, and able Indiana newspapermen would rival Homer's catalog of ships or the genealogies of the Book of Numbers. In these days of restrained editorials, one would be startled by the vigorous editorial of the Indianapolis Sentinel written by one of the staff in 1887 when the Democratic supreme court of the State refused to intervene in the interest of the election of a Democratic lieutenant governor. The editor, who is said to have been worked up to a fighting pitch by this failure of members of his own party, and by liquid stimulants as well, published the editorial with an introductory sentence of his own which read, "Damn their cowardly souls." I might mention, also, as an example of one peculiar talent, a brilliant reporter who, after writing fiery editorials for his Democratic paper, wrote equally fiery answers, which he took down the alley and sold to its Republican rival.

No people anywhere have had a more genial critic of their virtues, vices, and their eccentricities than Kin Hubbard in his Abe Martin sketches, which have held up a mirror not only before Indiana but before the whole country.

Chic Jackson, with his comic strip, "The Roger Bean Family", in the Indianapolis Star, supplies an appetite at the Indiana breakfast table and takes high rank as a humorist.

Automobile advertising is a feature of every newspaper today. Be it remembered it was an Indianian, Elwood Haynes, who, at Kokomo, invented the first automobile, the "first horseless buggy."

I need not dwell upon the literary background from which our journalism springs. Perhaps more than in most States our literary men have been closely identified with the newspapers. John Finley gave currency to our patronym in the Carrier's Message, which he wrote under the title of "The Hoosier Neat." Sarah T. Bolton, author of such poems as Paddle Your Own Canoe, which have lived for nearly a hundred years, was a newspaperwoman. Mr. Murphy's native town of Crawfordsville was the home of Gen. Lew Wallace, still one of the most widely read American novelists, and of Maurice Thompson, whose first two books, one of which was Alice of Old Vincennes, inaugurated the institution of "best seller." I cannot take time to even enumerate the writers who have made this State the center of literature, as it is of population, of the United States; Edward Eggleston, Charles Major, James Whitcomb Riley, Gene Stratton Porter, Albert J. Beveridge, George Ade, Meredith Nicholson, and Booth Tarkington are only a few who are known to fame.

Margaret Weymouth Jackson, who wrote "Jenny Fowler", and John C. Mellett, who under the pen name, "Jonathan Brooks", wrote "High Ground" are among present day Indiana authors with a newspaper background. One of Indiana's distinguished playwrights is Maurine Watkins, who, after newspaper experience, wrote "Chicago", a Broadway hit for more than a year.

Albert J. Beveridge is remembered as an Indiana statesman, but his pen produced enduring monuments when he wrote "The Life of John Marshall", and his "Lincoln."

George B. Lockwood was a talented Indiana newspaper editor, but, as an author, he made an important literary contribution when he wrote "The New Harmony Movement" dealing with that early day communistic experiment at New Harmony, Ind.

A Washington newspaper—the Daily News—has Indiana men as heads of its several departments. Lowell Mellett is editor; Ernest Pyle is city editor; Nelson Poynter is business manager and Mark Ferree is advertising manager. Another Washington newspaper—

the Evening Star—has an Indianian, Oliver Owen Kuhn for its managing editor.

It has been more difficult than I had at first realized to refrain from bragging about Indiana; it has, indeed, been hard to keep from talking about our family. The fact is that we Hoosiers are proud of our State. Loyalty weaves of spirit a stronger cord than common sense can furnish fiber for. We are for those who see Indiana with all its wrinkles and its scars and who, therefore, also know it at its best—its resolute integrity, its unworded oath of allegiance to the whole truth, its century of pathmaking for the children of the wilderness toward the fullness of civilized life, its passion for a clean and just democracy. We are for those who see through the surface of our Indiana to its heart of gold and who then stand for it as one stands for his mother. Her garments are plain, her face is beaten with the storms of the ages, but she has sons and daughters who exult in such a mother. And far across the world I hear them singing—

"If I forget thee, let my right hand forget her cunning; let my tongue cleave to the roof of my mouth if I remember thee not."

We Hoosiers are also proud of the human product we have sent to other States and to the District of Columbia. We are pleased with this fine recognition which has now come to one of our number. We look upon the press of the country as one of our greatest institutions and upon newspapermen as our best friends, and we admire the National Press Club for the fine fellowship and esprit de corps it has created, for its achievements and for its hospitality. It is a pleasure to be your guest on such an occasion as this, and it is a pleasure to bring you the thanks and the appreciation of Indiana for the recognition you have given—not only of Mr. Murphy personally but of the place of Indiana in our national journalism.

Mr. BYRNS. If I may be pardoned for a moment, I should like to say to the gentleman from Massachusetts [Mr. LUCE] that I think it would undoubtedly be to the interest of the Congress and of the country if this RECORD could be held to a strict history of what occurs in the two branches of Congress. Unfortunately, there is another branch of this body in which leave to print is given for anything that a Member of that body may ask. I think, therefore, there should be some liberality shown here if Members of the House ask to print matters which are of general interest to the Congress and to the country, because, if that is not done, the gentleman knows that those who want it inserted will simply appeal to a Member of another body and have it put in there.

I have wished that some agreement could be reached by the Senate and the House with reference to just what should be put into the RECORD and what should be denied, but until that is done, frankly, as a Member of the House, I have not been very much disposed to enter objections, except as to printed articles which can be read in the newspapers and in the periodicals of the country; but a speech, such as by the Governor of a State, as made in this instance, by our friend from Indiana [Mr. CROWE], which has no element of partisanship, and which the gentleman from Indiana tells us is a matter of exceeding interest, I personally have no objection to being inserted, and I think the gentleman should have that opportunity.

Mr. LUCE. May I submit to the gentleman, however, that there is no question of partisanship involved at all. It is a question of saving the public money. The colleague to whom I referred saved many, many dollars to the United States Treasury by his self-sacrifice. I would further call the attention of the gentleman to the fact that he is unintentionally imposing a hardship upon all of us because, while this fellow Member was functioning, we were able to tell our imploring constituents that we could not get into the RECORD some speech or editorial or magazine article because this man would object. Now, we have had that shield and buckler taken away from us.

Mr. BYRNS. I think it should be stated that the gentleman to whom my friend from Massachusetts refers, a former Member of this Congress, is Mr. Underhill, of Massachusetts. I say that because I know, and I think every Member of this House knows, that he rendered a splendid service to the country and saved hundreds of thousands of dollars by objections which he made from time to time, preventing extraneous matter going into the RECORD. I say that in deference to the splendid service rendered by Mr. Underhill. I have heard that the Public Printer has said, in his opinion, the objections made by Mr. Underhill saved the Treasury many thousands of dollars.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BLANTON. The minority has been wanting something to do. Why not turn this censorship over to the minority?

Mr. BYRNS. Oh, it is a privilege that any Member can exercise, of course.

Mr. RICH. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. RICH. I think this discussion is well worth while, because my constituents say to me that they have seen certain things in the CONGRESSIONAL RECORD, as if it were a matter of great regard for the country or matters of great importance, while it may be very trivial in reference to history. It seems to me that since the majority leader has spoken of the House and Senate getting together, I know of no better time than to start right now, and I believe if the gentleman would try to get a committee of the majority to confer with the Senate, probably we could stop a lot of this matter that is getting into the RECORD from being printed that is not vital to the welfare of the country.

Mr. BYRNS. We have a Joint Committee on Printing. I believe the gentleman is a member of that committee.

Mr. RICH. I am a member of that committee.

Mr. BYRNS. That is a duty which the gentleman, as a member of the Joint Committee on Printing, can perform.

Mr. RICH. The Joint Committee on Printing has not that authority when unanimous consent is given by this House. Would the gentleman advise me to stand up here every time some Member makes a request and object to it and refuse to put it in the RECORD? If the gentleman does, I will see that it is done.

Mr. BYRNS. Oh, the gentleman misconstrued what I said, but I believe if there is a committee of this House upon whom the responsibility primarily rests to protect the RECORD, it is the Joint Committee on Printing, of which the gentleman is a member, and I was simply pointing out to the gentleman, as a member of that committee, that there is a great service that he and his colleagues can perform if they will take it up and come to some agreement with his colleagues at the other end of the Capitol.

Mr. RICH. I will assure the majority leader of the House that I will call this to the attention of the Joint Committee on Printing, and if for any reason it is not inculcated in the law, I want the gentleman to know that it is the fault of the majority and not of the minority of this House committee, because I am going to insist that we eliminate a lot of this material that goes into the RECORD by Members of the House. If the majority of this committee does not see fit to cooperate with me, then I assure the gentleman it is the fault of the majority.

Mr. BYRNS. The gentleman cannot evade responsibility in that respect, because he has the same right to object to the introduction of extraneous matter in this RECORD that any other Member of the House has, whether he belongs to the majority or the minority. The gentleman cannot undertake to evade his personal responsibility by simply saying that he belongs to the minority and that the majority ought to protect the Treasury.

Mr. RICH. Mr. Speaker, I am interested to the extent that I want to see that a great deal of this matter is not put upon the taxpayers of the country, because I believe it is an injustice to them. While I do not want to object to anything a Member may want to do, I feel the Membership of this House should refrain from asking that the speeches of everybody all over this country be placed in the RECORD. It is not the right thing to do, and I object to it.

PHILIPPINE INDEPENDENCE

The Chair laid before the House the following communication:

JANUARY 29, 1934.

To the HOUSE OF REPRESENTATIVES.
(Through the honorable the Speaker),
Washington, D.C.

GENTLEMEN: We have been informed by cable that yesterday a huge demonstration and mass meeting was held in Manila attended by people from the city and the neighboring Provinces in

connection with the announcement of the action of the Senate Committee on Territories and Insular Affairs on January 23, 1934.

At the mass meeting those present approved a "resolution affirming the people's right to decide for themselves their destiny" and that "it is the sense of this meeting to favor and support the extension by 9 months of the acceptance period in the Hare-Hawes-Cutting law, as proposed by the Senate Committee on Territories and Insular Affairs, and petition Congress for the approval of such extension."

Complying with the request made by Messrs. Sergio Osmeña and Manuel Roxas on behalf of the people participating in the demonstration to submit the resolution to the President, to the Congress, and to the Committee, we are hereby doing it by this means.

Very truly yours,

PEDRO GUEVARA,
VAMILO OSIAS,
Resident Commissioners from the Philippines.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRAY. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on the subject of the revaluation of gold, and that I may have this time after consideration of the rule which is about to come up for consideration.

Mr. SNELL. Mr. Speaker, reserving the right to object, it seems to me the majority leader had some other business to come before the House, and the gentleman from Kansas [Mr. GUYER] has already asked permission to address the House at the conclusion of certain business mentioned by the majority leader.

Mr. BYRNS. I may say to the gentleman from Ohio that the gentleman from Kansas [Mr. GUYER] made a request for 25 minutes in order to address the House upon the character and the history of a former distinguished Member of the Senate, Hon. John J. Ingalls. I suggest, therefore, that the gentleman from Ohio withhold his request until we dispose of a couple of rules and possibly an election contest, which I do not think will take much time. The gentleman, of course, understands I shall have to make the same request of him that I made of the gentleman from Kansas, that he postpone his request to address the House until we dispose of certain business.

Mr. GRAY. I hope the gentleman will assure me of some consideration.

Mr. BYRNS. Yes. I do not think there will be any question but what both Members will have an opportunity to address the House later this afternoon.

CONSERVATION OF WILD ANIMAL LIFE

Mr. DRIVER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 237 and ask its immediate consideration.

The Clerk read as follows:

House Resolution 237

Resolved, That a special committee of 15 Representatives, to be composed of the Chairman of the Committee on Agriculture, Chairman of the Committee on Merchant Marine, Radio, and Fisheries, the 2 House of Representatives members of the Migratory Bird Conservation Commission, 7 Members of the House of Representatives from the majority political party, and 4 Members of the House of Representatives from the minority political party, to be appointed by the Speaker of the House, is authorized and directed (1) to investigate all matters pertaining to the replacement and conservation of wild animal life (including aquatic and bird life) with a view to determining the most appropriate method of carrying out such purposes; and (2) to report to the House as soon as practicable, but not later than January 3, 1935, the results of its investigations, together with its recommendations, for necessary legislation.

For the purpose of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the House in the Seventy-third Congress until the final report is submitted; to require by subpena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; and to take such testimony as it deems advisable.

Mr. DRIVER. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN], and I yield myself such time as I may need.

Mr. Speaker, the purpose of this resolution is to provide for a special committee of 15 Members of the House to make a thorough investigation and report to the next Congress on the conservation and propagation of wild life with a view to recommending such legislation as may be suitable in order to effectuate such purpose.

The necessity for legislation of this type at this time is due largely to the unusual activities of several departments of our Government, like activities by many of the State governments. For instance, the United States Department of Agriculture is today carrying on a program for the reduction of the principal crops of the country one of the most important features of which is the taking out of production the marginal lands of the country. These marginal lands today are in the hands of people who are attempting to make them productive and profitable in ordinary agricultural operations, and it is the use of these marginal lands that is largely responsible for the difficulties we encounter in connection with our major crops. The people who are operating these properties are making no economic headway; they are tilling these marginal lands under difficulties, but the result of their activities amounts to enough to so swell the volume of the major crops as to bring about in large measure the unusual conditions that exist.

Another department of our Government is engaged in teaching the value of timber production. This is a very live topic, one that is challenging the attention of the country today, for the depletion of our timber supply has become more and more a matter of grave importance to the industry of our Nation.

I can see no reason why the result of the operations on the part of these two governmental agencies should not offer to us in addition the values that will flow from the conservation and propagation of our timber supplies; in the removal from the marginal lands of the people who are today contending against unequal conditions, by adding to these large areas proper conservation of the wild life of our Nation.

I happen to come from a district through which passes one of the lanes used in the flights of our wild fowl from their breeding to their feeding grounds. We have in my State refuges established by the Government several years ago. One is near my home. It is a matter of no expense to the Government. I think only one game warden is employed in policing the game refuge, but he has a strong, active sentiment on the part of the local people to enable him to protect the game in the refuge.

During the fall season on the southern flight and during the spring season when the fowls are wending their way back toward their breeding grounds, thousands use this refuge and are fully protected. They rest, they feed, and again resume their flight. This lane along the Mississippi Valley is, I expect, one of the most frequented of all the bird-flight lanes in our Nation. All along the line there are areas which, without costing the Government one dollar, can be turned into refuges where the wild fowl will be protected. In addition, the States have created reserves. So with a minimum of expense we can secure complete and adequate protection for the conservation and propagation of wild life.

During the past year 13,000,000 hunting and fishing licenses were issued by the various States of the Union. This has brought an enormous revenue to the States; and the recreational values are beyond estimate. Therefore I think this is a matter of pressing importance; and impartial consideration of the whole question at the hands of Congress is justified.

The bill provides that a committee consisting of the Chairman of the Committee on Agriculture, the Chairman of the Committee on Merchant Marine, Radio, and Fisheries, the 2 House Members now on the voluntary Commission known as the "Migratory Bird Commission", 4 Members from the minority party, and 7 Members from the majority party of the House.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. I yield.

Mr. JOHNSON of Texas. I am wondering about the wisdom of having so many as 15 Members on the committee. Is not this a rather large committee?

Mr. DRIVER. This being a committee which serves without expense, the question being one affecting such widespread interest in this Nation, I think this large committee is entirely justified in the working out of the problem.

I think so further because the two committee members we draw from the voluntary commission are men who have some information on the subject.

Mr. JOHNSON of Texas. Do I understand, then, that a committee of this sort is proposed so that different sections of the country may be represented?

Mr. DRIVER. As nearly as possible. I think possibly I will anticipate another question if I proceed a little further.

It is provided in this resolution that the committee may make a thorough investigation. Of course, we cannot provide the necessary money with which to pay its expenses. There has been some question raised as to the possibility of an unusual expenditure in this respect. However, we are offering an amendment to the resolution providing that the hearings must be held in the District of Columbia, thereby avoiding any possibility of expense in connection with what is denominated as a "junketing trip" or an unusual expense by going here and there in the making of an investigation.

Mr. BLANTON. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from Texas.

Mr. BLANTON. I am glad to hear the gentleman make his statement, assuring the proposed amendment, because the resolution provides that the committee or any subcommittee may sit at such times "and places" it wanted to, which would not only embrace the United States but any foreign country as well. Without the amendment limiting its hearings to Washington, D.C., I would oppose the resolution.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. I am in hearty sympathy with the wild life, marginal land, and timber propagation program, but I wonder how the work of the committee as proposed by the resolution dovetails with the work that has been done by the Senate Committee on Wild Life and the President's committee on this subject? We have been reading in the newspapers about the work of the Senate committee and that of the special committee named by the President.

Mr. DRIVER. I will say to the gentleman from Alabama that it does not conflict with either of the committees the gentleman has mentioned.

Mr. HILL of Alabama. I was wondering whether or not the committee proposed in the resolution was going over ground that has already been covered. On last Friday or Saturday morning a joint committee, as I understand it, composed of representatives of the Senate Wild Life Committee and the President's committee on that subject had a conference with the President on the matter, and, as I understand it, the President's special committee has submitted a tentative report on the subject to the Secretary of Agriculture, and within a very short while will submit a final report. Is the committee which the House will now set up going to do a different piece of work, supplementing the work of the other two committees, or how is the work of this proposed committee to dovetail with the work of these two committees?

Mr. DRIVER. I will say to the gentleman that I believe the work of this committee will be so complete and extensive and will be in such intimate detail as to all phases of the question that there will be no reason to criticize the report of this committee at all. I do not say that the other report is not a complete report from the standpoint of the interest they have covered in the matter, but I will say that in my opinion the report is not sufficiently extensive and intimate with this question to justify legislation at the hands of this Congress.

Mr. HILL of Alabama. The gentleman would like to have a more comprehensive report, covering a wider field and with more detailed information? It that the purpose?

Mr. DRIVER. I would like to see the investigation cover not only the activities of our own departments of government but also the activities of the different States in their efforts to protect the wild life of the Nation.

Mr. SNELL. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from New York.

Mr. SNELL. Is it the intention of the gentleman to have this committee report a bill to the House or just submit a general report, as usual?

Mr. DRIVER. A general report with a recommendation as to the character of legislation which in their opinion will meet the demands provided for in this resolution.

Mr. SNELL. There will be nothing definite then as far as legislation is concerned?

Mr. DRIVER. No. I should not expect the committee to prepare a bill but to recommend appropriate legislation.

Mr. SNELL. I noticed the gentleman in his opening remarks said something about the timber supply of the country, and so forth. Is it expected that this committee will go into such a vast subject?

Mr. DRIVER. No; but I will say to the gentleman from New York, they will go into the matter to the extent of determining just how the conservation of the wild life and the areas devoted to timber culture may be coordinated, which will enable us to utilize these large areas which we are segregating for that purpose and use them for a dual purpose, giving values in both respects. I will say further to the gentleman from New York that I think an investigation into the possibilities of our national forests is a most useful one, and that there we can find an opportunity of great value through the devotion of such areas to the propagation and conservation of the wild life of the Nation.

Mr. SNELL. I did not understand exactly the reply the gentleman made to the gentleman from Alabama as to how this work would join in with the work of the Committee on Wild Life of the Senate. The Senate has a standing committee, have they not?

Mr. DRIVER. No. I understand it is a special committee. I will say to the gentleman from New York that they have made some investigation, but they have not made an investigation into the phases of the problems I think are most important to us today.

Mr. SNELL. Several of the Members over there have spoken to me about creating a committee of the House to cooperate with their committee. Would this proposed committee cooperate along this same line?

Mr. DRIVER. Of course they could do so, but the bill does not provide that they shall.

Mr. SNELL. It seems to me, if we are going to have two investigations, that they might be brought together in some way, so that both will have the same ultimate object.

Mr. DRIVER. I have no doubt that they will cooperate, but the bill does not provide for a joint committee.

Mr. SNELL. It is not expected that this will cost any money?

Mr. DRIVER. Not any more than the local investigation here. It would certainly be a minimum amount. We make no provision for any more than this.

Mr. WOLCOTT. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from Michigan.

Mr. WOLCOTT. There has been a growing need along the border between the United States and Canada for an investigation along this line for some years. Those of us along the Great Lakes have seen the American fishing industry of the Great Lakes seriously crippled in a great many instances, due to the fact that there has been no standardization of laws having to do with the conservation of fish in the Great Lakes by the United States and the Dominion of Canada. I merely wanted to clear up this point, whether or not in the gentleman's opinion the committee will have authority to go into that particular phase of the matter?

Mr. DRIVER. Beyond question.

Mr. WOLCOTT. And with respect to the report which is to be made to the House, may I ask whether or not it will be necessary to incorporate in this resolution some provision for a report to the Department of Commerce and the Department of State, as a condition precedent to some action by the State Departments of Canada and the United States, to correct this situation?

Mr. DRIVER. I do not think that is necessary, because this is a fact-finding committee we attempt to create and one that will report the results of its investigations in order

that we may provide appropriate legislation to carry out its recommendations.

Mr. GOSS. Will the gentleman yield?

Mr. DRIVER. Yes.

Mr. GOSS. I could see nothing in the resolution that should give any concern to any Member here until a moment ago when the gentleman made the statement that he hoped this investigation would go back into the various States, and this worried me somewhat. Most of our States have their own commissions on conservation, and so on. Just what did the gentleman mean by investigating what are the laws of the various States from a Federal viewpoint? Perhaps I misunderstood the gentleman.

Mr. DRIVER. I did not intend to convey such impression to the gentleman from Connecticut or to the House. What I meant to say was that this committee should take into consideration, in its investigation, the activities of the different States in their efforts to conserve wild life and suggest any manner in which we may cooperate with such local entities.

Mr. GOSS. And there is no disposition on the part of the gentleman to interfere with any of the laws of the various States.

Mr. DRIVER. Oh, no. I want them supported, and this work will be in direct cooperation with the various States.

Mr. DOXEY. Will the gentleman yield to me?

Mr. DRIVER. I am very pleased to yield to the gentleman from Mississippi.

Mr. DOXEY. Briefly, I am heartily in accord with the resolution. I have not had an opportunity to discuss it with the gentleman from Arkansas as I would like; but in view of the statement that the gentlemen from New York and from Arkansas have both made with reference to our national forests, I may say there are 42 national forests in the United States. The National Forest Reservation Commission has established 14 additional national forests. It looks to me as if this work as outlined here is closely related with the work of the National Forest Commission, just as the gentleman has stated.

As a member of the National Forest Reservation Committee, I may say to my distinguished friend that I am not looking for a place on this committee, as I am busy now almost beyond my capacities; but I feel that with the national forests in the picture to the extent they necessarily will be, the two Members on that commission from the House of Representatives should be members of this commission, for the work that is proposed to be done is work in which the members of the Forest Commission are vitally interested. The reason I say this is because the scope of this committee is broad, and the gentleman from Michigan [Mr. WOODRUFF] and myself are on this National Forest Commission as representatives of the Congress. We have been functioning and we have obtained information which is of value, and we are willing to cooperate with the proposed committee to the fullest extent. I do not make this statement as anything but a suggestion; but in the interest of the work I do say it is necessary that the national forests be considered, and the membership on that commission from the House, it seems to me, should have a place on this committee.

Mr. DRIVER. I have no doubt, I will say to the gentleman from Mississippi, that the information which the gentleman and his colleague have will be considered very seriously by the Speaker when he undertakes to select the membership of this committee.

Mr. TERRELL of Texas. Will the gentleman from Arkansas yield?

Mr. DRIVER. I yield to the gentleman from Texas for a question.

Mr. TERRELL of Texas. I understood the gentleman to say that the last paragraph of the resolution, with respect to authorizing the committee to hold hearings, will be stricken out.

Mr. DRIVER. Yes; an amendment will be offered to that part of the bill.

Mr. TERRELL of Texas. If that provision is to be stricken out and the committee is to sit in the District of Columbia, cannot the Biological Survey, which has agents all over the United States, dealing with these problems, get this information, and cannot the committee secure the information from that Bureau and any further information that may be necessary by corresponding with the game commissioners of the various States, as well as the members of the Survey in the various States?

Mr. DRIVER. I am sure it will be very informative to do that.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I am in favor of this resolution and its purpose because there is certainly a need in this country today for further consideration of the question of conservation. At this time in particular the matter of saving our migratory waterfowl is of great importance, and unless some steps are taken soon in this connection it may be too late. Any step looking to a consideration of the question which is followed by constructive and prompt action will be helpful.

However, I did not rise to urge the passage of this resolution, to which I anticipate there is little or no opposition, so much as to point out to the House that there is little use in passing resolutions of this kind if we are going to permit the Bureau of the Budget to cut the very heart out of the appropriations for the Biological Survey, the one Bureau of the Government which has the most to do with the matter of conserving wild life.

The recommendations of the Bureau of the Budget for the coming fiscal year approve appropriations of approximately 43 percent of those for 1934.

The disastrous effect which this cut in appropriations will have is even more apparent when the figures for the 2 years are broken down and it is seen what activities are affected.

Without doubt the most serious situation in the entire wild-life field today is that affecting migratory birds. During the past few years a combination of conditions, including drought, over hunting, and laid settlement, has resulted in an alarming decrease in the number of these birds. After a most careful survey of the situation in 1921 it was found that the waterfowl population in this country had reached the lowest point on record despite the effect of a shorter shooting season and in some respects better conditions. Since that time there has been no noticeable increase in numbers, and, in the opinion of all who have given the matter study, the waterfowl situation at this time is extremely critical.

In recognition of this fact $12,000,000 of the $25,000,000 which the Public Works Administration has allocated to the Surplus Relief Corporation for the purchase of submarginal agricultural land has been set aside to buy tracts which are suitable for migratory bird nesting and breeding grounds.

Now the question as to whether this expenditure will result in helping the situation depends upon the suitability of the tracts purchased for this purpose. This is entirely a scientific question, and involves many factors, including knowledge as to the breeding grounds of the various species, the protection afforded against enemies, availability of food supplies, and freedom from disease.

For years the Biological Survey has been studying just these things, and has not only developed a mass of information but a corps of experts who know how to interpret and apply the information acquired, as well as to secure such further knowledge as might be needed in purchasing land most suitable for the purpose intended. Yet, by reason of the cuts which have been made in the various appropriations, it is going to be necessary to discontinue practically all of its scientific work, and dismiss from the service the men who have spent years in building it up.

In other words, just as we are starting to spend $12,000,000 to buy these breeding and nesting grounds, we drive out of

the Government service the only men who can furnish the scientific information as to how and where this money should be spent. Suppose that when the Government began its public-building program in 1926 it had dismissed all the architects and engineers in the Treasury Department. Yet that would not have been any more ridiculous than the step which the administration seems about to take in this matter.

If the committee about to be created is to accomplish anything on behalf of conservation, it will have to depend for its information upon the work of the naturalists and scientists of the Biological Survey. How foolish is it, then, to cripple and almost destroy this work. Surely no better example of a penny-wise and pound-foolish system of economy could be found than this.

Let me call attention at this time to what has been done to that part of the appropriation for the Biological Survey which deals directly with the gathering of scientific information concerning migratory birds and their protection. For the current fiscal year there was appropriated $75,000 for the study of food habits of birds and animals. Of this amount cash withdrawals of $71,640 were permitted. This year the Department estimated that in order to carry on this work it should have an appropriation of $82,056. The Bureau of the Budget has recommended that this activity be discontinued and that no funds be appropriated whatever for that purpose. This means that all of the scientific work which the Bureau has been doing relative to the investigation of the food habits and economic value of migratory and other birds, including methods for their conservation, must be discontinued. It is essential, of course, that work be done along this line in order to determine the fitness for the purpose of proposed migratory breeding and nesting grounds.

For biological investigation there was appropriated for the current year $85,000. This year the Bureau of the Budget has cut the amount to $69,711, and I am advised that this will not leave any funds for the employment of naturalists and investigators to investigate and consider the merits of proposed nesting grounds and bird refuges. All the work which has been done in connection with the status of migratory birds under the treaty with Canada, as well as the taking of the bird census in recent years, has been done under this fund.

For the protection of migratory birds there was appropriated for the current fiscal year $198,190. This year the Bureau of the Budget recommends $118,210, at a time when protection is more urgently needed than ever.

Another very important part of the work of the Biological Survey is that carried on cooperatively with the States and other governmental units for the control of predatory animals and injurious rodents. This work depends for its effectiveness on its continuity. Stopping it for a year or two might undo all that has been accomplished. Yet for this year the Bureau of the Budget has cut the appropriation for predatory animal work to $91,343, as compared with $530,000 appropriated and $382,981 permitted to be withdrawn for the current fiscal year. In connection with this appropriation, it should be said that State, county, and private funds expended for this work in cooperation with the Government total approximately twice as much as the Federal appropriation. If the recommendations of the Bureau of the Budget are allowed to stand, it means that practically all of the program which has heretofore been carried out must be discontinued.

In recent years the Biological Survey has carried on work in connection with the production of fur-bearing animals. This is a most important activity, because in recent years the decline in the number of fur pelts of all kinds has been such as to create a great deal of uneasiness as to the future of the industry. The work which the Bureau has been doing includes a study of fur-market conditions and investigation of the methods of fur storage, research in fur-animal production, and development of fur farming. Most of this work to be effective depends upon its continuity and to discontinue it now means a serious loss.

I assume this resolution will pass and that a committee will be speedily appointed. I sincerely hope that it will go thoroughly into this entire question and suggest that one of its first duties should be to see that the Government bureaus dealing directly with conservation be given adequate appropriations so that they can make available to this committee the scientific information which will be needed if the committee is to secure a complete picture of the situation and the remedies which are needed.

Mr. HASTINGS. The gentleman's remarks are very interesting. I should like to know if the gentleman has in mind how much should be recommended for the Biological Survey? The gentleman said it was 43 percent of the current amount. Does the gentleman have in mind what the current amount is?

Mr. HOPE. The amount for the current year is $582,741, and last year it was $1,356,280.

Mr. HASTINGS. Is the gentleman on the subcommittee?

Mr. HOPE. I am not a member of the Appropriations Committee.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker and gentlemen, I have listened with much interest to what has been said on this subject. Of course, this is largely a matter concerning the western and southern sections of the country, but I wish to make a few remarks about the situation on the eastern seaboard.

I hope that I may be called a conservationist. I represent the Commonwealth of Massachusetts, in part—its right arm extended into the sea and the islands of Marthas Vineyard and Nantucket—where migratory birds are rather plentiful and much is made of the shooting season. I have lived to learn that many of the so-called "conservationists" in our section of the country own slaughter pens all the way up and down the eastern seaboard. After shooting in the northern zone they simply move their trappings to the central and then to the lower zones, making for themselves an almost continual shooting season. Those are the conservationists who largely contribute to the so-called "societies for the preservation of wild fowl" and who help to furnish the propaganda which goes all over the country to induce those who are true conservationists to insist on the restriction of seasons and on the restrictions of the rights of the natives in the localities which were settled by their forefathers in part because game and fowl abounded there.

Some of you may be familiar with these slaughter pens where trained geese are sent up to betray the wild ones by encouraging them to come down to their destruction. Such sportsmen are disappointed if one live wild goose escapes.

Mr. BERLIN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. BERLIN. Has the gentleman ever shot ducks or geese from a blind?

Mr. GIFFORD. No. But I have done some shooting of wild fowl in my earlier years.

Mr. BERLIN. Is the gentleman familiar with the slaughter pens he speaks of on the eastern coast?

Mr. GIFFORD. I am very familiar with them.

Mr. BERLIN. Would the gentleman state to the House where he has discovered slaughter pens on the eastern shore?

Mr. GIFFORD. Why, Mr. Speaker, I am just buying a tract of land to get rid of one of those slaughter pens, where sportsmen own shooting boxes and have caretakers and are notified by telephone and telegraph when the birds are flying. These men use the most modern paraphernalia and are usually successful in annihilating large flocks of birds. They are the conservationists who are urging the sort of legislation now in effect. I come from Cape Cod, where people settled many years ago, in part because of natural advantages such as the wild fowl which could be secured for food. Our people, who were accustomed to secure birds for food, are now—with much sarcasm—classified as "pothunters."

Our laws are now so framed that they can shoot for less than 3 months in the year and these conservationists spend their holidays with us and then in effect say to us, "Do not kill one of those birds until we get back next season." Many of these men follow the shooting from zone to zone and thus shoot nearly all the time. In much of the section which I represent wealthy men have bought up the lands around ponds is good shooting localities and by virtue of that ownership they control the shooting of wild fowl therein. These are some of the conservationists anxious for restrictive laws to be passed and who spread propaganda in favor of them. I have lived to see my own people hindered, fined, and actually imprisoned for going out and bucking wind and tide to get one brace of birds, which—many a time—was badly needed for sustenance. If they wish to go into the fields to shoot partridge and quail they have but 1 month in which to do it, and when that month arrives there come strangers in automobiles with pump guns and trained dogs who quickly shoot up the locality and then say, "See that you natives do not kill one of these birds until we get back next year."

We have a department in my State which boasts that it does not have to have an appropriation from the Commonwealth. Instead, fish and game clubs are formed in the different localities, often primarily for social reasons, and the members are inveigled into paying from $2 to $3.25 for a hunter's license, and from the money so secured the department is enabled to raise quail and partridge for this 1 month's shooting holiday. It has had the effect of virtually destroying the rights and liberties of my own people.

I do not want to see this wholesale shooting. I have done but a small amount of hunting myself. In former years I have fought the wind and tide in the pursuit of wild fowl, but in those days we felt exceedingly happy if we could get three or four birds. We earned them and, furthermore, we used them for food. Nowadays many of these so-called "sportsmen" are unhapply unless they can shoot the entire flock. Are they then to be classed as "conservationists"?

Now, we are to have a committee appointed to consider the taking of lands in my district—investigators have already been there—and it was proposed to condemn one particular large tract as a bird refuge. I was called to the town in which this tract was located and found every citizen thereof protesting against it. We have a large fish and game association in my section watchful of their rights and they do not wish to have these large areas set aside as refuges. They know that their shooting rights have been taken away and are very suspicious of these so-called "conservation measures."

Several years ago I was sent to Washington to interview the officials of the Department of Agriculture. That Department had drawn a line across the northern section establishing what area was to be used for shooting during a fixed open season. Such mandatory zoning is open to grave objection because certain kinds of migratory fowl do not make their appearance therein until after the fixed season is ended or almost closed. We have found that it is exceedingly difficult to secure proper changes in both zones and open seasons.

Mr. Speaker, I do not wish to be thought unsympathetic with the purposes of this bill. By all means let us permit the committee to inquire into existing conditions, especially in the West and South, where large breeding grounds have been destroyed by reclamation and in similar ways. If it is desired that the Government repurchase these sections under the plea of conserving wild life, the measure should be favorably considered. But if this bill is promoted by the kind of conservationists whom I have tried to portray to you let us look well into it.

I close by saying that I used to be fond of shooting on occasion. But I do not get the enjoyment out of killing wild life that once I did. Last year I paid for my license, but never used it. I sympathize with those bird lovers who are endeavoring to preserve wild life, but I have little sympathy for those who use slaughter pens; and if this measure is something to help them, by providing more game for wholesale destruction, I am not enthusiastic for it. I agree on the bag limit being made small. I will gladly join you in that sort of conservation, but I am opposed to giving the wealthy man the entire control of the wild fowl that fly because of his wealth and his ownership of the land. I am glad to raise my voice for the people who live permanently in my section of the country rather than for the benefit of the outside sportsman.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KURTZ].

Mr. KURTZ. Mr. Speaker, I think there is no person here who does not believe firmly in the preservation of wild life, and none within the sound of my voice who does not deplore the fact that there are hunters who act as game hogs in every section of the United States, as asserted by the gentleman from Massachusetts, but that is no reason why we should not study the proper methods for the preservation of the game and wild life of this country, so as not only to preserve it from extinction but bring it back as it existed in the days of our primeval forests.

In Pennsylvania we have studied methods of preservation of game for more than 25 years. Thirty years ago it was almost impossible to see a deer on the mountains of that Commonwealth, yet today any man who desires to hunt deer can go out and see at least 20 or 30 or possibly 100 in a single day. I was hunting on the crest of the Allegheny Mountains last year with a hunting party and more than 100 deer were seen in 1 day. This has all been brought about because of the conservation policy of the State of Pennsylvania. The wild life of Pennsylvania has been brought back in a quarter of a century after it had been practically destroyed, and within the confines of one little county of Pennsylvania 31 bears were killed the first day of the open season last year, and within that State there were more bears and deer killed in the last season than within the boundaries of any other State in the entire Nation. That is all because of the fact that the people of Pennsylvania have studied methods of preserving wild life and put those methods into effect. If the native game and wild life have been destroyed in certain sections of this Nation, it is high time that this Congress appoint a committee to investigate the matter in every section of the country and suggest such measures as will bring it back and protect it for the sportsman and posterity.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. KURTZ. I gladly yield to the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. Is it not also true that the State of Pennsylvania has established some 30 game refuges and sanctuaries, and has financed it entirely from the fees paid by hunters and the license fees?

Mr. KURTZ. Not only is that true, but let me say the Pennsylvania Game Commission has stocked every suitable section of Pennsylvania with every kind of game that can be stocked. They have stocked it with wild turkeys. They have stocked it with rabbits. They have stocked it with squirrels. They have stocked it with deer. They have stocked it with bears. They have set aside these preserves and refuges where wild game is perfectly safe from the hunter and the poacher and free to live and propagate in safety. This has all been done by hunters' license fees and without any tax laid upon the general public. They have made a special study of it, and the time has come when even the farmers of Pennsylvania, in many sections, are willing to set aside 10 acres of their farm as a preserve or as a game refuge, and the birds fly into that region in very short order after the game season opens and are perfectly safe.

We find in Pennsylvania that there is no danger of the extinction of game, but it is growing more plentiful in many regions than it has ever been before. All this in spite of the fact that Pennsylvania is one of the most thickly populated States in the Union, and has hunters running into hundreds of thousands. Three years ago the deer became so plentiful that it was absolutely necessary to permit an

open season for antlerless deer to limit the females of the herd. More than 90,000 deer were killed in that 2 weeks' season in Pennsylvania. Last year there were killed within the confines of Pennsylvania more than 20,000 deer with antlers, and the returns are not all in. So I say it is high time for the United States of America, where game has been depleted, to study this question in the light of what the Commonweath of Pennsylvania has done and see whether they cannot bring the game back that was so plentiful in the years that have gone. I hope this resolution passes. [Applause.]

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. KURTZ] has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, a year or two ago some wag remarked that the Secretary of the Interior had charge of the polar bears; that the Secretary of Commerce had charge of the cinnamon bears; that the Secretary of Agriculture had charge of the black bears; and held that incident forth to indicate the lack of coordination in governmental departments. I believe that same apparent lack of coordination is manifested so far as conservation and restoration of wild life is concerned. The Secretary of Commerce looks after the fisheries; the Secretary of Agriculture, because he is the boss of the Biological Survey, looks after the Federal wardens and the enforcement of the game laws; the Secretary of the Interior, by virtue of the fact that he is in charge of the national parks and reserves, is in charge of that particular section of wild life and the outdoors. If we are going to proceed on three parallel tracks in three different departments, the ultimate result will be just exactly nothing, so far as wild life restoration and conservation is concerned. I am in full sympathy with the provisions of this bill which seek to make a coordinated study and bring about a coordinated program in conservation and restoration.

I was very much interested in the remarks of the gentleman from Pennsylvania [Mr. KURTZ] about conservation. It seems we must go a little further in this program. I am not satisfied by simply stopping stream pollution and maintaining the status quo of our outdoors. I think we should go further and say to those who pollute our streams and who have somehow destroyed our wild life that they should give it back, every bit of it, and restore it to some kind of pristine condition.

The reason for that is this: I venture to say that everybody in this Chamber has had a chance somehow to contact the frontier in his State, where he could go out and fish and bring back some fish, or where he could go out and hunt and bring back some ducks. It is rather a speculative matter right now. So when my family grows up I want it to be possible for my children to say that they, too, can be identified with the frontier and get all that life holds; but more important as a basis of this program that is to be detailed ultimately by the committee is the fact that we have to save the outdoors because of the increasing industrial breakdown of human life and human spirit and the necessity, when we once go to a short working day and working week, to be able to send out people somewhere to wash out the impurities of the spirit and somehow find a new kind of life.

Are we in this country, as a matter of fact, ready for a permanent 6-hour day and a 5-day week unless there is some kind of constructive leisure that goes with it? What are you going to do with the men who shall have that leisure time? Are you going to say that they should all become golf players? Are you going to say they should all become baseball or football players, or players in some one of a dozen other sports? There is no playground to accommodate them all, but there is a place for all to exercise the instinct of pursuit, to take a fishing rod or shotgun and go out in the wilderness—if there is a wilderness—and there find a certain communion with nature. When we come to the day—and it is not so far distant—when the days and the weeks will have to be shortened, we must be able to offer to these people a place to go, a place to spend this leisure in a constructive fashion. There is only one place to offer them, and that is the great out-of-doors. If we cannot conserve it now, if we cannot protect it and restore it now and have a coordinated program that will ultimately lead to the establishment of refuges and sanctuaries, the balancing of the relationships between all sections of the country so that each one can share proportionately in the outdoors, then I say we shall not be ready for the readjusted economic life.

My people out in Illinois feel that the duck-shooting season starts too late and ends too early. They think it starts too early perhaps down in Arkansas and that the people of Arkansas get better shooting. I shall not quarrel about it, but this indicates that there is especial need for a commission such as this to study the situation and coordinate the whole program that justice and equity may be rendered to every section of the Nation. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. CARTER].

Mr. CARTER of California. Mr. Speaker, I am very happy to support this resolution because I know that the wild life of this country is being exterminated rapidly.

Two or three years ago it was my privilege to take a trip to Alaska and the Bering Sea, and I want to relate to you what I think is one of the finest examples of the conservation of wild life that has ever been attempted anywhere in the United States or, for that matter, perhaps, in the world. You have all heard of the fur seal of Bering Sea. The fur seal is an animal of very peculiar habits. There are two small islands in Bering Sea—St. Paul and St. George—the only place these seals ever go on land. Perhaps you will remember also that a few years ago we had an argument with the Japanese sealers and the Canadian sealers. These men would stand off outside the 3-mile limit and catch these seals as they were approaching or departing from these islands.

The seals return to these islands each year in the month of May or June, leaving the islands sometime in August. After the mother seal gives birth to her young seal, she leaves the island at times to feed. Japanese and Canadian sealers would stand outside the 3-mile limit and catch the mother seal as she was feeding.

When these islands were discovered, there were some eight or nine million seals there, according to the best estimates; but as a result of the sealing activities of Americans and sealers of other nationalities, this herd was reduced to about 100,000 seals and would have been exterminated had not an agreement been entered into with these other foreign countries whereby this country does all the sealing there and pays to the Government of Japan and to the Government of Canada 15 percent of the net proceeds received from the sealing industry. The killing of the seals is under the direction of the Commissioner of Fisheries. By applying the principles of conservation this herd has been built up to about 2,000,000 and is increasing rapidly. The adoption of this resolution is a splendid conservation movement.

[Here the gavel fell.]

Mr. DRIVER. Mr. Speaker, I yield 3 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, there certainly is need for coordination between the several departments in the matter of protecting the wild life and game of the country.

I come from the State of Idaho, a State which contains the greatest area of game country left in the United States, where there is the heaviest percentage of wild life, big game, deer, beaver, and small game which needs protection from predatory animals. Only yesterday we went before the Director of the Budget pleading for an appropriation for protection of the game from destruction by predatory animals.

I desire to place in the RECORD a few statements from men living in and familiar with the big-game country of Idaho. We have in central Idaho one of the greatest big-game areas left in the United States. A hearing was called which had

for its purpose support of a movement to open a road into this country. The facts as to the present status of the game in that country was brought out.

[Here the gavel fell.]

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by inserting at this point these statements to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, at a meeting held at Salmon City, Idaho, last fall Mr. Merritt, of Salmon City, introduced Mr. Harry Golicke, who has run the Salmon River since 1895, transporting supplies and machinery, and on one of his trips down the river he counted 364 deer in 1 day. Mr. Merritt then introduced Willard Rudd who lives on Big Creek in the heart of the game country. Mr. Rudd stated if a road were built it would protect the game, for at present, owing to the lowering of the bounty on cats and predatory animals, the game is gradually being killed off. Mr. Merritt then introduced Mr. William Wallace, owner of a ranch on Big Creek, 50 miles below Salmon, who has lived there for several years and who is a close observer of game. To the question propounded by Mr. Merritt, "Is there adequate protection for the game?" Mr. Wallace stated, "I think not; they have fallen off 75 percent in 3 years."

Let me say in conclusion, Mr. Speaker, that the wild life of this country is a real asset to the whole Nation.

Mr. DRIVER. Mr. Speaker, I ask unanimous consent that all Members speaking on the resolution today may have the privilege of revising and extending their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DRIVER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Speaker, the scope of this debate indicates not only the importance of this subject but also the importance of having a committee of the House to correlate the conservation activities of the Nation.

I am very familiar with the splendid work that has been done in Pennsylvania, and I agree with my distinguished colleague, the gentleman from Pennsylvania, when he says it is time for the Nation to follow the example of his State in taking steps to conserve our great natural resources before it is too late.

On Thursday I was invited to sit with the Senate Wild Life Committee at one of the largest-attended hearings I have seen in recent years. Over 400 representatives of game departments and conservation agencies of the various States were there. On the following day a delegation presented certain recommendations to the President.

The gentleman from Alabama [Mr. HILL] wanted to know how this committee would fit in with the Senate Wild Life Committee and the President's special committee. It would be pertinent, therefore, for me to read to you the resolution that was adopted on Thursday at the hearing before the Senate Wild Life Committee. It is addressed to the Speaker of the House:

There is assembled in Washington today the largest conference of hunters and fishermen of a representative character that has ever assembled before a committee of Congress, so large, in fact, that it required three moves to secure a room sufficiently commodious to provide for their attendance.

They are representatives of the 5 great national organizations, representatives of the 7 outdoor magazines, representatives of farming organizations, representatives of the State game and fish commissions, representatives selected to speak for the Pacific coast, for the Atlantic coast, for the Gulf coast, for the Canadian border, and for the Mississippi and Ohio Valleys.

We have just received the announcement that the Rules Committee of your honorable body has made a favorable report on H.R. 173, to create a wild life conservation committee similar to that which has been so successfully functioning on the Senate side.

This is one of the most cheering messages we have had.

We want to congratulate the committee and recommend that the report of the Rules Committee be adopted.

May we in conclusion say that there are 13,000,000 men and women who pay to the States annually for hunting and fishing licenses over $12,000,000; that our outdoor bill connected with hunting and fishing amounts to $650,000,000; that hunting and fishing have more enthusiastic followers than baseball, golf, tennis, and other outdoor sports combined.

We wish to thank you for your consideration of this resolution, because we know this new special committee, cooperating with the committee on the Senate side, will permanently place conservation where it belongs in the hearts of our people, promoting their pleasure, their happiness, and their health.

[Here the gavel fell.]

Mr. DRIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. DRIVER: Page 2, line 8, after the word "times", strike out the words "and places" and insert in lieu thereof the words "in the District of Columbia."

Mr. DRIVER. Mr. Speaker, I move the previous question on the amendment and the resolution to final passage.

The previous question was ordered.

The amendment was agreed to.

The resolution was agreed to.

HOUSE RESOLUTION 228

Mr. SABATH. Mr. Speaker, by direction of the Rules Committee I desire to call up House Resolution 228.

The Clerk read the resolution, as follows:

Resolved, That the Judiciary Committee of the House of Representatives, authorized to inquire into and investigate the matter of appointments, conduct, proceedings, and acts of receivers, trustees, referees in bankruptcy, and receivers in equity causes for the conservation of assets within the jurisdiction of the United States district courts pursuant to House Resolution 145, shall report to the House of Representatives not later than June 30, 1934, in lieu of January 31, 1934, the date specified in such resolution.

Mr. SABATH. Mr. Speaker, I understand there is no opposition to this resolution and that the gentlemen on the other side do not desire any time.

Mr. MARTIN of Massachusetts. We should like to have some time.

Mr. SABATH. I was under the impression that the gentleman on the other side did not want any time.

Mr. MARTIN of Massachusetts. I have a request from one gentleman who is in favor of the resolution but would like to talk about it.

Mr. KURTZ. If there is no opposition and if there is nothing to be said on the side of the majority, there is nothing to be said over here.

Mr. SNELL. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. SNELL. This is just for the purpose of making a report. Your investigation is completed?

Mr. SABATH. No; it is not completed. There is something to be done in the way of additional investigation. This is for the purpose of giving the committee a little more time to prepare and finish their report, as well as to take some additional evidence.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. MARTIN of Massachusetts. You will come in later and ask for additional money to continue the investigation?

Mr. SABATH. I think the committee will; yes.

Mr. SNELL. How much money has been spent already?

Mr. SABATH. I do not know.

Mr. McKEOWN. In connection with this investigation in Chicago we spent $1,500. We were allowed $2,000, and we have about exhausted the $2,000, but we have an enormous record.

Mr. SNELL. It will not take much more?

Mr. McKEOWN. It will take some more money. There is quite a bit of examination, but it can be done with a very small amount of money. We have investigators now making the investigation; then we will go to Chicago and take the testimony. There are three big insurance companies we have to look into. This involves insurance receiverships, as well as some other receiverships that have taken place

there and which the people of Chicago and the bar are interested in.

Mr. WARREN. I think the gentleman should tell the House that he is going to ask for another $7,500 to complete his investigation.

Mr. SNELL. That is more than the original amount?

Mr. WARREN. That is correct.

Mr. McKEOWN. I can give you a full report of that when the proper time comes.

Mr. SNELL. What was the amount originally granted for the investigation?

Mr. McKEOWN. There was $5,000 granted to the committee. I was allowed $2,000 to make the investigation in Chicago. Out of that $2,000 we expended $1,500 which investigated 27 large receiverships in Chicago, besides the information that I have gathered from other sources in Chicago. This included an investigation of the acts of one judge. We did not think it was right to go beyond the amount allowed, although we think it is necessary to continue this investigation.

Mr. SNELL. There is more to it than the gentleman from Illinois [Mr. SABATH] stated. He said this was to complete the report. The gentleman is going to ask for more money to complete your investigations?

Mr. McKEOWN. This is to complete the investigation.

Mr. SNELL. I think it is important to know that.

Mr. SABATH. I stated to the gentleman from New York when he asked whether this was merely for the purpose of making a final report, that such was not the case; that there was more work to be done by the committee.

Mr. SNELL. There is more work to be done than has already been performed and you are going to ask for more money?

Mr. SABATH. I do not know. I am not a member of the committee.

Mr. SUMNERS of Texas. May I say to the gentleman from New York that this is the situation, as I understand it: The last Congress directed the Committee on the Judiciary to make an investigation of equity and bankruptcy receiverships, and the House, out of the contingent fund, allocated $5,000 for the purpose of making that investigation. An investigation was made in New York with regard to this matter, and I assume the gentleman from New York is familiar with it.

About $2,000 was allocated to the subcommittee making the New York investigation and $2,000 allocated to the subcommittee making the Chicago investigation. There were some other rather small incidental expenses. This entire amount of money has not been expended. I believe that these two committees perhaps made as much disclosure and covered as much territory as any subcommittee of this House with the amount of money expended.

There are a number of other places making suggestions to the Committee on the Judiciary that the situation in their respective communities ought to be examined. The committee is of the opinion that Chicago is a more or less typical community, and that a completion of the investigation in Chicago would probably give to the House a rather clear picture of the whole procedure with regard to equity and bankruptcy receiverships, and that out of that investigation the House might be able to determine whether any additional legislation would be helpful in protecting the estates in equity and bankruptcy receiverships.

Mr. SNELL. As I understand it, you have your whole investigation well started? The statement was made to me that this did not amount to anything; that it is just simply to give the committee an opportunity to complete its report. But, on the other hand, we find out it is going to cost more money to complete it and to go along for the next 3 months than has been spent already. I think the House should have a complete picture of the whole matter at this time.

Mr. SUMNERS of Texas. Yes; and I am trying to give that.

The gentleman from Illinois [Mr. SABATH], coming from Chicago, probably got the information he has with respect to the Chicago situation. The committee very much hopes that when the next resolution comes in, if the House should agree to give to the Committee on the Judiciary $7,500, even this amount of money will not be spent in the investigation; but in view of the importance to the country of the work that has been done and in view of the complaints that have come from all over the country with regard to what is happening in regard to receiverships, it does seem proper that while the matter is now being proceeded with the committee ought to be equipped with sufficient funds, economically, to complete the investigation deemed necessary.

Mr. SNELL. I am willing to take the statement of the gentleman from Texas along those lines, but it is entirely different from what has been brought out in the discussion here and what was originally reported to me. I think we ought to have the whole story and should know that we are starting and continuing a further investigation because the gentleman thinks it is necessary.

Mr. SUMNERS of Texas. We are not going to spend one cent more than we are absolutely compelled to spend; but, as the gentleman from New York knows, there has been a good deal of complaint in the last few years about what is happening with reference to these estates and with reference to equity and bankruptcy receiverships.

Mr. SNELL. I know there has been a good deal of trouble along that line.

Mr. SUMNERS of Texas. We are trying to do our best, as a result of this investigation, to see if some beneficial legislation cannot be enacted.

Mr. SNELL. And I hope the gentleman can continue the investigation with as careful expenditures as have been made so far.

Mr. SUMNERS of Texas. We are going to do our best.

Mr. SABATH. They have been very careful, I can assure the gentleman from New York.

Mr. MARTIN of Massachusetts. If the gentleman is going to consume any time, we want a little time on this side.

Mr. SABATH. No; I am not going to use any further time.

Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

On motion of Mr. SABATH, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. GUYER. Mr. Speaker, I ask unanimous consent to proceed for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

APPRECIATION OF JOHN JAMES INGALLS

Mr. GUYER. Mr. Speaker, it is with some trepidation that I ask to consume this time, but on the seventy-third anniversary of the admission of Kansas into the Union of States, I deem it not inappropriate to call attention briefly to the one hundredth anniversary of the birth of the most commanding and dominant figure in Kansas history. John James Ingalls was born December 29, 1833, so on this Kansas day I want to speak of his brilliant and colorful career, to summons once more from the past the shadow of his colossal figure.

In his twenty-fifth year, just from Williams College and admitted to the bar, this aristocratic patrician from New England flung himself into the wilderness of Kansas, where destiny was so soon to embrace him. Kansas was yet a Territory in 1858 when he came to the bluffs overlooking the Missouri. At that time Kansas was a raging battleground where history was being written in a scarlet flood of violence. Kansas City, in the disguise of Westport Landing, was a sentinel on the border of a vast prairie sea. Bluegrass, that signal and symbol of civilization, which Ingalls immortalized in imperishable prose, had not yet invaded the valleys of the Kaw and the Marais des Cygnes. Kansas was a virgin parallelogram of unfettered civilization, knocking at the gates of the Union for admission to the sisterhood of States.

He came with that vanguard of State builders who preceded the later migration after the Civil War. He did not drift over those dusty, shadowy paths known as the Santa Fe and Oregon Trails, over which Anglo-Saxon civilization staggered out upon the great American desert to found an empire, the two most romantic and historic trails that ever mapped the frontiers of the earth. He did not come with those pioneers in that endless, white-crowned caravan that swept west after the Civil War. They came to break the virgin sod; he came to build a civilization and to adorn it with the ornaments of culture and refinement. They came with brawny arms to push the frontier back toward the setting sun; he came to hold high the torch of a statelier empire than that of commerce. They came to sow and reap; he came to coin a loftier mintage than that of money.

He had not been in the Territory a year when he was helping to write the Wyandotte Constitution, which is still the organic law of Kansas. Its lucid English and excellence of form attest his effort. He came to Kansas when the hatreds born of what was termed the "border ruffian warfare" were still white hot. It only smouldered when the Wyandotte Constitutional Convention convened in 1859. Ingalls belonged to that era of passion, and its bitterness colored many of his fiery utterances long thereafter. As a member of the other Chamber his withering sarcasm and cutting satire made him enemies as well as friends. Here in Washington for 2 decades he was the most colorful and interesting figure in the public life of the Capital.

In repartee, Ingalls was quick as an electric flash. In exchange of wit he never came out second. In satire he was without competition. In the rough-and-tumble fisticuff of debate and parliamentary combat he had no match in his time. The exchanges of wit in which he played a part are an imperishable portion of our parliamentary literature.

Ingalls became involved in a controversy with a Member from Delaware, who probably had invested in some early municipal bonds of Kansas which were of doubtful value. The Member delivered a scathing denunciation of Kansas. Ingalls then painted an earthly paradise of that "grassy quadrangle" known as Kansas, and, turning to the Member from Delaware, exclaimed: "And this from the gentleman whose State has three counties when the tide is out and two when it is in." [Laughter.]

In some argument with a Member from Pennsylvania the Member from the Keystone State made a rather vicious attack on Kansas and Kansas people, to which Ingalls retorted, "Pennsylvania has produced but two great men—Benjamin Franklin, of Massachusetts, and Albert Gallatin, of Switzerland." [Laughter.]

In 1890 Ingalls' political sun set amid the clouds of Populism, and in that celebrated campaign against Ingalls, Mrs. Mary Elizabeth Lease, the Amazon of American politics, was his bitterest assailant. Her tongue was quite as sharp as that of Ingalls' though it lacked the refinement and subtlety. She asked no quarter and gave none. So far as I know, Ingalls never referred to her personally. He was above all things a gentleman. Kansas never heard such bitter philippics as she hurled at Ingalls. Even after his defeat for the Senate in 1891, she did not cease to attack him. A newspaper correspondent mentioned it to Ingalls, and his reply was, "No one but a woman and an Indian ever scalp the dead." [Laughter.]

He engaged in a wordy battle with a Member from Indiana known as "the tall sycamore of the Wabash." In the war of words it was said that the Indianian, who was usually quite able to take care of himself, took the second prize. At any rate, Ingalls' old friend, Col. E. F. Ware, who wrote under the nom de plume of "Ironquill", sent Ingalls a telegram of congratulations which served also as a lucid and expressive description of the combat:

Lurid air,
Cyclone dense,
Wabash hair,
Hide on fence.

Senator Ingalls was not, as some judged him, a cynic. However, it might be said that he was not an unheeding optimist. He entertained grave doubts about the reformation and purification of our political system. In the latter part of his senatorial career he uttered that debate-provoking epigram:

The purification of politics is an iridescent dream. • • • The Decalogue and the Golden Rule have no place in a political campaign.

It was the sincere and deliberate judgment of a practical man in whose political career there was no breath of scandal and who was never afraid to state what he deemed a demonstrated truth.

Ingalls was poet, orator, essayist, and statesman. It has often been said that if Ingalls had devoted himself solely to literature he would have attracted the attention and received the homage of the whole world. As it is he has received the admiration of the English-speaking world for at least three of his superlative compositions: The inimitable prose poem, "Blue Grass"; his unsurpassed eulogies; and his incomparable sonnet, "Opportunity." Upon the rugged granite boulder which marks his last resting place is a bronze plaque bearing this epitaph, a part of a sentence from his masterpiece of prose:

When the fitful fever is ended, and the foolish wrangle of the market and forum is closed, grass heals over the scar which our descent into the bosom of the earth has made, and the carpet of the infant becomes the blanket of the dead.

In the limit of this brief and faltering appreciation I have space for only one paragraph of "Blue Grass", the gemlike, polished beauty of which gives a hint of its character:

Grass is the forgiveness of Nature—her constant benediction. Fields trampled with battle, saturated with blood, torn with the ruts of cannon, grow green again with grass, and carnage is forgotten. Streets abandoned by traffic become grass-grown like rural lanes, and are obliterated. Forests decay, harvests perish, flowers vanish, but grass is immortal. Beleaguered by the sullen hosts of winter, it withdraws into the impregnable fortress of its subterranean vitality, and emerges upon the first solicitation of spring. Sown by the winds, by wandering birds, propagated by the subtle horticulture of the elements which are its ministers and servants, it softens the rude outline of the world. Its tenacious fibers hold the earth in its place, and prevent its soluble components from washing into the wasting sea. It invades the solitude of deserts, climbs the inaccessible slopes and forbidding pinnacles of mountains, modifies climates, and determines the history, character, and destiny of nations. Unobtrusive and patient, it has immortal vigor and aggression. Banished from the thoroughfare and the field, it abides its time to return, and when vigilance is relaxed, or the dynasty has perished, it silently resumes the throne from which it has been expelled, but which it never abdicates. It bears no blazonry of bloom to charm the senses with fragrance or splendor, but its homely hue is more enchanting than the lily or the rose. It yields no fruit in earth or air, and yet should its harvest fail for a single year, famine would depopulate the world.

Shakespeare did everything better than anyone else—Shakespeare who opened wide the portals of the human mind and soul and invited all the earth for guest; Shakespeare who whispered into the vocabularies of the world the sweetest words that ever filtered through the hearts of men. Shakespeare did everything else better than anyone else, until Ingalls wrote "Opportunity." "Opportunity" is the master sonnet of the English tongue. We may not entirely agree with its seeming fatalistic philosophy, but the stately march of its majestic music sets all the orchestras of the soul to singing:

OPPORTUNITY

Master of human destinies am I!
Fame, love, and fortune on my footsteps wait.
Cities and fields I walk; I penetrate
Deserts and seas remote, and passing by
Hovel and mart and palace, soon or late
I knock unbidden once at every gate!
If sleeping, wake; if feasting, rise before
I turn away. It is the hour of fate,
And they who follow me reach every state
Mortals desire, and conquer every foe
Save death; but those who doubt or hestitate,
Condemned to failure, penury, and woe,
Seek me in vain and uselessly implore.
I answer not, and I return no more.

[Applause.]

APPOINTMENT OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair is unable to be present the rest of the afternoon and appoints the gentleman from

Maryland [Mr. GOLDSBOROUGH] as Speaker pro tempore for today.

GOLD REVALUATION

Mr. GRAY. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GRAY. Mr. Speaker, this is the day I have long looked to, hoped for, prayed for, spoke for, and striven for, since the 26th day of February, 1923.

On that day the report of the secret bankers' meeting of May 18, 1920, as published in the Manufacturers' Record, of Baltimore, April 22, 1923, was printed in the CONGRESSIONAL RECORD, and by Senator Gooding, of Idaho, made a Senate document.

On that day the curtain was drawn and for the first time the world looked in upon the secret conclave of conspiring financiers and international bankers.

Few men today will realize the significance and grave import of the measure for the revaluation of gold passed here today to relieve the strain upon gold for money, the evil it is to remedy, the wrong it is to undo, the crushing burden it is to lift, the crime it is to expiate, and the want and suffering from which to relieve. It was the organized demand upon gold to increase the value of gold as basic money and thereby the value of money based on gold, and in turn to increase and multiply the value of bonds and war-debt claims, held by international financiers and bankers, which brought the fall of values, the price level, and the wage scale, the failure of earnings and income from industry, the destruction of the buying and consuming power of the people, and, finally and ultimately, the blight of this panic not only here upon our own defenseless people but upon the helpless people of other nations.

This panic or industrial depression is a part of a world-wide crisis brought under an organized plan and deliberately carried out with the object, purpose, and intent to multiply and pile high the burden of war debts upon the people of the world. The first and initial step to carry out this great financial conspiracy was ordered, taken, and directed from our own shores of America by our own manipulating bankers, using our own Federal Reserve System to force the change of money and the fall of values out upon the war-worn, weary nations and the helpless, defenseless people of all the nations of the world.

The international bankers and money lenders from all Europe assembled in America, either in person or by their agents, entered into a secret gentlemen's agreement to corner and monopolize the world's gold supply and by an organized concerted demand to increase and multiply the value of gold and thereby the bonds and claims in which paid. And following and as a part of the plot, a secret bankers' meeting was held on May 18, 1920, in Washington, D.C., in the very shadows of this Capitol, and behind closed doors and curtains a resolution was passed calling upon the Federal Reserve Board to contract and withdraw from circulation the money and credits of the country. Following the passage of this secret resolution the Federal Reserve Board, now a private banking octopus, in servient, groveling obedience entered upon a course of secret currency movements, raising high the discount rate and operating the open market facilities for the retirement of currency and credit.

This secret bankers' meeting held by the international financiers and bankers was the prelude and signal for a concerted criminal onslaught upon the welfare of the peaceful and defenseless, the confiding, unsuspecting people of the world. This secret concerted action was taken under a world-wide conspiracy to force down the commodity price level and to rear upon the ruins and debris of property and commodity values a so-called "international gold standard" for the pillage and plunder of the people of the earth. And following the contraction of money here, the fall of values and the price level, the volume and supply of money was contracted and values and the price level were made to fall in every World War country of the world.

It is with humiliation and bleeding pride to learn, realize, and know that the first and initial steps of this conspiracy were not only taken from the shores of our own land but taken by and through the means and the instrumentalities of our own money and financial system. In every step taken in this movement, organized and starting in our own country, under a secret gentlemen's agreement, can be seen the deft, crafty hand of an international gold conspiracy moving in precision and money-mad method, directing the execution of a deep laid plot, not only for the prostration and subjugation of our own helpless, unsuspecting people but of the peoples of the earth and the economic world. The precise nature and form of this agreement may never have been reduced to writing and may never be known to the outside world under which the unsuspecting nations were left writhing in panic or depression and were led to repeat in hopeless despair—"the cause of this panic is a mystery."

I quote here from a statement issued from the Royal Bank of Canada, commenting upon the world industrial crisis, and showing the time of its beginning:

> The deflation (contraction of money) in 1920–21 brought into sharp relief the problem of world finance, the control of the general price level.

This was the date of the secret bankers' meeting, the date of the rise of the discount rate, the date of the fall of values and the price level, the beginning date of our panic or depression and from which the world panic followed.

The British committee, appointed by the King and Exchequer of Finance and Industry to investigate and report upon the cause of the industrial depression in England, known as the McMillan report, states:

> Unfortunately on these two sets of abnormal difficulties there has supervened, starting in the United States, a business slump of more than normal type, though of quite unusual dimensions.

This great English committee, appointed to investigate and report upon industry and finance in England, investigated, found, and reported to His Majesty the King and Parliament that this panic began in America.

Under pretense of world currency reform, sound money and an honest dollar, the international financiers and bankers have increased, doubled, and multiplied the value of their war-debt holdings by multiplying the value of the money in which these bonds are stipulated to be paid. The devastating panic resulting here from the invasion and violation of our own money system has followed in the trail and wake of a like destruction and contraction of the currency and basic money in every nation of Europe and the world. Its progress can be followed and traced from the shores of our own America, step by step, leading out upon the earth like an advancing plague, scourge, or blight, each nation surrendering its power over money and yielding to the greedy demands of an insatiable money monopoly for the retirement and destruction of basic money and under which to corner gold and monopolize the world's supply of money.

From the piracy and vandalism of our own Federal Reserve money system, we read from the footprint traces of this world conspiring money power leaving the shores of our own land for the subjugation of foreign peoples, lurking in the cloak and guise of world currency reform and the mysteries of money and finance. We find its finger prints impressed by its strangle hold upon the throats of the people of every World War nation in withering panic or depression. Under this world financial conspiracy the destinies of the people of the world have been determined in secret conference abroad, first at Brussels in 1920, and following at Geneva in 1921, by grasping misers and Shylocks in money-mad avarice, gluttony, and greed. By this changed and perverted money system known as the international gold standard, the relentless pound of flesh was provided for and exacted in the bond, to be taken from the gasping, writhing bodies of the helpless, suffering humanity of the earth.

Mr. FISH. Will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from Indiana yield to the gentleman from New York?

Mr. GRAY. I suggest that the gentleman be patient until he can get the drift of my remarks, when he can probably propound his interrogatory more intelligently, both for his question and my answer.

The SPEAKER pro tempore. The gentleman from Indiana declines to yield.

Mr. GRAY. The great American financiers, from the millions filched from the American people and from the untold millions made profiteering from the great World War, have bonded the governments of all Europe in private loans in bewildering sums. Under pretense of world currency reform, sound money, and an honest dollar, the international financiers and bankers have increased, doubled, and multiplied the value of their war debts and claims by multiplying the value of the money in which these bonds are paid. With dividends and interest called for and made payment in international exchange, in monopolized gold and money, the gold in payment of which has been flowing to America in great swollen streams and to the coffers of the international bankers, until almost one half of the gold of the world has come to these American money kings, while one fourth of the gold of the world has gone to France in payment of German reparations, until other countries are deprived of basic money and robbed of their gold for redemption and reserve, and until the fair name of America has been made synonymous and used as a byword for "Shylock" and "miser", until Captain Fecht, of the Army Air Service, says that the United States today is the most hated and despised nation upon the face of the earth; and until America has come to be looked upon as a grasping money changer, who would sacrifice peace and friendly relations, honor, and every grace of life for money profit and sordid gain; and until, if we further allow these manipulating financiers to parade under our fair name under the cloak of the Stars and Stripes and to hold themselves out before the world as representing the American people, we will have aroused and engendered the animosity, antagonism, and revenge of the people of the world against us, and all the armies and all the navies and all the aircraft we can build, organize, and recruit will not save us from invasion, from annihilation and destruction before the nations organized for retaliation and to avenge the pillage of their people. [Applause.]

Viscount Rothermere, famous British publisher and chief proprietor of the London Daily Mail and the London Evening News, on September 27, 1931, said:

> We were fools to force the pound up to the gold level 6 years ago. It benefited the bankers by restoring prestige to our currency and all the international money lending and the money dealings that go with it.

And the American people have been fools to allow money pirates and manipulating financiers to hold the dollar tide to monopolized gold for 12 long, trying, cruel years, crushing and holding down values and the price level, withholding earnings and income from industry, destroying the tax-, debt-, and interest-paying power and the buying and consuming power of the people. The American people have been fools to stand idly, by worshiping the brazen image of gold while industry has been prostrated and paralyzed, while home owners have been ejected and dispossessed, while banks and business have been forced into insolvency, and while debts have been multiplied upon the people until they have been forced into bankruptcy or to yield to foreclosure proceedings for relief.

The report of the English committee appointed to investigate finance and industry in reporting June 19, 1931, and heretofore quoted, states:

> This brings up to the question whether adherence to an "international standard" may involve the payment of too heavy a price in the shape of domestic instability. Many countries today and former times have found such continued adherence involves a greater strain than they can bear.

Since that report was made, June 19, 1931, England herself has found the strain of this international gold standard—doubling taxes and debt burdens upon the people, doubling the international war debt upon the world, destroying the tax- and debt-paying power, destroying the buying and consuming power of the peoples of the nations of the world—greater than the English people could bear, and England has been forced herself to go off the Black Friday gold standard to save her people from ruin and bankruptcy, to save her industries from utter annihilation.

One by one the great nations of the world, in all, 34 countries and governments, preceding and following in the lead of England, have found the strain of the international gold standard was greater than their burdened people could bear. And all have thrown off the yoke of this international gold monopoly to safeguard their people from the crushing burdens of taxes, debts, and World War bonds imposed by this perverted money standard. And the United States of America has been left standing out for years like a lone Casabianca clinging to a sinking, burning ship amid the flames of private insolvency and national bankruptcy guarding the brazen idol of gold. And finally the United States today, after suffering in distress for 12 long years, has been compelled to find, with other nations, that the strain of the international gold standard is too heavy for our own people to bear.

And calling a new administration in power, the one first preliminary step has been taken to lift from the staggering, reeling bodies of the people, the galling, crushing burdens of gold piled high and fastened upon them by the vandals of finance for profit and gain.

The horrors of the great World War fade away as trivial, insignificant, as compared with the want, suffering, and distress, and all the anguish and the heartaches brought on by this panic and paralysis of industry brought upon the people of the earth by this criminal money conspiracy of the organized world money power to satisfy the morbid cravings of men for money, gold, and sordid gain; and until the breaking of the sunlight and the glad hosannas and rejoicing of returning peace and civil life have been darkened by the blight of the panic and their gladdened voices hushed and drowned out by the cries, sobs, and moans of the famished, the destitute, and the dying; and until this money conspiracy with its beginning and inception in our own land has become a horror without a parallel, and calling for vengeance and punishment by the Almighty as a crime against civilization and the human race. [Applause.]

Mr. FISH. Mr. Speaker, will the gentleman now yield?

Mr. GRAY. Yes.

Mr. FISH. I have been waiting very patiently to get the drift of the gentleman's argument without a great deal of enlightenment. Will the gentleman please answer this question? He refers to the war debt. Is it not a fact that the gold devaluation bill we have just passed has reduced the war debt by 40 percent.

Mr. GRAY. I thank the gentleman for his suggestion, and if I could be granted more time I would be glad to answer his question.

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

Mr. GRAY. Mr. Speaker, the war debts have been multiplied three and four fold upon the nations of the world by this international gold standard. Germany has paid a great part of her war debt, and yet today she owes, measured in commodities, labor, and labor products, in which, and only in which, it can be paid, more than she owed before she had paid a single mark. You cannot collect the war debts under the international gold standard. The same reason that the farmers cannot pay their mortgages is the reason that the foreign nations cannot pay their war debts. We can foreclose against the farmers by calling out the police and militia to defend the sheriff at the sale and make them pay three and four times what they stipulated to pay, but we cannot foreclose against the nations of the world without war. [Applause.]

Mr. FISH. Is the gentleman in favor of canceling the war debts?

Mr. GRAY. I am not. [Applause.] I want every man to pay his debts—what he contracted to pay. But I do not

want to call upon a man to pay four times what he agreed to pay. The farmer who borrowed $5,000, when he could have paid his mortgage with 3,500 bushels of corn, has since been called upon to give up over 9,000 bushels of corn to pay the mortgage. [Applause.] I do not want war. I want to restore the buying and consuming power of farm products and commodities so the farmers can pay and save them from bankruptcy and insolvency. I want to restore to the peoples of the world the debt-paying power of commodities, labor, and the products of labor, so they can pay every dollar that they agreed to pay, maintain our self-respect and friendly relations. It is the only way war debts can ever be paid. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Indiana [Mr. GRAY] has expired.

Mr. KELLER. Mr. Speaker, I ask unanimous consent to address the body for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. KERR. Mr. Speaker, I am compelled to object. I intend to present a privileged resolution.

CONTESTED ELECTION—SANDERS AGAINST KEMP

Mr. KERR. Mr. Speaker, I call up a privileged resolution.

The Clerk read as follows:

House Resolution 231

Resolved, That there was no valid election for Representative in the House of Representatives of the Seventy-third Congress from the Sixth Congressional District of the State of Louisiana on the 5th day of December, or the 27th day of December, 1933, and that neither Mrs. Bolivar E. Kemp nor J. Y. Sanders, Jr., is entitled to a seat therein; and be it further.

Resolved, That the Speaker communicate to the Governor of the State of Louisiana that there is a vacancy in the representation of that State in the Sixth Congressional District thereof.

Mr. KERR. Mr. Speaker, I ask unanimous consent that the time to discuss this resolution may be extended to 1½ hours, one half the time to be controlled by myself and one half by the gentleman from Massachusetts [Mr. GIFFORD].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. KERR]?

Mr. DOWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOWELL. As I understand it, this contest is one to determine who, if anyone, is entitled to a seat. I note in the resolution there is a provision for notifying the Governor of the State relative to this contest. It occurs to me that this House has no power other than to determine the one question who, if anyone, is entitled to a seat. When that is determined, this House has performed its function and has passed upon that question, and I am raising that question because apparently there is something further in the resolution.

The SPEAKER pro tempore. The Chair rules that, following the decision of the House on the question of whether or not there is a vacancy, it is proper to notify the Governor of Louisiana of the action of the House.

Is there objection to the request of the gentleman from North Carolina [Mr. KERR]?

There was no objection.

Mr. KERR. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, this matter which is presented to you now is a matter of great importance. Your committee has patiently investigated it and has come to a conclusion in respect to it, as evidenced in the report to this House, and has submitted a resolution, which was read by the Clerk.

You are conscious, gentlemen, of the importance of this matter in two aspects. First, it involves the right of a Member of this House who presents a prima facie case, through a certificate of the secretary of state, to take his seat in this Congress; and, second, it involves further the question of determining the legality of the elections, both of which were claimed to be legal by Mrs. Kemp and Mr. Sanders.

We are fortunate, Mr. Speaker, in having the facts about the two elections undisputed. We heard the contestants and heard the relative contentions made by both, and the committee came to the unanimous agreement that neither of the claimants was entitled to a seat in this House.

It might be well for me to state to you the undisputed facts with reference to this controversy. Mr. Bolivar Kemp died on the 19th day of June 1933, after the Congress adjourned last June. It was insisted, both by the representatives of Mr. Sanders and of Mrs. Kemp, that immediately after his death various parties in the State of Louisiana and in this congressional district, sought an opportunity to become a candidate to succeed Mr. Kemp. Many thousand citizens in that district petitioned the chief executive of that State to call immediately an election to fill this vacancy. For a while the chief executive of the State offered no excuse for not calling the special election. Afterward he announced he would call it soon, and at another time he announced that he did not know that an election was really necessary, and that he was waiting for some other eventuality to happen. At all events, no election was called, no election was attempted to be called by the chief executive of that State, until on the 27th day of November, more than 5 months after there became a vacancy in this body, and more than 5 months after the death of Mr. Kemp, and just prior to the time when the citizens of the district had threatened to hold a mass meeting to endeavor, under the laws of the State of Louisiana, to fill the vacancy. Then, Mr. Speaker, on the 27th day of November the chief executive of that State issued a proclamation, entrusted it to the executive committee of the Sixth District, and that committee, outside of the district, in the city of New Orleans, called an election pursuant to this proclamation of the Governor, or at least announced that there would be an election, and undertook to name a candidate to be voted on at that election.

That election was called to be had on the 5th day of December, just 7 days after the proclamation was handed by the Chief Executive of Louisiana to the district committee, which met in New Orleans, outside of the district. That election, pursuant to that proclamation, was held on the 5th of December, and more than 5,000 people participated in the election. Five thousand or more of those votes were cast for Mrs. Kemp. On the 28th of November, 1 day after the meeting of the district executive committee which nominated Mrs. Kemp, the citizens' mass meeting which had been called met in the district and undertook to fix a day for an election, and did fix a day for the election. They fixed it at 30 days thereafter, or on the 27th day of December, and at that election more than 15,000 votes were cast, and about 15,000 votes were cast for Mr. Sanders.

The question which the committee had to decide was whether there was any legal authority for either of these elections.

As you know, the Constitution of the United States vests in Congress the power to designate the number of Representatives each State shall have in the Congress of the United States, but vests in the States themselves the authority to determine the manner, the time, and the place of the election of these Representatives. The Constitution reserves to Congress, however, the right to change the rules and regulations made by the States in respect to the election of its Members. The Constitution of the United States further provides that where there is a vacancy in the office of Representative in Congress it shall be the duty of the chief executive of the State where the vacancy occurs to call an election, and pursuant to the laws of the State to fill the vacancy.

Your committee is of opinion that there are just two statutes in the State of Louisiana involved in the determination of the legality of Mrs. Kemp's nomination and election.

Section 2 of the election law of Louisiana provides for notice to be given by the Governor when a general election is to be held, and this notice must be given at least 30 days before the election is held. The same election law provides that there shall be supervisors of election and that the supervisors themselves shall give at least 15 days' notice of a general election.

Section 6 of the election law of Louisiana provides that where a vacancy in the office of Representative in Congress occurs it shall be the duty of the Governor to call an election according to law to fill the vacancy. So, to repeat, the Constitution of the United States provides that the Governor shall call an election to fill the vacancy in the office of Representative in Congress, and the statute, the mandate, of the State of Louisiana provides that where there is such a vacancy the Governor must issue his proclamation and call an election according to law to fill the vacancy.

Section 43 of the election law provides that all nominations of political parties shall be made as provided in the primary law of the State of Louisiana; and so the Governor, armed with the authority vested in him by the Constitution of the United States and directed by the statutes of his State, was required to fill this vacancy and to fill it according to the laws of his State.

I may say in passing that the Constitution reserved to the States the right to elect Representatives in Congress in the manner provided by the laws of the State, but the Constitution did not take from Congress entirely the right to change rules and regulations which may be made by the States in respect to the election of Representatives in Congress.

The primary election law of the State of Louisiana provides that all nominations for candidate for Representative in Congress shall be made by a direct primary election. The law is explicit; it does not equivocate. It goes further and states that any other method shall be illegal.

I call attention to this feature of the Louisiana law, Mr. Speaker: The rights of the people of Louisiana to think about an election and to determine whom they shall vote for as their candidate were well safeguarded in another section of the primary law of that State which provides that a district committee, a committee which has the function of calling the primary election to nominate candidates for the office of Representative in Congress to be voted for in the general election, shall give at least 9 weeks' notice of that election to the people of the State. I think the framers of this law realized that the primary determined clearly who should represent the State of Louisiana in the Congress of the United States and that the general election was perfunctory in that it merely confirmed what had been done at the primary; so the legislature in passing this primary law made it imperative that when a candidate was to be selected at a primary the district committee having the jurisdiction to call the primary must give at least 9 weeks' notice of the intention to hold a primary for a general election.

The law provided further that when a special election—and I call particular attention to this provision of the primary law of Louisiana—that in the case of a vacancy in the office of Representative in Congress from the State of Louisiana and where a special election is held to fill the vacancy the district committee shall fix the date at which a primary election shall be held to nominate candidates, which date shall not be less than 10 days after the election shall have been ordered. In other words, the law contemplates that a sufficient notice—a reasonable notice, I take it—shall be given both in selecting a candidate at the primary and in electing a candidate at the general election. The statute itself states that 5 weeks is a reasonable notice; but when it comes to the question of selecting a candidate to fill a vacancy under the primary law of the State of Louisiana, it was provided that the primary must be held not less than 10 days after the election was called by the party who had the right to call it; of course, much more time could be given.

Mr. COX. Mr. Speaker, will the gentleman yield for a question at this point?

Mr. KERR. I yield.

Mr. COX. Is there not a provision in the Louisiana law with regard to receiving a nomination or winning a nomination other than by a primary election; and, if so, then what was there in the nomination which was given by the executive committee that partakes of the nature of legal fraud; and how was it so connected with the general election as to make it a part thereof?

Mr. KERR. That question is raised, and I shall discuss it later. The provision to which the gentleman refers is found in section 31 of the primary law, and I shall discuss it in just a minute.

[Here the gavel fell.]

Mr. KERR. Mr. Speaker, I yield myself 5 additional minutes.

Your committee was impelled to conclude from undisputed facts that there had to be a primary nomination for a candidate to succeed Mr. Kemp. The statute provided that any other nomination was illegal. The election was called to fill a vacancy. The primary law states that notice had to be given. The people must be given notice and the district executive committee must be given at least 10 days' notice of that election.

In the case before us there was no such notice given. This executive committee met in the city of New Orleans, declared that the election must be held through the proclamation of the Governor, and undertook to hold it in 7 days, and also undertook to name a candidate to be voted for at that election.

Mr. COX. Did the Governor, in his proclamation, fix the date at which the election should be held?

Mr. KERR. No, sir; he did not. The statute itself fixed the date. The statute said that the date shall not be less than 10 days after the notice has been issued by the Governor. The Governor should have given reasonable notice of this special election, and that notice should have allowed the district committee to call a primary to be held in not less than 10 days after this notice in order that the people of the district could pass upon and select a nominee in that district.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. Was the action of your committee unanimous?

Mr. KERR. Yes; it was.

Mr. COX. Is the language of the statute mandatory that 10 days' notice "shall" be given?

Mr. KERR. If the gentleman asks me personally, I say it was not directory. It says, "shall." It used the expression "shall." When you consider the importance of selecting a candidate in a State of this kind, where there is no contest except in the primary, I think the spirit of the law was that it was mandatory and that the people of the district should pass on whom they wanted for their candidate.

The contention of Mrs. Kemp with respect to this election was that this committee had a right under certain eventualities to name her. The committee did not agree with her. There were certain exceptions in section 31 of primary law which your committee did not think covered the contention of Mrs. Kemp where a nomination had been held and the nominee should die, then the committee might name a candidate. If the nominee had died within a few days of the election, the committee would have the right to name the candidate. There were two other situations which section 31 would take care of. One was where no one filed to be nominated the committee could name somebody and tender the nomination. The other exception was to cover an eventuality of this kind where there was only one man announced as a candidate. Then the committee would have the right to name a candidate; in other words, it was imperative. It was mandatory on the part of the Governor to call this election so that the people could have the opportunity of selecting their candidate.

[Here the gavel fell.]

Mr. KERR. I yield myself an additional 3 minutes.

Mr. COX. If an election had been ordered and no primary had been held, or if a primary had been held and no nominee offered and the whole matter had gone by default, then do I understand that the gentleman concedes this district committee would have had the right to have supplied a nominee in the general election?

Mr. KERR. I think that is what section 31 was intended to safeguard.

If it was possible for the chief executive of the State to violate the laws of that State and not comply with them, then it would be possible for him to abort and make null the primary laws which provide for the manner in which candidates should be elected, because all he would have to do would be to simply protract the giving of notice and wait until it was too late to name a byprimary candidate; then the machinery that might be in control of some faction in the State could name whomever they pleased, and this would have the effect of practically aborting and nullifying, if you please, the election laws of the State of Louisiana insofar as giving the people of the State an opportunity to name their candidate.

Mr. COX. Could the committee in this instance have fixed a later date for the holding of the election?

Mr. KERR. I do not know that it makes any difference whether the committee could have fixed a later date or not. The point is that the chief executive—the Governor—by waiting and not giving the voters of the district a chance to elect a candidate, made it impossible for them to hold a primary.

Mr. COX. Does not that meet the case that the gentleman has referred to as an exception; that is, if the election was called at a time that made impossible the holding of a primary election, then it was within the province of the committee to make the nomination itself?

Mr. KERR. No. The committee had no right under the law to participate in any kind of action which deprived the people of the State of Louisiana of nominating a candidate.

[Here the gavel fell.]

Mr. KERR. I yield myself an additional minute.

As to the election of Mr. Sanders and as to the legality of Mr. Sanders' election, the committee was unanimous in its opinion that the attempted election was a nullity; that there was no machinery provided for such election that his friends participated in in an endeavor to make him a Member of this Congress. The Members of this House are familiar with the fact that there must be some legal machinery in order to hold an election. In this case there was no machinery at all. The voters and citizens had a right to meet, but unfortunately the legislature had not provided any way for their holding an election. There was no election machinery provided. It was the opinion of the committee that Mr. Sanders was not legally elected.

OLD-AGE PENSIONS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to include in the RECORD a radio address of my colleague, Mr. ROGERS of Oklahoma.

The SPEAKER pro tempore. Is there any objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McKEOWN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Dr. POPE. Standing almost within the shadow of the National Capitol, here in Washington, my mind races far to the Southwest—nearly 2,000 miles—out there under the friendly stars where lies the State of Oklahoma, the State we love, the people we love. And to the thousands of Oklahomans listening to my voice at this moment I bring a message of joy—for tonight we present another outstanding character, another Member of the National Congress, a man chosen by the people, another patriot who cannot be influenced by star-chamber sessions, and who cannot be cowed by the dirty and insinuating threats of the well-fed bureaucrat and holders of high-salaried jobs at the expense of the Government while old people are going hungry. Ladies and gentlemen of America, I present to you now that clean and courageous young statesman, our Congressman at large from Oklahoma, the Honorable WILL ROGERS.

ADDRESS OF HON. WILL ROGERS OF OKLAHOMA

Mr. ROGERS. Thank you, Dr. Pope. Good evening, my fellow Americans. Today a vital question of national legislation, involving a great principle of public welfare and social righteousness, has taken hold and is thrusting the healthy roots of its just cause deep into the consciousness of our national life. Every day manifests a growing sentiment in the congressional atmosphere of Capitol Hill favoring this important reform. Congressmen and Senators are freely discussing this vital question. The President and the first lady, Mrs. Roosevelt, have on previous occasions expressed their attitude in terms of approbation. I refer to the question of Federal old-age pension legislation. It is a problem that has engrossed the acute attention of not only those upon whom it would confer immediate and direct benefits but which has engaged the minute inspection of outstanding economists, students of political science, and experts in matters of taxation. Old-age pension reform on a Nation-wide basis, with the Federal Government in the role of the great provider, is actually becoming a topic of universal discussion and meeting with national favor.

Practically every recognized and leading country of the world has consented to its humane social precepts and has adopted this formula for old-age security. As a precursor of contentment to that charming and vital element of aged people, its precepts are founded on principles of the highest order. As a solution to one of the greatest economic problems that ever inspired counsel with the profound minds of this Nation, along the lines of social welfare and economic feasibility, this proposal of old-age pensions, on a national basis, knows no peer. I sorrowfully allude to the present awkward, haphazard, insufficient method of taking care of the old people of America. It is truly tragic. These people who have passed the meridian of life, who have really given their all, poor though it may have been in some instance, by the present system are scuffed about in makeshift fashion, exposed to the heartless circumstance and cruel poverty of the most infamous institution in America, the poorhouse. Some of these aged people are victims of our fallible and indefensible economic system. Many of them once owned considerable accumulation of worldly goods. A great number of them have seen their savings swept away overnight as a result of ill-founded trust and abiding faith in our system of fraudulent banking, in manipulated insurance companies, and by exploited building and loan associations. They are due something more than dependency upon the local community, an overburdened, overtaxed relative, or the squalid disgracefulness of the poorhouse.

Until recent months, the old people of America have truly been the forgotten men. They have surely been a neglected and forgotten people. This fact has been indelibly established by the past 4 years of economic hardship, chaotic depression, personal suffering, and rancorous unemployment. We have come to a point of realization that something must be done to withdraw this burden of old-age dependency from the local community, the already overtaxed responsibilities of relatives, and the nauseating frailty of the poorhouse. We have come to realize the pressing need for a plan to sufficiently provide for the comfort, the physical relief, and the mental surcease of our old people.

Predicated upon that pressing national necessity, one of my colleagues, the Honorable WESLEY E. DISNEY, who represents the First Congressional District of Oklahoma in the National Congress, has drafted and introduced in the House of Representatives House bill 7019, which provides old-age compensation to citizens of the United States. This bill is approved and sponsored by the National Old-Age Pension Association, of which Dr. J. E. Pope, of Tulsa, Okla., is president. The organization maintains offices in Washington, and under the personal direction of Dr. Pope is conducting a campaign in behalf of this legislation. I wish to briefly discuss the major provision of this program. It provides that every person who has reached the age of 65, who has been a citizen of the United States for a period of 20 consecutive years, and who does not have an annual income above $360 shall receive from the Federal Government for the remainder of his life the sum of $30 per month. If the pensioner has other income, then the amount of the pension, plus the annual income, shall not exceed a total of $360 per year. This bill also provides that at the death of the pensioner any accumulated estate shall become the property of the United States Government. It further provides that no person shall be paid a pension who draws compensation, salary, or remuneration for labor or work in any position of competitive earning. Agriculture shall not be deemed competitive earning where the total land cultivated does not exceed 5 acres and where none of the products grown on said acreage are sold, traded, or bartered.

The measure proposes old-age pensions without necessitating additional taxation hardship on the taxpaying American public. It provides that one half of 1 percent of all salaries of people between the ages of 21 and 45, inclusive, shall be deposited with the Postal Savings Division of the Postal Department. This fund will be known as the "old-age pension fund", and will go to pay the $30-per-month pension to those deserving this relief.

The provisions of the old-age pension act shall be administered by a director of pensions, who shall be appointed by the President of the United States. The director of pensions shall be empowered to set up the necessary machinery and to formulate the necessary organization with which to carry out the provisions of this measure.

A special board is provided that makes it possible, in the event the fund becomes too great for the demand, to scale down the amount of the percent of the salary tax on the people between the ages of 21 and 45.

No person shall receive benefits from enactment of this legislation who, within 5 years previous to making application for Federal compensation, deprived himself directly or indirectly of any property for the purpose of qualifying for benefits under this act. No person shall be allowed to draw a pension who is an inmate of an insane asylum, of a charitable institution, or who is under penal sentence in any jail or prison.

Embodied in this far-reaching humane plan of national old-age pensions is a schedule that will provide security for the aged and at the same time will add no hardship to the taxpaying public. It is another way to spread the wealth of this Nation. It is an

open road to happiness and contentment in old age, whereas today old age is a nightmare and a dreaded plight to thousands who are unable to care for themselves.

As an example of the extreme anxiety, discomfort, poverty-stricken circumstance suffered by these lonely and forgotten people, I wish to indulge your attention to excerpts from a recent letter received from one for whom the Disney measure proposes relief. I quote from the letter: "Here I sit in a lonesome shack like a million more poor old folk. I can get no job. I wonder where my next food will come from. I am saddened with our plight and I pray to God that Congress will remember. We have no Federal relief, and many times we have actually gone without food. Will you direct your energy toward some method of relief for those of us who are hungry and cold and who are unable to provide for ourselves?" Fellow Americans, this is a dramatic plea. What will be our response?

We revel in the supposition that we are endowed in America with a democratic form of government. We are prone to enjoy in our public addresses, forays back to those inspiring and historic events that gave birth to the Declaration of Independence and to that great manifesto, the Constitution of the United States. We swell with joy when we direct attention to America as a land of opportunity, where the Stars and Stripes proclaim that liberty and democracy shall never die, where resides that noble heritage of middle-class Americans, the greatest human element known to man. Rich with lofty purpose, these represent our most cherished traditions. But, now, the picture is not so promising and yet the future leavens with more encouragement. Looking back 100 years we see that with the rise of Andrew Jackson, that proud, fiery, and illustrious statesman, came the rise of the common man; universal suffrage and democracy; the people taking charge of the Government. Today, with the inception of 1934, led by Franklin D. Roosevelt, we have the rescue of the forgotten man; progress and security; the Government taking charge of the people. Under the esteemed leadership of our beloved President, though he has served only a few short months, many infamous practices have been checkmated. But, fellow Americans, the program has just begun—a great harvest lies in the offing.

America, for several decades, has steadily traveled the ill-fated highway that leads to the station of irreconcilable contradiction, economic autocracy, and political democracy. We have been rapidly resolving our society to one of the extremely rich and the extremely poor, master and servant, owner and serf. We have been approaching an oligarchy where those who owned the productive wealth of the Nation, dominated the Government. America has been money-mad. Sympathy, understanding, and personal interest in our fellow men has been the exception instead of the rule. During these money-glutted years we tried, each to go his own way alone. The past years of depression have served to impress upon our consciousness that these many years of greed and money lust have ended with a terrible lesson: That wealth evaporates and leaves men stark and with naked hearts. It is for us to see that this terrible rebuke has not been in vain. It is for us to see that we rebuild the fallen structure on the rock of brotherhood. The severe economic stress that we have experienced has called upon us for all the fortitude, strength, and sympathy that we could muster. Out of the wreckage now, we see that we can only help ourselves by helping others. Out of this period of social readjustment we can rise triumphant. But we must remember our forgotten people.

Supplementing the program initiated by our beloved Roosevelt, we can and must enact Federal legislation providing pensions for the aged, thus solving with one sweeping stroke myriad social and economic problems. We can and will build a stronger America; more virile citizenry, and a sounder civilization, when, out of the chaotic past comes the realization that it is not only a duty but a privilege to be our brother's keeper.

CONTESTED ELECTION—SANDER AGAINST KEMP

Mr. GIFFORD. Mr. Speaker, I yield myself 10 minutes.

As a minority member of this committee I had a great deal of difficulty in joining with the committee in this report. I am not an attorney, for which I am rather glad, because sometimes I think I can render a more impartial judgment. We all know that if you have a case at law and hire a good lawyer the other side has no trouble in hiring a lawyer who is just as active and who is apparently just as sincere in his belief as to the rights involved. There is no trouble in getting a two-party lawsuit started at any time.

Having myself been chairman of this committee and being intensely in earnest on the subject of what we do as a precedent, I listened very carefully for several days to the testimony offered and finally yielded to what was probably the better judgment of the attorneys, especially the very able attorney on the minority side. But this matter has been worrying me a good deal, and I am very glad that the House thinks it wise to discuss it at this time and to demand a little information thereon. I read a good deal about the State of Louisiana and begged the committee to have certain people from that State brought before our committee in order that I might cross-question them and pry into their minds to see if I could find a proper motive.

There was the question of prima facie evidence and the question of having a party set aside, where no fraud on the part of the party involved had been proven.

If that had been the sole question, I would have stuck it out for a long time, but, as the committee looked at it, two questions had to be determined simultaneously; that is, both the ultimate right and the prima facie right. After having gone into the question of the ultimate right, of course, I was a good fellow and went along with the committee, and I am in that peculiar position today. However, I enjoy the idea that you desire to know all the facts and I should like to ask you to explore into them with me.

Could I not be allowed to assume that the Governor of Louisiana is honest, not having proven him otherwise; that he had a decent motive until proven otherwise? I should like to have looked him in the eye and asked him questions so that I might determine in my own mind whether he was honest or otherwise in the matter. Must I depend upon the newspapers to determine the question of motive?

It is the duty of the Governor to call a special election, but often Governors do not do this. Only by accident did my Governor call the special election that sent me here, and I would not have complained if he had thought that the expense was too great or the necessity not sufficient. I would not have complained about that, but even though the Constitution states that it is their duty, Governors often do not hasten to call special elections, and this Governor states that he said:

> We will call a special election when we have the necessity for another election. Our parishes are so poor that many of them should not be forced to pay the expenses of this particular election.

Was he honest? Was he sincere? I do not know.

I looked into the primary law of the State of Louisiana and I imagine it was carefully drawn. The attorney general of the State of Louisiana came here and said that the Governor acted wholly upon his advice. The attorney general appeared like an honest man. He assumed the responsibility, but the members of the committee did not question him very much, to my great surprise. There was an opportunity to find out whether there was any intention to defraud, but they let him go, and I hoped the members of the congressional delegation from the State of Louisiana would come before the committee. I suggested that they be invited. Hot potato! They did not want to get into it. I do not know that I blame them. [Laughter.] It would have been informative for the gentleman from Massachusetts to learn a little more about how they carry on their elections in the State of Louisiana.

Mr. SANDLIN. Will the gentleman yield?

Mr. GIFFORD. I am glad to yield to the gentleman from Louisiana.

Mr. SANDLIN. I may state for myself that I had no hesitancy about appearing before that committee or any other committee to let them know how I stood on any question, but the committee announced that they wanted to decide this question purely on legal grounds and that they did not want any politics injected into the matter. It is difficult at this time for anyone from the State of Louisiana, be he a Representative or a private citizen, to discuss any matter without discussing the political situation in Louisiana. We will discuss that, I will say to my friend, at another time and in another forum.

Mr. GIFFORD. I was reminded, day in and day out at the hearing, that this is a legal question. I must not question whether intention to defraud was there or not, and yet the papers are full of these things and it would not have been a bad idea to find out something about them.

Mr. DIES. Will the gentleman yield for a brief question?

Mr. GIFFORD. I yield.

Mr. DIES. Is the gentleman for or against the report?

Mr. GIFFORD. I am with the report, but does not the gentleman want to know how the matter was carried on and would not the gentleman like to have my comments about it?

Mr. DIES. Yes.

Mr. GIFFORD. With my unwillingness, which I expressed plainly, I finally conformed to the majority report,

not thinking it would come upon the floor; but being of that spineless minority over here that you hear about, I offer myself as an exhibit. [Laughter.]

Mr. PERKINS. Will the gentleman yield for a question?

Mr. GIFFORD. Certainly.

Mr. PERKINS. In other words, the gentleman thought the judgment of the committee was better than his own judgment?

Mr. GIFFORD. Absolutely. It was like being on a jury with a lack of evidence, and I kept saying that I did not have enough evidence and that I wished to have more. It looked bad enough, but in the absence of people who were responsible I could not help it.

Now, here is section 31, carefully drawn by the lawyers of the State of Louisiana, distinctly conveying an idea.

I would like to read this because it is very important:

Or in any other event wherein the party shall have no nominee selected, under the provisions of this act, the committee calling the primary—

What this means is the committee having power to call the primary. It does not mean the committee that had called the primary, at all. Some committee had to have the power and if the Governor saw fit to call an election within 5 days, when they could not call a primary, it has to be assumed that somebody in the State of Louisiana could have a party candidate. This is surely the intent of the law of the State of Louisiana.

Mr. COX. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. COX. In the opinion of the gentleman was that election a legal election?

Mr. GIFFORD. Well, Mr. Speaker, under the reading of this law I should have to say, probably not. [Laughter.]

Mr. COX. Then what circumstances surrounding the holding of the election does the gentleman offer as the reason for its illegality?

Mr. GIFFORD. My objection is that when an outside faction threatened that it would call a mass meeting of the citizens and hold an election on a certain date—which they did and it was held within less than 30 days—then the Governor said, "All right; if you threaten me with that, I will do my duty and I will call upon my attorney general and if he says I can beat you to it, I will call one as early as December 7."

Mind you, after January 1 there are no voters in Louisiana. Everyone has to be registered again and therefore they have got to hold the election before January 1.

Mr. COX. Exactly; and was not that offered as the reason for calling the election at the particular time at which it was held?

Mr. GIFFORD. Both parties had made requests to call it before that.

Mr. COX. Was there any evidence offered before your committee to the effect that another elector of the district wanted to become a candidate for election?

Mr. GIFFORD. Yes. Mrs. Kemp was a popular candidate. She had a number of signatures asking her to run. It looked as if the committee in filling the vacancy selected the candidate the people wanted, but they would not bring in any evidence to show that there were other candidates that the people wanted or not.

Mr. COX. The committee in giving Mrs. Kemp the advantage did not deny the right to any one else to participate.

Mr. GIFFORD. They claimed the voters in Louisiana had the right to write the name on the ballot. In my State there have been some wonderful victories by writing in names on the ballot. A mayor of Boston, who served a time in this House, was defeated, by stickers placed upon the ballot, by Mr. Tague. But here in Louisiana they say that a man has got to walk up and be able to write. If he is not able to write, he may have someone assist him do so, and his assistant may tell him how to vote as well.

Mr. COX. In the gentleman's opinion, did the action of the committee in nominating Mrs. Kemp as a candidate operate as a nomination from the Democratic Party?

Mr. GIFFORD. I think so. From what evidence we had before our committee, Mrs. Kemp was the one that the people wanted. She was not tainted with fraud. That is what worries me; it is unfair to Mrs. Kemp.

Mr. COX. If the action of the committee was equivalent to a legal nomination, and the result was that Mrs. Kemp's name was put on the ticket at the special election and it was not tainted with fraud, how does the gentleman support a resolution saying that there was no election?

Mr. GIFFORD. Oh, there was other evidence. There was evidence of the conditions there. There was the investigation by another body; but I do feel badly that this House on the first day did not seat Mrs. Kemp. It should have done so on the prima facie case.

Mr. BLANCHARD. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. BLANCHARD. House Resolution 202 provides that the question of prima facie as well as the final right of Mrs. Kemp and Mr. Sanders shall be referred to the committee. May I ask if any determination of the prima facie right of either individual had been determined by this committee?

Mr. GIFFORD. Read the report and the gentleman will see. We had to decide both questions simultaneously. If we had taken up that question, never would I have given in an inch to her prima facie right to a seat, but I had to go through several days of hearing, and with all the evidence before us it appeared that there was no proper election held. Then I cheerfully acquiesced in the decision. I am glad that some of this is disclosed. It is very interesting. It is interesting to me. I should have liked to have the delegation say what they thought. I should like to have had the members of that committee who filled that vacancy before us, and above all I should like to have had the Governor there to hear what he had to say about it.

Mr. KERR. Mr. Speaker, I yield 10 minutes to the gentleman from Louisiana [Mr. DEAR].

Mr. DEAR. Mr. Speaker and Members of the House, I rise to ask the Members of this House to support the resolution which the Committee on Elections has reported by unanimous vote. The matter that now confronts us for decision involves no personalities nor any of the factional differences which unfortunately exist in the State of Louisiana. It is true that this contest is a result of those political conditions in Louisiana, but it makes little difference with this body whether or not either of the contesting parties is successful, but otherwise the decision which we arrive at today is of the greatest importance. This is a judicial question involving both facts and law, and the decision of this House will be a precedent for its future guidance. Before discussing the law, I shall briefly review the salient facts disclosed by the hearing before the committee.

Hon. Bolivar E. Kemp died on June 19, 1933. Shortly thereafter five candidates appeared seeking the nomination to fill the unexpired term for the Sixth Congressional District of Louisiana, which Mr. Kemp had represented. It had always been the custom in Louisiana, as well as elsewhere, to immediately take steps to fill such a vacancy because of its importance not only to the citizens of the district but to the State at large. Early action by the Governor to call an election was confidently expected. However, in this instance the Governor would not call an election, though he was requested to do so by the citizens, by the press, and by the candidates, including the present contestants. All wanted an election, except the Governor, who remained as silent as the tomb, and no information could be had as to what his intentions were. Finally, one of the candidates, Mr. Whitman, sought by legal process to force the Governor to call an election, but without avail, as the court had no authority or jurisdiction in such matters. The agitation for an election was great, and by September 1 it had developed into a popular clamor. On September 15 the Associated Press carried the information that it was the intention of the Governor to call such an election. Yet it was never called. As nothing was being done and, the continued inactivity of the Governor clearly indicated it was

not his intention to give the people of the district a Congressman, the people themselves selected a committee to interview the Governor, at which time the committee, headed by former United States Senator Edward J. Gay, presented a petition signed by more than 10,000 voters of the district urging that an election be called. This petition was respectfully presented on November 14 and requested an answer from the Governor by November 18 as to what his intentions were. This was necessary because of the fact that the time was getting short in which to hold an election in order to give the district representation in the Congress which would meet on January 3, 1934.

November 18 passed and the Governor made no reply of any kind. On November 20 the committee met and, acting under the law, called a mass meeting of citizens to assemble in the city of Baton Rouge on November 28 to take some action in the matter. On November 24 the Governor gave out a long interview, in which he stated unequivocably that he would not call an election, and, in giving reasons for such action, he said, in part:

> I intend to call an election in the Sixth District and to fill vacancies in other offices in the State when it will be of any benefit to the people or when it may be convenient. Just now the newspapers are busy telling us that the President and his special boards are running the country, and we have less than no use for a Congress. Why are they clamoring for another Congressman so hard if that is true?
>
> There can be nothing so very urgent for another Member of Congress from Louisiana to serve just a few months, when the present Congress is a majority over 100 Democratic. The regular congressional election for them all will occur in the coming summer.

The citizens of the district concluded that after 5 months' deliberation the Governor had come to the solemn and definite conclusion to which he had given utterance, and they prepared to assemble on the 28th and to proceed to call an election. However, a surprise came on the 27th. On that day certain members of the Democratic Congressional Executive Committee who were political friends of the Governor met outside of the congressional district in the city of New Orleans, obviously by a preconceived plan. To the members not friendly to the scheme of things a telegram was sent at 11 o'clock on the morning of the 27th, stating that the committee would meet that afternoon at 4 o'clock in New Orleans. Of course, it was not possible for those members to attend, because of the fact that they lived a long distance from the city. At that meeting a proclamation of the Governor calling a general election for December 5, 7 days hence, was read for the first time. When, where, and how this proclamation was prepared has not yet become known.

At the committee meeting it was decided that it was impossible to call a primary election within the 7 days, and contrary to and in violation of the election laws of the State, the committee took upon itself a right to place the name of the Democratic nominee upon the ticket to be used in the general election which the Governor had called. It developed that even the tickets had already been printed, and during the following night and day they were distributed, and the public press on the 28th carried the Governor's proclamation.

Mr. MONTET. Mr. Speaker, will the gentleman yield?

Mr. DEAR. Yes; with pleasure.

Mr. MONTET. The gentleman stated that on the night of the 27th the tickets were distributed in the district. Will the gentleman tell us if the name of Mrs. Kemp was printed on those tickets as the Democratic nominee?

Mr. DEAR. Oh, yes. That was the whole purpose of the meeting. This committee, for the first time in the history of Louisiana, placed on the ticket a Democratic nominee to be voted upon in the general election without first having called a Democratic primary. This was contrary to the law, in violation of the law, and contrary to a custom the people of Louisiana have followed throughout its history. That ticket with that name upon it was distributed.

Mr. TARVER. Will the gentleman yield?

Mr. DEAR. I yield.

Mr. TARVER. Was any evidence ever developed as to when those tickets were printed; whether before action had by the Democratic committee, or afterwards?

Mr. DEAR. There was some evidence, I understand, in a civil suit in Louisiana, stating that the tickets had been previously printed with the name left blank, and the printer filled in the form and rushed them out. They knew there would be an injunction to stop this, and in order to circumvent the court and the law they had the tickets already printed and when the injunction was issued they said, "We are sorry, but you have enjoined us from doing something we have already done."

Mr. BLANCHARD. Will the gentleman yield?

Mr. DEAR. I yield.

Mr. BLANCHARD. I take it the gentleman will discuss section 31 and the language which reads as follows: "or in any other event wherein the party shall have no nominee selected under the provisions of this act."

Mr. DEAR. With pleasure.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. DEAR. Yes; I yield.

Mr. WHITTINGTON. What was the statutory provision as to the time the Governor was required to give for this election? Is there any time requirement for the holding of an election in Louisiana, and if so, what is it?

Mr. DEAR. I will answer the gentleman from Mississippi first and then I will answer the gentleman from Wisconsin. The general election law provides two things——

Mr. WHITTINGTON. I am talking about special elections, now.

Mr. DEAR. It provides for two kinds of general elections; one, the fixed general election and the special general election. The statute provides that in calling a general election the Governor must give at least 30 days' notice. That was given to you as the law by the learned chairman of the committee.

Mr. WHITTINGTON. I do not so understand, and that is not in the report, that there must be 30 days' notice given of a special election.

Mr. DEAR. It says he shall give notice "according to law", and the only law is the general election law which says not less than 30 days.

The SPEAKER pro tempore. The time of the gentleman from Louisiana [Mr. DEAR] has expired.

Mr. COX. Will the gentleman yield.

Mr. KERR. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DEAR. I yield to the gentleman from Georgia.

Mr. COX. The gentleman, of course, concedes that there is a provision in the law for the executive committee making a nomination, is there not, where there has been no primary?

Mr. DEAR. No.

Mr. COX. Either where there has been no primary, or where there has been a primary without anyone offering?

Mr. DEAR. Yes; but first there must be called a primary. The time must be fixed for filing notice of intention of becoming a candidate—everybody must be given a chance. If after calling the primary and no one qualifies, the committee may then place upon the ballot the Democratic nominee, but not otherwise.

Mr. CROSSER. Will the gentleman yield?

Mr. DEAR. I yield.

Mr. CROSSER. Does it not provide that in any event if there fails to be a nominee, the committee may name a nominee?

Mr. DEAR. No. The committee must first call the primary, and until it does so it is powerless.

Mr. CROSSER. Does it provide that as a condition precedent?

Mr. DEAR. Yes, sir. It says it specifically, and a high-school student could grasp the meaning of that language, it seems to me. It says "the committee calling the election." There first must be a call, and there must be a time fixed for them to qualify. Then, if no one qualifies, the committee can do that, and in no other instance.

Mr. BLANCHARD. Will the gentleman yield further?

Mr. DEAR. I yield.

Mr. BLANCHARD. Does not the language read:

In any other event wherein the party shall have no nominee selected under the provisions of this act, the committee calling the primary shall select the nominee for any position named in the call of the committee, and shall have full authority to certify said name.

Mr. DEAR. Yes; that confirms what I said. Now, if I have time I want to say a few words in regard to this citizens' meeting.

The SPEAKER pro tempore. The time of the gentleman from Louisiana [Mr. DEAR] has again expired.

Mr. KERR. I yield the gentleman 2 additional minutes, Mr. Speaker.

Mr. DEAR. Now, mark you, on November 24, no election would be called, said the Governor, but during the following 3 days the proclamation was drafted, the friendly members of the executive committee were notified to meet, and the tickets were printed, seemingly in secret, for no one had any information as to what was taking place until 11 o'clock on the 27th. On the 24th the Governor had decided not to act, and on the 27th he was acting with lightning speed. Why it was necessary that it all be kept a secret is a matter known only to them. Perhaps they knew that an effort would be made in the courts to prevent the diabolical attempt to carry out the illegal acts, and it was undoubtedly for that reason that so much mystery was attached to the meeting, and precautions taken to print and distribute the tickets before the courts could take action.

The tickets carried thereon the name of Mrs. Kemp as the Democratic nominee. By this time the citizenship was thoroughly aroused and injunctions issued. Nevertheless in all but 3 of the 12 parishes comprising the district the election was held after a fashion by commissioners who were hurriedly and illegally obtained for that purpose. No commissioners were selected and names published as required by law. In that election Mrs. Kemp received 4,801 votes.

The citizens assembled on the 28th as intended. They selected a committee and set up the machinery for holding an election, and fixed December 27 as the date on which it was to be held. Commissioners were selected and the matter carried on pursuant to provisions of law covering the holding of elections in Louisiana. That election was open to anyone who wished to enter. Only one candidate, Mr. Sanders, qualified for that election. The election was held and Mr. Sanders received approximately 15,000 votes.

Those are the facts in the main. The two candidates presented their credentials to this House. Under the circumstances both were requested to stand aside and not take the oath. The entire matter was submitted to the Committee on Elections, which has reported that neither was legally elected and consequently was not entitled to a seat in the House of Representatives.

There are two principal statutes in the State of Louisiana covering elections. One is Act 130 of 1916, as amended, which provides for the calling of all general elections. The other is Act 97 of 1922, as amended, which provides for the holding of primaries to name candidates who participate in the general elections. Article 1, section 4, of the Constitution of the United States provides that the legislatures of the different States shall provide the times, places, and manner of electing Senators and Representatives. These statutes fix the time, place, and manner of such elections in compliance with the constitutional provision. Section 3 of Act 130 of 1916 provides that the Governor shall issue his proclamation giving notice of the general election at least 30 days prior to holding the same, and that the board of supervisors of election shall give 15 days' notice " of every general election " by proper advertisement. This section shall be read, of course, in connection with section 6 of the same act which provides in the case of a vacancy in the office of Representative in Congress between the general elections that it shall be the duty of the Governor to call a general election to fill the vacancy. The statute deals with general elections only. In other words, the statute provides for two general elections, one being a regular general election and the other a special general election to fill a vacancy caused by death or otherwise between the regular general elections.

For a candidate to participate in either of the two general elections provided by Act 130 of 1916, the candidate must be nominated in accordance with Act 97 of 1922, known as the " primary law of the State of Louisiana." Section 1 of that act provides that nominations for Members of the House of Representatives in Congress of the United States and other officials therein named shall be made by direct primary election and that a nomination of any person for said office or offices in any other manner shall be illegal, and the secretary of state is prohibited from placing on the official ballot the name of any person as a candidate for any political party not nominated in accordance with the provisions of the primary law. Section 9 of the same act provides specifically for the holding of primary elections to nominate candidates to participate in special general elections and that the primary must be held not less than 10 days after the calling of the special general election.

The action of the Governor of the State of Louisiana in calling a special general election and giving only 7 days' notice thereof was in direct violation of Act 130 of 1916, which provides that no less than 30 days must elapse between the calling and the holding of every general election. The Democratic congressional executive committee in placing the name of Mrs. Kemp upon the official ballot as the Democratic nominee was in absolute violation of the primary law, which provides that no nomination shall be made of any party to take part in a general election except by direct primary election and that it cannot be held as a " snap " election, but that 10 days must elapse between the ordering of a general election and the holding of the primary.

I understand that the Governor and other authorities who proceeded as they did in this hurried election with only 7 days' notice attempt to justify their acts under section 31 of the primary law, which reads as follows:

That all vacancies caused by death or resignation or otherwise among the nominees selected by any political party, under the provisions of this act, shall be filled by the committee, which has jurisdiction over the calling and ordering of the said primary election; and in the event that no person shall have applied to become a candidate for a political office within the time fixed by law, or the call of the committee ordering the primary, or in any other event wherein the party shall have no nominee selected under the provisions of this act, the committee calling the primary shall select the nominee for any position named in the call of the committee and shall have full authority to certify said name as the nominee of the said party: *Provided, however*, That wherever, for any reason, any contest filed in court shall not be finally decided in time to print the name of the nominee of the party upon the ticket at election, then the political party committee shall certify the name of the person who is the contestee in the suit filed, and the name of the said contestee shall be printed upon the ticket as the nominee of said political party, and no court shall have jurisdiction to enjoin such action.

The above section of the law has been interpreted and followed religiously for many years, and at no time has it ever received the interpretation placed upon it by the Governor in this instance. At no time was it ever imagined under any circumstances or conditions that any committee could place upon a ballot a nominee to be voted upon in any general election until the primary had first been called and a time fixed for candidates to file their notices of intention. This section is a saving clause in the law and has been always so interpreted. In the event of death or resignation among the nominees after the primary or in the event that no one qualifies to run in the primary, then in that event, and that only, is the committee authorized or permitted to place upon the ballot the name of the nominee.

This is clearly the meaning of the section and is the construction placed upon it by the people of Louisiana since the day it was written. Under this section the committee calling and ordering the primary has authority to select the nominee for any position named in the call of the committee; clearly indicating that there must be first a call before it is authorized to name such a nominee. This interpretation is so clear that it is difficult to understand why anyone would even argue to the contrary. Surely under this section no justification could be found for the action of the

committee in placing the name of Mrs. Kemp upon the ticket without ever calling the primary. In this instance the primary law was completely ignored; and if permitted once, it may be expected that in the future this right of the people to select their nominee will again be flaunted, a condition which must never be sanctioned or permitted.

In this case the committee sought to justify its illegal action on the ground that there was not time within the 7 days before the general election in which to call a primary. That would not clothe the act with legality; but this situation, of course, was brought about by the inaction of the Governor, who had more than 5 months to call the election, and if the time was too short, it was because of the negligence and laches of the Governor. The Governor could not legally bring about this condition and then take advantage of his own laches to try to make valid his subsequent illegal acts.

It is, therefore, very clear that both the nomination and election of Mrs. Kemp was in violation of every provision of law in the State of Louisiana which apply to an election to fill a vacancy in Congress. It is very clear that the calling of a surprise election in 7 days, the complete ignoring of the primary election law, the violation of the provisions of the general election law providing for 30 days' notice and for 15 days' notice by the supervisors of elections, and the further violation of the Louisiana statute providing for absentee voting renders the election a farce, a fraud on the rights of the people of the Sixth District, and ruthlessly deprived them of the right to select their Representative in Congress as the law provides. Therefore the credentials of Mrs. Kemp, based upon the same, are absolutely illegal, null, and void, and she has no right to a seat in the House of Representatives.

In the discussion of this case before the Elections Committee and also by some Members of the House, it has been assumed that in the surprise election of December 5 that the voters could have voted for their choice by writing in the name of an independent candidate in the space provided for on the ticket. This is clearly in error, for under the laws of Louisiana it is practically impossible, as a practical matter, to be elected as an independent candidate. Act 130 of 1916 was amended by Act 160 of 1932. Under this amendment if a person desired to vote for a person other than the nominee, he must in his own handwriting write the name of such person with a pencil having a black lead and stamped with the official stamp in the white square in the voting place at the right of the name so written. However, before that can be done the candidate must file a statement with the clerk of the district court of the parish in which he lives at least 3 days before the general election, in which statement he shall give his consent to be voted for, particularly naming the office, and shall write his name just as the voter must write it on the ticket. That statement is published and a copy sent to the board of supervisors of elections, and shall be sent with the election supplies to the voting places where such candidate may be voted for. The law further provides that no ballot shall be counted which is cast for any person whose name does not appear upon the printed ballot or who does not become a candidate as indicated. Under this law, if the name is not written with a pencil having a black lead, it would be a spoiled ballot. Further, if the name was not spelled just as written in the statement made to the clerk of court it would again be a spoiled ballot. This and other requirements make it an impossibility as a practical matter to elect anyone as an independent candidate.

In this case there were several considerations which operated against anyone attempting to run as an independent candidate. In the first place, such independent candidates, though denouncing this election farce, nevertheless would make themselves a party to it by participating in it as independents. Even though it were possible under the law to successfully offer as independent candidates, yet this consideration was sufficient to prevent anyone among the independents to offer as a candidate in that election.

The next question involves the legal right of Mr. J. Y. Sanders, Jr., who was elected by the citizens' election to a seat in the House of Representatives. In considering this matter, a great many assume that the citizens' mass meeting in the city of Baton Rouge on November 28, 1933, was without legal sanction. That is untrue. Section 3 of the Act 130 of 1916, being the general election law, after providing for the proclamation of the Governor and the notice by the board of supervisors of elections, and the time in which each shall be given, further provides as follows:

> But no default by the Governor or parish board of supervisors of election to issue said proclamation shall deprive the people of their right to hold an election as fixed by law or vitiate such election when held.

This provision was a saving clause in the law to give the people a right to select and send to Congress a Representative where the Governor refused to issue such writs of election as provided for in the Constitution of the United States and the laws of the State. The citizens availed themselves of this provision of the law and met in mass meeting to carry out the authority granted therein and set up the election machinery and held the election. From the report of the Committee on Elections of this House it is clearly indicated that the committee is of the opinion that the people of the Sixth District had the legal right to assemble for the purpose of calling an election under the conditions and circumstances of this case. However, the difficulty experienced by the committee was that no machinery was provided by the laws of Louisiana to carry out this authority. Had the law provided such machinery and it had been followed by the citizens in holding the election, the committee would have found, no doubt, that Mr. Sanders was legally elected and would have recommended that he be seated.

I am fully aware of the importance of establishing precedents in such matters before the House of Representatives and we all agree that no precedent should be established where an unauthorized and illegal mass meeting of citizens might have a legal excuse to attack before this House a valid and legal election. Nevertheless, I am of the opinion that the action of the mass meeting and the resulting election finds sanction within the laws of Louisiana.

They were authorized by the law referred to to hold an election as fixed by law. What election is fixed by law? In speaking of elections under the Louisiana law a general election is understood and the very statute in which we find this authority deals only with general elections. There are only two elections, therefore, embraced in that phrase, "fixed by law", one being the general election which is held regularly upon a fixed date, and the other a special general election fixed by the same statute in section 9 thereof. Naturally, because the special election by its very nature cannot be fixed as to date, nevertheless is provided for in the statute as a general election and fixed by the statute. The people, therefore, had the right under this provision to hold only the special election which was fixed by this particular statute, to wit, the special general election. In other words they were not authorized to hold a primary or any other election, except this one, and that election they proceeded to hold. It was not contemplated that party nominees would be voted for in this election. This provision of the law is an exception and in this election anyone could run in his own right and not as the nominee of any party. If that were not true it was a vain and useless grant of authority, for should the Governor, who controls the election machinery, refuse to call an election, the machinery would not be put into operation to call a primary.

This was the difficulty, however, confronting the committee, which is composed of very learned lawyers who have concluded that although authority was granted for the holding of the election, there was no adequate machinery carrying it into effect. However, on this question many lawyers differ in opinion, and with all due deference to the findings of the committee, and with full knowledge of the importance in establishing precedents before the House, I am of the opinion that the election of Mr. Sanders was in compliance with the laws of the State of Louisiana, and that the citizens having been authorized by statute to hold an election, that necessarily the right was granted to do all things necessary to carry out and exercise the authority so granted.

They could, therefore, set up the necessary election machinery, as was done.

The action of the Governor and the executive congressional committee in this case was unlike anything that has heretofore happened in the history of the State since the hectic days of the carpetbag rule. It is to be hoped that the Legislature of Louisiana will by proper legislation remove the difficulties found by the Committee on Elections of the House so that this situation may not again arise from that State.

The Constitution of the United States guarantees to our people a republican form of government and this guaranty was referred to by a great Senator from the State of Massachusetts as a sleeping giant. The right of the people to have a voice in the selection of their public officials is an inherent right won by them upon a thousand battlefields by untold sacrifices willingly made in order that we might enjoy that privilege. When that right is trampled upon and ruthlessly taken from the people as was attempted in this case, a natural resentment arises in the soul of every patriotic citizen. When this travesty was attempted on the citizens of the Sixth Congressional District of Louisiana there was immediately a storm of protest, and it met with sympathy throughout the State. Mass meetings were held over the State protesting and denouncing the action of the Governor and the congressional executive committee which sought to destroy the people's rights. The citizens of the Sixth Congressional District meant to preserve and to exercise this inherent right, and to preserve it they were ready to bear arms. Before the courts they were helpless because the courts themselves were powerless in the matter. These citizens, patriotic and devoted to the cause of good government, did not take up arms for they had confidence in the justice of the House of Representatives in the Congress of the United States. They have rested their case here with a sense of security that here justice will be done and their rights as American citizens will be respected and fully protected. The citizens of the Sixth Congressional District and sympathetic neighbors of the State look to this body today to disapprove and rebuke the travesty committed upon them on December 5, 1933, by those whose very duty it was under their oaths to carry out faithfully and honestly the laws of Louisiana. That faith and confidence in this body has not been misplaced. This is a Government where the people rule and their rights will be respected and preserved.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, some criticism has been leveled at the committee because it did not make two decisions, one deciding the prima facie right, and the second deciding the ultimate right; and I fancy before this discussion is over further criticism will be leveled against the committee.

The committee did decide the prima facie right and it did decide the ultimate right. It may be said that there was produced before the committee the certificate signed by the Governor and the secretary of state and that certificate, therefore, was prima facie evidence of the right. No, I do not think we can come to that conclusion. The House of Representatives, which referred this question to its committee for determination, had this certificate before it, and it must have meant there was something further to be gone into by the committee.

Now, there could be no prima facie right unless there were a legal election. A mere certificate would not establish prima facie right; there would have to be underlying that certificate a legal election. So when the committee examined into this question it did so on this proposition: Was there or was there not a legal election held in Louisiana? We determined, and I think the membership of the House will reach the same conclusion if it examines carefully into the law of Louisiana, that there was no legal election whatever, either of Mrs. Kemp or of Mr. Sanders.

One of the Members from my side of the House made amusing criticism of the failure of the committee to call witnesses. First, this was a legal problem; we could determine the whole matter upon the law of Louisiana. Now, that law is a very well considered piece of work. Let me call your attention to the very first paragraph of the primary law and see if you have any serious doubt in your mind after reading it:

Be it enacted by the Legislature of Louisiana, That all political parties shall make all nominations for candidates for the United States Senate, Members of the House of Representatives in the Congress of the United States * * * by direct primary elections. That any nomination, of any person for any of the aforesaid mentioned offices by any other method shall be illegal * * *

That would seem to establish a pretty strong position that the only possible way you can nominate for the office of Representative in Congress in Louisiana is by a direct primary.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I shall be pleased to yield after I finish my statement, but I hope the gentleman will let me proceed, because, perhaps, I may anticipate the question he is about to ask.

The only argument I have heard that attempts to set aside or interpret the act as meaning something other than its plain words imply is that in section 31, which contains the provision:

That all vacancies caused by death or resignation or otherwise among the nominees selected by any political party under the provisions of this act shall be filled by the committee which has jurisdiction over the calling and ordering of said primary election, and in the event that no person shall become a candidate for office within the time fixed by law by the call of the committee ordering the primary.

Here is what they say——

Mr. COX. And does not that answer the gentleman——

Mr. PERKINS. Mr. Speaker, I cannot yield. I hope the gentleman from Georgia will permit me to finish because both of us have had sufficient experience in court to know that the first word does not contain a complete answer. Here is what they say makes a difference:

Or in any other event wherein the party shall have no nominee selected under the provisions of this act the committee calling the primary shall select the nominee for any position named in the call of the committee and shall have full authority to certify said name as the nominee of the party.

They say the language—"the committee calling the primary" should be construed as merely words of designation referring to each particular committee, whether it be the State committee or the congressional committee.

Mark you, Mr. Speaker, it reads:

The committee calling the primary shall select the nominee for any position named in the call of the committee.

So, if there be no call of the committee there never could be any position named in the call of the committee. It is, therefore, perfectly clear under the law of Louisiana that there is only one way by which you can nominate for the office of Representative in Congress; that is, by direct primary.

Now, I shall not go into the local political factional fights down there. As far as I am concerned they are both right; but I may say that when there is no legal primary called there cannot be a legal election. The general election law sets up a method of holding an election after a legal primary is called and held. The Governor, of course, has the power to call an election. You might say: "Suppose the Governor called an election and the primary committee, or the committee having authority to call a primary, did not act; would this nullify the election?"

The law on this subject, section 6 of the general election law of Louisiana, reads as follows:

Be it further enacted—

And so forth—

In case of a vacancy in said office of Representative in Congress between the general elections it shall be the duty of the Governor by proclamation to cause an election to be held according to law to fill such vacancy.

Now the words "according to law" mean in accordance with what? In accordance not only with the general election law but in accordance with the primary law.

What was the fact? The fact was that the Governor had months in which to call this election but delayed until his hand was forced by his adversaries. This is what we then find taking place so far as the time element is concerned: On the 27th of November, having waited five or more months, the Governor called for an election to take place—when? In 7 or 8 days. Then this committee ordinarily having the power to call the primary election found itself short of time, so it assumed to nominate. It did not attempt to follow the primary law; it assumed unto itself the power to nominate. If they had the right to nominate, do you not see what could happen? The whole general election law and primary election law could be set aside by a little arrangement between the Governor and the committee; the Governor could call an election to take place in 2 days and the committee could meet the same day and say they had not sufficient time to call a primary election, and therefore they could nominate a candidate. The actual time element was this: On the 27th of November the Governor called for an election on the 5th of the following month, and on the same day the committee met outside of the district, although I do not suppose that made it illegal, but it was outside of the district so the people in the district could not have knowledge of it, and the committee might as well have been sitting up in New York as far as that is concerned. I suppose they might have had power to go outside their territory. They did not call a primary election; but they made the nomination and on the same day 78,000 ballots were printed.

Once I was unfortunate enough to be in the printing business. I have printed millions of ballots, and I have never been able to get them out the same day that the call was made.

So far as my participation in the determination and judgment of this committee is concerned, I am determining it entirely on the law of Louisiana and not upon other questions of fact in the case. There was a very hot contest down there in Louisiana and the Governor's hand was probably forced, but it is not for me to determine the right or the wrong of the various contentions. I can determine what the law of Louisiana says. We know that for 5 months the Governor did not call an election and refused to call one, although he had been petitioned by thirty or forty thousand persons to do so. He did not do so. Then he finds if he does not act the other fellow will, and, of course, when we find we are forced to do something we try to get there first. This is what the Governor did, and I do not blame him. I suppose that was good politics from his standpoint. He knew the primary law; at least his attorney general knew the primary law. The Governor knew that the primary law could not be observed within the 7 days and we have a right to use our own judgment and say that probably it was his intention not to have a primary. I do not know that it makes any particular difference so far as the action of the Governor was concerned, or what was in the Governor's mind. The only question is, What is written on the statute books of Louisiana? We know he did not intend to let these other chaps get into the primary, so he called an election quick, and, as I said a moment ago, the Governor could call for an election and this district congressional committee had a right to make the nomination, but there was not time enough for them to make a nomination and for an election.

The question might be asked, Why did not these outsiders make a contest in connection with that primary? If there is going to be in Louisiana anything like an honest election, it is within the province of this House to see that the Members or the persons sent here have been elected according to the laws of Louisiana and not in accordance with some snap judgment arranged contrary to those laws.

Mr. GIFFORD. Mr. Speaker, I yield 10 minutes to the gentleman from Louisiana [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Speaker, I wish to extend my thanks and profound appreciation to the gentleman from North Carolina [Mr. KERR] for delaying the report of Election Committee No. 3 to the House until such time as I had an opportunity to be present. First, I want to convey a very definite statement to this Congress that I am not interested one iota in the factional fight between any parties within the Sixth Congressional District of Louisiana. My sole interest in this particular case was simply for the preservation, as I see it, of the House rules and precedents. I will not attempt to enter into a discussion or amplify on the law covering this particular case, not being a lawyer. The legal aspects of this case were fully discussed on the floor of this House a few days ago by the gentleman from Mississippi [Mr. COLLINS].

The resolution provided for two distinct propositions: One was that the committee should determine the prima facie right of Mrs. Boliver E. Kemp and Hon. J. Y. Sanders, Jr., to be sworn and seated as a Member of this Congress; and, second, to determine the final right of these two aspirants and contestants to a seat in this body. The committee ignored the question of prima facie right of either to be seated as a sitting Member and reported on the final right only. This committee, consisting of the Honorable JOHN H. KERR, of North Carolina, the Honorable JOHN H. MCDUFFIE, of Alabama, the Honorable BEN CRAVENS, of Arkansas, the Honorable ALFRED F. BEITER, of New York, and the Honorable E. M. OWEN, of Georgia, all Democrats and men whom I have the honor to call my friends, and the Honorable CHARLES L. GIFFORD, of Massachusetts, the Honorable RANDOLPH PERKINS, of New Jersey, and the Honorable JAMES W. WADSWORTH, of New York, the last three named being Republican members of the committee, all of whom I have explicit confidence in, has unanimously reported to this House that it is their decision that there was no valid election for Representative in the House of Representatives of the Seventy-third Congress from the Sixth Congressional District of Louisiana, and that neither Mrs. Kemp nor Mr. Sanders, Jr., is entitled to a seat therein. Knowing the temper of the House in connection with this matter, I shall vote to uphold the action of the committee [applause], realizing full well that the Sixth Congressional District will be without representation in this Congress for at least the balance of this session, because under any circumstances an election before the middle of April is impossible. Further, since the Sixth Congressional District borders on the First Congressional District of Louisiana, which I have the honor to represent, I would not be amiss in saying that some of the burdens of that district have been borne by me and my staff, and I will cheerfully continue to serve those who call upon me, just as I have done in the past. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I have no particular interest in the pending case. There is, however, something in me that makes me sympathize with the under dog and I find myself at this moment extending a helping hand to the widow who is not being dealt with generously at least. The committee report in this case has penalized her for alleged derelictions on the part of the Governor of Louisiana. There is nothing disclosed in the discussion thus far that convinces me that the holding of a primary election is a condition precedent to the holding of a general election in the State of Louisiana. You may figure it as you please, but there is the concession made on the part of those who are recommending that the widow be turned out that there is provision in the law for action on the part of district executive committees similar to what was done in this case.

You know and I know that primaries are party procedures and that the holding of a legal election is not dependent upon party action, through primaries or otherwise. Here we find that the Governor of the State, for reason satisfactory to himself and by which Mrs. Kemp should not be bound, delayed for months the calling of an election, and when the proclamation was issued, conditions in the State were such that the election could not be postponed a day longer than the day on which it was held, and those here who are conducting this drive against the widow are insisting that

because there had not been a primary election she should not be given a seat in this House on the basis of the certificate which she holds from the Governor. At the same time they concede, as they are obliged to concede, because any other contention would be in contradiction of reason and common sense, that if there is no provision in the law for the committee, as was done in this instance, of its own volition giving a nomination, and if the nomination were not legal, then it was not binding upon a soul, and any other elector within the district might, with complete freedom, have participated in the election as a candidate for the favor of the people of the district.

When the confession is made that nothing was done to shut out other ambitious citizens of the district or to prevent them from becoming candidates in the election, and when the further concession is made that there was nothing illegal in the action of the committee, that there was no fraud practiced on the part of Mrs. Kemp, and is not claiming the fruits of any fraud, when she became a candidate in the election and received a majority of the votes that were cast, then if it were a legal election, as is conceded, she is entitled to a seat in this House, and the challenge now is to the understanding and to the sense of fair play of the Members of this House in this contest as between the widow and one who comes here as the nominee of a rump election as to which shall be seated.

Mr. MONTET. Will the gentleman yield?

Mr. COX. I yield.

Mr. MONTET. The gentleman makes the statement, as I gather it, it is conceded that the district committee had authority to make this nomination. I wish to state that if the gentleman is under that impression, he did not correctly gather the statements made by the chairman of the committee, the gentleman from Louisiana [Mr. DEAR], and others, all of whom very forcefully state that the committee under those circumstances had no such authority.

Mr. COX. I have read the law, but let us treat this case as if no action was taken on the part of any executive committee giving a nomination, then the field was open for all that wanted to enter, and if Mrs. Kemp being the only one that entered, then this House should uphold the result of the election.

Mr. KERR. Will the gentleman yield?

Mr. COX. I yield.

Mr. KERR. Then the gentleman thinks there is no use having any machinery or that it is necessary to comply with the law at all, if you simply give an opportunity to get to the ballot box?

Mr. COX. Not at all, sir. Here is what I am contending: The holding of a primary is not a condition precedent to the holding of a special election, and, particularly so, as this was a special election called to fill an existing vacancy.

Mr. KERR. The gentleman is arguing that in the face of the fact that the statute law of the State of Louisiana states that there is no nominee unless there is a nomination in the primary.

Mr. COX. That contention is not sound, and every Member of this House must recognize this when it is contended that the holding of a primary is a condition precedent to the holding of a general election. Primaries are party activities, and in this case there was the giving of a nomination by the committee, but disregard that altogether and say there was no nomination, still Mrs. Kemp was a candidate in the election and was elected, and this House ought to uphold her in this hour of her trial. [Applause.]

Mr. KERR. Mr. Speaker, I yield the balance of my time to the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Speaker, I could not help from being reminded, when I heard my friend from Georgia talk, of a negro baptizing down in our country. As the preacher was just about to lead the Negro boy out to be baptized, he pulled back and the preacher said, "What is the matter?" He said, "Don't you see that alligator there", and the preacher said, "You need not be afraid of an alligator or anything when you are going to be baptized; come right on." The Negro boy said, "Mr. Preacher, you may know all about the Bible, but you don't know a damn thing about an alligator." [Laughter.]

My friend from Georgia may understand the laws of the great State of Georgia, but from his talk here we are convinced that he is completely ignorant of the laws of the State of Louisiana. [Laughter and applause.]

I have been a Member of this House 13 years. My colleague, Mr. WILSON, has been here a longer time. Mr. MONTET and Mr. DEAR have been here a number of years and they are all lawyers and are supporting this resolution. If there is any law that a Member of Congress ought to have some knowledge of, if he does not know any other, it is the election law, because they have to study it every 2 years when they run for reelection. We have to be familiar with the provisions of that law and therefore I say it is reasonable to assume that if there is any law that a Member of Congress is familiar with, it is the election law of his State.

We appreciate the big heart of the gentleman from Georgia in sympathizing with the lady who is the contestee, but there are no personalities involved in this question. The Members of the House are not concerned with the political issues in the great State of Louisiana, but when acts are committed by any faction in the State of Louisiana that touch or involve the integrity of this House, then you do have the right to investigate conditions in that State.

I tell you on my own responsibility, as a Member of this House and as one who practiced law for years in the State of Louisiana and was a district judge for 10 years, that the report of the members of the distinguished committee that investigated this case, all of whom are lawyers except one, and that one supporting the report of this committee, is proper.

The report, in my opinion, is absolutely correct. We should send the case back to the State of Louisiana and let them have a legal election, and if they send someone else here who is not elected according to law send that one back again. [Applause.]

Mr. MONTET. Will the gentleman yield?

Mr. SANDLIN. I yield.

Mr. MONTET. The gentleman stated that there were four lawyers Members of the House in the Louisiana delegation. Is it not a fact that those four Members are unanimous in the opinion that the election of Mrs. Kemp was absolutely illegal?

Mr. SANDLIN. That is true. I do not believe any one of the four would advocate the position taken on the floor by the gentleman from Georgia.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. SANDLIN. I yield.

Mr. MARTIN of Colorado. Was the election legally called?

Mr. SANDLIN. It was not; you can wipe out the primary for sake of the argument and rest this contest on the illegality of the general election. The gentleman from Georgia says they did not have to have a primary. Our law provides that one shall be held.

Mr. MARTIN of Colorado. The gentleman claims that the primary and the election were both illegal?

Mr. SANDLIN. Absolutely. The election that was called for December 5 should have no standing in this House.

Mr. MARTIN of Colorado. The object of my question is this: If the election was legal, I assume the voters would have the right to go to the polls and write in the candidate's name.

Mr. SANDLIN. That is true, but under the circumstances Mrs. Kemp had the advantage. There was only 7 days, and a candidate would have to go to each parish and serve notice that he was going to run and ask that his name be written in on the ballot. Then the voters would have to go and write his name in on the ballot, while Mrs. Kemp's name was already printed on the ballot. But as far as any primary was concerned, the election law says that there must be so many days, not less than 10, intervene between the calling

of the election and the election. The election was in 7 days. The primary law was violated and the general election law was violated.

That election should have no more force and effect than as if the Governor had written out the certificate without going through the form of an election. It is as worthless as if the certificate had been forged. [Applause.]

Mr. KERR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. GOLDSBOROUGH). The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. KERR, a motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

THE FEDERAL GOVERNMENT AND THE STATES IN HIGHWAY DEVELOPMENT

Mr. AYERS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks, and in that extension include an address made last week by the Honorable O. S. Warden, president of the American Association of Highway Commissioners, at Chicago, Ill.

The SPEAKER. Is there objection?

There was no objection.

Mr. AYERS of Montana. Mr. Speaker, last week the Honorable O. S. Warden, president of the American Association of State Highway Officials and also chairman of the Montana State Highway Commission, delivered an address before the American Roadbuilders' Association at Chicago.

Mr. Warden is one of the most capable and able highway officials of America and is one who has made the highway dollar go as far or farther than any other highway official. The commission of which he is chairman has the building of public highways in the third largest State of the Union. By reason of his experience and record, his views on the subject are indeed illuminating, and I am sure will be interesting to all of the Members of Congress. I ask unanimous consent to extend my remarks in the RECORD by including the address of Mr. Warden.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and members of the American Road Builders Association, there was a World's Fair at the city of Chicago in the year 1893, and there was talk about a horseless wagon—a vehicle moving under its own power. Forty years later some of these same visitors were instructed and entertained at a second great Chicago Fair. There was a unique review of transport, from the Indian and his pony to the powerful present-day locomotive and the graceful motor vehicle. Over the entrance was the wording, "The Wings of a Century"—this was in 1933. Forty years have come and gone. Through the time that has been reckoned along the calendar between these two great exhibitions at the city of Chicago there has been developed the highway transport of 1934.

Visitors went home from the Chicago Fair in 1893 and told their neighbors about the horseless vehicle. The most of them thought it wouldn't work—and said so. That wasn't so strange. Ten years earlier I listened to a school professor in a New England classroom who said that the telephone and the electric light were attractive novelties, "but", continued the teacher, "there is little chance that there will ever be commercial value attached to these inventions."

The telephone and the electric light are 10 years older than the motor vehicle—the airplane is 10 years younger. We have been moving rapidly. We have 74 percent of the motor vehicles in the world and 57 percent of the telephones. Even in this so-called "depression period" we are manufacturing 20,000 motor vehicles a week. Finally, the radio was born. After all that has happened we are about ready to take on anything that Mother Invention brings along. The prophets are silent while science works in its laboratory. We try to build highways that will fit and satisfy the motor vehicle.

The building of useful highways in America begins at the moment when the automobile became less balky and more serviceable than the horse. Our ancestors put their money into churches, schoolhouses, taverns, and a few monuments. There were no comfortable highways. There were a few somewhat improved coach lines. This was all before the advent of the motor vehicle.

There are a few mile posts at the beginning of the highway story. I would not presume to decide whether the honor of organizing the first State roads department belongs to New Jersey or to Massachusetts. The year was 1891. The bureau of public roads was organized in 1893 and that is where the Government came into the picture. Federal highway acts were passed by the Congress in 1916 and 1921. The older States then began to select mileage for improvement under legislative enactment. The American Association of State Highway Officials registered in at Washington in 1914. There was now incentive and direction in all of the States. Under this supporting supervision the Government and the States have carried forward a Nation-wide cooperative effort that has become the largest constructive enterprise of our generation.

The National Government has invested nearly $2,000,000,000 in road construction—the States a much larger sum. The total expenditures for highways, just before the depression came on, reached a billion dollars in a 12-month period. The Federal Government has turned quite completely into highway building what it has collected from the motor vehicle industry—not a much larger sum, as is sometimes stated.

Previous to 1932 it had become almost a national slogan that all gasoline taxes and all automobile license taxes were essentially State revenues, and as such should be expended upon some system of highways—preferably under the supervision of the State—or the Government and the State. During the last 2 years, sad to relate, these revenues have been diverted—in alarming figures—to other purposes. The automobile owner is not in favor of this diversion—and he, perhaps, is the only fellow who can stop it. This is a vital consideration. Indeed, experience teaches that highway planning and accomplishment have been consistent and progressive in every State where there has been continuously dependable revenue. Too often competent highway departments have been hindered, and sometimes destroyed, by careless or misdirected legislative enactment. Politics is poison to the business of road building.

There were four registered automobiles in the year 1895—but the highways were soon full of them—and they were all honking for better roads. Every moment until this convention day, the demand has been a challenge to the Government and to the States. The pressing question has been, and is, Can we keep up with the game through initial construction and constantly higher standards of maintenance. We are now completely rebuilding mileage that was constructed when I became a highway official in 1924. A few weeks ago I was observing construction in my home State upon a mountain highway. Close together, and in parallel location, were the first mountain-side abandoned trail—the surfaced grade that was built 6 years ago—and finally a stretch of new modern construction, a centralized striking exhibit of progress in road building.

The automobile and the highways are moving along together. The early established requirement that each State must have an organized highway department—if it would enjoy cooperative Federal money—was a major, sound governmental policy—out of which has come continuous planning, research, and present-day acceptable transport. A review of this planning and organization will convince anyone that no other construction enterprise in America has been as continuously progressive. No other public improvement has come so close to the welfare of all of the people. Unified Government direction, plus trained engineering, has been the constant assurance of accomplishment. The acquired knowledge of each State has helped neighboring States. The Bureau of Public Roads has been a guide for all of the States. Annual conventions have been a clearing house of what we are learning and what we know, and the sum total of this cooperative planning is revealed in a constantly uniform national competency. The Government and the States, assisted by special engineering research, have gathered a fund of knowledge that has a value equal to the amount of money that has been required to build the entire Federal system. May I add—we are not yet through with experimentation, but America is the world authority in road building. This State and National building has been constantly progressive. It has been, and is, a big business. Examine the record and you will reach at least one conclusion: If all of the business in the United States in recent years had been conducted as honestly and had been as well done as this Nation-wide highway construction, there would be no present-day depression.

I have heard an opinion expressed that the Federal system of highways is nearly built up to public requirements. Such an impression is far from correct. The job is about half done. It will require as much money to finish and rebuild the Federal system up to present standards as was invested upon this mileage before the year 1934. If then, the Government proposes to take part in building improved farm-to-market highways, and to supplement transport in and through municipalities, as was indicated in the recent $400,000,000 Federal grant we are now using, then our grandchildren will be the first contingent who can consistently discuss completion. The States and the Government will be building better highways when television is an old-time invention.

In 1917 the Government appropriated $5,000,000 of Federal aid for highways. The amount was increased to $10,000,000 in 1918, and to $65,000,000 in 1919. The total Federal-aid appropriations from 1917 to 1933 was a billion and a quarter of dollars. In 1930 there was an $80,000,000 advance to the States, and in 1932 a further advance of $120,000,000. In 1933 there was a highway grant of $400,000,000, including $50,000,000 for roads in the national forests and parks, and for building over Government land. It may easily be remembered that the Government has supplied about $2,000,000,000 toward a Federal system of roads.

The grant now available will be nearly translated into construction by July 1, 1934. The peak of labor employed will be in April and May of 1934. If the Recovery Act highway legislation of the last Congress is indicative of intention, it is then entirely logical to conclude that there will be further authorizations for the so-called "farm to market" or "feeder" roads—highways that will help the farmer get his produce to initial shipping points. This highway bracket of the National Recovery Act was a response to

repeated requests that have been coming from farm organizations for some time. This is a natural expansion plan—especially in States where the Federal system of roads has reached or is nearing completion. In the Recovery Act funds that we are now using, 25 percent was provided for building transport supplementary to the Federal system in and through municipalities. It has been suggested that further authorizations of this sort might properly be made upon a permissible basis—with the decision for each State left to the State departments and the Bureau of Public Roads—because in some of the Western States there is a general desire to complete important mileage on the trunk highways, and in that section of the country city congestion has not become an important consideration except in or near the larger western municipalities. Local option might well direct this sort of expenditure for a while. If and when the convenience of Government finance will permit, and as soon as the States can respond, it would seem sensible and wise if we return to the long time-used plan of Federal aid to be matched by the States, with the exception of construction done in the national forests, the national parks, and over the public domain. Cooperative responsibility and participation is a sure and dependable foundation to insure a uniform continuation of public interest.

We have now reached a point in highway construction when we can speak of coordinating accomplishment. A traveler can go the length or breadth of almost any State, using comfortable transport. Intercity and interstate travel enjoys continuous accommodation. We are reaching a national milestone—a unified national system of highways. We have laid a firm business foundation that is worth more than it has cost. Still the picture is not complete. We will soon have highway transport to Alaska and to Mexico City. All of America—the two Americas, if you please—will accommodate the automobile for a journey anywhere.

Highways are primarily justified and built to assist and to accommodate and to satisfy business and commerce. The road that will not return interest on the investment is a doubtful enterprise. Highway officials have written this axiom into their operating code. There is, however, a secondary value—accommodation to recreational travel. And the automobile owner is entirely ready to add this asset in the reckoning. A few years ago Colonel Westgard, of the National Automobile Association, proposed a master highway circling to and through the principal national parks of the West. He conducted a tour around the 6,000-mile journey from park to park. The enthusiasm of Colonel Westgard's vision could not be realized in a single enterprise. He was a prophet ahead of the engineers. Now, this master highway is nearly a complete realization of what many people considered a visionary dream 10 years ago. The recreational highways we are now completing in the Rocky Mountain wonderland of the West will contribute to the enjoyment of all future generations. Some of them are international roads. From Banff National Park in the Canadian Rockies to the Grand Canyon of the Colorado, the whole Rocky Mountain forest and park area now invite the traveler.

As we build comfortable transport through the forest-covered mountains and into the national parks, I would like to turn your grateful recollection away from purely commercial highways for the moment, because we ought to honor the vision and the leadership that held back the hand of commerce and kept for recreational use lakes and streams and woodland just as the pioneer found them. President Theodore Roosevelt established the forest reservations—200,000,000 acres—in the Department of Agriculture. It was a great national service. Because of his vision, we have preserved for this and for all generations tremendous mountains that reach up to clear blue skies, peaks wearing glacier caps that borrow jewels from the sunshine, sky lines as nature fashioned them, horizons that the eye can hardly reach, colorful foliage that challenges the brush and the canvas, flowers that bloom where there is no garden, dashing streams that cool the canyons when the summer sun is hot, lakes with new shadows and pictures each morning and evening, green foothills leading to far-reaching plains—this is an eternal heritage given to us by the man who had the vision to keep these places as nature fashioned them in the centuries before civilization.

May I add another name in the measure of unselfish service—Stephen T. Mather, founder of the national park service and the foremost builder of our national playgrounds, merits grateful appreciation for an impressive leadership. I knew Mr. Mather well in the earlier days as he traveled the western country, over then unimproved mountain roads, with an enthusiasm that filled his whole life. He helped to protect and save the great redwood trees of California, and then was called to the larger service of developing our national playgrounds. Mr. Mather began the building of better roads in the parks. The wonderful Logan Pass highway in Glacier Park, opened to travel a few months ago, was a dream of his constructive mind.

I have been speaking of the development of highways, the planning and accomplishment. Now I would like to ask a question, and then answer it. Why are we willing to supply the revenue to build additional highway mileage, even in the years of a business depression? The answer can be confident and clear. The built-to-standard highway is a dividend paying investment. It begins to pay at once. It never stops saving and paying. That is more than can be said of the farm, the mine, the gold mine, the cheese factory, or the newspaper, with which I am quite familiar. America will stick to anything that pays dividends. We shall continue to build roads.

In merchandising, commercial, or economic development there are continually new problems along any progressive horizon. Just as we get the road fixed for the automobile, the bus and the truck loom up. We are going to use them. We need to regulate them. We have fully decided how to tax them. The railroads are willing to make suggestions, but we can hardly leave these questions to them. They might be a bit prejudiced. The legislatures will have to act, and they need informative help.

The American Association of State Highway Officials has adopted, and recommended to the States, uniform standards to govern gross weights, dimensions, and speeds for the motor vehicles operating on the highways. The United States Chamber of Commerce, through a recent referendum, found that its members were not willing to fully accept these recommendations of the national highway organization. The Federal administrator of railways is studying bus and truck problems along coordinating lines. There are differences of opinion. Conclusions—good or bad—are imperative. What we do has large importance. We cannot allow the truck to unduly hinder transport, on account of size or otherwise. I think there will have to be considerable additional construction accommodation, separate roadways in congested areas, even the five-lane highway will not fully satisfy this traffic. On the open highways there must be devices so that the truck driver will know right away what is coming up behind him. These transport problems cannot be evaded. We may as well get at them.

There must be a better supervision of highways. We are constructing roadbeds with more efficiency than is yet evidenced in directing the traffic. In some States highway patrols are guarding well the safety of their people. In others a false economy amounts to terrible neglect. Speed limits on the open highway will never be fashionable again. Reckless driving is all that we can stop. Construction today is more nearly satisfying public requirements than at any previous time, but the average speed of the motor vehicle is increasing. The men and women who drive automobiles are each year asking for a machine that will go faster and faster; the manufacturer is responding to what the average purchaser says he would like to have. The case now before the court of public opinion is speed against supervising safety. There must be a popular verdict, and legislative enactment in many States, enabling a reasonable control of the reckless and the incompetent driver. This much we can do.

A study of what may be just ahead is generally interesting, sometimes profitable. The highways of yesterday are not the highways of today. The highways of today will not be the highways of tomorrow. We cannot be too sure about what will satisfy the next generation. We know that there must be more rapid transport radiating in and out of cities, probably one-way transit for morning and evening use, a place to easily and quickly park the car, surface parking, high-up parking, undersurface parking, perhaps municipally owned at low cost, a city park for parking; why not? Through motor-vehicle traffic will not use congested city streets after a while. It will go another way. There will be beautification of roadways along the rivers, around the lakes, up the scenic inclines; the cities, the States, and the National Government are beginning to do this work. The radius of connected highways is widening to national boundaries; indeed, even to an international conception of what we ought to do. The ways that we travel out from the cities will be pleasant, like the improved streets and the grounds around the home. The traveler will be safe because there will be care and supervision. There will be no ugly fences or commercial signing. I am sure there will be better planning plus accurate research. In the building of highways, I think, we may look ahead, having a justified confidence in what we can do.

CANADA READY TO RATIFY ST. LAWRENCE TREATY, BUT FEARS JOKER AND BELIEVES THERE'S REASON TO LOOK INTO "UNEXPECTED GENEROSITY" OF UNITED STATES

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing an article from the Buffalo Times relative to the St. Lawrence project.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to insert in the RECORD an article from the Buffalo Times on the St. Lawrence project. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following article appearing in the Buffalo Times, entitled "Canada Ready to Ratify St. Lawrence Treaty, but Fears Joker and Believes There's Reason to Look Into 'Unexpected Generosity' of United States."

Canada is ready to ratify the St. Lawrence Treaty in spite of the fact that many men in high governmental offices think there is reason to look into "unexpected generosity" on the part of the United States in carrying the burden of cost.

Talks in Ottawa with spokesmen for both the Conservatives and Liberal Parties, the two units in the Canadian political system, indicate this is now practically certain.

For many months Buffalo business leaders opposing the St. Lawrence seaway scheme have held the hope that even if the American Senate ratifies the treaty it will be defeated in the Dominion Parliament.

ADMIT LACK OF POWER

This hope may now be dismissed. Even if the opponents of the present Bennett government in Canada will, if pinned down to facts, admit they have little hope of blocking treaty approval if a vote is taken here this year.

It will not be smooth sailing for the treaty, however. Recently a Canadian Senator of high standing warned his comrades in commenting on the seaway scheme "to beware of Greeks bearing gifts." He promptly requested that his comment be withheld, but it stands in the record.

To understand the course the treaty must follow in Canada a background of Dominion legislative procedure is necessary. Patterned closely after the system of England, Canada has a Parliament in which the King, the Commons, and the Senate compose the Government trio.

HOUSE REAL GOVERNMENT

Representing the King is the Earl of Bessborough, Governor General, who enters in state when Parliament is opened, reads a message from "the Government", at the present time Premier Bennett, and then retires to his mansion in Ottawa to attend to his social and other duties.

The House of Commons is the real government. In the beautiful new parliament building, replacing one destroyed by fire some years ago, the lawmakers will gather late this month to resume their sessions.

At the right of the speaker's desk sits the government party, ranged in double desks like those of school children. Directly opposite is the opposition, all those units not affiliated with the reigning party.

Midway in the room on the government side sits Premier Bennett. Directly opposite is his arch foeman, MacKenzie King, leader of the opposition. The latter is a master of debate, many regard him as certain to be the next Prime Minister. But Mr. Bennett still has the power and the votes.

NATIONALISM PLATFORM

For nearly 4 years the Bennett government has remained in power on a platform of intense nationalism. Canada first, then the British Empire, and finally, when there is no possibility of trade within the Empire, American goods may be purchased.

Mr. Bennett is whole-heartedly for the St. Lawrence. He comes from the Prairie Provinces, where wheat is the big crop. He has promised his constituents he will give them a seaway if it is humanly possible. And Mr. Bennett is a man of his word, deeply religious, a believer in Canada's future, which he sees as profiting tremendously by the opening of the seaway.

Mr. Bennett sees jobs for many thousands of men as American millions are spent for improvement of the seaway. For, bear in mind, that the treaty says all work done within the Dominion shall be performed by Canadians, using Canadian material.

FEAR A JOKER

This is the part of the treaty the Canadians cannot understand. They wonder why the United States permitted such a clause to go into the document, whether there isn't a joker somewhere in the treaty that will be revealed after all hands have signed.

Today the Bennett government has a clear majority of 25 to 30 votes over all the opposition parties in Parliament. There seems absolutely no doubt the Premier can deliver these votes on the treaty even if the opposition should unite against him, and this is by no means certain.

The Canadian Senate is pretty much a rubber stamp. Members are appointed for life. Few resign. Appointment is a coveted honor, usually available only in later life.

Vacancies are caused almost entirely by death. In the 4 years it has been in power the Bennett government has appointed enough senators to obtain a clear majority of 6 to 8 votes in the upper house. Once the treaty goes through the lower house with a majority it will probably be debated in the Senate, but students of Canadian Government cannot conceive of its defeat there.

ONLY ONE REJECTION

In the entire last session of Parliament, according to senior clerks in the legislature, the Senate rejected but one bill adopted by the lower house, that being due to a technicality.

The Governor General will sign the treaty as a matter of course once the Parliament approves, so there is no hope of a blockade from that standpoint.

Canada sees in the seaway, at least the Bennett government sees in it, an opportunity to build foreign trade. The Honorable H. H. Stevens, minister of trade and commerce in the Bennett cabinet, points out that with no artificial stimulants, such as those which have been applied in the United States, Canada is coming back along recovery road at a rapid rate.

He shows that for the first 8 months of 1933 exports of Canadian products totaled $386,007,000, an increase of 14.6 percent over those of the same period of 1932. November 1933 exports totaled $60,384,590, being the largest of any month since December 1930.

INCREASE CONSISTENT

In commenting on this fact Mr. Stevens said:

"Especially remarkable is the consistent increase in the proportion of our exports of Canadian products that go to the mother country and other Empire countries. Whereas in the fiscal year ended 1930 only 25.2 percent of Canadian products exported were consigned to the United Kingdom, and the Empire percentages in succeeding fiscal years have been as follows: 1931, 27.4 and 36.6; 1932, 30.2 and 38; 1933 (8 months), 38.9 and 46.9."

"Indeed", continued Mr. Stevens, "in November 1933 the percentages rose to 47.8 and 55.8, respectively. In other words, out of every $9 worth of products exported from Canada in November, $5 worth went to Empire countries, where the markets are always open to our goods and where we enjoy preferences not accorded us elsewhere."

If Mr. Stevens had written a whole volume, he could not have made it more clear why Canada, as represented by the Bennett government, wants the seaway. It wants it so that Canadian raw materials may be exchanged for British coal and British manufactured goods not produced in the Dominion as yet.

NO ELECTION UNTIL 1935

Every dollar of trade thus created reduces the exchange of goods across the Canadian-American border. British ships will carry the goods, British capital will finance the deals, British and Canadian workmen and farmers will get the wages. But the United States will supply the bulk of funds for providing the means for this exchange of goods. Why Americans, noted for their shrewdness, should be willing to do this, is the thing the Canadians cannot understand.

Unless there is a Nation-wide demand for a general election in Canada, none will be held until late in 1935. The Prime Minister may call for an election earlier if he chooses, but this seems improbable now.

The demand for a new deal is reported to be growing in Canada. The Bennett government may be ousted at the next general election. The new control may be anti-St. Lawrence.

But so long as Mr. Bennett is Prime Minister, there seems no doubt that the treaty will be ratified just as soon as America acts. It is equally certain Canada will not take the initiative.

"We have been fooled too often", said one spokesman of the Government in Ottawa in commenting on this possibility.

"Should we approve the treaty and then have it rejected in the United States, we would look exceedingly foolish both to our own people and in the eyes of the world."

And no true Briton, whether he lives on this or the other side of the Atlantic, will look foolish in statesmanship if he can avoid it.

THE FEDERAL SECURITIES ACT

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article published in the London Economist, which I think might interest the House because it is a comparison to some extent of a law on securities in Great Britain with the one passed here last spring.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to publish in the RECORD an article from the London Economist. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article published in the London Economist relative to the Federal Securities Act:

(On December 23 we published an article on the Responsibilities of Directors under English Law. The following article, contributed by a legal expert, discusses the content and the effects of the much-debated Federal Securities Act in the United States. These articles will enable the reader to compare the situation in the two countries in a matter of very great public importance.)

A tightly drawn statute for the regulation of modern finance is inevitably a complicated organism and a brief summary is hardly calculated to achieve accuracy. Elucidation is rendered still more difficult when the meaning and effect of such legislation are enmeshed in passionate political controversy. Such are the difficulties confronting any consideration of one of the legislative fruits of the new deal—the Securities Act of 1933. Yet with an ocean separating us from the alarms and excursions attending this act, its essentials ought not to elude objective analysis.

The American measure was avowedly based on the British Companies Acts. But effective utilization of foreign legislative models means adaptation, not transplantation. The American draftsmen had to apply the investors' safeguards under English law in the light of American methods of distribution of securities, which, as is well known, are very different from those prevailing in this country. The English marketing of securities is not (pace Hatry), as it is in the United States, a high-pressure machinery, operating through a vast network of intermediaries to force securities upon cooks, waiters, and housewives. Also, regard must be had to the important practical differences in legal administration between a federated continent and a relatively simple legal unit like England. Finally, the Securities Act can be read understandingly only in the context of the appalling disclosures before the Senate Banking Committee of the practices of American investment houses and bank affiliates during the years of prosperity—practices indulged in not by mere "fly-by-nights" but by certain leaders of American finance.

The first effort of the Federal Government to regulate the capital market has modest objectives. It is accurately described as "An act to provide full and fair disclosure of the character of

securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale thereof * * *." The registration statement, to be filed with the Federal Trade Commission (sec. 6) is the counterpart of the British requirement for a truthful prospectus as the prerequisite to the solicitation of public subscriptions (sec. 5). The categories of information (subject to appropriate administrative dispensation) to be furnished by the registration statement are enumerated in schedules A and B respectively. But the act would be merely exhortation without the sanctions of adequate recovery by the victims of disobedience to its provisions.

The nature of this civil liability has been made the battle cry against the statute. Close attention to the text of the act, in its American setting, becomes essential to appreciate the merits of the controversy. As originally introduced into the House of Representatives and as it first passed the Senate, the Securities Act imposed absolute liability without opportunity for exculpation for representations made by those under duty to disclose. Congress thereby merely reflected widespread public opinion, arising from the financial revelations, that those responsible for financial statements ought to be obliged to act at their peril, since they were in a position to verify their statements and the innocent investor was not. But this drastic proposal eventually yielded to the much more moderate measure that finally emerged from the House and received the President's signature.

In a word, absolute liability was eliminated, and "the standard of reasonableness" required of a "person occupying a fiduciary relationship" was imposed. Barring only the issuer, who obtained the fruits of an unfair bargain, all those who shared in the process of misleading the investor by "an untrue statement of a material fact" or the omission "to state a material fact" (sec. II (a)) are relieved of liability upon proof that they made reasonable investigation into the facts which they helped to disseminate, and that they had "reasonable ground to believe and did believe at the time" in the truth and adequacy of the disclosure (sec. II (b) (3)). In basing liability on "an untrue statement of a material fact" the American legislation takes over the English law, which wisely shuts the door to evasion by laying down the broad standard of duty to disclose, in the language of Lord Davey's committee, "everything which could reasonably influence the mind of an investor of average prudence." And in covering material omissions, the American draftsmen translated the lesson of the Kylsant case into explicit language.

But there are divergences between the American act and its English pattern. They concern the burden of proof thrown on the investor, once a material misrepresentation is established, and the range of persons suable for such misrepresentation. The American act, unlike the British, holds liable all who shared in the process of misleading the investor—including accountants and any other expert "whose profession gives authority to a statement made by him", and "underwriters", the term including a series of intermediate sellers. And to succeed in his suit, either for recission, i.e., return of the security, or for damages, limited to the original offering price (sec. II (g)), the American buyer need not prove his own reliance upon the misrepresentation nor trace the amount of his damage directly resulting from such misrepresentation. The variants in the two acts are due to differences, alluded to above, between the English and the American security markets.

Contrasted with a sale of securities concentrated largely within a small area and among professionally informed buyers appears American frenzied finance, operating through many intermediaries—a Nation-wide enterprise of high-pressure salesmanship. As a practical matter, the big uninformed mass of small buyers throughout the country relies not upon any company statements but upon the market opinion created by the big buyers in New York. To require the ordinary investor to prove direct reliance upon some material misrepresentation would practically deny him a remedy. On the other hand, the act provides for contribution, inter, etc., among all who are potentially liable. Furthermore, all who are participants in a flotation can arrange for an equitable distribution of the risk of loss, just as they provide for their respective shares in the profits.

But it is urged that, however reasonable the act may be and unreasonable the fears it engenders, these fears are, in fact, preventing new issues and necessary refunding, thereby gravely retarding recovery. To which it is answered that the substantial lack of financing since the act came into force is due to a combination of economic factors wholly unrelated to the Securities Act, and which, indeed, that act was in part designed to help correct in time. Among these factors are excessive plant equipment rendering impossible the vast, predepression industrial flotations; depreciation in the credit of many companies, and unwillingness of others to incur, for the present, new heavy fixed charges; monetary uncertainties; the lack of institutional and private savings for investment; and the general banker shyness of the public. Doubtless honest fears and, even more, the so-called "bankers' strike"—the conscious withholding of some financing in the hope of forcing relaxation of the Securities Act—may have restrained some flotations. But there is certainly lacking proof that the Securities Act is responsible for the doldrums of the capital market. One of the counsel for J. P. Morgan & Co. recently wrote that "it is still too early to prove conclusively with figures either that it is or is not the fault of the act that no American companies of any size are doing any capital financing." And when Mr. Winthrop Aldrich, the head of the Chase National Bank, after suggesting to the Senate Banking Committee the other day that the Securities Act may "impede a revival of a normal capital market", was asked by Senator COUZENS for concrete examples of issues prevented by act, he took refuge in the reply, "I am not in the securities business at all."

Defenders of the act properly point out that, while neither rails nor municipals are within the contested provisions of the act, there has been likewise a drought in rails and municipal financing. What financing there has been the Government (through R.F.C. and P.W.A.), not private capital, has done. This is all the more significant, for here—deferred maintenance and equipment and municipal public works—is the most promising field for capital expenditure. Yet the Pennsylvania Railroad, a first-class risk, has had to borrow $80,000,000 from the Government for its electrification. San Francisco recently attempted to sell $13,000,000 bonds for public improvement. The only private bid it could obtain, at 6-percent interest, was denounced by Secretary Ickes as "unconscionable." The Port of New York Authority has had a similar experience. After vain efforts to enlist private money, the authority was loaned $40,000,000 to build a new Hudson River tunnel. And of many impending maturities one is bound to say that they affect companies that are candidates not for refunding but for reorganization.

Nor is there any reason to believe that there will be a wholesale resignation of directors, fearful of undue responsibility. Some American directors—probably a considerable percentage—should resign. Too many are either "fronts" or lawyers who should be advisers and not on the board, or men who are not single minded because of conflicting interests. Directors of responsibility will not shrink from their responsibility.

A fierce drive is now being made against the act. Big financial law firms and newspapers that enjoyed a large volume of financial advertising have led a vigorous campaign purporting to urge "minor" or "clarifying amendments." Of course, even the most carefully drawn statute can, after 8 months, be made more letter perfect. But the Securities Act is on the way to becoming a symbol of the new deal. Congress is not likely to open up a statute only recently passed without a dissenting vote in either House in response to what is universally regarded as a Wall Street campaign. Nor is the President more likely to yield on one of his chief measures, particularly since he is well aware that, if the act is now opened to amendment, it is as apt to be stiffened as to be weakened. A different move by the President seems more probable. If the capital market is unwilling or unable to do needed financing on decent terms, the Government will itself establish a financing agency. If this should happen, it is hardly to be expected that private banking will retire from the field.

FINLAND DEBT SETTLEMENT

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD upon the subject of the Finland Debt Settlement.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to extend his own remarks in the RECORD upon the question of the Finland debt settlement. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Speaker, I have introduced a bill today to reduce the annual interest charge of the Republic of Finland on its war debt to 1.5 percent. This is in recognition of the outstanding and conspicuous example this young nation has given to the other 18 debtor countries who have defaulted on what we are pleased to call the "war debts."

This description of these obligations is not correct. Much of the money loaned to them they used for internal rehabilitation. A large part of these funds were used by these various countries in the construction of highways, railroads, and port development. This fact makes the existing repudiation all the more shameful. The present interest charge, as fixed for Finland by H.R. 5557, Sixty-eighth Congress, is 3 percent. Let me say that Finland funded her debt early and agreed to pay the sum of $8,282,000 in 62 years. She did not wait to drive the hard bargain, such as la belle France and certain other debtor countries subsequently put over.

REPUDIATORS ACTING IN CONCERT

For the information of the House, permit me to state that the amount of the entire war indebtedness, principal and interest, as funded over a period of 62 years is $22,188,486,000. As you well know, France, Austria, Belgium, Czechoslovakia, Estonia, Germany, Great Britain, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Rumania, Yugoslavia, Armenia, and Russia are in default. Finland alone has steadfastly maintained her national integrity by paying on this indebtedness. It is stated on excellent authority that Finland is more or less outlawed by the other debtor countries for the reason that she has refused to join in this concert of repudiation.

It is pertinent at this time to state that the approximate annual disbursements for armament of the countries in default is $2,000,000,000 per year. One quarter of this disbursement would be sufficient to carry on the engagements made by the defaulting nations on the various debt settlements. In the debt settlements we wiped out the sum of approximately $10,000,000,000, for which we gave them a receipt in full.

The House is fully aware that certain internationalists of the banking group tried to bring about the cancellation of this indebtedness. It is a fact that certain quasi-publicists, speaking both in America and Europe, have encouraged these debtors to repudiate. But in the last analysis this repudiation on the part of these nations is the definite result of a conspiracy entered into by the defaulting nations under the leadership of the Republic of France. It cannot be repeated too often that under the Treaty of Versailles we took none of the spoils of war. We received not a dollar in reparations and not a square foot of land. Our defaulting debtors, on the other hand, were tremendously benefited by the acquisition of the German colonies or in other material ways.

GOODS SOLD AND DELIVERED

We must not let the world forget that much of the money that was loaned to France and the other defaulting nations was received by them after the armistice. Some of it was involved in the sale to France for $400,000,000 of property, food, building material, railroad equipment, and other types of property valued at $2,000,000,000. This sum of $400,000,000 was subsequently merged into the war-debt settlement, and of course has never been paid. The collection of this indebtedness except at the point of the bayonet is probably impossible; but we of the present generation should not permit our children and, so far as we can keep the story alive, future generations to forget this repudiation. The fact is that our people for many generations will be paying the obligations which these debtors have repudiated.

NATIONAL INTEGRITY

It is my belief that integrity is just as vital in a nation as in an individual. The wholesome example given these defaulting nations by Finland is my reason for offering this amendment to the existing law.

THE REPUBLIC OF FINLAND

Finland is in the far North. It has an area of about 133,000 square miles and a population estimated at 3,611,791. It already has one of the best common-school systems of any nation in the world. Ninety-three percent of its population over 15 years of age are literate. Its people are remarkable athletes. This race has written a bright chapter in the history of the nations' struggle for racial freedom and integrity. They have had a long fight to maintain their nationalism. For centuries they were a subject people under the domination of Sweden and Russia. This gallant young republic was born on December 9, 1917, and a constitutional form of government established. Since then this people have battled bravely and successfully against the introduction of bolshevism and communistic influence.

This young and struggling sister republic deserves our encouragement. Her refusal to join in the concert of nations who have repudiated their just debts to America indicates the high integrity of this government. This is a reflection of the national character. The passage of this bill will place Finland on the same plane in the matter of interest payments as the favorite defaulting nations. I hope the House will act favorably on this legislation.

THE GENISIS OF RADICALISM

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to incorporate therein a remarkable writing by one of the world's greatest editorial writers here in America upon the subject of Financial Fairy Tales.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent to extend his own remarks in the RECORD and insert therein an article from one of the greatest editorial writers in the country entitled "Financial Fairy Tales." Is there objection?

Mr. HOWARD. Mr. Speaker, I might add that the name of this writer is Harvey Newbranch, of the Omaha World Herald.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, under the gracious privilege accorded me a few days ago to do so by the consent of the whole House, I shall be privileged now to talk a little about fairy tales. Not for a moment shall I here repeat the fairy tales of Alice in Wonderland nor the fairy tales of Munchausen, but it will be my desire to draw to the attention of the American people two financial fairy tales more extravagant and more wonderful than any fairy tale ever related by fond mother to listening child, and yet both these financial fairy tales are absolutely true, their truth established firmly upon the rock of a positive fact.

Mr. Speaker, sometimes I am at utter loss to dig down into my own vocabulary and bring up words and sentences to properly portray a given subject, and so I find myself this morning when I attempt to properly paint a true word picture of two financial fairy tales greater in volume than John Law ever dreamed of engineering. But in the absence of words and sentences of my own, and by a gracious permission of the House to do so, I am privileged to incorporate in my remarks this morning an editorial article recently written by one of the three premier editorial writers in the world today—Harvey Newbranch, editor of the Omaha World Herald. The full text of the article to which I refer runs as follows:

Newspaper readers who still are not quite hard-boiled gasped the other day at the fairy tale of Charles W. Deeds. As a boy of 23, back in 1926, he made a modest $40 investment in an aircraft stock. And 3 years later those two $20 bills—perhaps they had not even been gold certificates—had grown to a value of $5,624,640!

Was it such miracles President Roosevelt had in mind when he distinguished between "fair profits" for business and industry and unconscionable profits?

A few days later another chapter of the story was told, even more miraculous.

F. B. Rentschler invested in that same aircraft stock. His brother later became president of a great New York bank. The president of the bank at that time was Charles E. Mitchell, with whose name Senate investigations have since made the reading public very familiar.

What happened to F. B. Rentschler and his investment?

He purchased 1,375 shares for $275. He sold 110 shares for $22. Then there was a 79-to-1 stock dividend. Then these shares, that had been multiplied 80 times, were exchanged for 219,604 shares of United Aircraft stock, then quoted at 97. The $275 investment had grown to $21,301,588! At the peak of the market, in 1929, the shares could have been sold for more than 35 millions.

Rentschler, however, did not do quite that well. He sold 159,604 shares at a profit of $9,414,868.36. He has left 60,000 shares, worth, at present prices, more than $2,000,000.

But that was by no means the whole of Rentschler's good fortune. He was an officer of the company. In 1929 he received $429,999 in salary and bonuses; in 1930, $343,000; in 1931, $244,247; in 1932, $199,100; in 1933, before he went off the salary list in September, $98,646, and $2,130 in director's fees.

Where did these enormous salary and bonus checks, these transcendent stock profits, come from? Out of whose pockets? Certainly out of someone's, or a lot of someones'.

We know where a part of them came from. They came out of the Treasury of the United States—the repository of taxpayers' funds—for the Government paid the company $40,000,000 in subsidies during that time for the aid and encouragement of the infant aviation industry. How much of that went into the Rentschler pocket, how much into other pockets, including young Deeds', is simply one of the mysteries of bookkeeping.

If any of us have shuddered, mildly or severely, because the President of the United States has shown some interest in the possibility of limiting profits and limiting salaries, perhaps the Deeds fairy tale and the Rentschler fairy tale, with the subsidy appendix, may bring a measure of reassurance.

Furthermore, these fairy tales may throw some light upon the moot problem of what really caused the depression.

Here is an investment of $40 mounting to more than $5,000,000 in 3 years' time; another of $275 reaching a peak of $35,000,000. And the Federal Government itself donating $40,000,000 to help make such fantastic profits possible and to help make possible annual salary and bonus checks reaching as high as $400,000. That money wasn't picked off of bushes. It was not snatched out of thin air. It came out of the work and sweat, the savings and the self-denial, of the people of this country. There is nowhere else it could come from.

And, of course, this fairy tale has to deal with the affairs of but two corporations which became one. That one is by no means among the largest of the many giants of industry and finance that were doing so exceedingly well by themselves, their officers, their stockholders, and their relatives and friends.

Together they succeeded in milking the country of wealth and incomes, concentrating them into a relatively few hands. What they gained, others lost. Those who lost had their buying power sharply reduced, if not cut off entirely. Those who gained got more than they would spend or could possibly spend. Consequently the effective demand for goods and commodities fell off. With failing demand prices tobogganed, and surpluses began to pile up. The rest of the sad story tells itself.

Sometimes it may seem that the Government at Washington is getting pretty radical. It is interfering with business, putting a curb on sturdy individualism, converting private rights and liberties into public power. But before criticism grows too unsparing it is well to stop and think of the conditions that came into being which must now be corrected, and of what those conditions did to the daily lives, the security and happiness of the whole American people.

The evils that all but wrecked a great Nation cannot be put down with a wooden lath or by a timid, compromising leadership.

If the foregoing two financial fairy tales are true (and there is evidence at hand to establish the exact truth of both of them), then the average American citizen may now well imagine how near this Republic of ours was to the jumping-off place prior to that day in March 1933 when a master hand laid hold upon the chariot of the Republic and quickly swerved it away from the brink of a precipice of revolution yawningly awaiting a governmental victim.

Mr. Speaker, I feel that I am rendering a real service to my country by being privileged to carry the Newbranch story of two financial fairy tales to the eyes of the American people generally; and if my supply of money would enable me to do so, I would not rest until I should have placed a copy of the CONGRESSIONAL RECORD containing this remarkable Newbranch article in the hands of the civics class in every public and parochial high school in America, there to be studied as a textbook superior to any other which today deals with the criminal conduct of predatory corporate wealth. The rule is that fairy tales are told to children to soothe them. I wish the Newbranch story of two financial tales could be told to the ear of every worthy American citizen to the end that he or she might be aroused to new determination to do his or her part in effort to loosen the grasp of those mighty moneyed interests which for so long have chokingly held the throat of the Republic, dictating financial policies for the welfare of organized wealth, and to the hurt of unorganized humanity.

DAIRY INDUSTRY PROGRAM OF WISCONSIN

Mr. HENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a letter from a friend of mine, Mr. Sanderson, an attorney of Wisconsin, together with a resolution adopted and approved by the Wisconsin State Chamber of Commerce and the Wisconsin Council of Agriculture at a joint meeting held on the subject of the Dairy Industry Program of Wisconsin.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HENNEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following:

PORTAGE, WIS., *January 26, 1934.*

Dr. C. W. HENNEY,
Member of Congress, Washington, D.C.

DEAR DR. HENNEY: I received your letter and I thank you for the prompt attention you have given my inquiries. I note that the Wisconsin Chamber of Commerce and the Wisconsin Council of Agriculture at a recent joint meeting adopted a plan for the control of dairy products which they wish to recommend to the Federal Government.

The Wisconsin Council of Agriculture has on it very experienced men in the agriculture industry in the State, including agricultural leaders in the University of Wisconsin. I presume that this plan was unanimously endorsed at a joint meeting of the Wisconsin Chamber of Commerce and the Council of Agriculture, and I presume you already have notice of what happened.

As you know butter is now selling at less than 20 cents a pound when, as a matter of fact, before the war along about 1908 to 1912 it sold in the wintertime at a price of 30 to 35 cents a pound. The present price, of course, is confiscatory to American agriculture.

The cotton farmer of the South has obtained very large benefits from the agriculture relief program and a fairly good program has been enacted for wheat and corn. Very little comparatively has been done for the dairy farmer with the resultant low prices.

I have looked over this plan and enclose a copy of it.

I think in the main the plan is very good and should be brought forcefully to the attention of the Secretary of Agriculture. There may be some details of it that need modification, but in looking it over I do not see at the outset any inherent weaknesses in it.

Yours sincerely,

T. H. SANDERSON.

A DAIRY INDUSTRY PROGRAM ADOPTED AND APPROVED BY THE WISCONSIN STATE CHAMBER OF COMMERCE AND THE WISCONSIN COUNCIL OF AGRICULTURE AT A JOINT MEETING HELD AT WAUSAU, WIS., ON JANUARY 20, 1934

(A) A VOLUNTARY CONTROL PLAN FOR DAIRY PRODUCTS ON A BUTTER-FAT BASIS

I. Features of a central plan that are essential to meet present situation:

(a) Program must make dairying relatively more profitable to established dairymen who cooperate in the program.

(b) Must bring about a positive check, if not an actual decrease, in the sales from farms.

(c) Must discourage, rather than encourage, farmers engaged in other types of farming from becoming dairymen.

(d) Must be voluntary on the part of participating farmers, and if possible, permit farmer to use his discretion as to methods of accomplishing the required reduction.

II. Taxes to provide money for benefit payments:

(a) Levy a processing tax collected on a butter-fat basis on all milk and milk products sold from the farm.

(b) Levy a compensating tax on dairy substitutes.

(c) The above processing and compensating taxes to be sufficient to finance adequate benefit payment.

III. Benefit payments to be paid to cooperating farmers:

(a) Benefit payments must be limited to contracting producers who actually effect reduction in sales.

(b) The method shall be by placing limitations on sales rather than on production, numbers of cows, or number of acres, because it permits dairymen to curb sales by culling low producers, disposing of diseased cows, less intensive feeding, or any other method that they may choose peculiar to their own individual farming business.

IV. Allocation and control of sales:

(a) A base allotment would be established from marketing records of creameries, cheese factories, condensaries, and milk plants covering a period of 5 years. Adjustments of base allotments to compensate for abnormal production conditions.

(b) Producer-distributors must furnish satisfactory evidence of past production to obtain base allotment.

(c) All sales of milk or milk products will be measured in terms of pounds of butter fat.

(d) Control agencies would concern themselves with only those who applied for benefits and submit evidence of proper adjustment of sales.

(B) SUPPLEMENTARY MEASURES FOR BENEFIT OF DAIRY INDUSTRY

I. American dairy farmers must be given preference in the domestic market if they are to reduce sales.

(a) Prevent importations of dairy products, fats, and oils.

(b) Provide adequate internal taxes on dairy substitutes.

II. Emphasize bovine-disease eradication.

(a) Offer an incentive to farmers to eradicate bovine tuberculosis and Bang's disease through sufficient indemnity to be paid upon proof of slaughter.

(b) Sufficient funds for carrying out such eradication programs should be drawn from appropriation to Department of Agriculture, similar to procedure now followed in paying indemnities for tuberculosis eradication.

III. Special emergency relief.

(a) It is desirable that Congress appropriate a special fund of at least $250,000,000 for an emergency-relief program that will fit into the general plan of production control so as to permit the dairy farmer to dispose of dairy animals as a means of reducing sales, such fund to be raised from other sources than a processing tax.

IV. Purchase and distribution of dairy products for relief.

(a) Purchase of dairy products to be distributed to persons on relief should be continued and, if possible, used as a market-stabilization feature through the making of purchases on the open market rather than on bids.

(b) All dairy products should be included in the purchasing program whenever advisable.

V. Develop a merchandising plan for dairy products.

(a) Give consideration to a program of increasing consumption of dairy products through an educational advertising program designed to create a lasting health and appetite appeal with the consuming public for dairy products.

(b) Develop uniform and adequate Federal standards of butter-fat content of dairy products with a view to improving quality and increasing consumption.

(c) Conduct research for finding new and more extensive uses of dairy products.

(The Wisconsin State Chamber of Commerce has affiliated with it about 60 of the largest and most influential chambers of commerce and trade associations. The Wisconsin Council of Agriculture is composed of the oldest, broadly recognized, and most experienced of the important farm organizations of Wisconsin. Other important farm organizations were independently represented. By agreement the Wisconsin State Chamber of Com-

merce appointed a committee consisting of Messrs. K. S. Reynolds, H. S. Wells, and W. H. Gharrity. The Wisconsin Council of Agriculture appointed a committee consisting of Messrs. Herman Ihde, Charles Dineen, and C. G. Huppert. These two committees met jointly as a committee on planning in connection with the fifth annual meeting of the Wisconsin State Chamber of Commerce, held at Wausau on Jan. 20, 1934. After hearing a great number of representatives of both business and agriculture and perusing a great many written plans for the relief of the dairy industry, the committee made the above report, which was unanimously adopted by the joint gathering of business men and farmers.)

COMMITTEE ON RIVERS AND HARBORS—LEAVE TO SIT DURING SESSIONS OF THE HOUSE

Mr. McDUFFIE. Mr. Speaker, the gentleman from Texas [Mr. MANSFIELD], Chairman of the Committee on Rivers and Harbors, has requested me to ask unanimous consent that that committee may sit during the sessions of the House for the purpose of holding hearings.

The SPEAKER pro tempore. The Chairman of the Committee on Rivers and Harbors asks unanimous consent that that committee be allowed to sit during the sessions of the House for the purpose of holding hearings. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, does the gentleman mean for the entire session of the House?

Mr. McDUFFIE. I hope not. I hope it will not take any longer than probably 2 or 3 weeks.

Mr. SNELL. The majority leader sometimes objects to having committees sit during the entire sessions of the House.

Mr. BYRNS. I know that this is a very important and busy committee, and personally I shall not object.

Mr. SNELL. Then I shall not.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. KELLER. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KELLER. Four years ago on the evening of this day in the county courthouse at Marion in Williamson County, Ill., I delivered an address on Unemployment, its Cause and Cure that resulted in sending me to Congress, November 1930, and again to reelect me in 1932. It is my object here today to ask unanimous consent of this body of my colleagues to insert that speech in the CONGRESSIONAL RECORD just as it was printed at that time and to add to that some comments on the same subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. KELLER]?

There was no objection.

The matter referred to is as follows:

MY PLATFORM AS A CANDIDATE FOR CONGRESS

I stand for:

Jobs for every man and woman who want work.

For the use of this labor in a great program of permanent national improvements, including the following:

First. Of all rivers for all purposes to the fullest extent practicable.

Second. For digging all those canals which our commercial uses require.

Third. For harbor improvements to keep abreast of the needs of our expanding commerce.

Fourth. For a series of national buildings adequate to all our needs—including hospitals for the best care possible for our suffering soldiery.

Fifth. For the building of a great system of purely national interstate trunkline motor roads connecting up all parts of our Union with our State highways.

Sixth. For restoring the income tax rates sufficiently to pay for all the above permanent national improvements.

I stand for carrying out in letter and in spirit the agreements we made with our soldiers—to put and keep those injured in as good condition economically as they would be in if they had not been injured.

I stand for the support of the entire Constitution.

I stand for laws compelling the granting of service pensions by all companies engaged in interstate commerce which have not already adopted this plan.

I would prevent by law the discharge of any man, or the denial of labor to any man or woman on account of age, by any companies engaged in interstate commerce.

I would support with all my power the best farm aid laws, including debentures if that should be necessary.

The laws and ideals I championed as State senator are the best possible guarantee of the kind of laws I will stand for as Congressman.

SENATOR KELLER'S RECORD OF SERVICE IN THE STATE SENATE OF ILLINOIS, 1913 TO 1917

Chairman of committee on roads, bridges, and highways, which wrote the hard roads law for Illinois.

Originated and wrote the semimonthly pay law.

Worked incessantly for the 8-hour law.

Fought hard for old-age pensions.

Championed the farmers' cooperative law.

Helped put over the power headlight law.

Stood for "1 day's rest in 7" bill.

Stood for the miners' bills and safety laws.

Directed the voting on and cast the deciding vote for the woman's suffrage law of Illinois.

Voted to ratify the income-tax amendment (the sixteenth) to the Federal Constitution.

Voted for the ratification of the seventeenth amendment to the Federal Constitution, providing for the election of United States Senators.

Was chairman of the elections committee in the forty-ninth general assembly. (The only Democrat chosen chairman of any committee at that session.)

Held two senate election contests. Established the precedent of counting votes according to the rules laid down by the Supreme Court, preventing further thefts of Senate seats.

Secured the appropriation for the beautiful auditorium building for the Southern Illinois Normal University at Carbondale, Ill.

Stood, and stands, for the establishment of the University of Southern Illinois, in connection with the Southern Illinois Normal University at Carbondale.

UNEMPLOYMENT

Unemployment is the most important question that has ever faced the industrial world. No other question approaches it. The happiness and prosperity of our whole Nation is at stake. It means as much to the farmer, the business man, and the professional man as it does to the laboring man. The success and happiness of all these depend on the solution of this one question. If we solve it rationally and permanently, as we can do, it means 50 years of unbroken prosperity for the whole American people.

On January 1, 1930, there were 3,000,000 men in enforced idleness in the United States. That many more were working part time. If we accept 2,000,000 of this number be chargeable to the debacle in the stock market in November and to the seasonal unemployment, this leaves 1,000,000 normally idle at this time of year. It is the case of this million who would have been idle any way, which constitutes the great problem of American economics and which must be settled by political action.

The American people are by far the richest people in the world. We are no longer a debtor nation, borrowing capital to work on. We have paid our debts to the rest of the world and have ourselves loaned the world many billions besides. We by far excel the rest of the world in industrial development. Mass production is an American achievement. The wealth of all our people taken together exceeds the inconceivable sum of $400,000,000,000. Our people have a normal yearly income of nearly a hundred billion dollars.

This is the age of machinery—the use of power to do the work of men. Today one American using labor-saving machinery produces on an average 30 times as much as his Revolutionary ancestor. Wealth has increased just as ability to produce has increased. No people have ever made things as we make them. Science and invention have touched the storehouses of nature and an age of miracles is here. Wish for whatever we will today and it becomes a reality tomorrow. Yet with all our wealth, with all our achievement, with all our confidence in our ability to do great things, we sit by with folded hands and accept periods of depression as though they were necessary evils, and wait supinely for them to pass. We never seem to ask what is the use of going through several years of poverty, misfortune, bankruptcy, and crime, when we ought to know that the exercise of intelligence can cure the condition. And more important still, we ought also to know that the exercise of unselfish forethought can entirely forestall these periods of depression. We can do both these very things—cure this depression and prevent the return of depressions. That is the great task we have set for ourselves.

We must understand that when a condition so general as the present hard times exists that there is one general cause for it which overshadows all others, and which alone ought to be considered and removed first. The direct cause of the present widespread business depression is unemployment. There is one simple remedy—jobs for all our idle workers.

When labor-saving machinery first came into use, the basic cause of our present unemployment was born. America for the past hundred years has been growing by leaps and bounds into this wonderful age of machinery. The physical power of man was no longer sufficient to do what he wanted done. Small waterfalls answered his requirements first. Then the steam boiler and steam engine came and named this "The Age of Steam." A quarter of a million men were put to work producing coal to feed the mouths of these giants. Electricity came to distribute this power. The internal-combustion engine came to supplement steam. Great rivers are picked up and dropped over dams, turning their floods

into electric current. And all these tremendous sources of power are devoted to saving the physical labor of men for transportation, manufacture, agriculture, lighting, and every conceivable service. Taken altogether, it is therefore well named, "Labor-saving machinery." It has set a new measure of productivity.

The most important single result has been to so cheapen everything manufactured by quantity production that all those things, the cost of which originally prevented their purchase, have now come into very general use. This makes such conditions of living possible to the average man as were undreamed of a hundred years ago. Men with steady labor in any American industry live better than the kings of a hundred and fifty years ago. It is only natural and right that men shall seek to continue that constantly increasing betterment of living conditions, and we are going to do that very thing.

But we ought at the same time to see clearly that if the increased use of constantly improving labor-saving machinery were to result only in throwing men out of employment, with no other labor to be had, that starvation would stare these men in the face.

Now America is not going to let anybody starve who is willing to work. Since it is so clearly to the benefit of all that men shall continue to be thrown out of work by labor-saving machinery, it naturally follows that all who are benefited shall share in the responsibility of guaranteeing employment for the men which labor-saving machinery displaces.

We ought not to falter a moment in extending constantly the use of machinery for saving labor and for infinitely improving the present living conditions of men. And this must and can certainly be done in such a way that all men shall participate in the benefits and advantages which result from labor-saving machinery, the men who labor and the men who are thrown out of work as well as all others. We can do all that if we use the opportunity at hand.

As long as we had a West to go to the throwing of men out of employment by labor-saving machinery was not such a hardship. Often indeed it put a man into a much better position in a new country than he had lost at home. But little by little, this new West was settled up. All the land of any value was taken and all the opportunities embraced, until for the past few years there is no longer any West to go to. And during these last few years where the machine went in, the man went out to part or total enforced idleness. This cannot continue. It is an entirely new condition, and we must face it intelligently.

Another result of the use of labor-saving machinery has been the building up of fortunes of such magnitude, and incomes of such extent as men could not have believed possible a hundred years ago.

It is true that labor-saving machinery has created countless new jobs, several new industries, a whole new era indeed. Nevertheless, as machinery is improved all the time it constantly reduces the number of men required in all lines of industry, including these new industries which it has itself created. It is beyond doubt the ultimate result that every time a labor-saving machine goes in men go out. And this constantly operating principle accounts entirely for the normal and constantly increasing army of the unemployed. It is not a temporary condition which can be met and cleared away by any temporary measure however well intended. It is a permanent condition that can only be met by permanent provisions and on a scale to guarantee against failure.

Nineteen industrial countries of the world have already accepted responsibility for unemployment. Forty-six million workers have unemployment insurance under Government control. It amounts in fact mostly to a guarantee against starvation while a man is out of work. It has been of service only for this purpose. In Great Britain and Northern Ireland 11,000,000 workers are under one of these systems of unemployment insurance called the dole. It is a pay to those who are idle by those who are at work by the employers of those who are working and by the general government jointly. There are more than a million idle men and women constantly drawing these doles. More than a quarter of a billion dollars a year is paid out for this idleness.

Those who receive doles do absolutely no work for the money received. It is a direct tax on industry to support idleness. It is justifiable and necessary to prevent starvation only if no method of providing work for these idle men and women can be found.

TAXES

Prior to 1913 the Federal Government depended principally upon tariff and internal-revenue taxes for its income. This system had been found both insufficient and inequitable. In that year the sixteenth amendment became a part of the Constitution. It grants Congress the power to tax incomes, whether of individuals or corporations, and inheritances. It is founded on the very just ground that men should pay taxes according to their ability to pay.

This income-tax amendment came in answer to a long-continued and well-justified agitation for equalization of taxation. The spirit of it cannot be overridden or ignored without again awakening those sentiments of injustice and convictions of inequality which originally brought this amendment into our Constitution. Social peace always comes with social justice. It will not remain without it. If we would make wealth permanent and safe against wrong-headed radicalism, as it ought to be, wealth itself must honestly and willingly bear its full share of the burdens of government under the spirit of our basic laws.

There is a proportional relation between income taxes and property taxes. When that comparable equality has been established, income taxes ought not to be lowered unless the tax on property values can be lowered proportionately. Unless this balance is approximated we destroy the idea of equalization in taxation, which lies at the foundation of the whole plan of the tax on net profits.

There are, therefore, two principal kinds of taxes with which we have to deal—property tax and income tax.

Property tax is the tax levied on real estate and personal property for the use of the State, counties, townships, municipalities, and schools. Property taxes must be paid whether the property is earning money or not. If it is not paid, the property is sold to pay the taxes. Everybody pays property taxes whether he owns property or not. That is all added into the rents of all kinds.

Income tax is the tax laid by the United States Government and by some States on the net income of corporations and individuals. The corporations all pay at the same rate on whatever amount they make clean and clear of all expenses. Individuals who make an amount clean and clear of all expenses of $4,000 a year or more pay an income tax to the Government.

Everybody pays income taxes, too, whether directly to the Government or not, because the corporations and individuals who do pay directly to the Government simply put that much extra onto every item of purchase or service. In short, all the people pay their part of all kinds of taxes, and all the people have a direct interest in all taxes and have a right to say how all taxes shall be paid and expended.

You would think from propaganda for tax reduction that these income taxes are burdensome in the extreme. Let us take a look at this, and let us hold in mind that if they make nothing they pay nothing; that if an individual makes less than $4,000 a year he pays nothing. There are 2,440,000 individuals who pay taxes on net incomes. The number of these who pay on net incomes from the minimum of $4,000 a year to $25,000 a year is 2,347,000 individuals. Now all these together pay $150,000,000 a year, or an average of $63.91 apiece. The remaining 93,000 individuals, the very rich, pay $940,000,000, so all the 2,440,000 individuals together pay a total of $1,090,000,000. The corporations pay $1,400,000,000. The married man who has a wife but no children, who has a net income of $4,000 a year, pays the Government the awful sum of $5.63. Yes; $5.63 and no more. If he has children, he is allowed $300 additional exemption for each one.

In England, if a man earns less than $650, he pays no income tax. But on everything in excess of this, up to $3,000 a year, he pays 10 percent, and above that he pays 20 percent. So the comparison is easy enough to make—on $4,000—an American pays $5.63; an Englishman pays $800. You might hear an Englishman grumble but you'd never hear him "holler." Americans are as good sportsmen as the English. If we show the American income-tax payers that a much heavier income tax is needed for the benefit of all, they will be found very generally coming across willingly and patriotically.

The question of where national income taxes are paid in nowise affects the right and duty to expend the money where and as the National Government sees fit. Most of the taxes are paid in New York, Philadelphia, Chicago, and the other great centers of population, because those places have become the most convenient centers for carrying on business. But suppose the individuals who pay national income taxes should prefer to live in Nevada, and the great corporations should consider it more advantageous to have their places of business in Reno, then 90 percent of the income taxes would be paid in Nevada, and Congressmen from all the great cities would be the first to vociferously declare the truth, that the national income tax is gathered alike from all sections of the country, as much from the people of Arizona, Oregon, or Arkansas in proportion to the population and service received as from the people of New York and Maine. And this is true wherever national income taxes are paid or by whomsoever paid. It is equally true that every part of America will be benefited by every dollar put into permanent national improvements, wherever made.

WAGES

Up to a few years ago men who employed labor thought honestly the cheaper they could get labor done the better off they were. But in the last decade some of the wiser ones have learned that the rights of humanity are actually involved in plain economics—that steady employment and high wages are the best boon the business world ever found.

As soon as we began paying wages high enough so men could buy, they did buy everything they wanted, and every line of business began to thrive. As long as men were employed business of all kinds flourished greatly. As soon as employment began to wane business of all kinds naturally began going down, and as unemployment increased we began to have hard times. There are always good times when everybody is at work. There are always hard times when large numbers are idle. Good times or hard times is a matter of employment or unemployment—nothing more, nothing less.

To increase the ability of the people to buy is the only way we can improve business. The only way we can do that is to provide employment. We cannot do that by property tax, because property tax is already so high, and property values so low, that we have reached, if we have not indeed passed, the taxable limit.

Incomes depend entirely on prosperity, and, in the long run, will vary as the tide of prosperity rises and falls. When prosperity is general, taxable incomes will be numerous and the rates of income high. When prosperity wanes, the taxable incomes will decrease and the rate of income will be low. Employment is the basis of all prosperity. Unemployment destroys it.

Every hour wasted in enforced idleness is irretrievably lost to the service of mankind. Enforced idleness causes a greater loss than all the destruction of war.

Every dollar not assisting in useful industry is a dead dollar—and the waste of unused money is as great a loss as the enforced idleness of men.

The streets are full of idle men. The hoards of hidden places, and the banks, are full of idle money. Bring the two together and industry springs instantly into life. All that is required to bring permanent happiness and prosperity to the one and permanent profit to the other is the use of a little vision and the application of common sense by giving men employment. We have learned in the last 10 years that low wages, part-time employment, and bad working conditions is bad business—that high wages, steady employment, and good working conditions is good business.

Now we must learn and apply the same rule to our governmental affairs—that a tightwad national policy is a bad national policy; that expenditures in keeping with the national wealth and proper national income is good national policy.

REAL ESTATE

Real estate, from the beginning has been considered the safest, solidest investment possible. Long ago it was established as the standard for all other investments. So when real estate everywhere becomes a questionable investment—most questionable, as it now is—it ought to convince anyone that something is radically wrong. Income is the ultimate measure of all values. Incomes from farms, and only to a lesser extent, from city property as well, has become so much smaller than it was 10 years ago, that nobody wants real estate any more. The result is that real-estate values all over America have gone tumbling, in the big cities even, though not yet to the same extent that it has on the farms and in smaller cities. Very few farms comparatively are paying any net return on labor and investment. Many do not pay labor and taxes. The consequence is, very few farms are salable at one fourth their former value—while everybody was at work.

Beginning neary 20 years ago, as employment became more general, wages increased. Buying power extended and all products rose to higher price levels. When employment became universal the price of farm products reached a new high level with ready sale. All farm products were produced at a profit. The price of farm land went up. As long as employment was general these conditions continued. But, beginning the latter part of 1921 and early part of 1922, unemployment began here and there and yonder. It slowly but steadily increased. Farms felt it first. The price of farm products gradually fell off as unemployment increased. Land prices began to sag. These conditions gradually extended to all sections of the country. At the end of 7 years permanent enforced idleness had reached an average of half a million men and part-time unemployment reached a million more. Land prices had collapsed. January 1, 1930, found grain prices at the lowest level in many years in the very face of Government aid. Unemployment had strangled farming and partially paralyzed all other industry.

Nearly every honest bank failure in this series of years was actually due to the result of constantly increasing unemployment. It so reduced the sale value of property that the banks held as security as to compel them to accept such losses as to destroy completely their capital and make failure of many good banks inevitable. This was known as frozen assets.

The same condition prevails in town and city property to a much greater extent than any of us have yet thought. A certain building in one of our fine cities in Egypt pays a gross income in rentals of $14,400. The general taxes on the building are $7,000, special tax, $400; insurance and upkeep is $4,000—the net income is $3,000 a year. Now this same building when everybody was employed brought twice the rental it brings now. It paid the same general and special tax, the same insurance, and the same upkeep. So it paid a net return of $17,400 a year instead of $3,000. Under present depression, that building is worth a little less than one fifth of what it was when everybody was at work. This same rule applies in varying degrees to every piece of real estate in America. In short, if we make employment general and permanent all over the country, all real estate—farms, city property, and all—will return to a reasonable basis and remain there as long as employment continues.

We have put off and put off our national improvements a full hundred years, till all the unsupplied needs of that great lapse of time stand staring us in the face, calling to be builded, now when we are no longer a debtor Nation. It will take 50 years to catch up with our national building program if we keep every man at work.

I am not asking to put men to work just to give idle men something to do. But I am pointing out to you a long-neglected series of improvements that everyone must see ought to be done—tremendous works that need to be done more than any other work in America—work we are abundantly able to do. And here stand the men ready, nay, anxious, to do the work—men who need work to do—men who must have work to enable them and their families to live. We have stood back as a nation and let the State and cities and counties and townships and villages do the work and pay the bills from direct tax on property. We must now accept our national obligation and set about building these long-deferred permanent national improvements.

PUBLIC IMPROVEMENTS

Under normal conditions, every time a street is paved, it raises the value of the property affected very much more than the paving costs. Every time a street is paved, it is profitable to the whole city.

The hard roads of Illinois are worth vastly more than they have cost the State. The improved roads in all the States are enormously more valuable than the expense of building them. The value to the United States of all the improved roads in all the States is 10 times greater than the money they cost the National Government.

The Panama Canal is a splendid investment. Every adequate post office is worth more than it costs, and every other Government building, every harbor improvement, and every other Government work which is permanently and well done is a good investment for the whole people.

OUR NEEDS

Let us understand fully that America is the most backward of all civilized nations in river improvements, canals, harbor developments, public building, and in national roads. There lie our tremendous needs.

Every civilized nation in the world owns and controls all the navigable waters within its boundaries, whether rivers, lakes, or arms of the sea, and has every right for canals, harbors, and public buildings and every road right necessary for the broadest national service.

Our first necessity is to declare our national responsibility for all these and accept it as our duty to improve them all for the benefit of our people. When the Nation does this all those local antagonisms which have so often prevented desirable national improvement will naturally disappear. That plan would entail the inauguration of a far-reaching national system of permanent internal improvements providing:

First. For control of all our national rivers for the purpose of improving all of them to prevent destruction from overflow, and to develop their channels for all commercial uses insofar as practicable.

Second. For building those canals and improvements in waterways which for a long time we have recognized as necessary to our best interests nationally as well as the desirable new ones.

Third. For deepening, equipping, and protecting our harbors sufficiently to care adequately for the ever-increasing commerce in which we must of necessity more and more engage to assure our own financial prosperity.

Fourth. A great series of national public buildings, useful, beautiful, adequate to our needs for every locality where national use requires them—including the hospitals for the kindly humane care of our suffering soldiery.

Fifth. For the building of a great system of purely national interstate trunk-line highways connecting up all parts of the Union with the State highways.

No piecemeal policy along any of these lines has given or can give rational results. A national program for all these improvements extending over a sufficient period of years and with sufficient annual expenditures to bring them all to full-grown permanent development is the absolute requirement. Our ideas will grow with the doing of this work. There is 50 years of labor for all our idle men in this program, and prosperity for the whole country.

Let us make no mistake. A billion dollars would provide an income of $1,000 a year for a million men now idle. And everybody knows that if you put a million men to work along new lines of endeavor that two more million will be required to fill the places not now busy.

If as much consideration had been given to making secure the jobs of those who had them; for providing jobs for those who did not have them; and for looking out ahead for jobs for those who were in danger of needing them—if as much consideration had been given these questions as was given to reducing the income taxes of rich individuals and prosperous corporations, there need not be an idle man in America today.

Following the World War, the chief interest and the constantly repeated slogan of our politicians seemed to be "reduce taxes", "reduce taxes", a second time; "reduce taxes" a third time, and "reduce taxes" a fourth time. Every one of these tax reductions was an income-tax reduction, taking the burden off of those who are most prosperous and best able to pay. While property taxes, taxes mostly on homes, more than doubled, the tax on net incomes were cut in two. It was a short-sighted blunder. Senators and Representatives did not ask whose taxes were being reduced—what would be the result—whether a better use could be found for the money—whether the tax on net incomes should be reduced while property taxes increased—whether there was a relation between tax on property and tax on net incomes.

And each time a reduction of the taxes on these net incomes was made, Congress was not satisfied simply to reduce the income taxes from that time on but gave back a full year's taxes already due and owing to the Government to the prosperous corporations and individuals. Four times this was done, and then last December, when they did not dare reduce the tax on incomes again because there would not be enough money to run the Government even under the present national tightwad policy, our congressional charity association, commonly known as "Congress", made a Christmas present of $160,000,000 of your money and my money to those same prosperous corporations and individuals. Congress refused to use that money to give employment to the countless thousands of men looking for work, unbelievable as that may seem. There was absolutely no pretense that this great sum would benefit the people one penny. It was very frankly admitted on the floor of the Senate that it would not. There were two supposed reasons assigned for giving away this $160,000,000. First, that the Government did not need the money; and that therefore, pre-

sumably, it should be given to the corporations and rich individuals who didn't need it either. Second, this hundred and sixty millions was given back for psychological effect on business, it apparently being presumed that if you do not need money, you have a psychology and get money—and if you do need money, you have no psychology and get no money. (Think this over.)

The Senate completely overlooked the fact that the Government needs billions of dollars of permanent national improvements; that the doing of work is the greatest and most important business in the world; and that the men and women who do this work should be the first consideration of our lawmakers.

If you want to get the whole effect of this remarkable attempt to justify this fifth act of the congressional charity association's fawning folly, turn to the Senate's action as reported in the CONGRESSIONAL RECORD for December 13 and 14, 1929, and don't fail to appreciate the very few Senators on both sides of the Chamber who opposed this gift, but who were "steam-rolled" by the overwhelming vote of both parties in that body.

I want to say to you, however, that I have not found so much dishonesty among officials. Their failure consists mostly in accepting the customs of the past as binding on the present, failure to distinguish between essentials and nonessentials, failure to look out ahead and plan to meet conditions as they arise, failure to recognize new conditions and the passing of the old ones; lack of vision, lack of aggressive courage, but, most of all, failure to think for America as a national unit.

There is not a solitary measure or proposal before Congress at the present time that anybody claims or believes will lead us out of our present unfortunate condition. They are disputing mightily over nonessentials. They have reached a stalemate. They are headed nowhere and have already arrived there politically. It ought to be plain that those policies which have led us into this condition can in no possible way lead us out. A new plan is the necessity. Even our politicians should see that much.

BUSINESS SOUND

Our rich men rush constantly into print to assure us that American business is sound at bottom. Certainly it is. Anybody ought to know that. Of course, we have as much and as good real estate as we ever had. We have as much coal and iron and copper and lead and zinc and all other natural resources that have enabled us to wax rich. We have the man power, the men and women, the desire, and the ability to work mightily; we have better housing and better health; better ability to do great things than ever before; the average of life is longer; we are better educated; we are the creditor Nation of the whole earth; for the first time in our history we have attained financial independence; we no longer need to ask what we can do; it is now purely a question of what we want to do; we have a far greater amount of money than any other country has ever had; a greater amount than we ourselves have ever had before. All of which ought to make it plain to anybody that there is no justifiable reason why we have such wide-spread and stringent hard times; why enforced idleness, poverty, and distress should be abroad in the land; why all classes engaged in useful industry should face the future with misgiving; why thousands of farm homes and homes in cities have been sold for taxes in the past few years; why within this 8- or 9-year period we have slumped from the highest state of prosperity in our history to comparaticely the lowest. They do not seem to know that this condition is the result of a cause and that there is a very simple remedy for it.

There is no necessity to search for some new or untried way to get the money to do away with unemployment. The income tax furnished abundant and a well-justified source for the necessary money. The law has been held valid by the courts; the method of accounting is well understood and accepted by business men and corporations everywhere; the department of collecting is already established; the cost of collecting would be little if any more for a higher rate than for a lower rate; the whole work of Congress necessary to secure the larger amount would consist only in raising the rate. The rate can be raised as quickly as it was lowered; 30 days would abundantly suffice. The income tax is the solution of the source of the money to put our idle men to work. A minimum of a billion dollars a year should be added to the present income tax, and that amount used exclusively for paying for these permanent national improvements.

Industry has permitted the growth of unemployment because it has not understood the effect of it nor seen the necessity of preventing it. Industry is too intimately connected with the result of unemployment to see or apply the remedy. Industry cannot solve it. Localities cannot solve it. It is Nation-wide in its origin and extent. It can only be solved by the Nation upon which the prosperity and permanency of all localities and all industries everywhere depends.

MEN AND FORTUNES

No man has such towering ability as to be able through his own talents and own energy alone to amass these great fortunes. No man has such exalted genius as to alone earn the tremendous incomes which many rich men of the present day receive. Every one of them owes the vastly greater part of these great fortunes and these stupendous incomes to the opportunity which the American Government offered them. And these fortunes and these incomes would melt away in 30 days without the protection with which the American Government surrounds them.

It therefore follows as a matter of justice and common sense that they should pay to the Government a sufficient part of these incomes to maintain it in continuing opportunity equal to their own for the rest of its citizens and for the protection of all.

Government is a partnership. Every citizen is a partner with his Government, whether rich or poor. He owes his support to it to the extent of his fortune, and his life if need be. It in turn owes him a fair opportunity in the pursuit of happiness and protection of his life, liberty, and property.

If we now had the money in the Treasury which our generous statesmen have contributed as charity to those who did not need it, a total in the five gifts of approximately $2,000,000,000, we could put every idle man in America to work and keep him at work 2 years without taking another penny.

What rate of income tax must be restored to provide the money necessary to build these great permanent national improvements can be readily calculated. But it would likely be about the same rate which existed after the second income-tax reduction following the World War. But so long as the income-tax payer has no less money at the end of the year than he would have had with this existing lower tax rate and the accompanying hard times, he surely would have no room to complain. In fact, the increased prosperity which universal employment will bring about will require but a small part of the increased profits which it will assure to every man engaged in useful industry.

American workingmen don't want doles. They want work, opportunity to serve. But America is not going to let children be stunted, nor starved. And I say to you now that America, acting nationally, is either going to pay out money for work or for idleness. We must take our choice between the two whether we want to or not.

If America should pay doles, it would be vastly more than England pays. It will cost as much to keep men idle as it will to keep them at work.

AGE LIMIT

In closing this address, I must call your attention to a condition which our unwise captains of industry have imposed upon us.

It has become a custom in most industries in recent years to throw men out of work at some arbitrary age—sometimes at 45, very generally at 50. And once a man past 50 is out of a job it is the rule that he can never again find employment. This is at a time when men generally need incomes most for educating their families, and for laying by the money necessary to protect them and their wives against want in old age. This custom has grown up with the idea that by getting very young men, you can, by rushing them, get a little more work out of them than you can out of older men. Henry Ford has shown conclusively the economic folly of this idea. I denounce the inhumanity of it. A man is not going to starve because he is 45 or 50, or 60, or any other age. Congress, that ought to be the heart of America, should at once by proper law prevent this custom in all corporations coming under the rules of interstate commerce. That would set the pace. That would shock the drivers of youth into some understanding of what shame this insanity leads them to. It would teach them that this is a Government for human beings. That laws and customs must be in the interest of humanity. I would crush the thought that great splendid America is going to permit anybody to be starved who is willing to work, no matter what his age.

Mr. KELLER. We are in the midst of the greatest revolution in the history of civilization. It is a revolution of peace. It seeks a rational solution of our difficulties. It demands justice. It will accept nothing less. It of necessity goes to the very foundation of human rights. It takes as its basis the first sentence in the great Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, and that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men.

The whole political system which we had inherited from the thousands of years of drudgery and suppression of human rights was based entirely upon man's inability to produce by hand more than a meager part of the things he desired. It was the age-old era of poverty handed down by inexorable custom. The coming of power-driven machinery has in the meantime brought the era of abundance. The laws for government of poverty are totally unfitted for use in the presence of abundance. The one is the law for the few, the other must be the law for the many.

The old system, founded on the doctrine of "laissez faire", was continued and the benefit of mechanical invention—the application of power to the doing of work—fell into the hands of the few. They grabbed the reward for themselves and excluded the workers from most of the benefits. The drudgery, poverty, and suppression of human rights was continued through this period of 150 years of tremendous change.

If at the beginning of this industrial revolution governments had seen the necessity of taking this gigantic step forward for the benefit of the great mass instead of letting it fall into the hands of the few, poverty could have been

banished from the homes of civilized men. A hundred and fifty years of struggle, failure, sorrow, poverty, and inexcusable starvation could have been prevented.

As it is, we must grope through the mist of uncertainty of 150 years of unplanned government and seek out the haven of security for all the future days of humanity.

At present we are engaged in the Herculean task of curing the most far-reaching panic and depression in our history. It will require still more heroic measures than we have already taken and the application of them for a much longer period of time than we now appear to contemplate. Let us not deceive ourselves in this matter.

A study of the recovery from all other panics since the abolition of slavery shows clearly that prosperity returned only as reemployment came and was made permanent. The same rule is bound to apply here with much greater force and certainty. In all those panics of 1873, 1893, 1907, and 1921 it was a matter of starving through with heartbreaking poverty, misery, and crime. This is the first time we have been sane enough, human enough to boldly announce that as a last resort the national Government will permit no suffering because of unemployment. Whether avowedly so or not, it is an acceptance of national responsibility for unemployment, as it always has been in fact. For the first time in our history we have set out avowedly to bring back prosperity by furnishing employment to provide for purchasing power, to raise prices, provide for the payment of debts, restore the credit stream for the normal carrying on of business, and the basis of it all is jobs. If we fail in that, we will fail in all. After many months of planning a Public Works program will be ready for spring. But this has not been accepted by the municipalities to anything like the extent we had hoped for, simply because people are afraid to pile up more debts until prosperity has returned. There will, of course, be a large amount of work on these so-called "self-liquidating projects" when this Public Works program gets under way. But even at the best the number of men it will put to work will be uncertain, and uncertainty is the one thing we cannot at present tolerate.

The Government has already put forward a plan of work that promises to make a new country out of many sections and is bringing back hope to 4,000,000 of our unwillingly idle. I refer to the only work of importance we have so far given, the C.W.A. The appreciation of what this work means is well indicated by what happened when employment was curtailed. A shout of protest went up all over the country. It was a well-justified protest. There is no possible excuse for curtailing that activity. It ought to be continued and extended until every man in America has a job. It should and must be continued for many months. In my estimation the very minimum at which we can rationally consider the beginning of slackening this work is a year from next May, not May 1934. There are such terrible gaps to be filled, debts for living to be paid, a little laid up on which to exist while seeking reemployment in industry. To in anywise limit this activity will jeopardize the recovery upon which we have entered. We should continue to organize the C.W.A. constantly along more efficient lines for achievement, and add to the organization until universal employment ensues. That is the only thing that will restore the national income.

Let us see: The national income approximated 90 billions per year in 1928 and 1929. It fell to below 40 billions in 1932, a net loss of annual income of a minimum of $50,000,000,000—more than twice enough to pay our national debt, lost in 1 year. To restore the national income is our great economic necessity. If it should require that we spend five billions for work to restore the national income, it would be exercising the best possible economy. No picayune policy can take us out of this terrible condition. We must spend every dollar necessary to accomplish our purpose beyond question—beyond doubt. Any other policy will endanger our success.

If the newspapers are right and the administration asks for only $450,000,000 to carry the C.W.A. over to May 1, I shall certainly offer an amendment to that bill to provide a billion and a half, enough to put it over a year at least, and that will not be too much.

We may as well open our eyes to the fact that most of these things we are doing as emergency measures will of necessity become permanent. The obligation of the Government to present an opportunity for a job for every man and woman who wants to work is fundamental. It is of necessity a permanent policy and the people will demand that it be recognized as such.

The Senate investigation of the stock-market conditions is sufficient proof of the fact that if we collect the taxes due us there will be sufficient money to carry on this work largely without additional taxes.

Of course, it will cost money. Of course, we cannot continue indefinitely to sell bonds to pay for this. But the very minute the Government stands ready to guarantee jobs, that very minute the people are going willingly to vote to provide the money necessary to enter upon a pay-as-we-go policy, if the tax is primarily for the purpose of assuring jobs. Last year I offered a bill to this full purpose. It is worth the study of any man interested in providing security to men and women in every walk of life. The study of panics since the liberation of slaves ought to indicate clearly that following every one of these panics some years were required to starve through the inexcusable depressions which followed them. We have learned not to permit starvation; we should also have learned to prevent the conditions which cause starvation. If we permit another panic and depression in this country, it will be only because of our stupidity, ignorance, and cowardice. We ought to see that the days of swollen fortunes are over. The stock gamblers shall no longer rob industry and starve the producers of wealth.

The days of the gambler's fortune are definitely passed. We must not only take charge of our currency and foreign exchange as we are doing but also we must take complete control of the credits of our country for the benefit of our people. We have taken several long steps in this direction. We must not falter in the final march to this end. A study of the facts makes it clear that enough work is already in sight to absorb the time of every idle man on permanent national improvements for 50 years to come, and when we shall have civilized ourselves over that period by equalized opportunity and equal rewards for equal service there will be another 50 years of work ready to hand. We must see with perfect clarity that it is our business to create and maintain prosperity. The overabundance of a small group of profiteers and the resulting undersupply of the great mass of our people is the national disgrace of our time. In this era of the new deal we must see to it that every producer of wealth, the farmers, the miners, the transporters of our commerce, the man who produces wealth along every line must be put on a basis of equality of opportunity with every other producer of wealth and at the same time we must deny the reward of service to him who does not in fact serve.

It is simply and solely a question of using the political power already solidly in the hands of all the people of America. It is a matter of intelligence applied to fair division of the wealth that is already being produced. Because everyone, even a child, knows that there is great abundance in America for all. Every intelligent man also knows that present wealth—the result of effort—is so unfairly divided as to be out of all proportion to the service rendered. Every thinker—and America is full of them in every walk of life—knows that (once) in proportion as we arrive at a method of more equitable division of the wealth produced, that production can be multiplied to meet every requirement and desire; that we can meet all requirements in half the working hours we now use; that even as our desires extend into new requirements we can meet them also, and still further reduce the hours of work to the point where drudgery is entirely eliminated.

The doing of all this requires no new fine-spun theories. It requires no change in our form of government. It requires no new system. We can do all this and retain capitalism as the vehicle of our efforts, if capitalism is willing to make the necessary adjustments to harmonize present conditions with already attainable ideals.

From the beginning men have delighted in contest. The hard-headed ancestors of America, coming from many lands, brought the scars of conflict with them. The recollection of long battles against injustice, persecution, tyranny, and poverty have given us reason to rejoice at partial victory so far achieved over these things in America. It has given us also the hardihood and persistence necessary to enable us to struggle through every discouraging experience, to success in achievement along every line we attempt. Let us, however, understand fully that the power to do all we may desire to do lies already and unquestionable fully within the hands of the American people. They may, if they feel it necessary, change our present Constitution as radically as they see fit. They may, if they desire, destroy and completely replace capitalism. But we should also know that the people will do no such thing unless they are driven to it. Those who are the recipients of special favor and of uncompromising attitude against necessary change are the dangerous element in our present situation—they are the real anarchists of America. They wave the red flag of privilege in the faces of the people and dare them to take what they, the people, have themselves created.

It is not necessary, therefore, that we provide some easy new method of achieving economic equality. We are quite able to do everything we need to do with the Government and system already in hand. There will be this certain advantage, that the cry of "wolf", the fear of new theories, of untried remedies cannot be raised against us, and the same courage and intelligence which would be required to adopt and use a new system, will get us further, more safely and more surely on the way with the system we now have.

God gave us the natural resources upon which to exert our energy and ingenuity. Outside these all wealth is due to industry—to work, to service.

Wealth is stored up work; wealth considered as a whole represents the combined storehouse of the energy of all the people of a given nation.

Wealth permits the great benefits of leisure, the joy of living—the indulgence in study, mental aspiration, spiritual uplift, the recognition of universal brotherhood, with the resulting beliefs in and struggle to attain equality among men as brothers.

Cooperation—the deeply implanted will of God—has grown out of necessity to be expressed in the ultimate equality of those who serve. To this day and generation has come the ability to see and understand the motives which have underlain and moved men in government throughout all history, and the opportunity to reinterpret those principles in the interest of humanity.

America was born with the ending of necessary poverty. It came into existence as a government at the very time labor-saving machinery was ushered upon the stage of mankind. It has grown up as the hum of the wheels of industry has grown. It has no tradition to bind it to the outworn theories back of the age of iron—the age of steam. The American Revolution and the industrial revolution were born together, twins of the eighteenth century. One came to give and finally has given political equality. The other came to give and must give economic equality. The one has made the world safe for democracy. The other must guarantee security to humanity. Political democracy, born of political revolution; industrial democracy, born of industrial revolution—one was the answer to tyranny; the other the answer to poverty. Neither can exist permanently without the other. Political equality puts full power into the hands of its possessors, to assert, compel, and maintain economic equality.

The destruction of tyranny came with the intelligence to see, the courage to declare, and the will to fight for political equality. The banishment of poverty only awaits the assertion of our intelligence to see that it can be banished; the courage to set about it; the necessary will to struggle for it; and poverty stands ready to depart, condemned and thwarted.

We must unite under the leadership of our great President who possesses the high intelligence and courage to carry out the dynamic ideas necessary to put into effect this peaceful revolution—this new deal.

H.R. 2855

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD to include a copy of the bill H.R. 2855.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FOULKES. Mr. Speaker, on January 16 last I addressed my remarks largely to the manner of administering farm loans by the Federal Land Bank of St. Paul in connection with the Farm Credit Administration, and at that time I offered some mild criticism regarding its operation in the States of North Dakota and Minnesota and my own State of Michigan.

Being a large landowner myself, with many acres under the plow, and one whose associations and friendships are almost entirely among the agricultural people, the question of refinancing these loans is very close to me, and with which I am most sympathetic, and have maintained offices in the Congressional district, at my own expense, for the express purpose of furnishing information and advice to my farmer friends who now find their lands under foreclosure and their homes in danger.

Mr. Speaker, there is much deserved dissatisfaction regarding the modus operandi of making these loans. Our farmers are shunted around from pillar to post, causing much confusion and unnecessary expense to them, in attempting to comply with the requirements of the act. As a result, hundreds of complaints have been received by me and I am intensely interested in bringing about a reformation of the conditions complained of, with a view of having these loans made in the most expeditious manner possible, and made now, in order that the benevolent intentions for which the legislation was enacted may be put into operation without further delay.

Mr. Speaker, I stated in my previous address that the law as now administered was not beneficial to the distressed farmers; that it had been thrown to its enemies to administer in an unsympathetic way, which has resulted in building up an arrogant bureauracy, especially among the field force. Many of these appraisers were selected without proper consideration. Their actions have been offensive and their inexperience and unfamiliarity with farm-land values has tended to defeat the benefits intended rather than to enforce the act in a fair and impartial manner.

It has likewise been stated that instances exist where the Federal land-bank officials and their subordinate officers have entered into a conspiracy with the mortgagees to prevent reasonable loans being made in order that foreclosures may be consummated and titles passed on valuable property to the mortgagee. Numerous complaints tending to substantiate these statements have come to me, and, on request, I shall be glad to furnish the details for investigation. Again, complaints are made that applications for loans filed with the Federal land bank for many months have never been heard from. I have made a personal investigation of these complaints and have been reliably informed that a large number of these applications have been lost in the St. Paul office, many of which were afterward discovered scattered around the floors and among the waste paper from that office, all of which I respectfully submit is an indication of serious mismanagement and inefficiency.

In my judgment, there are two principal reasons why this Farm Loan Act has not been successful in my State: First, it is not in the hands of its friends. The present officials are not in sympathy with the present administration nor with the act itself. It is being used as a political football by the old reactionary Federal land-bank crowd still occupying the office. Second, only 50 percent of the normal value of the land and 20 percent of the buildings can be loaned. Our farms are usually small in acreage with intense cultivation, our soil light in quality but highly productive, a matter that is not understood by many of the land appraisers, who have been indiscriminately selected by reason

of their personal friendships, rather than their qualifications for this service.

Many hundreds of applications have been filed for reasonable amounts, which have been turned down and loans refused after appraisement, due largely to the inexperience and lack of knowledge on the part of the appraiser.

I have noticed that loans held by certain banks have been secured without much opposition, while applications made by the farmer himself have been unfairly treated. To me this has but one meaning; namely, that the money lenders are still the power behind the throne.

I believe that a large majority of the Members of Congress, if allowed a free expression, free from party politics and party leadership and seniority rights, favor an honest and intelligent expansion of the currency and are in favor of the Frazier-Lemke bill, the refinancing of the farmers by issuing Federal Reserve notes, thereby expanding the money in the people's hands by something over $2,000,000,000. I am confident that in addition they would favor the Patman bill, paying the soldiers' bonus by issuing Treasury notes, and thereby expanding the currency another $2,000,000,000. If this were done the buying power of the people would be increased by $4,000,000,000, and it would be in accordance with the President's first step in his monetary policy. What we must have is more purchasing power, not less; more money, not less.

If Congress had the foresight and the courage to use this gold that the Government is about to seize, use the revalued gold dollar as a basis for increasing the money in actual circulation by $4,000,000,000 by passing the Frazier-Lemke bill and the Patman bill, then there will be no further need of issuing further tax-exempt interest-bearing bonds, and this Nation will rejoice because there will then again be plenty of money in actual circulation with which to do the Nation's business. It will be an intelligent expansion of the currency and not inflation.

I now ask for unanimous consent further to extend and revise my remarks and to include therein at this point H.R. 2855, known as the "Frazier-Lemke bill".

The bill is as follows:

H.R. 2855

A bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Federal farm loan system, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same

Be it enacted, etc., That this act shall be known by the title "The Farmers' Farm Relief Act."

SEC. 2. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced, through real-estate mortgages on the amortization plan, at 1½-percent interest and 1½-percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3-percent interest per annum through the use of the machinery of the Federal farm loan system and the Federal Reserve Banking System.

SEC. 3. The Federal Farm Loan Board is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 50 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this act with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceeds the fair value of any farm and 50 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum, payable in any lawful money of the United States.

SEC. 4. The Federal Farm Loan Board is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing at the date of enactment of this act, by making loans at the rate of 3-percent interest per annum, secured by first mortgages on livestock used for breeding or agricultural purposes, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock used for breeding or agricultural purposes, and the amount of the loan is reduced 10 percent each year.

SEC. 5. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, $100,000 for the use of the Federal Farm Loan Board to carry out the provisions of this act. The necessary and actual expenses incurred in carrying out the provisions in this act shall be apportioned and prorated and added to each individual mortgage, and such sums so added shall be paid to the Federal Farm Loan Board for administrative purposes.

SEC. 6. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Federal Farm Loan System, through the Federal Farm Loan Board and Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock used for breeding or agricultural purposes. These bonds, after delivery to the Federal Farm Loan Board, may, by it, be sold at par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve banks to invest their available surplus and net profits, after the dividends are paid to their stockholders, in such farm-loan bonds, such profits to include the franchise tax now paid to the United States.

SEC. 7. In case all of said farm-loan bonds are not readily purchased, then the Federal Farm Loan Board shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Federal Farm Loan Board Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it, such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve.

SEC. 8. The Federal Farm Loan Board and the Federal land banks shall turn over all payments of interest and principal on such farm loan bonds, for which the Federal Reserve Board issues Federal Reserve notes, to the Treasurer of the United States, and shall be by him kept for the purpose of redeeming said Federal Reserve notes and reinvested by him as a sinking fund in municipal or State bonds and bearing interest at the rate of at least 2 percent per annum, both principal and interest to be paid in any lawful money of the United States.

SEC. 9. Whenever the amount of money actually in circulation in the United States shall exceed $75 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm loan bonds, for which Federal Reserve notes were issued, not to exceed 2 percent in any one year, of the amount of Federal Reserve notes so issued.

SEC. 10. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States, who are indebted and declare it to be their intention to take advantage of this act, such county or parish convention to be its own judge as to who are bona fide farmers and otherwise eligible to participate in its proceedings.

SEC. 11. The Federal Farm Loan Board is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 12. The farmers attending such county or parish convention and the State delegates attending such State convention shall organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary to carry out the purposes of this act, and they shall at all times cooperate and assist the Board of Agriculture, the Federal Farm Loan Board, the Federal land banks, and national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

SEC. 13. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following, and who shall receive $15 per diem and necessary traveling expenses while on official business, to be paid by the Federal Farm Loan Board out of any funds set apart by section 5 of this act.

SEC. 14. Immediately after their election the members of the Board of Agriculture, upon call of the Federal Farm Loan Board, shall meet at Washington, in the District of Columbia, and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this act. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said board, and who shall receive a salary of $7,500 per annum and 5

cents per mile for necessary traveling expenses while on official business, to be paid by the Federal Farm Loan Board out of any funds set apart by section 5 of this act.

SEC. 15. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments and with all farm and cooperative organizations within their respective States to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

SEC. 16. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Federal Farm Loan Board and the Federal Reserve Board, and they shall cooperate with said boards and with county or parish and State governments and with the various farm organizations and with the agricultural colleges of the Nation in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the farm loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this act to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

SEC. 17. The benefits of this act shall also extend to any farmer, or member of his family, who lost his farm through indebtedness or mortgage foreclosure since 1919, and who desires to purchase the farm lost or another farm. It shall also extend to any tenant, or member of his family, who desires to purchase a farm, provided he has lived on and operated a farm as a tenant for at least 3 years prior to the enactment of this act.

SEC. 18. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this act from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property.

SEC. 19. This act shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Federal Farm Loan System and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this act; and all laws or parts of laws in conflict herewith are for the purpose of this act repealed. The persons charged with the duty of carrying out the provisions of this act are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday, February 15, I may address the House for 10 minutes to commemorate the anniversary of the birth of Susan B. Anthony, who fought so valiantly for woman suffrage. I need not remind the Members of this illustrous body how anxious they are to have women avail themselves of that privilege now that they have the right.

The SPEAKER pro tempore. Is there objection to the request of the lady from Massachusetts?

There was no objection.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY

Mr. BEITER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. BEITER]?

There was no objection.

Mr. BEITER. Only a few days ago we heard the sincere and eloquent appeals of Mr. SNELL and Mr. CULKIN, who represent the Thirty-first and Thirty-second New York Districts, and from their comments on the St. Lawrence Treaty we might be lead to believe that they represented the City of Duluth, the home of Mr. Craig and the seaway's chief booster. For Mr. SNELL, who predicts ratification of the treaty by the Senate, is quoted:

> Opposition to the treaty, resulting from a coalition of public utility, railroad, and seaboard port interests, is more vocal than real. This is the substance of a survey I have just completed of sentiment to ascertain the truth behind the current whispering of defeatism.

Perhaps the leadership of Mr. SNELL over a minority rather than a majority in the House is all the evidence required to show the inadequacy of Mr. SNELL's survey. At any rate, the gentleman from Potsdam is even less impressive than usual when he comes before the people of the State of New York with such findings on their attitude toward the seaway treaty. If Mr. SNELL's constituents in his own district want power development, very well. Let him say so. But it should not be a part of the duties of the minority leader of the House to try to uphold the myth that the interests behind the seaway movement are shipping rather than power interests.

Senators NORRIS and LA FOLLETTE are valiant opponents of the power interests, and citizens of New York are doubtless grateful for the interest they have manifested in the welfare of consumers in this State.

They should not be misled, however, into the belief that the St. Lawrence Treaty provides for another Muscle Shoals or Boulder Dam development in New York.

It is still a seaway treaty and the power project is a mere incident. It provides for a public power development which would be highly useful to the State in checking the private utilities, and for a seaway which the State does not want and cannot use, both done up in the same package. It is as illogical to approve the seaway just to strike a blow at the Power Trust as it would be to burn down the barn just to get the stable cleaned up.

The St. Lawrence seaway should be considered on its own merits or demerits. The power development should be judged strictly on its own merit. The Senate will serve the interests of the whole country, as well as the interests of this State, if it will not confuse the two.

According to the report of the Department of Commerce entitled "Butiminous Coal Tables, 1932", there is about a half million men employed in the bituminous-coal industry in Pennsylvania, Illinois, Virginia, and many other States throughout the Union. A large proportion of this half million men work part time, and it would be a very fine thing for all of these bituminous-coal localities if their labor, both skilled and unskilled, could be put on a more uniform time basis. Such uniformity or continuity, let me say, if achieved, would reduce the unit price of mining coal, increase the annual earnings of the laborers and operators alike, and benefit everyone who is directly or indirectly affected by the bituminous-coal industry.

If the idea of the St. Lawrence project is to produce cheap electric energy in the Philadelphia or New York metropolitan districts, or in Pittsburgh or in other cities, which may be reached by bituminous-coal plants, then the time has arrived when serious consideration should be given to this project of producing electric energy at the mines.

Certainly any production of electric energy at the mines could do no more harm to energy-producing plants than any other method of producing energy, be it water or otherwise, which would put the present plants out of business. Therefore if the basic reason for Senators NORRIS' and LA FOLLETTE's desire to canalize the St. Lawrence River is to produce cheap electric power for the people of the United States, then it is believed that more people will be given employment over a longer period of time if Government money should be spent to erect and operate such plants in mining districts of the various States producing high-grade bituminous coal than by spending a like amount of money in the St. Lawrence River.

I have followed the discussions, reviewed the testimony, and have read the terms of the Great Lakes-St. Lawrence Treaty. As a result of such consideration and discussions, the study shows that St. Lawrence power cannot be delivered to any of the following-named cities—Albany, Binghamton, Buffalo, New York City, Rochester, and Syracuse—as cheaply as steam electric power could be produced in these cities, excepting the cities of Syracuse, Binghamton, and Albany. In these three cities St. Lawrence power could be secured more cheaply, provided the load factor was 90 or 100 percent. The study further shows that the excess cost of a hundredth of a cent at Binghamton and two hundredths of a cent at Albany per kilowatt-hour is in favor of St. Lawrence power due to the estimated cost of fuel at those places.

The study further shows that at a 100-percent load factor the costs are identical at New York City. In the case of hydroelectric power from the St. Lawrence the volume, viz, 480,000 kilowatts, reduces the overhead cost on this power,

and, on the other hand, the larger cost for land and for fuel assumed for New York City brings the costs together at the 100-percent load factor.

As a 100-percent load factor is impossible to obtain and drops out of the picture entirely for domestic or ordinary commercial use, it can be neglected unless a 24-hour maximum demand is secured.

The reports which were studied propose the following amounts of power to be supplied to the various cities, as follows:

	Kilowatts
Albany	160,000
Binghamton	160,000
Buffalo	240,000
New York City	480,000
Rochester	240,000
Syracuse	240,000

The above amounts of power are to be generated at the various cities by modern turbo-generators of large capacity under high steam pressure. This is the most economical method of steam-electric generation.

The hydroelectric power from St. Lawrence is to be transmitted at 220,000 volts and stepped down for use at various terminals. This is also modern practice.

I have just been furnished with some amazing figures. Major Theron M. Ripley, who for 13 years was in charge of construction and maintenance of canals and highways, State of New York, and has had 60 years' experience in the building of hydroelectric power plants and dams, has at my request courteously furnished me these figures, which are so illuminating that I send them to the desk and ask to have inserted in the RECORD without reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

Costs in cents per kilowatt-hour—Load or capacity factor

ALBANY

	20	30	40	50	60	70	80	90	100
COST									
St. Lawrence	1.72	1.14	0.86	0.69	0.57	0.49	0.43	0.38	0.34
Steam	.93	.70	.58	.50	.44	.40	.38	.37	.36
Difference in—									
Favor steam	.79	.44	.28	.19	.13	.09	.05	.01	
Favor St. Lawrence									.02

The above shows that St. Lawrence River hydroelectric power cannot be delivered in Albany, N.Y., as cheaply as steam-electric can be produced in that city, except when the former is being used (delivered) at a 90- to 100-percent load factor. As a 100-percent load factor is a consummation forever wished but never secured, a lower factor must be considered.

Comparing the costs at a 50- or 60-percent factor, it is seen that St. Lawrence power costs 38 percent more than steam-generated power and at a 60-percent factor this difference is 29½ percent. These are fair commercial service factors.

Assuming a domestic-use load factor of 30 or 40, it is seen that St. Lawrence power costs 63 percent and 48 percent more, respectively.

BINGHAMTON

	20	30	40	50	60	70	80	90	100
COST									
St. Lawrence	1.72	1.14	0.86	0.69	0.57	0.49	0.43	0.38	0.34
Steam	.92	.67	.55	.48	.43	.39	.37	.36	.35
Difference in—									
Favor steam	.80	.47	.31	.21	.14	.10	.06	.02	
Favor St. Lawrence									.01

The above shows that St. Lawrence hydroelectric power cannot be delivered in Binghamton, N.Y., as cheaply as steam-electric can be produced in that city except when the former is being used (delivered at a 100-percent load factor.

Comparing the costs at a 50- or 60-percent factor, it is seen that St. Lawrence costs 44 percent and 33 percent, respectively, more than steam. These are fair commercial-use factors.

Assuming a domestic-use load factor of 30 or 40, it is seen that St. Lawrence power costs 70 percent and 56 percent more, respectively.

BUFFALO

	20	30	40	50	60	70	80	90	100
COST									
St. Lawrence	1.77	1.18	0.89	0.71	0.59	0.51	0.44	0.40	0.35
Steam	.77	.56	.46	.39	.35	.32	.31	.29	.28
Difference in favor of steam	1.00	.62	.43	.32	.24	.19	.13	.11	.07

The above shows that St. Lawrence hydroelectric power cannot be delivered in Buffalo, N.Y., as cheaply as steam electric power can be produced in that city. Even at the ideal of 100-percent load factor, the former cost is 25 percent greater than the latter.

With a load factor of 50 or 60 percent, the excess cost of St. Lawrence power is 82 percent and 69 percent, respectively.

Assuming a domestic use load factor of 30 or 40, it is seen that St. Lawrence power costs 111 percent and 93 percent more, respectively.

NEW YORK CITY

	20	30	40	50	60	70	80	90	100
COST									
St. Lawrence	1.79	1.19	0.90	0.71	0.60	0.51	0.45	0.40	0.36
Steam	1.00	.73	.60	.52	.46	.42	.40	.38	.36
Difference in favor of steam	.79	.46	.30	.19	.14	.09	.05	.02	

The above shows that St. Lawrence hydroelectric power cannot be delivered to New York City for less than steam-electric power can be generated in that city.

With a load factor of 50 or 60 percent, the excess cost of St. Lawrence power is 37 percent and 30 percent, respectively.

Assuming that there is a domestic-use load factor of 30 or 40, it is seen that St. Lawrence power costs 63 percent to 50 percent more, respectively.

ROCHESTER

	20	30	40	50	60	70	80	90	100
COST									
St. Lawrence	1.62	1.08	0.81	0.65	0.54	0.46	0.41	0.36	0.32
Steam	.86	.63	.51	.44	.39	.36	.34	.32	.31
Difference in favor of steam	.76	.45	.30	.21	.15	.10	.07	.04	.01

The above shows that St. Lawrence hydroelectric power cannot be delivered in the city of Rochester, N.Y., as cheaply as it can be produced in that city by steam; although at 100-percent load factor the difference, in favor of steam, is only one one-hundredth of a cent per kilowatt-hour.

With a load factor of 50 or 60 percent, the excess cost of St. Lawrence power is 48 percent and 38 percent, respectively.

Assuming a domestic-use load factor of 30 or 40, it is seen that St. Lawrence power costs 71 percent and 59 percent more, respectively.

SYRACUSE

	20	30	40	50	60	70	80	90	100
COST									
St. Lawrence	1.49	0.99	0.74	0.60	0.50	0.43	0.38	0.33	0.30
Steam	.88	.65	.53	.46	.41	.38	.36	.34	.33
Difference in—									
Favor of steam	.61	.34	.21	.14	.09	.05	.02		
Favor St. Lawrence								.01	.03

The above shows that St. Lawrence hydroelectric power can be delivered at Syracuse, N.Y., at a less cost than steam-electric can be generated there provided a load factor of 90 or 100 can be secured.

With a load factor of 50 or 60 percent, the excess cost of St. Lawrence power is 30 percent or 22 percent, respectively.

Assuming a domestic-use load factor of 30 or 40, it is seen that St. Lawrence power costs 52 percent or 40 percent more, respectively.

Mr. BEITER. The joint board of engineers report outlines a complete development of the power resources of the river by the construction of additional power works with an inflated capacity of approximately 5,000,000 horsepower, at a total cost of from $620,000,000 to $650,000,000.

The existing water-power and steam plants in the section of the United States which could be economically reached

from the St. Lawrence territory by the transmission lines are quite adequate to meet the industrial development for many years to come.

The power production contemplated cannot be counted upon to liquidate the canal outlay. The value of hydroelectric power has in the last 10 years heavily depreciated, owing to the remarkable developments in efficiency of steam-power electric plants. So there is not likely to be a market for power in the large cities which have steam plants located at tidewater. In substance, the Government would be engaging in a most hazardous power speculation.

It is an admitted fact that the St. Lawrence can only operate economically by using its total power production as a base load, and such use would put out of business practically all the commercial plants in the section of the United States which could be reached from the St. Lawrence now producing electric energy, excepting at times of peak load; and by such action would destroy the value, as going concerns, of practically every electrical utility company in the State of New York. Such condition certainly cannot be assumed as true economy in any sense of the word.

You may also be interested to know that low water in Lake Ontario and the St. Lawrence River has been below the standard low-water datum of the Canadian Government, to such an extent that it will, undoubtedly, require a revision of all previous estimates of the cost of constructing the proposed St. Lawrence Canal. The said low water is lower than any records during the last 60 years.

The extremely low water will require a new determination of the amount of firm power obtainable on the river. It is of great concern to the Canadian Government as it effects artificial channels in the river below Montreal and may require a large expenditure to assure safe navigation therein.

The officially published costs of the complete St. Lawrence project have been greatly understated, to such an extent as to be badly misleading. As far as they have gone, the engineering reports are understandable. Instead of a total cost of $543,429,000 it is believed that the public should be apprised of the fact that the total eventual cost will aggregate not less than $903,829,000, as follows:

Mr. SNELL. Will the gentleman yield?

Mr. BEITER. I yield.

Mr. SNELL. Where did the gentleman get those statements? What authoritative sources have made such statements as that?

Mr. BEITER. I have the total amount broken down, and I will read it to the gentleman. The amount for engineers' estimates, as published, is $543,429,000.

Lock duplication, $18,700,000. That is found in St. Lawrence Waterway Project, Ottawa, 1932, pages 10 and 11.

Mr. SNELL. I think the gentleman misunderstood my question. I understood the gentleman to say that the best estimates were a total of nine hundred million and some odd.

Mr. BEITER. Nine hundred three million eight hundred and twenty-nine thousand dollars.

Mr. SNELL. Will the gentleman tell me from what source that came?

Mr. BEITER. I am trying to give the gentleman the split-up in the following manner: The total amount is $903,000,000——

Mr. SNELL. But who made that estimate?

Mr. BEITER. I am giving that from records that I have obtained.

Mr. SNELL. Well, where are they?

Mr. BEITER. The Great Lakes-St. Lawrence Waterway Treaty, Publication No. 347, Department of State, page 17.

Mr. SNELL. That might have been, but I am trying to get the authority back of the statement.

Mr. BEITER. It is from the engineers.

Mr. SNELL. What engineers?

Mr. BEITER. The engineers of the Department.

Mr. SNELL. The engineers of the State Department?

Mr. BEITER. Yes.

Mr. SNELL. That is news.

Mr. BEITER (reading):

Engineers' estimate (as published)[1]	$543,429,000
Lock duplication [2]	18,700,000
Compensating works [3]	100,000
Channel deepening [4]	25,000,000
Welland Canal deepening [5]	25,000,000
Power projects in Canadian territory [6]	262,000,000
Montreal Harbor [7]	4,600,000
Private capital required to improve harbors [8]	25,000,000
Total	903,829,000

Upon whom will the original cost fall and upon whom will the cost of maintenance and operation fall? In giving consideration to the probable ultimate cost to each State and having at hand the various and divergent estimates, recourse should be made to the average of estimates prepared by different individuals or organizations who have given study to this project. Including President Hoover's figures, the average would be $914,857,250. If based upon the same percentage as internal-revenue receipts are based, the cost to each State would be as follows:

State or Territory	Percent of total	Amount
Alabama	0.17	$1,545,257.35
Alaska	.01	91,488.57
Arizona	.06	548,914.35
Arkansas	.07	630,400.00
California	4.90	44,828,005.25
Colorado	.35	320,200.04
Connecticut	1.31	11,984,629.98
Delaware	1.06	9,697,486.85
District of Columbia	.54	4,940,229.15
Florida	.54	4,940,229.15
Georgia	.28	2,561,600.30
Hawaii	.24	2,195,657.40
Idaho	.03	274,457.18
Illinois	6.85	62,667,721.63
Indiana	.79	7,127,373.28
Iowa	.41	3,750,914.75
Kansas	.46	4,208,343.35
Kentucky	1.69	15,461,087.53
Louisiana	.40	3,659,429.00
Maine	.28	2,561,600.30
Maryland	1.51	13,814,344.48
Massachusetts	3.16	38,909,489.10
Michigan	3.85	34,810,318.36
Minnesota	.92	8,416,686.70
Mississippi	.05	457,428.63
Missouri	2.22	20,309,830.95
Montana	.06	548,914.35
Nebraska	.20	1,829,714.50
Nevada	.09	823,371.53
New Hampshire	.11	1,006,342.98
New Jersey	4.52	8,416,686.70
New Mexico	.02	182,971.45
New York	25.36	232,007,798.60
North Carolina	14.84	135,764,815.90
North Dakota	.02	182,971.45
Ohio	3.97	36,309,832.83
Oklahoma	.65	5,946,572.13
Oregon	.16	1,463,771.60
Pennsylvania	7.02	63,222,978.95
Rhode Island	.43	3,933,886.18
South Carolina	.11	1,006,342.98
South Dakota	.03	2,744,571.75
Tennessee	.58	5,306,172.05
Texas	1.18	10,795,315.55
Utah	.09	823,371.53
Vermont	.06	548,914.35
Washington	.47	3,374,971.83
Virginia	6.42	58,733,835.45
West Virginia	.45	4,116,857.63
Wisconsin	1.06	9,697,486.85
Wyoming	.03	274,457.18
Philippine Islands	.02	182,971.45

In addition, New York is to pay $89,000,000 because of power rights.

Can you blame the Empire State for demanding a voice in a matter that we believe will be injurious to its welfare?

Those millions, plus additional millions for upkeep and maintenance, would have to come out of the pockets of American and Canadian taxpayers. They would represent

[1] Great Lakes-St. Lawrence Deep Waterway Treaty (publication no. 347, Department of State, p. 17).
[2] St. Lawrence Waterway Project, Ottawa, 1932 (pp. 10, 11).
[3] For 32-foot depth, derived from S.Doc. 183 (69th Cong., 2d sess., pp. 27, 28), H.Doc. 253 (70th Cong., 1st sess., p. 4).
[4] For 32-foot depth, derived from H.Doc. 253 (p. 7).
[5] For 32-foot depth, derived from S.Doc. 183 (p. 28).
[6] S.Doc. 183 (p. 48, tables II and III).
[7] S.Doc. 183 (p. 52).
[8] H.Doc. 253 (p. 5).

a direct subsidy to shipping—not to all shipping but to certain favored classes of shipping.

Operations thereon will be in competition with, and will divert traffic from, rail carriers during 6½ or 7 months of the year when operating costs are lowest, but will require the railroads to provide maximum facilities during the winter months when operating costs are at a maximum. Notwithstanding this diversion, the obligation to handle the traffic during a part of the year will necessitate the keeping of the railroad plant at a maximum efficiency during the entire year.

The joint board of engineers estimates that the entire cost of the proposed 27-foot channel, including the proposed power development, will be $543,429,000 and that the share to be borne by the United States will be $272,453,000.

It is estimated that of this total amount the expenditures for power development in the international section of the St. Lawrence River will represent something over $100,000,000, one half of which is to be paid by the United States.

The project is estimated to require from 7 to 10 years for construction; an 8-year period is the general official estimate. For this period no allowance is made for interest on the money required for construction. Assuming that the entire amount will be invested only half of the period, or 4 years, and that the interest charge would be at the rate of 4 percent per annum, there would be an additional interest charge on the $543,429,000 amounting to $86,948,640, or an additional charge to the United States of $43,592,480.

There are seven important harbors on the Great Lakes within the United States, namely, Duluth-Superior, Chicago, Milwaukee, Detroit, Toledo, Cleveland, and Buffalo. It has been estimated that there must be expended at least $25,000,000 each on these seven harbors, making an aggregate of $175,000,000 to be expended by the United States.

The longer ratification is delayed the stronger grows the opposition. The seaway was at the peak of its popularity in 1928. Every year since then has weakened the case for it. At the end of a depression, with little American wheat moving to Europe, it is extremely difficult to make a case for the billion-dollar subsidy to shipping which the seaway represents.

Nor does it appear to me that there would be any benefit to American people sufficient to outweigh the burden of debt and taxation which will result from the cost of these projects.

I may be mistaken, but I can visualize, if the St. Lawrence propect is developed and the gates are thrown wide open, that foreign-built ships, built by cheap labor and manned by coolies, will come to the Great Lakes when times are bad and eke out an existence on low rates that have developed.

To construct it now would be to create a white elephant.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 6670. An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 33 minutes p.m.) the House adjourned until tomorrow, Tuesday, January 30, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, Jan. 30, 10 a.m.)

Continuation of the hearing on H.R. 6836, to regulate motor carriers.

COMMITTEE ON MERCHANT MARINE, RADIO, AND FISHERIES

(Tuesday, Jan. 30, 10:30 a.m.)

Further consideration of House Joint Resolutions 100 and 151 and Senate Joint Resolution 15. Hearings to be in committee room.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

315. A communication from the President of the United States, transmitting an estimate of appropriation for the Department of State for the fiscal year 1935, to be immediately available, amounting to $7,125,000, in substitution for the estimate of appropriation for emergencies arising in the Diplomatic and Consular Service contained in the Budget for 1933 (H.Doc. No. 229); to the Committee on Appropriations and ordered to be printed.

316. A communication from the President of the United States, transmitting two supplemental estimates of appropriations for the Panama Canal for the fiscal year ending June 30, 1934, totaling $200,000 (H.Doc. No. 230); to the Committee on Appropriations and ordered to be printed.

317. A communication from the President of the United States, transmitting a request for an additional appropriation of $950,000,000 for the purposes of the Federal Emergency Relief Act of 1933, and for continuing the Civil Works program under the Federal Civil Works Administration established by Executive Order No. 6420–b (H.Doc. No. 231); to the Committee on Appropriations and ordered to be printed.

318. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment under the Architect of the Capitol, for the fiscal year 1935, in the sum of $111,944 (H.Doc. No. 232); to the Committee on Appropriations and ordered to be printed.

319. A letter from the Secretary of Commerce, transmitting a list of documents and files of papers not needed nor useful in the current business of the Department of Commerce; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 191. A bill for the relief of William K. Lovett; with amendment (Rept. No. 351). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1127. A bill for the relief of O. H. Chrisp; with amendment (Rept. No. 352). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1301. A bill for the relief of M. Aileen Offerman; with amendment (Rept. No. 353). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1842. A bill for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard; with amendment (Rept. No. 354). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2639. A bill for the relief of Charles J. Eisenhauer; with amendment (Rept. No. 355). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. H.R. 2990. A bill for the relief of George G. Slonaker; with amendment (Rept. No. 356). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4013. A bill to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat., p. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N.J., July 10, 1926; with amendment (Rept. No. 357). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 4056. A bill for the relief of Emma F. Taber; with amendment (Rept. No. 358). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4926. A bill for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley; without amendment (Rept. No. 359). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4952. A bill for the relief of Theodore W. Beland; without amendment (Rept. No. 360). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7229. A bill for the relief of the estate of Victor L. Berger, deceased; without amendment (Rept. No. 361). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2. An act for the relief of C. M. Williamson; Mrs. Tura Liljenquist, administratrix of C. E. Liljenquist, deceased; Lottie Redman; and H. N. Smith; without amendment (Rept. No. 362). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 375. An act to reimburse the estate of Mary Agnes Roden; without amendment (Rept. No. 363). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 406. An act for the relief of Warren J. Clear; without amendment (Rept. No. 364). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 407. An act for the relief of Willie B. Cleverly; without amendment (Rept. No. 365). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 750. An act for the relief of the Lebanon Equity Exchange, of Lebanon, Nebr.; without amendment (Rept. No. 366). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 751. An act authorizing the Secretary of the Treasury of the United States to refund to the Farmers' Grain Co., of Omaha, Nebr., income taxes illegally paid to the United States Treasurer; without amendment (Rept. No. 367). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1069. An act authorizing adjustment of the claim of the Chicago, North Shore & Milwaukee Railroad Co.; without amendment (Rept. No. 368). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1074. An act authorizing adjustment of the claims of John T. Lennon and George T. Flora; without amendment (Rept. No. 369). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1079. An act authorizing adjustment of the claim of Francis B. Kennedy; without amendment (Rept. No. 370). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1083. An act authorizing adjustment of the claim of the Potomac Electric Power Co., of Washington, D.C.; without amendment (Rept. No. 371). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1085. An act authorizing adjustment of the claim of Schutte & Koerting Co.; without amendment (Rept. No. 372). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1087. An act authorizing adjustment of the claim of William T. Stiles; without amendment (Rept. No. 373). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1115. An act to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost; without amendment (Rept. No. 374). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1219. An act to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy; without amendment (Rept. No. 375). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1347. An act for the relief of Little Rock College, Little Rock, Ark.; without amendment (Rept. No. 376). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1426. An act for the relief of the estate of Benjamin Braznell; without amendment (Rept. No. 377). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1496. An act for the relief of Nannie Swearingen; with amendment (Rept. No. 378). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1651. An act for the relief of the estate of Anton W. Fischer; without amendment (Rept. No. 379). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1782. An act for the relief of the B. & O. Manufacturing Co.; without amendment (Rept. No. 380). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H.R. 6742) granting a pension to Margaret M. Warner, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WALLGREN: A bill (H.R. 7412) to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children; to the Committee on Indian Affairs.

By Mr. McSWAIN: A bill (H.R. 7413) to promote national defense by organizing the Junior Air Corps Reserve, as a civilian component of the Army of the United States; to the Committee on Military Affairs.

By Mr. DUNN: A bill (H.R. 7414) to provide employment or relief to all citizens of the United States and its possessions who are in need of employment or relief; to the Committee on Ways and Means.

By Mr. SMITH of Washington: A bill (H.R. 7415) to subject certain Federal and State and other securities to income taxation; to the Committee on Ways and Means.

By Mr. FULMER: A bill (H.R. 7416) to divert lands unsuited for profitable agriculture to productive forestry uses; to the Committee on Agriculture.

By Mr. HOEPPEL: A bill (H.R. 7417) to grant retirement to disabled noncommissioned officers of the Army and Marine Corps and to petty officers of the Navy and Coast Guard; to the Committee on Military Affairs.

By Mr. BLAND: A bill (H.R. 7418) to prohibit the importation of pulpwood, wood pulp, or any wood susceptible of use in manufacturing paper; to the Committee on Ways and Means.

Also, a bill (H.R. 7419) to prohibit the importation of fish and fish products; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H.R. 7420) to readjust the boundaries of Whitehaven Parkway and Huidekoper Place, in the District of Columbia, provide for an exchange of land, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H.R. 7421) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CULKIN: A bill (H.R. 7422) to reduce the annual interest charge on the war debt owing by the Republic of Finland to the United States of America; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H.R. 7423) amending section 23 of the Merchant Marine Act of 1920; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. JAMES: A bill (H.R. 7424) to readjust the allowances of retired enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H.R. 7425) for the inclusion of certain lands in the national forests in the State of Idaho, and for other purposes; to the Committee on the Public Lands.

By Mr. SIROVICH: A bill (H.R. 7426) to protect the consuming public of the United States of America, numbering 125,000,000 people, and the honest producers and distributors, numbering 50,000 persons, of food, nonalcoholic or nonintoxicating beverages, drugs, and cosmetics sold or offered for sale, in containers or packages, and to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drugs, nonalcoholic and nonintoxicating beverages and cosmetics, and to regulate traffic therein; to prevent the false or fraudulent advertisement of food, drugs, nonalcoholic and nonintoxicating beverages and cosmetics, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRIVER: A bill (H.R. 7427) for improvement of the St. Francis River in Arkansas for navigation; to the Committee on Rivers and Harbors.

By Mr. ADAMS: A bill (H.R. 7428) providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States; to the Committee on Public Buildings and Grounds.

By Mr. DISNEY: A bill (H.R. 7429) to provide a right of way; to the Committee on Military Affairs.

By Mr. CROSSER of Ohio: A bill (H.R. 7430) to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. NORTON: A bill (H.R. 7431) authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission, and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek, in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BLAND: Resolution (H.Res. 239) appointing a select committee to investigate and inquire into the price charged farmers for fertilizer throughout the United States, and for other purposes; to the Committee on Rules.

By Mr. FULMER: Resolution (H.Res. 240) providing for the printing of 2,000 copies of the soil survey for certain counties in South Carolina; to the Committee on Printing.

By Mr. BUCHANAN: Joint resolution (H.J.Res. 250) to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934; to the Committee on Appropriations.

By Mr. DIMOND: Joint resolution (H.J.Res. 251) authorizing a preliminary examination or survey of Haines Harbor, Alaska; to the Committee on Rivers and Harbors.

By Mr. DISNEY: Joint resolution (H.J.Res. 252) to extend the Civil Works Administration created by Executive Order No. 6420–B, issued November 9, 1933, for 4 months from February 15, and to appropriate $450,000,000 therefor; to the Committee on Ways and Means.

By Mr. FISH: Joint resolution (H.J.Res. 253) to extend the Civil Works Administration created by Executive Order No. 6420–B, issued November 9, 1933, until May 15, 1934, and to appropriate $450,000,000 therefor; to the Committee on Ways and Means .

Also, concurrent resolution (H.Con.Res. 28) for revision or repeal of part of the so-called "Platt amendment" to the act entitled "An act making appropriation for the support of the Army for the fiscal year ending June 30, 1902"; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of South Carolina, that American agriculture be placed on an equal basis with other industries by providing an adequate system of credit; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS: A bill (H.R. 7432) granting a pension to Eliza A. Leonard; to the Committee on Invalid Pensions.

By Mr. ARNOLD: A bill (H.R. 7433) granting a pension to Alice Cook; to the Committee on Invalid Pensions.

By Mr. AYRES of Kansas: A bill (H.R. 7434) granting an increase of pension to Emily J. McCready; to the Committee on Invalid Pensions.

By Mr. CHASE: A bill (H.R. 7435) granting a pension to Christine Lindow; to the Committee on Invalid Pensions.

By Mr. CLARK of North Carolina: A bill (H.R. 7436) for the relief of Rufus J. Davis; to the Committee on Claims.

Also, a bill (H.R. 7437) for the relief of E. C. West; to the Committee on Claims.

By Mr. DREWRY: A bill (H.R. 7438) for the relief of certain officers of the Dental Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. EDMONDS: A bill (H.R. 7439) for the relief of Alex Taylor; to the Committee on Naval Affairs.

By Mr. ELLENBOGEN: A bill (H.R. 7440) for the relief of Cora B. Nebel; to the Committee on Claims.

By Mr. FULMER: A bill (H.R. 7441) for the relief of Fletcher Hammond; to the Committee on Military Affairs.

Also, a bill (H.R. 7442) for the relief of Charles E. Kelley; to the Committee on Military Affairs.

Also, a bill (H.R. 7443) for the relief of Thomas Lee Mitchum; to the Committee on Military Affairs.

Also, a bill (H.R. 7444) granting a pension to Maggie R. Cooper; to the Committee on Pensions.

Also, a bill (H.R. 7445) granting a pension to Thomas Grimsley; to the Committee on Pensions.

Also, a bill (H.R. 7446) granting a pension to Walter T. Reckling; to the Committee on Pensions.

By Mr. GILLETTE: A bill (H.R. 7447) granting a pension to Nancy E. Dermit; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Oklahoma: A bill (H.R. 7448) for the relief of Lettie Leverett; to the Committee on Claims.

Also, a bill (H.R. 7449) for the relief of Fanny M. Crosby; to the Committee on Claims.

Also, a bill (H.R. 7450) granting an increase of pension to Priscilla Hurt; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7451) granting an increase of pension to Alice Jordan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7452) granting an increase of pension to Jennie Beadle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7453) granting an increase of pension to Catharine A. Best; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7454) granting an increase of pension to Cynthia A. Mitchell; to the Committee on Invalid Pensions.

By Mr. KLEBERG: A bill (H.R. 7455) to authorize the appointment of Thomas S. Garrett as a first lieutenant on the retired list of the Army; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H.R. 7456) granting a pension to Alonzo Edward Davis; to the Committee on Pensions.

By Mr. MAPES: A bill (H.R. 7457) for the relief of William Dean McCoy; to the Committee on Naval Affairs.

By Mr. McCORMACK: A bill (H.R. 7458) granting a pension to Timothy Vaughan; to the Committee on Pensions.

By Mr. MOTT: A bill (H.R. 7459) for the relief of Clatsop County, Oreg.; to the Committee on Claims.

By Mr. RAMSPECK: A bill (H.R. 7460) for the relief of Judson Stokes; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 7461) granting an increase of pension to William McKinley Green; to the Committee on Pensions.

Also, a bill (H.R. 7462) for the relief of Marion C. Asbury; to the Committee on Military Affairs.

By Mr. SECREST: A bill (H.R. 7463) granting a pension to Florence Bonnell; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H.R. 7464) for the relief of William R. Smith; to the Committee on Claims.

Also, a bill (H.R. 7465) for the relief of Lucius D. Burton; to the Committee on Naval Affairs.

By Mr. UTTERBACK: A bill (H.R. 7466) granting a pension to Maria B. Thompson; to the Committee on Pensions.

Also, a bill (H.R. 7467) for the relief of Edward Francis Chisholm; to the Committee on Naval Affairs.

By Mr. WILCOX: A bill (H.R. 7468) for the relief of Ross P. Beckstrom Co.; to the Committee on War Claims.

By Mr. PARSONS: Resolution (H.Res. 241) to pay to Lizzie Calhoon, niece of William C. Allen, 6 months' compensation and not to exceed $250 funeral expenses; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1871. By Mr. ARENS: Petition relative to the acquisition of lands bordering on lower Rice Lake; to the Committee on Indian Affairs.

1872. By Mr. BACON: Petition of sundry residents of the First Congressional District, New York, urging appropriate action to restrain any interference with religious programs in radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

1873. By Mr. BLAND: Petition of Ninth Women's Patriotic Conference on National Defense, held January 24, 25, and 26, 1934, at the Mayflower Hotel, Washington, D.C., requesting Congress to continue its policy of aid to the American merchant marine in order that our national defense may not again be weakened by the withdrawal of American ships from the sea; to the Committee on Merchant Marine, Radio, and Fisheries.

1874. By Mr. CHASE: Resolution of the Department of Conservation, State of Minnesota, relating to acquisition of lands bordering on lower Rice Lake; to the Committee on Indian Affairs.

1875. Also, resolution of the Department of Conservation, State of Minnesota, urging adoption of project to remove floating trees, brush, and debris from the flowage areas, etc., of upper Mississippi reservoirs; to the Committee on Rivers and Harbors.

1876. Also, resolution of the Department of Conservation, State of Minnesota, urging approval and development of so-called "Mud Lake area" in Marshall County, Minn., into a wild fowl nesting area, etc.; to the Committee on Agriculture.

1877. By Mr. ELTSE of California: Petition and protest against an alleged censorship on radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

1878. By Mr. FITZPATRICK: Petition signed by Mr. and Mrs. R. Pintner, of 60 Ridge Road, and a number of other residents of Yonkers, N.Y., urging support of the bill to strengthen and modernize the present Food and Drug Act; to the Committee on Interstate and Foreign Commerce.

1879. By Mr. GOODWIN: Petition signed by DeWitt Rockefeller et al., of the town of Cairo, Greene County, N.Y., requesting the passage, or amendment, of a bill in January so that all needy veterans will be properly taken care of; to the Committee on World War Veterans' Legislation.

1880. Also, resolution of the National Federation of Post Office Clerks, Washington, D.C., concerning restoration of Government wages; to the Committee on Appropriations.

1881. By Mr. HILDEBRANDT: Petition of citizens and voters of Miner County, S.Dak., asking for the enactment of emergency legislation in the Congress of the United States appropriating sufficient money to carry on the Civil Works Administration program in the State of South Dakota and elsewhere, at the rate of pay for 30 hours per week, and that said work continue until the 1st day of June 1934, or longer; to the Committee on Appropriations.

1882. By Mr. HOIDALE: Petition of the city of St. Paul, Minn., urging Congress to provide financial facilities to relieve municipalities from financial difficulties arising from tax delinquencies; to the Committee on Ways and Means.

1883. By Mr. HOWARD: Petition of William Wegner and others, who reside in the Central Northwest area of the United States and depend directly upon the agriculture industry for their livelihood and existence, urging the passage of the Frazier bill; to the Committee on Agriculture.

1884. Also, petition of Leslie D. Case and other prominent farmers of Bloomfield, Nebr., urging the passage of the Frazier bill; to the Committee on Agriculture.

1885. By Mr. JAMES: Resolution from the Board of Supervisors for Gogebic County, Mich., favoring the extension of the Civil Works Administration program beyond February 15, 1934, and for as long a period thereafter as possible; to the Committee on Appropriations.

1886. By Mr. JOHNSON of Minnesota: Petition of the Farmer-Labor Association of Polk County, Minn., urging the passage of the Frazier bill; to the Committee on Banking and Currency.

1887. Also, petition of the Farmer-Labor Association of Polk County, Minn., opposing Prince plan or any plan tending to merge railroad companies; to the Committee on Interstate and Foreign Commerce.

1888. By Mr. KENNEY: Petition of Sarah N. Nelson and 5,000 other citizens of the Ninth Congressional District of New Jersey concerning control and censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1889. Also, petition of Essex County Medical Society (980 members), unanimously urging support of the Pure Food and Drugs Act, as represented by Senate bills 1944, 2000, and House bill 6110; to the Committee on Interstate and Foreign Commerce.

1890. Also, petition of C. E. Stover, Spencer Kellogg & Sons, of Edgewater; S. Bayard Colgate, Colgate Palmolive Peet Co., Jersey City, all of the State of New Jersey, and others, urging that a tax of 5 percent per pound on coconut and other vegetable oils would be ruinous, increase importation of foreign soaps and other products, result in reduction of employment and closing of plants, and asking that the Ways and Means Committee reconsider the oppressive tax; to the Committee on Ways and Means.

1891. Also, petition of Bergen County Osteopathic Society, opposing the Tugwell bill in its present form; to the Committee on Interstate and Foreign Commerce.

1892. Also, petition of the Morsemere Community Church, Ridgefield, N.J., supporting the Costigan antilynching bill, which proposes to give the Federal Government power to act against lynchers where States fail to do so; to the Committee on the Judiciary.

1893. By Mr. LAMBERTSON: Petition of the Ladies Aid of the Methodist Episcopal Church of Everest, the Mahaska Flower Club, of Mahaska, and the East Topeka Woman's Christian Temperance Union, of Topeka, all in the State of Kansas, urging the passage of House bill 6097, providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

1894. By Mr. LEHLBACH: Petition signed by Maynard O. Klement and others of the Twelfth Congressional District of New Jersey, protesting against improper means to prevent free access to broadcasting facilities; to the Committee on Merchant Marine, Radio, and Fisheries.

1895. By Mr. LEWIS of Maryland: Petition containing 5,000 names, protesting against the censorship of certain radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

1896. By Mr. LINDSAY: Petition of W. F. Banks, of Brooklyn, N.Y., opposing the excise tax on coconut oil, copra, and other imported oils; to the Committee on Ways and Means.

1897. Also, petition of Welch, Holme & Clark Co., New York City, protesting against excise tax on coconut oils; to the Committee on Ways and Means.

1898. Also, petition of Kirkman & Son, Inc., soap manufacturers, Brooklyn, N.Y., concerning excise tax on account oil and copra; to the Committee on Ways and Means.

1899. Also, petition of National Licorice Co., Brooklyn, N.Y., opposing present excise tax on candy; to the Committee on Ways and Means.

1900. Also, telegram of Jos. Rosenberg's Sons, 58 Townsend Street, Brooklyn, N.Y., concerning tax on oils; to the Committee on Ways and Means.

1901. Also, petition of Colgate-Palmolive Peet Co., S. Bayard Colgate, president, Kansas City, Mo., opposing proposed 5-cent tax on imported oils; to the Committee on Ways and Means.

1902. Also, petition of Federal Council of the Churches of Christ in America, New York City, opposing the projected program of naval construction; to the Committee on Appropriations.

1903. Also, petition of Central Trades and Labor Council of Greater New York and vicinity, New York City, requesting early restoration of 15-percent pay cut; to the Committee on Ways and Means.

1904. Also, petition of Jos. G. Dubin & Sons, Inc., manufacturing confectioners, Brooklyn, N.Y., opposing present excise tax on candy; to the Committee on Ways and Means.

1905. By Mr. PARKER: Petition of several thousand residents of Chatham, Bryan, Bulloch, Burke, Effingham, Emanuel, Evans, Liberty, Jenkins, Screven, Treutlen, and Tattnall Counties in the First Congressional District of Georgia, protesting against the discrimination of certain broadcasting companies against certain religious radio programs; to the Committee on Merchant Marine, Radio, and Fisheries.

1906. Also, petition of A. W. Daughtry and 225 other citizens of Chatham County, Ga., urging the passage of the legislation known as the "old-age pension bill"; to the Committee on Pensions.

1907. By Mr. PARKS: Petition of citizens of Calhoun County, Ark.; to the Committee on World War Veterans' Legislation.

1908. By Mr. ROGERS of Oklahoma: Petition of J. O. Collins, 311 West Twenty-fourth Street, Oklahoma City, and 425 residents of Payne County and 1,500 residents of Oklahoma County, all of the State of Oklahoma, protesting against certain unwarranted interference with their rights, under the Radio Act, and certain vicious action of certain entrenched interests; to the Committee on Merchant Marine, Radio, and Fisheries.

1909. By Mr. RUDD: Petition of Kirkman & Sons, Inc., soap manufacturers, Brooklyn, N.Y., opposing the proposed tax on coconut oil and copra; to the Committee on Ways and Means.

1910. Also, petition of W. F. Banks, of Brooklyn, N.Y., opposing the proposed tax on coconut oil, copra, and other imported oils; to the Committee on Ways and Means.

1911. Also, petition of the Federal Council of the Churches of Christ in America, New York City, opposing the passage of the Vinson naval building bill; to the Committee on Naval Affairs.

1912. Also, petition of the Central Trades and Labor Council of the Greater New York and vicinity, favoring an early restoration of the full 15-percent cut for Government employees be made; to the Committee on Appropriations.

1913. Also, petition of the Associated Office and Professional Employees, 232 Seventh Avenue, New York City, opposing pay cuts of Civil Works Administration employees, and for the expansion of the civil-works program in order to absorb more workers from the millions still unemployed; to the Committee on Appropriations.

1914. Also, petition of S. Bayard Colgate, president Colgate Palmolive Peet Co., Kansas City, Mo., opposing the proposed 5-cent tax on imported vegetable oils; to the Committee on Ways and Means.

1915. Also, petition of the National Licorice Co., Brooklyn, N.Y., favoring the repeal of the excise tax on candy; to the Committee on Ways and Means.

1916. Also, petition of Welch Holme & Clark Co., New York City, opposing the proposed tax on coconut oil; to the Committee on Ways and Means.

1917. By Mr. SANDERS: Petition of numerous citizens of Mabank, Tex., asking for the full payment of adjusted-service certificates; to the Committee on Ways and Means.

1918. By Mr. SEGER: Petition of Monsignor Stein General Assembly, Fourth Degree Knights of Columbus, and Paterson Council, No. 240, Knights of Columbus, of Paterson, N.J., opposing the birth control bill; to the Committee on Interstate and Foreign Commerce.

1919. By Mr. SINCLAIR: Petition of W. M. Lewis and 85 others, of Fargo, N.Dak., and vicinity, favoring the Hatfield-Keller bill providing a system of retirement and pensions for railroad employees; to the Committee on Interstate and Foreign Commerce.

1920. By Mr. SNELL: Petition of residents of the Thirty-first Congressional District of the State of New York, urging that radio stations be given the same privileges that are now enjoyed by the public press, and every radio station should be permitted, without interference to broadcast any lawful programs that they may choose to broadcast; to the Committee on Merchant Marine, Radio, and Fisheries.

1921. By Mr. SMITH of West Virginia: Petition of Mrs. S. J. Bowman and other citizens of Charleston, W.Va., favoring the passage of House bill 6097, which seeks to regulate motion-picture production; to the Committee on Interstate and Foreign Commerce.

1922. By Mr. WIGGLESWORTH: Petition of James A. Colby et al., protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1923. By the SPEAKER: Petition of the American Federation of Government Employees, regarding the restoration of the 15-percent pay cut; to the Committee on Expenditures in the Executive Departments.

1924. Also, petition of Mrs. Frank B. Stewart et al., regarding the proposed pure food and drugs bill; to the Committee on Interstate and Foreign Commerce.

1925. Also, petition of the city of Oakland, Calif., regarding the passage of a bill pertaining to a strip of land 300 feet long and 30 feet wide on the south side of Seventeenth Street, between Broadway and Franklin Street, to the city of Oakland; to the Committee on the Public Lands.

SENATE

TUESDAY, JANUARY 30, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Reed
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Davis	King	Robinson, Ind.
Bailey	Dickinson	La Follette	Russell
Bankhead	Dieterich	Lewis	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Steiwer
Bone	Fess	McAdoo	Stephens
Borah	Fletcher	McCarran	Thomas, Utah
Brown	Frazier	McGill	Thompson
Bulkley	George	McKellar	Townsend
Bulow	Gibson	McNary	Trammell
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	O'Mahoney	Wagner
Carey	Hastings	Overton	Walcott
Connally	Hatch	Patterson	Wheeler
Coolidge	Hatfield	Pittman	White
Copeland	Hayden	Pope	

Mr. LEWIS. I announce the absence of the Senator from Oklahoma [Mr. THOMAS] still occasioned by illness.

I also announce that the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. CLARK], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that the senior Senator from Rhode Island [Mr. METCALF], the Senator from New Jersey [Mr. KEAN], the Senator from South Dakota [Mr. NORBECK], and the Senator from North Dakota [Mr. NYE] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6976), to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 6976) to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes, and it was signed by the Vice President.

INDEBTEDNESS OF FOREIGN GOVERNMENTS TO THE UNITED STATES

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting, pursuant to Senate Resolution No. 109, agreed to on the 4th instant, a statement relative to the indebtedness of foreign governments to the United States as of January 4, 1934, giving the amounts not paid according to contract terms, which, with the accompanying statement, was ordered to lie on the table.

DISPOSITION OF USELESS PAPERS

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce transmitting, pursuant to law, a list of documents and files of papers that have accumulated in the Department which are not needed in the transaction of business and have no historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. STEPHENS and Mr. MCNARY the committee on the part of the Senate.

EXCISE TAX ON COCONUT OIL

As in legislative session,

The VICE PRESIDENT laid before the Senate the following letter from the Secretary of War, which was referred to the Committee on Finance:

WAR DEPARTMENT,
Washington, January 29, 1934.

The PRESIDENT OF THE SENATE,
Washington, D.C.

SIR: The following message, received in this Department today in a radiogram dated at Manila, Philippine Islands, January 29, 1934, is transmitted to you pursuant to the request contained therein:

"Please transmit Speaker House, President Senate, following: Bill proposed by House Ways and Means Committee imposing excise tax 5 cents pound on all coconut oil imported or manufactured in United States will be very severe blow to coconut-oil industry and copra producers Philippines, and will be tremendous hardship on 4,000,000 Filipinos dependent upon industry embracing four fifths of the archipelago. Approval measure will be disastrous to economic and social progress Philippines, as average of 95 percent our coconut-oil exports and over 60 percent our copra exports absorbed by United States, with no sufficient alternate markets. Although not as important financially as sugar, Philippine coconut industry affects far greater number people. United chambers commerce Philippines through me respectfully request you kindly present our views to congressional leaders and Ways and Means Committee, and if possible prevent its consideration by Congress. Luz, President Chamber of Commerce of Philippine Islands."

Respectfully,

GEO. H. DERN, *Secretary of War.*

PETITIONS AND MEMORIALS

As in legislative session,

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

A concurrent resolution memorializing Congress to provide relief for the agricultural industry

Whereas, unless immediate relief is given, hundreds of thousands of farmers will lose their farms and their homes and millions more will be forced into our cities and villages, and the army of unemployed will necessarily increase to alarming proportions; and

Whereas the price of agricultural products during recent years has in fact been far below the cost of production; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas Senate bill No. 457, introduced in the Senate of the United States by Senator LYNN J. FRAZIER, of North Dakota, provides for the liquidating and refinancing of agricultural indebtedness and provides for a reduced rate of interest for the same through the Federal Farm Loan System and the Federal Reserve Bank System; and

Whereas the provisions of this bill will have a vital effect upon the agricultural industry of the State of South Carolina; and

Whereas at the present time many loans relating to the agricultural industry should bear a reduced rate of interest; and

Whereas agriculture is the basic industry of this country and there can be no sound business prosperity until agriculture is put on an equality with other industries: Now, therefore, be it

Resolved by the House of Representatives of South Carolina (the senate concurring), That it is the sense of this general assembly that American agriculture should be placed on an equal basis with other industries by providing an adequate system of credit and that adequate legislation to that end should be adopted at the earliest possible date.

Resolved further, That the Congress of the United States should enact the provisions of said Senate bill No. 457; be it further

Resolved, That a copy of this resolution be sent to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of South Carolina in Congress, and to United States Senator LYNN J. FRAZIER, the Senator who introduced the bill.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S.C., January 25, 1934.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house, and concurred in by the senate.

[SEAL] J. WILSON GIBBES,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint resolution relating to the corn-hog program

Whereas the farmers of Wisconsin have been suffering for years due to the economic depression; and

Whereas the farmers of Wisconsin will be benefited by the corn-hog adjustment program to the extent of several million dollars only if they will all be eligible to take advantage of such program; and

Whereas a ruling has been made by the Agricultural Adjustment Administration of the United States to the effect that any farmer who has grown less than 10 acres of ear corn or who raised less than 3 litters of pigs a year, based on an average for the years 1932–33, will not be eligible to sign a contract pursuant to the corn-hog adjustment program and will be discriminated against by this ruling, due to the fact that approximately 85 percent of Wisconsin farmers use oats, barley, peas, and other grains and skim milk rather than corn for hog feed; and

Whereas the Wisconsin farmer deserves recognition in the corn-hog program for the reason that Wisconsin produces upward of 1,750,000 of hogs per year: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully requests the Agricultural Adjustment Administration to make all farmers in Wisconsin who raise two litters of pigs eligible to sign a contract under the corn-hog program, thereby making it possible for all Wisconsin hog raisers to receive benefit payments on hogs; be it further

Resolved, That suitable copies of this resolution be transmitted to the Agricultural Adjustment Administration of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

CORNELIUS YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin urging the Federal Government to provide relief for the potato-growing industry in Wisconsin, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented today by Mr. DUFFY.)

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from Helen Rosenblum, of Brooklyn, N.Y., praying for the passage of the so-called "Copeland pure food bill", which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the Omega Psi Phi Fraternity, favoring the passage of anti-lynching legislation, which was referred to the Committee on the Judiciary.

He also laid before the Senate a petition of sundry citizens of Buffalo Springs and vicinity, in the State of North Dakota, praying for the passage of legislation known as the "Frazier farm refinancing bill", which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate a resolution of the Taxpayers' Protective League of Berks County, Reading, Pa., opposing adoption of the so-called "Prince plan for railway consolidation" and favoring Government ownership of railroads, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a letter from Hon. PEDRO GUEVARA and Hon. CAMILO OSIAS, Resident Commissioners from the Philippines, embodying in part a resolution, contained in a cablegram, adopted at a mass meeting held in the city of Manila, P.I., "affirming the people's right to decide for themselves their destiny" and that "it is the sense of this meeting to favor and support the extension by 9 months of the acceptance period in the Hare-Hawes-Cutting law as proposed by the Senate Committee on Territories and Insular Affairs and petition Congress for the approval of such extension", which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution of Wielapa Harbor Unit, No. 39, of South Bend, Wash., favoring the passage of legislation embodying the 4-point program for veteran relief of the American Legion, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the Ninth Women's Patriotic Conference on National Defense at Washington, D.C., which were referred as follows:

Resolution favoring the making of appropriation for a full investigation of all organizations, forces, and individuals engaged in activities subversive to the common welfare of the American people; to the Committee on Appropriations.

Resolution urging the passage of legislation securing premises within academy line "B", shown on the "present lay-out plan" of Fort Schuyler, N.Y., dated July 8, 1927, for the efficient operation of the New York State Merchant Marine Academy; to the Committee on Commerce.

Resolution favoring maintenance of the constitutional powers of the Congress "whereby the security of our people and the appropriations for national defense shall be assured"; to the Committee on the Judiciary.

Resolution favoring provision for adequate crews to man all ships of a full-treaty Navy; to the Committee on Naval Affairs.

Resolution favoring the passage of legislation providing 1,650 useful airplanes for the Navy, including necessary personnel and equipment, to be available by 1939; to the Committee on Naval Affairs.

Mr. CAPPER presented a petition numerously signed by sundry citizens of Riley County, Kans., praying for the passage of the so-called "Frazier farm refinancing bill", which was referred to the Committee on Agriculture and Forestry.

Mr. ROBINSON of Arkansas presented a letter from J. S. Connolly, of New York City, relative to reduction in benefits, pensions, and emergency officers' retirement pay of veterans residing abroad, which was referred to the Committee on Appropriations.

He also presented a letter from Col. T. H. Barton, of El Dorado, Ark., relative to certain objections to the disallowance of percentage depletion of oil and gas wells and reduction of the depreciation and depletion allowances, which, with the accompanying table, was referred to the Committee on Finance.

Mr. DUFFY presented the following joint resolutions of the Legislature of the State of Wisconsin, which were referred to the Committee on Agriculture and Forestry:

Joint resolution requesting the Secretary of Agriculture to take certain action on the direct buying of livestock

Whereas direct buying destroys competition at public markets where prices of livestock are daily established, and prevents them from establishing fair prices for the producer; and

Whereas more than 50 percent of the hogs are now being purchased direct by packers; and

Whereas a producer's corn-hog committee of 25 members representing the corn-hog industry appointed at the national corn-hog conference held at Des Moines, Iowa, July 18, 1933, recommended that the Secretary of Agriculture proceed immediately to correct the evils existing because of direct buying; and

Whereas one of the major objectives of the Agricultural Adjustment Administration is to create fair prices for hogs and there should be exact equality of conditions especially between price-establishing markets and the so-called "concentration points" or direct-buying stations; and

Whereas the producer of hogs should have the same privilege to sort, grade, weigh, consolidate, and sell at through rates at public markets, which buyers of hogs enjoy at interior concentration points and country buying stations; and

Whereas the live hog should be standardized when sold for the account of the producer, such standardization should be brought by governmental supervision of weighing, grading, docking, and filling, United States Bureau of Markets standards of grading recommended: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully requests the Secretary of Agriculture to proceed immediately under the Packer and Stockyards Act or any other existing legislation to place direct-buying and terminal markets on a basis of fairness and equality; and be it further

Resolved, That a properly attested copy of this resolution be sent to Hon. Henry A. Wallace, Secretary of Agriculture of the United States, and to each United States Senator and Representative from Wisconsin in the Congress.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

Joint resolution urging the national administration to provide relief for the potato-growing industry in Wisconsin

Whereas the potato-growing industry is one of the major branches of the agricultural industry in Wisconsin, this State in the year 1932 having planted and harvested in excess of 260,000 acres, with an average yield of 87 bushels per acre, or a total yield of 22,620,000 bushels, for which the farmers received an average price of only 23 cents per bushel; and

Whereas the present Federal restrictions on the grading of potatoes are such that potato growers cannot conform thereto, and such restrictions should be somewhat relaxed under the present economic conditions; and

Whereas the Federal Government now imposes a tariff duty on the importation of jute, which is used in the manufacture of burlap sacks, used almost exclusively for the shipment of potatoes; and

Whereas Wisconsin now ranks the fifth largest potato-producing State in the Union and complete recovery for the agricultural industry in Wisconsin cannot be accomplished unless relief is provided for all branches of the agricultural industry, assuring the farmer a price for his product equal at least to the cost of production plus a reasonable return on his investment and labor; and

Whereas under the Federal agricultural relief program in excess of $500,000,000 have been poured into agricultural communities in the Corn-Hog Belt, the Wheat Belt, and the Cotton Belt, and in addition thereto large sums have already been turned over to tobacco growers for acreage reduction; and

Whereas not one cent has as yet been provided for the potato-growing industry, nor is there at this time any relief program in sight for that industry; and

Whereas the foregoing conditions not only affect the potato producers but as well the potato shippers: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully urges the national administration to include in the agricultural-relief program prompt and effective relief for the potato-growing industry, to the end that the potato farm-

ers may secure a price equal to at least the cost of production plus a reasonable return on investment and labor; and be it further

Resolved, That properly attested copies of this resolution be sent to President Roosevelt, to Hon. Henry A. Wallace, Federal Administrator of the Agricultural Adjustment Administration, and to each Wisconsin Member of the Congress of the United States.

C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

REPORTS OF COMMITTEES

As in legislative session,

Mr. WALCOTT, from the Special Committee on Conservation of Wild Life Resources, to which was referred the bill (S. 2277) to establish fish and game sanctuaries in the national forests, reported it with amendments and submitted a report (No. 243) thereon.

Mr. WALCOTT (for himself, Mr. PITTMAN, Mr. MCNARY, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, and Mr. BYRD), from the Special Committee on Conservation of Wild Life Resources, reported a bill (S. 2529) to promote the conservation of wild life, fish, and game, and for other purposes, which was read twice by its title, and also submitted a report (No. 244) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 2493) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, reported it with amendments and submitted a report (No. 245) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

As in legislative session,

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

A bill (S. 2520) to amend section 12B of the Federal Reserve Act, as amended, relating to the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

By Mr. GEORGE:

A bill (S. 2521) to amend section 61 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, relating to depositories for money of bankrupt estates; to the Committee on the Judiciary.

A bill (S. 2522) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in public education; to the Committee on Education and Labor.

By Mr. SHEPPARD:

A bill (S. 2523) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of George A. Carden and Anderson T. Herd against the United States in respect of certain ships taken during the World War by the United States; and

A bill (S. 2524) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department (with accompanying papers); to the Committee on Claims.

A bill (S. 2525) for the relief of Edward N. Jerry; to the Committee on Military Affairs.

By Mr. LONG:

A bill (S. 2526) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission; to the Committee on Military Affairs.

By Mr. GIBSON:

A bill (S. 2527) to amend the act of May 29, 1930, for the retirement of employees in the classified civil service; to the Committee on Civil Service.

A bill (S. 2528) to provide for establishing and maintaining a public airport for the District of Columbia; to the Committee on the District of Columbia.

By Mr. CAREY:

A bill (S. 2530) authorizing the conveyance of the old post-office building in Casper, Wyo., to the County Commissioners of Natrona County, Wyo.; to the Committee on Post Offices and Post Roads.

By Mr. WHEELER (by request):

A bill (S. 2531) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes; to the Committee on Indian Affairs.

By Mr. HALE:

A bill (S. 2532) granting a pension to Mary A. Gillon (with accompanying papers); to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 2533) granting a pension to Nathen Dishman; to the Committee on Pensions.

By Mr. ADAMS:

A bill (S. 2534) to further extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law", approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. McKELLAR:

A bill (S. 2535) for the relief of Claudia F. Banks and Edna B. Towner; to the Committee on Claims.

By Mr. SCHALL:

A bill (S. 2536) to direct the distribution of the interest and principal of permanent fund of the Chippewa Indians of Minnesota in accordance with the true purpose and intent of the agreements made pursuant to the act of January 14, 1889; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 2537) for the relief of Robert H. Leys; to the Committee on Claims.

A bill (S. 2538) to provide for the appointment of two additional district judges for the southern district of New York; to the Committee on the Judiciary.

A bill (S. 2539) for the relief of Anthony J. Constantino; and

A bill (S. 2540) to authorize the Secretary of War to sell to the Plattsburg National Bank & Trust Co. a tract of land comprising part of the Plattsburg Barracks Military Reservation, N.Y.; to the Committee on Military Affairs.

A bill (S. 2541) granting a pension to Russell L. Armstrong; and

A bill (S. 2542) granting a pension to Emma J. Morris; to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 2543) for the relief of John K. Johnson; to the Committee on Claims.

By Mr. COPELAND:

A joint resolution (S.J.Res. 78) to authorize the erection on public grounds in the District of Columbia of a stone marker designating the zero milestone of the Jefferson Davis National Highway; to the Committee on the Library.

By Mr. STEIWER:

A joint resolution (S.J.Res. 79) proposing an amendment to the Constitution of the United States, relating to popular nominations of candidates for President and Vice President; to the Committee on the Judiciary.

AMENDMENT TO INDEPENDENT OFFICES APPROPRIATION BILL

As in legislative session,

Mr. ROBINSON of Arkansas submitted an amendment intended to be proposed by him to House bill 6663, the independent offices appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the end of section 23 add the following:

"That paragraph (1) of subsection (a) of section 301 of title 3 of the Emergency Relief and Construction Act of 1932 is amended by striking out the date 'July 1, 1933,' where it appears in said paragraph and inserting in lieu thereof the date 'June 30, 1934.'"

PROPOSED INVESTIGATION OF LOUISIANA PROPAGANDA

As in legislative session,

Mr. LONG. I submit a resolution, which I ask may lie over until tomorrow under the rule.

There being no objection, the resolution (S.Res. 158) was ordered to lie over under the rule, as follows:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate into what, if any, plans, efforts, conspiracies or arrangements have been entered into, made, or exerted through the use of facilities in interstate commerce, through the use of publications using the United States mails and through bureaus of the United States with intent to spend sums of money, to set up various organizations or to bring about multiplicitous proceedings to libel or spread false information and to secure publicity thereof affecting HUEY P. LONG, United States Senator from the State of Louisiana, for the purpose of making difficult or impossible or to prevent such Senator from having fair and reasonable opportunity to present and urge, or to oppose, proposed legislation in the Congress of the United States; that said committee shall further inquire into the sums of money spent and by whom, in undertaking to accomplish the defeat of said Senator, when a candidate for the United States Senate, both in the primary and the general election of the year 1930, and the use of the mails for publications and the use of facilities in interstate commerce to spread libels against said Senator in said campaign and the use made of United States agencies to affect him and his candidacies; that said committee shall pursue its inquiry into whether Senators and Members of Congress have been libeled and defamed through the use of telegraphic wire services used in interstate commerce, through publications circulating in interstate commerce and through the mails of the United States, and by means of interstate radio communication if said Senators and Congressmen did not make or participate in the making of statements denunciatory to the said Senator, and to defame Members of Congress who do approve of any course of conduct of the said Senator, with a view to compelling unfavorable expressions affecting said Senator; that said committee shall inquire into whether or not interstate telegraph and telephone wires, radio facilities, and periodicals and publications passing through the mails of the United States were maliciously and improperly used to extol and applaud the misconduct of agents and servants employed by the United States Senate and its committees in which they may have been in contempt of the United States Senate or otherwise improperly acting, so as to reflect upon the said Senator; said committee shall inquire into whether agencies and departments of the United States have been employed and used for the purpose of harrassing and embarrassing and affording means of adverse publicity and false information and information in violation of the law, to defame and injure said Senator; that said committee shall make inquiry to determine whether said publications circulating through the United States mail and interstate telephone, telegraph, and radio facilities are employed to bring discredit and prosecution upon political and business associates and relatives and other colleagues of the said Senator, with the view and for the purpose of maligning the said Senator so as to render difficult and embarrassing his pursuing his work in the Congress of the United States; that said committee shall investigate whether publicity agencies have been hired and set up in the city of New York and the city of Washington to spread false information through the use of interstate telephone and telegraph wires, through interstate radio facilities and through publications circulating in the mails of the United States, to malign and defame the said Senator; and it shall investigate all sources of funds, if any, supporting and financing any and all such efforts, to the end and for the purpose of preventing all interstate telephone and telegraph wires, interstate radio facilities, and the mails of the United States being used for fraud and for promotion of crime and to prevent fair, reasonable, and honorable action and expression in the Congress of the United States; that said committee in pursuing its investigation to determine whether there has or has not been a conspiracy or activity involving a misuse of such interstate facilities and the mails of the United States, shall conduct its inquiry into matters touching upon expenditures and facilities used in effort to bring about impeachment and removal from office of said HUEY P. LONG, or his defeat to said offices, of public service commissioner, Governor, and United States Senator, insofar as the same tends to show such improper use of the facilities of interstate commerce and the mails of the United States, and make inquiry into all other facts in relation to the foregoing which would not only be of public interest but which would aid the Senate in enacting any remedial legislation.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses, by subpena or otherwise, to require the production of books, papers, and documents; and to employ counsel, experts, clerical, and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee, or any member of any subcommittee, may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate.

INFORMATION RELATIVE TO FISHING INDUSTRY

As in legislative session,

Mr. JOHNSON. I submit a resolution asking the Tariff Commission to make an investigation, and request unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S.Res. 159) was read, considered, and agreed to, as follows:

Resolved, That the United States Tariff Commission be, and hereby is, requested to make investigations under its general powers of:

(a) Subsidies, bounties, and other assistance given to fisheries enterprises by foreign governments;

(b) The employment of crews in foreign ports for temporary service on United States fishing vessels, including the practice of dispatching United States fishing vessels with so-called "skeleton crews";

(c) The importation into the United States of fresh and frozen tuna fish and its effect on the production of tuna fish by United States fishing vessels.

PRICE FIXING IN FAIR-COMPETITION CODES

Mr. COSTIGAN. Mr. President, on the assumption that it will cause no discussion, I ask unanimous consent for the immediate consideration of Senate Resolution 157.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado?

Mr. FESS. Let it be read.

The VICE PRESIDENT. The clerk will read the resolution for the information of the Senate.

The Chief Clerk read Senate Resolution 157, submitted by Mr. COSTIGAN on the 27th instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the National Recovery Administration is requested to transmit to the Senate at the earliest practicable date copies of all codes of fair competition in which price fixing in any form has been resorted to, together with the industrial, consumers', and labor analyses with respect to such codes.

INDEBTEDNESS OF FOREIGN GOVERNMENTS TO THE UNITED STATES (S. DOC. NO. 123)

As in legislative session,

Mr. BORAH. Mr. President, the Secretary of the Treasury has made response to Senate Resolution No. 109, relative to the indebtedness of foreign governments and the default of those governments. I ask if his reply goes into the RECORD or is it necessary to ask that it be printed in the RECORD?

The VICE PRESIDENT. It may be printed in the RECORD or as a Senate document or in both forms.

Mr. BORAH. I ask that it may be printed as a document and also in the RECORD. It is brief.

There being no objection, the response of the Secretary of the Treasury was ordered to be printed as a Senate document and in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, January 30, 1934.

The PRESIDENT OF THE SENATE.

SIR: Pursuant to Senate Resolution No. 109 of January 4, 1934, I have the honor to transmit herewith a statement relative to indebtedness of foreign governments to the United States as of January 4, 1934, giving the amounts not paid according to contract terms.

The amounts shown under classification I are due from governments which have funded their indebtedness. The amounts shown under classification II represent unfunded indebtedness which is either past due or is payable on demand.

Respectfully,

H. MORGENTHAU,
Secretary of the Treasury.

Statement relative to indebtedness of foreign governments to the United States as of Jan. 4, 1934

FUNDED INDEBTEDNESS (JULY 1, 1932–JAN. 4, 1934)

	Total indebtedness	Amounts not paid according to contract terms			
		Total	Original funding agreements		Under moratorium agreements (joint resolution of Dec. 23, 1931), (amount)
			Principal	Interest	
A. Countries which have made payments in full of amounts due:					
Finland	$8,726,645.63				
B. Countries which have made payments on account of amounts due, July 1, 1932, to Jan. 4, 1934:					
Czechoslovakia	165,283,195.35	$2,852,898.61	$2,670,085.83		$182,812.78
Great Britain	4,636,157,358.30	176,120,246.63	32,000,000.00	$134,399,481.58	9,720,765.05
Greece [1]	32,583,338.65	1,379,690.83	694,000.00	605,384.00	80,306.83
Italy	2,008,103,288.76	13,687,010.12	12,300,000.00	490,854.24	896,155.88
Latvia	7,312,658.38	286,462.10	47,500.00	223,687.84	15,274.26
Lithuania	6,554,544.23	221,169.92	39,705.00	167,781.66	13,683.26
Rumania [2]	63,871,783.49	1,048,750.08	1,000,000.00		48,750.08
Total	6,919,866,167.16	195,596,228.29	48,751,290.83	135,887,189.32	10,957,748.14
C. Countries which have made no payments on account of amounts due, July 1, 1932, to Jan. 4, 1934:					
Austria	23,757,934.13	34,767.23			34,767.23
Belgium	411,166,529.09	11,309,453.88	4,200,000.00	6,625,000.00	484,453.88
Estonia	17,784,695.59	989,985.29	135,500.00	817,900.00	36,585.29
France	3,960,772,238.30	82,308,312.22	21,477,135.00	57,784,297.50	3,046,879.72
Germany (reichsmarks converted at $0.2382) [3]	724,186,740.53	959,377.17		595,157.59	364,219.58
Hungary [4]	2,051,938.61	114,628.64	25,070.00	85,333.06	4,225.58
Poland	222,560,466.43	12,317,829.71	1,625,000.00	10,236,600.00	456,229.71
Yugoslavia [5]	61,625,000.00	525,000.00	525,000.00		
Total	5,423,905,542.68	108,559,354.14	27,987,705.00	76,144,288.15	4,427,360.99
Total under funding agreements	12,352,498,355.47	304,155,582.43	76,738,995.83	212,031,477.47	15,385,109.13
UNFUNDED INDEBTEDNESS					
Armenia	20,313,416.66	20,313,416.66	11,959,917.49	8,353,499.17	
Nicaragua	416,550.13	416,550.13	289,898 78	126,651.35	
Russia	337,223,288.14	337,223,288.14	192,601,297.37	144,621,990.77	
Total unfunded indebtedness	357,953,254.93	357,953,254.93	204,851,113.64	153,102,141.29	
Total	12,710,451,610.40	662,108,837.36	281,590,109.47	365,133,618.76	15,385,109.13

[1] Payments due on account of war loans postponed in accordance with terms of funding agreement. Interest due on such postponed amounts has not been paid. United States has received same proportionate payment on account of amount due on stabilization and refugee loan of 1928 as other creditors, namely, a payment of $65,376, representing 30 percent of the annual interest for 1932. Payments of other amounts due on account of this loan have not been received, but assurances of treatment equal to that arranged for private holders of such bonds have been received.

[2] Rumanian Government paid on June 15, 1933, the amount of $29,061.46 as advance interest on the amount of $1,000,000 due on that date. No payment has been received on account of the amount of $48,750.08 due on Jan. 2, 1934, under the moratorium agreement with that Government, but discussions regarding this payment have not been closed.

[3] Amount due (4,027,611.95 reichsmarks) paid on Sept. 30, 1933, to the conversion office for German foreign debts in Berlin in a "blocked account" for the Federal Reserve Bank of New York, to the credit of the general account of the Treasurer of the United States. Refunding agreement provides for payment in dollars at Federal Reserve Bank of New York.

[4] Hungarian treasury certificates in the pengo equivalent of the dollar amount due have been deposited to the foreign creditors' account at the Hungarian National Bank. Refunding agreement provides for payment in dollars at the Treasury of the United States in Washington or at the Federal Reserve Bank of New York.

[5] No payments received since June 15, 1931.

RELIEF OF THE DAIRY INDUSTRY

As in legislative session,

Mr. LA FOLLETTE. Mr. President, I received under date of January 25, 1934, the outline of an emergency and long-time program for the relief of the dairy industry which was sent to me by the president of the Wisconsin State Chamber of Commerce. I ask that it may be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the outline was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

A DAIRY INDUSTRY PROGRAM ADOPTED AND APPROVED BY THE WISCONSIN STATE CHAMBER OF COMMERCE AND THE WISCONSIN COUNCIL OF AGRICULTURE AT A JOINT MEETING HELD AT WAUSAU, WIS., ON JANUARY 20, 1934

(A) A VOLUNTARY CONTROL PLAN FOR DAIRY PRODUCTS ON A BUTTERFAT BASIS

I. Features of a central plan that are essential to meet present situation:

(a) Program must make dairying relatively more profitable to established dairymen who cooperate in the program.

(b) Must bring about a positive check if not an actual decrease in the sales from farms.

(c) Must discourage, rather than encourage, farmers engaged in other types of farming from becoming dairymen.

(d) Must be voluntary on the part of participating farmers, and if possible, permit farmer to use his discretion as to methods of accomplishing the required reduction.

II. Taxes to provide money for benefit payments:

(a) Levy a processing tax collected on a butter-fat basis on all milk and milk products sold from the farm.

(b) Levy a compensating tax on dairy substitutes.

(c) The above processing and compensating taxes to be sufficient to finance adequate benefit payment.

III. Benefit payments to be paid to cooperating farmers:

(a) Benefit payments must be limited to contracting producers who actually effect reduction in sales.

(b) The method shall be by placing limitations on sales rather than on production, number of cows, or number of acres, because it permits dairymen to curb sales by culling low producers, disposing of diseased cows, less intensive feeding, or any other method that they may choose peculiar to their own individual farming business.

IV. Allocation and control of sales:

(a) A base allotment would be established from marketing records of creameries, cheese factories, condensaries, and milk plants covering a period of 5 years. Adjustments of base allotments to compensate for abnormal production conditions.

(b) Producer-distributors must furnish satisfactory evidence of past production to obtain base allotment.

(c) All sales of milk or milk products will be measured in terms of pounds of butterfat.

(d) Control agencies would concern themselves with only those who applied for benefits and submit evidence of proper adjustment of sales.

(B) SUPPLEMENTARY MEASURES FOR BENEFIT OF DAIRY INDUSTRY

I. American dairy farmers must be given preference in the domestic market if they are to reduce sales.

(a) Prevent importations of dairy products, fats, and oils.

(b) Provide adequate internal taxes on dairy substitutes.

II. Emphasize bovine-disease eradication.

(a) Offer an incentive to farmers to eradicate bovine tuberculosis and Bang's disease through sufficient indemnity to be paid upon proof of slaughter.

(b) Sufficient funds for carrying out such eradication programs should be drawn from appropriation to Department of Agriculture, similar to procedure now followed in paying indemnities for tuberculosis eradication.

III. Special emergency relief.

(a) It is desirable that Congress appropriate a special fund of at least $250,000,000 for an emergency relief program that will

fit into the general plan of production control so as to permit the dairy farmer to dispose of dairy animals as a means of reducing sales, such fund to be raised from other sources than a processing tax.

IV. Purchase and distribution of dairy products for relief.

(a) Purchase of dairy products to be distributed to persons on relief should be continued and, if possible, used as a market stabilization feature through the making of purchases on the open market rather than on bids.

(b) All dairy products should be included in the purchasing program whenever advisable.

V. Develop a merchandising plan for dairy products.

(a) Give consideration to a program of increasing consumption of dairy products through an educational advertising program designed to create a lasting health and appetite appeal with the consuming public for dairy products.

(b) Develop uniform and adequate Federal standards of butterfat content of dairy products with a view to improving quality and increasing consumption.

(c) Conduct research for finding new and more extensive uses of dairy products.

(The Wisconsin State Chamber of Commerce has affiliated with it about 60 of the largest and most influential chambers of commerce and trade associations. The Wisconsin Council of Agriculture is composed of the oldest, broadly recognized and most experienced of the important farm organizations of Wisconsin. Other important farm organizations were independently represented. By agreement, the Wisconsin State Chamber of Commerce appointed a committee consisting of Messrs. K. S. Reynolds, H. S. Wells, and W. H. Gharrity. The Wisconsin Council of Agriculture appointed a committee consisting of Messrs. Herman Ihde, Charles Dineen, and C. G. Huppert. These two committees met jointly as a committee on planning in connection with the fifth annual meeting of the Wisconsin State Chamber of Commerce, held at Wausau, on Jan. 20, 1934. After hearing a great number of representatives of both business and agriculture and perusing a great many written plans for the relief of the dairy industry, the committee made the above report, which was unanimously adopted by the joint gathering of business men and farmers.)

THE RECONSTRUCTION PROGRAM

Mr. NORRIS. Mr. President, I have in my hand a quotation from Mayor LaGuardia, of New York City, printed by Labor in its issue of January 30, 1934. It bears directly upon the reconstruction program of the administration, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered printed in the RECORD, as follows:

[From Labor, Washington, D.C., Jan. 30, 1934]

NATION GAVE LIBERALLY TO DESTROY; WHY NOT TO SAVE? ASKS LAGUARDIA

NEW YORK, January 25.—Fear of the consequences if the Federal Government curtails or abandons the Civil Works program were voiced at a significant meeting in aid of the unemployed held last Sunday at the Cathedral of St. John the Divine.

More than 10,000 persons crowded the unfinished edifice, and loud-speakers carried the words of speakers to throngs outside. Fifty or sixty clergymen, representing all denominations, were present.

Mayor F. H. LaGuardia, one of the principal speakers, declared that the unemployment situation has gotten beyond the control of charitable organizations, municipalities, and even the States.

"We are in the midst of a great national crisis", Mayor LaGuardia said. "We dare not measure the requirements in dollars and cents but in human souls.

"The Civil Works program is costing $60,000,000 a week. Are you shocked at that sum being used to save human lives?

"Many are; but let us go back 16 years and recall similar meetings when speakers would rise and say that a barrage against the enemy would cost $1,000,000 a minute, that the Government was appropriating cheerfully, and that everybody would give until it hurt 'in order to kill and destroy.'

"Now we want to build and prove whether or not our economic system is worth saving. I don't know whether it is, but I do know that the families of 12,000,000 Americans are worth saving."

ADDRESS BY JOHN A. SIMPSON—MODERN SHYLOCK

Mr. WHEELER. Mr. President, I present a radio address by John A. Simpson, president of the National Farmers' Union, delivered on Saturday, January 27, 1934, entitled "Modern Shylock", which I ask may be published in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

I am happy to greet the thousands of my radio audience I know are listening in at this time.

I especially greet Local No. 1 at Dundee, N.Y. This is the first local ever organized in that State. They are having a meeting today and a dinner at this hour. They are all listening. I want to promise them that within 30 days I am going to meet them face to face in their own place of assembly.

Out in Arizona, Marshall Humphrey and George Freestone have notified me that several hundred Farmers' Union members are assembled in Phoenix getting this broadcast. To you good members, of whom the only two I have ever met are Humphrey and Freestone, I promise you that early in May I will be in your midst with a series of meetings in Arizona.

Now, jumping to Wyoming, I am glad to greet Local No. 1, just organized at Buffalo, and I promise to Brother Walters a meeting for the members of Local No. 1 sometime in June.

Here is a good one—a letter from J. J. Welch stating that after my last radio talk his Irish arose and he got up from listening in, went out, and before stopping signed up 27 farmers in the Farmers' Union. This is a new local at Deer Grove, Ill.

Now, here is one from Coeur d'Alene, Idaho. Washington and Idaho maintain a State union between them. Jesse Vetter is State president. He says:

"I am sure you will be interested to know that on the date of your next radio address, January 27, Mrs. Lillian Reynolds, of Puyallup, Wash., has arranged for a radio party in the public library auditorium of that city. She expects to have from 100 to 200 farmers and their wives present to hear your address and has requested that I be present to form a Farmers' Union local, then have a big dinner. I shall be present and do my duty, although it means a trip of over 300 miles.

As a means of helping the dairy farmers and beef farmers, I made a canvass of the food stores of this city of 8,000. I found that they all carried canned beef in stock, but not one had a can of beef manufactured in the United States. Every can for sale came from South America. I also found that the Forest Department, the C.C.C. camps, and the Army, until just recently, when we sent protests to Washington, used South American canned beef.

Here is a wire just received from the Farmers' Union Cooperative Gin, at Amber, Okla. They are having a meeting today of their stockholders and friends; are in a radio party at this meeting. I greet each and everyone of them. I was there when this cooperative baby was born. I am proud of them.

Hello Arkansas! Just received your wire saying you are in a meeting at Ulm today with a radio installed listening in at this minute. I predict Arkansas will become one of the big Farmers' Union States in the year 1934.

Prairie View Local, Checotah, Okla., is organizing a county union with Ed Reger, State organizer, with them.

There are many others who have notified me of their radio parties, but time forbids that I give special greetings to each of you.

I have some splendid and encouraging organization news that the national secretary has gathered for me. The night of the 20th of this month the records of our national secretary showed every State that had reported on membership had a marked increase in numbers of members as compared with the same date in 1933.

For instance, Oklahoma has already paid for 12,000 members. A year ago she had only reported for 10,000.

Nebraska reports an increase of 45 percent over the same date of last year; Minnesota, 52 percent; North Dakota, 40 percent; and California, 75 percent.

Arkansas, Wisconsin, Montana, Oregon, and Illinois have more than 100-percent increase.

For all organized States the increase is 31 percent. In unorganized States a year ago there were 81 members paid up in the national union. On the 20th of this month there were 4,243. The increase for both organized and unorganized States is 73.7 percent.

All of this organization work, outside of the States where there are State organizations, has been done by the farmers themselves; they have self-organized over the appeals I have made on my broadcasting hour over the National Broadcasting Co.'s hook-up. One hundred and seventy-four locals in States where we had no organization have been organized. After my talk the neighbors discussed the subject. One of them was selected to write our national secretary, E. E. Kennedy, Kankakee, Ill., for information and instructions on how they could form a local in that community. Mr. Kennedy sent them the information and instructions. They called a meeting, probably at their schoolhouse or at one of their homes. They read the National Farmers' Union program, discussed it, believed in it, and then and there became members of the Farmers' Union, setting up the local. Since then they have been busy adding members. Some have been cooperating in a business way. Some of them have done cooperating in the way of looking after something in which they were interested at their county courthouse or at their State capitol. Practically all of them are helping to let the President and Congress know about the legislative program of the Farmers' Union.

You farmers listening to me at this moment who are not a part of the 174 communities mentioned, why not at the close of this hour do the thing that these 174 have done? Why not ring up a few of the neighbors and call a meeting at your house for tonight or tomorrow night, select someone to write E. E. Kennedy, our national secretary, for information and instructions? I guarantee you that if you do this, you will never regret it.

REPORT OF STATE CONVENTIONS

Since talking to you the fourth Saturday in December, over this splendid hook-up, among a lot of meetings I have attended are a

State convention of the Nebraska Farmers' Union in Omaha, a State convention of Farmers' Union of Oklahoma in Oklahoma City, a State convention of the Farmers' Union of Colorado in Denver.

You farmers listening in who are not members of the Farmers' Union, which is the farmers' class organization of the United States, if you could have been with me at these three State conventions, you would have gone home wild with enthusiasm for organizing a local of the Farmers' Union in your community. You would have heard in each of these conventions the wonderful story of Farmers' Union cooperative business institutions—grain elevators, produce stations, cotton gins, livestock commission firms on the terminal markets, Farmers' Union creameries, oil and gas stations, Farmers' Union mutual property-insurance companies, and State exchanges where farmers buy their supplies at wholesale, Farmers' Union automobile and life insurance doing business in these States from the sister State of Iowa. Then you would have heard the story of how, in these three States, the Farmers' Union looks after the welfare of the farmers in a legislative way, procuring the passage of many beneficial laws and defeating the passage of many injurious ones.

To you Farmers' Union members out there in the Mid West, who read the reports of the convention in the daily papers of the dissension in the Nebraska State convention, I want you to know the newspapers' stories were 99 percent fiction. I was there the first day; was on the program that night. I announced to the 1,500 members of the Farmers' Union attending that convention that I would be leaving early the next morning, that if they had any criticisms or questions to ask, they should give them while I was there. There was some discussion, but it was all of a constructive nature and carried on in a brotherly way. I do not believe, and I do not want you to believe, that there would be a single member of the 1,500 members of the Farmers' Union in that convention so cowardly as to wait until the next day when they knew I would be gone to attack me. I am sure the daily papers have manufactured their stories along this line without an atom of foundation. Farmers' Union members are the salt of the earth; not cowards.

We just arrived in Washington Wednesday afternoon; wife and daughter with me. On our way here from our home in Oklahoma City, we held a splendid meeting Sunday evening in the Federated Church in South Solon, Ohio. On Monday night we talked to an audience in the high-school auditorium in Lima, Ohio. They came from five counties. One delegation came from Maybee, Mich., 110 miles from there. Tuesday night it was my very great pleasure to speak to the members of two new locals in the court house at Butler, Pa. This is another group of self-organized farmers. It is my prediction that part of Pennsylvania will soon be well organized. There are half a dozen splendid young men who have interested themselves in getting farmers into their own class organization. I know they will not fail.

You farmers who have not made the start, you do not know how much pleasure you will get out of organizing a local in your community. Write E. E. Kennedy, Kankakee, Ill., for information and instructions as to how to organize.

OUR BILLS IN CONGRESS

Let me briefly outline for you the bills we are working for here in Washington.

We are for the Wheeler bill (S. 70). This bill remonetizes silver. If this bill should pass, it puts silver back in the same position that it occupied before it was demonetized in 1873.

A complete story of the demonetization of silver will be found in Coin Harvey's The Book. You will, undoubtedly, find this book in the library nearest you, or your neighbor may have a copy. It is a textbook on the money question.

Another book worth reading on this subject is by a member of the Supreme Court, Justice Brandeis, entitled "Other People's Money." This book was written about 20 years ago. In a way it has proved prophetic.

The remonetization of silver as provided in the Wheeler bill doubles our basic money and raises prices all over the world. I am sure any thinking man knows that is the need of the hour.

We are endorsers and promoters of the Frazier bill H.R. 2855. This bill provides for the Government refinancing farmers on the basis of charging farmers 1½ percent interest, which is more than the Government charges many other groups they finance.

We are supporters and promoters of the Swank-Thomas bill, which provides for the Government regulating the marketing of farm crops on the basis of fixing the prices at not less than cost of production, including a reasonable profit on that portion of our crops needed for domestic use. This is exactly what the Government does for the products of many other groups when they fix their prices.

We think the Economy Act was written by Shylock. Shylock wanted more interest. To get it he promoted the reduction of the compensation and pensions of the ex-service men of every war beginning with and including the Civil War. He promoted the reduction of wages of the scrubwomen who keep the public buildings in Washington clean. The Farmers' Union resents such mistreatment of these ex-service men; we demand that the interest to Shylock be reduced and the payments of our ex-service men and our scrubwomen restored.

The farmers of this country who produce sugar beets are destroyed to the point of bankruptcy. For that reason, among others, the Farmers' Union supports legislation that will give the Philippine Islands immediate and absolute independence. Tariffs on sugar are ineffective, because they do not and cannot include the Philippine Islands as long as they belong to us.

PRESIDENT ROOSEVELT'S INAUGURAL ADDRESS

"Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

"True, they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money."

These are not my words. They are taken from the inaugural address made the 4th of last March.

It looks as if unscrupulous money changers still dominate the monetary policies of this Government. At least the process of lending money has not ceased. In fact, it has increased. The Government is now issuing bonds at about the rate of a billion dollars a month. They issued a billion dollars in December. They have just issued another billion this month. The people pay interest on these bonds; old Shylock gets the interest.

JUSTICE BRANDEIS

"J. Pierpont Morgan & Co. for promoting the Steel Trust took as compensation for a few weeks' work $12,500,000 in cash and $20,000,000 of the $80,000,000 of stock."

This is a fair sample of hundreds of promotions made by the House of Morgan.

"Corporations, which in the first instance bear the charges for capital, have doubtless submitted because of banker control; exercised directly through interlocking directorates and indirectly through combinations among bankers to suppress competition. These burdens are shifted upon the community."

These are not my words. They are taken from a book entitled "Other People's Money" written by Louis D. Brandeis 20 years ago. Louis D. Brandeis is now a member of the Supreme Court of the United States.

WOODROW WILSON

"I have no desire to excite anger against anybody. That would be easy, but it would do no particular good. I wish, rather, to consider an unhappy situation in a spirit that may enable us to account for it.

"When I see alliances formed, as they are now being formed, by successful men of business with successful organizers of politics, I know that something has been done that checks the vitality and progress of society.

"Today, when our Government has so far passed into the hands of special interests, it behooves this Nation to remember that the people shall be saved by the power that sleeps in its own bosom, or none at all.

"Some of the biggest men in the United States are afraid of somebody or something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so complete that they had better not speak above their breath when they speak in condemnation of it.

"It is because the laws of this country do not prevent the strong from crushing the weak. The strong have crushed the weak. The strong dominate industry and the economic life of this country.

"All over the Union people are coming to feel that they have no control over the affairs of Government. We know that something intervenes between the people and the control of their own affairs at Washington. It is not the people who have been ruling there. We are in the presence—we are at the threshold of a revolution.

"Don't you know that a man with eloquent tongue who did not care for the Nation could put this whole country into a flame? Don't you know that the people from one end of the country to the other believe that something is wrong?

"The Government of the United States at present is a foster child of the special interest. The people stand outside and look on at their Government. I sometimes think that the men who are now governing us are unconscious of the chains in which they are held.

"The national administration for 16 years has been virtually under the regulation of the trusts.

"One of the wonderful things about America is that for more than a generation it has allowed itself to be governed by persons who were not invited to govern it. Secret, private interests have been running the Government. They have been running it through the agencies of those whom we call political bosses. Bosses are men who have worked their way by secret methods to places of power. They are men who are never elected to anything. They operate behind closed doors in secret conferences.

"The great money lenders of this country are in arrangement with the manufacturers of this country by which they control the markets. They do not propose to see their control of the markets interfered with by the people.

"Those of us who talk this way are denounced as dangerous radicals. The men who cry out most loudly against us are those who find that their private game in politics is being spoiled. They are the men who get behind the Constitution to play hide-and-seek with the people whom they pretend to save. They are the men who have entrenched themselves in the laws which they have misinterpreted and misused. They are now afraid that radicalism will sweep them away, and I believe it will."

What I have been telling you the last few minutes are not my words. Some of you were afraid I was committing treason; would

be arrested, tried, convicted, and spend the remainder of my days in a felon's cell. No danger. I have taken all of it from The New Freedom, written by Woodrow Wilson in 1912.

USURY

The subject of my talk today is the "Modern Shylock." I desire to treat Shylock not as a person but as a system. Usury, or the interest system, is the modern Shylock.

Those of you who have read the Merchant of Venice remember that Shakespeare created a character called "Shylock" in order to represent a type of person who existed at that time, had existed before, and still exists.

Shakespeare's Shylock was a member of the board of trade in Venice. Antonio, a Roman, was a member of the same board of trade. One day at the board of trade Antonio saw Shylock in deep conversation with another Roman. As Antonio approached them he discovered that Shylock was about to close a loan to his friend at a high rate of interest. Antonio tapped his friend on the shoulder and told him he would lend him the money and charge no interest. Shylock complained bitterly of this mistreatment on the part of Antonio. Antonio replied by calling him a usurer and a dog-of-a-Jew.

A few weeks later another friend of Antonio's came to him to borrow money. Antonio told him he had no ready cash; that his money was lent and invested in three cargoes of goods that were on the sea bound for foreign ports.

Seeing his friend was much distressed, Antonio told him to follow; that he knew where they could borrow the money. They went to Shylock for the loan of 3,000 ducats for 90 days.

Shylock replied about as follows: "You, Antonio? You come to Shylock to borrow 3,000 ducats? Not 30 days ago you called me a usurer and a dog-of-a-Jew because I lent my money at interest. Just yesterday at the board of trade as you passed me you spit on me."

Then, changing his attitude, he became a fawning sycophant. Shylock said, "O good Antonio! O gracious Antonio! Old Shylock is going to prove to you that he has a better heart than you thought he had. Old Shylock is going to lend you this money without interest."

Antonio half apologized and said, "Maybe I have wronged you, Shylock. Perhaps you have a better heart than I thought. Now, what kind of security will you want?"

Continuing his fawning attitude, Shylock said, "O great Antonio! O gracious Antonio! Shylock would not think of asking you for security. Your name is all that is required. Oh, as a matter of jest, just to make merry, we will put in the contract a provision that if you do not pay when due, I am to have a pound of your flesh where I may desire."

The contract was made; the money turned over to Antonio's friend. Sixty days later Antonio received word that his three ships with their cargoes had been caught in a hurricane and gone to the bottom of the sea, a total loss. His friends who had borrowed of him also had cargoes in the same storm and were bankrupt.

Shylock notified Antonio his note was due. Antonio went to Shylock's office, threw a roll of bills on the counter, and asked to have the note extended 30 days. Shylock said he was not in the extending business. Antonio said he would have to extend it as he could not pay it. Shylock told him to borrow it. Antonio replied that he could not borrow it. Antonio argued without avail. Finally he threw wide his mantle, asked Shylock where he wanted the pound of flesh. Shylock fiendishly replied, "I will take the pound nearest your heart."

You who have read or heard the story have always thought what a cruel and murderous heart old Shylock had. I say to you that the modern Shylock, the interest system, has destroyed more lives, caused more heartaches, provoked more crime than all the wars and pestilence throughout the history of the world.

It is the position of the Farmers' Union that for this Government to issue bonds when it needs money is a crime against the taxpayers of the Nation. The modern Shylock advocates and demands this method of financing Government projects.

An editorial in the Hearst papers of January 9 reads as follows:

"If the bankers of the country, long paralyzed and afraid, are ready to play ball, the contemplated Treasury operations constitute a God-given opportunity for them to make substantial profits for their stockholders with a minimum of risk.

"Under the Roosevelt financing program the banks will have a sure, dependable borrower for the credits which can be builded on these excess reserves, namely, the United States Treasury.

"The banks can turn from profitless idleness to profitable lending.

"The process entails chiefly simple bookkeeping.

"In buying Government bonds member banks pay for them by setting up on their ledgers a deposit credit for the Government. The bonds thus purchased are used as collateral against the deposit against which no reserves are needed. Under the new set-up the banks pay no interest on the deposit, but get interest on the bonds.

"In the circumstances wouldn't bankers, from their own viewpoint, be foolish to try to buck the Government?

"A strike on the part of the bankers would probably necessitate financing the Government's needs through the printing of currency, as permitted under the Thomas amendment.

"The net practical effect would be to deprive banks of their cut.

"Secretary of the Treasury Morgenthau boasted of the oversubscription to the January issue of $1,000,000,000. The only way the bankers can get their cut is to subscribe for the bonds."

This editorial states the case plainly when it says no money is required; it is merely a matter of bookkeeping.

Let me make plain old Shylock's method of furnishing money to the Government. The Government just this week issued a billion dollars of bonds. The taxpayers will be taxed $1,000,000,000 in the next 30 years to pay the principal on those bonds. The taxpayers will also be taxed in the next 30 years $1,000,000,000 to pay the interest on those bonds. These bonds are exempt from taxation, and so old Shylock escapes another billion of taxes during the next 30 years, which burden falls on the rest of the taxpayers. In other words, Shylock's bond system of financing the Government costs the taxpayer $3 for every $1 Shylock lends the Government by merely giving the Government a deposit slip.

The present program of the administration, if carried out, raises the total bonded indebtedness of this country to the gigantic sum of 38 billion. This means that in the next 30 years we taxpayers will be taxed $38,000,000,000 for interest alone on these bonds because of their tax-exemption provisions. Shylock, in the next 30 years, will escape 38 billion of taxes which we will have to pay. This is $76,000,000,000 we will pay and still owe the principal sum of 38 billion.

As long as this Government carries out such a destructive system of financing itself, every American will know that the big bankers of the country are still in control at Washington. Headlines in this morning's papers read, "United States will establish dollar in British pact arranged by J. P. Morgan."

Any sensible person knows it is utterly impossible for this Government to collect sufficient taxes from the people to every pay the huge sum of $38,000,000,000 with an equal amount of interest.

Failure to pay means repudiation. Repudiation means collapse of government. Collapse of government is usually attended with revolution.

It is the purpose of the Farmers' Union to avert these terrible calamities coming to our beloved Nation. We may be too late to save the situation. If so, then it is more necessary than ever for every farmer in this Nation to be in his class organization, the Farmers' Union, that we may take part when that collapse comes in bringing order out of chaos.

The only organization in Washington with the courage to fight old Shylock is the Farmers' Union. We appeal to those listening in who are farmers to support us by getting into our organization. Write E. E. Kennedy, our national secretary, Kankakee, Ill., for information and instructions how you may organize in your community. Those listening in who are not farmers, write to your Congressman and Senators requesting them to support the Wheeler bill S. 70, the Lemke-Frazier bill H.R. 2855, the Swank-Thomas bill H.R. 6165. Also urge them to oppose the bond-issuing system every time the Government needs money; and, instead, that the Government issue full legal tender non-interest-bearing currency.

FALSE ECONOMY

All prosperity based on money received from interest-bearing bonds is false. It is like a jag or a shot in the arm. The victim imagines he is prosperous when really another rock has been tied to his financial foot.

Every time the Government issues a billion dollars of bonds, it is a $50 debt on the average family of the United States. Thirty-eight billion of bonds means $1,900 debt on the average family. In measuring your prosperity you must take into consideration this $1,900 debt you owe on account of the bonds this Government has issued.

Old Shylock expects within a few years to have a system of ruling the people of this country like unto the feudal system in medieval times. Shylock will play the part of the feudal lord. We will be his vassals.

Shall we continue to extend a beggar's hand to receive alms from old Shylock, or shall we be men and use that extended arm to strike down the Shylock system that enslaves us? Old Shylock controls the exchanges of the country; his victims on the stock, the grain, and the cotton exchanges are numbered by the thousands. Old Shylock is in the cut on every promotion as thoroughly described in Justice Brandeis' book "Other People's Money." Old Shylock feeds even on the dead; you will find him at the bankruptcy sales. He waits like a buzzard for a weak business to give its dying gasp then pounces upon the dead body and feeds his greed for gain.

It is the purpose of the Farmers' Union to secure equity, establish justice, and apply the golden rule.

Such a declaration of purpose places us in conflict with old Shylock. In a way it is an uneven battle. It is David against Goliath. It is the plain people versus the monster Shylock.

However, the great commoner, William Jennings Bryan, in a debate with David B. Hill, said "Pebbles of truth shall prevail against javelins of error."

Thousands of petitions have been coming to Congressmen and Senators asking them to support the Farmers' Union program. I hope those listening in will continue to keep in touch with your Congressman and Senators by letter and telegram.

I do not have the time to read the names of Congressmen who have signed the petition to bring the Lemke-Frazier bill out of the committee and onto the calendar in the House. However, this talk will be published in most of the Farmers' Union papers, and a complete up-to-date list of those who have signed this petition will also be included. Those who are not members of the Farmers Union, or even if you belong, may receive a copy of this talk by writing the Farmers' Union, Oklahoma City, Okla.

I am furnishing Farmers' Union papers with the vote on the gag rule in the House of Representatives and with the vote on the

Wheeler silver amendment that will be taken this afternoon in the Senate. The next issue of the Oklahoma Union Farmer will have this information. You can get a copy by writing Farmers' Union, Oklahoma City, Okla., and see how every one of your Congressmen and Senators voted.

CLOSING

In closing let me once more call your attention to the relation existing between us common people and old Shylock. When you buy a ticket to carry you between two points on any railroad, one third of what you pay goes for interest. The price of the clothing you wear is one third interest. One third of the taxes paid goes for interest on the bonds Shylock owns.

Today 125,000,000 common people approach Shylock reverently, with bowed heads and bended knees, presenting Shylock with one third the Nation's income. He is our feudal lord; we are his slaves.

We of the Farmers' Union appeal to you listening in to join us in the overthrow of this monster. Let us take from him the control of money and credits. When we have done this, we will have shorn Shylock of his power. The Constitution provides that Congress shall have power to issue money and regulate the value thereof. Through the National Bank Act and the Federal Reserve Act the control of our money has been turned to Shylock. Let us restore it to Congress, where the Constitution says it belongs. Let us provide for the Government financing those things that create wealth. When we have done this, Shylock will cease to be a Samson and we shall be a free people once more.

Our Revolutionary ancestors fought for political freedom. It is up to us to emulate their courage and manhood and womanhood by fighting for economic freedom.

Remember, the fourth Saturday of each month, 12:30 to 1:30, is Farmers' Union hour over National Broadcasting Co.'s hook-up. Arrange your radio parties and be on the air Saturday, February 24, 12:30 to 1:30 eastern standard time.

POLITICAL TRENDS—ADDRESS BY SENATOR DICKINSON

Mr. ROBINSON of Indiana. Mr. President, I ask unanimous consent to have printed in the RECORD a speech made by the senior Senator from Iowa [Mr. DICKINSON] before the Chamber of Commerce of Rochester, N.Y., last Thursday evening, January 25, 1934, on the subject of Political Trends.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

(Debate question: *Resolved*, That the legislative policies of the present administration, as embodied in the recovery program, are not conducive to economic improvement)

In discussing this question tonight, it is my hope that the members of this organization will receive some suggestions helpful in guiding their economic and political course.

It is now conceded that we scraped economic bottom the world over in 1932. It is well to compare the efforts of America with that of England under the present stress. In the United States we are spending money to bring back prosperity. In England they are saving it for the same reason. Naturally, both methods will make some progress. In Great Britain they ask no emergency or extraordinary powers. It is well to remember that the stability of the English course has weathered many tests. In America we are sending up a trial balloon. No one can predict the expected landing.

The best proof of the contention that economic recovery is not the result of legislation is the fact that most of the legislation has been a hindrance rather than a help.

Where is the industrialist that made his own business a success? He has surrendered his industrial birthright to code authority. He has asked his competitor to help run his business, with General Johnson as referee.

Where is the financial wizard of yesterday? He has surrendered his position, sacrificed his fortune, and we see the Government gradually managing the banking business of the country.

Where is the stable, sturdy farmer of yesterday? He is following a code on milk production and spends his evenings studying the Ezekiel equation of pig logarithms.

We hear things are better—but at what cost. Every advance in business over and above the slow world gain has been purchased at a tremendous cost to the American taxpayer. Every advance in steel can be traced to Federal loans to railroads for the purchase of rails. Furniture and auto-tire sales can be traced to the farmers who are borrowing money on cotton or corn. Capital goods are only being purchased for public works paid for by public money. The Government cannot continue to finance such a program. Where are the signs that capital investment is gradually coming in to take the place of Government funds? Most of the capital of today is playing hide and seek, attempting to land in the country where its value is most secure.

I take a daily report sheet of the Public Works Administration. What does it include? Street improvements, highways, power houses, schools, waterworks, sanitariums, incinerators, sewers, dormitories, grade crossings, swimming pools, etc. They have combed the country for methods and projects on which to spend money. How can this be supplanted with capital trade expansion and private funds when there is nothing left to do? The field has been fully covered and completely absorbed.

The C.W.A. is not conducive to permanent improvement. True, it took people from the charity rolls and placed them on a Federal pay scale—in reality, a dole. But who can see any permanent benefits in transferring a dependent from one tax roll to another?

There is underlying this whole program several vital questions. First, does this artificial stimulus help or hinder recovery? Second, the costs will become a tax burden and hobble recovery for the future. Third, it has developed among our people a psychology of dependency and helplessness. Fourth, it encourages the belief that the Government is obligated to cure all our ills, whether physical, economic, or financial.

MONETARY POLICY

It is my contention that the monetary policy of the present administration begets uncertainty in finance, uncertainty in trade, and uncertainty in business.

Apparently it was the expectation of the administration to join in the Economic Conference in London and propose a stabilization of national currency upon an agreeable basis. We proceeded upon that program. Business had assumed an attitude of confidence; but all at once, and apparently for no reason, there was a change in attitude. Prices in this country were advancing. There was a fear that if our country joined in an international stabilization agreement, it would checkmate the advance in commodity prices. Whatever the reason may be, the program was abandoned. This is a handicap to economic recovery at this very date and hangs over our fiscal policy like a cloud and no one knows what we may expect tomorrow.

The Economic Conference was a failure by reason of this disagreement. About all that our delegates could do was accept their hats and come home.

At the present time it is the ambition of the administration that Government money shall be used to prime the pump for economic recovery. No one knows the limit of the required expenditure. We are spending billions upon billions. It has been the history of practically every country in the world that has embarked upon a program of this kind that they never get through priming the pump until there is a complete collapse of Federal finances. Something should be done at the present time to checkmate this program.

This uncertainty in the value of the dollar retards all industrial and commercial expansion. It is impossible to encourage capital to reenter investment in any line of endeavor. The result is that we are gradually exhausting our Federal credit, with no encouragement that private capital or individual credit is coming to the rescue.

In a recent issue of the Cleveland Trust Co. Business Bulletin I find the following paragraph:

"Business recovery can be continued in the long run only by the progressive substitution of a flow of private expenditures for that of public expenditures. If there exist obstacles preventing that substitution, they have been unintentionally created by the Congress and could be removed by it. Lavish public expenditure to create recovery that private enterprise could not sustain would be futile and perhaps disastrous."

We have the new proposed gold devaluation bill that provides an issuance of some three to four billion dollars in gold certificates based on the devaluation of gold in the Treasury. Many individuals and many corporations have had a severe lesson in get-rich-quick money. No individual can continue any get-rich-quick scheme without meeting disaster. It is my judgment that no Government can, by legislation or otherwise, retain the confidence of the people by creating $4,000,000,000 through Executive order or by legislative enactment. This drastic change always leads to uncertainty and chaos. Particularly will this be true when $2,000,000,000 is to be left in the hands of the Treasury for manipulation, for the purchase of gold bullion, to dabble in foreign currencies, and to use for any other purpose that the Treasury may see fit. This certainly makes the program unstable.

N.R.A.

Prof. Williford I. King, of New York University, says:

"The trouble with the N.R.A. is, of course, that practically every feature of it runs exactly counter to accepted economic principles—principles based upon past experiences."

It is my contention that the Industrial Recovery Act has not served the purpose for which it was intended. Any effort to put business in a strait-jacket is bound to and should fail. The conflicting interests in the complicated business structure of the United States prevent it being codified. A code that favors one section may harm another. A code that can be operated in one section of the country might be unworkable in another.

The acceptance of the code by business generally was due to the fact that business concerns were subjected to keen competition. In order to get rid of the chiseler, they were willing to accept any Government device. It is now found that the codes are practically all dictated by the larger units in every industry. The little fellow is not given a chance to survive. It is true that he is called the unfair competitor. He may do some things that the big operator may not like. On the other hand, he is the only check that the consumer has against excessive prices if the big operators are permitted to proceed without competition. The controversy at the present time is the fact that nearly all of these codes have been dictated by the big concerns and are leading to a general monopoly in practically every line of endeavor over which the N.R.A. has control.

PRIVATE INITIATIVE

It should be further suggested that the codes are not conducive to private initiative, and to regiment business under codes is an effort to adopt the old mercantile guild of the twelfth and fourteenth centuries. The minute you permit business to violate the antitrust law, to agree upon prices, to fix standards of wages,

segregate territory, enter into market agreements, that minute you will impose upon the consumer a burdensome task of maintaining an inefficient, noncompetitive form of production. It did not work under the old guild system in merchandising. It will not work now under the present-day system of either industry or commerce.

GOVERNMENT ENFORCEMENT

Only recently I was visiting with two gentlemen representing major industrial interests in the United States. It was their plea that in order to make the N.R.A. a success the Government must assume the responsibility of enforcing the codes. Just think of Uncle Sam becoming a policeman to enforce business ethics! Just think of Uncle Sam attempting to make business angels out of many of the sinners of the earth! We have just had 13 years' experience trying to police appetites, which was purely a police power. In that it is the general consensus of opinion that the Government failed.

You could not enlist a large enough personnel army in the United States to see that all the provisions of all the codes are lived up to, and the task is simply impossible. The real effect of a large percentage of those putting the blue eagle in their windows was to display the bird to the public and then never speak to him from that date on.

The N.R.A. is passing and passing fast. But little attention is now being given to it. A few people are complaining that a code is being violated. We get a few straggling accounts in the newspapers that codes are being violated. To my best knowledge, no man has been in jail to this date, and not a single individual has been convicted and fined. I do not expect that they will go to jail or pay a fine in the near future.

REGIMENTATION OF AGRICULTURE

It is my further belief that any attempt to regiment agriculture will fail. There are too many farmers, too many diversified interests, too much excessive land.

Some may say that everything that is now being done is for relief. If all of these expenditures of the present day are for relief, then the standard for sustenance is beyond the taxpayer of the country to maintain.

Some say that all that is now being done is for recovery. No public expenditure at the expense of the taxpayer can be justified unless there is an assurance that value is to be received in the expenditure.

Some say that all that is being done is for revolutionary reform, and that agriculture is to be regimented, land is to be classified, crop allotments are to be made, and that all of this is to be done for the common good.

From chapter 23 of the Book of Exodus I quote this passage:

"And 6 years thou shalt sow the land and shall gather in the fruit thereof. At the seventh year thou shalt let it rest and lie still, that the poor of thy people may eat, and what they leave the beasts of the field shall eat."

The only place where such a gigantic program has been attempted today is in Russia; and in Russia the peasant is still the poor ignorant peasant that he always has been, and probably will continue to be unless greater progress is made in that country.

We find that under the present agricultural program we have started in with rentals. This is step no. 1. The next step will be to purchase marginal lands—step no. 2. On account of the conflict of interests, it will be far easier for the Government to take all of the land—step no. 3. Socialism—land ownership—no rights for the individual to acquire a home and keep a roof over his head and provide sustenance for himself and his family from the acres he has acquired. I do not believe that this country wants to proceed far in such a program.

The Government is now making loans on cotton at more than the cotton will sell for. The Government is now making loans on corn at a price greater than the corn will sell for. It is a direct effort to maintain the price of these commodities, but all of these products purchased will continue to remain in existence and will hang as a cloud over the morrow, the same as the purchases by the Federal Farm Board that the Democratic administration claimed was the greatest failure of the last Republican regime. It is now admitted that the obligations under this program have now reached $731,000,000.

PUBLIC WORKS

It is my contention that every hour of labor provided in the entire Public Works expenditures has been at an expense that cannot be justified, and that in the end this entire program will retard rather than advance recovery. Pick up the daily work sheet giving the Public Works allowances and note that every type of improvement that can be suggested is being promoted. Many improvements will be made that will impose a burden for maintenance upon the locality for many years to come. Not that I am against improvements—but I am against improvements where the taxpayer has to borrow the money in order to make the improvement and the maintenance of the improvement will impose a tax burden upon the locality in future generations. This cannot be justified under existing conditions.

It should be further noted that many of the projects now approved by the Public Works Administration have been heretofore disapproved by Congress. This statement was made by Mr. BUCHANAN, Chairman of the House Committee on Appropriations. Many of these projects have been before Congress for many years, and, without any approval by Congress, we now find that allocations are made for these various projects, and they are proceeding with their construction.

The Public Works Administration has allocated $400,000,000 to the Civil Works Administration. I have every sympathy for those in distress. I believe the Government should see that no one suffers from hunger. On the other hand, I am not in sympathy with a program that will waste public funds on useless projects in many of the localities in this State and others.

I have a clipping from Florida which suggests that recreation centers will be established in various counties; that contests will be held for the boys and girls.

"The purpose of the project calls for a supervised plan of recreation. The first activity planned in the county-wide movement is a kite-flying contest for the boys, as well as a marble contest. A jackstone tournament has been planned as the first event for the girls.

"District winners will compete in semifinals and the winners of these events will meet for final events.

"This is the first of any C.W.A. projects to provide for this branch of activities and is State-wide in its scope. Funds to finance the project are from Federal funds, the same as any other project now under way in this country."

With further reference to this, I note that in New York they are going to have a wolf-hunting contest—in another place, a mosquito-eradicating campaign. In another place, they are going to set aside large tracts and areas for duck reservations. This is the tragedy of the taxpayer being charged with the maintenance of such expenditures in these crucial times. To me it is deliberate and shameful waste and is a handicap to recovery rather than a help.

DELEGATION OF LEGISLATIVE POWER

The first hint that this country was to adopt Government by Executive order and place excessive powers in the Executive is found in the inaugural message, which reads as follows:

"But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe."

No such legislation was ever suggested to Congress and by it refused. The first suggestion that came to Congress was a request for excessive authority, which the Democratic Congress granted. Not one request was made to Congress for the passage of any legislation that was refused. Numerous requests for Executive authority were asked and granted.

Growing out of this transfer of legislative authority to the Executive, we find ourselves now existing under all of the various bureaus, subbureaus, subdivisions, corporations, etc., represented as follows: The A.A.A., C.A.B., C.C.C., C.S.B., C.W.A., E.C.P.C., E.H.F.A., F.A.C.A., F.C.A., F.C.T., F.D.I.C., F.E.R.A., F.H.L.B.B., F.S.R.C., G.S.C., H.O.L.C., I.A.B., I.B.R.T., I.T.P.C., L.A.B., N.C.B., N.E.C., N.I.R.A., N.I.R.B., N.L.B., N.P.B., N.R.A., P.W.A., P.W.E.H.C., S.A.B., S.B.P.W., S.R.B., T.C.F.T., T.V.A.

Many of these had no foundation in legislation whatsoever. They are the result of Executive orders—illegitimate stepchildren of an ill-advised law whereby the legislative body surrendered its birthright and delegated legislative authority to the Executive of the United States. We are at present the victims of such delegated authority. Pressure on Congress put through many measures transferring authority from Congress to the Executive—a cowardly procedure. Those governing us today were not elected to office. Johnson was not elected by the vote of the business men, nor Davis by the vote of the farmers. This has all been brought about by a delegation of power.

CONSTITUTIONAL REQUIREMENTS

Many governments have failed, not because they did not do enough for their people, but always because they attempted to do too much. The Constitution of the United States is not a restriction on liberties, but rather a protection of liberties. When we exceed its privileges we are on dangerous ground.

The new deal has set up a number of bureaus, functioning under the Federal Government, performing clearly State functions. The States may acquiesce and may condone, but in those fields the States should be supreme and should not be imposed upon by the Federal Government.

No one can deny this is an emergency, but the Supreme Court, in its recent decision, held:

"Emergency does not create power. Emergency does not increase granted power or remove or diminish the restrictions upon power granted or reserved. The Constitution was adopted in a period of grave emergency. Its grants of power to the Federal Government and its limitations of the power of the States were determined in the light of emergency and they are not altered by emergency. What power was thus granted and what limitations were thus imposed are questions which have always been and always will be the subject of close examination under our constitutional system. While emergency does not create power, emergency may furnish the occasion for the exercise of power."

No one can doubt that regardless of the general comment on this opinion, the outstanding conclusion is that constitutional guaranties, subject to construction, remain binding and inviolable in the Constitution.

CENTRAL BANK

The Reconstruction Finance Corporation has just been given a new lease on life. For what? Why, to buy gold at home and

abroad. A year ago if I had $100 in gold in my pocket I was a law-abiding citizen; if I perchance had a pint of whisky I was a criminal. Today if I have the whisky I am a law-abiding citizen, but if I have the gold I am a criminal violating the law.

It has been recently asserted that not only will the Reconstruction Finance Corporation seek to own preferred stock in various banking institutions but it will also supervise and direct the personnel that will have charge of these financial institutions. We are fast approaching a Bank of the United States. Somebody page Andrew Jackson. Where are the advocates of State rights? The shades of Democracy grow dim when the legislative leadership of that party forsake every tradition of Thomas Jefferson and the South and surrender to a centralized Government control. In finance they surrender to the R.F.C., in industry to the N.R.A., in agriculture to the A.A.A.

NORMAL RECOVERY

The theory that any particular policy of any particular group is responsible for existing conditions is erroneous. The present-day depression is the result of the sins of society itself. The individual increased his expenditures, he took on extravagant habits, he gambled large stakes on uncertain gains, he lived beyond his means, he bought on the installment plan, and spent next month's salary this month. This was destructive to the understrata of society itself.

The same program was adopted by the municipalities of our country. Bond issues were voted, boulevards constructed, pavings extended, buildings erected. The expansion program was such that soon the tax revenues were unable to meet the obligations. This is the reason for the demand that municipalities be permitted to take advantage of bankruptcy.

This same spirit of spending extended to the States themselves. Many of our States obligated themselves for expenditures beyond the resources of their taxpayers. In fact, it was not solely on account of the manipulation of the stock exchange—although much blame can be placed at its door—it was the gambling spirit in practically every walk of life that disintegrated our economic structure. It is this condition that forces upon the country the necessity for an economic cure.

SPENDING SPREES

We find that our country has embarked upon three excessive spending sprees.

The first excessive expenditure was when we were hailed in the hour of need by Europe and spent billions to help fight the World War.

The second big spending spree was following the war when we loaned money to Europe to increase our foreign trade. They, in turn, bought goods from us and we expanded our production accordingly. We then adopted the monthly installment plan for payment of domestic-consumed goods. Expansion knew no bound, and we came up to the collapse of 1929 with the highest individual indebtedness, the highest corporation indebtedness, and the highest municipal and State indebtedness that the country has ever known.

We are now proceeding on the third spending spree. This is a program of going into debt in order to get out of debt. We are advancing costs and increasing taxes. Unless spending is checked, Federal finance will collapse. I know of no country that has ever embarked on such a program where such spending has been checked and financial collapse avoided.

CONCLUSION

It is my contention that the present legislative policies are conflicting and counteracting. How can we decrease the purchasing power of the dollar by inflation and at the same time expect wage earners to increase their consumption?

How can we entice capital from hiding when there is no confidence in the monetary policies being carried out? You cannot entice the 'possum from his hiding by beating the tom-toms. It takes the aroma of something that pleases and does not destroy.

We cannot recover as long as the present legislative program destroys confidence by injecting the element of fear and uncertainty into money standards, into business restrictions, into labor requirements. The present legislative policies reduce the leaders, with ideas and push, to the level of the common herd. The best business man must await the approval of the "brain trust" before he can proceed. He is bound by the limitations of a code. Government control over business and agriculture, which has proven a failure wherever tried, has been initiated anew. These policies are not conducive to recovery because they are un-American and contravene every tradition of American liberty.

GUESSING PARTY

This whole legislative program is an extensive financial and economic guessing party.

We guess at how large an emergency expenditure we can create without credit collapse.

We are guessing at how much the Government can interfere with business and still have business survive.

We are guessing how long we can feed the needy without having them lose all of their self-respect.

We are guessing on what you will be compelled to accept tomorrow in payment of your gold contract.

We are guessing at what the Treasury will do with $2,000,000,000—without restrictions and without requiring an accounting.

We are guessing that a Government official can run the finances of this country better than those with experience.

We are guessing that an increase in farm prices will follow acreage control, regardless of all the other economic factors in the price equations.

We are in a grand and glorious campaign of trying everything for something that ails us, with the hope that somewhere, somehow, someone will guess themselves better off.

If by this program representative government is to be displaced; if emergency relief is to bring a permanent revolutionary and socialistic change in our form of government; if our lands and forests are to be collectivized; if our budget is to be forced out of balance; if we are to be subjected to every form of panacea that the human mind can suggest, then we should be prepared to accept the inevitable consequences of such social disruption.

We should remember and deeply realize that regardless of all the socialistic schemes that have been tried in the world, in the end nearly everybody has to work for a living after all.

THE HAND IS WRITING ON THE WALL

Mr. LONG. Mr. President, I rise to a point of personal privilege. I was not here when the report was brought in by the special committee that was appointed to investigate campaign expenditures in Louisiana. I remained here about a week waiting for that report to reach the Senate before going back to Louisiana. It becomes necessary at this time that I make some reference to what is contained in that report. The committee investigated the Louisiana primary of 1932, and it is necessary that I take cognizance of it not only for the defense of my friends and of my State but of those who now sit in the House of Representatives who were affiliated with the opposition to me in politics in Louisiana.

That report, Mr. President, so far as it concerns my colleague [Mr. OVERTON], terminates in the beginning in these words:

> There was no charge made by the complaint filed with the committee that Senator OVERTON personally participated in any fraud or, with guilty knowledge, approved any fraud. There was no probative evidence produced before the committee that Senator OVERTON personally participated in or instigated any fraud, unless the inference were indulged that being the beneficiary of whatever frauds would result from the employment of the dummy candidate device by the organizations supporting his candidacy he was chargeable with knowledge thereof. We cannot indulge such an inference in the face of the fact that there was neither a charge nor evidence to that effect. All of these matters occurred in the primary. Thereafter Senator OVERTON was elected in the general election without opposition.

I take it that those words mean what they say—that when the committee used that language, the committee meant what it said by its words, which say literally that against the junior Senator from Louisiana [Mr. OVERTON] it has neither complaint nor evidence of any kind or character in the remotest extent reflecting or undertaking to reflect that there was any guilty knowledge of participation, or approval, or of anything resembling fraud in the election which put him in the Senate.

However, there were elected 8 Congressmen, 1 Senator, 1 member of the public service commission, and many other officials in the State at that time. A majority of those Congressmen elected on what the committee terms "the Long ticket" are now alined in the great work of this administration; that is, the Members of Congress are now listed not only with the administration but they are with what are listed as the anti-Long forces in the State of Louisiana, and therefore I am glad to say that that alone gives them a clean bill of health, whether there was any fraud in the election or not. [Laughter.]

Having established from the committee's report that the junior Senator from Louisiana is as clean as an angel's robe, having established from subsequent events that there is no animus of any kind to be reflected against any Louisiana Congressman, at least those who are not at this time affiliated with the Long organization in the State of Louisiana—I believe there are two left, and there has been no contest filed against them yet—I come to what I consider a necessary defense of my State.

What is the fraud that is supposed to have occurred in the elections in the State of Louisiana? Is it the support of the Choctaw Club of the city of New Orleans, known as the "Tammany of the South"? Is it any test of fraud to have had the support or to have had a connection with the Choctaw Club known in Louisiana as the "New Orleans ring"?

If that is true, then let me say that within the lifetime of no man who sits in the Senate today has there ever been a man come to the United States Senate from the State of Louisiana except myself who did not have the support of the Choctaw Club. Ransdell, Broussard, Foster, McEnery, Banjamin, and so on back to the Civil War—every candidate and every elected man who has been in the United States Senate from Louisiana has come here with the support of the Choctaw Club, but for which he could not have been elected to the United States Senate.

The only men ever elected to the United States Senate and who sit here, whether it was the will of the Choctaw Club or not, are the two United States Senators who are here now—one, the junior Senator from Louisiana [Mr. OVERTON], because, regardless of what the Choctaw Club had done, his majority in the country outside of the city of New Orleans was so big that it was not possible for the New Orleans vote to have defeated him, and myself, who was elected over the opposition of the New Orleans ring, and of every newspaper in the State of Louisiana, and of every big corporation in the State of Louisiana.

Mr. President, the committee says there are "distressing and deplorable conditions existing in the politics of the State of Louisiana." What are those distressing and deplorable conditions existing in the State of Louisiana? First is the matter of dummy candidates. The dummy-candidate device is listed by the committee, which says, "Perhaps the most serious charge was the use of dummy candidates." The committee is kind enough to say that all political candidates and all political factions were alined with forces employing and using the dummy-candidate device. But the committee talks as though it were a thing peculiar to the State of Louisiana for there to be such a thing as a dummy candidate in a political contest.

I have seen dummy candidates used in the State of Iowa. I have seen them used in the State of Texas. I have seen them used in the State of Arkansas. I have seen them used in the State of Mississippi. I saw them used by the national parties last fall in order to affect campaigns going on in the United States. Not only have I seen them used, but I have knowledge that one candidate for the United States Senate, who ran in the primary and was defeated, was encouraged by a national political party to reenter the same political contest in the general election, not for the purpose of being elected, but in order to divide the vote of one of the parties so the opposition party candidate could be elected, with the understanding that there was possibly something that could be given to him by the successful party even though he was defeated, and which was done.

It is nothing peculiar to the State of Louisiana because in many States the high candidate becomes the nominee of the party. As an example I cite the State of Arkansas where there is a Democratic primary, as there is in many other States where there is a primary, and the high candidate receives the nomination. Time after time this same candidate procures the entrance of some other candidate, possibly so geographically domiciled as to pull votes away from some stronger opponent so that he might be the high man in the primary contest where there is no second primary provided for under the law. To condemn the dummy-candidate device as a special child of the State of Louisiana is far from touching the truth in the politics of our Nation.

Coming to the State of Louisiana now, if the committee is going to charge the State of Louisiana with the dummy-candidate device, let me say that the State of Louisiana has it the same as other States have it, the same as the national parties have it. At whose feet are you going to lay it insofar as affects Louisiana? Are you going to lay it at the feet of the men who enacted it into law? Are you going to lay it at the feet of the men who went into court to sustain their right to use it time after time and were vindicated by the courts in so doing? Are you going to lay it at the feet of the men who could have prevented it if they wanted to, but did not want to prevent it? Or are you going to lay it at the feet of the men who have unsuccessfully undertaken to prevent its use and only used it after the courts had upheld its use in lawsuit after lawsuit?

We are in the clear on the matter, Mr. President. This contest is filed—not this contest particularly but the whole matter is brought up here by Mr. John M. Parker and Mr. Francis Williams and Mr. John P. Sullivan and their partisans. The faction with which they were affiliated was not supporting the junior Senator from Louisiana [Mr. OVERTON] but certain of the Members of Congress elected on the Long ticket who now sit in the Congress, now sit with Sullivan and Parker in New Orleans.

In the year 1922, on August 18, was the first time the dummy-candidate matter was carried to court under the present law. It was in the month of July 1922, when John M. Parker was Governor of that State, that there was enacted the law which forbade any man questioning the filing of a candidacy and the selection of commissioners. As the result of that law, enacted under Mr. Parker and signed by Mr. Parker as Governor of the State of Louisiana, a month later, on the 18th day of August 1922, the first lawsuit sustaining the right to the use of dummy candidates was won by the John M. Parker and John P. Sullivan faction against men who were affiliated with me in later years.

I have in my hand a copy of the report of the decision of the Supreme Court of the State of Louisiana rendered in favor of the Parker and Sullivan faction on the 18th day of August 1922 sustaining the right of the Parker and Sullivan and Williams faction—and Williams was a candidate at that time on the ticket—to use nine dummy candidates who were qualified, who were used to draw commissioners, and who then resigned from the race. I send this document to the desk and ask that it may be incorporated in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

(See Exhibit A.)

Mr. LONG. Perhaps someone will say we should have done something to stop the use of dummy candidates. Did we? I have in my hand the One Hundred and Seventy-third Louisiana Report, and I turn to page 858, to the decision in the case of the State ex rel. Hinyub et al. against Parish Democratic Committee for Parish of Jefferson, decided December 7, 1931. In that case there were filed by the anti-Long group a number of dummy candidates. We went before the committee and urged that those men had been filed with no other living purpose than to be used to draw commissioners. We went before the committee of the parish and we were sustained and those men were disqualified, whereupon the Parker-Sullivan-Williams faction took an appeal to the Supreme Court of the State of Louisiana. The Supreme Court in deciding against the Long faction and in upholding the use of dummy candidates used these words:

> The question, and the only one which concerns the officer of the committee when a notice of intention to become a candidate is presented for filing, is whether such notice is accompanied by a declaration of the applicant that he is a member of the party calling the primary and that he is a duly qualified elector, etc. If the prospective candidate fails to accompany his notice of intention by such positive declaration, the officer to whom presented may and should refuse to receive and file it. But when such notice, properly signed, verified, and accompanied by the declaration prescribed by the statute, is presented, it is the plain ministerial duty of the officer of the committee to receive and file it. Neither such officer nor the committee itself has jurisdiction to question or inquire into the truth of the declaration made.

That was the lawsuit which we lost in 1931 when I undertook to prevent the use of dummy candidates in the State of Louisiana.

I do not object to the committee's report. I do not object to the committee having said the dummy-candidate device had been used. But I do think that the committee owed it to me to have gone further and to have shown that we had gone to the committees and court on three distinct and separate occasions undertaking to enjoin the use of dummy candidates against John M. Parker, John P. Sullivan, and Francis Williams, and that we had lost in those courts three times out of three; and that the use of dummy candidates

was never employed by the Long faction until John M. Parker's administration wrote the law, until John M. Parker signed the law, until John M. Parker's faction filed the dummies, until they went to court in 1 case, 2 cases, 3 cases, and sustained the right against the Long followers, the court holding that they had the right to use dummy candidates in the State of Louisiana.

There is another case here just exactly like it.

I have in my hand the One Hundred and Twentieth Louisiana Reports, the case of State ex rel. Trosclair against Parish Democratic Committee. Here is what that decision holds:

> The act requires only two things of the person desiring to become a candidate in any primary election, to-wit, an application in the form prescribed by section 11 and a deposit as required by section 12 or section 13. The act confers no jurisdiction whatever on any person or committee to refuse to receive or to vacate an application made in due form under the statute.

According to the decision in that case, the act does not confer upon the committee, nor upon the court, nor upon any member of any party, nor upon any officer of the State, the jurisdiction, the duty, or the authority to void or to vacate the filing of an application to become a candidate. There was the law, settled back as far as the case that I have read from, back as far as the year 1908—24 years before the campaign in 1932—once repealed, which Parker reinstated.

Mr. President, what should I do about dummy candidates? When I became a candidate for the United States Senate in the fall of the year 1930, as this record shows, and as no one contradicts or disputes, when the opposition had filed a long list of dummy candidates, my side filed a list of dummy candidates three times as long as the list they field. [Laughter.] They filed 10, and we filed nearby 40. If they wanted dummy candidates, we were there to give them plenty of them.

What did we do when we had secured 4 dummies to their 1? We sent them word, "You have used the dummy-candidate device in order to get an advantage in the drawing of election commissioners; but", as this record shows, and there is no word to contradict it, said the Long faction, speaking through me, "We do not want a single dummy advantage of you. We will withdraw our dummy candidates, although we have 3 to your 1, and the time for filing more has closed, if you will withdraw yours; and we will let the Long people have one half the commissioners, and we will let the Ransdell people have one half the commissioners." That was done, as a result of which I came to the United States Senate in that election by the largest majority that ever was given a man for the United States Senate in Louisiana up to that time.

I had done my part, Mr. President, to prevent the dummy-candidate system from being used. I had gone before the committees and had urged them to disqualify the dummy candidates. I had stood behind those committees in the Supreme Court of Louisiana when they disqualified the dummy candidates, and had seen them lose. I had yielded to any agreement that they wanted to make, and in the year 1932, according to the evidence of the campaign manager, Mr. Ellender, which Mr. Hodges of the opposite side says was never communicated to him, but none the less the speaker of the house of representatives testified as to his undertaking to talk to them about withdrawing their dummies and our withdrawing our dummies, the opposition rebuked the idea and would yield to no such suggestion of any kind or character.

But, Mr. President, it seems now that we are going to pour the holy oil on politics in this country, and I am ready to do my part of the holy-oil pouring while it is being done. Let us beat our breasts with sincerity. Let us not talk about the dummies in Minnesota, in Iowa, or in Louisiana; let us not criticize dummy devices when we sit here and enact, or keep enacted, a dummy system that is far more telling than all the dummy systems in the United States put together.

Who is the propagator of the greatest dummy device in elections? The Congress of the United States is responsible for the chief dummy device in election machinery. We have kept in existence an electoral college for the purpose of keeping the people of the United States from having the right to vote for whomsoever they want to have elected President of the United States. We have sat here and kept the electoral college, which keeps anybody from having his name on the ballot except somebody that is satisfactory to one set of bosses out of two; and we have seen that system used to a point where the electoral college not only does not meet, but its members are not even allowed any longer to hire a man to carry to the college a message as to how they vote, but the message has to be sent by mail. In other words, it is a stamping privilege.

In the early days the electoral college was a safeguard to keep the people from having the direct right to elect anybody. It was figured that the people, if they were allowed to do so, might elect somebody President who did not have any business being President; so, therefore, the framers of the Constitution created the electoral college, and in order for a man to be elected President the people had to vote for somebody to vote for the man. Now, however, it is admittedly a device used for fraud. It is admittedly a device to keep anyone from coming into the realm of a Presidential possibility unless he has the sanction of the political bosses of the States.

If anybody wants to purify politics, let us start with the United States Government and the President of the United States. Let us provide for a direct manner and method by which the people of the United States can vote for their choice in electing Presidents of the United States.

Mr. President, this committee names two points of fraud, and only two. One is the dummy device, to which I take no exception. I want to show that my remarks are not any different from those of the chairman of the special committee. I will read from the Senator from Texas how he saw the matter when he came to Louisiana the first time. The Senator from Texas [Mr. CONNALLY] said:

> I was going to say, any committee of the Senate in passing on these matters naturally takes into consideration the law of the State involved.

That is on page 36.

Mr. Rightor, who was Mr. Broussard's attorney, said:

> I concede that Senator Broussard, neither by the courts of Louisiana, the political committee of Louisiana, nor any judicial or legislative body can be declared nominated.

That is the statement of Mr. Broussard's attorney, on page 38, in which he said that he conceded that Mr. Broussard could not be said to be nominated, but he urged the dummy device.

What did the Senator from Texas [Mr. CONNALLY] say then? I read this to show that I look on this matter exactly as the committee looks on it. I have the place marked here, but I may have to ask my friend from Texas to locate it for me. I will state it in substance.

The Senator from Texas said then, as I say now, and as all other members of the committee said in effect:

> Here is a practice that has been in existence for years and years and years, practiced by all sides and by all parties, and you call on this committee to say that this is in itself a fraud. The committee cannot take any such action in view of the fact that by long custom and law it has become the accepted practice by all parties and by all men and by all candidates in this State.

I have not read the exact words of the Senator from Texas, but that is the sum and substance of it. I take the same position. I always have taken the same position. I took that position before there ever was any election for the United States Senate in which I was involved or concerned. I took that position before I was ever a candidate for Governor of the State of Louisiana. I took that position while I was Governor of the State of Louisiana. I went into the courts, and I went before the parish executive committees, and I offered to withdraw the dummies if the opposing candidates would agree to do the same thing. By no means or rule of reason or stretch of the imagination can anyone place before me anything that could have been said or done, or anything that was left undone, that could have disrupted the dummy-candidate device as practiced in the State of Louisiana more than I did myself.

The next thing the committee says, after passing over the dummy-candidate matter, is that they condemn the coercion of public employees in being made to contribute to political campaigns.

There is not a line of evidence, Mr. President—it must be drawn from inference—there is not one line of evidence that anybody was ever coerced into making a campaign contribution. There is not one man that I recall who so testified. Maybe there was. I do not recall him. I did not hear all the testimony. I listened to some of it over the radio, and some of it I heard in person; but I do not recall one man who testified that he was told that if he did not contribute to a political campaign he would lose the position which he held as a result of not doing it. There were many witnesses who testified to the contrary, that they did not contribute to political campaigns, and many of them who testified that others did not contribute to political campaigns, but that no one person had ever been discharged by reason of it.

But let us accept it as a fact that there was a suggestion in Louisiana that someone should contribute to a political campaign. I believe the Senator from Texas did ask Mr. Wade Martin the hypothetical question, "If you had an employee, would you expect him to contribute?" and my recollection is that Mr. Martin answered back that if he had an employee who did not have sense enough to want to protect his own job he would consider him too incompetent to hold the job and would fire him. [Laughter.] That is a matter in which the Senator from Texas exchanged his professional views with the elected candidate who ran on our ticket. There was not, however, any testimony from Mr. Martin as to anything of the kind he had done.

But why condemn the State of Louisiana for having contributions to political campaigns made by public employees? I hold in my hand a receipt from one of the national political parties in the last Presidential election. They did not ask this poor devil to give 10 percent of 1 month's salary; they asked him to give one half of 1 month's salary, and he coughed up $100. This receipt is signed to Mr. Alfred Daspit, 418 South Solomon Street, New Orleans, La., receipt no. 55, the Republican National Committee, signed by Mr. Everett Sanders, Mr. J. R. Witt, treasurer, September 8, 1932. That is a sample of what all of them did.

I am not painting the Republican Party black. The Democrats do it when they are in power, and the Democrats do it when anybody else needs money and they need money, and always have done it. There is no difference between any of them; and the most disgusting thing in my life is to see national politics painting State politics with all the dark colors that can be put on a washpot when we know that they all cry for money, and ask the poor devil at the fork of the creek to go out and get it from whoever he can get it, the best way he can, and they all go out and get it.

I was asked to raise some money for President Roosevelt. How did we raise it? We raised the money for President Roosevelt just like we raised the money for everybody else. They telephoned for the money, because they said they were going to have to close up the campaign headquarters if we did not go out and get some money to pay off the stenographers and office help at the end of the week. They told me to go out and get $15,000 and send it to them, and I went out and got the $15,000 and sent it to them, just like I got the balance of the money. [Laughter in the galleries.]

The PRESIDENT pro tempore. There must be no demonstrations in the galleries.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CONNALLY. The Senator says he got the $15,000 just like he got the balance of the money.

Mr. LONG. Yes, sir.

Mr. CONNALLY. Does the Senator mean like the committee reported that he got the balance?

Mr. LONG. I do not know what the committee reported. We got it according to law, legally and lawfully. I did not make the law.

Mr. CONNALLY. The Senator was commenting on the committee's report.

Mr. LONG. I am not commenting on the committee's report and saying that it is a fact that any employees were coerced, because there is not a line of evidence here that anybody was coerced. You may go to a man and say, "Oh, boy, it will be a good thing if you will contribute." Who is there here who does not know that the man who pulls the plow gets the plunder in politics if he gets it right? That is how it has been practiced by both national political parties. I am not getting mine, because they say I am not helping to pull the plow right. That is according to our leading publications in this country. They all say that. They are trustworthy journals, and they tell us that the night HUEY LONG did not vote for the veterans' legislation he lost his patronage in the State of Louisiana. Now go tell those newspapers to rewrite those columns and substitute the Bible for what they published before in order to make it sound a little bit better.

Every dime raised, Mr. President, that I have any knowledge of, for the Governor's election, for the Senator's election, for the Congressman's election, for the President's election, was legally, properly, and judiciously raised, according to law, according to right, and I am going to prove it now by the records of the committee.

It was testified before the committee by a man by the name of Sam D. Hunter, a wealthy oil and gas operator in Louisiana, one of many, that he had contributed to the campaign against the Long ticket, $75,000 himself, and he testified before the committee that he gave the $75,000 because he had been promised by the man running on the anti-Long ticket that he would repeal the Huey Long severance-tax law, the law which taxes the oil and gas brought from the ground on a quantity basis. That is in the record in this case. I believe the testimony reads that the candidate agreed to consider reducing the tax in the State of Louisiana along the lines of other States. That only means that he would repeal the law which I enacted, because I enacted a law different from the laws of all other States, which forced the oil combines in Louisiana to pay so much per barrel and not so much on the value of the oil.

Enough testimony, Mr. President, was given by Mr. Hunter alone so, if we will draw inferences, we will know that the $75,000 he contributed was not the only contribution made to that campaign to annul the laws that we had put on the statute books against the big interests in the State of Louisiana. Mr. Hunter's $75,000 was not a drop in the bucket. When one little man comes and tells you that his share of the campaign fund to annul the legislation that I had written on the law books of that State was $75,000, it does not take a man with a great deal of imagination to know that there is bound to have been 10 or 15 times $75,000 provided in that political campaign.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield.

Mr. CONNALLY. That contribution, however, was not made in connection with the Overton election; that was made in connection with the preceding election for Governor of the State.

Mr. LONG. That was made 6 months before in the last election, when there was a fight against the Long ticket, and the committee investigated that election, just as the committee investigated the last one.

Mr. CONNALLY. Oh, no.

Mr. LONG. The Senator's committee did not do it, but the previous committee did, and the Senator's committee did investigate it to a certain extent.

Mr. CONNALLY. I desire the Senator's statement, however, to be clear that the election in connection with which the contribution referred to was made did not involve Mr. OVERTON, was not the election which our committee was investigating.

Mr. LONG. It was the same one that involved the contribution which the Senator's committee was passing on. The committee says in its report that the preponderance of the evidence tended to show that the contribution went to

help the Allen ticket. That was the same ticket that the $75,000 was given as a contribution by Mr. Sam D. Hunter to defeat, and the $75,000 given by one man, Mr. President, is not a drop in the bucket.

We were trying, Mr. President, to get money with which to run the schools of the State of Louisiana. When I went into the office of Governor of the State of Louisiana that State had the lowest rating in education in America. It stood at the bottom of the list of States. We could not get the money with which to educate the youth of our State. Our State university was rated class C. We could not treat the poor people for diseases of the eyes; we could not give them room in the hospitals. Our insane people were locked up in jail cells hid out in the cribs around the barns. We had these deplorable conditions existing in the State of Louisiana, with people crying for relief. The common man was taxed to death, and there was no way to rescue the State from the sabotage that it had suffered at the hands of the feudal lords except by putting heavy taxes on the big corporations, thus giving relief to the State institutions.

How were we going to get the money from these poor devils with which to compete with those who were having $75,000 contributed by one man to defeat our ticket? With every newspaper in Louisiana against us, with black headlines alleging that we were guilty of stealing and of fraud, all we could do to combat such a campaign was to get out circulars to the people. We had to buy stamps, run a printing press, and send circulars out to the people. We had to make a campaign, Mr. President, and the only way we could make a campaign in the State of Louisiana was to get nickel and dime contributions with which to make the campaign. That is the only way on earth we could do it.

What was the result, Mr. President? Was it a good result? We opened up night schools immediately following that campaign. Two hundred and thirty-eight thousand people from 21 to 75 years old, who could not read, write, or spell, had the opportunity to go to school. The result is that the United States census report showed that Louisiana made the greatest reduction in illiteracy ever known to have been made in any State in the United States.

Was that all we did? Was that a worthy purpose? We went into the insane asylum, Mr. President, and what did we find? I have here the report rendered by the national authorities wherein it is stated that there were found insane people in the institutions with their hands locked to the plow stocks; where insane people were chained in lock chairs; where insane people were placed in strait-jackets. We went to work, Mr. President, to undo that act of barbarism being practiced in our State, and, for one thing, we put a dentist in one of the asylums who pulled out 1,700 rotten and abscessed teeth in 6 days, teeth that had been left in the mouths of some of those people in such bad condition for 20 years, while the corporations ran amuck in that State, having controlled it ever since the time of the Civil War.

Was that all we did? It was not, Mr. President. We took the State university, which was rated class C, and we raised it to class A, and its enrollment went from 1,500 to near 5,000.

Was that all we did? No. We took the charity hospital, which had a death rate of 4.1 percent, and brought the death rate down to 2.8 percent. We took that same hospital, which had a daily capacity of 1,600, and raised that capacity to 3,800. Was that a worthy purpose?

There were the blind people being housed in an old, worn-out school building that had been abandoned as a grammar school. For those poor blind people we built a home.

Then there were the deaf and dumb, who were being housed in old out houses, some of which had been built a hundred years ago, and for them we built a new home.

Furthermore, there was no institution for the treatment of those suffering from epilepsy. We built a home for the treatment of those suffering from epilepsy, so such sufferers could be properly cared for.

Was that all we did? It was not even starting it. We had to raise money to send the youth of the State to school. We had to raise $1,000,000 the first year with which to buy their schoolbooks in order to get the children started in school, and we raised $1,000,000 extra the first year I was Governor of Louisiana, in addition to other things we did for the purposes of education. We raised $1,000,000 with which we bought schoolbooks and gave them free to every child in the State of Louisiana, as the result of which the school enrollment in the State of Louisiana increased near 20 percent the first year I was Governor of that State.

There was a State, Mr. President, lying under the domination of the great white angels of feudal democracy. The feudal State of America was the State of Louisiana. That is the way it had been run and had been allowed to be run, and nobody dared gainsay any one of them because the political organizations were so entrenched that no one tried to change it; and if anyone went against them, he did not have the chance of a lightning bug to be Governor of the State.

Mr. President, what did those people do with the road money? Go over and examine the records of the United States Bureau of Public Roads; they were paying $80,000 a mile for the construction of highways in Louisiana with a tensile strength to the square inch of less than 500 pounds. We initiated the good-roads program, Mr. President, and constructed through the length and breadth of Louisiana concrete highways at a cost of $26,000 per mile, including bridges, according to the Bureau of the United States Bureau of Public Roads; and at the cost of $26,000 a mile we constructed a road with 10,000 tons tensile strength to the square inch, including bridges, as against the previous work which had been done at a cost of $80,000 per mile for roads with less than 500 pounds tensile strength to the square inch.

Now people come alleging fraud against us; people for whose candidates individuals were putting up as much as $75,000 each. But the contribution of $75,000 I refer to is not a drop in the bucket, Mr. President, to the total raised.

This is not the first time fraud has been alleged, Mr. President. I became a member of the Public Service Commission of the State of Louisiana in 1918. I had to stand for all the bantering from the year 1918 that I have stood for since I came to the United States Senate. I have had to stand for it every day from the time I became public service commissioner in 1918 right up until the present day. I never held a public office in my life during which I was not under some kind of threat of removal or impeachment from the day I went into politics until the present day. I have never held one, and I do not expect to hold one. I have tried for about 16 years to have it some other way, and it has never been any other way, so now I have stopped trying to have it any other way.

Mr. President, as the result of all this, when I ran for the office of Senator, what was the issue then in Louisiana? How did I then get elected? Fortunately, I did not have to ask anyone to contribute to my cause. There was very little requested to be contributed. The campaign was too hot to require it. When I ran for the United States Senate, Mr. Sam Zemurray—I hope the Senators will get this name—Mr. Sam Zemurray was quoted time after time as saying that his part of the campaign fund to defeat HUEY P. LONG was $350,000. That is the statement which has been made by Mr. Zemurray; and if he is examined today, and if there is any record to show for it, I do not think he will even quibble about it.

I charged, Mr. President, at the conclusion of that campaign, that my opponents had spent more than $1,000,000 to defeat me for the Senate in that election in the State of Louisiana. Never has there been a word of denial of that charge. I sat in the Hibernia Bank & Trust Co., and was told by one of the bankers there that in addition to the enormous expenditures they had made, there was a deficit of around $50,000 still unpaid as the result of the campaign they waged against me. Compare that with the little money we spent, and it will be found that it is not a drop in the bucket. It is not even wash money compared with the amount of money the other side used. They have the public press, they have the large corporations on their side, they

have the cash, they have more money in a day than I have had in 25 years to spend in a political campaign.

All we can do is to try to get a little money to get out circulars to the people. That is all. If the Senate will pass a law giving me the free use of the post office and the Government Printing Office with which to print circulars and send them out to the people, I will not need a thin dime to run for anything I want to run for in the State of Louisiana. [Laughter in the galleries.]

Mr. LEWIS. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Chair desires to announce that it is against the rules of the Senate to have any demonstration in the galleries, or any evidence of approval or disapproval. Those occupying the galleries are guests of the Senate. We are glad to have you here, but we hope you will observe these rules.

Mr. LONG. The committee says one further thing. I take no exception to the committee's report on either of the matters I have described, except that the committee finds that it can infer that an employee was coerced. I assume that they found some basis for that inference. I do not find it in the record myself. I have not found it.

That is not all. Three witnesses testified that they gave to the Overton campaign fund, all three of which witnesses were discredited. One was a man by the name of Wells. He had been discharged by the State highway commission. In connection with his testimony he said that he had contributed to the Overton campaign fund, and he stated that he had paid a man for a right of way $400 for something that he did not own, to get him to vote for OVERTON for the United States Senate. The public records were produced which showed that that piece of ground had been bought 1 year and 8 months before Senator OVERTON ran for the United States Senate, and the record went on to show that the value was all right; some other man showed that he had minor heirs, and sued in the courts, and was adjudicated the owner of it, and the court gave him the same amount of $400. Another was a man by the name of T. O. Harris, who had been discharged as an employee of the State twice. He was employed on a newspaper called the Shreveport Times, writing articles against the State administration at the time. The third was a man by the name of J. T. S. Porter, who had been discharged from the Conservation Commission of the State of Louisiana. Those three are the only men who testified that they ever gave a dime to the Overton campaign fund, the total of which amounted to fifteen or twenty dollars, and neither of them testified they were coerced into making contributions or were threatened with the loss of their jobs if they did not make them.

Mr. President, I think there are 20 Members of the Senate who were former Governors, and many of them have held other public offices in their States. I am willing for my record to be brought out and compared with the records of most of them. I think they can understand the difficulties that confronted us in accomplishing what we did accomplish in the State, with every newspaper in the State against us all the time—every one, except now and then one would get a little bit easier just for a little time, from motives best known to themselves—when we had no means of communication, no means of reaching the people, no means of getting the truth to them, not even the statistical records. We had no means of doing any of those things while we were undertaking to pass laws and to sustain laws to educate the youth of the land, to relieve the burdens of the poor. In addition, as the result of corporate activities in that kind of a conflict, hundreds of thousands of dollars were being contributed to the opposition, while we could not expect anyone to contribute to us by those who are affiliated with interests of that kind, because they have everything to gain by your defeat and everything to lose by your election. I fail to see why we in the State of Louisiana should be condemned for doing that which is practiced all over the United States, even by the national parties which are 10 times as strong. The contest, then, was whether the State administration had been right or not.

We were condemned because we were in with the Choctaw Club when OVERTON ran for the Senate. The New Orleans ring never supported me in its life, and I never supported the New Orleans ring in my life. I have never supported a candidate of the New Orleans ring ticket as long as I have lived, and the New Orleans ring has never supported me for anything I ever ran for in my lifetime.

It was in the year 1932 that they did support OVERTON, who was a candidate on our ticket, and the Allen ticket when we had the Governor's campaign. Why did they support them? Because it would not have made one bit of difference whether they supported OVERTON or not; they would have been elected by a monstrous majority whether the New Orleans ring had been with us or not. That was the only reason they supported it. No; that was not the only reason. There was also the reason that we were about to recall the mayor of that city, and they called me in, and here is the peace agreement that I signed. I will read article X of that agreement to show why that gang had to lay down that time and support OVERTON for the United States Senate and support Allen and his ticket for Governor. This was when I was Governor of Louisiana. Article X is as follows:

> The Governor obligates and binds himself that no legislation will be passed that will in any way interfere with the terms of office of the present city administration and that he will oppose, privately and publicly, any attempt to foster a recall movement or to disturb its present administration in any way.

That was an agreement which I publicly signed, and which was published in the newspapers. It was signed because we had them lying on their noses; if they had not stood at attention they would have been removed from office, and it was better for us to allow men to stay in office at the time than to have gone out and to have recalled them. Why? I only had 18 more months to serve as Governor of the State of Louisiana; under the law of that State I could submit a constitutional amendment but once every 2 years; and in order to get money to build paved highways, free bridges, and to care for the institutions of the State the agreement was reached at that time.

I had to submit that constitutional amendment by November 1930, or not be able to submit it while I was Governor of Louisiana; it was better for me to be able to submit the constitutional amendment to the people; in order to do that, I had to have a two-thirds vote, and the representatives of the ring were absolutely essential to get that vote. So it was much better for me to submit to the people the constitutional amendment providing for free bridges and paved highways and many other important reforms than to have the ring recalled in the city at the time; but, in order to keep from being recalled, the ring had to stand at attention in 1932, for if they had cracked one eye they knew they would have been faced with a recall election the next day. That is the only time they have ever been made to stand at attention. It may be said that it was wrong, and perhaps it was wrong; but we could not do in New Orleans what we did outside of the city. There they are as holy as the robes of angels themselves just so long as they are against HUEY P. LONG and locked up with the nefarious combines like the Power Trust; then they are good and holy; but whenever we have endeavored to pass legislation of the kind that we have been passing in Louisiana then we became tainted with all the sins that can be described in the catalog.

Why? Because, Mr. President, in the year 1932, when Governor Allen became the Governor of the State, we went a little bit further; we passed a few more laws to get a little more money for the State. Where did we get it? We passed a law imposing a 2-percent tax on the receipts of electric power sold in Louisiana; we did not allow that to be charged in the bills of the customers, and we collected nearly a half a million dollars in that way. We also enacted a corporation franchise tax law, such a law as we have never been able previously to enact in the State of Louisiana, and we got a million or so dollars a year from that tax. We imposed a severance tax on oil and a severance tax on gas and corporation franchise and electrical power taxes. Those

are other acts to show the virtues of the State administration.

I was the chairman of the Public Service Commission of Louisiana in the year 1918 to the year 1928, when I became Governor of that State. I had control over the regulation of power rates and gas rates outside of New Orleans, but even today inside New Orleans the city government controls the rates and under its administration 200 kilowatt hours of power manufactured and sold right in New Orleans cost $16.16, while they sell the same amount right outside the city limits of New Orleans, made in New Orleans, for $8.80.

It costs one half as much to buy the power that is made in New Orleans outside the city limits of New Orleans as it does to buy the power made in New Orleans inside the city of New Orleans. That is the difference between the rate made, or approved, by HUEY P. LONG, chairman of the public service commission, and the rate made by the city council of the city of New Orleans. That will explain some of the opposition we have had there. Even then the rates have not been lowered half enough, and we know it.

We had our litigation with the telephone company. The rates were raised in 47 States of America when Louisiana reduced them, and made the company pay back 467,000 cash dollars and remit that amount in checks to the people of Louisiana of the money they had collected.

We made the pipe lines of the Standard Oil Co. common carriers, a reform for which we had fought for years and years. When I became a member of that commission, and interested in the oil business, I was one of the men who took a part when the pipe-line embargo came on. They picked out the men of influence of that State and bought oil of the man who was politically or financially influential. I was one of those whom they would have been willing to have picked out, but I went down the line and went all the way with the balance of them, and they never preferred me, but I continued the fight and the pipe lines were made common carriers in Louisiana, but it was not done until the public service commission went into court and had them decreed common carriers.

How did we get through it? They tried impeachment; they tried indictment; we had some kind of removal proceedings up every day and every night while I was engaged in those fights. In the constitutional convention of 1921 they wrote a provision to abolish entirely the office that I held. I fought that and managed to make them amend that, and had no more than got that done than they instituted impeachment proceedings. They had no more than got through the impeachment proceedings, than they brought an indictment in the district court, but never did they get away with the claptrap they pursued in the State of Louisiana.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. I am very curious about the figures quoted by the Senator from Louisiana. I wonder if I heard him aright in the statement he made that 200 kilowatt-hours of electrical consumption a month in the city of New Orleans cost the domestic user $16.16.

Mr. LONG. Yes, sir.

Mr. BONE. And outside the city cost them $8 and some cents? I should like to point out to the Senator from Louisiana that in my home, Tacoma, under public ownership, 200 kilowatt-hours' consumption cost a little home owner $3.05.

Mr. LONG. And that is enough. I do not take any credit for reducing it to $8. It was reduced before I left the chairmanship of the commission in 1926, but the rate ought to be lower than it is; it ought to be as cheap in New Orleans as it is in Tacoma. But today, to show the Senate the difference, it is still one half outside of New Orleans what it is in New Orleans. We have just had an election down there with the Power Trust as the issue.

Mr. BONE. I will say to the Senator that the Tacoma light and power system, publicly owned, is not permitted benevolently to accumulate unto its few hands everything in the city, including the money of the people.

Mr. LONG. That gang made 113-percent profit, as the records show, according to the report of the Federal Trade Commission, and they have pretty well held New Orleans in their clutches.

Another matter that I may state is that our penitentiary was losing a million dollars a year, while it is now on a paying basis. We have more inmates in it, maybe some of them related to me. [Laughter.]

Why, Mr. President, have they brought here these matters? Who have they brought here before the committee? Who are the parties whose names they have paraded? A blackened-face gang who cannot go under their own names, but hide behind the petticoats of their wives and daughters; men who have been put on the block and have been found to be everything that the public will not have; who do not dare to show their monstrous visages to the public gaze, but hide behind the rustle of the skirts of their wives and daughters. I will tell you in a few moments how they get their publicity and how that is being done. Chief among them is a gentleman who is attorney for the United Fruit Co., a lawyer, the political dictator of the Times-Picayune newspaper. That gentleman's name is Mr. Esmond Phelps, the attorney for the Western Union Telegraph Co, attorney for the Power Trust, and for several railroads.

Mr. Phelps has a brother-in-law by the name of Arthur D. Hammond. When we hear the call for political purity in Louisiana—and such a call will affect anybody, Mr. President; it even affects me sometimes and other men in politics, and I am no better than any of the others of them, I suppose; I have never seen anyone any better than am I, but I am no better than any of them. [Laughter.] They were not satisfied with the loot that they were getting from the city; that was not enough. When I went down to New Orleans they had a law there that prevented any one man from holding more than one office. There I found on the public pay rolls one Arthur D. Hammond. He was on the pay roll of the levee board at $400 a month, and he was on the pay roll of that board at $416.66 a month.

This brother-in-law of the Power Trust, of the Electrical Trust, and of the Fruit Trust, this dictator of the newspaper, this brother-in-law who could not sell himself into slavery for 40 years for $250, was drawing more money on the two pay rolls than the Governor of Louisiana. It is said that that is not true. I have in my hands a photograph of the checks of the salary of the same man for the same month, dated the same day, from two different boards, bearing his own individual endorsement. Here they are! The only difference between the checks is that the one drawn on the dock board is for $208.33, being for the last 15 days of the month, whereas the one drawn on the levee board for $400 is for the full-month salary.

I ordered this man dismissed from both of those pay rolls. He was dismissed. He was worthless for any purpose the State had in either capacity. He had violated the law in accepting money from both positions. I ordered him dismissed. The enraged Power Trust attorney, Mr. Phelps, unable to fight with his own countenance, unable to use the physical likeness of his brother-in-law, sends his sister and the wife of his brother-in-law to the National Capital, and over the United States she is widely publicized.

Is that all? Who is the next one? Mrs. Roger Q. Stone. Who is Mrs. Roger Q. Stone? She is the daughter of a man who does not dare show his face in this kind of matter. She is the daughter of Sam Zemurray, president of the United Fruit Co., who used the State of Louisiana and the city of New Orleans as a revolutionary base for revolutions in Central America and in South America. Many a mother's son lies in an unmarked grave today that gave his life in those revolutions promoted by this man Sam Zemurray out of the city of New Orleans and lower Louisiana. He promoted that city as a base until, finally, with the influence

that he exerted over men in Congress and men in high Federal positions, he managed to persuade the United States Government to send the marines to Nicaragua; and many a man and many a boy, the son of many a mother, lies today in the Tropics dead in the cause of this man Sam Zemurray's preemption of a few hundred miles of land and territory that he wanted down in that country; they are the pirates of humanity's disaster.

Through the use of New Orleans as the base of revolutions, Mr. Sam Zemurray preempted to himself a monstrous fortune based on the blood of American people.

When I became Governor of the State of Louisiana I put the heel down on those revolutionary operations out of the city of New Orleans and the State of Louisiana. I wired the President that we were going to expose the damnable outrages if they kept sending soldiers into Nicaragua to protect Zemurray's questionable actions down there in the Tropics.

He comes here now, after admitting that he contributed $350,000 in order to defeat me as the candidate for the United States Senate; and does not show his own face, does not use his own name, but he hides behind the rustling, shimmering skirts of his daughter, undertaking to create the impression that there is a great uprising from the State of Louisiana. Such cowardly scoundrels we have had to fight in that State! There has never been a corruption fund heard of in any election in this world such as they turn loose in the State of Louisiana. Yet they talk about and criticize the little nickel and dime funds spent for circulars sent out in that State!

Who are the others? Mrs. John M. Parker. Everybody knows the case between Mr. Parker and myself. I helped to elect him Governor in the year 1920, and I was publicly accredited with having turned the day and elected him Governor of the State. I elected him because in a signed letter written to me he promised that he would enact a law making pipe lines common carriers and making pipe lines common purchasers. When the bill I had drawn came up for final passage in the State of Louisiana Mr. Parker sent word to the Legislature of Louisiana that he had changed his mind and decided he did not want the law enacted. I went down and had the pleasure of telling the gentleman what I thought he was. Since that day we have never spoken. Since that day I have been elected to everything I have run for, and since that day he has never dared to run. We passed the law regardless of the Governor's word, and he either left the State and let the Lieutenant Governor sign it or signed it himself, and it became the law of the land. His word was kept notwithstanding his message to the legislature that he did not want to keep it.

They followed me into the Governor's office in 1928 with an impeachment proceeding before the ink could dry on the oath I had taken. Their prosecutions were not to stop with me as chairman of the public service commission. When I had taken the oath as Governor of the State the impeachment was in order almost immediately, and I hardly got through the first session of the legislature without having to face an impeachment that time. The first time I did call a special session for the purpose of imposing taxes on the business of refining oil, I met the impeachment of 1929. They had their forces reinforced that time better than now. They had the New Orleans ring with them that had fought me and is still with them. They had the Standard Oil Co. They were fighting the law I was trying to pass to tax them a little more.

They had something else with them. Louisiana is surrounded by water. They were going to build a bridge in there so anyone could come in without having to take a ferry. Lo and behold, they got their old political gang together a few years before I became Governor and gave an exclusive contract for a bridge over Lake Pontchartrain permitting them to charge $3.60 each way for an automobile plus 15 cents for every passenger in the automobile. In other words, they gave a contract to this very clique that is there now for $8.40 for a family of five to take an automobile across the bridge into New Orleans and come back the same day or the next day.

I went in and built a free bridge beside that toll bridge. Instead of having to pay $3.60, people could cross the bridge free. They had the stock watered up to where they said the toll bridge had cost $7,700,000. I built the free bridge and the roadway to the bridge for $1,500,000, just one fifth of what they said it cost them to build their bridge, and I made the traffic free into and out of that city.

They went into that impeachment proceeding before I could get the bridge completed. They hawked the stock and bonds of the bridge company to the members of the legislature. I tried to produce before this committee that was down there the living witnesses—the members of the legislature to whom they had finally come and offered sums that were staggering if they would vote for my impeachment as Governor of the State of Louisiana. I produced the living witnesses right in the presence of the committee while they were down there. I think the committee did right to have ruled out the testimony, but I brought the living witnesses there to tell the day and the date, the sums and the amounts, and the whys and wherefores of being offered stupendous sums in order to bribe their way through to get those privileges in that State.

It is not the first time they have hidden behind petticoats. In the year 1923, when I undertook to make a speech in the city of Baton Rouge, the capital of the State, the domicile of the Standard Oil Co., on that occasion they sent the wife of the president of the Standard Oil Co. into my meeting to break up a peaceful political meeting that I was holding over there in that domicile—the cowardly wretches!

They undertook to unseat the delegation in Chicago. They moved to impeach me in office and remove me from the office of a member of the railroad commission, and they indicted me. They impeached me as Governor on every charge from stealing cordwood up to attempted murder. When I beat them the next thing they did was when they went to Chicago to try to unseat the delegation, and we won that fight.

Mr. President, I come to a matter that is going to interest the Senate a little more than what I have been saying. The publicity has gone out that Mr. HUEY P. LONG has been put on the spot; that the agencies of the Government have been ordered to dig up something on his income taxes. This has been going on for about 3 years or 4 years. I have in my hand a letter, or a copy of a letter, that I am going to read to the Senate:

August 17, 1933—

Strictly personal and confidential. [Laughter.]

I hope the Senate will listen to this letter. It may be of some value to Senators in their later lives.

Hon. GUY T. HELVERING,
Commissioner of Internal Revenue, Washington, D.C.

MY DEAR MR. HELVERING: I am embarrassed by the fact that such articles as the one herewith enclosed has been published in a small paper in the rural sections of this State. I think, in fairness to myself and you, I should transmit this, and the time has arrived when I should take some note of it and kindred things.

I have been connected with this department since February 1919, starting under the administration of President Woodrow Wilson. The records will show the service and efficiency with which the office under me has been conducted. Even the Associated Press bulletins from Washington some days ago placed Louisiana in a class by itself, showing a noticeable increase in collection of internal revenue. Your statistical reports furnished to collectors by yourself are highly complimentary to the administration of my office.

The matter of former Governor and our present Senator, HUEY P. LONG, has been so widely published that it is now scarcely a secret. Before this publicity was given out, and some of it by agents connected with your Department, so much common talk had been indulged in that I was constantly embarrassed as to what I should say. For that reason I am writing you fully about it now.

When Governor LONG started to run for the Senate in 1930 against Senator Ransdell, from Mr. Jacob O. Bender, then collector of internal revenue, we were given to understand that it was desired that a very close scrutiny and check be made of his records and affairs with a view to determining whether there was anything definite by which any irregularity could be charged to him. When we called Governor LONG, in the beginning of the campaign, he promptly denounced all of us with all of the language that he could use—and he seems to know how to use plenty—telling us that he regarded it as a matter of piracy to jump on him just as he entered a campaign, and that he would not stop to give us any

information whatever at the time, but that we could crack our whip as we saw fit. He said that when his campaign for the Senate was over that he would go over the matter with us. I discussed the matter with the collector, and he thought it best not to undertake to embarrass the Governor, and I was glad that he took that position, because I knew that very soon Governor LONG was going to charge us with all kinds of fraud. After his campaign we went through the investigation but found nothing to charge him with.

The matter ended there until some time before the two national conventions met in Chicago last year. The Department sent about 100 inspectors in here at different times to work in all directions to get something on Mr. LONG. I was simply told what they were here to do, and I was requested to supply certain information and had no jurisdiction in the matter at all. I gave them whatever they asked and performed anything I was assigned without any complaint.

Friends and prominent supporters of Senator LONG were examined to the limit. I conversed with some of the agents, who told me how they had worked trying to get something on Senator LONG but without doing it. If they expected anything more from me than I did, none ever suggested it. I understood that the Senator's telephone wires were tapped and other measures taken.

It was none of my duty or my suggestions as to what the Department was doing in the Senator Long case. Had it been, I would have never suggested any such things as they did.

I find that I am cut both ways. The Senator probably thinks I was in on the tapping of his wires. The scurrilous article I enclose to you says the work was done under me.

I think the writer of this article has a double motive. He wants Senator LONG's friends to feel I was the man in charge of this chase to get him. He wants you to feel I favored him. This would leave me with no friend at all for something I had no more to do with than you did.

I am asking your advice. My reports show the results and comparisons above any other district in the Nation.

I would appreciate your reply and will hold same in strict confidence.

This is a genuine carbon copy, gentlemen of the Senate. The original is in the files of the Internal Revenue Department; and if they think there is any such thing as fear, they had better go back and ask them what happened in the last 3 years about it.

When John D. Rockefeller had committed his murders and thievery throughout this country, including the bullets piercing the heads of defenseless children and women; when he had made a contract with the railroads that not only gave him a rate below all other oil companies but gave him a royalty on the freight business, even of his competitors; when he was blackened from one end of this country to the other they hired a press agent to glorify him. They began this dime business of giving out a dime here and there. The hand that had raked in and raped the country was made to appear bountiful by giving a dime to the sick where the public had been fleeced of a thousand dollars. They hired a man by the name of Mr. Ivy Lee, and Mr. Ivy Lee is supposed to have done the great job of whitewashing John D. Rockefeller's sins from the memory of the American people.

A short time ago, Mr. President, I never thought the name of Mr. Ivy Lee, the celebrated publicity agent for the Rockefellers, would ever come into my life, top side nor bottom. He is too big a man to have extolled the virtues of this country's leading crime. But, lo and behold, I met a gentleman in this city who draws a very large salary. He told me:

I have just had a conversation with a man by the name of Shipp—

S-h-i-p-p, I believe they spell it. He said:

There is a publicity concern here in the city of Washington run by a man by the name of Shipp. Mr. Shipp has just told me that Mr. Ivy Lee has called to see him, and has told him that he wishes him to take charge of handling the publicity against HUEY P. LONG.

That was enough for us to investigate. We did investigate; and, lo and behold, one of these women sent here, the wife of this culprit that was found on the two pay rolls, the sister of the Power Trust and United Fruit Co. lawyer, was found entering one of the leading newspaper offices a few days preceding one of her celebrated interviews in the personal company of Mr. Shipp. I am not giving the name of the gentleman. He is here. There are Senators here to whom he will entrust his message.

Not only that; there was a newspaper down somewhere near my parts that had been passively neutral, and to some limited extent even adjudged to be friendly to my policies and to my politics. A short while ago a friend of mine happened to be discussing a matter with one of the men in that newspaper office, when in walked a gentleman bearing a letter from a manufacturing house of this country, and in the presence of my friend he read a letter which I have been doing everything I could to get, in which he stated that—

The national advertisers of this country are willing to patronize no paper that is not unfriendly to HUEY P. LONG, and you can inform them that we are unwilling to have any further advertising of any kind printed in the columns of that paper unless they are unfriendly to LONG, because we regard him as a national menace.

That is how far they have carried this campaign.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. Does the Senator mean to have it inferred from his statement that the present administration is carrying on this spy system with reference to him as it was carried on by the previous administration?

Mr. LONG. Yes, sir; they are still in Louisiana. They went back there. They are there now. They went into the offices of some friends of mine down there last week and told them they were there to get HUEY P. LONG, and they were going to stay there until they got him. Well, they will be there a long time, gentlemen of the Senate. [Laughter.] They will be there a long time; and I am glad it is me they are after.

I will never forget, when they indicted me in the Standard Oil fight in 1921 and in 1929, when I said to the members of the house of representatives around me, as they began to leave me one by one, "I am certainly glad that the indictment is against me instead of one of you, because I am afraid the whole fight would go glimmering if anybody else had to carry it"; and as results to show what happened to the fight in 1921 we were not 6 months in making them write the law just as we told them to write it. They fined me a dollar, and the judge paid part of the dollar, so there was no appeal. [Laughter.] He is my friend.

The PRESIDING OFFICER. The occupants of the galleries will preserve order.

Mr. LONG. I do not charge any member of the present administration with responsibility. There has been considerable publicity given out about this matter. There has been 3 years of it, starting in 1930, according to this letter; and I can tell you that I remember very vividly, when I became a candidate for the Senate, when the agents came to me and told me they were going to have to stop me for a few days to go into my income taxes, and I gave them a very short answer and went my way for a few days. When I returned, with Mr. Ransdell defeated, they looked into my papers very hurriedly and said, "Everything is all right." I think they wanted to pay me back thirteen or fourteen dollars if I would make application, but I thought I had better let them keep it. I did not know what they would say about it the next time. [Laughter.]

This publicity makes such a terrible condemnation in the newspapers of a political ring being covered with all possible slime and sin. They make the point that, if there is an organization that has supported a man, he is a terrible man to sit in the Senate. Well, have they ever said anything about the Choctaw Club that they have not said about Tammany Hall? Has anybody moved to unseat the two Senators from New York because Tammany Hall supported them? Has anybody moved to unseat the men that Vare supported to send to the United States Senate from the State of Pennsylvania? Has anybody moved to unseat the Senators that the Crump organization sent from Memphis? Has anybody moved to unseat the bunch sent from the State of Illinois? I will guarantee you that nothing they have ever said about the Choctaws can hold a candle to what has been said about them.

Mr. LEWIS. Mr. President, does the Senator mean the present delegation from Illinois?

Mr. LONG. Well, I am willing to make it any delegation the Senator prefers.

Mr. LEWIS. I prefer that the delegation to which the Senator alludes should be made definite, because my State has been quite exempt from any just accusation against its political morality; and if there is an exception I should like to have the Senator name it specifically.

Mr. LONG. Well, I think with the election of the present Senator from Illinois it gave all the color of purity to Illinois politics, as did the elections in Louisiana of its present Members. [Laughter.]

The PRESIDING OFFICER. The galleries will preserve order.

Mr. LONG. It is a little bit peculiar that they have taken Louisiana in all the publicity lately, but there is an added reason. We are trying to give this Nation a model tax law down in my State. There has been a whole lot of talk in Congress about what we are going to do, but if we can get the votes in our legislature in Louisiana we will do it.

We propose to take the taxes off the little landowner entirely. We have a piece of legislation pending, Mr. President, that we hope to make law, in which we say that we propose to take the taxes off the little home owner entirely. We do not propose to have him pay a copper cent in taxes. We propose to give him schools, and the protection of the Government, and free school books, and night schools, without its costing him a copper cent; and we have plenty there with which to do it. We just propose to make the tax on oil what it ought to be, and to tax the foreign oil that is manufactured in Louisiana the same as we tax the domestic oil that is manufactured there. We propose to raise the gas tax, and we propose to put on an income tax. Our State has never yet been able to put on an income tax; and then there is something that strikes them as even worse. We propose to put a tax on the cotton exchange and the stock exchange; and we are in the fight of our lives, because New Orleans is the great center in the South for the stock exchange and the cotton exchange. They have never allowed it over in the State of Texas or in the State of Mississippi. They trade through our stock and cotton exchanges there; and if we are successful in putting on these taxes we intend to let them eliminate the taxes that are being borne there by the little man.

That is the reason, Mr. President, immediately for the attack on Louisiana by some of these interests—not only for what we have done, not only for the stand that we take here nationally, but by reason of our proposals otherwise.

Mr. President, I have spoken somewhat longer than I expected to speak. I should like to have the day come when I will know just how long the Senate of the United States will be used as the common, privileged sewer for the spreading of every bit of slime and filth that these enemies have been unable to spread under privilege in my State and in the United States. I should like to know just how long the unprecedented thing will occur that they can go out and get them up six or seven more people that are not satisfied with the election and continue to file and refile these criminations and recriminations in the Senate of the United States. I think it has persisted to the point where there ought to be some reasonable recourse for a Senator.

Have they been, Mr. President, in anything like respectability? Have the publications treated them as they deserve? On the contrary, this very committee headed by the Senator from Texas [Mr. CONNALLY] and the subcommittee headed by the Senator from Kentucky [Mr. LOGAN] came down to Louisiana, and I saw an employee of that committee stand up in front of the committee not only defying the committee but calling its chairman a yellow coward, calling me a rat, calling the other Senators every name he wanted to call them, accusing them of every kind of intent to steal something away from public justice, defaming them in every manner he wished to, and I have never heard of the gentleman being called to the bar for any contempt. On the contrary, his picture has been printed throughout the length and breadth of this country. He has been extolled. He has been commended. He has been praised. He has been held up as a model of perfection because he stood before the committee of the United States Senate, his own employers, with all contempt, and cursed them with every word that could fall from the lips of an individual. But there has been no proceeding in contempt against him. People have even had nerve enough to urge him further as an employee of the Senate. That is the kind of publicity that has been received in connection with this matter, Mr. President.

I will state another fact. So long as the newspapers contained any kind of statement from the members of the committee that did not to some extent reflect upon the State of Louisiana or upon me, the editorial columns would print pages bristling with condemnations and denunciations of those Senators. The minute the same Senators were quoted as having given utterance to statements that were in whole or in part a condemnation of the State or of me, then the comments became glorious and approving. Every kind of condemnation descended from the press upon the heads of Members of the Senate sitting on the committee until they spoke ill words of the men who had been elected to the Senate. The newspapers even took the chairman of the committee, my distinguished friend from Texas, Mr. CONNALLY, and caricatured him because when the building in which the hearings were held was crowded, he crawled through the window of a wash room, and they caricatured him as another wash-room character because he had come into the committee room through a window leading into a wash room. But when there came from the lips of the distinguished Senator from Texas words that condemned anybody in Louisiana, the same newspapers extolled him for a while. They had not, however, done so before.

There were reasons given for all this. What are the reasons? The reasons given are that I am advocating a philosophy that they say is dangerous to the country, viz: the redistribution of wealth. The Medes and Persians are battering at the gates today. Many people cannot see the hand that is writing on the wall. I am not alone any more, however, in my advocacy and in my warning. There are plenty more who are advocating the same thing; and I was not alone in the first place. The time of correction is at hand. We no longer have optimistic utterances coming such as we had. They are no longer as unanimous as they were.

In the United States News there is a statement which shows that the publisher of that paper no longer speaks as optimistically as he used to, Mr. President. He says:

> We are witnessing some vital repercussions. The individualism of the farmer is to be taken from him. He is to be taxed on his individual surplus. Will he submit to this? The Civil Works Administration is about to turn loose millions of its employees. Will the unemployed submit to this? We are sowing the seeds of serious social disturbances of which the recent farm strikes in the West were symptomatic. To use force and coercion on the American farmer is not likely to be successful. The alternative to date—the payment of subsidies—also has its disadvantages. Increased production has not been thwarted. The fertilizer sales tell that story.

Then again, Mr. President, today we have articles going out over the country which are not bristling with such optimism, for I find today in the Washington Post—this article is dated January 30, 1934, and says:

> According to estimates of the Census Bureau, the net public debt of Federal, State, and local governments rose from $4,850,000,000 in 1912 to $36,822,000,000 in 1932—an increase of about 659 percent.

We have more people starving today than in 1912, and according to this article the public debt is 656 percent higher today than it was in 1912.

The article continues:

> When the census compilations were made the Federal debt amounted to only $19,225,000,000. If an anticipated addition of $12,000,000,000 to this total is realized by the end of the fiscal year 1935, the public debt then will show an increase of more than 900 percent over 1912. But Federal, State, and local governments debts constitute only a fraction of the total volume of obligations now in existence. According to a recent estimate of

the Twentieth Century Fund, the private debt of this country, both long and short term, amounted to about $246,000,000,000, or more than $2,000 for each man, woman, and child at the beginning of 1933.

In other words, we have a private debt of $246,000,000,000 and a public debt of $36,000,000,000, making a total debt, according to the estimate in the Washington Post, of $272,000,000,000, which is almost equal to the total wealth of the United States in prosperous times.

They do not reflect such terms of optimism as I read in a paper dated Monday evening, December 25, 1933:

Mother kills self in Yule grief. Couldn't buy presents for her children.

And so she took her life.

The newspaper articles do not reflect all of the optimism, Mr. President, that we hoped would come about during this period of the game. People are beginning to express themselves entirely differently on some of these matters. They are getting back to pretty sound fundamental doctrine. They are not so optimistic about the things they hoped for.

I have here an article appearing in the Washington Herald a couple of months ago, giving a quotation that comes from New Haven, Conn., from a statement of a representative of the Union Theological Seminary of New York, as follows:

The civilization and culture in which mankind is living will perish through the very vehicle of propaganda which it helped to create, and will die through the nationalism which it helped to fashion. The unequal distribution of wealth is slowly undermining the stability of our civilization. It creates unemployment for millions, and the competition of unemployed with those who are employed further lowers living standards.

I have another article which does not reflect all the optimism which has been reflected and which we hoped to have reflected at this stage of the game. The article says:

The rich must assume the burden of taxation.

The article quotes Mr. John Dewey—and even the President—as of that idea. It quotes Mr. Dewey as saying:

We should tax incomes in the United States as heavily as do France, England, and Germany. Wealth must contribute heavily to prevent a complete collapse.

I have here another article, which appeared in the New York Herald Tribune on Monday, March 27, 1933, in which it says:

Wealth control called function of government. The Nation should prevent concentration in the hands of a few.

That article says, among other things:

"Such a radical and unjust distinction in the distribution of material goods", he continued, "could scarcely be in harmony with the designs of an Omniscient Creator. It was on this point that the State should have stepped in to stop the conflict between classes and insure an equitable distribution of wealth. Instead, it allowed such concentration of economic power that a fierce battle to acquire control of the State resulted."

So, Mr. President, we have, instead of such optimistic opinions, the warnings that the repercussions have begun to set in. We have the examples now being furnished us of other men speaking in terms in which they could have spoken long ago.

I read a few lines from Plato. Plato said:

Our aim in founding the State was not the disproportionate happiness of any one class, but the greatest happiness of the whole; we thought that in a State which is ordered with a view to the good of the whole we should be most likely to find justice, and in the ill-ordered State injustice; and, having found them, we might then decide which of the two is the happier.

This greatest philosopher of the Greeks gives a little dialog of only a few lines, a little less than one half a page. He says in this dialog.

I wonder whether you will agree with another remark which occurs to me.

What may that be?

There seem to be two causes of the deterioration of the arts.

What are they?

Wealth, I said, and poverty.

How do they act?

The process is as follows: When a potter becomes rich, will he, think you, any longer take the same pains with his art?

Certainly not.

He will grow more and more indolent and careless?

Very true.

And the result will be that he becomes a worse potter?

Yes; he greatly deteriorates.

But, on the other hand, if he has no money, and cannot provide himself with tools or instruments, he will not work equally well himself, nor will he teach his sons or apprentices to work equally well.

Certainly not.

Then, under the influence either of poverty or of wealth, workmen and their work are equally liable to degenerate?

That is evident.

Here, then, is a discovery of new evils, I said, against which the guardians will have to watch, or they will creep into the city unobserved.

What evils?

Wealth, I said, and poverty; the one is the parent of luxury and indolence, and the other of meanness and viciousness, and both of discontent.

America is the only real, genuine and proven, modern example of what Plato meant. Wealth on the one hand and poverty on the other have meant the breeding of indolence and the destruction of virtue. Yet some people cannot see it; they will not see it, blind as they are with eyes that will not look. Instead of that, Mr. President, they have been coming down to Washington and they have been going over the length and breadth of this land shouting, publicizing, doing everything within their power, hiding their own slimy faces behind the skirts of their womenfolk, undertaking to bring about every possible denunciation it is in their filthy minds to conceive against me and the redistribution of wealth I advocate to save the people and this country.

When I came here I was willing to fight hard and unceasingly for a great prize, the happiness of 120,000,000 people. Perhaps as the result of my example it might have meant the happiness of the people of the world; all should be brought about through the sharing of the wealth of the land. While I was willing to gamble for stakes that were great, I had a little to risk that could be lost in the effort.

Mr. President, more men of high position are in the ditches laboring under capital. Nine dollars and sixty cents a week is their ration; it is either that or less. Better that than nothing. Men who have worn white collars in the past, executives in sawmills and in manufacturing plants, executives even in other greater capacities, you will find today begging for the privilege of getting in the ditch and eking out the dole of $9.60 a week. Those who yet nurse their pride, or who are not fortunate enough to get on the public dole—8,000,000 of that kind of families—have placed their children in armchairs to look into the distant and empty space to distract the mind from the hunger and agonies of the body. No one holds out any hope in the articles we read today that the condition is getting a great deal better, particularly when we must face the proposition of retrenching on the dole rather than enhancing it.

One million young men have grown up in this country—there are probably more than that—who have never even been given the first advantage of hitting a lick of work in order to know how to earn a living. With all we have, too much of everything, too much to eat, too much to wear, too many houses to live in, people are starving and people are naked and people are homeless, because it is the land of too much. We are unable to balance it; we are unable to distribute it. There is but one way on God's living earth to distribute the blessings of the land, and that is according to the language of the Scriptures, the language of the lawgivers, the language of the philosophers, the language of the Creator, by not allowing any one man to have so much that there is not enough for the others; by limiting the amount which one man may have. I have proposed to bring that about by a resolution I have offered in the Senate. I have a right, Mr. President, to urge that resolution; I have a right to be let alone from the contraptions and devices of others; I have a right not only to be let alone in my own right without this unleashing of the hounds, this hiring of publicity agents, this swarming of the land with a wealth of agents for 4 years, this branding of my friends and my associates, but I have a right to pursue my ordinary undertakings without that.

Mr. President, I have not on my own responsibility alone, but I have today on the responsibility of someone who can

be adjudged as having no particular interest in this matter offered a resolution which I am going to ask the Senate to adopt, and later I may ask permission to call it up out of order.

I read here an article which appears in Labor, the newspaper of the laboring man, of the railroad unions of the country. It says:

The campaign to discredit, and if possible destroy, Senator HUEY P. LONG, of Louisiana, is pressed with a ferocity seldom equaled in our political history.

Just who is doing the planning and paying has not come to the surface, but anyone familiar with the mysteries of propaganda knows there is a plethoric pocketbook and a directing brain some place in the background.

I will not read any further from that. That is the view of these observers, without having such proof as I have been able to give here this morning, as to what has been said about me and what has been put into effect against me.

It is time, Mr. President, for some investigation on another score here. When the Senate has been given information that people have come to Washington to install a publicity bureau in order to wreck a Senator, it is time for an investigation. When an investigating committee of the United States has been caricatured and denounced and an employee of that committee has been praised because he calls the chairman and members of the committee "yellow cowards" and "rats", it is time, Mr. President, to find out who is so misusing the facilities of interstate commerce and mails of the United States and why such characters as that go immune to continue condemnation of that kind. I have asked for an investigation, Mr. President, and, after these long years of investigations and recriminations and trials and prosecutions, I am entitled to have another investigation. I have submitted a resolution which reads as follows:

Resolved, That a special committee consisting of five Senators to be appointed by the Vice President is hereby authorized and directed to investigate into what, if any, plans, efforts, conspiracies, or arrangements have been entered into, made, or exerted, through the use of facilities in interstate commerce, through the use of publications using the United States mails and through bureaus of the United States with intent to spend sums of money, to set up various organizations, or to bring about multiplicious proceedings to libel or spread false information and to secure publicity thereof affecting HUEY P. LONG, United States Senator from the State of Louisiana, for the purpose of making difficult or impossible or to prevent such Senator from having fair and reasonable opportunity to present and urge, or to oppose proposed legislation in the Congress of the United States; that said committee shall further inquire into the sums of money spent and by whom, in undertaking to accomplish the defeat of said Senator—

They have investigated to find out how much was spent by us; it is now for the good of the country and the Senate that they find out who are back of this campaign of defamation—and I think I can tell them who they are—and how much—I think I can tell them most of that—was spent against the candidacy of a Senator as well as that which was spent in favor of the candidacy of a Senator.

The resolution continues—

when a candidate for the United States Senate, both in the primary and the general election of the year 1930, and the use of the mails for publications and the use of facilities in interstate commerce to spread libels against said Senator in said campaign and the use made of United States agencies to affect him and his candidacies; that said committee shall pursue its inquiry into whether Senators and Members of Congress have been libeled and defamed through the use of telegraphic wire services used in interstate commerce, through publications circulating in interstate commerce and through the mails of the United States, and by means of interstate radio communication if said Senators and Congressmen did not make or participate in the making of statements denunciatory to the said Senator, and to defame Members of Congress who do approve of any course of conduct of the said Senator, with a view to compelling unfavorable expressions affecting said Senator; that said committee shall inquire into whether or not interstate telegraph and telephone wires, radio facilities, and periodicals and publications passing through the mails of the United States were maliciously and improperly used to extol and applaud the misconduct of agents and servants employed by the United States Senate and its committees in which they may have been in contempt of the United States Senate or otherwise improperly acting—

I do not think there will be any trouble on the part of the Senate committee uncovering the last part of that recital—

so as to reflect upon the said Senator; said committee shall inquire into whether agencies and departments of the United States have been employed and used for the purpose of harassing and embarrassing and affording means of adverse publicity.

We have a law on the books that the Department of Internal Revenue is not supposed to give out any information regarding individual tax returns; and yet for 4 years there has been published in the newspapers all kinds of items to the effect that they were after HUEY LONG on account of his income tax, and were after him for this and were after him for that.

I will not read the remainder of the resolution, Mr. President. It simply provides for an investigation into the kind of practices that are being indulged to find out who is paying the bill and the expenses of these culprits who have come here; to find out who is putting up the money that has been handed to these hirelings; to find out why they are extolling the virtues and the capacity of servants and employees of the Senate who defamed, maligned, and caricatured even the members of the committee under whom they were supposed to be serving. That is what I am asking, based not only upon the prima facie showing which I am making here with such documents as I am able to present but based upon the opinion of other sound and conservative men who are not pursuing any partisan advantage. I will at the proper time call for the adoption of the resolution. I thank the Senate.

EXHIBIT A

The New Orleans Item of August 17, 1922, page 1, publishes an account of a victory by the regulars over the new regular faction, headed by John P. Sullivan, in the effort of the regulars to oust nine alleged dummy registrar candidates sponsored by the Sullivan faction, J. T. Trowell, attorney for the Sullivan faction; J. C. Davel, legal spokesman for the Behrman forces.

Friday, August 18, 1922: New Orleans Item, page 1, publishes account of victory of Sullivanites, new regular faction, over regulars, supreme court restraining Judge Skinner from interfering with the candidacies of nine dummies.

Monday evening, August 14, 1922, first account dummy commission battle, page 1, New Orleans Item.

The case of record is entitled *George E. Morris* v. *Candidate for Registrar of Conveyances* v. *Nine Dummy Candidates*, who are as follows:

Anthony Russo, E. A. Ginchard, John B. Vignaud, Awthur Livaudais, Martin E. Eckart, Joseph Dickman, Robert L. M. Rathe, Philip Heinz, and Joseph F. Peyronnin.

Mr. CONNALLY. Mr. President, I do not expect to make any extended reply to the Senator from Louisiana [Mr. LONG], because most of the matters discussed by the Senator do not raise any issue as to the committee which investigated the Overton election complaint. The Senator, however, in the course of his remarks did advert to certain unpleasant incidents transpiring in New Orleans on the occasion of the committee's investigation.

It is true that one of the employees of the committee did, on the first day of the meeting, at a time when I was not present, make a charge against all the members of the committee. He did not refer to the chairman as a "yellow dog", as suggested by the Senator.

Mr. LONG. As a "yellow coward"; I beg pardon.

Mr. CONNALLY. Nor as a "yellow coward."

Mr. LONG. I heard him testify.

Mr. CONNALLY. The press report was that he referred to the Senator from Texas as "yellow" because he was not present on the first day of the session.

I want to say that the Senator from Texas has done all that he could to rectify that situation. The Senator from Texas denounced that action of that employee publicly in the hearings immediately when he reached New Orleans; the Senator from Texas privately denounced the man to his face in unmeasured terms in such a way as, under ordinary circumstances, would have resulted in something more than a verbal exchange. The Senator from Texas here on the floor, when he submitted the report on behalf of the committee, denounced the conduct of this treacherous, dis-

loyal, falsifying employee. What more can be done, I do not know. By direction of the committee he was discharged and is not now and has not been for some time in the employ of the committee.

The Senator from Louisiana also referred to an incident in which he says the chairman of the committee was caricatured as climbing through a window. The Senator from Texas wants to say that the facts concerning that incident are as follows: The mobs in Louisiana were clamoring to get into the hearing room, both mobs, the mob alined with the Senator from Louisiana and the mob alined against him. The committee had given orders that, in order to give everybody a fair chance to get into the room, the doors be closed and nobody admitted until 10 o'clock.

When the Senator from Texas and a number of newspapermen and Mrs. Hammond herself—the Mrs. Hammond who is so active in this matter—arrived at the hall the street was completely blocked from sidewalk to sidewalk and it was a physical impossibility to get to the door of the hall. Outside the building there was an iron stairway—not a fire escape, at all, but a broad iron stairway—and we supposed that it was an entrance to the side of the building. Mrs. Hammond, the Senator from Texas, and a number of newspaper correspondents went up that iron stairway. When we got to the landing we found there was no door, but there was a wide, open window, and we stepped through the window into the hearing chamber. That is all there ever was about the incident of the fire escape.

I never would have mentioned it on the floor of the Senate, it is so trivial, so inconsequential, except for the fact that the Senator from Louisiana saw fit to make reference to it here on the floor of the Senate.

Mr. LONG. Mr. President, I hope the Senator understands that I made reference to it to show the kind of unfair and improper publicity that was given to reflect on the Senator from Texas and members of the committee by the press that evidently has determined to do everything possible to bring the committee into a bad light.

Mr. CONNALLY. I shall say to the Senator from Louisiana that that is true; that the press in Louisiana was very unfair and very unjust to the committee in the first days of its hearings. Before the investigation had been concluded the press there was quite generally approving the work the committee was doing.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. LOGAN. In other words, if I understand the Senator from Texas, as soon as I left the press became friendly. [Laughter.]

Mr. CONNALLY. Oh, no; and the Senator from Texas did not mean to imply any such thing as that. The Senator from Texas said after the first few days the press was quite generally approving the work of the committee. It was not the fault of the Senator from Kentucky [Mr. LOGAN], it was not the fault of the Senator from Utah [Mr. THOMAS], it was not the fault of the Senator from Texas, myself; but it seems that some of the local press had gotten the idea, I suppose from this disloyal employee, before the committee began the hearing, that the committee would not act diligently, and got that idea before the committee ever met. I shall say that to the Senator from Kentucky. It was no fault of the Senator from Kentucky and no fault of any member of the committee; but the papers had assumed, some of them, at least, in Louisiana—not all of them, for there are two groups of papers there——

Mr. LOGAN. I hope the Senator understood me, because I must say that so far as I was individually concerned I find no fault with the newspaper publicity and I have no complaint to make about anything the press said about me. Probably I deserved it all.

Mr. CONNALLY. I am not complaining about what the papers did, but that does not change the fact. The fact is that two of the papers in New Orleans that were alined on one side and the one paper alined on the other side——

Mr. LONG. Oh, no; we have none.

Mr. CONNALLY. I was informed that one of them was with the Long organization.

Mr. LONG. No; we have none.

Mr. CONNALLY. Be that as it may, I do not retract what I said, that while we public men have to take the punishment of unfair publicity—and I am not complaining—yet I do say that the Louisiana papers, when the committee first met, seemed only to want some sensational, scandalous stuff to put upon the front pages.

Mr. LONG. I dislike to interrupt the Senator——

The PRESIDING OFFICER. The Chair must request Senators to address the Chair and obtain permission to interrupt the Senator who has the floor. This is done in order that the Chair may enforce the rule of the Senate in that regard.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield for a question only.

Mr. LONG. I just want to ask the Senator if he does not know that there was not any difference in the kind of publicity he had there then and what there was after he left and before he came?

Mr. CONNALLY. I do not care to pursue that any further.

Mr. LONG. They had an editorial after the Senator left in which they were not any more complimentary about him than they were when he first came there.

Mr. CONNALLY. I have not been reading the New Orleans papers. I am not concerned especially with what they think of me or what they do not think of me. All the junior Senator from Texas is concerned with is whether or not, when he went to New Orleans as chairman of the committee or as a member of the committee, he did his duty to the Senate and brought back the facts and laid them before the Senate. My political fortunes and my personal welfare are not involved in what the papers of Louisiana say about me or do not say about me. The junior Senator from Texas was not influenced nor was any member of the committee influenced in his course in Louisiana by what the papers said or what the papers did not say.

The Senate knows the very difficult situation that confronted the committee in Louisiana. We were hampered by howling mobs, reminding one somewhat of trials in some of the courts in foreign countries, where the spectators raise a big hullabaloo when the testimony is suited to their side of the case, and on the other hand raise cries of protest when the other side gives its evidence. We went through that experience and tolerated it for nearly 3 weeks, undertaking to get the facts to bring back and lay them before the Senate.

I want to refer to a few other matters and then I wish to conclude. The Senator from Louisiana is not accurate in saying that the dummy-candidate system is in vogue in my State of Texas. I do not know what the practice is in other States. In Texas the dummy-candidate system is not in operation, because the election officers in my State in the primaries are selected by the county chairman and the county committee and not by the candidates themselves.

The Senator from Louisiana also takes the committee to task because we refer to the dummy-candidate system. The committee was not concerned with who established the dummy-candidate system. We were not concerned with the administration that enacted the dummy candidate law. We do not know anything about who did it. The committee had only to report the facts as they existed, and the fact is that that seems to be the system in Louisiana. I shall say to the Senator from Louisiana that the committee said that the dummy-candidate system seemed to be approved by the laws of the State.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield.

Mr. LONG. Will the Senator do me one kind little act and say that my faction went into court three times to stop it and could not do it?

Mr. CONNALLY. The committee did not go into that matter, but I understand that is the contention of the Senator from Louisiana and his group. I am not concerned with that. It does not make any difference how many times anybody went into court, or whether it was the Overton group or the Broussard group. I understand both groups have used dummy candidates in the past, but, irrespective of whether all of them used dummy candidates or not, the system is a damnable one and the committee denounced it as being the mother of fraud in elections. Practically every faction in Louisiana says that they are against the dummy-candidate system, but they do not do anything about getting rid of it.

Mr. LONG. Mr. President, the Senator does not mean to say we have not done anything about it, I hope, because I hand him the volume——

Mr. CONNALLY. I am speaking about changing the law through enactment by the legislature. I am not speaking about court action. I am speaking about a repeal of the statute by the legislature, the statute which permits that sort of thing. The Supreme Court, as I understand it, has refused to intervene because it says that the question is a political question and not a legal question, and therefore it is not for the Court to take jurisdiction. I am not raising any question about that, but I think the committee is entitled to have my statement in justification for the condemnation which the committee made of the practice.

Mr. President, the committee reported and condemned the method of assessing State employees on their salaries. The testimony is before the Senate and the findings of the committee are here. If any Senator will read the testimony and read the report, I believe he will agree that the report of the committee is a fair reflection of the evidence.

Mr. President, in justice to the committee let me also say that the Hunter incident, to which the Senator from Louisiana referred, had to do with a $75,000 contribution. I want to be fair to the Senator from Louisiana, of course. That was not involved in the Overton campaign. That $75,000 was contributed to the campaign of a man by the name of Le Blanc, who ran for Governor in the preceding January against Governor Allen, who was nominated. Mr. Hunter appeared before the committee and gave some testimony about general conditions in Louisiana, and on cross-examination, I believe, by counsel for Senator OVERTON, he testified that he had contributed $75,000 to the campaign fund of Le Blanc, the anti-Long candidate for Governor in the January preceding. I wanted to make that point clear.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield.

Mr. LONG. I would like to ask the Senator, since he is very fair in the inferences he has drawn—I mean to say he has not traveled afield in them—if it is not his opinion, in view of the fact that one of the witnesses gave $75,000, he would not conclude that in the State probably more than $1,000,000 was raised in the campaign?

Mr. CONNALLY. That is a question the Senator from Texas would not undertake to answer. He has no information on that except the testimony of the one witness. That testimony was developed on cross-examination. The committee was not investigating the election of Governor Allen or the contributions to Mr. Le Blanc. We were there trying to investigate campaign expenditures in the Broussard-Overton case. We opened the door pretty widely because we wanted everybody to have an opportunity to be heard. We did not restrict the evidence to the technical rules of evidence. We allowed a lot of hearsay and, of course, because of that laxity of the application of the rules of evidence much testimony came in relating to collateral matters, and that was how this particular testimony regarding the contribution to the Le Blanc campaign came into the hearing. We did not pursue it. We had all we could do to keep our investigation within the bounds of the Overton case. Our funds were about exhausted. We did not investigate the Governor's election, because the Senate had not told us to investigate that election. We were not concerned with the election of governor except insofar as it related to the primary involving Overton and Broussard.

The Senator from Louisiana made some reference to the impeachment trial. The committee did exclude testimony relating to the impeachment proceedings of the senior Senator from Louisiana when he was Governor. Those matters transpired several years prior to the Broussard-Overton contest. It was at a time when the senior Senator from Louisiana was Governor of the State. It had no bearing on and no relation whatever to the primary between the junior Senator from Louisiana [Mr. OVERTON] and former Senator Broussard. So the committee properly, as I regard it, excluded testimony as to what may have happened at Baton Rouge at the capitol in the impeachment proceedings relating to Governor LONG.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the junior Senator from Louisiana?

Mr. CONNALLY. I yield.

Mr. OVERTON. When the Senator from Texas makes the statement that the testimony in reference to the impeachment of Governor LONG and the testimony in reference to the campaign contributions in the gubernatorial campaign was excluded by the committee, I assume he is referring to the time when he was chairman of the committee of the last hearing, and that he will admit that in the prior hearing conducted by the committee in the spring of 1933, the impeachment of Senator LONG, the different campaigns involving Senator LONG, and the contributions which had been made to this and that campaign were thoroughly gone into.

Further, he will also admit that while he was chairman of the committee in the last hearing the matter of contributions to the Allen campaign was investigated at the instigation of himself as chairman of the committee in the examination of witnesses, and that also he went into the matter of contributions made to the Presidential campaign.

Mr. CONNALLY. Mr. President, the Senator from Texas will say, in reply to the junior Senator from Louisiana, that the Senator from Texas was not present at the hearing held in New Orleans in February of 1933 when the late Senator Howell was conducting those hearings. The Senator from Texas, however, has read all of those hearings—something over a thousand pages of printed matter—and the Senator will say that, of course, that investigation did take a very wide range. It went back to many, many years prior to the Overton-Broussard contest; but the Senator from Texas, in stating what he did a moment ago, meant to refer to the investigation which the committee recently held in New Orleans; and we did exclude, as I regard properly, evidence as to transactions several years before the election contest between Overton and Broussard. It had no relation to it.

The Senator from Louisiana asked the Senator from Texas if it is not true that the committee recently in New Orleans did investigate campaign contributions made to Governor Allen's campaign fund. The committee did, but it did only thus far:

The Senator from Texas a moment ago said that the only investigation we made of the Governor's campaign in January preceding was as it related to the primary for Senator in the September following, and that is true. I shall tell you why.

We were investigating campaign contributions to the Overton-Broussard contest. It developed in that investigation that State employees had been assessed for campaign purposes. They came upon the stand; but when most of them testified, they testified that while they had given 10 percent of their salaries in September 1932 for a political campaign fund, that contribution was really to make up a deficit in the

Allen campaign of the January preceding, and for a contribution to the national Democratic deficit, and that none of that money went to the Overton campaign fund. That is how far we investigated the campaign funds in the Governor's race.

The Senator from Texas said here a few days ago that while the committee's report did not go that far, the Senator from Texas believed that some of the money which was raised by the assessment of State employees did go to the Overton campaign fund. The reason the Senator from Texas made that statement was this:

The assessments were made in September 1932. The primary was held in September 1932. The heads of departments admitted, some of them, that they had assessed their employees and collected the money. When, however, they reported under oath as to their contributions, they reported that they personally had given $1,000, $1,500, or $2,000. The Governor, I believe, reported $2,900. While there was no direct evidence on that point, the Senator from Texas in his own mind reached the conclusion that these State officers had, in fact, raised the money which they were supposed to have personally contributed by assessment of employees under their jurisdiction.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I yield.

Mr. LONG. I think the Senator would be interested in knowing that the income-tax returns of these gentlemen will show that they have contributed probably 15 to 20 times that amount in politics in that State in movements of social uplift, which can easily be determined. Mr. Maestri, who is one of the men the Senator has mentioned, probably has given $100,000 to keep the schools open in that State, and probably half that much in welfare work.

The Senator has stated that the State officers assessed their employees. I desire to ask the Senator if they did not testify that it was strictly voluntary whether these employees did or did not want to give, and that not one of them would have been discharged, and that many of them did not give and were not discharged. Some gave to one, and some gave to another.

Mr. CONNALLY. Mr. President, it is true that the State officers did testify that the contributions were voluntary, and that they did not threaten employees with being discharged if they failed to contribute. On the other hand, there was some direct evidence and a great deal of other evidence that I felt warranted inferences that the employees were not acting entirely because of their voluntary urge to make a contribution.

There was only one witness, I believe, who testified positively that he had been discharged because he had not made a contribution; but men who have tried lawsuits, men who have sat in front of witnesses and watched their testimony, can arrive at beliefs without necessarily having affidavits or testimony in black and white.

The Senator from Texas wants to be fair. He said the other day, and he says now, that that is merely the belief of the Senator from Texas. I do not claim that it was established by plain, unequivocal, eyeball testimony; but the Senator from Texas concluded in his own mind that that was the source of at least several of these contributions.

I know little about Mr. Maestri or any of these other State officers. I do not care whether they go to Sunday school and pray aloud every Sunday or whether they spend their Sundays on the golf course. I am simply speaking of the facts and the record as disclosed by this investigation. They may have given every dollar of these contributions out of their own pockets, but they did assess their employees. They did get money from their employees. There is no law in Louisiana requiring them to file campaign-expenditure accounts. There is no law requiring them to report to anybody, so the committee does not know what they did with the money they got from their employees. The committee does not know, except to the extent that it was testified, that part of that money went to the Allen deficit; part of it went to the national-campaign deficit of the Democratic Party; and to what other purpose the rest went we do not pretend to say.

Mr. LONG. Mr. President——

Mr. CONNALLY. I hope the Senator will be brief, because I want to conclude.

Mr. LONG. I desire to ask the Senator a question. He has gotten away from his own statement here.

The Senator testified that there was no "eyeball" testimony—I am using his words—that there was any compulsion in any contribution ever received from State employees except from one witness. I intended to ask the Senator about that witness.

Mr. CONNALLY. The Senator has already discussed that witness. I do not want to discuss it.

Mr. LONG. Will the Senator tell me who the witness was who stated that?

Mr. CONNALLY. I do not remember his name. It is in the record.

Mr. LONG. I do not remember him.

Mr. CONNALLY. Was it Webb?

Mr. LONG. Wells. Was he not discredited by the public records as a perjurer?

Mr. CONNALLY. I did not say anything about his credibility, or anything of the kind. I merely referred to the fact that one witness did testify to that effect.

Mr. LONG. I desire to ask the Senator if that man was not proved by the written record to be a perjurer.

Mr. CONNALLY. Mr. President, I do not want to get into any argument with the Senator from Louisiana about the matter. The record is here. The testimony is in the record. Senators can read it. I shall say that a great deal of the testimony in this record was of a highly unsatisfactory character. Many of the witnesses did not impress the committee with their sincerity or their character.

Mr. President, I simply make these statements, I hope acting for the committee, in order that the Senate may know what the committee had in mind and what it tried to do. We have already made our report, and at the time of its presentation the Senator from Texas undertook to discuss it in some detail. I do not care at this time to consume the time of the Senate in reiteration of what was then said. I hope every Senator will read the report and will familiarize himself with what the committee really did. The committee went to New Orleans and performed a very unpleasant duty. We were harassed and hampered, but we undertook to obey the instructions of the Senate. We undertook, without any fear or favor and without any preference or any partiality to either faction or either group, to get the truth insofar as it was possible to get it, and bring it back here and lay it before the Senate. We have undertaken to do that. I believe we have done that. The record is here before the committee, and it speaks for itself.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. LONG. I only want to take a couple of minutes.

I want to thank the Senator from Texas. I indeed thank him sincerely, because the Senator clears up a matter or two that we appreciate very much.

I want to say, Mr. President, that these men who have given to Mr. OVERTON are my friends—Mr. Maestri, Mr. Shushan, Mr. Weiss, Mr. Allen, Mr. Atkins, Mr. Noe, and several others.

I want to say that none of the names I have mentioned—and our returns will show it—have contributed, in the years we have been in politics in Louisiana, less than, I should say, fifty to one hundred thousand dollars apiece over and above every dime we ever drew out of the State treasury for the political and social legislation of Louisiana. It will not be disputed that not a single one of them gave less than that. Some have given as much as $200,000; and I do not think there will be a claim from the record that one of these gentlemen has given less in the years we have been fighting

for the education and advancement of that State and for social uplift.

Only one word more:

The Senator from Texas [Mr. CONNALLY] was once a district attorney. I had a little jack-leg district-attorney practice myself once, Mr. President, and I was glad I did not prosecute very long, because I had got to believing honestly that every man on earth was guilty when he came up. I had a brother who was a district attorney, and I never could convince him that there was a possibility of a man being innocent of anything. He never could be made to see it.

There was a man named Wells who maybe did testify that he was fired because he did not give anything. He was the only man who did so, after any number of men had testified that they had not ever given anything and had never been threatened with being fired. We took up the case of that man Wells, and I do not think the Senator from Texas will dispute at all that we proved him by the written records to be the most complete perjurer that ever was proved on earth. He could not be believed on oath.

The great trouble with my friend from Texas was that when Wells testified, and once it hit his mind, he was very much like the railroad lawyer who was defending a cow-case suit; he honestly believed that the cow had tried to hook the engine off the track, and no amount of evidence was going to convince him to the contrary.

Mr. ROBINSON of Arkansas. Mr. President, it is my understanding that the Senator from Wisconsin [Mr. LA FOLLETTE] will address the Senate on the subject of the St. Lawrence-Great Lakes Waterway Treaty, and I intend at this time to claim the attention of the Senate for only a few minutes.

It seemed to me, Mr. President, respecting the subject that has just been discussed, that the select committee of the Senate has had a very difficult duty to perform; that it has encountered numerous impediments and embarrassments; and that the committee has discharged its duty with fidelity and ability.

I now desire, Mr. President, for a few moments to discuss another subject.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER (Mr. HEBERT in the chair). Does the Senator from Arkansas yield to the Senator from Mississippi?

Mr. ROBINSON of Arkansas. I yield.

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Reed
Ashurst	Couzens	Johnson	Reynolds
Austin	Cutting	Keyes	Robinson, Ark.
Bachman	Davis	King	Robinson, Ind.
Bailey	Dickinson	La Follette	Russell
Bankhead	Dieterich	Lewis	Schall
Barbour	Dill	Logan	Sheppard
Barkley	Duffy	Lonergan	Shipstead
Black	Erickson	Long	Steiwer
Bone	Fess	McAdoo	Stephens
Borah	Fletcher	McCarran	Thomas, Utah
Brown	Frazier	McGill	Thompson
Bulkley	George	McKellar	Townsend
Bulow	Gibson	McNary	Trammell
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	O'Mahoney	Wagner
Carey	Hastings	Overton	Walcott
Connally	Hatch	Patterson	Wheeler
Coolidge	Hatfield	Pittman	White
Copeland	Hayden	Pope	

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate: The Senator from Oklahoma [Mr. THOMAS] by reason of illness, and the Senator from South Carolina [Mr. SMITH] because of immediate necessity.

I also desire to announce that the following Senators are necessarily detained from the Senate: The Senator from Massachusetts [Mr. WALSH] and the Senator from Missouri [Mr. CLARK].

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

SPEECH OF OGDEN L. MILLS TO KANSAS REPUBLICANS

Mr. ROBINSON of Arkansas. Mr. President, yesterday was observed in Kansas as the seventy-third anniversary of statehood for the State of Kansas. On the occasion of the celebration the former Secretary of the Treasury, Ogden L. Mills, delivered a political address that has been widely published and commented upon throughout the country.

The address of Mr. Mills to Kansas Republicans is notable in that it indicates his candidacy for the Presidential nomination on the Republican ticket and the platform upon which he expects to run.

Mr. Mills bewails what he calls "the death of liberty" under the Roosevelt administration, denounces the President's monetary policy, and, to the astonishment of the political world, repudiates the tariff policy of the Hoover administration, of which he was the chief adviser, and advocates tariff reform.

With respect to liberty, all social progress—one might add all political control—implies a measure of sacrifice on the part of the public for the common good. So long as happiness and comfort among the people are promoted, there can be little likelihood of the destruction of liberty in the sense which Americans have been taught to adore it and have come to understand it.

There are, indeed, some who believe that antihoarding statutes violate the rights of the citizen guaranteed by the Constitution. Public opinion strongly supports the effort to compel the miser to open his chest and bring his hoardings into use. My reply to the assertion by Mr. Mills that liberty has been slain during the present administration is that, insofar as the masses of our population are concerned, there is far more liberty now than was enjoyed by our citizens generally during the time when he stood close to the seat of power and whispered to the head of the Government the devious course to be taken to strengthen and to build up privilege and monopoly at the sacrifice of the common citizen's liberty and welfare.

The new monetary policy contemplating the reduction of the gold-dollar content and the stabilization of exchange has been the subject of discussion in this Chamber throughout last week—a discussion which culminated in the passage of the monetary bill by a vote of 3 to 1.

Mr. Mills was the head of the Treasury and the chief financial adviser of President Hoover, whose administration will go down in history as a miserable failure primarily because those relied upon to guide the President either lacked the wisdom or the courage to suggest or do anything to stay or check the forces of business depression, financial bankruptcy, and ruin. Admittedly no single measure can be expected to prove itself a cure-all in such a time as this. While Mr. Mills and his associates, who lately were running the Government, permitted a complete loss of confidence to occur and were entirely helpless to bring about recovery, the Roosevelt administration has accomplished such a reversal as in the general opinion means the gradual return of prosperity. While condemning the measures through which business revival is being brought about, Mr. Mills makes only one constructive proposal—and only one, as I comprehend his address—a proposal which implies repudiation on his part of the principles for which he has stood throughout a long political career.

Let me not be misunderstood. When one discovers his error, it is mainly to correct it; when one recognizes that he has been in the wrong, he deserves credit for admitting it.

His one remedy is modification of international policies and of tariff policies so as to provide a mutual exchange of commodities manifestly necessary to the continued and healthful growth of our export trade.

I read a brief extract from the New York Times of January 30, 1934, as follows:

> We will have, said Mr. Mills, to abandon the present policy of isolation and intense nationalism and to some extent modify recent tariff practices.

From the New York American of the same date and from the Washington Post of this date I quote what purports to be the language of Mr. Mills on this new tariff policy for the Republican Party:

Modification of tariff policy is necessary if this is to be accomplished, Mr. Mills said, adding, "This may sound strange coming from an orthodox Republican, but I never understood any sound system of protection, based on the difference in the cost of production at home and abroad to mean the erection of impassable barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer to save the inefficient manufacturer."

Mr. President, that is indeed a strange doctrine to his party associates upon which Mr. Mills has announced impliedly his candidacy for the Republican Presidential nomination. It is a matter of record and of history that during the administration in which he served as chief economic and political adviser a tariff policy was adopted and maintained which prohibited substantially the import of foreign goods into the United States, on the theory that such policy was consistent with sound protective doctrine, and now he has announced that he stands on the platform of reciprocal trade arrangements approved by former President McKinley and more recently advocated by the present great President of the United States.

Our President does not regard change in tariff policy as the sole measure necessary for the correction of the evils from which our people are suffering, but he does regard it as an essential and consistent part of the program that has been carried forward for some months intended to promote national recovery. It is surprising to find that Mr. Mills places himself in the attitude of denouncing and criticising the domestic policies advanced by President Roosevelt to promote national recovery and relies upon one, and only one, of the international policies which have been advanced by this administration.

In proposing a modification of tariff policy in order to permit mutual exchange of commodities between this and foreign countries and to assure the growth of our export trade, Mr. Mills is standing in the shadow—and is almost invisible in the shadow—of our great leader, whom he refuses to recognize, but who long ago announced his belief in the necessity for reciprocal trade arrangements to restore the commerce which Mr. Mills helped to destroy through a tariff policy of which he apparently has grown ashamed.

Mr. REED. Mr. President, in fairness to Mr. Mills, it seems to me that the speech which has just been discussed should appear in the RECORD and I ask unanimous consent that the speech, as printed in full in this morning's New York Herald Tribune, may be thus printed in the RECORD.

Mr. ROBINSON of Arkansas. I have no objection to the request, Mr. President. I think the more publicity which is given to the speech, the less effect the speech will have. [Laughter.]

There being no objection, the speech of Mr. Mills was order to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Tuesday, Jan. 30, 1934]

FULL TEXT OF OGDON L. MILLS' ADDRESS AT DINNER OF KANSAS DAY CLUB AT TOPEKA—RISING PRICES, FALLING OUTPUT HELD OBSTACLES TO RECOVERY—FORMER TREASURY HEAD DEPLORES POLICY OF "SPENDING WAY OUT OF DEPRESSION", BUT NATION HAVING EMBARKED UPON IT, HE HOPES FOR ITS SUCCESS

TOPEKA, January 29.—The complete text of Ogden L. Mills' address on "Where Do We Go From Here?" as delivered before the Kansas Day Club here tonight follows:

My fellow Republicans, these are stirring times. Great issues are gradually taking shape which will divide men as deeply and as uncompromisingly as any of the great issues of the past. In their decision the Republican Party has an immense responsibility, for surely the party which during wellnigh three quarters of a century, for all but 17 years, has governed this Nation has the vigor and constructive ability to develop a program based on time-tested principles to meet the new conditions of the day.

OPEN DISCUSSION AND POPULAR GOVERNMENT

As the minority and opposition party, not now responsible for the conduct of the Government, our immediate function is to see that all important policies are subjected to such scrutiny, discussion, and consideration as will permit the people to form a just appreciation of their wisdom and desirability. Open discussion and honest criticism are essential to the functioning of democratic institutions. In our country up to the present time this commonplace saying has been taken for granted. Lately, however, it has assumed a new and all-important meaning. First, because, as we shall shortly see, free discussion and an informed public opinion are incompatible with the planned and managed national life which seems to be the ultimate objective of the present administration, and secondly, because it is apparent that even now there is a willingness to adopt the most sweeping measures without that consideration which would permit the forming and expression of public opinion and an obvious impatience with any criticism. We are witnessing revolutionary changes in our governmental and economic structures without popular mandate. We are being presented with a series of accomplished acts, the consequences of which in the future life of the Nation are incalculable, and in the name of national solidarity in time of stress the voice of the people is afforded no opportunity to become audible.

Under these circumstances silence is not a virtue, and, while mere partisan obstruction would be intolerable, it is the duty of the minority to insist that important measures shall not be adopted until they have been subjected to the tests of critical analysis and open discussion, unhampered by intimidation of any kind, to the end that public opinion may be informed and the people themselves afforded the opportunity to reach a sound judgment.

SUSPENSION OF CONSTITUTION

Popular government means faithful performance of the public will. The public will finds temporary expression in legislative and executive acts intended to deal with immediate problems, but the permanent will of the American people is embodied in the Constitution. They, and they alone, can change it. Until amended—and we have recently seen how promptly it can be amended in response to popular demand—any infraction or suspension of the fundamental law is a challenge to popular sovereignty. In all of its long history, no provision has ever been made for the suspension of the Constitution in time of emergency. This must unquestionably be due to the recognition that one of its most precious values is that it stands as a safeguard of our rights and liberties in times of stress.

If, then, the Congress and the President, by a mere declaration of an emergency, can, in effect, suspend the limitations of the fundamental law, it must be apparent that constitutional government, as understood throughout our history, ceases to exist and that the Federal Government may be transformed overnight from a government of limited powers to one of unlimited authority over the life of every individual citizen.

GOVERNMENT BY MEN WITHOUT LIMITATIONS OF LAW

Not only have we witnessed what I believe is an unconstitutional attempt to extend the powers of the Federal Government beyond the limits contemplated by the basic law but the exercise of the enormously expanded authority has been vested in the hands of a single individual. So that the citizen is deprived not only of the protection of the fundamental law but is subjected to arbitrary Executive action freed from the restrictions of legislative control. The abdication by the Congress and the delegation of powers to the Executive are in effect creating a government of men without any practical limitations of law.

The effect of the monetary legislation of last spring, authorizing the President to issue $3,000,000,000 of greenbacks, to debase the gold content of the dollar, to fix the weight of the silver dollar, and to provide for the free and unlimited coinage of silver, gave one man the right to alter as he sees fit the national monetary unit of value and so directly to affect the economic situation of every family and individual in the land, altering the purchasing power of salaries and wages, the value of the products of farm, factory, and mine, and of the investments, savings, and insurance policies of all. We have to turn back many centuries to the days of absolute autocrats to find so great a power over the lives of millions of men lodged in the hands of a single fallible human being.

It is daily becoming more apparent that through the system of codes the Federal Executive is attempting to establish detailed bureaucratic control over all business and industry, large and small, and over the economic activities of the individual citizen. It is true that in the first instance all American industries are invited to form their own codes; but they have no value unless approved by the President, and when approved they apply with the force of law even to those who have refused to sign. Moreover, the President may change the code at any time after it has been adopted, any violation of a code by any individual is made a crime, and the right of the President to refuse a license vests in him the power to destroy, even without resort to the vicious policy of boycotting the business of any man who refuses to comply with the arbitrary rules laid down by the Central Government.

INDIVIDUAL LIBERTY AND PLANNED ECONOMY

When you sweep aside the glittering tinsel, the fact is that the Federal Government is today in effect telling the mechanic in California how many hours he may work and what he may earn, the producer in Texas at what price he may sell his product, the manufacturer in New England what additions and improvements he may make to his factory, and the storekeeper in Kansas on what basis he may conduct his business. If the planners have their way, how long will it be before each farmer has to take out a license before cultivating his own farm and be compelled to operate under the regulation and supervision of Federal inspectors? These actions definitely violate the letter and spirit of the Constitution. They abolish the sovereignties of the States. They make of a government of limited powers one of unlimited author-

ity over the lives of us all. They destroy America's greatest contribution to the cause of human freedom—the guaranty of individual rights against the arbitrary power of the Government.

This Government was founded on the principle that the individual has the inalienable right to life, liberty, and the pursuit of happiness. "Inalienable" means that these cannot be taken from him by the power of Government. Liberty, as we have understood it in this country, has been the liberty of the individual to pursue the common callings of mankind, whether in farm, factory, mine, or mercantile establishment, as he saw fit, so long as he didn't transgress the rights of others; and the police power vested in the State has been, and is, adequate to prevent transgression.

But if the Federal Government, acting through a centralized bureaucracy, may reach out to the farthest corners of this immense land and regulate the daily life and occupations of the individual, liberty as we have understood it is dead and a Nation of freemen will have become an aggregation of regimented subjects.

The whole conception of a planned and directed national economy is destructive of the most fundamental principles upon which the American system rests. It cannot be carried out unless the central Government be vested with complete and arbitrary authority over the actions of individuals and the right to regiment them.

Mr. Walter Lippmann, one of the administration's ablest supporters but not an advocate of a planned economy, in a most illuminating article has pictured the conditions essential to successful planning. He says: "Nobody honestly believes that planning can be carried out consistently among freemen—that is to say, among men who have their own plans for their own lives—or that planning, in the full sense of the term, is possible where discussion is free; or that a social order can be managed if those who compose it are not regimented. In a planned society no liberty is tolerable which would delay or hinder the Executive. To manage a whole social order according to a central plan, human behavior must be predictable. The planner must know what men will produce and what they will consume; the only way to make sure of knowing this is to regiment men as producers and to ration them as consumers. For you can confidently predict how men will behave only when you have power to order their behavior. Thus a completely planned economy calls for an authoritarian state."

There is the unvarnished truth. In this Utopia to which the President is leading us, neither free discussion nor liberty will be tolerable; men will no longer be free in the sense that they may plan their own lives, but are to be regimented, directed, and ruled by an all-powerful state.

Our ancestors gave their lives to make the individual the master of his own destiny and the state the servant rather than the master of the people. The unexampled growth, progress, and well-being of our people over a period of 150 years, and the wealth, resources, organization, standard of living, and civilization of this, today, the most powerful nation on earth, testify to the soundness of their principles and to the wisdom and foresight with which they built.

Are we to destroy this inheritance and to tear up the charter of our liberties in the vain hope that a small group of men, selected through political processes, may direct with greater sureness and foresight the life of the Nation than the people themselves? Where is the creative impulse, which originates only in the individual, to come from? Granted the highest wisdom in the selection of these directors, where are they to find the necessary wisdom, knowledge, experience, and vision? The truth is that there exists in the world today no man or group of men who can visualize, much less direct, the countless small streams that unite to form the mighty river of American economic life.

The emergency measures are accomplished facts. Whether we approve or not, there is little that can be done. But if the effort is made, as it will be, to make a regimented economy a permanent feature of our national life, our party should resist to the utmost. We are not ready to admit that, with the spread of knowledge, the rapid dissemination of information and the character and intellectual vigor of our people, they are unable to govern themselves so as to cope successfully with the new conditions of the day, but must submit to the role of the governed.

THE N.R.A.

I would not have you infer that I am opposed to the National Recovery Act and all its works. I am not. I am only opposed to its extension far beyond what I believe its original conception was, or, at least, ought to have been. The idea that where industries are genuinely national in scope they might, through trade associations, adopt, subject to the approval by the Federal Government, regulations for their own guidance, intended to eliminate unfair and unsound practices and to promote progress and sound development, has much to commend it. But this is something very different from the wholesale attempt to reorganize business and industry of the country by substituting detailed bureaucratic control in the place of regulated individual control. It is perfectly possible to preserve a free economic system based on the maintenance of competition, and at the same time provide that business and industry may check abuses and promote progress through the formulation of policies for their own guidance, subject to Government regulation based upon law. Surely, some way can be found of harmonizing the self-expression and liberty of the individual with the welfare of all.

RECOVERY THROUGH SPENDING

Turning now to the economic phases of the administration's program, two clean-cut conceptions stand out: That the increase of consumer purchasing power through an enormous distribution of funds and an increase in prices brought about by monetary manipulations are the keystones to recovery. By spreading work and increasing the hourly rate of compensation the N.R.A. contemplates putting more money into the hands of a great number of individual consumers, while through the Agricultural Adjustment Act, Public Works Administration, and the Civil Works Administration the Federal Government will distribute monthly well over $1,000,000,000. In the meantime monetary manipulation is relied on to force prices up.

These immense sums cannot be derived from national income. They must, therefore, be borrowed by making free use of the national credit. This means that as a nation, for the time being, we are no longer self-supporting. Just like the individual living on borrowed money, we are mortgaging our future. It is an uneconomic process, but, while it continues, it produces an appearance of business prosperity, stimulating as it does an increased demand for goods; and, with basic forces the world over working toward recovery, it may help lead to a resumption of normal economic activities.

It is, however, perfectly clear that the process cannot be continued indefinitely. There is a limit to the national credit, and we cannot, short of inviting disaster, borrow up to the very point of exhaustion. At some stage or stages, therefore, a transition must be effected, and the Nation once more become self-supporting. We must get back to the position where we can say with President Cleveland that "it is not the business of the Government to support the people; it is the business of the people to support the Government."

Again, it is idle to debate the wisdom or lack of wisdom of this attempt to spend our way out of the depression. We are definitely committed to this course, and we must now devote our best thoughts and efforts to make the venture successful.

The problem resolves itself into a race between business recovery and the exhaustion of the national credit. It follows that all unnecessary drains on the Federal Treasury should be avoided, and that all avoidable obstacles to recovery should be eliminated.

There is one aspect of the situation that cannot fail to make us thoughtful. Let me quote the statement of a highly intelligent observer that has recently come to my attention:

"For the first time in history a great nation has volunteered to assume the economic burdens of all its citizens.

"It says to its people that if you have become tired in this long depression and find your load too heavy, bring it to us and we will take care of it and of you. If you are a home owner and cannot meet your mortgage payments, we will take over the debt on easy terms. If you are a farmer in danger of losing your place, we will assume the mortgage. If your crops have been selling at too low a price, we will pay you to raise smaller crops. If you are a business man and weary with trying to meet competition, we will regulate that competition so it will not burden you. If you are a railroad, we will lend you money to meet your bond maturities. If you are a bank, we will supply you with capital. If you are an individual out of work, we will give you a job. If you are heavily in debt, we will alter your money so as to make that debt easy to pay.

"No such offers as these have ever before been made by a responsible government. Many times in past history similarly sweeping assurances have been put forward by religious leaders seeking converts, but their promises have concerned the future life instead of this one. These present offers are immediate and tangible, and they are substantial in convincingly real dollars. The administration is not only presenting offers and giving assurances, it is making good on its promises. While it continues to do so, it will receive the support of the millions who are the direct beneficiaries of its philanthropy. Public faith is being bought with public works."

If that is a reasonably accurate picture—and it seems to me that it is—are we not in danger of creating a whole series of vested interests that cannot be subsidized indefinitely from the public purse and yet may politically become so powerful as to make it difficult for public officers to resist their demands? Here, again, the time element is all-important, for the longer the citizen looks to the Government for help, the more reluctant he becomes to resume once more the habit of self-reliance.

The dangers are there and are unavoidable. They can, however, be minimized by scrutinizing every expenditure, by limiting them to what is strictly necessary to carrying out the program, by emphasizing at all times its emergency character, and by coordinating all efforts and sparing none to reach the real objective—the resumption of normal economic activity within the limit of time available.

The minority has here a real duty to perform. It must steadfastly resist any tendency to weakness on the part of the Government. It must oppose public squandering. It must constantly remind the administration and the public of the true objective. It must relentlessly press the administration to remove existing obstacles to recovery.

RISING PRICES AND FALLING PRODUCTION

The administration's apparent faith in the value of a rise in prices per se, even if brought about by artificial means, such as monetary manipulation, may well constitute one of these obstacles. While a rise in prices may in some cases help debtors, and a rise in prices of agricultural commodities is essential in the interest of a better-balanced price structure, a general rise in prices which tends to restrict industrial production is clearly undesirable and opposed to the goal sought to be attained by other means.

From this standpoint, certain features of the N.R.A. are definite obstacles to recovery. Under a normal process of recovery, we would have expected to witness first increased production, distribution, and employment, followed by the reappearance of profits, an expansion of short-term credit, the rebirth of a capital market and of capital expenditures, and a gradual rise in prices, costs, and wages.

The essential features of this process are that increased volume of production and employment are attained before the increase in wages, costs, and prices takes place. Under the N.R.A., wages, costs, and prices rise first, and increased volume of production is expected to follow. Unless the increased production does come, failure is inevitable, and to date the evidence indicates that the National Recovedy Act itself has failed to stimulate greater volume. For instance, one of the conclusions reached by the National Industrial Conference Board as a result of a survey of New England industries conducted in conjunction with the New England Council was that "the consensus of opinion is that increased labor costs have increased sales prices, diminished production, and increased inventory."

Again, there is no reason why the Public Works Administration and the Civil Works Administration, whose primary duty is to take care of the unemployed, should pay wages so high as to give serious competition to private industry, or so stimulate the prices of materials as to discourage private construction. After all, we cannot afford to create a situation where it will be impossible gradually to transfer men from the Government emergency pay roll to normal private pay rolls.

Whether expenditures of the Federal Government, running over a billion a month, so distributed as in the first instance to increase consumer purchasing power, will be sufficient to overcome the handicap of increased costs and prices and uncertainty, and result in an increased production of goods, is all-important. But it is not the whole story.

THE HEAVY INDUSTRIES

These efforts are directed almost exclusively to stimulating the production of consumption goods. Assuming that they are successful, the further question arises as to whether the movement will in time spread to the production of durable goods. This is perhaps the crux of the problem of recovery. The so-called "heavy industries" today and throughout the depression have been the weak spot in our economic system. Until they recover, general recovery appears to be impossible.

How important they are in our national economy has been strongly brought out by Mr. Leonard Ayres in a book recently published. He points out that, whereas in 1929 we produced consumption goods valued at about $30,000,000,000, the value of durable goods produced reached the colossal total of $40,000,000,000; that throughout the depression the production of consumption goods was relatively stable, while the production of durable goods suffered a fearful collapse; and that even today the overwhelming majority of the unemployed in industry is composed of those who earn their livelihood in the production of so-called "durable" goods.

THE CAPITAL MARKET

While, from the standpoint of the Federal Budget the amount to be devoted to public works is large, these expenditures contrasted with the sums normally expended by the Nation in the way of capital improvements of all kinds are not. Here, again, while Government expenditures may in the first instance prime the engine, unless they are followed by a genuine flow of private capital into permanent improvements of all kinds, general recovery may be indefinitely delayed. After 4 years of the most severe restrictions there is every reason to believe that a genuine need exists for all manner of capital expenditures, including replacements, improvements, and new construction. Nor can there be much doubt that, given favorable conditions, an ample supply of long-term credit would be available.

OUR UNCERTAIN DOLLAR

The Government would enormously enhance the prospect of an early recovery if it would remove the uncertainties that at present deter the business man from making long-term commitments and the investor from tying up his funds in long-time obligations. The chief of these are the uncertainty as to the Government's monetary policy, and now the preempting of the money market by the Federal Government.

I am not one of those who believe it was either necessary or desirable to abandon the gold standard. I look with dismay upon the repudiation of its obligations by the Government of the United States. I have no faith in monetary manipulation as a wholesome means of raising prices. But I am enough of a realist to face accomplished facts and not to indulge in futile recriminations. The question is not the rightness or wrongness of past policies, but, given existing circumstances, what is a sound future policy?

Uncertainty as to the ultimate value of the dollar destroys confidence, hinders business decisions, commitments, and activity, inhibits credit expansion, and brings about a condition of stagnation in the capital market, for no investor cares to advance funds in complete ignorance of the value of the unit with which he will be repaid.

Almost anything is better than this uncertainty. This is all the more true in view of a Budget now apparently beyond control and a deficit of such proportions as in itself to constitute a threat to the integrity of our currency.

The President's recent message, while in some respects reassuring, raises new doubts and fears. Those of us who had hoped for a definitive devaluation of the dollar and a stabilization of its exchange value, are again disappointed. We are still confronted with all of the uncertainties of a managed currency. It is only too evident that we have not reached a terminal in this long journey through the mazes of monetary experimentation, but only a way-station. There is still much to come.

In this message, nowhere do we find a definite commitment as to the ultimate value of the dollar. On the contrary, the President speaks of a gold dollar "of such weight and fineness as may be established from time to time."

Moreover, since even when the plan goes into effect, gold is only to be paid out at the discretion of the Secretary of the Treasury, we are in effect to remain on an inconvertible paper basis, though ostensibly on a gold bullion basis.

The Government is to take over all the gold at present held by the central banks, in accordance with, and as the President expresses it, "the inherent right of government to issue currency and to be the sole custodian and owner of the base or reserve of precious metals underlying that currency." He adds: "With this goes the prerogative of government to determine from time to time the extent and nature of the metallic reserve."

In the absence of definite explanation, if this means anything, it means that there is an ultimate intent to have the Treasury issue currency, the free gold obtained to serve as a reserve against such a currency issue. Otherwise, why take over all the gold? Why not just that portion representing profit resulting from devaluation? Assuming that the free gold amounts to some $4,000,000,000, and that the administration might determine that a 25-percent reserve is adequate, $16,000,000,000 of currency could be issued. It is difficult to escape the suspicion that the administration has some such thought in mind as a means of financing the immense deficits that it is incurring. Since the currency so issued would not be in response to the demands of business and commerce, but to meet current Government expenditures, it would mean inflation of the crudest kind, disguised by a thin coating of gilt and silver.

But this is not the whole story. One of the most admirable features of our Federal Reserve System, the establishment of which constitutes one of the great constructive achievements of the Wilson administration, was the provision for an elastic currency, expanding and contracting in accordance with the business and commercial needs of the country, as contrasted with the rigid and inelastic monetary system of the past, and the placing of the control of the volume of money and credit in the hands of central banks operated under Government supervision, but free from political control. The program outlined in the President's message clearly contemplates the impairment of these two central features of a sound monetary system. For an elastic currency he would substitute a redundant and inelastic currency. For the nonpolitical control of the central banks he would substitute the political control of the Treasury.

Such a prospect is hardly reassuring.

AGRICULTURE

Finally we come to the problem of agriculture. Certain salient facts must be recognized to understand the nature of the problem. The difficulties are unquestionably due to an increase in production, a restriction of importing markets, and a gradual accumulation of stocks.

For instance, the world wheat supply (except of Russia) increased from a pre-war average of about 3,000,000,000 bushels to an average of 3,600,000,000 bushels during 1926–30. During the period 1921–25 the average yearly production of the four chief exporting countries increased by 361,000,000 bushels; and even after European production came back to something like normal, these countries increased their production by an additional 220,000,000 bushels during the 1926–30 period. In the United States production increased from a pre-war average of about 690,000,000 bushels to over 880,000,000 during the period 1928–31.

In the meanwhile, first, as a result of a return to more normal conditions, and later, because of nationalistic tendencies, the markets of importing countries were being steadily narrowed by all manner of restrictions. Grains and animal products were particularly hard hit.

If we exclude cotton (exports of which were at the pre-war level), the volume of agricultural exports from this country in 1932–33 were but 64 percent of the pre-war volume. In 1932 we exported only 32,000,000 bushels of wheat, as compared with an average of 110,000,000 during the 1909–13 period and 190,000,000 average during 1921–25.

Wheat imports of France, Germany, and Italy fell from 232,000,000 bushels in 1928–29 to 47,000,000 in 1932–33.

Exports of pork have fallen from an average of 399,000,000 pounds in the period 1910–14 to 111,000,000 in 1932–33, while exports of lard have fallen from an average of 722,000,000 pounds in the years 1926–30 to 560,000,000 in 1932–33.

Our exports of tobacco to Europe have fallen from 347,000,000 pounds in 1924–25 to 224,000,000 in 1930–31.

If these products, including fruit and cotton, of which we produce substantial surpluses over and above our own needs, are dammed up in our own markets, prices fall, farmers are driven to the more intensive production of those products wholly consumed at home, and the price of these in turn is driven below the point of profitable production. Today, with the exception

of cotton, all of our agricultural export products are suffering severely from foreign restrictions.

The facts speak for themselves. It is clear that we must produce less and we must sell more.

I am not inclined, therefore, to be too critical of the administration's program as strictly emergency measures. Conditions may well have justified both bonus payments and the debt-relief program. But, looking to the future, I have no confidence that a premium payment will reduce production, and I am sure that a billion-dollar processing tax will curtail consumption. Even today the Government reports indicate that the reduction in winter-wheat acreage is disappointing. On the other hand, the production of flour for domestic consumption during the 4 months of July to November showed a falling off of over 11 percent.

Nor am I ready to accept the intolerable hardships involved in adjusting agricultural production to the needs of the domestic market. A practically completely self-contained and controlled national economy can doubtless be attained, but only at a frightful social cost and by enforced migrations of millions of people from their homes and an all-around lowering of the standard of living.

I prefer to turn my attention to the possibilities, among others, of recovering lost markets and to the stimulation of increased consumption not only through the restoration of purchasing power at home but through the promotion of a greater prosperity and a higher standard of living the world over.

Granted that the difficulties are enormous and that much time and patience will be required, this is even more true of the self-containment program. We will have to abandon the present policy of isolation and intense nationalism and to some extent modify recent tariff practices. This may sound strange, coming from an orthodox Republican; but I have never understood that a sound system of protection, based on the difference of the cost of production at home and abroad, if intelligently applied, means the erection of impassable tariff barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer to save the inefficient manufacturer.

I am prepared to take my stand with a great Republican President, President McKinley, who, in his last speech, delivered in Buffalo just before his assassination, said: "A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in the fancied security that we can forever sell everything and buy little or nothing."

A POLITICAL CREED

In conclusion, let me summarize this altogether too long speech by stating some articles of a brief political creed:

I believe in a free press, open discussion, and honest criticism as essential elements in the preservation of democratic institutions.

I am opposed to revolutionary change without popular mandate, and to government by men without any practical limitations of law.

I believe in our Federal form of government, with its system of State and local responsibilities, as contrasted with a centralized bureaucracy; and the powers, rights, and duties of the Congress, as opposed to Executive dictatorship.

I am opposed to the attempt to reorganize the business and industry of the country by substituting detailed bureaucratic control in the place of regulated individual control.

I believe in an economic system based on individual freedom, and the maintenance of competition, under legal provision by which business and industry may check abuses and promote progress through the formulation of policies for their own guidance, subject to Government regulation based upon law.

I believe that an unassailable national credit and a sound and stable currency are indispensable foundations of national prosperity.

I believe in the future the hardships of unemployment must be mitigated by the development of a sound system or systems of insurance.

I believe that the present destructive world economic war should be brought to an end by cooperation with other nations, looking to the stabilization of currencies, the establishment of a common medium of exchange, and the promotion of commerce and trade through the reopening of markets that are essential to the welfare of our agricultural industry.

If, in the formulation of national policies, these principles are steadfastly adhered to, I can maintain with undiminished strength my faith in the promise of American life.

PRESIDENT ROOSEVELT'S BIRTHDAY

Mr. ROBINSON of Arkansas. Mr. President, today is an anniversary which is not observed in one State alone but which is being observed throughout the United States. It is the anniversary of the birthday of President Roosevelt. The New York American, under date of January 30, 1934, contains this statement:

The Nation comes today on dancing feet to celebrate the fifty-second birthday of its President.

And it brings kind words for its leader, a hope for posterity, and gifts for crippled children.

There are no boundaries but oceans for the celebration, for each Middlesex village and farm, each cabin in the cotton and the ranch house west of the Pecos will have tributes today for him who lived to bring hope to a forlorn people.

There are also some lines in the same publication which are deemed worthy of repeating here:

Out of the marts, the mines, the mills,
From rolling farms and snowy hills
There comes a cheerful voice that fills
The land from shore to shore;
A nation lays its cares away,
Forgetting skies that once were gray,
To celebrate your natal day
And wish you countless more.

Watching the storm clouds drifting by,
A Nation stands with reverent eye,
Breathing a hope that God on high
Will guide your hand aright;
And as the tempest fades away
A hundred million mortals pray
That they will always bless the day
You first beheld the light.

—*George E. Phair.*

Mr. LEWIS. Mr. President, I should like at this point to tender a pertinent resolution which the able Senator from Arkansas [Mr. ROBINSON] requested me to present at the conclusion of his very commendable address. I therefore submit the resolution which I was requested by the Senator from Arkansas to tender, and which I take great pleasure in participating in tendering. I read:

Senate Resolution 160

Resolved, etc., That the Senate expresses its congratulation to the President of the United States, Franklin D. Roosevelt, upon enjoying his fifty-second birthday and expresses the wish for continuous health and beneficial service to his country in the years to follow. The Senate expresses its admiration and praise of the courage of the citizen, Franklin D. Roosevelt, in fighting and overcoming obstruction and discouragement and by his example enabling the sufferers of misfortune to enjoy hope and refuge.

Mr. President, I tender the resolution which I have just read and ask for its immediate consideration and adoption by the Senate.

The PRESIDING OFFICER. The Senator from Illinois [Mr. LEWIS] asks unanimous consent for the immediate consideration of the resolution submitted by him. Is there objection?

There being no objection, the resolution was considered, and unanimously agreed to.

PRESIDENT ROOSEVELT'S RECOVERY PROGRAM

Mr. ROBINSON of Arkansas. Mr. President, in connection with the remarks made by me a few moments ago, I ask leave to have printed in the RECORD a brief article by Mr. Joseph Tumulty.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KEEP FAITH WITH ROOSEVELT

By Joseph P. Tumulty

In this crisis confronting our country, we have no choice but to support and cooperate with the President. There is no alternative. Either Franklin Roosevelt and his program succeed, or we fail. Success means happiness and prosperity; failure means ruin.

What can we do to help? We can put back of the President's program a force as irresistible as the tides of the ocean, the force of faith and the force of love of country in over a hundred million people. God save me from the gloomy, too logical man, the hapless and hopeless disciples of H. G. Wells and Dean Inge who predict the end of all things by 1960. They are the Doubting Thomases who, sitting at a ball game, believe that every game ends with the defeat of their favorite team in the third inning. They are the Gloomy Hamlets who sit by your bedside and, with direful forebodings, exclaim, "You can't recover." Through the generations, Doubting Thomases have been the stumbling blocks to progress. In the days of George Washington, they watched the retreat at Long Island and, though admiring Washington, declared the battle was an ignoble and futile thing.

By his faith in everlasting things the real American is able to fight the tides of adversity with courage and intrepidity. The hour of test is here. Unlike the demands made upon his courage and fortitude during the critical days of war—he is not asked to carry a gun, to die on a sun-bleached battlefield, or cross a submarine-infested sea. Now he must fight the twin monsters of depression: Hunger and poverty. What real man would refuse to enlist under such a banner in company with Uncle Sam and Franklin Roosevelt?

The critics of the National Recovery Administration say it is an untried thing, an experiment with chaos around the corner. These same critics are the erstwhile exponents of what before the terrible days of 1929 was characterized by them as a new era, with prosperity always in our midst.

It is true that we are now off the beaten path; that in sheer desperation (when there appeared no other way) we have blazed a trail through the wilderness to seek new avenues of opportunity. The first thing we did was to recover our own freedom, to blot out of our Federal Constitution a mere matter of police regulation that ought never to have found lodgment there. We have freed ourselves from the intolerance of minorities and reasserted our right to life, liberty, and the pursuit of happiness by repealing the eighteenth amendment. The handsome byproduct of this action is that we have strengthened the National Treasury and buttressed it against the storms that lie ahead.

We are proceeding to rebuild American business upon a sounder, more ethical basis, substituting the Golden Rule for the rule of gold. We are at last recognizing the right of men, women, and children to a living wage. We begin to feel that human labor is more than a commodity—a thing of flesh and blood. Who has so grand a gift of prophesy that he can say the past was a success and the program for the future is a failure?

In the very old days of 1492 when Columbus was battering at palace doors to persuade Ferdinand and Isabella to place their imprimatur upon his plans, skeptics and critics then, as now, were berating and trying to knock down the things that Columbus stood for, which his genius was later to build to an unmeasured monument. The scientists and the logicians of Columbus' day were against his plan. The earth was flat and Columbus was wrong. He was merely a seeker after a Utopia. Those doubting Thomases hoped to laugh Columbus' new idea to scorn, but Columbus was undeterred. Yet there came a time when Columbus, too, had to give way temporarily. Even the compass which was his guide became no longer the servant of his genius.

In a sketch of Columbus I recently read the following: "Columbus, disconcerted by the immensity of space, of which he had reached the boundary, abandoned the route he had traced on the map and followed the flight of the birds, feeling that the instinct of the birds would not direct them all toward one point if they did not see earth there."

This is what we are doing in America today through the activities of the N.R.A. We have turned away from the old charts and are following the flight of the birds, praying that through instinct and faith in new leadership we will be guided in the right direction.

At this critical hour, we are called upon to save a Nation's life by surrendering something ourselves. The word "surrender" means "to give something; to yield a little to gain much." To whom do we build our monuments? To the rich man who, living on a lonely promontory of selfishness, lived only for himself? No. To whom do we build our monuments? We build them in memory of those who gave out of the largess of their own generous natures to help others.

To those who stand on the sidelines hurling stones of mean criticism and petty fault-finding through the White House windows let me say that this is the time for patience and tolerance on the part of everyone. No permanent prosperity can be built in a day. That man is foolish, indeed, who seeks to lift himself by tearing the President down. Let those who criticize and find fault with the President visit the statue of Edmund Burke in Washington and read these immortal lines written at its base, "Magnanimity is the essence of great politics."

Sometime, in a better, happier day, our politicians and statesmen will learn that the road to distinction lies along this path.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

PHILADELPHIA MAIL STEAMSHIP CO.

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD newspaper articles and editorial comments from the Philadelphia Public Ledger, the Philadelphia Inquirer, the Philadelphia Evening Bulletin, and the Philadelphia Record in the matter of the transactions of the Philadelphia Mail Steamship Co. with the Government.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Philadelphia (Pa.) Public Ledger, Jan. 25, 1934]

MR. REED EXPLAINS

The testimony before the Senate committee regarding the attempt to obtain an ocean mail contract for a steamship line to operate from Philadelphia should be read in the light of Senator REED's explanation of his role in this matter. The Pennsylvania, Baltimore & Ohio, and Reading Railroads joined in this enterprise. Mr. Brown, then Postmaster General, had decided to award the contract to the Philadelphia Mail Steamship Co. as the lowest bidder, when a resolution was introduced in the Senate to block the award at the instance, says Senator REED, of some disappointed bidders.

This was only a few days before the close of the Hoover administration and of the Seventy-second Congress. His desire to promote the interests of the port of Philadelphia prompted Senator REED to speak against time in an attempt to delay passage of the resolution. But the contract was not signed because of the Shipping Board's refusal to sell vessels to the Philadelphia company. And the port of Philadelphia, which was once such a factor in the trans-Atlantic passenger and mail service, still labors under its serious handicap while competitors are steadily expanding their ocean trade.

[From the Public Ledger, Philadelphia, Pa., Jan. 26, 1934]

OPEN AND ABOVEBOARD

The explanation given by Mr. Hubert J. Horan, president of the Philadelphia Mail Steamship Co., of the circumstances attending its application for a postal contract under the Hoover administration places the matter in the clearest possible light. The project, as he says, represented a sincere and commendable effort by leading business interests of this city to expand the overseas trade of the port of Philadelphia.

The company had contracted to buy four vessels from the United States Lines, subject to approval by the Shipping Board, when competitive interests in Norfolk presented an application for a mail contract to cover a duplicating service to English ports. The Post Office Department had no funds available to give both lines mail contracts. Later an agreement was reached between the Philadelphia and Norfolk companies for a division of the contract. The law required 3 weeks' advertisement before bids were opened. This delay brought the matter up to within a few days of the end of the Hoover administration and the retirement of Postmaster General Brown.

Senator BLACK then introduced his resolution, which has been referred to in committee hearings at Washington, to hold up award of the contract to the Philadelphia company until after an investigation could be made. Senator REED, in defense of the interests of Philadelphia, opposed the resolution, but in vain. The matter is now in the hands of Mr. Brown's successor, Postmaster General Farley.

The entire dealings on the part of the Philadelphia Mail Steamship Co. and Senator REED were open and aboveboard. Both were engaged in a public-spirited endeavor which ought to have succeeded. In the upbuilding of the American Merchant Marine, Philadelphia, with its excellent facilities, has been unjustly neglected. This injustice has been emphasized by the incident which has been brought to the Senate committee's attention. There is no reason why this project to give Philadelphia a trans-Atlantic mail and passenger service should not be revived and pushed to completion.

[From the Public Ledger, Philadelphia, Pa., Jan. 25, 1934]

SENATE BROADENS AIR MAIL INQUIRY INTO ALL AWARDS—VOTES ADDITIONAL $25,000 TO COMMITTEE; DEMAND FOR ACTION HEARD IN HOUSE

WASHINGTON, January 24.—The Senate today passed the resolution of Senator BLACK, Democrat, Alabama, appropriating an additional $25,000 for expenses of the Ocean and Air Mail Investigating Committee, of which Mr. BLACK is chairman.

The resolution also broadens the scope of the inquiry to include any corporation or individual connected with one holding an air mail contract.

Members of the committee said the additional authority was sought after their investigators had been denied access to the files of the Hudson & Manhattan Railroad Co., of which Walter F. Brown, former Postmaster General, is chairman.

OPPOSE FEDERAL SUBSIDIES

Senator BLACK said tonight that the evidence his committee had gleaned pointed to the necessity of the Government's abandoning subsidies, operating the lines itself, or completely revising the Federal-aid system.

He recited a series of incidents revealed by the inquiry which he said "discloses that the huge subsidies paid by the Government to build up a merchant marine had been diverted from the channel and have been largely spent in high salaries, extravagant expense accounts, highly paid lobbyists, and huge dividends."

Of the air mail phase of the investigation, he said that "when the air mail map had been redrafted, it was found that the eighteen or more million dollars of taxpayers' money annually paid for the carriage of air mail was controlled more than 90 percent by four companies."

Attorney General Cummings said today that Carl L. Ristine, new Special Attorney General, would "conduct all legal proceedings which may be found to be necessary" as a result of the investigation of air and ocean mail contract awards.

Mr. Cummings made the statement after a conference with Mr. Ristine and Senator BLACK.

Mr. Ristine arrived today from his home in Lexington, Mo. He said his first task would be to familiarize himself with testimony to date.

Attacking fraudulent mail contracts, Representative SABATH, Democrat, Illinois, called upon the House to cause their cancelation.

"If the Senate committee will complete its inquiry, it will disclose many more frauds than in the last few days", he said.

MAIL-LINE HEAD EXPLAINS OVERTURES FOR UNITED STATES AWARD

Hubert J. Horan, president of the Philadelphia Mail Line Co., declared yesterday a series of unavoidable delays were responsible for the fact his company's application for a mail contract reached the Post Office Department only a few days before the end of former Postmaster General Brown's administration.

In explanation of these delays, Mr. Horan issued the following statement:

"The Philadelphia mail line, in respect to its relations with the Government, stands today where it has stood from the beginning

in its negotiation with Washington—strictly on its merits. The project represents a sincere effort on the part of business leaders of the city to further promote the expansion of Philadelphia's overseas trade, with particular attention to trans-Atlantic passenger business. Nothing that I can see has taken place before Senator BLACK's committee to disprove this.

"Every interest and every individual connected with the efforts to establish a direct cargo-passenger service via Philadelphia to ports in Great Britain were prompted to give their assistance purely from the standpoint of community spirit. True, our application for Government help reached the Post Office Department in the closing days of the last administration. This was no fault of those sponsoring the project.

"It was the result of a series of unfortunate delays over which the Philadelphia committee had no control. It will be recalled that the organizing committee had, as it believed, successfully negotiated for the purchase of four ships from the American Scantic Line Co. These ships of 13 knots were thought to be desirable in every respect for an initial start on the Philadelphia Line.

"We had had these ships thoroughly examined and surveyed by competent marine architects who gave us a favorable report. Then to our surprise and disappointment the Post Office Department notified us they would not be disposed to grant a mail contract for a Philadelphia line unless the speed of the ships was 16 knots or better. The only 16-knot ships available at the time were the so-called "B type" operated by the United States Lines between New York and London and still in operation in this service.

"We were advised by the Shipping Board that these B-type ships were the most desirable available to meet the requirements of the Post Office Department. Negotiations began all over again and when we completed a deal with the United States Line for the purchase of the ships another obstacle developed and with it further delay to Philadelphia's efforts.

WHOLE PROGRAM THREATENED

"This has reference to the application of Norfolk interests for a mail contract which covered a multiplicity of service along the Atlantic coast, including Philadelphia and Manchester and Liverpool, the ports in England which our line planned to serve directly. This later incident threatened to hold up our project indefinitely.

"It was our desire and our promise to Philadelphia that our service would be in operation in 1933. Now, this Norfolk incident threatened to upset our whole program first, because there were not funds available to give both lines a mail contract, and, secondly, because of the reluctance of the Norfolk group to surrender anything which they believed was theirs and this included the indirect and inadequate service which they had planned for Philadelphia against our direct service. This prolonged our efforts in Washington until February 1932, when an agreement was reached between Philadelphia and Norfolk under which agreement our line could be started with 26 sailings and Norfolk with 52 sailings.

"This would enable the Post Office Department to satisfactorily divide between the two projects what funds were available. It required by law that advertisements covering the mail contract appear for 3 weeks before the bids were opened. This took the matter up to within a few days of the retirement of Mr. Brown.

CORRECTING FALSE IMPRESSION

"This, I believe, ought to correct any false impression that may exist that Philadelphia had waited for the last days of the Brown administration to rush through its application. Two days before the Post Office Department arranged to open the bids, Senator BLACK introduced his resolution calling for a halt in the awarding of the Philadelphia mail line contract until an investigation of the proposal could be made.

"The Shipping Board in view of this withdrew its confirmation of the sale to us of the ships by the United States Lines, and Postmaster General Brown left our application on the desk for his successor and it is now in the hands of Postmaster General Farley.

"We feel confident that it will be favorably acted upon, for we have been investigated by his Department and have been advised that the report which he has substantiates the sincerity of our proposition and the integrity of all its sponsors and supporters. Moreover, our plans to increase the importance of the business of the port of Philadelphia have the whole-hearted local support of both Democrats and Republicans. It is strictly a civic proposition and not political."

[From the Philadelphia (Pa.) Inquirer, Jan. 25, 1934]

THE TRUTH ABOUT MAIL CONTRACTS

Into a Senate committee's investigation of air and ocean mail contracts Philadelphia has been drawn. After years of endeavor the Philadelphia Mail Steamship Co. had been formed. It needed, of course, a mail contract such as other steamship lines had been granted.

A contract had to be predicated upon the ability of the company to procure ships. The company dealt with the United States Lines and had bought four vessels subject to the approval of the Shipping Board. It submitted bids for mail transportation. Bids were to be opened last year on March 4 at noon. The award was assured to the company.

Hostile interests sought to block the ambitions of this port. A southern Senator offered a resolution requesting Postmaster General Brown not to make an award until the Senate had made an investigation. The resolution was debated by Senator REED on that day in March from noon to half after the hour, when it was adopted.

In the interim there was opportunity for the Postmaster General to sign the contract, but he was advised by the Shipping Board that, because of the Senate resolution it would not approve the purchase. Without ships there could be no mail contract. Postmaster General Brown left the whole matter in the hands of his successor, where it remains today.

Such was the outcome of an unfortunate occurrence that deprived Philadelphia of an individual express service direct to British ports. Such a service had been fought for ever since the World War.

Plenty of freight, if the railroads were interested, could be had from the West as well as from the nearby country, but most of it went right by us to New York. Heavy freight was and is going out of this port, but to obtain freight that demands prompt delivery the need was and still is for a combined passenger and freight service operated on a strict schedule directly to a port on the other side of the Atlantic.

To the task of building sentiment for a direct ship line Hubert J. Horan devoted his attention. President Atterbury went into the matter enthusiastically. The Pennsylvania subscribed to the capitalization. So did the Baltimore & Ohio and the Reading. Other subscriptions were to be obtained from citizens of Philadelphia. This was to be a community concern—a real Philadelphia affair. Necessarily a contract for carrying mails was essential.

The Philadelphia Mail Steamship Co. was as clean as a hound's tooth in its promotion. It stands ready to operate when permitted to do so. Postmaster General Farley should recognize the injustice of sidetracking this important port.

[From the Philadelphia (Pa.) Evening Bulletin, Jan. 25, 1934]

PHILADELPHIA'S STEAMSHIP LINE

All the facts concerning the effort to get a United States mail contract, subsidy, or subvention for Philadelphia's projected steamship service across the Atlantic ought to be made apparent. The facts concerning the genesis of the plan, its purpose, and its promotion are well known here in Philadelphia and the story is capable of substantiation at Washington. It was not an enterprise of private graft-seeking, but rather a cooperative effort for the better service of the port of Philadelphia, with a hope of paying its way rather than of making profit. Railroad interests hereabouts were brought into the cooperation on a plea of public interest and railroad obligation.

It would be more important and serviceable to determine and put before the public all the facts concerning the opposition to the project and the means which were employed to obstruct it, to compel a sacrifice of Philadelphia interests and finally to hang it up indefinitely, denying Philadelphia's effort at independent service its fair opportunity.

The mail contracts and other provisions for Federal assistance were designed for the upbuilding of the American merchant marine, and the Philadelphia steamship line fitted into the plan. There never has yet been any sufficient reason offered for blocking it, or for the failure of the Federal authorities to do their part in moving it along to efficient operation. Senator BLACK declares that the Philadelphia plan was not included among the targets for his attack on mail subsidies. The Post Office Department at Washington declares that upon inquiry it found the Philadelphia plan worthy. Under all the circumstances the Philadelphia plan ought to be freed from all suspicion and moved forward.

[From the Philadelphia (Pa.) Evening Bulletin, Jan. 25, 1934]

MEN AND THINGS—PHILADELPHIA MAIL STEAMSHIP LINE ORGANIZED FOR THE BENEFIT OF THE PORT OF PHILADELPHIA AND A FAIR AND OPEN BIDDER FOR UNCLE SAM'S MAIL SUBVENTION

No apologies are due to Philadelphia by Senator REED for anything that he did, on the Senate floor or elsewhere, for the furtherance of the Philadelphia Mail Steamship Line, planned to operate between this port and Liverpool and Manchester. And the fact that the Pennsylvania interests were behind the project contains no invidious suggestions for Philadelphians. This enterprise was the nearest approach to the establishment of a genuinely Philadelphia line of steamships across the Atlantic that has been achieved in 20 years or more of talking and planning, and no one who did anything to make its accomplishment possible deserves criticism for the service. While formally and technically it was of necessity a private enterprise, it came as near being a public project, conceived and carried forward for the general interest of the port of Philadelphia, as any such undertaking could be.

Describing the inception of the shipping plan, Hubert J. Horan said yesterday that he was first moved to take up the project by reading two articles in a newspaper, one a criticism of the railroad for not taking an active interest in the development of the port, the other a letter from an official of the road stating the "Pennsy" was always interested in the development of the port and ready to cooperate in any move to that end. "Reading these two articles", said Mr. Horan, "it occurred to me that one ought to have a steamship line giving direct service between Philadelphia and Europe and that the Pennsylvania Railroad might cooperate. So I arranged for a meeting of about 50 prominent citizens interested in the industrial, commercial, and business interests of the city, and decided to put such a project before them."

At this meeting, on February 5, 1931, at the Manufacturers' Club, Mr. Horan explained his ideas. Philadelphia years ago had the benefit of railroad cooperation in building up the old American Line, which operated the steamships *Pennsylvania, Ohio, Indiana,* and *Illinois* between here and Liverpool, for which the Pennsylvania Railroad in those days had advanced $4,000,000. This old trade route, served now only by cargo carriers operating under British flag and under private management, might be reestablished if the three railroads entering the city were willing to cooperate. At the time trunk-line railroads reaching the Atlantic were beginning to realize the necessity of getting back into the ocean-carrying trade.

PUBLIC GOOD THE GOAL, NOT PROFIT

It was proposed that a strictly Philadelphia port promotion enterprise should be started by the formation of a steamship line with a capitalization of $10,000,000, of which, it was announced, the three railroads would furnish a million dollars, the Pennsylvania putting up five hundred thousand and the Baltimore & Ohio and the Reading each agreeing to subscribe a quarter of a million. It was thought then that banks which had been pledged to cooperate would aid in the disposal of $4,000,000 more of the stock among large concerns, and that the remaining $5,000,000 of capital would be obtained by selling stock to importers and exporters in the metropolitan area of the city who, by agreeing to subscribe to shares and to using the line, would benefit both by the savings and services promised and by the profit on their investment.

At this meeting General Atterbury, speaking for the Pennsylvania, urged the group to make it purely a commercial and a community enterprise and to start without the need of Government aid.

After the meeting General Atterbury was asked to name an executive committee to perfect the organization, and Mr. Horan was named as chairman; John J. Egan, editor of the port publication called "Commerce and Industry", was selected as secretary, the other members being J. Howard Pew, president of the Sun Oil Co.; Howard Loeb, president of the Tradesmen's National Bank; J. W. VanDyke, president of the Atlantic Refining Co.; Nathan Heyward, president of the American Dredging Co.; Harvey C. Miller, president of the Philadelphia Tidewater Terminal Co.; J. S. W. Holton, president of the Maritime Exchange; and Philip H. Gadsden, president of the chamber of commerce.

COOPERATION APPROVED ON ALL SIDES

Numerous meetings were held throughout 1931, bankers, shipbuilders, commercial and industrial interests were consulted, the two shipyards on the Delaware, the New York Shipbuilding Co., at Camden, and the Sun Shipbuilding Co., at Chester, were found ready to bid on reconditioning ships or on new ships if needed, with the understanding that the successful bidder would contribute liberally to the stock of the company, it being the aim to keep all work of this sort in the community.

But the depression grew worse and the bankers realized the futility of attempting to dispose of the stock at the time. The organizers began to look elsewhere. The pledges of the railroads held good. There were found five ships of the Scantic Line that could be bought reasonably and with an expenditure of $150,000 on each ship could be reconditioned and fitted with passenger accommodations that would prove attractive to the one-cabin class of travelers. Accordingly negotiations were opened with the Board, the Department of Commerce, the Post Office Department, the Treasury, and other agencies in Washington cooperating with the Shipping Board, to have the Government pass upon the feasibility of the plan.

MAIL CONTRACT REQUIRED FASTER BOATS

At this stage word came from Postmaster General Brown that he would not look with favor on a mail-carrying contract for a line that did not call for ships of 16 knots speed. Those contemplated were 13-knot vessels. For a time the committee was inclined to go ahead with the 13-knot ships when it was pointed out that as Baltimore was served by 16-knot boats and New York by 18- and 20-knot vessels it would be unwise to do so. A new search for ships disclosed then that the United States Lines had two 16-knot ships, operating between New York and London, that were already equipped with passenger accommodations and which would have been ideal for the purpose of the Philadelphia line and which could be obtained with possibly two more of these boats available in the future. Negotiations were resumed with the Post Office Department when word was received a new competitor had come into the picture. A group of Norfolk business men had got together and organized a company that had filed an application for a mail contract, it being their intent to have frequent sailings from Norfolk of ships that would call at various ports between there and Boston, including Philadelphia, before departing for Liverpool and Manchester. Nevertheless, the supporters of the line here went ahead.

WASHINTON DELAY WAS DISASTROUS

Application for the mail-carrying contract was made in the regular form. A certified check for $5,000, which the Government still holds, was deposited. A surety company was ready to put up the bond of a million and a half dollars if the contract was awarded. Bids were advertised for and tendered. At first it was the thought that Philadelphia would receive a contract calling for 52 sailings a year. Then it was proposed that the business be divided between Philadelphia and Norfolk and a joint sailing schedule for each was suggested. But it so happened that all this brought the reception and the opening of the bids to the very end of Postmaster General Brown's administration when, in the last-minute effort to allow the bids to be opened, the Norfolk and Philadelphia groups having agreed to split on the sailings, Senator REED delayed, as a matter of service to the port, the vote on the resolution of Senator BLACK, of Alabama, to postpone the awards pending an investigation.

All of Senator BLACK's attack at the time was launched against the International Mercantile Marine and not against the port of Philadelphia, the debate giving no consideration to the project as a community one. The resolution passed, the contract was not awarded, the Shipping Board refused to sell the ships belonging to the United States Lines, as they were the only profitable vessels operating then under the American flag, and so for a time the matter rested.

Again Mr. Horan and Mr. Egan visited Washington and sought the Government's aid. They learned from Assistant Postmaster General Howes that the new administration has sent three investigators, at various times, to Philadelphia to learn the details of the project, that the Department believes it to be a worthy one and no further argument on that score is necessary.

[From the Philadelphia Record, Jan. 25, 1934]

STEAMSHIP HEAD DEFENDS COMPANY—H. J. HORAN DISCLAIMS INTENTIONAL DELAY CONCERNING MAIL CONTRACTS

Hubert J. Horan, president of the Philadelphia Mail Steamship Co., last night amplified information concerning his company, that was placed before the United States Senate committee investigating ocean mail contracts.

Horan sought to correct "the false impression that may exist" that the company waited until the last days of former Postmaster General Brown's administration to rush through its application for mail contracts.

The steamship line's president said "unavoidable delays" held up the transmission of the application to Washington, and added that Postmaster General Farley, who has made an investigation of the situation, has been advised of the company's "sincerity and integrity of its sponsors."

The statement follows:

"The Philadelphia Mail Line in respect to its relations with the Government stands today where it has stood from the beginning in its negotiations with Washington—strictly on its merits. The project represents a sincere effort on the part of business leaders of the city to further promote the expansion of Philadelphia's overseas trade, with particular attention to trans-Atlantic passenger business. Nothing that I can see has taken place before Senator BLACK's committee to disprove this.

DEFENDS SPONSORS

"Every interest and every individual connected with the efforts to establish a direct cargo-passenger service via Philadelphia to ports in Great Britain were prompted to give their assistance purely from the standpoint of community spirit. True, our application for Government help reached the Post Office Department in the closing days of the last administration. This was no fault of those sponsoring the project.

"It was the result of a series of unfortunate delays, over which the Philadelphia committee had no control. It will be recalled that the organizing committee had, as it believed, successfully negotiated for the purchase of four ships from the American Scantic Line Co. These ships of 13 knots were thought to be desirable in every respect for an initial start on the Philadelphia line.

16-KNOT SPEED DESIRED

"We had had these ships thoroughly examined and surveyed by competent marine architects, who gave us a favorable report. Then, to our surprise and disappointment, the Post Office Department notified us they would not be disposed to grant a mail contract for a Philadelphia line unless the speed of the ships was 16 knots or better. The only 16-knot ships available at the time were the so-called 'B type', operated by the United States Lines between New York and London and still in operation in this service.

"We were advised by the Shipping Board that that these B-type ships were the most desirable available to meet the requirements of the Post Office Department. Negotiations began all over again, and when we completed a deal with the United States Line for the purchase of the ships another obstacle developed, and with it further delay to Philadelphia's efforts.

PROGRAM FORCED DELAY

"This has reference to the application of Norfolk interests for a mail contract, which covered a multiplicity of services along the Atlantic coast, including Philadelphia, and Manchester and Liverpool, the ports in England which our line planned to serve directly. This later incident threatened to hold up our project indefinitely.

"It was our desire and our promise to Philadelphia that our service would be in operation in 1933. Now, this Norfolk incident threatened to upset our whole program, first, because there were not funds available to give both lines a mail contract, and, secondly, because of the reluctance of the Norfolk group to surrender anything which they believed was theirs, and this included the indirect and inadequate service which they had planned for Philadelphia against our direct service. This prolonged our efforts in Washington until February 1932, when an agreement was reached between Philadelphia and Norfolk, under which agreement our line could be started with 26 sailings and Norfolk with 52 sailings.

"This would enable the Post Office Department to satisfactorily divide between the two projects what funds were available. It

required by law that advertisements covering the mail contract appear for 3 weeks before the bids were opened. This took the matter up to within a few days of the retirement of Mr. Brown.

DISCLAIMS PURPOSEFUL DELAY

"This, I believe, ought to correct any false impression that may exist that Philadelphia had waited for the last days of the Brown administration to rush through its application. Two days before the Post Office Department arranged to open bids Senator BLACK introduced his resolution calling for a halt in the awarding of the Philadelphia mail-line contract until an investigation of the proposal could be made.

"The Shipping Board, in view of this, withdrew its confirmation of the sale to us of the ships by the United States Line, and Postmaster General Brown left our application on the desk for his successor, and it is now in the hands of Postmaster General Farley.

"We feel confident that it will be favorably acted upon, for we have been investigated by his Department and have been advised that the report which he has substantiates the sincerity of our proposition and the integrity of all its sponsors and supporters. Moreover, our plans to increase the importance of the business of the Port of Philadelphia has the wholehearted local support of both Democrats and Republicans. It is strictly a civic proposition and not political."

REPORT OF THE JUVENILE COURT OF THE DISTRICT

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Judiciary, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress a communication from the judge of the Juvenile Court of the District of Columbia, together with a report covering the work of the juvenile court during the fiscal years July 1, 1931, to June 30, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 30, 1934.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

REPORT OF GOVERNOR GENERAL OF THE PHILIPPINES (H.DOC. NO. 233)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands for the period February 29, 1932, to February 10, 1933, together with appendixes, including the reports of the heads of the six departments of the Philippine Government for the calendar year 1932.

I concur in the recommendation of the Secretary of War that this report and its appendixes be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 30, 1934.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

HOUSING IN RENTED PREMISES IN THE DISTRICT

The PRESIDING OFFICER laid before the Senate a letter from the vice chairman of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to Senate Resolution No. 86, Seventy-third Congress, first session, a report of investigation of facts relating to the cost and character of housing in rented premises in the District of Columbia and complaints in relation thereto, and stating that a supplemental report will be transmitted at a later date, which, with the accompanying report, was referred to the Committee on the District of Columbia.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed July 18, 1932.

Mr. LA FOLLETTE addressed the Senate. After having spoken, with interruptions, for more than an hour, he said:

Mr. President, I now yield to the Senator from Arkansas [Mr. ROBINSON], who, I understand, desires to take up routine executive business, with the understanding that I may resume the floor and conclude my remarks tomorrow morning when the Senate convenes.

[Mr. LA FOLLETTE'S speech is published entire in RECORD of Jan. 31.]

RESTORATION OF PAY OF GOVERNMENT EMPLOYEES

As in legislative session,

Mr. ROBINSON of Arkansas obtained the floor.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Pennsylvania?

Mr. ROBINSON of Arkansas. I yield to the Senator from Pennsylvania.

Mr. DAVIS. Mr. President, a few days ago at my request an article by Ethelbert Stewart, former Commissioner of Labor Statistics, was placed in the RECORD. That article, published in the Union Postal Clerk for October 1933, was entitled "Cost of Living Statistics and the Wage Cut." At the conclusion of my remarks today I shall ask unanimous consent to have printed in the RECORD a second article by Commissioner Stewart, found in the December issue of the Union Postal Clerk, entitled "Cost of Living for What?" These articles are written by a recognized authority on the subject of labor statistics.

The independent offices bill is now before the Committee on Appropriations of the Senate. Last year's bill came to be known as the "Economy Act." I could not see eye to eye with those who sponsored that act, and did not vote for it. However, in the interest of a balanced Budget, I understood something of the purpose of the act and sympathized with it to the extent that it was introduced as a step toward a balanced Budget.

All this is now past. With the expenditure of billions of dollars, I see no reason, therefore, why there should not be a full restoration of the pay cut. There is no employer of labor in the United States which is being observed more closely these days than Uncle Sam. As a model employer of labor, and in view of the unexpected turn of events, and in view of a dollar which may be only half as valuable as at the time the pay cut was made, and in prospect of rising prices, I believe the pay cut should now be fully restored.

I have often said that we have long ago passed the time when men struggle and work simply for food and shelter. Luxuries and semiluxuries quickly grow into necessities. Thus economic demand increases and thus business prospers. A rude shelter and any kind of coarse, cheap food will keep man alive, but that is not enough and never will be enough for American citizens under modern conditions. Today men work for the luxuries of life and for sufficient money to give them protection when sickness comes or when old age comes on. The men and women who live on wages and salaries are now beginning to wonder if, with the cheapened dollar, they are destined to lose the good things of life for which they have been working. I voted for the Recovery Act hoping that it would dedicate itself to the supreme duty of building up purchasing power by setting the Nation at work. With 10,000,000 idle and with the national income cut in half, the prospect is not yet bright.

It is but natural that those who live in Washington should think of the vast army of salaried employees in the Government service as typifying the cause of labor. They are the employees of the Nation and at the same time they aggregate a large proportion of the working people of this vicinity. The question of their pay cut is before the eyes of the Nation. With the united forces of the administration di-

rected to raise prices, these public servants typify close at hand for us the tragedy which confronts workers everywhere if wage increases do not follow closely after price increases. If our Government will not give consideration to the needs of workers within the shadow of the Nation's Capital, what may American workers as a whole expect?

We need positively to be reminded that we are not living back in the eighteenth century, when the economic principles of Adam Smith provided living standards for workers sufficient only for them to eke out a bare existence and to breed other workers to take their places when they were laid on the human junk heap. Those days are gone. If we are to have a new deal, it should be one by which workers move forward to better standards of living made possible through decent wages paid out of the genuine earnings of industry. If it had not been for that laid by in store by those who were energetic and thrifty, by those who earned largely and saved, where would this Nation be today? Instead of 10,000,000 idle and a national income reduced by half, we might have witnessed the tragic spectacle of the entire Nation reduced to want and despair. We must never forget those who carried this country through the valley of this depression by the surrender of their wealth, just as we must not forget our soldiers who have stood ready to serve the Nation's needs in time of peace and war. In that connection, permit me to say that while we are restoring the pay cut to the Federal employees, we must not forget our soldiers and sailors, our ex-service men, and our veterans. That which is rightfully theirs should be restored to them.

America has never gone backward; she has always gone forward. If the onward march is to continue, we must give workers a full opportunity to build up purchasing power, and we must be certain that the wages with which men buy shall keep pace with the prices they have to pay.

I now submit my request that the second article by Commissioner Stewart may be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Union Postal Clerk, December 1933]

COST OF LIVING FOR WHAT?

(By Ethelbert Stewart, former Commissioner of Labor Statistics)

The Government is making another budgetary survey to determine mathematically the cost of living of its employees in the District of Columbia, and the statistical average of these family budgets is to be used in deciding whether or not salaries are to be increased or restored.

The relation between wages of labor and cost of living, or the idea of fixing wage and salary rates to conform to the cost of maintenance of life or of living standards, grows out of the dogmas of the English school of political economists known as the "Manchester school", and begins practically with Malthus, Adam Smith, Ricardo, and their group. Most of our financial, industrial, and social trouble today results from clinging to a system of political economy which called itself the "Science of Wealth", but which can only lead us back into that poverty of life and of thought out of which it was itself born.

The wages theory of this school was that labor was a commodity to be secured at the lowest possible price. Its dictum of the natural law of wages was the lowest amount upon which a worker could live and reproduce another worker to take his place when his life was ended or his working power was exhausted. Those were the days of the discovery or the invention of natural laws that control things human and artificial. Everybody knows that the lily pays no rent to the pond, yet this did not stand in the way of Ricardo's discoverey of the natural law of rent. Export was the only source of new wealth to these thinkers. Sam Johnson said "a community may as well think of getting rich by taking in one another's washing as a nation to expect to enrich itself by home-marketing its own products." Such idiocy ruled the realm and was the prevailing type of thought when the United States was being settled and our schools were being founded. George Bernard Shaw, alluding to that day and time, said: "England is a little island just off the coast of Europe, where the natives believe that their opinions constitute the laws of nature."

In that alleged science the worker is not considered as a customer nor as an integral part of that public or society for which governments and social institutions exist.

Until all that savors of this is abandoned, there can be no adjustment of our social life with our enormous power to produce consumer's goods in a machine age. There will be no mental contentment in the lives of the workers of the world until they are honestly and adequately worked into the social and economic framework as a part of, rather than as an implement or tool of, our civilization. Economically there is no prosperity that is not general, and general prosperity means that population is the index of purchasing power. Our present thought on this whole subject of the cost of living in its relation to wages and salaries is a hangover from a day when economists were concerned solely with producing enough to keep the world from starving; it could not have been produced in this period, when the real problem is how to distribute the enormous surplus.

Against a background of the Manchester school of economists, with its iron law of wages, statistics of the cost of living once possessed real value. If the natural law of wages was the rate at which a man could live and raise another man to take his place when he was old it was important to know where that line was. Scrambling for jobs at lower and lower rates because each believed that he could live cheaper than the other gradually increased the baby death rate, lowered the marriage rate, increased the cost of governments to maintain exports, and finally convinced people that society as such had an interest in wage rates. In 1833 the printers' union in Washington, D.C., asked for an increase in wages because of the "increase in the cost of living." The price of a chicken in Center Market was 25 cents. The publishers replied that chicken at any price was not necessary to the maintenance of a printer. Family budgets, which determine the death line, the place where wages affect birth rate, became socially necessary.

In a day and time when our whole industrial and economic affairs were wedded to the Manchester law of wages, the Bureau of Labor Statistics did well to get some reasonably reliable data upon the money cost of living. These figures were helpful in settling wage disputes for many years, and usually settled them in the direction of higher wages. These higher wages brought better standards of living and better standards brought higher living costs. In my official reports as Commissioner of Labor Statistics, I constantly protested against the use of old figures to fix wages under an improved standard of living.

But my objection to family budget figures as a basis for wage rates goes much deeper than the question of the up-to-dateness of those figures. My objection is basic, and involves the whole principle of the application of statistical methods to the things of life. For years I have insisted that I knew no other English word that concealed so much misery, poverty, destitution, crime, and despair as does that word "average" when applied, for instance, to wages of women in southern cotton mills and northern sweatshops. When I hear men talk of average wages I shudder, for, generally speaking, there are as many individual items below the line we call average as there are above it. In many lines the statistical average, like patriotism, is the last refuge of a scoundrel.

At best we shall get from a survey of family cost of living only an average of the money cost of the things we eat, wear, and seem to have around us. The schedule used for that purpose asks if I own my home, but there is no place on it to add that the roof leaks. We can measure standards, but wages determine standards; and the cost of living standards will follow wage standards. Whether a man will wear an overcoat a year, 2 years, 3, or 5 years depends upon how much he earns. And to fit his wages to any one of these possibilities only perpetuates that standard, ossifies conditions, and paralyzes progress. Each family lives as well as it can. To use standards to fix wages is to fix standards and render living costs and expenditures inflexible.

Besides, your figures do not get at my standard; they determine only my basic requirements. My standard is what I want; the statistics dealing with my case show only what the wages you pay me will buy at the price I have to pay. You cannot buy contented employees that way. Figures do not quiver with life forces. Contentment as a subject for study is, I should say, quite outside the realm of statistical method. To use a slide rule on this subject is a waste of time.

After all is said and done, what do we mean by cost of living? Whose living? Living how? Living for what—to develop another Government clerk? What is living? The essence of living is desire. I want what I want when I want it, else there would be no me. Any attempt to statisticize these wants will fail. To get the cost of what I buy, of what I eat and wear, is not going to arrive at the cost of a satisfied employee. The average of a satisfied and a dissatisfied employee is two dissatisfied employees. Percentages are too much with us. Averages cloy. The metabolism of a statistical average in the human stomach is nil.

In an early arithmetic you will find this example: If a certain piece of work requires 1 boy 1 hour to do it, how long will it take 2 boys? 3 boys? etc. The author of this book meant well. He wished to put a human touch into arithmetic and to interest the boys in themselves. One youth replied: "If it takes 1 boy an hour to do this work, it would take 2 boys 2 hours and 3 boys would never do it." I call upon W. I. King, or Professor Ogburn, to refute this reply.

No; I am not trying to be funny. I am simply protesting that a child senses more deeply the application of mathematical principles to boys than do all the mathematicians and statisticians alive. We seem bent on stabilizing everything, forgetful that we have now too much anchor and too little sail. Faith is what we need, not statistical averages of what, let us hope, can never happen again; and we need hope to help our faith that a civilization can be built up which will be worth preserving. Stabilizing our cost of living may stabilize living itself—a scheme which finally defeated itself even in Spain and China. Rather let us stabilize faith, let us stabilize hope, lest we are forced to stabilize charity—and the dole.

We are warned that our money contributions to the Community Chest must not falter or lag during this fall and winter, because the need grows greater month by month.

There is one standard of the cost of living—that is the cost, whatever it may be, of living the maximum span of life and living it fully. This cannot be figured from the day's or the year's grocery bill. The social minimum wage, salary, or income is the amount, whatever it may be, that is required to reduce the death rate, especially the infant death rate, to an absolute minimum and keep it there. Less than this is murder done for money.

CONSIDERATION OF EXECUTIVE BUSINESS

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Senate proceed to the consideration of routine executive business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate sundry messages from the President of the United States, submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORTS OF COMMITTEES

The PRESIDING OFFICER. Reports of committees are in order.

Mr. DILL, from the Committee on the Judiciary, reported favorably the nomination of Harry W. Blair, of Missouri, to be Assistant Attorney General, to succeed Roy St. Lewis, resigned.

He also, from the same committee, reported favorably the nomination of John T. Summerville, of Oregon, to be United States marshal, district of Oregon, to succeed John L. Day, whose term expired January 22, 1934.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of Kingsbury B. Piper, of Maine, to be United States marshal, district of Maine, to succeed Burton Smith, appointed by court.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the following nominations:

Maurice M. Milligan, of Missouri, to be United States attorney, western district of Missouri, to succeed William L. Vandeventer, whose resignation is effective at the close of January 31, 1934;

Martin Conboy, of New York, to be United States attorney, southern district of New York, to succeed Thomas E. Dewey, appointed by court;

Charles D. McAvoy, of Pennsylvania, to be United States attorney, eastern district of Pennsylvania, to succeed Edward W. Wells, resigned;

Horatio S. Dumbauld, of Pennsylvania, to be United States attorney, western district of Pennsylvania, to succeed Louis Edward Graham, resigned;

William Thomas Collins, of Missouri, to be clerk, United States Court for China;

George Vice, of California, to be United States marshal, northern district of California, to succeed Frederick L. Esola, resigned; and

Robert E. Clark, of California, to be United States marshal, southern district of California, to succeed Albert C. Sittel, deceased.

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of Charles B. Henderson, of Nevada, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1934, vice Wilson McCarthy, resigned.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy and in the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

THE CALENDAR—FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of George C. Mathews, of Wisconsin, to be Federal Trade Commissioner for the remainder of the term expiring September 25, 1938.

Mr. FESS. Mr. President, that is to go over.

Mr. ROBINSON of Arkansas. Yes. There is an agreement to proceed to the consideration of that nomination tomorrow, so it should go over until tomorrow.

The PRESIDING OFFICER. The nomination will be passed over.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of William I. Myers, of New York, to be Governor of the Farm Credit Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of Harvey C. Couch, of Arkansas, to be a member of the board of directors of the Reconstruction Finance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Jesse H. Jones, of Texas, to be a member of the board of directors of the Reconstruction Finance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Frederic H. Taber to be a member of the board of directors of the Reconstruction Finance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of C. B. Merriam, of Kansas, to be a member of the board of directors of the Reconstruction Finance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John J. Blaine, of Wisconsin, to be a member of the board of directors of the Reconstruction Finance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON of Arkansas. Mr. President, with respect to the post-office nominations, I ask that no. 194, Edward A. Tigner, of Milledgeville, Ga., go over for the day. I make this suggestion at the request of the Senator from Georgia [Mr. RUSSELL]. However, I see that the Senator has just reentered the Chamber, and he may speak for himself.

Mr. RUSSELL. Mr. President, I am opposed to the confirmation of this nomination on personal grounds, which I have no objection to stating to the committee or on the floor. I advised the chairman of the committee that before the nomination was favorably reported by the committee I desired to be heard and was assured that I would be given that opportunity. I observe, however, that the nomination has apparently been favorably reported despite the fact that I filed a written protest against its confirmation.

Mr. LONG. Mr. President, I would suggest that the nomination be recommitted, if the Senator from Georgia has no objection.

Mr. ROBINSON of Arkansas. The chairman of the committee is not present. I was trying to safeguard the rights of the Senator from Georgia. Someone brought me a memorandum stating that if the Senator from Georgia were not present he desired the nomination to go over.

Mr. RUSSELL. I appreciate the interest of the Senator from Arkansas. This is the first occasion since I became a member of this body that any situation of this kind has

arisen. I have not familiarized myself with the precedents in such cases. I was of the opinion that this is a matter which should be settled by the committee. I had sought to have it settled in that manner.

Mr. ROBINSON of Arkansas. May I suggest the nomination go over for the day in order that the chairman of the committee may be present. I do not know what his pleasure may be. I myself have no objection to the recommittal of the nomination, but I think the chairman of the committee should be present. I suggest that the nomination go over.

Mr. RUSSELL. I would like to inquire of the Senator from Arkansas as to what is the practice in matters of this kind. If the nomination goes over is there any likelihood of it being taken up at some subsequent meeting of the Senate when I am unavoidably detained from the Chamber?

Mr. ROBINSON of Arkansas. No. The nomination will not be taken up in the absence of the Senator from Georgia if I am here. If the Senator from Georgia desires a hearing before the committee I am sure the hearing will be had at his request, and that the nomination will be recommitted for that purpose.

Mr. RUSSELL. With that statement on the part of the Senator from Arkansas I have no objection to the nomination going over.

The PRESIDING OFFICER. Without objection, the nomination referred to will be passed over.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from North Dakota [Mr. FRAZIER] came to my desk a little while ago and stated that he was compelled to leave the Chamber and would not be here when these nominations were to be considered and desired the nomination of a postmaster in North Dakota to go over. He also stated that he had left a memorandum at the desk as to which nomination he had in mind. I find that no such memorandum has been left at the desk, so I am going to request that the four nominations of postmasters for North Dakota now on the calendar, nos. 295, 296, 297, and 298, go over for the day. I do not know which one the Senator had in mind.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the four nominations will be passed over.

Mr. ROBINSON of Arkansas. I now ask that all other nominations of postmasters, except the one from Georgia and the four from North Dakota, be confirmed en bloc.

Mr. LONG. What are the nominations—military nominations?

Mr. ROBINSON of Arkansas. No; they are post-office nominations. I am asking that, with certain exceptions which I have stated, the remainder be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? There being no objection, the nominations are confirmed en bloc.

Mr. ROBINSON of Arkansas subsequently said:

Mr. President, the Senator from North Dakota [Mr. FRAZIER], who asked me to look after a nomination referred to a little while ago, has returned to the Chamber. The nomination which he had in mind is no. 296, George W. McIntyre, Jr., to be postmaster at Grafton, N.Dak. I ask unanimous consent that that nomination go over for the day and for the present consideration of the other three nominations from North Dakota. I make this request at the suggestion of the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection? If not, nomination 296, George W. McIntyre, Jr., to be postmaster at Grafton, N.Dak., will be passed over and the other three nominations of postmasters in North Dakota are confirmed.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 30 minutes p.m.) the Senate, in executive session, took a recess until tomorrow, Wednesday, January 31, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 30 (legislative day of Jan. 23), 1934

SECRETARY IN THE DIPLOMATIC SERVICE

Cyril L. F. Thiel, of Illinois, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

MEMBER OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Charles B. Henderson, of Nevada, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1934, vice Wilson McCarthy, resigned.

GOVERNOR OF THE TERRITORY OF HAWAII

Joseph B. Poindexter, of Hawaii, to be Governor of the Territory of Hawaii, vice Lawrence M. Judd.

UNITED STATES MARSHAL

George J. Keinath, of Ohio, to be United States marshal, northern district of Ohio, to succeed William J. Williams, whose resignation is effective at the close of January 31, 1934.

COLLECTOR OF CUSTOMS

Frank J. Duffy, of Nogales, Ariz., to be collector of customs for customs collection district no. 26, with headquarters at Nogales, Ariz., in place of James W. McDonald.

PUBLIC HEALTH SERVICE

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Public Health Service, to rank as such from the dates set opposite their names:

Franklin R. Frampton, February 1, 1934.

James S. Miller, February 1, 1934.

Gordon G. Braendle, February 16, 1934.

These officers have passed the examination required by law and the regulations of the Service.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 30 (legislative day of Jan. 23), 1934

GOVERNOR OF THE FARM CREDIT ADMINISTRATION

William I. Myers to be Governor of the Farm Credit Administration.

MEMBERS OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Harvey C. Couch to be a member of the board of directors of the Reconstruction Finance Corporation.

Jesse H. Jones to be a member of the board of directors of the Reconstruction Finance Corporation.

Frederic H. Taber to be a member of the board of directors of the Reconstruction Finance Corporation.

C. B. Merriam to be a member of the board of directors of the Reconstruction Finance Corporation.

John J. Blaine to be a member of the board of directors of the Reconstruction Finance Corporation.

POSTMASTERS

GEORGIA

Ruth D. McClure, Acworth.
Cleo H. Price, Adairsville.
George E. Youmans, Adrian.
George B. McIntyre, Ailey.
Dan L. Gibson, Albany.
John G. Gruber, Alma.
Chester Maynard, Austell.
Levi P. Grainger, Blackshear.
Hardy S. McCalman, Buchanan.
Henrietta E. Butt, Buena Vista.
Arthur C. Little, Carnesville.
Fred J. Forbes, Cave Spring.
Guy H. Wells, Collegeboro.
Lonzier J. Wood, Cuthbert.
Robert H. Manson, Darien.

Wylie West, Decatur.
Oliver F. Deen, Douglas.
Sara B. Green, Fairburn.
Mary V. Lynch, Fort Screven.
Augustus B. Mitcham, Jr., Hampton.
Arley D. Finley, Hazlehurst.
Glossie A. Dunford, Helena.
Fannie M. Vaughn, Jeffersonville.
Charles Clements, La Fayette.
Jane M. Wilkes, Lincolnton.
Aligene B. Howard, Ludowici.
W. Brantley Daniel, Millen.
Marion Lucas, Savannah.
Susie M. Lunsford, Smithville.
Arthur B. Caldwell, Smyrna.
Myrtle Louise Walker, Soperton.
Mamie G. White, Stone Mountain.
Bertha L. Boyd, Union Point.
Tilden A. Adkins, Vienna.
Charles H. Orr, Washington.
Sim A. Gray, Waynesboro.
Robert B. Bryan, Wrightsville.

KENTUCKY

Sara G. Friel, Ashland.
Charles B. Cox, Benton.
Virginia C. Reynolds, Carlisle.
Walter McKenzie; Eubank.
Rebecca B. Forsythe, Greenup.
Herman P. Yates, Kuttawa.
Robert E. Johnson, Lawrenceburg.
Amelia B. Samuels, Lebanon Junction.
Martha J. Combs, Manchester.
James Purdon, Maysville.
Peter T. Colgan, Middlesboro.
Mattye M. Burns, Morehead.
Robert L. Case, Mount Olivet.
Marie C. Hagan, New Haven.
Ollie M. Lyon, Olive Hill.
Fred Acker, Paducah.
Jennie S. May, Stone.
Homer B. Burks, Upton.
Mary Breckinridge, Wendover.

MAINE

Charles W. Abbott, Albion.
George H. Williams, Alfred.
Walter O. Dunton, Boothbay Harbor.
George W. Leonard, Brunswick.
David H. Smith, Darkharbor.
Arnold D. Chase, Kezar Falls.
Charles P. Lemaire, Lewiston.
Hattie M. Higgins, Mapleton.
Edna M. Ellis, North Anson.

MASSACHUSETTS

Eva Fitzpatrick, Allerton.
John H. McDonald, Andover.
George G. Henry, Ashfield.
John F. Saunders, Baldwinsville.
Joseph P. Bartley, Barrowsville.
Matthew D. E. Tower, Becket.
Charles L. Goodspeed, Dennis.
Clarence S. Perkins, Essex.
Mildred D. O'Neil, Hyannis Port.
Arthur L. Cushing, Island Creek.
Mary M. Langen, Lancaster.
John E. Roche, Orange.
Myra H. Lumbert, Pocassett.
Florence S. Roddan, Randolph.
Mary E. Joseph, Truro.
Nellie G. McDonald, Ward Hill.
Raymond F. Gurney, Wilbraham.

MICHIGAN

Edson Porter, Blissfield.
Gerald R. Pitkin, Brighton.
Robert E. Lee, Byron.
Morton G. Wells, Byron Center.
Patrick H. Schannenk, Chassell.
Marian A. Cleary, Clawson.
Cyrenius P. Hunter, Gagetown.
Mason A. Wright, Gaines.
Glenn O. Donner, Garden City.
Herbert E. Gunn, Holt.
William H. Cuthbertson, Ludington.
Mary E. Devins, Michigamme.
George D. Mason, Montague.
Peter Trudell, Jr., Negaunee.
Eva A. Wurzburg, Northport.
Charles W. Tallant, Shelby.
Louis J. Braun, South Range.
Jerome Wilhelm, Traverse City.
Frank R. White, Webberville.
John F. Lyons, White Cloud.

MISSISSIPPI

Margaret Henry, Anguilla.
Will N. Guyton, Blue Mountain.
Clyde E. Day, Brookhaven.
Pearl S. Anderson, Centreville.
Harry L. Callicott, Coldwater.
Grace B. McIntosh, Collins.
James M. Thames, Decatur.
Ernest A. Temple, Electric Mills.
Finley B. Hewes, Gulfport.
Pink H. Morrison, Heidelberg.
Alline Jolly, Hickory.
Walter E. Dreaden, Lambert.
Burnell B. Hatten, Lyman.
Benjiman P. Albritton, McComb.
William M. Alexander, Moss Point.
Carson Hughes, Oakland.
John W. Woodward, Oxford.
R. Ben Linn, Pickens.
George D. Pylant, Purvis.
Henry B. Edwards, Shuqualak.
Tommie A. Hamill, Sturgis.
Lillie B. Carr, Sumner.
Walter L. Collins, Union.

NEW MEXICO

Agnes C. Evans, Shiprock.

NORTH DAKOTA

Henry D. Mack, Dickey.
Hugh Roan, Portal.
Damian A. Preske, St. Michael.

OHIO

Joseph A. Link, Carthagena.
A. Hulse Hays, Circleville.
Nathan A. McCoy, Sr., Columbus.
Fred A. Kenney, Delta.
Clifford B. Hyatt, Killbuck.
James E. Gallagher, Lancaster.
Fred W. Justus, Massillon.
Harry E. Miller, New Concord.
John Maurer, New Philadelphia.
Edwin Sommers, Ottawa.

OREGON

John Q. Buell, Chiloquin.
Sadie B. Jones, Oakridge.
Early Phillips, Scio.

WASHINGTON

James B. Robertson, Kettle Falls.
William E. Field, Quincy.
James E. Clark, Ryderwood.
John Maloney, Jr., Skykomish.
Pearl B. Burrill, Snoqualmie Falls.

WEST VIRGINIA

S. Cleveland Underwood, Bethany.
Emmett C. Andrick, Elizabeth.
John J. Walker, Follansbee.

Thomas T. Bambrick, Hollidays Cove.
Fred A. Burt, Mannington.
Justus O. Eakin, New Martinsville.
Mack Kiger, Paden City.
Anna M. Stephenson, Parkersburg.
Wilbur S. Moore, Pine Grove.
James J. Lovell, Point Pleasant.
William L. Brice, Wheeling.

WISCONSIN

John J. Riordan, Beloit.
Frank R. Hughes, Chippewa Falls.
Will Riley, Darlington.
Arthur G. Hoskins, Dodgeville.
Henry E. Steinbring, Fall Creek.
Oliver E. Neuens, Fredonia.
Leo M. Meyer, Loyal.
Earl D. Young, Melrose.
Levy Williamson, Mineral Point.
Louis W. Kurth, Neillsville.
Hilary T. Karis, Norwalk.
Arthur H. Gruenewald, Oshkosh.
Edmund J. Piechowski, Redgranite.
Peter P. Dandoneau, Rhinelander.
Stephen J. McShane, Rice Lake.
Charles F. Heald, Sheboygan Falls.
Nicholas Lucius, Jr., Solon Springs.
George W. Shenkenberg, Waterford.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 30 (legislative day of Jan. 23), 1934

MEMBER OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Charles B. Henderson, of California, to be a member of the board of directors of the Reconstruction Finance Corporation for a term of 2 years from January 22, 1934, vice Wilson McCarthy, resigned, which was sent to the Senate January 23, 1934.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 30, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Gracious Father in Heaven, we are still folded in Thy deep memory. Back of our appeals, back of our needs, back of our tendencies, and back of our sins stands the glorified, reigning Lord. From the throne of the universe Thou dost bestow upon us marvelous blessings of life and light. O send Thy glowing pathways through the unseen realms of our immortal souls. Be pleased to enter into a new relationship with us. If any hearts are heavy, let a heavenly harmony possess them. Fate will then only deepen the current, pain will only sweeten the tone, and the yoke will only enrich the melody. This day keep us mindful of that wayside shrine, namely, the Golden Rule. Then at its close there will be nothing lost, nothing forfeited, and all things turned to their higher use. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

IDA MAY ELLIS

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 224

Resolved, That there shall be paid out of the contingent fund of the House to Ida May Ellis, widow of George D. Ellis, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not exceeding $250, to defray funeral expenses of the said George D. Ellis.

The resolution was agreed to.

COMMITTEE ON THE JUDICIARY

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts (H.Res. 214) and ask its immediate consideration.

The Clerk read as follows:

Resolved, That the further expenses of conducting the investigation authorized by House Resolution 163, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $2,500, including expenditures for the employment of clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House, on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters shall serve said committee at its meetings in the District of Columbia.

Mr. SNELL. Mr. Speaker, will the gentleman from North Carolina tell us to what investigation this resolution relates?

Mr. WARREN. This is for the investigation of Judge Ritter in Florida.

Mr. SNELL. Will the gentleman tell us something about it?

Mr. WARREN. The gentleman will recall that at the last session the House passed unanimously a resolution to investigate Judge Ritter, of Florida. As I recall, the investigation was made upon the judge's request. He concurred in the desire that there should be an investigation.

The subcommittee of the Judiciary Committee has already expended $2,500. The committee came before us again and has asked for an additional $2,500 but expressed the opinion that perhaps they would not need all of it.

Mr. HOOPER. Mr. Speaker, I think this is an entirely proper request on the part of this subcommittee. The gentleman from Georgia [Mr. TARVER], the gentleman from Arkansas [Mr. MILLER], and myself make up this subcommittee. We held a week's hearing in Florida and kept expenses down to the very limit. We feel we will not be obliged to spend all of this money but believe there is one and perhaps two more lines of investigation we should pursue before we make our final report to the House.

Mr. SNELL. As I understood the resolution, the rest of the investigation is to be made in the District of Columbia. Is this right?

Mr. HOOPER. It will be done largely in the District, but an investigator might be sent into the Middle West.

The SPEAKER. The question is on the resolution offered by the gentleman from North Carolina.

The resolution was agreed to.

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read as follows:

House Resolution 215

Resolved, That the further expenses of conducting the investigation authorized by House Resolution 145, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $10,000, including expenditures for the employment of clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House, on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters shall serve said committee at its meetings in the District of Columbia.

With the following committee amendment:

In line 4, strike out the figures "$10,000" and insert in lieu thereof the figures "$7,500."

Mr. SNELL. Mr. Speaker, will the gentleman from North Carolina tell us about this resolution?

Mr. WARREN. This is a resolution that was authorized yesterday.

Mr. BLANTON. Mr. Speaker, I do not understand from the gentleman's statement what investigation this relates to.

Mr. WARREN. At the last session the House passed a resolution empowering the Judiciary Committee to investigate certain bankruptcies in the Nation, and they were given $5,000. On yesterday the time for filing their report was

extended, I think, until June 30, and they are asking for this additional $7,500 to fully complete the investigation now in progress.

Mr. BLANTON. Mr. Speaker, I ask the gentleman from North Carolina if it is not a fact that at the time the resolution was passed last year we were assured the committee would not spend over $5,000; that they would keep within the $5,000? Now they are asking for more. The resolution as presented before amendment is for $10,000—just double the amount given them at the last session, though there has been added to the resolution a little palliative amendment reducing the amount to $7,500.

Mr. SNELL. Is not that the usual outcome of these legislative investigating committees?

Mr. BLANTON. It is a system that has grown up here during the last 12 years. It is simply outrageous. It grew up all through the Harding, Coolidge, and Hoover administrations.

Mr. SNELL. The gentleman cannot lay the blame on me, because I have always opposed them.

Mr. BLANTON. And most of them originated from our friends on the other side of the aisle; but we Democrats are trying to keep our house in order; we are trying to keep things clean; and we are trying to keep the expenses of the Government down to the very minimum, regardless of precedents set by other Presidents.

Mr. WARREN. The gentleman from Texas must remember that the Committee on Accounts has no authority after the House has passed a resolution ordering an inquiry.

Mr. BLANTON. I know; it is just like the Committee on Appropriations; after the legislative committee speaks, you have got to carry out the will of the House. But when a committee comes in here and asks for $5,000 to make an investigation and assures the House that not more than $5,000 is to be spent, we Members on both sides of the aisle ought to be able to place some kind of dependence upon such assurance.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. COCHRAN of Missouri. If the gentleman from Texas would talk to the members of the Judiciary Committee and find out what they have already disclosed, he would vote $100,000 to go on with this investigation. Something is going to result from this investigation.

Mr. BLANTON. I knew every bit of it before they ever had an investigation.

Mr. COCHRAN of Missouri. Why did not the gentleman tell the House all about it, then?

Mr. BLANTON. We all here who were posted on the subject knew about it. We knew then all about the abuses that have crept into these bankruptcy courts. We knew about the tremendous expense and the tremendous fees of receivers, outrageous fees of trustees and their attorneys, that have been paid in New York, Chicago, and other places in the Nation. We have known all about this for years, which has constituted a public scandal, and we ought to stop it without so much investigation and without so much expense.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. Certainly to the minority leader.

Mr. SNELL. The gentleman from Texas has referred to what was done during the Harding, Coolidge, and Hoover administrations. I want to say to the gentleman that during 8 years of that time I was Chairman of the Rules Committee, and there is no man on the floor of this House who as consistently opposed investigations as I did during that entire time, and there is no time during the history of Congress that as few resolutions of that character were reported as during the time I was Chairman of the Rules Committee.

Mr. BLANTON. If the gentleman from North Carolina will yield, I cannot forget the several hundred thousand dollars that were spent by the Graham smelling committee and the Walsh committee that lived for months in palatial palace and dining cars on the Pacific coast and by other wasteful committees.

Mr. SNELL. That was before my time as Chairman of the Rules Committee.

Mr. BLANTON. But the gentleman was here during that time.

Mr. SNELL. The gentlemen on the other side of the aisle have consistently asked for these investigations. Now pay for them.

Mr. BLANTON. The distinguished gentleman from New York was on the floor when all of that was going on.

Mr. FREAR. Will the gentleman from New York yield a moment?

Mr. SNELL. Yes.

Mr. FREAR. Let me say that I happen to know about one of the committees referred to as a smelling committee, because I was chairman; and we disclosed the fact that after an expenditure of $500,000,000 we never sent one more plane to the front, either bombing or pursuit plane, and all of our American aviators at that time were flying in planes borrowed from other countries.

Mr. BLANTON. And with all your Republican smelling you never put a single person connected with the Democratic administration in the penitentiary, but we Democrats put several high officials in the penitentiary during the succeeding administrations.

Mr. FREAR. I went to the Attorney General, and I told him he ought to be impeached at that time because he had not acted upon the report.

Mr. BLANTON. But, with great respect for our friend from Wisconsin [Mr. FREAR], you did not put anybody in the penitentiary, and we have put some of the gentleman's friends, including high Cabinet officers, in the penitentiary.

Mr. WARREN. Mr. Speaker, I yield myself 5 minutes.

I thought something would come up about these investigations at some time, so I have had a statement prepared showing all of the investigations that have been ordered during the last 4 Congresses, 2 under Republican control and 2 under Democratic control. The gentleman from New York knows, when he talks about opposing investigations, that there is no one on this floor who has opposed or voted against them more than I have, on the ground that most of them accomplish absolutely nothing.

Mr. SNELL. I think the gentleman is correct, and I agree with him.

Mr. WARREN. In the Seventieth and Seventy-first Congresses under Republican control there were 20 investigations ordered by the House of Representatives with a total authorization of $178,581.06. I wish to be fair and say that these investigations, of course, were completed, and there was turned back into the Treasury $61,933.11.

Mr. BLANTON. Will the gentleman yield?

Mr. WARREN. Yes.

Mr. BLANTON. There was $600,000 spent on the coal investigation alone.

Mr. WARREN. That was before these Congresses.

In the Seventy-second, and so far in the Seventy-third Congress, under Democratic control, only 12 investigations have been authorized by the House, amounting to $158,500. Of course, it is impossible to say how much will be turned back. Those that have already been completed show a turn-back of approximately $20,000. The bulk of all of these investigations, both under Republican and Democratic control, has been one item amounting to $150,000 by the Committee on Interstate and Foreign Commerce, which was unanimously passed without a murmur from either side of this House.

Mr. Speaker, I ask unanimous consent to insert these tables in the RECORD.

The SPEAKER. Is there any objection to the request of the gentleman from North Carolina?

There was no objection.

SEVENTIETH AND SEVENTY-FIRST CONGRESSES—REPUBLICAN

Special investigating committees authorized by the House of Representatives from December 1927 to Mar. 3, 1931, inclusive

Item of investigation and authority therefor	Expenditure authorized	Amount expended	Balance of authorization unexpended
1. H.Res. 101, passed Jan. 26, 1928, District of Columbia Committee, investigating government of the District of Columbia, $2,000, and H.Res. No. 267, passed Jan. 14, 1929; authorized $1,500 additional	$3,500.00	$3,214.40	$285.60
2. S.Con.Res. 11, passed Mar. 4, 1929, seacoast aircraft investigation; House share authorized $1,000	1,000.00	----------	1,000.00
3. H.Res. 232, passed May 28, 1928, investigation of campaign expenditures; authorized $20,000	20,000.00	4,775.69	15,224.31
4. H. Res. 233, passed May 28, 1928, investigation of Federal prisons; authorized $20,000	20,000.00	6,257.01	13,742.99
5. H.Res. 252, 70th Cong., Committee on Ways and Means, investigation of the tariff	(1)	2,182.67	----------
6. H.Res. 18, passed Apr. 16, 1929, Committee on Ways and Means, investigation of the tariff; Public Act 1034, approved Mar. 4, 1929, authorized $2,500	2,500.00	2,232.81	267.19
7. H.Res. 113, passed Jan. 7, 1930, contested-election case of *Wurtzbach* v. *McCloskey*	(1)	1,359.59	----------
8. H.Res. 159, passed Feb. 19, 1930, contested-election case of *Hill* v. *Palmisano*	(1)	38.80	----------
9. H.Res. 141, passed Feb. 10, 1930, investigation branch banking; H.Res. 178, passed Mar. 27, 1930, authorized $3,500	3,500.00	2,375.67	1,124.33
10. H.Res. 235, passed June 30, 1930, contested-election case of *Lawrence* v. *Milligan*	(1)	----------	----------
11. H.Res. 220, investigation communist propaganda, etc.; H.Res. 250, passed June 13, 1930, authorized $25,000	25,000.00	19,225.45	5,774.55
12. H.Res. 114, passed Jan. 24, 1930, Committee on Interstate and Foreign Commerce, investigation holding companies—common carriers; H.Res. 134, passed Feb. 4, 1930, authorized $25,000 and H.Res. 274, passed July 22, 1930, authorized $25,000 additional	50,000.00	39,755.54	10,244.46
13. H.Res. 258, passed June 24, 1930, investigation campaign expenditures; H.Res. 275, passed June 27, 1930, authorized $10,000	10,000.00	----------	----------
14. H.Res. 284, passed July 1, 1930, investigation of Judge Deaver, of Georgia; authorized $5,000	5,000.00	174.92	4,825.08
15. H.Res. 191, passed June 13, 1930, investigation of Judge Anderson of Tennessee; authorized $5,000, and H.Res. 305, passed Dec. 3, 1930, authorized $5,000 additional	10,000.00	8,609.03	1,390.97
16. H.Res. 285, investigation fiscal relations of United States and the District of Columbia; H.Res. 329, passed Jan. 9, 1931, authorized $10,000	10,000.00	9,499.02	500.98
17. H.Res. 139, Committee on Appropriations, investigation of Mediterranean fruit fly; H.Res. 151, passed Feb. 18, 1930, authorized $3,500	3,500.00	2,896.86	603.14
18. S.J.Res. 216, approved Mar. 4, 1929, joint committee investigation District of Columbia airport; House share, authorized $1,000	1,000.00	357.00	643.00
19. H.J.Res. 431, approved Mar. 2, 1929, investigation of Judge Moscowitz of New York; $5,000	5,000.00	2,010.20	2,989.80
20. H.J.Res. 425, approved Feb. 26, 1929, investigation of Judge Winslow of New York; authorized $5,000	5,000.00	1,683.29	3,316.71
	178,581.06	----------	61,933.11

[1] Actual expenses.

NOTE.—All the above investigations completed.

SEVENTY-SECOND AND SEVENTY-THIRD CONGRESSES—DEMOCRATIC

Special investigating committees authorized by the House of Representatives from December 1931 to Jan. 15, 1934, inclusive

Item of investigation and authority therefor	Expenditure authorized	Amount expended	Balance of authorization unexpended
1. H.Res. 59, passed Jan. 19, 1932, Committee on Interstate and Foreign Commerce, investigating holding companies. H.Res. 115, passed Jan. 27, 1932, authorizes $50,000 to carry out provisions of H.Res. 59	$50,000	$45,736.56	$4,263.44
H.J.Res. 572, approved Mar. 3, 1933, continued the above investigation during the Seventy-third Congress and authorized $50,000 additional for expenses to be paid out of the contingent fund; however, public act 442, also approved Mar. 3, 1933, provided a specific appropriation for the Committee on Interstate and Foreign Commerce amounting to $35,000 under the terms of H.J.Res. 572, leaving a balance of $15,000 additional to be paid out of the contingent fund	50,000	26,264.54	[1] 23,735.46

[1] $8,735.46 to be paid out of specific appropriation, Committee on Interstate and Foreign Commerce, balance $15,000 to be paid out of contingent fund, special and select committees.

SEVENTY-SECOND AND SEVENTY-THIRD CONGRESSES—DEMOCRATIC—Con.

Special investigating committees authorized by the House of Representatives from December 1931 to Jan. 15, 1934, inclusive—Continued

Item of investigation and authority therefor	Expenditure authorized	Amount expended	Balance of authorization unexpended
2. H.Res. 72, passed Feb. 8, 1932, Committee on Coinage, Weights, and Measures, investigating value of silver, etc. H.Res. 136, passed Feb. 13, 1932, authorized $5,000 for this purpose	$5,000	$2,301.27	[1] $2,698.73
3. H.Res. 201, passed June 18, 1932, Special Committee to Investigate Campaign Expenditures; H.Res. 202, passed June 21, 1932, authorized $10,000 for this purpose	10,000	1,649.61	[1] 8,350.39
4. H.Res. 239, passed June 2, 1932, Special Committee of Judiciary Committee, investigating Judge Louderback of California. Same resolution carrying $5,000 authorization; H.Res. 72, passed Mar. 22, 1933, continued this investigation during the 73d Cong. and authorized the unexpended balance ($3,230.25) of H.Res. 239 to be used	5,000	3,409.26	[1] 1,590.74
5. H.Res. 226, passed June 21, 1932, Committee on the Post Office and Post Roads, investigating activities of Post Office Department; H.Res. 273, passed June 24, 1932, authorized $5,000 for this purpose; H.Res. 59 and 98, passed Apr. 11, 1933, continued this investigation during the 73d Cong. and authorized the unexpended balance ($2,554.51) of H.Res. 273 to be used	5,000	3,228.97	1,771.03
6. H.Res. 235, passed May 31, 1932, Special Committee Investigating Government Competition with Private Enterprise; H.Res. 271, passed June 21, 1932, authorized $10,000 for this purpose; H.Res. 343, passed Jan. 10, 1933, authorized $3,500 additional	13,500	13,497.44	[1] 2.56
7. H.Res. 120, passed Apr. 26, 1933, Committee on Judiciary, investigating Judge Lowell of Massachusetts; H.Res. 132, passed May 8, 1933, authorized $5,000 for this purpose	5,000	199.72	[1] 4,800.28
8. H.Res. 146, passed June 1, 1933, Committee on Civil Service, to investigate Civil Service Commission re States' quota in making appointments. No funds authorized	----------	----------	----------
9. H.Res. 163, passed June 1, 1933, Committee on the Judiciary, investigating Judge Ritter of Florida; H.Res. 172, passed June 9, 1933, authorized $2,500 for this purpose	2,500	2,002.71	497.29
10. H.Res. 183, passed June 10, 1933, Committee on Ways and Means, investigating revenue laws; H.Res. 184, passed June 10, 1933, authorized $5,000	5,000	2,204.13	2,795.87
11. H.Res. 145, passed June 12, 1933, Committee on the Judiciary, investigating bankruptcy proceedings and receiverships; H.Res. 189, passed June 13, 1933, authorized $5,000 for this purpose	5,000	4,306.75	693.25
12. H.Con.Res. 15, passed Apr. 10, 1933, Joint Committee Investigating Wreck of Dirigible *Akron*, House share $2,500	2,500	2,220.19	[1] 279.81
	158,500	----------	----------

[1] Investigation completed.

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution and amendment thereto.

The previous question was ordered.

The amendment was agreed to.

The resolution was agreed to.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there any objection to the request of the gentleman from Texas?

There was no objection.

HOUSE MEMBERS MISREPRESENTED

Mr. PATMAN. Mr. Speaker, several Members of the House have received communications from their veterans condemning them for voting for what is known as the so-called "gag rule" just before the passage of the independent offices appropriation bill. The veterans have charged them with betrayal, because they voted for this rule.

They give as their authority the National Tribune dated Thursday, January 18, 1934, in which the headline is, "Vicious gag rule is forced through House to stop legislation for vets." Then the next headline and the first paragraph of this article leaves the impression that the adoption of the rule prevented legislation that would have been beneficial to the veterans.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert these statements in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Reserving the right to object, just to ask a question, not to be taken out of the gentleman's time, may I ask my colleague whether or not the editor of this paper is Rice W. Means?

Mr. PATMAN. I understand Gen. Rice W. Means is the president of the company that owns the paper.

Mr. BLANTON. The gentleman will remember that in 1931 I got the House of Representatives to print House Document No. 802, Seventy-first Congress, third session, showing the names of all emergency officers who, claiming to be disabled, were retired on pay; and if the gentleman will look on page 37 of that report, House Document No. 802, he will find this same newspaper president, Rice W. Means, succeeded in getting himself retired at $240.62 per month for life, on the ground of bad hearing, in addition to his regular salary as president. His first check for back allowance was for the sum of $1,549.53, and he continued to draw his monthly retired pay of $240.62 per month until we stopped him last year. I cannot forget that as to his hearing a very prominent official of the American Legion stated that Mr. Rice W. Means might be deaf because he did not think he could hear a pin drop on a soft carpet farther than two blocks away. He was taken off this disabled retired officers' roll last year, and incidentally lost $240.62 a month, until he can prove that he is deaf and cannot hear a pin drop on a soft carpet as far as two blocks away.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. PATMAN. The National Tribune, published here in Washington, of date January 18, 1934, has the following headline in large bold-face type:

Vicious gag rule is forced through House to stop legislation for vets.

Another headline with type hardly so large, but large bold-face type, as follows:

Largest part of cut in independent offices appropriations bill is made at expense of disabled ex-service men and their dependents—action taken at behest of White House, according to Democratic leaders.

The first paragraph of the article is as follows:

To secure passage of the independent offices appropriation bill without any amendments which might mean anything, the House last Thursday adopted a special rule which Minority Leader SNELL, of New York, described as "the most vicious, the most far-reaching special rule that has ever been brought on the floor of the American Congress." Most of the money appropriated under this measure goes for the relief of disabled veterans and their dependents.

With reference to the retired emergency officers, it is true that 4,500 of them were eliminated from the rolls, and to my mind this legislation has been more harmful to all veterans than any legislation that has ever been passed. I do not think Congress will ever authorize these 4,500 to be reinstated on the rolls. I shall not go into details and tell you why I think they should be excluded, but it is my judgment they should never have been on the rolls, and the law never contemplated they should be there.

Anyway, General Means, the president of this company, has permitted to be issued the statement that Members of the House forced through this so-called "gag rule" to prevent the veterans' legislation being corrected. In truth and in fact, that so-called "gag rule" did not affect veterans at all.

NEWSPAPER CLAIMS IT IS VOICE OF THE VETERANS OF THE UNITED STATES

I have received many letters from Members of the House in regard to this erroneous headline and the false, misleading information that was thereby disseminated by this newspaper which advertises that it is "the voice of the veterans of the United States." One of such letters received by me contained the following paragraph which conveys practically the same information as was contained in all of them:

One of our Spanish War camps is on the warpath against me, the commotion being caused by a charge that in standing by the President on the question of continuing 10 percent of the pay cut for Government employees another year, I voted against the veterans. I am not bitterly condemned for voting for this so-called "gag rule" by the Federal employees, but by the veterans.

Many of the letters state that World War veterans are also claiming that their representatives in Congress betrayed them by voting for the rule.

WHAT ARE FACTS?

Did the adoption of the so-called "gag rule" prevent any Member of this body from introducing an amendment to the bill that would have been in order had the rule not been adopted? Not one. Where is the foundation for the statement that "vicious gag rule is forced through House to stop legislation for vets"? There is no foundation for it at all.

CORRECTION SHOULD BE MADE

I presume General Means wants to be fair. I think he should correct that statement. It is not the truth. It does not touch the truth. It is not even part true. There is no semblance of truth to it, and since there is not, certainly he ought to correct the statement and prevent these people from telling their Members of Congress that they have betrayed them in regard to veterans' legislation when they voted for that rule.

CHALLENGE

When the so-called "gag rule" was before Congress, it did not affect the veterans at all for this reason: After the rule was passed any amendment that would have been in order to that bill anyway was still in order, and right now I challenge any Member of this House to name one amendment on that bill that was excluded from consideration in regard to veterans, which was excluded by reason of the adoption of the so-called "gag rule". So if there is a Member of the House who knows of such an amendment, I believe now is the time for him to get up and say so.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. PATMAN. Yes; I will be pleased to yield.

Mr. MARTIN of Massachusetts. The gentleman said the rule did not have anything to do with veterans' legislation.

Mr. PATMAN. I said it did not exclude any amendment. The reference here is that, by reason of the adoption of the rule, an amendment in regard to veterans was excluded.

Mr. MARTIN of Massachusetts. But previous to that the gentleman stated it had nothing to do with veterans' legislation.

Mr. PATMAN. I said it did not exclude any amendment in regard to veterans' legislation. In other words, the adoption of the rule was in no way harmful to veterans' benefits.

Mr. MARTIN of Massachusetts. It prevented you from doing something for the widows of Civil War veterans?

Mr. PATMAN. Oh, no. The gentleman is absolutely mistaken. Is that the only point the gentleman makes?

Mr. MARTIN of Massachusetts. No; I am just pointing out that one, and the gentleman knows that is correct.

Mr. PATMAN. All right; name any others. The gentleman does not even claim that Spanish-American or World War veterans were affected. The gentleman from Massachusetts [Mr. MARTIN] voted for the Economy Act. He is not in a position to do much complaining. I voted against it.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 more minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MOTT, Mr. BRITTEN, and Mr. HOEPPEL rose.

Mr. PATMAN. I want to yield to anyone who wants to say that any such amendment was excluded.

Mr. MARTIN of Massachusetts. How about the widows of veterans of Indian wars and Spanish-American War veterans?

Mr. PATMAN. The gentleman asks a question by naming Spanish-American War veterans and Indian-war widows. I say that he is wrong. The members of the Rules Committee say he is wrong. I therefore ask him to present his proof, if not now, at a later date, if he says they were affected.

Mr. MOTT. I assume the gentleman does not admit that that gag rule excluded any and every amendment to the bill.

Mr. PATMAN. So far as veterans are concerned, it did not exclude any amendment that would have been in order had the rule not been adopted.

Mr. MOTT. The gentleman is talking about something that was not in the bill, anyway.

Mr. PATMAN. I want to yield to anyone who says that this so-called "gag rule" excluded an amendment in regard to veterans or affected veterans in any way.

Mr. MOTT. The fact is the gag rule excluded all amendments.

Mr. PATMAN. The gentleman does not name any more, so I shall not yield further.

Mr. BOILEAU. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Did not that gag rule make in order under an appropriation bill a continuation of the provisions of the economy bill, as it related to Federal employees?

Mr. PATMAN. Pay cuts of Federal employees; yes.

Mr. BOILEAU. And in order to continue that pay cut for another year, you had to bring in some legislation here to continue the so-called "economy bill."

Mr. PATMAN. But we are not talking about Federal employees.

Mr. BOILEAU. And if that question had been brought up here, you would have put in some legislation in regard to veterans as well as Federal employees.

Mr. PATMAN. That does not touch the issue because we are talking about veterans only. The National Tribune referred to veterans.

Mr. BOILEAU. But that rule was brought in for the purpose of continuing the provisions of the Economy Act.

Mr. PATMAN. The gentleman has asked if Indian war veterans and Spanish-American War veterans were affected.

Mr. MARTIN of Massachusetts. And the Civil War, too.

Mr. PATMAN. I wish to yield to anybody who says that the rule affected veterans. I also request any Member to present his proof that veterans or their dependents were affected in any way.

Mr. BLANTON. I want to call the gentleman's attention to the fact that if there had been no gag rule there would not have been a single amendment in order anyway that in any wise would have affected the veterans.

Mr. PATMAN. Then why should there be put out a headline like this, "Vicious gag rule is forced through House to stop legislation for vets"?

Mr. BRITTEN. Will the gentleman yield?

Mr. PATMAN. I will be glad to yield if the gentleman knows of any amendment in regard to veterans that was excluded by reason of the so-called "gag rule." I refer particularly to Spanish-American and World War veterans and their dependents.

Mr. BRITTEN. I should like to ask the gentleman why the gag rule was brought to the floor of the House?

Mr. PATMAN. In order to make uniform the pay cuts. In other words, we had up the independent offices appropriation bill and we were going to adopt the policy, right or wrong, that there should not be any increase in pay of employees next year over this year, except 5 percent commencing in July. If we were going to make such a reduction effective as to independent offices, including the Executive Office, the Federal Trade Commission, the Interstate Commerce Commission, and all the others, certainly, when the Department of Agriculture bill would come up, when the Interior Department bill would come up, and when all the other appropriation bills would come up, we should provide a uniform reduction for all employees. This is the only reason in the world that the rule was adopted.

Mr. BRITTEN. Is it not a fact that the gentleman's speech today is made necessary by embarrassment on that side of the House, because the gentleman himself and the gentleman from Mississippi [Mr. RANKIN], and the gentleman from Texas [Mr. BLANTON] did everything in their power always to embarrass Mr. Hoover in connection with the veterans' legislation? The gentleman is apologizing for that gag rule. He is ashamed of himself, ashamed of the administration. He does not say so, but that is the reason he is making the speech. [Laughter and applause.]

Mr. PATMAN. Why should I be ashamed when I have done nothing that will in any way jeopardize the rights of the veterans? Certainly we should not be ashamed, because there is nothing to be ashamed of. I am not apologizing, because I have nothing to apologize for, and the gentleman knows it.

Mr. BRITTEN. I am talking about the embarrassment of the administration.

Mr. PATMAN. I am talking about the gag rule. The administration is not embarrassed. The worst gag rule that ever passed this House was put over by the Republicans. One time in June 1930 it came like a clap out of a clear sky. There was a bill circulated here in regard to disability allowance. It was intended to forestall, and did, the Rankin bill that helped border-line cases. I did not know it was coming, you did not know it was coming, but the President sent it up here and in 5 minutes it was in the hands of every man on the floor. It was put through under a gag rule allowing 20 minutes' debate on each side, a bill that never had been considered by a committee of the House or a committee of the Senate. Can you conceive of a more vicious gag rule for forcing through a bill that never had been considered in committee of either House of the Congress? That ought to be a complete answer to the gentleman as to gag rules. Such gag rule deprived many service-connected cases of their just compensation. Every special rule may be called a gag rule because it does change the general rules of the House.

Mr. BYRNS. If the gentleman will yield, I want to say in answer to the remarks of the gentleman from Illinois that he should not be taken seriously because the Washington Post told us several weeks ago that he was one of those who had been delegated to come on the floor of the House and sit here for the purpose of criticizing rather than offering constructive suggestions. [Applause.] And may I say further to the gentleman that judging from the record heretofore the gentleman is performing his duty. [Laughter and applause.]

Mr. PATMAN. The gentleman from Illinois [Mr. BRITTEN] voted for the Economy Act. He is not in a very favorable position to complain. Let me say I do not object to criticism nor censure, but I do object to being misrepresented.

The National Tribune story misrepresents every Member of the House that voted for the so-called "gag rule", which was the least of a gag brought on this floor for a long time. I think the gentleman who is responsible for this article ought to apologize.

Mr. FADDIS. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FADDIS. Will not the gentleman admit that a proper analysis of the situation is that the defeat of the gag rule would have admitted veteran legislation?

Mr. PATMAN. The veterans' legislation was not affected by reason of the adoption of the rule.

Mr. TRUAX. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. TRUAX. I should like to ask the gentleman if he is in favor of a complete restoration of the appropriation for veterans' non-service-connected disability?

Mr. PATMAN. That is foreign to this matter, but I am in favor of restoring all service-connected cases and a uniform pension law which will eventually restore all service-connected cases. As I said before, I think this man should apologize for his statement. [Applause.]

FUTURE LEGISLATION FOR VETERANS

The retired emergency officers who were stricken from the rolls by reason of Public, No. 2, are endeavoring to popularize the slogan "Repeal the Economy Act." As one who voted against the so-called "Economy Act", I do not claim that is the way to help the veterans at this time. It is just my opinion—I am not speaking for a single veteran—but I believe an outright repeal would place back into the hands of our enemies the same weapons to slay us with that they had before the passage of the act. On the next uprising of public sentiment the veterans might lose more than they did this time. It is my opinion that we should at this time endeavor to restore all service connected 100 percent, and work toward the adoption of a uniform pension law for both veterans of all wars and their dependents. We cannot expect to recover all our lost ground very quickly. We must cultivate public sentiment to sustain our position as we recover this lost ground. We would render the veterans a disservice if we were to force back on the pension rolls the cases that have been condemned by public opinion; that would again excite public opinion against all veterans.

CASES NOT SUPPORTED BY PUBLIC OPINION

Let us review a few of the cases that were condemned and that were not successfully defended:

First. Retired emergency officers. These officers claimed that they should receive retirement pay of the same amount as the Regular Army officers who served with them. On first blush this seems very reasonable. A Regular Army officer is entitled to retirement when he has suffered a 30-percent permanent disability; he has selected the Army as his life's work and he is not able further to perform that life's work efficiently when he is disabled 30 percent or more, so he is retired with the privilege of receiving, the remainder of his life, from $106 to $416 a month, depending upon his rank at the time of his retirement. The emergency officer with a 30-percent permanent disability is not necessarily disabled 100 percent from carrying on his life's work, which is not the Army. He is disabled in proportion to the effect his disability will have on his occupation or profession. Presuming for the sake of discussion that the emergency officers should receive these large amounts in order to prevent a discrimination between them and the Regular Army officers and they are retired on the same basis, a greater discrimination is thereby created between the emergency enlisted men and the emergency officers. For example, John and Jim Doe, brothers, entered the service for the emergency. John had an opportunity of becoming, and did become, an officer for the emergency—only a small percentage had that opportunity. John was a captain and Jim, although qualified to be an officer, remained an enlisted man because the opportunity never presented itself. John and Jim were injured in the service in exactly the same way, a disability that was rated 30 percent permanent. John, a captain, receives $150 a month under the Emergency Officers' Retirement Act, while Jim receives a maximum of $30 a month. John, as such officer, received officers pay, quarters, and allowances while in the service, and he did not always go unattended by enlisted men, who were at his service. Jim received $30 a month for home service and a 10 percent increase for service overseas, and from that amount he paid his allotments, his insurance, his laundry, barber, tailor, shoe repair, and other bills.

Do not get me wrong. There were approximately 6,000 such officers on the retirement roll before March 20, 1933. About 4,500 of them have been stricken off. The 1,500 remaining are practically all battle casualties. I never expect to do anything to disturb the battle casualties, and I am sure public sentiment will support them, if the roll is not loaded down with nonbattle casualties to the extent that all veterans' legislation will be jeopardized by them. The 4,500 stricken off will hereafter receive the same compensation for the same disability as their comrades who were enlisted men.

Second. Veterans who did not enlist until after November 11, 1918, received the same compensation for disability as battle casualties prior to March 20, 1933.

Third. Veterans who were suffering from willful misconduct received the same compensation for disability as battle casualties prior to March 20, 1933. There is much to be said in favor of many of these veterans, but I doubt that public sentiment will sustain putting all of them back on the pension rolls at battle-casualty rates. They are all entitled to hospitalization under present laws and regulations.

Fourth. Rich veterans received pensions and hospitalization for non-service-connected disabilities prior to March 20, 1933.

OUTRIGHT REPEAL OF ECONOMY ACT NOT RIGHT WAY TO HELP DESERVING VETERANS

If we repeal the Economy Act outright, the 4,500 emergency officers will be restored to the rolls immediately. The after-war and willful-misconduct cases will also be restored at battle-casualty pay and they will be able to stay in the hospitals and soldiers' homes at Government expense and draw the full amount of compensation; the rich veterans will again receive the benefits formerly enjoyed for non-service-connected disabilities. Do you believe such action will receive the support of the people? And do you believe such action will help the veterans?

WHAT SHOULD BE DONE

We should keep in mind restoring at the earliest possible date all the most deserving and meritorious veterans and their dependents 100 percent and the adoption of a uniform pension law for both veterans and dependents of all wars and never again have placed on the pension rolls cases that will not receive the approval of the people or cases that cannot be successfully defended before the people. I know of a number of border-line cases that should be service connected. A large number of veterans drew disability allowance but should have been drawing service-connected pay.

THE SO-CALLED "NATIONAL ECONOMY LEAGUE"

The National Economy League, in making a report to its members a few days ago, stated that the organization was very much displeased because in the compromise plan for veterans at the end of the last session of Congress payment of pensions to Spanish-American War veterans, whose disabilities were not of service origin, were allowed, and stated:

> It is important, of course, because of the precedent as to World War non-service-connected cases.

The officials of the National Economy League also expressed themselves as being displeased with the President's stand in permitting the compromise to go through. The officials stated:

> We wish the President had stood fast by the league's policy. We wish that he had put his back to the wall and fought. We believe that an appeal to the American people would have overwhelmed once more a cowardly and treacherous Congress. But if they win on a compromise now, the President will surely have to go to the mat in a desperate fight with the corrupting soldier's lobbies next session. We are sorry that he gave in far enough to let Congress taste long-forbidden blood in adding $60,000,000 to the administration's pension expenditures. (As a matter of fact, counting all the committee's work on the compromise, more than $150,000,000 were added.)

The National Economy League was an outlaw organization in that the officers trampled the law under foot and refused to divulge to the people the names of the contributors and the amount contributed, as required by the Corrupt Practices Act of 1925. There was a good reason why the officials refused to divulge this information. On that list would have been found the names of war profiteers, slackers, goldbrickers, tax evaders, bribe takers, and bribe givers. Anyway, the organization had charge of the four great means of communication—the newspapers, radio, screen, and stage. By resorting to all kinds of false representations, the country was sold on the theory that such a law as Public, No. 2, should be enacted. The veterans' organizations were negligent, so were veterans generally in that they made no proper attempt to defend themselves before the country.

TO ESTABLISH THE COMPOSITION OF THE UNITED STATES NAVY

Mr. COX. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 235, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 6604, a bill to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, the resolution as drafted provides for 2 hours of general debate. It was the intention of the committee that it should provide for 3 hours of debate. I ask unanimous consent that the word "two" in line 11, page 1, be stricken out and that the word "three" be inserted in lieu thereof.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

This resolution makes provision for the consideration of the Vinson bill, H.R. 6604, to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes. The Navy Department laid out a building program intended to cover a period of 5 years, and in the report made by the Acting Secretary of the Navy in December it was estimated that the carrying out of the program would call for an expenditure of $380,000,000. Later, in the hearing before the Naval Affairs Committee, the statement was made that if construction is to be had under regulations or rules of the N.R.A., an additional 25 percent would have to be added. In other words, the carrying out of the program would call for an annual expenditure under the N.R.A. of approximately $90,000,000 for the next 5 years.

Mr. HASTINGS. Will the gentleman state that total again, please?

Mr. COX. That would make a total of in the neighborhood of $470,000,000, or an annual expenditure of $90,000,000. The proposal has the approval of the Budget and is in line with the financial policies of the administration.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. BLANTON. The Director of the Budget, in his letter which is found in the report, does not recommend the expenditure of $470,000,000 but merely says that he is willing that the Congress should consider it. Is not that right?

Mr. COX. That is not quite accurate.

Mr. BLANTON. Here is his exact language:

You are advised that, insofar as the financial program of the President is concerned, there is no objection to your submitting this proposed legislation to Congress for its consideration. This action is taken with the understanding that, if such legislation be enacted into law, no commitment can now be made as to when and at what rate of progress the construction of the naval vessels in reference may be undertaken.

That is signed by Mr. Douglas, Director of the Budget.

My question is this: Is this in accord with the appeal that the President of the United States, so recent as May 16, 1933, made to all the peoples of the world?

Mr. COX. With respect to what?

Mr. BLANTON. With respect to a limitation of armament, with respect to getting out of this eternal war building and getting ready for war, looking more to peace than to war. I refer to the earnest and eloquent appeal that our President made to the sovereigns and presidents of the nations of the world.

Mr. COX. The proposal is in line with every representation or appeal made by the President.

Mr. BLANTON. Then would the gentleman be fair enough to show us one word from the President asking that the $470,000,000 be authorized?

Mr. COX. The Acting Secretary of the Navy, appearing before the Naval Affairs Committee, gave testimony to the effect that the proposal did have the approval of the President.

Mr. BLANTON. And is he the spokesman for the President?

Mr. BRITTEN. Yes; he is.

Mr. BLANTON. I doubt it, on naval building. He may be the spokesman for the gentleman from Illinois on naval building.

Mr. COX. It was developed in the hearings before the committee, and it is well known throughout the world, that the United States has favored a limitation of armament and has evidenced that in many ways, particularly by voluntarily destroying a great part of its Navy. The other signatory powers to the Washington and London Treaties have not seen fit to reduce armament, but on the other hand, as was disclosed in the hearing before the committee, proceeded to build up to treaty limitations. The United States finds itself in the position of falling far behind other powers, and is undertaking now to simply grant an authorization for appropriations that come later on, for the bringing of our own Navy up to treaty limitations. And let me say to the gentleman that there was not a note of discord in the entire hearing before the committee. The proposal comes with the unanimous endorsement of the committee reporting the bill. The only dissatisfaction with the report and the bill, as indicated in the hearings, was to the effect that it did not make provision for immediate execution of the plan; but the gentleman will understand that the bill simply provides for building as rapidly as permissible under the treaties. The Government could not now undertake to build all vessels that are provided for in the bill, but it simply proposes to authorize construction as rapidly as possible within the treaties and as soon as permissible under the treaties.

Mr. BLANTON. May I ask one more question?

Mr. COX. Yes.

Mr. BLANTON. The great President of the United States now in the White House is not timid about sending us messages asking for what he wants. He sends us frequent messages, embracing one of January 25, 1934, asking us to appropriate $75,000 for the District Alcohol Beverage Control Board, and $12,793 for the office of corporation counsel. If he wants this $470,000,000 expended on naval armament, in addition to the millions already authorized, why has he not sent us a special message asking Congress to provide it?

Mr. COX. The gentleman must know that no member of the President's official family would dare come to the Congress and make a recommendation which was out of line with the President's view.

Mr. BLANTON. Oh, I have been sitting across the table from these heads of departments, and I wish the gentleman could hear some of the requests that I hear once in a while that are not in strict accord with the President's financial program.

Mr. COX. I am not prepared to concede by any means that the Secretary of the Navy would make a representation to a committee of this House which was contrary to the wishes of his chief.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. COX. I yield.

Mr. VINSON of Georgia. For the information of the gentleman from Texas [Mr. BLANTON], let me read exactly the testimony that was given at the hearing when I was examining the Assistant Secretary of the Navy. He is the civilian representative of the Executive in naval matters at this time:

The CHAIRMAN. To sum up this bill, it proposes to bring the Navy up to treaty strength; is that right?

Colonel ROOSEVELT. Yes, sir.
The CHAIRMAN. That is what the bill seeks to accomplish?
Colonel ROOSEVELT. Yes, sir.
The CHAIRMAN. And that has the approval of the Navy Department?
Colonel ROOSEVELT. Yes, sir.
The CHAIRMAN. It has the approval of the Director of the Budget?
Colonel ROOSEVELT. Yes, sir.
The CHAIRMAN. And it has the approval of the administration, the objective to bringing the Navy up to treaty strength as rapidly as Congress provides the money with which to do so?
Colonel ROOSEVELT. Yes, sir.
The CHAIRMAN. You state it will cost approximately $76,600,000 each year?
Colonel ROOSEVELT. Yes, sir. * * *
The CHAIRMAN. And this has the sanction and approval of the administration?
Colonel ROOSEVELT. Yes, sir.

Let me say to the gentleman from Georgia [Mr. COX] and the gentleman from Texas [Mr. BLANTON] that when the Budget permitted the bill to come to the Navy Department and then to Congress it had the sanction and approval and endorsement of the administration. The Assistant Secretary of the Navy is the spokesman for the Executive on naval matters, and when he stated it had his endorsement it is equivalent to having a special message sent to the Congress.

Mr. COX. That is as I understand the situation.

Mr. BLANTON. Will the gentleman yield?

Mr. COX. I yield.

Mr. BLANTON. My friend from Georgia [Mr. VINSON] ought to check up and find out how many million dollars outside of the Budget recommendations this Secretary of the Navy was able to get from the P.W.A. after Congress had limited the appropriation to Budget authorizations. For this year Congress gave the Navy $308,669,562, and as soon as Congress adjourned requests for additional sums were made to the Public Works Board, and the Navy secured from it the additional sum of $277,265,924.

Mr. COX. We know that.

Mr. BLANTON. And after Congress had given the War Department for this year $349,523,278, as recommended by the President's Budget, the Secretary of War went down there to the Public Works Board, of which he is a member, after the Congress had adjourned and got an additional $333,721,227 from Mr. Secretary Ickes and his Public Works Board.

Mr. VINSON of Georgia. And every dollar was given by permission of the Executive.

Mr. BLANTON. Well, I doubt that very seriously. I believe that much of it was put over on the Executive; for it was not consistent with the Budget the President sent to Congress.

Mr. COX. Let me say, in response to a request from the gentleman from Virginia [Mr. DREWRY], the Acting Secretary of the Navy inserted in the hearings before the committee certain tables. Unless these tables have been printed in the RECORD and are available to Members of the House and the country, they should go in the RECORD at this time. I wonder if the gentleman from Georgia [Mr. VINSON] intends to put them in?

Mr. VINSON of Georgia. I trust the gentleman will put them in himself.

Mr. BRITTEN. Will the gentleman yield for a suggestion?

Mr. COX. I yield.

Mr. BRITTEN. When the gentleman revises his remarks, I suggest that he take care of the statement made by the gentleman from Texas [Mr. BLANTON] in which he said that the President was continually sending messages up here on the most trivial subjects. I disagree with him.

Mr. BLANTON. No; I said he was not too timid to send us a message on January 25, 1934, for an appropriation as trivial as $75,000 for an Alcoholic Beverage Board, and $12,793 for the corporation counsel's office, to put into execution the District liquor bill.

Mr. COX. Mr. Speaker, this is an open rule, and I cannot conceive of anyone having objection to its adoption in order that the bill may come up for consideration.

Mr. Speaker, I ask unanimous consent to insert in the RECORD as a part of my remarks certain tables that were inserted in the hearings before the committee by the Acting Secretary of the Navy.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

STATISTICAL TABLES ON PRINCIPAL NAVIES OF THE WORLD

FOREWORD

When the London Treaty took effect it specified that the naval strengths of the signatory powers should not, on December 31, 1936, exceed certain limits as given below in table I.

The treaty prohibits replacement tonnage being "laid down more than 3 years before the year in which a vessel to be replaced becomes over-age, but this period is reduced to 2 years in the case of any replacement surface vessel not exceeding 3,000 tons standard displacement." Thus replacement tonnage for a vessel becoming over-age on the 31st of December 1936 and exceeding 3,000 tons could have been laid down on January 1, 1933, practically 4 years in advance. This was limited, however, in the case of capital ships, by the treaty stipulation barring any replacement tonnage in this category being laid down before the 31st of December 1936.

The treaty defines over-age as follows under Rules for replacement in annex I of the treaty.

"A vessel shall be deemed to be over-age when the following number of years have elapsed since the date of its completion:

"(a) For a surface vessel exceeding 3,000 tons, but not exceeding 10,000 tons standard displacement: (1) If laid down before the 1st of January 1920, 16 years; (2) if laid down after the 31st of December 1919, 20 years.

"(b) For a surface vessel not exceeding 3,000 tons standard displacement: (1) If laid down before the 1st of January 1921, 12 years; (2) if laid down after the 31st of December 1920, 16 years.

"(c) For a submarine: 13 years."

In addition the Rules for replacement stipulate that "In the event of loss or accidental destruction a vessel may be immediately replaced."

In all tables showing ships building, appropriated for, or projected the tonnages given under these headings are approximate or estimated. The actual standard tonnages as defined by the treaty cannot be determined until the ships are completed.

TABLE I.—*Treaty allowances—Under the terms of the Washington and London Treaties the following maximum tonnages and/or numbers of ships in the various categories are allowed*

Category	United States		British Empire		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Capital ships [1]	15	525,000	15	525,000	9	315,000	(2)	175,000	(2)	175,000
Aircraft carriers [3]	(2)	135,000	(2)	135,000	(2)	81,000	(2)	60,000	(2)	60,000
Cruisers:										
A [4]	18	180,000	15	146,800	12	108,400	(5)		(5)	
B [6]	(2)	143,500	(2)	192,200	(2)	100,450	(5)		(5)	
Destroyers:										
Over 1,500 tons [7]	(2)	24,000	(2)	24,000	24	40,800	(5)		(5)	
Not over 1,500 tons [8]	(2)	126,000	(2)	126,000	(2)	64,700	(5)		(5)	
Submarines [9]	(2)	52,700	(2)	52,700	(2)	52,700	(5)		(5)	
Total		1,186,200		1,201,700		763,050				

[1] Not to exceed 35,000 tons, with guns not in excess of 16 inches.
[2] Not limited as to number of vessels, but limited to tonnage.
[3] Not to exceed 27,000 tons (except not more than 2 of not more than 33,000 tons allowed) with guns not in excess of 8 inches; 10,000-ton carriers restricted to guns not in excess of 6.1 inches.
[4] Not to exceed 10,000 tons, with guns in excess of 6.1 inches, but not to exceed 8 inches.
[5] France and Italy did not ratify the London Treaty fixing allowances in these categories.
[6] Not to exceed 10,000 tons, with guns not in excess of 6.1 inches.
[7] Not to exceed 1,850 tons, with guns not in excess of 5.1 inches.
[8] With guns not in excess of 5.1 inches.
[9] Not to exceed 2,000 tons, with guns not in excess of 5.1 inches (except that 3 not exceeding 2,800 tons, with guns not in excess of 6.1 inches allowed).

TABLE II.—*United States existing and projected tonnages compared with treaty allowances as of Nov. 1, 1933*

Category (1)	Treaty allowance (first credit) (2)		Vessels built that will be under-age on Dec. 31, 1936 (first debit) (3)		Building under Increase of Navy (second debit) (4)		Building under N.I.R.A. funds (third debit) (5)	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Capital ships	15	525,000	8	251,600	None		None	
Aircraft carriers		135,000	2	66,000	1	13,800	2	40,000
Cruisers:								
A	18	180,000	10	92,650	6	60,000	[3] 1	10,000
B		143,500	10	70,500	1	10,000	3	30,000
Destroyers:								
Over 1,500 tons		24,000	None		4	7,400	4	7,400
Not over 1,500 tons		126,000	None		8	12,000	16	24,000
Submarines		52,700	18	24,810	2	2,260	4	5,200
Total		1,186,200	48	505,560	22	105,460	30	116,600

Category (1)	Tonnage remaining unprovided for (2)—(3+4+5) (first balance) (6)		Additional replacement tonnage that can be laid down before Dec. 31, 1936 (see foreword) (second credit) (7)		Total remaining tonnage that can be laid down before Dec. 31, 1936 (6)—(7) (present balance) (8)	
	Number	Tons	Number	Tons	Number	Tons
Capital ships	(1)		(1)		(1)	
Aircraft carriers		15,200	None			15,200
Cruisers:						
A	1	17,350	None		[3] 1	17,350
B		33,000	[4] 2	14,100		[4] 47,100
Destroyers:						
Over 1,500 tons		9,200	None			9,200
Not over 1,500 tons		90,000	None			90,000
Submarines		20,430	[6] 14	15,100		35,530
Total		185,180	16	29,200		214,380

[1] By the London Treaty "the high contracting parties agree not to exercise their rights to lay down the keels of capital-ship replacement tonnage during the years 1931–36, inclusive * * *. This provision is without prejudice to the replacement of ships accidentally lost or destroyed."

[2] Keel to be laid in January 1934 (CA44).

[3] 1 of the cruisers authorized by the act of Feb. 13, 1929. London Treaty forbids laying of the keel before Jan. 1, 1935. Funds not yet provided. Tonnage limited by treaty to 10,000. Remaining 7,350 tons cannot be utilized, as total of 18 cruisers in this category cannot be exceeded.

[4] Replacements for *Omaha* and *Milwaukee* (7,050 tons each) over-age in 1939, which may be laid down before the end of 1936.

[5] Funds have not been provided for the last 5 of the 15 cruisers authorized by the act of Feb. 13, 1929. This number coincides with the number of cruisers which could probably be constructed within the tonnage available, viz, 47,100 tons.

[6] Replacements for 14 submarines, total tonnage 15,100 tons, which become over age in 1937, 1938, and 1939 may be laid down before the end of 1936.

TABLE III (pt. I).—*Comparison of treaty vessels now in existence that will be under-age on Dec. 31, 1936, figures as of Nov. 1, 1933*

Category	United States		British Empire		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Capital ships	8	[1] 260,000	4	[2] 139,750	5	[3] 160,750				
Aircraft carriers	2	66,000	6	[4] 115,350	4	[7] 68,370	1	[6] 22,146		
Cruisers:										
A	10	92,650	17	[5] 163,890	12	107,800	6	[8] 60,000	7	[8] 70,000
B	10	70,500	8	46,120	14	69,895	5	[8] 33,016	4	[8] 19,584
Destroyers:										
Over 1,500 tons			1	1,540	24	[8] 40,800	21	[8] 49,341	15	[8] 24,111
Not over 1,500 tons			37	50,524	33	38,135	26	[8] 35,120	27	[8] 28,564
Submarines	18	24,810	28	37,119	38	52,272	60	[8] 57,056	32	[8] 26,949
Total	48	513,960	101	554,293	130	538,022	119	256,679	85	169,208

[1] Estimated. Includes an allowance of 9,000 tons to cover modernization of *New Mexico*, *Mississippi*, and *Idaho*.

[2] Estimated. Includes an allowance of 1,100 tons to cover modernization of *Barham*.

[3] Estimated. Includes an allowance of 6,000 tons to cover modernization of *Ise* and *Yamashiro*.

[4] Includes the *Argus*, 14,450 tons; *Hermes*, 10,850 tons; *Eagle*, 22,600 tons; and *Furious*, 22,450 tons; a total of 70,350 tons, which are experimental and can be replaced at any time.

[5] Includes the *Frobisher* (9,860 tons, over-age 1940) and *Effingham* (9,770 tons, over-age 1941) now in existence, but which the treaty specifies are to be disposed of by the end of 1936, leaving then a balance of 15 ships of 144,260 tons.

[6] Experimental and can be replaced at any time.

[7] Includes the *Hosho* (7,470 tons, over-age 1942), which is experimental and can be replaced at any time.

[8] The London treaty allows 16 percent of destroyer tonnage to be employed in vessels over 1,500 tons but not exceeding 1,850 tons. This would give Japan 16,872 tons in this category. However, the treaty permits destroyers completed or under construction on Apr. 1, 1930, in excess of this project, to be retained. This allowance results in the figure 40,800 instead of 16,872 for Japan.

[9] France and Italy are not limited in these categories.

TABLE III (pt. II.)—*Comparison of treaty vessels and tonnages under construction and projected prior to Dec. 31, 1936 (figures as of Nov. 1, 1933)*[1]

Category	United States				British Empire				Japan[2]			
	Building		Projected[3]		Building		Projected[3]		Building		Projected[3]	
	Number	*Tons*	*Number*	*Tons*	*Number*	*Tons*	*Number*	*Tons*	*Number*	*Tons*	*Number*	*Tons*
Aircraft carriers	3	53,800									2	[4] 20,100
Cruisers:												
A	6	60,000	2	[5] 20,000								
B	4	40,000	5	[6] 47,100	9	59,200	4	22,000	2	17,000	4	34,000
Destroyers:												
Over 1,500 tons	8	14,800										
Not over 1,500 tons	24	36,000			18	24,875	9	12,400	6	8,268	20	[7] 27,560
Submarines	6	7,460			8	8,415	3	3,945	6	8,200	9	[8] 11,428
Total	51	212,060	7	67,100	35	92,490	16	38,345	14	33,468	35	93,088
Total tons				279,160				130,835				126,556

Category	France				Italy			
	Building		Projected[3]		Building		Projected[3]	
	Number	*Tons*	*Number*	*Tons*	*Number*	*Tons*	*Number*	*Tons*
Capital ships	1	26,500						
Cruisers:								
A	1	10,000						
B	7	49,886			8	48,502		
Destroyers:								
Over 1,500 tons	9	22,737	1	2,500				
Not over 1,500 tons			1	1,500	6	6,180	2	1,300
Submarines	19	19,113	2	2,758	22	17,916		
Total	37	128,236	4	6,758	36	72,598	2	1,300
Total tons				134,994				73,898

[1] These figures are subject to change depending upon the determination of the tonnages when the vessels are completed.
[2] The Japanese Diet has provided for a continuing building program covering the years from 1931 to Mar. 31, 1936.
[3] May be varied by individual nations while remaining within treaty allowances.
[4] One of these included in program to be completed prior to Mar. 31, 1936. Originally planned for 8,000 tons, being increased to 10,000 tons.
[5] Includes 1 cruiser "A", authorized by act of Feb. 13, 1929, but funds not yet provided for its construction, which cannot be laid down before Jan. 1, 1935, and would not normally be completed before 1938.
[6] Five cruisers authorized by act of Feb. 13, 1929, but no funds yet provided for their construction. Includes 14,100 tons for replacement of *Omaha* and *Milwaukee*. (See column 7 of table II).
[7] The London Treaty allows Japan to lay down in each of the years 1935 and 1936 not more than 5,200 tons of replacement for part of the destroyer tonnage that becomes overage in 1938 and 1939.
[8] The London Treaty states that "Japan may anticipate replacement during the term of the present treaty by laying down not more than 19,200 tons of submarine tonnage of which not more than 12,000 tons shall be completed by Dec. 31, 1936."

TABLE III (pt. III.)—*Comparison of treaty vessels now in existence that will be under-age on Dec. 31, 1936, plus those building and projected prior to Dec. 31, 1936 (figures as of Nov. 1, 1933)*

Category	United States		British Empire		Japan		France		Italy	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Capital ships	8	260,000	4	139,750	5	160,750	1	26,500		
Aircraft carriers	5	119,800	6	115,350	6	[1] 88,470	1	22,146		
Cruisers:										
A	18	172,650	17	163,890	12	107,800	7	70,000	7	70,000
B	19	157,600	21	127,320	20	120,895	12	82,902	12	68,086
Destroyers:										
Over 1,500 tons	8	14,800	1	1,540	24	40,800	31	74,578	15	24,111
Not over 1,500 tons	24	36,000	64	87,799	59	73,963	27	36,620	35	36,044
Submarines	24	32,270	39	49,479	53	71,900	81	78,927	54	44,865
Total	106	793,120	152	685,128	179	664,578	160	391,673	123	243,106

[1] Includes the *Hosho*. (See note 7 under table III, pt. I.)

TABLE IV.—*Comparative programs as of Nov. 1, 1933, necessary to bring navies to treaty strength (in under-age ships), also providing for future replacements of ships which may be laid down before the end of the London Treaty (Dec. 31, 1936)*

Category	United States		British Empire		Japan		France		Italy	
	Number (approximate)	Tons[1]	Number (approximate)	Tons	Number (approximate)	Tons	Number (approximate)	Tons	Number (approximate)	Tons
Capital ships		[2]		[2]		[2]	(3)	78,500	(2)	70,000
Aircraft carriers	(1)	15,200	(2)	[3] 34,100		[4]	(2)	[5] 37,854	(4)	60,000
Cruisers:										
A	1	[6] 17,350	0	[7] 1,540	0	[8] 600	(9)	(9)	(9)	(9)
B	(5)	47,100	(15)	[10] 88,730		(11)	(9)	(9)	(9)	(9)
Destroyers:										
Over 1,500 tons	(5)	9,200	(12)	22,460			(9)	(9)	(9)	(9)
Not over 1,500 tons	(60)	90,000	(27)	[12] 41,161		(13)	(9)	(9)	(9)	(9)
Submarines	(30)	35,530	(8)	[14] 9,616		(15)	(9)	(9)	(9)	(9)
Total	(102)	214,380	(64)	197,607		600				

For footnotes to this table see bottom of page following.

TABLE V.—*Status of building programs as of Nov. 1, 1933*

United States	British Empire	Japan
No appropriation has been made for the construction of the following ships which the United States, under the terms of the London Treaty, is permitted to lay down prior to Dec. 31, 1936: Approximate number: 1 aircraft carrier, 15,200 tons; 1 cruiser A, 17,350 tons; 5 cruisers B, 47,100 tons (33,000 tons balance from treaty allowance plus replacements for *Omaha* and *Milwaukee* (7,050 tons each) over age in 1939, may be laid down during 1936); 5 destroyers (over 1,500 tons), 9,200 tons; 60 destroyers (not over 1,500 tons), 90,000 tons; 30 submarines, 35,530 tons (20,430 tons balance from treaty allowance plus replacements for 14 submarines, total tonnage 15,100 tons, which become over age in 1937, 1938, and 1939 and may be laid down before the end of 1936).	Great Britain has had in each recent year a uniform building program of 3 cruisers, 9 destroyers, 3 submarines, and several miscellaneous craft. The First Lord of the Admiralty stated to Parliament on Mar. 7, 1932: " * * * we must have the ships which we are allowed to have by 1936 by our treaties, and there is no doubt that we shall have them." The present construction program is as follows: 4 cruisers B; 1 leader and 8 destroyers; 3 submarines; 3 sloops; 1 convoy sloop; 1 coastal sloop; small craft (not specified as to character). Since the announcement of the United States program and use of N.I.R.A. funds the British Admiralty is reported as now asking not only that Britain build up to full treaty strength but is also demanding a heavy replacement program on the assumption that the present naval holiday will end Dec. 31, 1936. The new program is said to include 25 new cruisers of a most formidable type. New capital ships of 25,000 tons, heavily armored and carrying twelve 12-inch guns, are being designed, and the building of 15 to 18 destroyers per year to replace obsolete tonnage of 100,000 tons is proposed. Additionally 10,000 more men and more money for fuel is demanded to conduct extended maneuvers.	Since the Washington Treaty of 1922, Japan has maintained a steady building program with the object of maintaining the Japanese Navy up to treaty limits in modern under-age vessels. In 1931 the Imperial Diet approved a building program which was augmented in 1933. These programs provide for the construction by 1939 of a total of 68 vessels of all classes at an expenditure of 607,080,000 yen. A modernization program and an aircraft program have been approved in addition to the above. An additional naval building program has been tentatively approved by the Japanese cabinet and when approved by the Diet will provide for all except 600 tons of the tonnage allowed Japan by treaty provided several modern ships she now possesses are scrapped or converted to training vessels to keep within her treaty allowances.

TABLE VI.—*Summary of comparisons as of Nov. 1, 1933*[1]

UNITED STATES NAVY

Type	Built						Building		Projected		Grand total	
	Under age		Over age		Total		Number	Tons	Number	Tons	Number	Tons
	Number	Tons	Number	Tons	Number	Tons						
Capital ships	14	429,300	1	26,100	15	455,400					15	[2] 455,400
Aircraft carriers	2	66,000	1	11,500	3	77,500	3	53,800			6	131,300
Cruisers:												
A	10	92,650	1	7,350	11	100,000	6	60,000	2	20,000	19	180,000
B	10	70,500			10	70,500	4	40,000	5	50,000	19	160,500
Destroyers	3	3,570	248	263,900	251	267,470	32	50,800			283	318,270
Submarines	45	46,530	37	21,260	82	67,790	6	7,460			88	75,250
Total	84	708,550	288	330,110	372	1,038,660	51	212,060	7	70,000	430	1,320,720
NAVY OF THE BRITISH EMPIRE												
Capital ships	15	473,650			15	473,650					15	[3] 473,650
Aircraft carriers	6	115,350			6	115,350					6	115,350
Cruisers:												
A	19	183,686			19	183,686					19	183,686
B	19	95,750	15	62,265	34	158,015	9	59,200	4	22,000	47	239,215
Destroyers	44	58,374	116	123,490	160	181,864	18	24,875	9	12,400	187	219,139
Submarines	31	39,539	25	13,895	56	53,464	8	8,415	3	3,945	67	65,824
Total	134	966,379	156	199,650	290	1,166,029	35	92,490	16	38,345	341	1,295,854
JAPANESE NAVY												
Capital ships	8	242,740	1	29,330	9	272,070					9	[4] 272,070
Aircraft carriers	4	68,370			4	68,370			2	20,100	6	88,470
Cruisers:												
A	12	107,800	2	15,720	14	123,520					14	123,520
B	17	81,455	3	11,920	20	93,375	2	17,000	4	34,000	26	144,375
Destroyers	60	81,245	42	39,820	102	121,065	6	8,268	20	27,560	128	156,893
Submarines	63	71,779	8	6,063	71	77,842	6	8,200	9	11,000	86	97,042
Total	164	653,389	56	102,853	220	756,242	14	33,468	35	92,660	269	882,370

[1] Over-age date Dec. 31, 1933.
[2] Modernization of *Mississippi*, *New Mexico*, and *Idaho* will add not over 9,000 tons more.
[3] Modernization of *Barham* will add about 1,100 tons more.
[4] Modernization of *Fuso*, *Yamashiro*, and *Ise* will add not over 9,000 tons more.

Following are footnotes for table IV, p. 1589:

[1] See column 8 in table II.
[2] By the London Treaty, United States, British Empire, and Japan agreed not to lay down any capital ships during the years 1931-36, inclusive, France and Italy, however are allowed to "build the replacement tonnage" (70,000 tons each) which they were entitled to lay down in 1927 and 1929 (under the Washington Treaty), which they had not, used up to the time of the London Treaty. In addition, France was entitled to replace the battleship *France* lost in 1922. This gives 35,000 tons more, making her allowance 105,000 tons France laid down the battleship *Dunkerque* (26,500 tons) in 1932, leaving the figure 78,500. Italy has not laid down any capital ships since the London Treaty.
[3] This includes 19,650 tons deficiency in under-age tonnage on Dec. 31, 1936, plus 14,450 tons as replacement for the *Argu* (experimental), over age in 1938. In addition, the following can be replaced at any time as they are experimental: *Hermes*, 10,850 tons; *Eagle*, 22,600 tons; and *Furious*, 22,450 tons.
[4] Japan has built and projected 88,370 tons to be under age on Dec. 31, 1936, thus exceeding the treaty limit by 7,370 tons. Included in the tonnage built is the *Hosho*, 7,470 tons, which is experimental and may be replaced at any time.
[5] This figure does not contemplate replacement of the *Bearn* (tonnage 22,146, over age in 1948) which is experimental and can be replaced at any time. If the *Bearn* is not included, France will have her entire aircraft allowance of 60,000 tons.
[6] This allows for one cruiser A (10,000 tons), the last of the 18 cruisers A allowed by the London Treaty. The 7,350 tons remaining cannot be utilized.
[7] This 1,540 tons cannot be utilized, as the 15 cruisers A allowed by the London Treaty have been built. Britain actually has 17 cruisers A under age on Dec. 31, 1936, of 163,890 tons, thus exceeding her allowed tonnage by 17,090 tons to be disposed of.
[8] This 600 tons cannot be utilized, as the 12 cruisers A allowed by the London Treaty have been built.
[9] Not limited.
[10] This includes 64,880 tons deficiency in under-age tonnage on Dec. 31, 1936, plus replacements for 5 cruisers of 23,850 tons over-age on 1937 and 1938, which may be laid down before the end of 1936.
[11] Japan has provided for everything that can be laid down before Dec. 31, 1936, to the amount of 120,895 tons. Included in this figure are 3 vessels of the *Kuma* class (total tonnage 15,300), which are to be reduced to training ships when replaced by new vessels, and their tonnage not thereafter included in the tonnage subject to limitation. Also Japan may replace the *Tama* (5,100 tons, over age in 1937) by new construction to be completed during the year 1936. Deducting these allowances the Japanese tonnage in this category becomes 100,495 as against the treaty allowance of 100,450.
[12] Includes 38,201 deficiency in under-age tonnage on Dec. 31, 1936, plus 2,960 tons which may be laid down before the end of 1936 to replace 2 destroyers over age in 1937.
[13] Japan has projected for everything that can be laid down before Dec. 31, 1936, to the amount of 73,963 tons, exceeding the treaty allowance by 9,263. However, the treaty permits Japan to lay down replacement tonnage to the amount of 5,200 tons in 1935 and 1936 to replace tonnage over age in 1938 and 1939, which allowance covers this excess.
[14] This includes 3,221 tons deficiency in under-age tonnage on Dec. 31, 1936, plus 6,395 tons which may be laid down before the end of 1936 to replace submarines over age in 1937, 1938, and 1939.
[15] Japan has projected everything that can be laid down before Dec, 31, 1936, to the amount of 71,900 tons, exceeding the treaty allowance by 19,200 tons. However, the treaty permits Japan to anticipate replacement by laying down not more than 19,200 tons prior to Dec. 31, 1936, which allowance covers the excess.

TABLE VI.—*Summary of comparisons as of Nov. 1, 1933*—Continued.

FRENCH NAVY

Type	Built						Building		Projected		Grand total	
	Under age		Over age		Total		Number	Tons	Number	Tons	Number	Tons
	Number	Tons	Number	Tons	Number	Tons						
Capital ships	4	88,756	5	97,169	9	185,925	1	26,500			10	212,425
Aircraft carriers	1	22,146			1	22,146					1	22,146
Cruisers:												
A	6	60,000	3	35,923	9	95,923	1	10,000			10	105,923
B	5	33,016	4	21,098	9	54,114	7	49,886			16	104,000
Destroyers	48	85,263	24	17,788	72	103,051	9	22,737	2	4,000	83	129,788
Submarines	64	59,559	26	17,824	90	77,383	19	19,113	2	2,758	111	99,254
Total	128	348,740	62	189,802	190	538,542	37	128,236	4	6,758	231	673,536

ITALIAN NAVY

Capital ships	4	86,532			4	86,532					4	86,532
Cruisers:												
A	7	70,000	4	33,642	11	103,642					11	103,642
B	4	19,584	7	22,386	11	41,970	8	48,502			19	90,472
Destroyers	49	58,566	33	25,881	82	84,447	6	6,180	2	1,300	90	91,927
Submarines	32	26,949	21	8,159	53	35,108	22	17,916			75	53,022
Total	96	261,631	65	90,068	161	351,609	36	72,598	2	1,300	199	425,597

Mr. MAY. Will the gentleman yield?

Mr. COX. With pleasure.

Mr. MAY. As I understand it, the amount of money appropriated in this bill is to carry out a 5-year program of construction?

Mr. COX. That is correct.

Mr. MAY. And whatever money is not used in the first year will be used in subsequent years?

Mr. COX. That is true.

Mr. Speaker, I trust the rule will be adopted.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, later in the day, under a unanimous-consent request, I should like to further elucidate my impression of the somersault that was just made by the gentleman from Texas [Mr. PATMAN], in his endeavor to get from under the embarrassment of his recent action toward the veterans. The gentleman's vote for the gag rule has brought him much criticism from the World War veterans. The Economy Act has done the same thing for the administration.

Mr. BLANTON. Mr. Speaker, I make a point of order. I reluctantly do it.

Mr. BRITTEN. Very well. I am out of order.

Mr. BLANTON. This is no time or place——

Mr. BRITTEN. I agree with the distinguished leader on the Democratic side. I am out of order. I shall now talk to the rule and the bill.

Mr. Speaker, I truly believe that there is less cause for criticism and less cause for objection to the bill now pending before the House than there could have been to any naval authorization bill presented to this House in the past 20 years. It is more free from attack than any naval bill that you gentlemen have ever been called upon to vote for, and I will tell you why in a very few words. This bill does not provide for the expenditure of a dollar for naval construction; not a dime. It is a blanket authority to the President to build the Navy up to treaty requirements if he desires to do so and if, in doing so, he adheres to the policy of the present administration as it has been publicly expressed time and time again.

This bill does not provide a single big ship outside of one big plane carrier. It provides for 65 destroyers, most of them under 1,850 tons, and 90 percent of them only 1,500 tons.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. JOHNSON of Texas. Section (b) provides for 99,200 tons of destroyers. How many vessels is that?

Mr. BRITTEN. Sixty-five.

Mr. JOHNSON of Texas. And what about submarines?

Mr. BRITTEN. Twenty-nine. I admit the tonnage is vague.

Mr. JOHNSON of Texas. I was wondering why the bill carried tonnage rather than the number of vessels.

Mr. BRITTEN. In the past we have carried the number of the ships, but for some reason, which the chairman of the committee himself best knows, the numbers of ships have been left out, because the Department may want to vary them in size. Destroyers vary from 1,500 to 1,850 tons each. There is great variation in submarine sizes.

Mr. OLIVER of Alabama. And the treaties deal with tonnages, also.

Mr. BRITTEN. Yes; the treaties deal only with tonnage and not with ship numbers except in the case of the first-line ships, which are not contemplated here.

Now, as has been brought out by the question just asked, the bill provides for 65 destroyers, 29 submarines, and 1 airplane carrier, the latter being a replacement of our old experimental airplane carrier, the *Langley*, a 15,000-ton ship. These ships, with our cruisers and our first-line battleships, now built or building, are necessary to balance our Navy as a complete and fighting unit. It is not a balanced unit today. You gentlemen would undoubtedly be surprised to know that at the end of the next year we will not have one single destroyer under age; we will not have one single destroyer that is not obsolete; and they are of enormous importance to the fleet when it is in operation or maneuvering.

This bill has for its tendency the building up of what might be called, or what in naval parlance is called, a "balanced fleet", just like a first-class well-balanced football team or baseball team. These small ships are necessary to balance the fighting force.

Now, there have been but two objectors to this bill, within my knowledge. Every Member of the House got one of these letters from the Federal Council of Churches of Christ in America. This is a very high-sounding name, my friends—the Federal Council of the Churches of Christ of America. When you get a letter from such an organization you naturally presume that your little Christian church back home has taken part in the deliberation of which you are being informed. That is as far from the truth as it is possible to be.

Some 18 or 20 years ago we investigated this Council of Churches, together with another organization with a high-sounding name, the National Council for the Prevention of War. This latter organization is controlled by one man, Frederick J. Libby, a professional pacifist of long standing. The chances are that copies of this letter were sent to you

and to me with the knowledge of the secretary, Mr. Walter W. Van Kirk, and nobody else.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. McFADDEN. The gentleman, of course, is aware of the fact that the Council of the Federation of Churches of Christ is an offshoot of the Carnegie Foundation which is operating in this country as a British-propaganda organization, tied up with all of the other subversive organizations which are trying to hold down proper preparedness in the United States. [Applause.]

Mr. BRITTEN. The gentleman is entirely correct. When we investigated this organization called the Federal Council of the Churches of Christ in America, we learned that there were anywhere from 5 to 20 affiliated associations. The directors of one were the directors of nearly all of them. They were paid for their services, and it was not unusual for a director to get half a dozen or more salaries from these various organizations. They would communicate with our Committee on Naval Affairs and indicate that meetings had been held, and when we pinned them down we found that the meetings had been held in some private room, or in a hotel, or in an office some place when three or four of these directors determined that Congress should be importuned to block certain legislation. They were notorious pacifists and might reasonably have been on the pay rolls of Great Britain or Germany. They were more British than American. They were a great detriment to a proper national defense.

Let me tell you what this letter states; I will refresh your memory. Mr. Van Kirk states that at the request of the executive committee of the Federal Council of the Churches of Christ in America he is enclosing a copy of the committee's statement on the Vinson naval bill. He goes on to say that—

> The membership of the executive committee includes official representatives of 25 denominations affiliated with the Federal Council of the Churches of Christ in America.

Twenty-five denominations! This must be important!

He goes on to state:

> We believe, as stated in this resolution, that the adoption of this legislation would considerably aggravate—

Listen to this, my friends:

> Would considerably aggravate a world situation already tense and serious, stimulate further naval competition among the principal maritime powers, and jeopardize the success of the 1935 naval conference.

It will jeopardize the success of a 1935 naval conference which has not yet been called!

But the person back home who gets one of these letters naturally believes that the 1935 naval conference is an assured conference for the serious consideration of further naval limitations.

This is the same kind of bait that for the last 20 years has been held before the National Congress and the gentleman who may sit in the White House. It is this kind of propaganda that has brought our Navy to its present unfortunate, its present disgraceful, condition—that subtle suggestion that the conference next year should not be interfered with; that the balance of the world is going to agree with us at that conference for further limitation of naval armaments. I shall tell you the facts, and this fellow Van Kirk may know it or he may not know it—I do not know whether he reads the newspapers or not, but this statement from the Federal Council of Churches would indicate that he does not even read the newspapers, because he does not know what is in the Vinson bill; this letter would indicate that we are to get together on further disarmament next year—the fact is, the preparatory council for naval disarmament and the conferences themselves have been going on for 11 years and getting nowhere excepting at a time when they can beat America down. Any conference that results in an agreement results in disaster to America. Otherwise they would not agree. That was done with the cruiser tonnage conference in London when this Nation got the worst of it. Had we carried out vigorously the building program which was scrapped at the Washington Conference, the biggest warship program in the history of the world, it is quite probable it would have kept us out of the World War.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield for a question.

Mr. HOEPPEL. Is it reasonable to suppose that an agreement would be observed by nations which have repudiated their debt obligations?

Mr. BRITTEN. My impression about these conferences is, and always has been—and I have sat in on them, I have watched them carefully; I have been in Europe a number of times when they were going on—and my serious contention is that there will never be an agreement to any conference between the European powers and ourselves unless it is understood in advance that they are going to "gyp" America. That is the very foundation of European diplomacy—deceit—and, of course, when you know Europe as most of us do, you know that their diplomacy must be deceitful.

If it were not deceitful, it would not be diplomatic. It certainly would not have been diplomatic for Germany to have told France years ago what her designs were in connection with the building of a railroad toward Mesopotamia. It would not be diplomatic for Italy to tell France what she is working on now in connection with Hitler and Germany. It certainly would not be reasonable for Germany to tell France what was included back of the curtains in her recent treaty with Poland. That would not be diplomacy. That would be just plain ordinary damn foolishness. So that the very foundation of European diplomacy means deceit first, and by that I mean to deceive your neighbor. It has been so always and it always will be so. They will deceive us on this $2,000,000,000 revolving fund for the stabilization of currency, and, take it from me, if we do not closely watch that $2,000,000,000, England and France will get most of it before we know it.

Mr. McFADDEN. Will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. The gentleman does not want us to infer that the activities looking toward the disarmament conference in 1935 are not proceeding under the same influences that have heretofore been in operation in the United States, does he?

Mr. BRITTEN. No. Undoubtedly the gentleman is correct.

Mr. McFADDEN. I call the gentleman's attention to the fact that the activity is proceeding under the direction of Norman H. Davis and under the Foreign Policy Association, which works in connection with the Carnegie Peace Foundation and these other influences. They are now planning to hold this conference in Geneva, and the American people are being led in again, just as they were into the last Geneva conference, by this same crowd which has for their purpose what the gentleman has stated, the breaking down of the proper armament and protection to the people of the United States and our great interests.

I am heartily in accord with what this bill proposes, and I hope the President of the United States will exercise it to his full capacity and build our Navy up to a proper strength, where it ought to be in order to protect the people of the United States and their resources.

Mr. BRITTEN. I agree with the gentleman, and in the parlance of the street it is "old stuff", everybody knows that.

Mr. COX. Will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman from Georgia.

Mr. COX. Our disarmament treaty expires in 1936. Is it not of importance that we now act within the limitations of that treaty?

Mr. BRITTEN. Why, of course, we should do that; and the bill before the House is merely an authorization to the President so that if he desires he may order or request the Director of the Budget to provide proper appropriations for any number of ships, the number to be determined by himself.

At this point, Mr. Speaker, I may say that the substance of this bill, the character of this bill, and the type of bill now before the House has been carried in the Senate for years and has been called the Hale bill. It has been carried in the House for years. It was called the Britten bill. These bills gave blanket authority to the President of the United States just as the Vinson bill does. The gentleman from Georgia [Mr. VINSON] has always opposed this blanket authority to the President, because he said it was giving the President too much authority. This was opposed in the Senate because that blanket authority to the President gives him too much power. It is remarkable how you gentlemen on that side of the aisle on veterans' legislation and on legislation like this back somersault five or six times when you are in power.

Mr. BLANTON. Will the gentleman yield?

Mr. BRITTEN. Yes; I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman has a very good memory. He will not forget, when he speaks of deceit, what his distinguished former colleague from Illinois, Mr. Madden, on March 20, 1924, told us about deceit of our own Navy, when our own naval officers testified positively that England had elevated the turret guns of her ships to give them a longer range, and had thus influenced Congress to appropriate $6,500,000 in order to elevate our guns. Mr. Madden, that great public servant from Illinois, who was then Chairman of the Committee on Appropriations, spoke on this floor and told us that there was not a word of truth in what the naval officers had told us. Does the gentleman remember that?

Mr. BRITTEN. Answering the gentleman, the gentleman is almost entirely correct.

Mr. BLANTON. This was deceit from our own Navy to Congress.

Mr. BRITTEN. The gentleman is unusually correct. The question before the House at that time was the elevation of our big turret guns, which means our battleship guns, to a 30° elevation so that our guns could shoot as far as the British, the German, and the Japanese guns of like size. Up to that particular moment we had only about a 22° elevation. The question before the House was to provide a $6,500,000 appropriation so that our guns could be elevated to shoot as far as our neighbors' guns.

A naval officer had told Mr. Madden, who was then Chairman of the Committee on Appropriations, that the British were elevating their guns when the fact of the matter was that the British did not have to elevate their turret guns. Their guns had already been elevated and did carry a 30° trajectory. Most of them were built that way originally.

The Japanese at that moment were elevating their guns to a 30° angle. So the naval officer was incorrect when he said the British were doing it, because they did not have to do it. It had already been done. Mr. Madden made quite an ado about this.

Mr. MAY. Will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman remembers very well that following the World War in the name of peace we destroyed a large number of ships that were not antiquated or out of date.

Mr. BRITTEN. They were the most modern in the world. Yes.

Mr. MAY. Does the gentleman agree with me that the surest guaranty of peace is the disposition to keep peace, but be prepared for war in the event we get into a war?

Mr. BRITTEN. The gentleman is entirely correct. No one would take a back swipe at our friend Carnera if he walked down the street, because Carnera is big and strong. No one goes after a man who has a mighty wallop, because he is afraid of being hit back. If we had had a Navy equal to Great Britain in 1917, Mr. Speaker, we would not have been dragged into the World War. I am certain of that. [Applause.]

Mr. MAY. Does the gentleman believe that the President of the United States, the present occupant of the White House, is a safe man in whose hands to leave the question of preparation?

Mr. BRITTEN. I think any President in the White House would be a proper man, because, after all, he is simply acting for the country at large.

Mr. HASTINGS. Will the gentleman yield?

Mr. BRITTEN. I yield to the gentleman from Oklahoma.

Mr. HASTINGS. The gentleman from Georgia [Mr. COX] in the revised estimate he gave estimated that this program would involve an expenditure of an additional $470,000,000. I call the gentleman's attention to section 3 of this bill and invite the attention of the House to the fact that there is no limitation at all upon the amount of the authorization.

The sky is the limit, and there is no limit here of $470,000,000, and there is not even a limit up to $1,000,000,000.

Does not the gentleman from Illinois think there ought to be some limitation placed upon the amount authorized to be expended?

Mr. BRITTEN. Answering the gentleman, in general, I agree with what the gentleman states, but it is well known that the Navy Department takes competitive bids on all of its ships. Even if they are built in the navy yards they take bids. To place a limit of cost in this bill on the destroyer tonnage might not have been the proper thing to do, because we do not know that we are going to build all of them. We may not. We might have said that on the destroyers the limit of cost shall be $3,800,000 on the smaller destroyers and $4,400,000 on the larger ones.

Mr. VINSON of Georgia. Will the gentleman yield there?

Mr. BRITTEN. That could have been done, excluding armament and so on, but personally I do not think it is necessary. I have confidence in the administration, whether it be Democratic or Republican, to build these ships at the lowest possible figure and to make them just as efficient, just as powerful, and just as fast as money can provide.

Mr. HASTINGS. If the gentleman will yield further, the inquiry I make does not involve any want of confidence in the President, but I am firmly of the belief that not only in this bill but in all authorization bills of whatever kind or character, in order to protect the taxpayers of this country, there ought to be some limitation.

Mr. BRITTEN. I agree with the gentleman that we have always done that; but under the present administration, by gag rule and otherwise, we have been precluded from doing things like that, and, as the gentleman from Georgia will tell you and me in just a moment, we are acting under what he calls "a new deal." We have never done things under previous administrations that are being done under the present administration.

Mr. HASTINGS. Why does not the gentleman talk to the point that is before him now?

Mr. BRITTEN. I am talking to the point.

Mr. HASTINGS. And that is the question of whether we ought to place a limitation upon the amount of the authorization, and not run off on gag rules and side questions.

Mr. BRITTEN. Oh, no; I am not doing that.

Mr. HASTINGS. I know the gentleman can talk to the point, and the gentleman knows that practically every one of these authorization bills that has ever been considered by Congress, during one administration or the other, has contained some limitation.

Mr. BRITTEN. Limitation of cost—I agree with the gentleman.

Mr. VINSON of Georgia. Will the gentleman yield there?

Mr. BRITTEN. And if it is deemed advisable to do that now, and limit the cost of destroyers in one case and the submarines in another, I shall have no objection.

Mr. HASTINGS. That is not what I am inquiring about now. I am not referring to the limit of cost as to one destroyer or another, but the limit on the total authorization in section 3.

Mr. BRITTEN. Three hundred and eighty million dollars, or, as stated by the gentleman, $470,000,000.

Mr. HASTINGS. Would the gentleman be willing to support an amendment to limit the authorization in section 3 to $380,000,000?

Mr. BRITTEN. Let me answer the gentleman in this way: We were told in committee by naval officers, who ought to know, and who do know, that these ships would cost $380,000,000, but that under the Public Works Administration and the N.I.R.A., providing for shorter hours and more wages, and so on, they might cost 25 percent more, and probably would. This is where the gentleman gets his figure of $470,000,000.

Mr. HASTINGS. They are the figures given us by the gentleman from Georgia [Mr. Cox] when he presented the rule.

Mr. BRITTEN. Yes.

Mr. HASTINGS. Does not the gentleman think it would be better to place a limitation of $470,000,000 in section 3 rather than to have no limitation whatever?

Mr. BRITTEN. I will offer no objection to that.

Mr. VINSON of Georgia. Will the gentleman yield there?

Mr. BRITTEN. I will yield to the chairman of the committee as to that. I have no objection to it.

Mr. VINSON of Georgia. In reference to placing a limitation on the total expenditures, does not the gentleman from Oklahoma, as well as the gentleman from Illinois, know that it is impossible for the Navy Department to estimate the cost of construction of a ship 5 years from today, and for that very reason it is wise and in the interest of economy to leave the authorization wide open? It might not cost $380,000,000, it might not cost $380,000,000 plus 25 percent, or it might cost more, all depending upon the cost of labor and the cost of material by 1939. It would be very unwise to provide a maximum or a minimum expenditure under the bill.

Mr. HASTINGS. Then the gentleman from Georgia, the author of the bill, is in favor of giving blanket authority, without any limitation whatever. Congress will be in session a year from now and 2 years from now and 5 years from now, and can we not trust those who are in charge of naval construction to come back to the Congress for additional authority or additional appropriations?

Mr. VINSON of Georgia. But does not the gentleman from Oklahoma know that a maximum limitation would be of no avail for the reason that Congress at each session must make appropriations for a specified number of ships, and if you said the maximum authorization should be $400,000,000 and it required more than $400,000,000, Congress at that session would have the right to vote the amount of money necessary for the construction? So let me endeavor to convince the gentleman that it is not in the interest of economy or in the interest of good legislation to try to fix the cost of an article 5 years from today.

Mr. HASTINGS. If that is so, there is no use of our requirement that you must get an authorization in order to make an appropriation. I say now that I am in favor, not only on this bill but every authorization bill of every kind and character presented to this House; I am in favor of limiting the cost, and if we limit the cost to $470,000,000 the Committee on Appropriations is not authorized to bring in an appropriation exceeding the amount without coming back to the House and getting additional authority from the House.

Mr. BRITTEN. In general, the gentleman is correct, but it will not work out that way in practice because these 94 or 95 ships will be scattered over a period of years and appropriated for as they meet the President's approval in his international policy.

Mr. BLANTON. Will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. BLANTON. The gentleman from Georgia is incorrect in one particular. If you pass the bill under the authorization given in this bill, the President can begin his operations and have contracts entered into covering the next 5 years that will absorb the whole $470,000,000, and then Congress would have to appropriate to make those contracts good.

Mr. BRITTEN. The gentleman from Texas is mistaken; he has got the cart before the horse. The appropriations are made before the contracts are entered into.

Mr. BLANTON. I hesitate because of the heavy wallop which my friend possesses—I hesitate to cross swords with him, but I do know something about appropriations; I do know something about authorizations to Presidents and the sacredness of Government contracts; I do know something about expenditures that can be made and what could occur under this power this bill invests in the President covering this 5-year period. Whenever he causes a contract for construction to be executed the gentleman knows that Congress will make those contracts good by appropriations later.

Mr. BRITTEN. The gentleman from Texas says he "hesitates to cross swords with the gentleman from Illinois." That reminds me of one time when I was sitting in the Senate Chamber through a debate going on between Senator Henry Cabot Lodge, a great statesman, scholar, and able debater, and our good friend the Senator from Illinois, Senator JAMES HAMILTON LEWIS. Mr. Lodge had concluded a very vicious attack on Senator LEWIS.

Mr. LEWIS came back at the Senator from Massachusetts, after touching up his whiskers hither and yon, adjusting a little pink handkerchief in his cuff, and he said: "I will say to my distinguished colleague the Senator from Massachusetts that when I meet him on the field of battle my sword will be tipped with a rose." [Laughter.]

So I say to my good friend from Texas, when I meet him on the field of battle my sword will be tipped with a—thistle. [Laughter.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, knowing the heavy wallop carried by the gentleman from Illinois, I hesitate to further cope with him. I know when he comes in here some mornings in proper array, with his bright necktie and spats and his hair properly curled, rouge on his face, well perfumed, and smiling sweetly, you do not know whether to kiss him or sock him. [Laughter.]

Mr. BRITTEN. I shall refuse the kiss; I am not a Frenchman. [Laughter.]

Mr. BLANTON. But do not try to sock him. [Laughter.] He is a wonderful adept at that art. Seriously, when the President of the United States tells me he wants $470,000,000 to spend for national defense I will vote for his bill without any hesitation at all. But in no letter or message has the President asked us to vote him this $470,000,000. I remember very distinctly the impressive message the President sent us on May 16, 1933. Let us ponder well on what he then said. Here is his message:

To the Congress:

For the information of the Congress I am sending herewith a message that I have addressed this morning to the sovereigns and presidents of those nations participating in the disarmament conference and the world monetary and economic conference.

I was impelled to this action because it has become increasingly evident that the assurance of world political and economic peace and stability is threatened by selfish and short-sighted policies, actions, and threats of actions.

The sincere wish for this assurance by an overwhelming majority of the nations faces the danger of recalcitrant obstruction by a very small minority, just as in the domestic field the good purposes of a majority in business, labor, or in other cooperative efforts are often frustrated by a selfish few.

The deep-rooted desire of Americans for better living conditions and for the avoidance of war is shared by mass humanity in every country. As a means to this end I have, in the message to the various nations, stressed the practical necessity of reducing armaments. It is high time for us and for every other nation to understand the simple fact that the invasion of any nation, or the destruction of a national sovereignty, can be prevented only by the complete elimination of the weapons that make such a course possible today.

Such an elimination will make the little nation relatively more secure against the great nation.

Furthermore, permanent defenses are a nonrecurring charge against governmental budgets, while large armies, continually rearmed with improved offensive weapons, constitute a recurring charge. This, more than any other factor today, is responsible for governmental deficits and threatened bankruptcy.

The way to disarm is to disarm. The way to prevent invasion is to make it impossible.

I have asked for an agreement among nations on four practical and simultaneous steps:

First. That through a series of steps the weapons of offensive warfare be eliminated.

Second. That the first definite step be taken now.

Third. That while these steps are being taken no nation shall increase existing armaments over and above the limitations of treaty obligations.

Fourth. That subject to existing treaty rights no nation during the disarmament period shall send any armed force of whatsoever nature across its own borders.

Our people realize that weapons of offense are needed only if other nations have them, and they will freely give them up if all the nations of the world will do likewise.

In the domestic field the Congress has labored in sympathetic understanding with me for the improvement of social conditions, for the preservation of individual human rights, and for the furtherance of social justice.

In the message to the nations which I herewith transmit I have named the same objectives. It is in order to assure these great human values that we seek peace by ridding the world of the weapons of aggression and attack.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 16, 1933.*

And, accompanying said message that he sent to the House, the President sent the following copy of his message to the peoples of the whole world:

The following message was cabled today to the sovereigns and presidents of the nations listed below:

His Majesty Zog I, King of the Albanians, Tirana, Albania.

His Excellency Agustin P. Justo, President of the Argentine Nation, Buenos Aires, Argentina.

His Excellency Wilhelm Miklas, President of the Confederation of Austria, Vienna, Austria.

His Majesty Albert, King of the Belgians, Brussels, Belgium.

His Excellency Getulio Vargas, President of the United States of Brazil, Rio de Janeiro, Brazil.

His Excellency Enrique Olaya Herrera, President of the Republic of Colombia, Bogota, Colombia.

His Excellency Daniel Salamanca, President of Bolivia, La Paz, Bolivia.

His Majesty Boris III, King of the Bulgarians, Sofia, Bulgaria.

His Excellency Arturo Alessandri, President of the Republic of Chile, Santiago, Chile.

His Excellency Ricardo Jimenez, President of Costa Rica, San José, Costa Rica.

His Excellency Lin Sen, President of the National Government of the Republic of China, Nanking, China.

His Excellency Gerardo Machado, President of the Republic of Cuba, Habana, Cuba.

His Excellency Thomas G. Masaryk, President of Czechoslovakia, Praha, Czechoslovakia.

His Majesty Christian X, King of Denmark, Copenhagen, Denmark.

His Excellency Rafael Leonidas Trujillo, President of the Dominican Republic, Santo Domingo, Dominican Republic.

His Excellency Juan de Dios Martinez Mira, President of the Republic of Ecuador, Quito, Ecuador.

His Majesty Fouad I, King of Egypt, Cairo, Egypt.

His Excellency Konstantin Pats, Head of State, Tallinn, Estonia.

His Imperial Majesty Haile Selassie I, Emperior of Ethiopia, Addis Ababa, Ethiopia.

His Excellency Pehr Evind Svinhufvud, the President of Finland, Helsingfors, Finland.

His Excellency M. Albert Lebrun, President of the French Republic, Paris, France.

His Excellency Field Marshal Paul von Deneckendorff und von Hindenburg, President of the Reich, Berlin, Germany.

His Majesty George V, the King of Great Britain, Ireland, and the British Dominions Beyond the Seas, Emperor of India, etc., etc., London, England.

His Excellency Alexander Zaimis, President of the Hellenic Republic, Athens, Greece.

His Excellency Jorge Ubico, President of the Republic of Guatemala, Guatemala, Guatemala.

His Excellency Stenio Vincent, President of Haiti, Port au Prince, Haiti.

His Serene Highness Admiral Nicholas De Horthy, Regent of the Kingdom of Hungary, Budapest, Hungary.

His Excellency Tiburcio Carias A., Constitutional President of the Republic of Honduras, Tegucigalpa, Honduras.

His Majesty Victor Emanuel III, King of Italy, Rome, Italy.

His Majesty Hirohito, Emperor of Japan, Tokyo, Japan.

His Excellency Alberts Kviesis, President of the Republic of Latvia, Riga, Latvia.

His Excellency Antanas Smetona, President of the Republic of Lithuania, Kaunae, Lithuania.

Her Royal Highness Charlotte, Grand Duchess of Luxembourg, Luxembourg, G.D.

His Excellency General Abelardo L. Rodriguez, President of the United Mexican States, Mexico City, Mexico.

Her Majesty Wilhelmina, Queen of the Netherlands, The Hague, Netherlands.

His Excellency Juan D. Sacasa, President of the Republic of Nicaragua, Managua, Nicaragua.

His Majesty Haakon VII, King of Norway, Oslo, Norway.

His Excellency Harmodio Arias, President of Panama, Panama, Panama.

His Excellency Eusebio Ayala, President of the Republic of Paraguay, Asuncion, Paraguay.

His Majesty Faisal I, King of Iraq, Baghdad, Iraq.

His Excellency Ignace Moscicki, President of the Republic of Poland, Warsaw, Poland.

His Excellency Gen. Oscar Benavides, President of Peru, Lima, Peru.

His Excellency Gen. Antonio Oscar de Fragoso Carmona, President of the Republic of Portugal, Lisbon, Portugal.

Mis Majesty Carol II, King of Rumania, Bucharest, Rumania.

President Michail Kalinin, All Union Central Executive Committee, Moscow Russia.

His Majesty Prajadhipok, King of Siam, Bangkok, Siam.

His Excellency Alcala Zamora, President of the Spanish Republic, Madrid, Spain.

His Imperial Majesty Reza Shah Pahlevi, Shah of Persia, Teheran, Persia.

His Majesty Gustaf V, King of Sweden, Stockholm, Sweden.

His Excellency Edmond Schulthess, President of the Swiss Confederation, Berne, Switzerland.

His Excellency Gazi Mustafa Kemal, President of the Turkish Republic, Ankara, Turkey.

His Excellency Gabriel Terra, President of the Republic of Uruguay, Montevideo, Uruguay.

His Excellency Juan V. Gomez, President of the United States of Venezuela, Caracas, Venezuela.

His Majesty Alexander I, King of Yugoslavia, Belgrade, Yugoslavia.

THE MESSAGE

A profound hope of the people of my country impels me, as the head of their Government, to address you, and through you the people of your nation. This hope is that peace may be assured through practical measures of disarmament and that all of us may carry to victory our common struggle against economic chaos.

To these ends the nations have called two great world conferences. The happiness, the prosperity, and the very lives of the men, women, and children who inhabit the whole world are bound up in the decisions which their governments will make in the near future. The improvement of social conditions, the preservation of individual human rights, and the furtherance of social justice are dependent upon these decisions.

The World Economic Conference will meet soon and must come to its conclusions quickly. The world cannot await deliberations long drawn out. The conference must establish order in place of the present chaos by a stabilization of currencies, by freeing the flow of world trade, and by international action to raise price levels. It must, in short, supplement individual domestic programs for economic recovery by wise and considered international action.

The Disarmament Conference has labored for more than a year, and as yet has been unable to reach satisfactory conclusions. Confused purposes still clash dangerously. Our duty lies in the direction of bringing practical results through concerted action based upon the greatest good to the greatest number. Before the imperative call of this great duty petty obstacles must be swept away and petty aims forgotten. A selfish victory is always destined to be an ultimate defeat. The furtherance of durable peace for our generation in every part of the world is the only goal worthy of our best efforts.

If we ask what are the reasons for armaments, which, in spite of the lessons and tragedies of the World War, are today a greater burden on the peoples of the earth than ever before, it becomes clear that they are twofold: First, the desire, disclosed or hidden, on the part of governments to enlarge their territories at the expense of a sister nation. I believe that only a small minority of governments or of peoples harbor such a purpose. Second, the fear of nations that they will be invaded. I believe that the overwhelming majority of peoples feel obliged to retain excessive armaments because they fear some act of aggression against them and not because they themselves seek to be aggressors.

There is justification for this fear. Modern weapons of offense are vastly stronger than modern weapons of defense. Frontier forts, trenches, wire entanglements, coast defenses—in a word, fixed fortifications—are no longer impregnable to the attack of war planes, heavy mobile artillery, land battleships called "tanks", and poison gas.

If all nations will agree wholly to eliminate from possession and use the weapons which make possible a successful attack, defenses automatically will become impregnable, and the frontiers and independence of every nation will become secure.

The ultimate objective of the Disarmament Conference must be the complete elimination of all offensive weapons. The immediate objective is a substantial reduction of some of these weapons and the elimination of many others.

This Government believes that the program for immediate reduction of aggressive weapons, now under discussion at Geneva, is but a first step toward our ultimate goal. We do not believe that the proposed immediate steps go far enough. Nevertheless, this Government welcomes the measures now proposed and will exert its influence toward the attainment of further successive steps of disarmament.

Stated in the clearest way, there are three steps to be agreed upon in the present discussions:

First. To take, at once, the first definite step toward this objective, as broadly outlined in the MacDonald plan.

Second. To agree upon time and procedure for taking the following steps.

Third. To agree that while the first and the following steps are being taken no nation shall increase its existing armaments over and above the limitations of treaty obligations.

But the peace of the world must be assured during the whole period of disarmament, and I therefore propose a fourth step concurrent with and wholly dependent on the faithful fulfillment of these three proposals and subject to existing treaty rights:

That all the nations of the world should enter into a solemn and definite pact of nonaggression; that they should solemnly reaffirm the obligations they have assumed to limit and reduce their armaments; and, provided these obligations are faithfully executed by all signatory powers, individually agree that they will send no armed force of whatsoever nature across their frontiers.

Common sense points out that if any strong nation refuses to join with genuine sincerity in these concerted efforts for political and economic peace, the one at Geneva and the other at London, progress can be obstructed and ultimately blocked. In such event the civilized world, seeking both forms of peace, will know where the responsibility for failure lies. I urge that no nation assume such a responsibility, and that all the nations joined in these great conferences translate their professed policies into action. This is the way to political and economic peace.

I trust that your Government will join in the fulfillment of these hopes.

FRANKLIN D. ROOSEVELT.

[Applause.]

Mr. BLANTON. Mr. Speaker, you will note that after the reading of said message from the President, there was "applause" by this House. But, if the President has changed his mind, and if this is the President's proposition, I am for it without hesitation at all, for I am backing him. I bury my judgment where it conflicts with his, but it has not yet come from the President to us. I call attention to the fact that when these naval officers had our good friend, our valuable Representative on the Republican side from Illinois [Mr. BRITTEN] here fighting for them to raise the elevation of guns, I remember how he fought for that elevation and I remember how he fought for the $6,500,000 the naval officers said was absolutely necessary. I remember how he said, "Oh, it is for the protection of the Government, it is national defense." But, Mr. Speaker, he is not the only valuable Republican that the great State of Illinois has ever sent here. I remember one of the most valuable men who ever served this country on the Republican side, Martin B. Madden, of Illinois, and Martin Madden got up here courageous as a lion, and gave us the real facts about the matter. I will tell you what he said. He did not say that the naval officers were mistaken, he did not say that they had misled Congress, he said that they had lied. He said there was not a word of truth in it, and he said that our $6,500,000 was saved.

Mr. BRITTEN. Oh, no, the gentleman is mistaken, we elevated those guns.

Mr. BLANTON. Wait a minute. I have a better recollection than my friend from Illinois. Here is exactly what Mr. Madden said, and I quote it from the RECORD of March 20, 1924, page 4584:

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MADDEN. There is no secret, Mr. Chairman, about the fact that the Committee on Appropriations had some doubt when it was considering the request of the Navy Department for $6,500,000 for the elevation of the turret guns on the battleships as to the propriety of making the appropriation, but the technical men of the Navy testified positively before us that England had elevated the turret guns of her ships to give them a longer range. In common with other members of the Committee on Appropriations I felt at the time that if we elevated our turret guns we would be violating the treaty, but we thought that in the face of the statement by responsible naval officers of the Government that England was, as a matter of fact, elevating the guns on her ships since the conference we would be derelict in the performance of the duty devolving upon us if we failed to bring our guns up to the same degree of efficiency as theirs.

Being still in doubt, we took the precaution to put the appropriation in such language that it could not be used if it violated the treaty. But it did not rest on that. The matter of the violation of the treaty was not the thing that the question turned on afterwards. The question was one of veracity, and the investigation that I made personally as Chairman of the Committee on Appropriations, after the appropriation had become a law, led me to the conclusion that somebody had lied.

Mr. BLANTON. That is exactly what I said. You are corroborating me.

Mr. MADDEN. I did not deny what the gentleman said. I then assumed the responsibility, as Chairman of the Committee on Appropriations, of going to the Navy and demanding that the money should not be used. [Applause.] I said if it were to be used I would get on the floor of the House and denounce the whole procedure. It was not used.

The President of the United States issued an order that it should not be used. In the face of all the facts in connection with the proposition I thought that the Committee on Appropriations would be justified in repealing the appropriation, and I offered an amendment on the floor when the deficiency bill was under consideration providing for the repeal of the appropriation and the authority which the provision carried to elevate the turret guns on the American battleships, and the House unanimously voted to concur in the amendment which I offered.

There is nothing secret about what we did. We have no apology to offer as members of the Committee on Appropriations for what we did. We did our duty in the beginning as we saw our duty, and when we discovered that we had done what we ought not to have done we did our duty in the second instance by repealing the appropriation.

Mr. BLANTON. I was not criticizing the Appropriations Committee or its efficient chairman. I commend him for what he did in keeping this money from being used and in having it returned to the Treasury where it belongs. He bravely calls a spade a spade.

The Congress passed that bill, and then the President stopped the money. The President would not allow that money to be spent. The President upheld the very arguments that we then made here on the floor, that it was not necessary and was in violation of our treaty.

Mr. RICH. What President was that?

Mr. BLANTON. Oh, he was a Republican President. There is some good in Republican Presidents. He upheld the treaty, and he would not allow the money to be spent in that way.

Mr. BRITTEN. Oh, no.

Mr. BLANTON. Oh, yes. He kept it from being spent.

Mr. BRITTEN. But the guns were elevated.

Mr. BLANTON. Oh, finally. You cannot stop these naval officers when they start something. They will keep on after Congress until they get what they want just like these Army officers. They get what they want.

For this fiscal year the President in his Budget asked us to appropriate—and we did appropriate—$349,523,278 for the Army, but as soon as Congress adjourned the big Secretary of the War went before Secretary Ickes and his Public Works Board, and he got $333,721,227 more than the Congress had given. Are you for that?

As requested by the President in his Budget we appropriated for the Navy for this fiscal year the sum of $308,669,562, and as soon as the Congress adjourned, Mr. Secretary Swanson went before Mr. Secretary Ickes and his Public Works Board and got from them $277,265,924 more for the Navy. And now by this bill, about which the President himself has said nothing, we are authorizing an expenditure of $470,000,000 more. Is not that handing it out in rather large sums?

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. COX. Mr. Speaker, I move the previous question on the resolution to final passage.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 6604, with Mr. BLANTON in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, in presenting this bill to the House for consideration I deem it important at the very outset to call attention to the three objectives which it seeks to accomplish: First, the measure establishes the strength of the United States Navy in respect of the categories of ships that are limited by international agreement; second, it authorizes the President to undertake the construction of such ships as are required to maintain the Navy in under-age units at the strength prescribed by treaty; third, it authorizes the appropriations necessary for such building.

To bring the Navy up to treaty strength in under-age ships will require the construction of 102 new ships to take the place of obsolete ones. These 102 new ships will consist of 65 destroyers, 1 airplane carrier, 30 submarines, and 6 cruisers.

The measure leaves absolutely in the hands of the President the decision as to when he shall request appropriations for the commencement of the various units.

When this bill is boiled down to its last analysis, it is simply an authorization for replacement of obsolete ships, plus a definite statement that it is the policy of the United States to maintain the Navy at whatever limits may be established by international agreement.

The Washington and London treaties permit the United States to have a total of 1,186,000 tons distributed through the various categories. On December 31, 1933, we actually had 372 ships, aggregating 1,038,660 tons, but of this number 288 ships which add up to 330,110 tons were over-age, leaving us but 84 under-age ships of a tonnage of 708,550.

To build the ships that we now need to bring us up to treaty strength in under-age ships will involve an expenditure of approximately $380,000,000. Of course, this is an estimate which may have to be revised because of uncertainties as to future costs of labor and material. If commenced in the fiscal year 1935, the program would require from 7 to 8 years for completion.

Mr. Chairman, the greatest source of weakness of the United States on the sea arises from the lack of a definite policy as to the building and maintenance of the Navy. For many years we have affirmed our intention "to maintain the Navy in sufficient strength to support the national policies and commerce and to guard the continental and overseas possessions of the United States." The fact remains, however, that we have never had such a Navy, and unless this bill is enacted into law we never will have one. The country and Congress should thoroughly understand that the policies of the Government cannot be maintained and supported with obsolete ships. For the first time in the history of this country we are now trying to provide a logical, orderly plan for the maintenance of the Navy at a level which is sufficient to provide against emergencies. This measure will give no offense and involves no threat to any foreign power and will require the least possible burden on our taxpayers.

The navies of the United States, Great Britain, and Japan are now limited by treaty to a definite maximum strength in each of the categories into which combatant ships are divided. The Treaty of Washington, 1922, fixed limits to the permissible strength in capital ships and aircraft carriers. The Treaty of London, 1930, prescribed limits for all remaining categories, namely, cruisers, destroyers, and submarines. The Treaty of Washington is to continue in effect until denounced by one of the signatories. The Treaty of London will expire on December 31, 1936.

The United States believes whole-heartedly in limitation of armaments, and we have contributed very greatly to the consummation of that ideal. At the Washington conference we took the unprecedented course of surrendering voluntarily the naval supremacy which we then possessed. We agreed to scrap 11 of the most powerful battleships and battle cruisers which have ever been designed. In addition we took out of the line and agreed to scrap 20 completed battleships. Furthermore, we agreed not to increase the strength of our naval bases or fortifications in the Pacific except on the coasts of the United States, Alaska, the Aleutian Islands, Hawaii, and the Canal Zone, and not to establish new bases or fortifications in insular possessions which we then held or might acquire. In making this sacrifice we announced to the world that we were willing to forego supremacy and that we would be content with strength equal to that of Great Britain but measurably greater than that of any other power. No other nation on earth has made a contribution which can approach that of the United States. If limitation is to be an influence for the furtherance of peace rather than a factor which produces additional uncertainty and danger, all of the naval powers must act similarly. So long as a situation continues as at present, with one nation built right up to the limit in all categories, whereas another is far short of her limits, the cause of peace is gravely jeopardized.

The United States would be the first to applaud limitation at a lower level, and repeatedly has used every effort to accomplish such a reduction. We believe that the naval strength required for our security is relative to that possessed by other powers. But let me impress upon you with all the force and earnestness at my command that we must maintain a navy of under-age ships substantially at the limits fixed by international agreement.

Secretary of State Hughes, who presided over the Washington Conference, declared in October 1922:

> This Government has taken the lead in securing the reduction of naval armament, but the Navy that we retain under the agreement should be maintained with efficient personnel and pride in the service. It is essential that we should maintain the relative naval strength of the United States. That, in my judgment, is the way to peace and security. It will be upon that basis that we would enter in future conferences or make agreements for limitation, and it would be folly to undermine our position.

As the gentleman from Kansas [Mr. AYRES] pointed out in presenting the naval appropriation bill for 1935, "disarmament by example is a dismal failure." For 11 long years we followed that siren while other nations employed every facility to increase their respective navies. If the other naval powers will join with us, at the prospective naval conference to be held in 1935, in writing a treaty to impose further limitations on naval strength, this country will welcome such an achievement. In the meantime, however, we must act on the basis of the treaties now in existence. Further, let no one forget that the limitations heretofore achieved have been accomplished solely because of the strength of the United States. At the Washington Conference, when the United States offered to scrap great numbers of existing ships and to surrender her dominant naval position, all other nations applauded with the wildest enthusiasm. None of them was required to make a sacrifice which compared with ours in any way. At Geneva in 1927, at London in 1930, and in the various disarmament discussions under the auspices of the League of Nations every suggestion by the United States that other nations should volunteer to come down to our level has been rejected as being preposterous.

One of the fundamental objectives of the treaties for the limitation of armaments is to eliminate all suspicion of a naval race. We hoped for this after the Washington Conference and again after the London Conference. But to realize this hope it is essential that the balance so arrived at be maintained at all times. So long as we build steadily with the avowed purpose of conforming strictly to treaty, there can and will be no objection either here or abroad. Just so soon, however, as we drop behind, apprehension will be felt by your own people and distrust will develop abroad.

On January 24 the gentleman from New York [Mr. TABER] argued that it is essential to eliminate great variations in the rate of building, that the work should be kept as steady as possible. He is absolutely correct. It is axiomatic that work of any nature whatsoever can be carried out better and cheaper if the rate is uniform. This is particularly true when the undertaking is of great magnitude. The ideal is

to have the planning, design, and execution of a project proceed smoothly. To achieve that is one of the fundamental purposes of this bill. It is an objective which the Navy has desired for years, but which heretofore has never been possible. As an illustration of what can be accomplished, the 5-year naval aircraft program approved by Congress in 1926 was estimated to cost $85,000,000. When finished in June 1931, the actual cost was $58,000,000. This great saving of nearly $27,000,000 represents 31 percent of the estimated cost and was due primarily to the fact that there was an orderly continuing program.

Let me emphasize the fact that, in addition to all ships now building and appropriated for, to reach treaty strength in ships by December 31, 1936, when the London Treaty will expire, the following number of ships would have to be constructed by each power:

United States	102
Great Britain	61
Japan	0

The above figures do not include any replacement of capital ships for the reason that the London Treaty postponed the laying down of any units in that category until after December 31, 1936.

Mr. Chairman, let me call your attention to the fact that over-age ships are obsolete. It must ever be remembered when we consider over-age ships that such ships are just as obsolete today as are the aircrafts which were built in 1918. Some of the planes we then sent our aviators aloft in were referred to as "flying coffins." These over-age ships, with inferior gun power, with slower speed, with deteriorated hulls and machinery, will truly be "floating coffins" if they are sent to battle against modern ships. We keep them today because they are better than nothing at all, but they are not ships on which to send the youth of this country to battle with an enemy. No country has a moral right to demand that her sailors go into battle with strength and equipment inferior to an opponent's. Yet, unless we prepare adequately in times of peace, that is the inevitable necessity when war comes. In general, it is true that a naval war must be fought with the ships that are in existence at the time war breaks out.

Are the people of this country willing to send their sons to meet an enemy in ships that are old, slow, and obsolete and inferior in strength in order to save a few dollars? Is the defense of our country to be jeopardized? Are the lives of your sons and grandsons to be offered up as a living sacrifice because you are unwilling to provide the funds for the support of a proper navy in times of peace?

It is important for you to know that since January 1, 1922, to November 1, 1933, the United States has laid down and appropriated for 74 ships of 330,980 tons; and that in that same period Great Britain has laid down and appropriated for 170 ships of 453,415 tons; Japan, 188 ships of 482,962 tons; France, 200 ships of a tonnage of 508,328; and Italy, 147 ships, 298,971 tons.

In this country the Army and Navy have practically nothing to do with shaping our national policies. These services are the servants and not the masters of the civil Government. No American need fear that the United States will ever become militaristic. It is the voice of the people that will ever rule this country of ours, and it is the voice of the people that will determine the strength of our Army and Navy. For this Government to maintain a Navy which is not strong enough to win in battle is the worst form of extravagance. It lulls the people into a false sense of security and may have the most disastrous consequences.

Mr. Chairman, the position of our country as a world power and the success of our policies are closely related to the strength of our Navy. Without doubt, our influence in the Far East has been greatly lessened with the decrease of the strength of our Navy as compared with that of Japan. The national situation today is far from reassuring; the future is far from bright. We stand practically alone and friendless in this turbulent world and must depend upon ourselves for our protection and defense.

Mr. Chairman, there is one other aspect of this legislation to which I want to invite attention. It is an aspect of grave concern, for it may have a bearing upon the position of this Nation in the councils of the world for many years to come.

During next year, the year 1935, possibly before another session of Congress can act on any of these questions, a conference composed of delegates from the British Empire, Japan, and the United States must convene to revise, continue, or abandon the London Treaty of 1930. If our delegation goes to that conference without a definite declaration of this Nation's policy with regard to its Navy, its prestige is almost nil. The British Empire has such a policy—one which has made that empire great and kept it great for centuries. Japan has such a policy—one which has lifted her from the shadows of thousands of years of oriental seclusion to a place among the foremost nations of the earth. Their delegations will go to the conference firm in the knowledge of those policies and secure in the fact that their respective governments have kept up their naval strengths to the limit of their agreement.

Shall our delegation go to that meeting with less? Shall we put the American people in a position in which their welfare and their defense is to be at the mercy of those two other delegations? Or shall we send our delegation, backed by the stalwart will of this peace-loving Nation of ours, to say, "We are as strong as you. We will willingly reduce our armament if you will do the same proportionately. But if you will not, we will match you ship for ship and gun for gun. Our negligence in the past is not a prophecy of the future. Agree with us to reduce the burden of arms ratably among us all, for the sake of peace and for the hope of friendship."

I believe that the safety and welfare of this country insistently demand the enactment of this bill.

I believe that no people in the world have a more generous and noble character than the people of the United States. So long as we remain strong our actions in world affairs will be directed by our own people. If we become weak, our actions will be controlled by a less generous and less noble people.

No government which fails to provide for its own perservation against the assaults of every probable foe is entitled to the support of its people. The primary duty of government is self-preservation, and no logic can justify it in stripping itself of its means of defense, and relying for its preservation upon the mercy, the pity, or the love of other nations. [Applause.]

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield with pleasure.

Mr. KOPPLEMANN. Is it not true that shipbuilding for the navies of Great Britain and Japan has increased since the $238,000,000 was allocated by the Public Works Administration?

Mr. VINSON of Georgia. I would say it is the definite policy, as stated by the First Lord of the Admiralty of the British Government, to be up to treaty strength about 1936. Japan already is up to treaty strength.

Mr. KOPPLEMANN. But is it not true that it accelerated since the $238,000,000 was allocated by the United States Government through the Public Works Administration?

Mr. VINSON of Georgia. I do not agree with the gentleman, because Great Britain and Japan both have had a definite, steady, continuing building program ever since the Washington and London Treaties.

I now yield to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Did I understand the gentleman to say the United States took the initiative in disarmament?

Mr. VINSON of Georgia. It did.

Mr. DUNN. Did I understand the gentleman to say that a number of nations rejected the proposal of the United States?

Mr. VINSON of Georgia. The gentleman misunderstood me altogether. I stated that it was at the instance of the

Washington Treaty that the first great step was taken in the world to bring about a limitation of naval armaments. Repeatedly this country has made an effort to reduce armament, but the other nations have refused to come down to the low level at which we were at the time we offered the proposal.

Mr. DUNN. Now, may I ask the gentleman, does he know the names of the nations which refused to accept that proposition?

Mr. VINSON of Georgia. No. I am sorry I cannot give the gentleman that information.

Mr. DELANEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. DELANEY. Is it not a fact that last year the Naval Affairs Committee unanimously reported out a bill allocating something like $625,000,000 for a building program?

Mr. VINSON of Georgia. That is correct.

Mr. DELANEY. And does not the chairman of this committee think this is one of the best assurances we may have against possible attack by an enemy?

Mr. VINSON of Georgia. I think the enactment of this bill will do more to bring down naval armament than anything else the Congress could possibly do. [Applause.]

In that connection let me make this statement: I pointed out that we had 372 ships. This bill does not add a single ship to the United States Navy lines. It merely takes the place of old and obsolete ships. This is the picture: We have today 372 ships. We have 84 ships under-age. We authorize the building of 102 ships in this bill. We are appropriating for 54 ships in the regular annual appropriation bill, making a total of 242 ships. That will be the total strength of the United States Navy in under-age ships after every one of these ships that is called for in this bill has been built. Therefore, between now and 1936 the United States will be compelled to destroy 132 old-and-obsolete ships.

Mr. KENNEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. KENNEY. The gentleman feels we ought to start this shipbuilding program right away, does he not?

Mr. VINSON of Georgia. I certainly do.

Mr. McFARLANE. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. McFARLANE. I wish the gentleman would put in the RECORD the comparative data contained in the hearings on pages 198 and 199.

Mr. VINSON of Georgia. I think that is the data which the gentleman from Georgia [Mr. Cox] had inserted in the RECORD during the discussion of the rule.

Mr. McFARLANE. No. That was another table.

Mr. VINSON of Georgia. Then, Mr. Chairman, I ask unanimous consent that I may be permitted to incorporate in the RECORD all of the tables that appear in the record of the hearings.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. STUDLEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. STUDLEY. Is it the gentleman's opinion that any fleet of ships can remain in safety if enemy airplanes can get above them?

Mr. VINSON of Georgia. Every ship is so constructed as to endeavor to meet every form of attack. We propose in this bill later to offer an amendment to take care of the necessary aviation that will go with the fleet. Aviation is just as important as guns and powder, and all must go together to make an effective unit.

Mr. REILLY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. REILLY. Did the London Conference formulate any program for cutting down navies, or the Washington Conference?

Mr. VINSON of Georgia. The Washington Conference was the only one by which limitation was brought about, except that the London Conference agreed to extend the life of the battleships.

Mr. REILLY. Did all nations conform to the Washington agreement?

Mr. VINSON of Georgia. Oh, yes; because nothing was limited except battleships and cruisers.

I reserve the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman reserves 1 minute.

Mr. BRITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman, the first essential in government is liberty. Along with liberty go justice, security, and prosperity. In this bill we have security, and I gladly support the measure. I wish only that it went a step further and gave us more armament.

I am, however, an advocate of disarmament. If it were within my power, I would sink every naval vessel afloat; but, knowing the type of individuals who control foreign governments, knowing their selfish aims and desires, and knowing how they have so consistently hoodwinked the American people, I think that anything we do in the line of naval development should be done as soon as possible and to as great an extent as possible.

I am not an advocate of a Navy second to none; I am an advocate of a Navy superior to any.

Had the American Government, in the days preceding the World War, listened to the General Staff of the Army and to the officials of the Navy instead of the pacifists, we would not have saddled upon our people $51,000,000,000 of expenditures due entirely to the World War and due primarily to the fact that we were unprepared. I have a clipping here which states that, at 5-percent interest, what we already have expended on the cost of the World War would yield a return sufficient to pay a life-long pension of $25 a month to every unemployed man in America. In addition, we will pay another $50,000,000,000 in pension awards before our obligations are fully discharged. So, Mr. Chairman, we can see how stupid we are when we listen to those who cry peace when they know there is no peace. Universal peace is as far removed from this earth today under the capitalistic system as is the Milky Way. There is no question about it. Our forefathers, the men who made our Nation, believed in peace; they believed in liberty; they came to America with that objective. But you recall that even while attending divine worship they carried their guns with them. That is something we should always remember.

Mr. Chairman, I wish the Members today to consider the name Roosevelt. We had an inimitable Roosevelt, the peerless Teddy. I call him "peerless." He was one American who loved peace but who was not afraid of any nation. He sent the fleet around the world. Teddy Roosevelt increased the pay of the armed services.

Today we have another Roosevelt in the White House. Under his direction we are withdrawing the fleet from where it ought to be; that is, taking it from the West coast and bringing it to the East coast at an expense of more than $4,000,000.

Today is President Roosevelt's birthday. I know each and every one of you—and Americans everywhere—will join me in congratulating him on his birthday. We hope he will have many more. He has a smile which is inspiring, sincere, and honest; but I wonder if he ever stops to consider the thousands upon thousands of American people, especially those in the armed services of the country, whose pay has been cut by his Executive order, cut down to almost nothing in some instances. I hope the President will continue to smile, but I hope at the same time he will recommend to this Congress proper legislation so that the thousands of Americans in the armed services of the country can also smile.

The records prove, and prove unquestionably, that the Republicans have been the friends of the service. Twice they raised the pay of the personnel. What have we Democrats done? Twice we have reduced the pay of the personnel. This is something for the Members of the House to consider.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. DUNN. Does the gentleman mean that all Democrats joined in reducing the pay of the personnel of the Army, the Navy, and the Marine Corps?

Mr. HOEPPEL. Only those Democrats who followed the whip.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BRITTEN. Is it not the fact that, the Democrats having a majority of 213, any legislation of a controversial nature that goes through this House must, of course, bear the Democratic stamp of approval?

Mr. HOEPPEL. Absolutely; and that is why I am appealing to the Democratic Membership on my side of the House from a humanitarian standpoint, and on the birthday of our President.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BROWN of Kentucky. Is it not a fact that on a percentage basis more Republicans voted for the Economy Act than Democrats? I ask this question not in an apologetic attitude for our side of the House, for I voted for the Economy Act.

[Here the gavel fell.]

Mr. BRITTEN. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. HOEPPEL. Answering the gentleman from Kentucky, I may say that if the Republicans voted as he indicates, in following the request of the President, they did it from a magnanimous spirit of cooperation.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield for a question?

Mr. HOEPPEL. I yield.

Mr. BRITTEN. My question is whether the gentleman is not directing his remarks toward something that was covered by a certain Democratic gag rule a year after the Economy Act was passed? The gentleman's reply to the gentleman from Kentucky should be directed at the rule preventing the consideration of the salary question on the floor of this House even though the country was demanding such serious consideration.

Mr. HOEPPEL. Answering the gentleman from Illinois, I may state that the Democratic members, judging from the speech made this afternoon by the distinguished gentleman from Texas, are intimating that they were unfair in their action on the gag rule.

Mr. VINSON of Georgia. Mr. Chairman, I make the point of order that, under the rule, debate must be confined to the bill.

Mr. HOEPPEL. I shall confine my remarks to the bill.

Mr. BRITTEN. Mr. Chairman, in my opinion, the point of order is not well taken.

The CHAIRMAN. The gentleman from California will keep within the rule, which requires that debate be confined to the bill.

Mr. HOEPPEL. Well, I hope there is no further gag.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. Not for a moment. I just said, and I hope it will go in the RECORD, I hope there will be no further gag.

We Democrats are going to vote for this bill, and I feel confident the Republicans will also, judging from their past record in the interest of defense. But, by our failure to restore the amount of the pay reduction to the armed services, we are throwing sand in the mechanism, for, while we have a most admirable personnel in our armed forces, loyal and efficient, they are suffering from our policy in the matter of pay.

Mr. FORD. Will the gentleman yield?

Mr. HOEPPEL. I will yield to the distinguished Democratic Congressman from California, who has endorsed a Republican Senator for reelection.

Mr. FORD. When you say "we", you do not include yourself in the Democratic group, do you?

Mr. VINSON of Georgia. Mr. Chairman, I make a point of order that the gentleman is speaking on a subject not contained in the bill.

The CHAIRMAN. A point of order has been raised by the gentleman from Georgia.

Mr. BRITTEN. Mr. Chairman, the point of order is not well taken.

The CHAIRMAN. The Chair sustains the point of order. The gentleman from California will proceed in order.

Mr. HOEPPEL. Mr. Chairman, I will confine myself to ships, but of what utility is a ship unless you have personnel and, in this connection, may I say personnel who are adequately compensated? I am in order because I am linking up personnel with ships, something we are trying to create here.

I contend that we, as representatives of the people, are not doing the square thing for the personnel of the Army and Navy. The enlisted man receives only $17.85 per month. We cut his rations, we cut his clothing allowance, and we take his bonus from him. He suffers an average pay deduction of 33 percent, which is unfair.

The CHAIRMAN. The gentleman from California will desist. A point of order has been made. The gentleman must obey the rules and confine his remarks to the bill.

Mr. HOEPPEL. I should like to ask the Chairman if I may discuss a few admirals. Is that in order?

The CHAIRMAN. The gentleman from California knows of what the bill consists and must confine his remarks to the bill.

Mr. HOEPPEL. Then I will confine my remarks to the bill. Down at San Diego we have a number of rusty vessels, and I do hope that this bill will pass so that we can replace these obsolete vessels with modern war craft and thus be in a position, when we enter another naval conference, to demand and insist upon equality, in justice to our own Nation and to other signatories of the conference. We have always been euchred at every conference.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. DREWRY].

Mr. DREWRY. Mr. Chairman, this bill is brief but positive and definite. It has only two purposes; however, with a condition attached.

The first purpose is to prescribe the composition of the United States Navy; namely, that it shall be established at the full treaty strength. A further purpose is to authorize the construction of such ships as will carry out the said plan.

The condition attached is that if other nations, by agreement, wish to further limit armament, then the United States will limit its Navy.

Stated in other words, this proposed legislation contains a statement of our intention to have a Navy second to none; authorizes construction to effectuate that intention but agrees to limit armament if other nations agree to do the same.

If this bill passes and becomes law, the Congress of the United States and the President hereby say that there shall be no more trifling with the national defense and the security of the country as far as the Navy is concerned. The passage of this legislation is notice to the world that the United States intends to build its Navy to the limit prescribed by the treaties of Washington in 1922 and London in 1930.

After the World War it seemed to right-thinking men the world over that, with the horrors of the past conflict fresh in their minds, men of all nations would be willing to agree never again to engage in warfare, if there was any way by which it could be avoided. It was understood that if the countries of the world could agree among themselves to limit their armament, then there would be a forward step to universal peace.

The United States had never fought a war of aggression or for material gain. It had announced its policy in this regard so often that it seemed all nations must recognize its sincerity. The United States, therefore, thought that the

time was ripe to make an attempt toward decreasing the burden of the nations in keeping up a war-time armament. At the invitation of the United States a conference was held in Washington, to which came the representatives of the nations to sit around the table and discuss the possibilities of an agreement that would tend to promote the peace of the world. This assembly was one of the most remarkable meetings that ever took place.

The result was disappointing, but the United States, determined to show by example that it was willing to make a sacrifice, bore the burden. With a magnificent gesture—magnificent, but, in my opinion, foolishly extravagant with the taxpayers' money—it threw $375,000,000 of fine ships into the greedy waves. Great Britain and Japan applauded the act and got rid of some of their old ships, with an agreement that the United States, Great Britain, and Japan would in the future keep to a certain proportion of capital ships. France and Italy, in effect, said they had nothing to throw away. In battleship and plane-carrier strength there was to be a 5–5–3 ratio, but there was no limit to the building of cruisers, destroyers, submarines, airplanes, and any other naval auxiliaries. Japan would not consent to this, however, until the United States had agreed to give up its right to a fortified naval base in the island of Guam, many thousands of miles from our shores.

The farther away a country is from a naval base, the larger is the vessel needed to cover the cruising area. Because of the scarcity of naval bases the fleet must be supplied with a corresponding larger number of supply ships, colliers, tenders, and repair ships. When the United States gave up the right to fortify the island of Guam, it came dangerously close to isolating itself from a commanding position in world affairs.

The Washington Conference was a greater disaster to us than any we have ever suffered on the seas. For the sake of gaining the credit of advocating a world policy of peace—an empty honor, by the way, as many are now beginning to realize—we sacrificed, to a large extent, our national defense and very probably prevented ourselves from ever getting the glory of establishing such a world policy. This was shown by the scant attention paid our representatives to Geneva. The Washington Conference did not accomplish much, so far as establishing the peace of the world was concerned. It was a disaster for the United States—a greater disaster than any naval battle we could have lost. At one blow we sunk $375,000,000 worth of ships, and we put ourselves in a position where we must expend more millions than we threw away in order to protect our interests in the future. From the position of having the strongest navy in the world, we reduced ourselves to a level with Great Britain and a 5–3 ratio to Japan, but only so far as battleships and plane carriers were concerned.

After a period of reflection, when the emotional effect of the tragic performance on our part was past, there came the sober realization of "the morning after." It was then Secretary Hughes said:

> It is essential that we should maintain the relative naval strength of the United States.

That could not be done without the expenditure of more money, and if more money had to be spent, how could the good effects (?) of the conference be proved to the taxpayer? So the money has not been spent, and now our naval authorities unanimously agree that we have not maintained our relative naval strength.

Then came the Geneva Conference. That was as futile a conference as the Washington one was foolish. That fine old naval officer, Admiral Hilary Jones, with the other United States representatives, refused to agree, on the part of the United States, that it would further disarm until the other nations would agree to the same course. Nothing, therefore, was accomplished.

In 1930 was held the London Conference. Little was done, except an agreement as to class A cruisers. The dispute, as at Geneva, centered mostly on the size of our cruisers; because we had no bases close enough to each other, we must have ships with a cruising radius sufficiently great to permit us to establish bases after a war begins. That means large cruisers. England and Japan, with their naval bases not so widely scattered, can employ smaller cruisers. If we ever agree to limit the size of our cruisers, then our weakness is a foregone conclusion. In the meantime, the year 1936 is approaching, at which time the naval agreements cease. The United States has failed to keep its Navy up to the treaty strength which was permitted us. Instead of the ratio of 5–5–3, which was the object toward which the nations of the United States, Great Britain, and Japan have been striving, the United States is below Great Britain, and in some categories, even below Japan. It is a dangerous situation.

As of November 1, 1933, no appropriations had been made for the construction of the following ships which the United States, under the terms of the London Treaty, is permitted to lay down prior to December 31, 1936:

	Tons
1 aircraft carrier	15,200
1 cruiser A	17,350
5 cruisers B	47,100
5 destroyers (over 1,500 tons)	9,200
60 destroyers (not over 1,500 tons)	90,000
30 submarines	35,530

After this tonnage is made up to put us on a comparatively equal status with the other navies, we would still have left certain replacements for certain ships.

Great Britain has carried out a definite program. It has had in each year a uniform building program of 3 cruisers, 9 destroyers, 3 submarines, and several miscellaneous craft. As late as March 7, 1932, Parliament was informed that "we must have the ships which we are allowed to have by 1936 by our treaty, and there is no doubt that we shall have them." Since the announcement of the United States program and the use of N.R.A. funds, the British Admiralty is reported as asking not only that Britain build up to the full treaty strength, but is also demanding a heavy replacement program on the assumption that the present naval holiday will end December 31, 1936. The new program is said to include 25 new cruisers of a most formidable type. New capital ships are being designed, and the building of 15 to 18 destroyers a year to replace obsolete tonnage of 100,000 tons is proposed.

Since the Washington Treaty of 1922, Japan has maintained a steady building program with the object of keeping the Japanese Navy up to treaty limits and modern underage vessels. This program provides for the construction by 1936 of a total of 68 vessels of all classes; a modernization program and an aircraft program have been approved in addition to the above. An additional naval building program has been tentatively approved by the Japanese Cabinet, and when approved by the Diet, will provide for all except 600 of the tonnage allowed Japan by the treaty with certain provisions. I take these figures from a statement made by Admiral Stanley before the Naval Subcommittee on Appropriations.

Fortunately for this country a virile, active, common-sense man was put in the White House, and he has announced that our Navy must be kept up to the treaty strength and directed the expenditure of $238,000,000 as the first step toward this end. Already this action has been justified, and Great Britain and Japan are now making suggestions that further agreements be made to disarm to a degree that will save expenditures for big navies, and yet will enable each nation to have a navy that will be adequate for its needs. I believe this will be the right policy for us to pursue. Say to the world "we will agree to limit our Navy, if you will agree to limit yours—all we ask is equality—but we will never agree to put ourselves in a weakened condition. If you are not willing to agree to limited disarmament, then we will build such a navy as we think is necessary without your consent. We will take care of ourselves and you can do the same." This is virtually what the President and the Secretary of the Navy have said. It is the greatest move for peace that has been made since the World War. The United States must always have an adequate Navy for the protection of the interests of the country

and its people. The size and kind of it must depend upon the welfare and needs of the country. If the national defense requires an increase of our Navy—and I think it does—then ships should be built, and I see no reason for asking permission of any other nation that we be allowed to build them, except as subject to existing treaties.

This bill, therefore, provides that, subject to the Treaties of Washington and London, the President is authorized to undertake, prior to December 31, 1936, in addition to ships already authorized, the construction of one aircraft carrier of approximately 15,000 tons; ninety-nine 200 tons aggregate of destroyers; thirty-five 530 tons aggregate of submarines.

The aircraft carrier is intended to replace the *Langley*, and it is permissible to replace this at any time.

All of our destroyers are over age, with the exception of three 570 tons, which will become over age before December 31, 1936, and may be replaced now. The destroyer proportion, built (under age), building and projected tonnages after the N.R.A. construction was authorized is in the ratio of 10 for the United States; 17.6 for the British Empire; and 21.5 for Japan.

Most of our submarines are either over age or nearing the age limit. At present of the 81 submarines on the Navy list, 36 are over age, and on December 31, 1936, only 18 will be under age. Submarines built (under age) building and projected tonnages after the N.R.A. construction was authorized, were in the ratio of 10 for the United States; 9.6 for the British Empire; and 17.5 for Japan.

It will be seen from the above that if the announced policy of the United States is to be carried out, then this bill should pass. In the event that it failed to pass, it would indicate to the world that the Congress of the United States is not prepared to adopt the policy of having a navy built up to the existing treaty and second to none, in accordance with the request of the President and the naval administration. Such announcement would be a great set-back to the furtherance of some agreement that might be made in the future toward limitation of armament.

However, the United States, through this bill further announces that the President is authorized and empowered to suspend so much of the naval construction authorized by this act as may be necessary to bring the naval armament of the United States within any limitation agreed upon by the other nations and itself. The door is not closed by the United States in announcing its building program, but, on the contrary, is specifically left open to show our good faith in any agreement for the limitation of naval armaments that may be decided upon in the future.

In conclusion, I wish to say that the main purpose of this bill from an internal standpoint is to try to level off the building of our Navy over a 5-year period and to equalize expenditures. By so doing, better results will be obtained in every way, better ships will be built, and the total expenditure will be less. Congress cannot afford to put itself before the people of the country in an unfavorable light by not building up to the treaty strength and thereby providing an insurance against disaster. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, in the report that accompanies this bill the gentleman from Georgia says:

> Prior to the Washington Conference in 1921 the United States possessed a naval force, built and building, which was stronger than any other naval power.

From the time of that conference until June 30, 1933, we spent on our Navy more than $4,270,000,000. In each of these years, except one, we spent more than Great Britain, usually substantially more. In each of those years we spent two or three times as much as Japan spent on her navy. Yet the gentleman from Georgia, if he is correctly quoted, in a signed article in a Washington newspaper, refers to our course since 1921 as a "policy of disarmament by example", which he fears is a menace to world peace.

I doubt that there are 25 Members of this House who are capable of following this debate into terms of battleships, cruisers, tonnage, and so forth. But we can follow it in terms of dollars and cents. And some of the vital facts involved are these: Since we have been setting this example of disarmament with a menace to the peace of the world we have spent more than four and a quarter billion dollars on our Navy, Great Britain has spent a sum far less, and Japan's expenditures are not nearly half of ours. We have spent and continue to spend each year more money on our Navy than any other nation ever has spent in peace times in all history. If we are still inadequately prepared, what has become of these four and a quarter billion dollars? If we appropriate another billion dollars this year, what assurance have we that they will produce better results?

Let us consider a few recent years.

In the 3 fiscal years ending June 30, 1933, the United States spent more than a billion dollars on its Navy. And they tell us our Navy is inefficient and over age.

In those 3 years we spent on our Navy one billion fifty-nine million and some odd money to give us in 1934 an over age, insufficient navy. Great Britain spent in the same years $776,000,000 on her navy, and they tell us hers is efficient. In those 3 years Japan spent only $381,000,000 on her navy, and they tell us Japan is a menace to us on the high seas.

In 3 years Great Britain has spent less than three fourths as much as we, Japan has spent little more than one third as much as we, yet today they tell us that the navies of Great Britain and of Japan are efficient and up to date while ours is over age and dangerously weak.

In the past 3 years we have spent $60,000,000 more on our Navy than France, Italy, and Japan combined have spent on their navies.

Can the supporters of this bill tell us why these stupendous outlays on the American Navy have had the meager results they allege while other nations have supposedly built efficient navies at amazingly less cost?

A few days ago this House passed a naval appropriations bill amounting to $293,000,000. That sum alone is twice as much as our Navy ever cost us in peace or war in any year before 1917. Yet the Public Works Administration has added $276,000,000 for our Navy, and now in this bill we are asked to add $470,000,000 more. If the naval appropriations bill and this bill become law, there will have been appropriated and allotted to the American Navy this year $1,039,000,000.

And what is the excuse for this? Preparedness. Preparedness against whom? Not against Great Britain, for the most jingoistic isolationist will not have the temerity to say Great Britain is a danger to Uncle Sam. Then it is against Japan, for Japan is the only other nation that has a navy that is a patching on ours. Apparently Japan gets so much out of expending $381,000,000 on her navy during 3 years that we must appropriate $1,039,000,000 in 1 year for our Navy to get ready for her.

In 1902, as a boy I heard Richmond P. Hobson, the Spanish War hero, make a speech against Japan. So great an impression did it make on me that I remember it as if it had been made a few months ago. He told us then, as they tell us now, that we are to have war with far-away, little Japan. He said that war was not 25 years in the distance, nor 15 years, nor 10 years. Dramatically he came closer until he said "that war is so close that our utmost efforts cannot prepare us adequately for it." That was 32 years ago. The war has not come, but the jingos and militarists still use it as a hobgoblin with which to frighten us. It is not without significance that while these great appropriation measures are before Congress some newspapers are filled with Japanese war scares.

For years the United States has spent more money on its Army and Navy each year than any other nation has ever spent in peace times since the dawn of history. Yet we are asked to believe we are unprepared. If we are unprepared, it cannot be for lack of appropriations.

The naval appropriations bill, the P.W.A. allotment, and now the Vinson bill would commit our Nation in 1 year to

expenditures of $1,039,000,000 on our Navy. And no one who follows events imagines that even that staggering sum would satisfy the Navy people a year or two hence.

Let us translate this huge sum into terms of useful things. Throughout our land are small colleges that have produced great men and good citizens. Five hundred thousand dollars would endow one of them and save it to carry on its good work. Our proposed naval appropriations for this year alone would endow for all time 2,078 such colleges.

The whole land wants good roads. In my part of the country they build 18-foot concrete pavement at $20,000 a mile. Our proposed naval appropriations this year would build 51,950 miles of such pavement. That is equal to 16 paved highways from New York City to San Francisco.

Scores of hospitals and schools could be endowed for a fraction of this $1,039,000,000.

Since the Washington Conference we have spent more than four and one quarter billion dollars on our Navy. And, by the way, in the same period we spent nearly $5,000,000,000 on our Army. And still, after spending over $9,000,000,000 on Army and Navy, we are not prepared for war, they say.

If we drained the Treasury of every dollar and exhausted the credit of the Nation in Army and Navy expenditures, it would not satisfy the preparers. All history teaches the lesson that huge military establishments lead to national ruin. Science and invention, with the menace of war with gas, disease germs, and electrocution, warn us that no one knows what "the next war" may be or how to prepare for or against it.

Let us scale down these inordinate, bankrupting appropriations for war. If we want to spend some of the savings, let us use them to prepare for peace—an effort that has not had much Government support in recent years. [Applause.]

Mr. BRITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman, as one of the younger men in point of service, not in age, on the Naval Affairs Committee, it would be presumptuous on my part to try to add anything to what has been said by our distinguished chairman, the gentleman from Georgia [Mr. VINSON], and the former distinguished chairman, the gentleman from Illinois [Mr. BRITTEN]. Our committee held hearings on this bill, and we bring it before the House with the unanimous report of the committee.

Prior to the Washington Conference in 1921 the United States possessed a naval force, built and building, which was stronger than any other naval power. As a contribution to world peace, we agreed to scrap 11 battleships and battle cruisers building and 20 completed battleships. No other nation has made any such contribution toward the cause of disarmament. Within the space of 10 years Great Britain, as the report shows, provided for 134 new combatant ships, Japan 130, France 166, and Italy 115. By contrast, Mr. Chairman, the United States provided for but 34.

Instead of maintaining our strength and ratio in modern ships as agreed upon, we have fallen well behind in the latter category—that is, in the light cruisers, destroyers, and submarines.

This bill definitely fixes the strength of the Navy in each category after the tonnage followed by the Washington and London Conferences and authorizes the President to undertake immediately the construction of the necessary new and replacement vessels, and also authorizes Congress to make the necessary appropriations.

Mr. Chairman, the adoption of a definite naval policy will permit an orderly building program in the future. Such a building program will not only be more economical but will also contribute to better design, better workmanship, and less disruption of naval industry and will keep the national defense on a higher level than is possible under old methods of building a navy. Mr. Chairman, I want to state that I am 100 percent for national defense in every line—on land, on sea, and in the air. I am 100 percent for this bill, H.R. 6604.

Mr. Chairman, I yield back the balance of my time.

Mr. KOPPLEMANN. Will the gentleman yield for a question?

Mr. BRITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. KOPPLEMANN. Will the gentleman from New York yield for a question?

Mr. BRITTEN. What question has the gentleman in mind?

Mr. KOPPLEMANN. I should like to ask this question: The gentleman who has just spoken said there were numerous hearings before the committee, that the question had been studied and the gentleman recited the number of battleships that had been built, and so on. In all of these hearings and in all of these discussions was the question of the advisability of battleships in time of war discussed in the light of their inability to communicate with one another and be of service?

The CHAIRMAN. Is this to be taken out of the time of the gentleman from Illinois [Mr. DIRKSEN]?

Mr. BRITTEN. No; it will be taken out of my time. The gentleman from New York has just yielded back 2 minutes and we will use that now if the distinguished Chairman will permit.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. KOPPLEMANN. If the gentleman will pardon me, I asked the question of the gentleman who just spoke.

Mr. BRITTEN. And he has just asked me if I would not be good enough to answer the gentleman from Connecticut.

During the past 20 years the question of communication between first-line ships has been discussed in every detail. The bill before the House at the present moment has nothing whatever to do with battleships, and, in fact, the bill does not even include first- or second-line cruisers. It only includes destroyers, submarines, and one plane carrier.

Mr. KOPPLEMANN. But the gentleman knows that when I referred to battleships I had reference to anything afloat that is used for offensive or defensive purposes, and they must have some means of communication. These ships that the gentleman speaks of need means of communication in order to be used offensively or to be of any use in time of war.

There have been so many instances of failure of communication that during the World War these ships were discarded and not used except as convoys in the transportation of soldiers to go to Europe; and the President of the United States lately made the statement that soldiers would be kept on our own territory in the future, therefore in the event of another war they will be useless.

Mr. BRITTEN. I congratulate the gentleman on his speech, but I do not know what his question is. What is the gentleman's question?

Mr. KOPPLEMANN. The question is one of communication between ships.

Mr. BRITTEN. I will answer the gentleman by saying that I think the American Navy is ahead of the world on communication at sea from ship to ship or ship to shore.

Mr. KOPPLEMANN. But the question I ask is, in the light of the evidence that they cannot communicate, what is the advisability of using ships of this kind in time of war?

Mr. BRITTEN. In the light of what the gentleman says, he is in darkness—complete darkness.

Mr. KOPPLEMANN. And I may say for the information of the gentlemen on the committee that so are the ships in time of war, in complete darkness, as well as useless.

Mr. BRITTEN. The gentleman is entirely mistaken, and if he will read the hearings or go down to the Navy Department and ask the question seriously, which I am sure he intends here, he will get all the information he wants and will be convinced that our ships are not in darkness, but that successful communication is maintained constantly 24 hours out of every 24 hours from ship to ship and ship to shore, every day in the week.

Mr. KOPPLEMANN. Ask the Navy officials? Why not the gentleman from Illinois? The Navy has always answered questions calling for more and more money and ships.

Mr. BRITTEN. I must confess I do not know what the gentleman has in mind.

Mr. KOPPLEMANN. Which emphasizes the gentleman's lack of knowledge on questions of intership communication.

Mr. BRITTEN. Mr. Chairman, I now yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I clipped from a magazine published last week a brief statement that was made by the First Lady of the Land to a group of women in Washington, D.C., on the subject, the Cause and Cure of War. The First Lady had this to say:

> I believe anyone who thinks must think of the next war as they would of suicide, but most people don't think. How deadly stupid we are.

With that as a text, I am going to be like Ishmael in the wilderness today, because someone must raise his voice in behalf of peace, and I can do it sincerely because I believe in peace, albeit I believe in and can support the program that is laid down in this bill by the Naval Affairs Committee.

My remarks may not be strictly to the substance of the bill, but they are provoked by the expenditure that is therein requested. While the bill as such is quite all right, Mr. Chairman, we do not go far enough in a bill of this kind because we do not implement our efforts in behalf of war and preparedness with some equally affirmative effort in behalf of peace. How often we give lip service to this beautiful ideal that we call universal peace, and how many Members will come into the well of this House and say that a large navy is the best insurance of and for universal peace and drop further effort in that direction?

I agree that it is some insurance or assurance of peace, but it is negative, and, as a matter of fact, does not make a complete program; nor will it be complete until we have done something affirmative to bring about the establishment of justice and understanding in the channels of international affairs. How, then, Mr. Chairman, are we going to arrive at that point of international understanding by virtue of which we shall ultimately relegate to "limbo" the arbitrament of human differences by means of the sword? [Applause.]

I would pertinently submit this query to the Committee: How many in this Chamber this afternoon have ever seen a man die upon the battlefield? How many have ever seen men lying on the field of carnage, with the picture of excruciating pain upon their faces, with that glassy look that is the precursor of death stealing into the eyes, languishing in the horrible throes of death, and oftentimes imploring their fellow comrades by saying, "My God! please, oh please, put me out of this misery with a bullet"? How many have ever seen that spectacle? It is a poignant lesson for peace.

Mr. Chairman, if anyone had wanted a lesson in behalf of peace, if anyone here needed something to stimulate the desire for peace, you could have had it when you saw men die at Chateau-Thierry, in the Argonne, in the St. Mihiel, or in any other of the engagements of the World War.

I think of still another picture that forcibly directs the attention to the need for militant efforts for peace. I think of the contingent of gold-star mothers who were sent to France by the United States Government. I can envision these blessed mothers, whose hearts have been bruised and lacerated beyond all repair, whose sons were taken away, coming to the portals of the cemetery at Romagne or Suresnes, or one of the other American cemeteries in France, under the leadership of some American officer detailed for that purpose. I see these groups of mothers disintegrate; see some go here and some go there, searching earnestly, intently, eagerly for some spot more blessed than all the rest; and then each for herself suddenly espies a white marble cross on which she reads the name of a beloved son. I see her read and reread the name; I see her look at this, the last resting place of her boy; I see her tears commingle with the dust of the last resting place of her beloved son, reverently stooping over his shrine, then let all the anguish of the human heart melt into her tears as she breathes reverently, "My son, my son." Is there not a lesson, an incentive, some impelling force for universal peace in that anguished moment? Then why do we fail to do something in that direction?

Three hundred and eighty million dollars to be expended under the authority conferred in this bill! A staggering amount, and yet, Mr. Chairman, I am in favor of the program therein laid down, and for a definite reason. I do not believe a large navy is an incentive for war any more than that an adequate well-disciplined police force is an incentive to crime. But when we have built a treaty-strength Navy and provided an adequate Army, we stop right there without implementing these defensive weapons with something to bring about better international understanding and the development of a peace consciousness.

Day after day we prattle here, uttering a lot of balderdash and pretty nothings about the greedy and avaricious spirit of foreign nations. Have we tried to bring about understanding except by villifying and abusing them? Before we can well boast of our efforts toward the abolition of war we must exercise the duty incumbent upon us as well as upon all other nations to bring about justice and proper understanding by affirmative effort.

It seems strange that we should be so avid for trade, so desirous to get our share of French francs without also securing French understanding, that we should want our share of German marks without being particularly mindful of the marks of German esteem and respect, that we should want our share of Italian liras and not the lyrics of Italian harmony and concord, that we should want our share of the pound sterling without overly much regard for the sterling spirit of amity and peace that should attend it.

Moral and economic considerations are and must be inextricably bound up together, if there is to be a basis for the insight and understanding that is the foundation for a lasting peace. Yet we freely approach this task of authorizing the expenditure of three hundred and eighty millions for adequate naval preparedness without giving so much as momentary consideration to the fact that peace, like war, is the product of affirmative effort.

The privilege of saying something in behalf of this cherished ideal of peace provokes a most personal allusion. Doubtless many of you gentlemen in this Chamber this afternoon are the fathers of sons who are now in high school. I recall distinctly that about 4 years after the superintendent of schools handed me that sheepskin indicating that I was a graduate of high school, I found myself in a uniform in the armed forces of Uncle Sam. This same thing can happen to your sons, even as it happened to me and those of my generation.

Is it, then, something edifying or ennobling to look forward to a day when a few years after your son has received his diploma from high school you shall find him in a uniform, ready, if necessary, to be offered as a sacrifice upon the altar of democracy? If we can but see the utter personal attributes of this problem, perhaps we today might as we pass this bill give thought to the problems of peace and the need for action.

How often we hear speakers mount to the rostrum on patriotic occasions and indulge in the very sentimentality which they so often ascribe to those who lift their voices in behalf of peace by discoursing upon the beauty of sacrifice in the cause of the Nation? I quarrel not with that sentiment, but I insist that such platitudes are small comfort and consolation for any gold-star mother whose heart has been bruised and torn by the death of a son, flesh of her flesh, and blood of her blood. Only the mothers will know.

Mention has been made of the propaganda efforts of churches or church councils. I speak for no church, although I am a church member. I am sorry that my distinguished colleague from Illinois [Mr. BRITTEN] had to ridicule the idea of anybody's belonging to a church and being a pacifist or of being identified with the Federal Council of Churches and not being sincere in his efforts for peace.

Mr. BRITTEN. Oh, I hope the gentleman will not misinterpret what I said. I do not refer to anybody belonging to any church or to the churches themselves. In fact, I am

a strong advocate of church attendance. I did ridicule, however, this particular organization and its secretary, who would seek to convey to the House the impression that all the churches of the country affiliated with the Federal Council of the Churches of Christ in America are opposed to this bill.

Mr. DIRKSEN. Is it not quite possible that the secretary was indicating what might have been done in the form of a resolution.

Mr. BRITTEN. Not at all; not in this instance, and that is what I complain about.

Mr. DIRKSEN. I do not wish to misinterpret my colleague in any way.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. WEIDEMAN. While on the question of sacrifices, we cannot, of course, amend this bill, but do you not think it is about time we pass a law, the minute we enter into a war, that will take the profit out of the manufacture of war materials?

Mr. DIRKSEN. I quite agree with the gentleman.

Mr. WEIDEMAN. We would not have quite so many wars if we took the profit out of it.

Mr. DIRKSEN. Now, just suppose for a moment that I should introduce a bill asking for $50,000 to be set aside to create the office of an Under Secretary of Peace in the Department of State, together with the necessary clerical force, to coordinate all peace activity, give it governmental sanction, and to do something to gather up information that will bring about a spirit of understanding and justice with foreign nations. How far would that bill get even if it sought but a niggardly $50,000? The Director of the Budget would say, "We are sorry, but that will unbalance the Budget." The committee chairman would say, "We are sorry, but you cannot have $50,000." Yet that $50,000 represents the cost of only two airplanes under this bill.

Mr. McFARLANE. Only one.

Mr. DIRKSEN. One, the gentleman from Texas suggests, and he may be right. It represents a small fraction of the cost of a single marine authorized under this bill or of a single destroyer. Is it asking too much? Gentlemen, we have to implement these war measures—and they are war measures, at least preparedness for war in the future with equally aggressive efforts for peace. Look at the roster of the State Department and examine all the different officers and divisions and sections and you will not find a single division there that constitutes an agency of the United States Government to act affirmatively for peace. How strange that unofficial organizations from California to New York must undertake that sort of thing without any militant and aggressive aid on the part of the United States Government. Have we not been weak there? I am no pacifist. I belong to two patriotic organizations and heartily subscribe to their defense programs, but I am no jingo either. I prefer to take a stand and do my little part so that in the future I can honestly and sincerely say that I have done some little thing to bring about that understanding that is so necessary, so that nations will no longer arbitrate their differences by strewing the green fields of various nations with the bodies of young, living, pulsing manhood. [Applause.]

Mr. BRITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BURNHAM].

Mr. BURNHAM. Mr. Chairman, the gentleman from Illinois [Mr. DIRKSEN] just remarked that he is no pacifist. Let me say that I am a pacifist. I am a pacifist to the extent that I abhor war. For that reason I believe we should be prepared at all times with a strong national defense to preserve peace and to prevent war.

This bill H.R. 6604, as has already been explained, does not provide for any increase in the ships of the Navy, but simply provides for the orderly replacement of already existing ships when they have passed beyond the age of effective usefulness and are no longer capable of meeting in battle newer ships of more recent design with any prospect of success in such a meeting. For the next few years the replacements required will be almost entirely confined to the light forces, the destroyers and submarines.

I have the honor to represent the district in which is located the base at San Diego, from which the majority of our light forces operate. Having for years had the opportunity of observing these ships in their daily and nightly operations, in their upkeep and maintenance, in their every activity, I feel that I am perhaps qualified to comment, for your information, upon the desirability and necessity of this bill that we now have under consideration.

Every destroyer that we have in commission is of hurried war-time construction and has already reached the age where not one could be classed as an effective, useful unit of the fleet. With each passing year the burden of keeping these boats in even an operating condition becomes heavier and heavier. Each year the expense of upkeep is greater, more time is required to effect repairs, the burden of which falls largely upon the personnel of the ships themselves. Consequently the crews have less time for their training, for torpedo and gunnery practices, and naturally, owing to this, are decreased in efficiency as fighting units.

To be perfectly frank, these ships have already served their life of usefulness and are worn out, as all things must wear out in time. But they must be retained in service because we have no others to take their places.

God grant that our first line of defense, the Navy, may never again be called upon to defend our country or commerce against an enemy; but if that not impossible contingency should arise, it is the solemn duty of this body to provide that the men of our Navy are not forced to go to sea in worn-out, obsolete ships to face an enemy in powerful modern ones.

Gentlemen, our western coastal trade routes extend from the Straits of Juan de Fuca south to the Panama Canal, a distance of 4,000 miles, and westward to Hawaii, another 2,000 miles. This mighty and wealthy country cannot afford to intrust the defense of those trade routes and the defense of our shores to ships that are not as fast, as powerful, and as efficient in every way as those of any other nation in the world.

There is another highly important phase to the provisions of this bill. The recent highly laudable building program which the Congress and the President inaugurated, has done wonders in initiating an upward movement from the depression of business and industry for which we have all been so earnestly striving. Every State in the Union has benefited from that building, for every State in the Union supplies raw materials or manufactured articles that go into those ships. Labor, not only in the actual construction work, but in the supply of material, all over the United States has benefited immensely. The shipbuilding industry, doubtless the hardest hit of any industry during the depression, has been revived in the East at least, and the wheels have again been started in the shipyards. Unfortunately, because the shipbuilding industry in the West was in such a deplorable condition, the private yards of the west coast did not participate in the benefits as did those in the East.

However, if this bill is enacted, and the necessary building is undertaken to replace our obsolete ships, our vitally important shipbuilding industry will be more generally revived and stabilized.

In conclusion, I firmly believe the will of the overwhelming majority of the American people is that the United States build and maintain a navy second to none on this globe. This is a peaceful but not a supine nation. The people of this Nation never have allowed and never will allow the rights or interests of our citizens at home or abroad to be trampled upon.

We are not an aggressor nation. The Navy needs no war to justify its existence. Its activities are of inestimable value to this Nation in time of peace, and I am whole-heartedly in favor of this bill. I am in favor of a strong national defense.

The passage of this bill is but implementing a policy that has prevailed since the foundation of our Nation. It was George Washington who said, observe faith and justice with all nations, cultivate peace and harmony with all; but, my friends, he also said, in time of peace prepare for war, and I believe that the greatest insurance for peace and against war is to be prepared at all times to fight like Trojans and defend our shores and our homes against invasion by an alien foe. [Applause.]

Mr. BRITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I was very much interested this afternoon when the present Chairman of this Committee of the Whole, the gentleman from Texas, was arguing against a $5,000 appropriation for an investigation, with the gentleman from North Carolina [Mr. WARREN]. I believe in reasonable economy. I am very glad to see it in practice but I thought, here are some military tacticians who have taken off the floor today the gentleman from Texas [Mr. BLANTON], and placed him in the distinguished position of Chairman of this Committee of the Whole. He cannot have any voice on this bill that proposes an appropriation of over $470,000,000, and nearly a billion dollars when you get the parity battleships and cruisers that are provided in the treaty, because this is only piecemeal. Let me suggest further that the House passed last week a naval bill carrying $297,000,000, and, I understand, over $250,000,000 more is provided for naval purposes. That carries, with the bill before us, over a billion dollars, and that wild naval program is submitted to the House. Congress is for national defense. Every Member is for reasonable protection, but shipbuilding companies, munition manufacturers, navy yards, and other interests behind these extravagant war measures are pressing Congress harder than ever before in times of peace. I congratulate the distinguished Chairman of the Committee of the Whole, the gentleman from Texas, who occupies the seat he does now, with his efforts for economy, that he is not thrown into this controversy. [Laughter and applause.]

We have spent in the last 5 years over $1,800,000,000, as I will disclose by actual figures, in the regular Navy appropriation bill. I will put the figures in the RECORD for each recent year. We have appropriated over $800,000,000 every year recently for the Army and Navy, and yet Army officers and Navy officers come before committees and say we are dangerously below proper protection and in need of vast appropriations. This Government spends more than any other country in the world, but these experts say we need more. This Government is unprotected, according to those who represent this tremendously extravagant policy for taxpayers' money that largely goes to contractors.

Mr. HOEPPEL. Will the gentleman yield?

Mr. FREAR. No; I regret I cannot yield now. Now, we are all for preparedness. There is not a man on this floor but who believes in sufficient preparedness, but I have shown you the figures we have spent. That is the money of the taxpayers we are spending today. In addition to that, here is another proposition eventually calling for nearly a billion dollars more. I am for airplanes. Do not mistake me. I believe a thousand more airplanes would be useful, but the present program is without precedent. I answered the gentleman who is now in the chair, this morning, when he spoke about airplanes we had during the last war. We spent over $500,000,000 for airplanes, and we never got one battle or pursuit airplane to fight on the western front. We had only some flying coffins, 270 of them. I know that, because I was chairman of the committee before which the Secretary of War testified to that fact.

Mr. HOEPPEL. Will the gentleman yield?

Mr. FREAR. In just a moment. I cannot yield now.

I admire the leader on this side, the gentleman from Illinois [Mr. BRITTEN]. I saw him stand on this floor in 1917, fighting as best he could, and a very strong man he is in the midst of a fight. That was when the war proposition was being considered by the House. I supported him as best I could in that fight. He made the statement then that not 10 percent of the people of the United States were in favor of our entrance into that World War. I believed he spoke the truth. I am convinced of that fact now. He offered further on that day an amendment that there should be no man sent from the United States to Europe or Africa or Asia, as he put it, and he offered the resolution as an amendment to the declaration of war, and it was voted down at that time. Thereafter this country conscripted millions of our boys to fight Europe's battles. He is a man of courage, my friend, Mr. BRITTEN. He spoke the truth. Whether I agree with him at all times or not, I admire him because of his courage.

I have offered a resolution and presented it to the House year after year which provides that the United States shall not go into a foreign war until the people have the right to vote whether or not Congress shall declare war. Of course, the President can put twenty or forty million men in a war against invasion, so we have no danger from invasion. But I have offered a resolution, and presented it again at this session, that only by a plebiscite, only by a popular vote first cast, should we declare a foreign war. This would be under a constitutional amendment. Also, that no soldier should be sent by conscription to Europe to fight any more battles. [Applause.] I believe in it. Send your boy if you dare! Send your boy! Men who were on that Military Affairs Committee came to me in 1917 and said, "For God's sake, I cannot vote for this war because I have got boys that I do not want to send." Of course, they did not. The greatest treasure you have in the world is your child. Yet men who voted for that war did it because of propaganda. They were just as sincere as I was. What did you get out of the war? I am looking at men who were veterans here—splendid soldiers they were.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. FREAR] has expired.

Mr. BRITTEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. FREAR. Discredited, as we have been by every nation of Europe, repudiated by France and by these other governments, to whom we loaned $11,000,000,000 for war munitions, during the last 5 years we have spent three times, or over $1,800,000,000, what France has spent for her navy; more than three times what Japan has spent for her navy, yet we are in effect sending a signal to the world, "Japan, come and meet the challenge, if you will. Great Britain, France, Italy, come and meet the challenge, if you will." And Great Britain will not meet it, because she wants this Navy to help her in the next war.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. FREAR. I cannot yield, because my time is limited. I will tell you, if you want an answer to your inquiry about limiting profits in war, you cannot draw a bill that cannot be set aside during war to take the profits out of war. I was chairman of an investigating committee, and I know all about the impossibility of controlling profits. The Constitution is wiped out during the war. Anything will be spent to win the war. I have not the time to argue the question. I wish I had, because peace plans are of little value during war.

My friends, that is all I have to say, particularly, along this line. I was asked to speak on the plebiscite because I had introduced my resolution for a constitutional amendment to so provide.

The gentleman from Illinois spoke a few moments ago about a military company with which he was connected. A company which I organized in my town when I came out of the Regular Army was in the last war. That company lost 88 men killed or died in France, more than were lost by all the American Navy put together. So I speak with some knowledge of fatalities. The gentleman from California [Mr. BURNHAM] just spoke. He speaks of sub-

marines and other small vessels in his harbor. When I was in San Diego, I saw nearly a hundred of those boats rusting in the harbor and of no value. General Mitchell said before my committee he could drop a single bomb and destroy a battleship. That is the situation. Why are we to build a great Navy like we are proposing to build? What is the purpose? Are we at war? Not at all. This bill does not tell you how much you are going to spend. Someone said, "Why, it is only an authorization." Yes; but when an authorization comes, the Committee on Appropriations considers that a direction. So does the President of the United States. I want a good Navy. I want a good defense. We have it in the United States, not alone with the Regular Army, but we have a National Guard, and when the National Guard of Wisconsin and Michigan were thrown into the war they had 13,000 casualties in the Thirty-second Division. They were thrown in as shock troops. So do not pay attention to some of these war statements by so-called "experts" that are made to you, not that they would be dishonest, but sometimes they forget.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BRITTEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FREAR. Let me say I have served with my distinguished friend, Mr. BRITTEN, when the war proposition was being considered. I think there are only four Republicans in the House now who were here then. Although I have differed with my colleague occasionally, I never will forget the fight he made on this floor during the war. When war comes, you are just swamped with propaganda on all sides. I had telegrams a foot high from many banks. What did the banks know about it. They read, "Follow the General Staff bill." That is what they said—all propaganda.

We will have it again unless we have a plebiscite that permits the American people to determine whether we shall have a foreign war. In the matter of defense from outside aggression, I would give the President all the power he needs; and he has it under the Constitution in any event.

Again I say, I am glad our distinguished colleague, the gentleman from Texas, is in the chair during the consideration of this bill. I submit a few statistics that have an important bearing on this bill and like expenditures:

IN PEACE TIMES WE TOP THE WORLD IN WAR EXPENDITURES

We have recently been expending annually over $800,000,000 for military and naval war bills, more than double what the taxpayers of this country were paying prior to the World War, as shown by the accompanying table:

	Army	Navy	Total
1916	$164,635,577	$155,029,426	$319,665,003
1926	355,072,226	312,743,410	667,815,636
1927	360,808,777	318,909,096	679,717,873
1928	390,540,803	331,335,492	721,876,295
1929	416,901,546	364,561,544	781,463,090
1930	453,524,973	374,165,639	827,690,612
1931	478,418,974	354,071,004	832,489,978
1933	462,239,701	357,436,995	819,676,696

Figures taken from the World Almanac of 1933 show an increase in 15 years of total Army and naval expenditures of more than 266 percent and 1934 will reach far over a billion dollars for war preparations, or more than 25 percent of ordinary Budget expenditures.

Pressure for a greater army and bigger navy is to be urged on Congress next session, which reminds us of the admonition of Historian Abbott, who says:

"In all despotic governments it is necessary * * * to have a powerful military force."

That warning against despots, and wars waged by despots, is observed in war when a military despotism is all powerful in our own Government. Since the Constitution was adopted repudiating despotism, pressure has constantly been exercised on Congress by military and naval interests through misleading and half-truth comparisons to show that, although spending more than any other country for national defense, we are practically defenseless. The purpose is apparent, and if at all honest reflects gross waste of funds by our war experts.

Study in this connection the following expenditures for naval purposes alone by the five principal powers, taken from the World Almanac, 1933:

	Great Britain	United States	France	Italy	Japan
1928	£58,123,257	$356,597,546	$98,046,348	$57,589,000	$128,203,000
1929	57,300,000	364,233,362	101,600,000	60,021,000	131,222,000
1930	55,865,000	378,879,067			
1931	51,739,000	375,291,828	137,516,120	80,795,701	131,468,844
1932	$273,397,800	357,906,219	118,970,598	84,569,254	105,437,569
		1,832,718,022	456,123,066	282,974,955	496,331,413
Annual average, approximately	$276,000,000	366,543,603	91,224,613	56,594,991	99,266,283
Also for 1932-33	£56,476,360	318,906,141	94,823,500	80,947,264	246,941,797

Draw your own conclusions from these war preparations in times of peace.

Forty million active and reserve soldiers, according to the same authority, including 4,000,000 "selected" soldiers in this country, are in readiness for the next world war and add enormously to war-preparedness costs.

A feverish race has been on with naval expenditures during the past 5 years, of which the United States contributed $1,832,718,022, to which we are asked further to build a billion-dollar-parity Navy, for more American battleships to be used in naval target practice. Obsolete $40,000,000 battleships, Mitchell, airman, declared might be sunk with a single bomb, but they make good targets and furnish large profits to shipbuilders. And in this mad race for war expenditures taxpayers have no voice or consideration.

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KNIFFIN].

Mr. BRITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. KNIFFIN].

Mr. KNIFFIN. Mr. Chairman——

Mr. McCLINTIC. Mr. Chairman, will the gentleman yield? I wish to ask a question.

Mr. KNIFFIN. I yield.

Mr. McCLINTIC. I served for a good many years on this committee. I remember distinctly that we prepared a plan with respect to what is known as an airplane deck cruiser with the thought that if this type were adopted and we could carry bombing planes on it, we might be able to do away with the necessity of having airplane carriers. Has the committee at this time in contemplation the construction of one ship of this type?

Mr. KNIFFIN. I may say to the gentleman from Oklahoma that it is my understanding that we can scrap the *Langley* at any time and build a ship of the type he mentions.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield for a question?

Mr. KNIFFIN. I cannot yield much of my time as I only have 15 minutes, but I yield in this instance to my friend, the gentleman from Michigan.

Mr. WOODRUFF. The gentleman knows I have spent many hours' time in the last 10 years on the Naval Affairs Committee. I, too, have been greatly interested in the projected airplane-deck cruiser. I understood that an agreement has been reached among the naval powers of the world that a ship of this kind would not be classed as a carrier but as a cruiser. I, too, should like to know what our Navy is doing toward the construction of ships of this character.

Mr. KNIFFIN. I may say to the gentleman that only recently this matter was discussed with our committee by the Chief of Naval Operations. He maintains that there is some question as to whether or not such a ship would be classed as a carrier.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield further?

Mr. KNIFFIN. I am sorry; I cannot yield further now. I will yield later if I have time.

Mr. Chairman, after having listened last week to two most informative speeches on the subject of national defense, one by the able and distinguished chairman of the Committee on Naval Affairs, the gentleman from Georgia [Mr. VINSON], and the other by the alert and thoroughly well-informed former chairman of that great committee, the gentleman from Illinois [Mr. BRITTEN], I am sure the Membership of this House can well appreciate the feeling

of timidity with which I rise before you for the purpose of discussing briefly the pending bill, which is essentially a national-defense measure.

As a member of the Committee on Naval Affairs, last fall I made an inspection trip of various of our naval shore stations and bases on both coasts and spent some time with the fleet in the Pacific. During the course of that trip I flew in naval and Marine Corps scouting and bombing planes, was on surface ships of every category, and made submerged runs at sea in submarines, and feel that I acquired much practical knowledge concerning our naval stations and the fleet. I have no thought of attempting to discuss in detail the matter of my observations made during that trip. In view of the business before the House this afternoon, I feel that I should say, however, that there is a most noticeable difference between ships of war-time construction and the later and more modern types. The thing that impressed me most of all was the efficient and painstaking manner in which the Government's great naval properties are being cared for by the officers and enlisted men of the Navy. There is no question but that our naval officers are consecrating their lives to the proper and faithful performance of the great responsibility that is committed to them.

Before proceeding further I desire to emphasize that I am an ardent advocate of peace. I consider war to be the most futile and ferocious of all human follies. This generation knows something of the futility and evil consequences of war. In this country our greatest men have all been earnest advocates of peace. The Father of Our Country, George Washington, when making reference to war, said that it was a plague to mankind and that he hoped that it might soon be banished from the earth. Again, that great general said:

> We have experienced enough of its evils in this country to know that it should not be wantonly or carelessly entered upon.

Lincoln, on his deathbed, at the threshold of eternity, uttered that touching and fervent aspiration that the mighty scourge of war might speedily pass away. McKinley hoped to avoid the war that came in his time. Theodore Roosevelt favored the arbitration of all questions that could not be settled by diplomatic negotiations. President Wilson was tireless in his efforts for peace and finally ensued it on the field of battle. You all know what Sherman said about war. General Grant's most famous utterance, the one that will linger longest in the memory of men, was the prayer of his war-weary heart, "Let us have peace." And I am sure that we can all agree that our great President now in the White House is a stanch advocate of peace.

I, for one, have hoped for 15 or 20 years that there might be effected some system of international justice or perhaps an agreement between nations that would permanently promote world peace and eliminate the savagery of war and its painful effects upon civilization.

We in America are a peace-loving people. We have attained our present standard of greatness because we are a peace-loving people. We believe in drastic disarmament as a method of peace. Since the advent of the World War we have hoped and prayed from year to year that something worth while in this direction might be accomplished. We have set the example. We have disarmed on land and surrendered our place on the sea. We wanted less naval strength than the nations demanded. We did our part and should at all times continue to hold ourselves in readiness to join quickly in any good-faith movement among nations designed to drastically reduce armaments. It is to be regretted, however, that after all these years of persistent effort in good faith on our part to bring about world peace, we now find the world crowded with selfishness and greed, and hundreds of millions of the people of the earth suffering from unrest and revolution.

Now, Mr. Chairman, so long as other nations continue to threaten the peace of the world by building up their armies and navies, we must necessarily make proper provision for our national defense. At least until it becomes clearly evident that peace will prevail we are compelled to do so. The great wealth and the inexhaustible resources of our country should constitute a guaranty that proper facilities will be provided for our safety; and, in this connection, it should be carefully borne in mind that ordinarily war ruins the participants, and especially does it have that effect upon the vanquished.

In attempting to look after the matter of our own welfare by building a treaty-strength Navy we in this country are not prompted—I repeat—we are not prompted by a desire to assume an attitude of superiority. No, indeed; because it is now, and always will be, to our interest to avoid war. All we want is to be left alone; and we want this badly enough that we must have facilities that will guarantee that we will not be molested. The enactment of the pending measure, the Vinson bill, will afford to our people that much-desired assurance.

The Navy is commonly referred to as our first line of national defense. With all due respect to the Navy, its fine traditions, and its splendid officer and enlisted personnel, I cannot subscribe to that view. The only possible way in which our national defense may be built up and maintained in proper condition is by acts of Congress. I therefore prefer to believe that Congress is the first line of our defense. The Navy becomes our first line of defense, of course, after war is declared.

The Constitution of the United States enjoins upon the Congress the responsibility of providing for the common defense. That provision is of so great importance that the framers of the Constitution made reference to it in the preamble. Congress, of course, is governed largely by the public pulse.

In times when the trend is toward pacificism, not much is done. In times when the trend is for the protection of our people and our national interests, more attention is paid to the subject. And, Mr. Chairman, at a time like this, during an era when tumult exists throughout the world, I am persuaded that a strong Navy in the hands of a great peace-loving people will help in the preservation of peace. There is one thing certain, however, and that is there will be no disposition on our part to become the aggressor. We have a brilliant record in that regard. This Nation has never as an aggressor entered upon a war, and there will be no disposition on our part to misuse a strong navy. Our peace-seeking record should challenge universal admiration.

During the late World War thousands of our fighting men had an opportunity to observe at close range how hideous is the face of war. Those who went into the trenches and heard the roar and the shriek of the whistling shells know something of the devastating effects of war.

Those that are still with us advocate peace, and at the same time they advocate strong defense facilities, so that thousands of the young men of this country will not on account of our unpreparedness be needlessly and ruthlessly sacrificed in the event of an emergency. If those who did not return from the western front could come to this floor today and give audible expression of their views and their sentiments, they would urge that the Congress of the United States promptly provide a full treaty strength Navy, both as an instrument of peace and protection. I think our duty is plain here today, and I am going to vote for this bill. In the light of world conditions, as they are known to exist, I feel that I can conscientiously do so. [Applause.]

Mr. Chairman, I yield back any part of my time that I did not use.

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McGRATH].

Mr. McGRATH. Mr. Chairman, in every country right-thinking persons are trying to preserve the peace of the world. But to stop the terrors of war we must maintain an army and a navy ready and able to meet any emergency. War seldom gives advance notice. Navies cannot be built over night. Cruisers and airplanes in the blueprint stage might well be turned over to the Committee for the Disposal of Waste Executive Paper in the District of Columbia when war comes.

During the past 12 years, up to March 4, many in high places in our Government considered national defense and

naval construction from the standpoint of European and Asiatic wishes. At the present time, thank God, when the Naval Affairs Committee thinks and acts with an eye single to American needs and American defense, we have the full cooperation of the President of the United States. We hold out friendly hands to every people on the earth, but we insist that American rights and American lives shall not be made mere pawns in an international diplomatic chess game.

In the next war the British Navy and allied armies may not be holding the line for 14 months when we are forced to enter the conflict. The United States of America must be able to meet any emergency in her own right and rely solely on her own strength. To rely on any possible help from an outside source would probably force us to make hasty alliances to save our faces.

We on the Pacific coast live on the frontier. The next war will be fought in our very homes. Our people may be the Belgium refugees. Fanciful? A joke? The Kaiser's army struck at Belgium because it was a feasible plan. The defense was not strong enough to repel invasion. Belgium paid the price. She left a glorious heritage, but that did not restore ruined homes, wrecked lives, or bring back the dead civilians.

We, ourselves, would never have been forced into the World War. Our rights would never have been trampled upon by either Central Powers or by the Allies if an adequately prepared Army and Navy had stood back of the protest of Woodrow Wilson.

When Lieutenant Commander McGinnis and his gallant crews of Navy flyers broke all records for sustained formation flights, surpassing even Balbo and his superb Italian flyers, they proved to the world, what we on the Pacific coast already knew, that Honolulu is but the next commuting station west of the California coast. Remember this as we pay tribute to our Navy aviators. The flight across the Pacific the next time may be an unfriendly flight from Honolulu to San Francisco unless adequate defense has made the Hawaiian Islands safe from such a possibility. We must not only forever hold those beautiful islands, but we owe it to ourselves so to fortify and protect their borders that the Hawaiian Islands will become the Gibraltar of the Pacific.

We, of the Pacific coast, know our Navy. We love them from the ranking admiral and the revered memory of Moffett and his men to the gob on leave. From San Diego, through the Golden Gate, and north to Bremerton and Seattle, the Pacific coast opens its arms and hearts. We stand ready to do our part, and, for them as well as for ourselves, we do not simply ask for, we respectfully but urgently insist upon, a Navy of full treaty strength—not at some distant time—but now. I support this bill as a sweeping step in the right direction.

Mr. BRITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I was very much impressed this afternoon, as I always am, when the gentleman from Wisconsin [Mr. FREAR] expressed his views. He always speaks with a sincerity that leaves no doubt as to the good intent which underlies any views he presents to the House. In strong language he has expressed to the House today his regret at the vast sums of money that have been expended in the last few years by this Nation in its effort to provide for our national security.

Mr. FREAR. Will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Wisconsin.

Mr. FREAR. It was not in a tone of regret. I state that we were spending much more than any other country in the world at the present time. This is in addition to the proposal that comes before us this afternoon.

Mr. WOLVERTON. Knowing as I do the patriotic influences that always actuate the gentleman from Wisconsin, I do not mean to infer that there is any regret upon his part from the standpoint of opposition by him to what had been expended, but regret from the standpoint that circumstances required this Nation to do so.

Why does America spend these millions of dollars in support of national defense? Is it not entirely due to the fact that America must do it as a matter of self-protection? I was likewise impressed this afternoon when the gentleman from Illinois [Mr. DIRKSEN] painted for us a word picture of what he had seen with his own eyes at the Argonne, at Chateau-Thierry, and St. Mihiel. It is the thought of what was suffered by those who served on those fields of battle that prompts the American Legion to ask at our hands adequate national defense, and when the gentleman from Illinois [Mr. DIRKSEN] spoke further as to the heart throbs of a mother at the loss of her son, he thereby gave the underlying reason that has prompted the Gold Star Mothers of this Nation time and again to go on record in favor of just such measures as the one which we have before us today. A measure that gives strength to our national defense and precludes the possibility of entering another war unprepared.

Someone spoke here today about this Nation spending twice as much for ships and defense as do foreign nations. I want to call the gentleman's attention, as well as the attention of the House, to the fact that to whatever extent we spend more we are compelled to do so because in constructing ships in America we pay wages that are twice as much as do any of the nations to which the gentleman has referred. [Applause.] And, for the same reason, the expense of maintaining our Navy is greater. We provide a better standard of living for our enlisted men. [Applause.]

Today France has an organized military force of 6,298,428, Italy 5,964,764, Russia over 5,000,000, Spain 2,329,000, Poland nearly 2,000,000, Rumania nearly 2,000,000, Czechoslovakia more than 1,500,000, and Yugoslavia 1,500,000.

Mr. FREAR. Will the gentleman yield for a correction, because I know the gentleman would not want to make a misstatement?

I have been in Russia and in practically all of the countries the gentleman has referred to. The gentleman is including in his figures those who have had military experience and are subject to call and not the regular army in existence now.

Mr. WOLVERTON. I have not been to Russia——

Mr. FREAR. I have been in Russia, as well as the other countries referred to.

Mr. WOLVERTON. I have taken the figures which I have given from authentic sources against which I think nothing can be said.

Mr. FREAR. Tchitcherin told me they had 650,000 and France 750,000, referring to those under arms.

Mr. WOLVERTON. I hope, for the sake of America, that the gentleman's figures about Russia would apply equally to the other nations.

Mr. FREAR. They apply to France and the other countries.

Mr. WOLVERTON. I was referring to organized military forces. I will speak further of this matter at greater length before I have finished.

The purpose of the bill now under consideration is to increase the strength of our naval forces and thereby provide more adequately for our national defense.

The desire for peace is the fundamental desire of America. Our ideals and ambitions as a nation have been to promote peace. We must have a navy strong enough to sustain our peace ideals and powerful enough to be a restraining influence at all times on nations less given to the promotion of peace than ourselves.

This Nation needs and we must have a navy that is commensurate with our greatness if we are to maintain our position of influence among the nations of the world. Our influence can never be greater than our strength as a nation can command. Influence for good is in direct proportion to the strength we have to demand and support what we stand for.

High-sounding peace resolutions and declarations mean nothing unless there is back of them the strength that can uphold them when challenged.

The finest contribution this Nation can make to the cause of peace is to have a navy so strong that no other nation will dare or attempt to disturb our peace nor break the peace of the world.

The American Navy is a guaranty of peace. It has never been used except in self-defense or in the cause of human liberty, and there is no likelihood that it ever will.

Individuals who are opposed to a navy-building program may frequently be divided into two classes: First, those who have an ulterior motive to serve and at heart are enemies of our country, seeking to undermine and weaken it; and, second, those who are sincere and honest in their conviction that any naval building program entered into by this Nation will be interpreted by other nations as evidence that this Nation has entered upon an aggressive policy and that it will result in other nations entering into a competitive navy-building program.

Those who come within the first enumerated class are entitled to neither consideration nor respect, but merit denunciation as public enemies. For the individuals, however, who come within the second designated class I have respect, not because I believe their position is well founded, but because I have confidence in their sincerity of purpose. These individuals, many of whom I have the privilege and honor to know, belong to religious organizations that have left their imprint for good in the customs and laws of the communities in which they settled during the early days of this country, and in which they continue to be a dominating influence for good. Their citizenship has been of the character that gives strength and stability to our Nation.

Notwithstanding the high ideals and purposes that characterize the opposition of this class of individuals to any navy-building program undertaken by our Nation, yet, I am, nevertheless, just as firmly and conscientiously convinced that the cause of peace can best be promoted by our Nation providing itself with such instruments of defense as will most effectually deter any other nation less peacefully inclined from disturbing our own peace or that of any weaker nation which looks to us for protection.

Thus, while such individuals and myself are in accord in our desire to promote peace, yet we differ as to the means or the policy that will most effectually promote peace. If they are right in their theory that absence of all means of defense will induce an inclination and desire for peace that will be respected by other nations, then China should be the most respected and peaceful nation in the world. It has practically no army or navy. But instead of the blessings of peace it is continually in the midst of war. The conditions prevailing in China today give an accurate and true picture of the results that follow the failure of a nation to provide itself with adequate means of defense. This would, likewise, be the condition of our own country should we ever be so unwise as to fail to provide ourselves with adequate means of defense.

It is regrettable indeed that notwithstanding the numerous and sincere efforts that have been made by our Nation to bring about a general limitation of naval armament among the leading nations of the world, such has not been possible of consummation owing to the opposition and unwillingness of other nations which must and shall be a party to such agreements. It is impossible for our Nation, however, acting alone and unsupported, to bring about either world disarmament or limitation of armament. Such object can never be attained until each of the nations of the world shall feel an equal responsibility and a corresponding willingness to act in conjunction one with the other.

The total result of the efforts of our country to reduce armaments was the elimination by the United States of 800,000 tons of battleships belonging to us having a value of $400,000,000 and none by any other nation. Will Rogers has aptly said, "We never lost a war nor won a conference."

While international conferences have attempted in 1921, in 1927, and in 1930 to deal with the problem of naval disarmament, the League of Nations has been engaged for the last 10 years in an effort to deal with disarmament in general. Although numerous conferences have been held and different commissions provided for, as yet no agreement whatsoever has been entered into that in any way limits or reduces land armaments or even naval armaments except the conference of 1922, the net result of which was to reduce our own and no other navy.

What is the situation today? If we take stock of the situation as it stands today, at the end of 13 years of international effort, we find that notwithstanding the idealistic language of the Treaty of Versailles, which created the League of Nations and effectively limited the naval and military strength of Germany and established disarmament as a goal not only for the defeated powers but also for the victors, that the sum of $4,158,000,000 is now being spent for armaments by the nations of the world. This is nearly double the amount spent by the same nations the year before the war.

Today France has an organized military force of 6,298,428; Italy, 5,964,764; Russia, 5,167,000; Spain, 2,329,392; Poland, 1,974,033; Rumania, 1,890,612; Czechoslovakia, 1,647,121; Jugoslavia, 1,469,929. As against these tremendous armies, maintained at great expense even by these smaller nations of Europe, the United States of America, with the greatest material wealth in the world, has organized military forces, including National Guard men, Reserve officers, and so forth, of only 427,000.

And if we look at the size of the armies from the standpoint of population of the countries in which they exist, including men, women, and children, we find that in France 1 out of every 6 persons is a part of the organized military forces of that nation; Switzerland, 1 out of 6; Italy, 1 out of 7; Sweden, 1 out of 7; Czechoslovakia, 1 out of 9; Rumania, 1 out of 10; Yugoslavia, 1 out of 10; while in the United States only one third of 1 percent, or 1 out of 300 persons.

No one who thinks in terms of America, who recognizes the peaceful spirit of our people and understands that every effort upon the part of our Government to procure agreements from European countries effecting a reduction of armaments, has met practically with failure, can feel other than the justice of the position taken by patriotic citizens and organizations such as the American Legion, Gold Star Mothers, Daughters of the American Revolution, and so forth, when demand is made that we provide adequate means of national defense.

Furthermore, in close relationship to the matter of national defense is the question of cancelation of debts owing to us by foreign nations. Certain forces that are continually opposing any and every effort to provide for our defense and, using at this time the plea of economic necessity, are demanding the cancelation of foreign debts.

Again, they present the foreign viewpoint. They picture the backs of the people of European nations bending and breaking under the burden of taxation. They demand that this Nation as a great humanitarian, a big brother, shall cancel their indebtedness to us.

Taking advantage of present conditions, forces which have selfish interests to serve are contending that there can be no world-wide economic recovery unless our country cancels the debts owed to us by foreign nations.

There has been widespread propaganda sent throughout the country in order to create sentiment favorable to cancelation of foreign debts. It is contended that there can be no world economic recovery until cancelation has been effected and that recovery is impeded by our Nation refusing to do so.

It is well to remember that a few years ago we reduced the indebtedness of European nations to us by more than $6,000,000,000. This amount represented more than half of the total amount that was owing to us. Furthermore, it was equal practically to the entire amount advanced by us to them during the war. The balance of $5,800,000 which remained due was only that which had been advanced subsequent to the war to be used for rehabilitation purposes. Not only was our Government generous in canceling more than half of the indebtedness, but equally generous in permitting our foreign debtors to make payment of the balance due in installments extending over a period of 62 years.

The terms of settlement to which I have referred reduced the indebtedness of our principal debtors by the following amounts: Italy, 75.4 percent; France, 52.8 percent; Belgium, 53.5 percent; Great Britain, 19.7 percent.

Notwithstanding this substantial reduction that has already been made, it is now claimed that the amount to be paid each year in settlement of the balance constitutes a burden that foreign nations are unable to carry.

A study of the budgets of our foreign debtors does not justify this contention. The amount to be paid by Italy to us each year represents only 1.41 percent of its entire budget; Belgium, 2.45 percent; France, 2.65 percent; and Great Britain, 3.75 percent.

A further study of the budget of foreign nations reveals that their greatest expenditure is due to the maintenance of large and expensive armies and navies. This can be readily seen from the fact that France, as already stated, has a total organized military force of 6,942,559 men; Italy, 5,985,597; Poland, $1,977,095; Rumania, 1,725,660; Czechoslovakia, 1,647,121, and Yugoslavia, 1,341,568. The maintenance of such forces constitutes a burden upon foreign nations that makes any proposal to bring relief by canceling debts almost absurd.

These figures indicate that these nations are armed at this time more heavily than they have ever been, except during the World War. As long as this condition exists, the mere cancelation of the debts owing to us will not bring any relief to these nations. The amount due us is so infinitely small as compared to the expense of maintaining these forces, that it is ridiculous to contend that prosperity can be brought to such nations by cancelation of the debts owing to us.

There has been no indication of intention upon the part of foreign nations to dispense with any considerable portion of their armed forces. It can be assumed that any saving that would come as a result of cancelation of debts due us would only result in placing additional money at their disposal for armament purposes.

Furthermore, we must not overlook the fact that the loans advanced to foreign nations represent money borrowed by our Government from our own people and must be repaid to them. If we should cancel the debts, the burden of payment is thereby transferred from the foreign taxpayer and placed upon our own taxpayer. There is no justification for such a course. The remedy is for foreign nations to reduce their expensive armaments.

Furthermore, we must not overlook nor discount the fact that the present era is one of acute international political tension and economic competition. Unrest, turmoil, and severe economic hardship are prevalent throughout Europe, South America, and the Orient. We feel it here.

From such conditions wars are bred, and under such circumstances wars cannot in many cases be avoided in the absence of the strong stabilizing influence of armament. It is such power that frequently preserves peace.

It is natural that we should think of national defense in terms of protecting the homeland itself. But our country also has external interests of great importance to it. These must be protected, too, for the sake of the general welfare of our country and its people.

We have certain basic foreign policies of the highest consequence, such as the Monroe Doctrine, security of the Panama Canal, the open door in China, and so forth. Other nations also have their national policies. It is the conflict of these national policies that is a potential cause of war. National policies, then, are just exactly as strong as the Navy, and no stronger.

With the Navy also rests the security of our commercial interests on and across the sea. These are so vast that the economic life of our country depends on them. We seldom realize how intimately our business affairs are connected with the unseen hundreds of ships constantly plowing the sea lanes which lead from port to port along our immense coastline and across the seas to foreign markets. This protection must be exerted not only when we are ourselves engaged in war but also in the event of a war between other powerful nations in which we are neutral. Such a condition existed in 1812, when our maritime rights were violated without compunction by European nations engaged in a desperate struggle between themselves. The depredations of French cruisers against our commerce led to armed resistance, and war with France was barely avoided in 1810. Two years later the impressment of our seamen by English vessels forced us into a long and costly war with that country. Had we had at that time a Navy of respectable size it is highly probable that our rights would not have been so violated and that this war would have been avoided.

In 1914 we saw this situation repeated. A great war raged in Europe in which we had no part. Again our maritime rights were violated by all parties concerned, with consideration only to their own interests. Again we were finally drawn into a war in the origins of which we had no part. It is to be regretted that we did not at that time have sufficient naval force to say to all nations, "We are sending our merchant vessels on their lawful errands under the protection of our naval forces; molest them at your own risk!" Had we been able to do this, it would possibly have avoided our participation in this war. In any case a precedent would have been created which would have immensely strengthened respect for international law and neutral rights in future struggles.

As the Assistant Secretary of the Navy has recently pointed out, "Only the Navy can keep us from having our sea lanes blocked and can thus afford us the economic life insurance which is the main function of navies."

The question arises, What is an adequate navy for the United States? In deciding this question we must bear in mind the necessity of: (1) Cooperating with the Army in resisting invasion, (2) providing naval protection against coastal raids, (3) supporting our foreign national policies, and (4) protecting the vast sea-borne commerce so essential to national economic life.

The answer to the question of an adequate navy would be vague and unsatisfactory were it not for the known size and power of foreign navies which potentially are the forces with which our own Navy must contend if our national rights should be violated. Considering the superior scope and value of our interests on the sea, we had a policy that called for a navy second to none. This was before navies were limited by international agreement.

Since 1922, however, we have had treaties of naval limitation, and these now give us precise limits for our Navy which are acceptable to the other great naval powers. It ought to be apparent that what our naval rivals are willing to concede as a suitable American Navy should be the least size which will satisfy ourselves.

The answer to the question, then, of an adequate navy is the treaty navy.

In the unbalanced state of the world today no one can predict how or when the United States will urgently need a strong Navy to safeguard its immense interests, which are so intimately connected with its domestic security and economic welfare. Therefore, we need a treaty navy of ships, fully manned and adequately served by naval bases. With such a fleet we need not fear for our national security.

The question naturally arises, if a treaty navy is desirable or necessary, then, when should it be built? There are some, evidently not familiar with the shipbuilding industry, who claim that it is time enough when the emergency arises. Such a course would be a national folly and lead to destruction. Anyone who advocates such a course cannot be aware of the fact that it takes between 2 and 3 years to complete a ship of major proportions and requires the services of trained mechanics who cannot be created overnight.

The condition of our shipyards throughout the country is pitiable. Notwithstanding their importance in the time of war many of them have gone out of business. As an example of this fact, the Cramp Shipbuilding Co., of Philadelphia, Pa., has entirely closed after a continuous existence of nearly 100 years. The few which are left have only skeleton forces of draftsmen and mechanics.

As a further illustration of the deplorable condition existing in the shipbuilding industry, permit me to make reference to the New York Shipbuilding Co., of Camden, N.J., located within the district I have the honor to represent.

This shipyard has had the proud distinction of having constructed many of our finest warships—the *Washington, Kansas, New Hampshire, Michigan, Arkansas, Oklahoma, Idaho, Colorado,* and the new *Washington,* each in its time constituting warcraft of the most powerful type afloat, and the *Saratoga,* the most outstanding ship of its kind in all the world. Added to this type of fighting craft has also been that great number of auxiliary craft—cruisers, such as the *Indianapolis, Salt Lake City,* and others; destroyers; colliers; and so forth—that have been constructed in this shipyard and have by their record of achievement added to its fame and reputation, and won for those who labor there, from the highest to the lowest, well-merited honor and praise for work well done and craftsmanship unexcelled.

In addition to this worthy list of superdreadnaughts, cruisers, and destroyers there has also been a remarkable record of achievement in the construction of all other kinds of craft, including passenger liners, tankers, colliers, general cargo vessels, coastwise and river steamers, lightships, revenue cutters, fire boats, car floats—from the smallest to the mightiest vessel—each giving further unmistakable evidence of the high-class skill and workmanship of those who labor there.

To make possible this splendid record of ship construction has required years of effort to build up an efficient personnel—artisans trained in the hundred and more trades and types of employment that enter into the building of a ship. It has also required the expenditure of vast sums of money as capital for development purposes and plant construction. And yet this yard, and others equally important and so necessary in time of war as to be termed " our second line of defense ", and without which the last war could not have been successfully carried on, are being permitted to die and disappear in our midst.

The condition of the New York shipyard is but an example of many throughout the country. Holding on by sheer determination—hoping, everlastingly hoping for relief. In this vast yard of 191 acres, with ways capable of constructing 28 ships at one time, and facilities sufficient to employ 20,000 men, it is limping along with only a few ships under construction and employing approximately only 3,000 men.

The position is far more critical than many in high authority appreciate. The ships of the future will be larger and faster vessels than those of our war time built fleet and will require far more skill to design and build. It requires years to collect an organization of men trained to do this work, and during the last 8 years the shipbuilding industry has lost most of its trained men and is losing more every day. Our shipbuilding yards must have work, and have it soon, or this great element of national defense will fail us when we need it most.

The enactment of this legislation will do much to save the shipbuilding industry and preserve it as an important factor in our national defense. It will provide relief to thousands of our most highly trained and technical mechanics throughout the country who are now in great distress because of the collapse of the shipbuilding industry. And it will increase our national security by providing a more adequate defense. All of these worthwhile results can be accomplished without creating any antagonism, ill-feeling, or competitive building programs upon the part of other nations, because a navy of the type and number provided for in this and former bills is a " treaty navy " and within the limitations fixed by our agreement with other nations.

As the American Navy in the past has never been other than an instrument in the hands of our people to foster and maintain peace, so with confidence I have faith in its future usefulness because I continue to have faith in the peaceful purpose of America.

Mr. BRITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DARROW], a member of the committee.

Mr. DARROW. Mr. Chairman, I do not believe there is a Member of this House, particularly those of us who served here during the long period of the World War, or those who participated in that war, who ever want to see another conflict like that come upon this earth. Feeling as I do, realizing all the horrors of the Great War, I think we, as Members of Congress and as Representatives of the American people, ought to do everything in our power to prevent future wars.

To me the bill before us is a step in this direction. I believe the best way for us to keep out of war is to be prepared. I well recall a statement made by a German statesman at the close of the Great War when he said:

> You blame Germany for the war because she was prepared. I blame America for the war because she was not prepared. Had she been prepared there would have been no war.

Feeling as I do about it and, as has often been stated here, that this is the best insurance we can have against war, I advocate the passage of this bill and the building up of our Navy to full treaty strength as the best way to keep from being again entangled in a war.

To me the necessity for building up our Navy to treaty strength was never more apparent than it is today. We see the troubled conditions in Europe and in the Far East, and certainly we do not want to become mixed up in those affairs. I believe this is the best way to keep out of them.

My good friend the gentleman from Wisconsin [Mr. FREAR], who always speaks so earnestly and sincerely upon all questions, referred to the great expense of this program—$380,000,000, or possibly more, if costs continue to rise. But I wonder if the gentleman would not believe it a reasonable policy to pay such a premium on insurance that would keep us from being involved in another war, the cost of which would perhaps amount to $40,000,000,000.

There is one other aspect of this bill I wish to refer to. Today we are faced with the need of stringent Government economy. Simultaneously there is a demand that the Government take action to improve the distressful unemployment situation with which we are faced and give such push to industry and to commerce as will, it is hoped, start the car of prosperity rolling again. For this purpose there could be devised no method superior to a reasonable program of ship construction.

In this country we are, strangely enough, at present suffering from an excess of all things normally regarded as good. We have a surplus of farm products for which no consumers can be found. We have stocks of raw materials far beyond the present capacity of our manufacturing industry to utilize. We have well-equipped factories of every sort, capable of producing more than they sell. We have a transportation and distribution system more than ample to deal with our requirements.

And, finally, we have a mass of skilled and unskilled labor which cannot find employment. The situation cannot be met by raising more food or manufacturing more goods to add to our present surplus; not by building more factories or improving our present transportation and distribution system, which are already more than adequate.

What is required is a form of useful activity which will not further increase the ills from which we are suffering. If such an activity can be found, it will be reasonable that the present cost of putting these men to work shall to a moderate extent be made a charge against the future prosperity which such a policy is designed to produce.

The ore mines of Michigan, the forests of Oregon, the oil fields of Texas, the copper smelters of Utah, and the manufacturing interests of all the Eastern and Midwest States would alike feel the stimulating impetus of this program.

Then, too, we should be as much interested in retaining men in employment as in looking forward to finding positions for our vast army of unemployed. Our navy yards and shipyards demand the services of an efficient and especially trained personnel, and it is most important in the interest of our national defense that these highly trained workmen should have steady employment and be available and be the

backbone of a still greater organization which would be required in case of a national emergency.

Admiral Land, Chief Constructor of the Navy, testified before the Committee on Naval Affairs that in all the shipyards of the country there is but one private ship being built, while several Navy ships are being constructed. This great industry is languishing.

Who of us is not willing to support efforts for world peace by international agreement? It is a fact that since the World War the United States has been in the forefront in advocating disarmament, and our efforts will no doubt continue in that direction. Other powers, however, have not and do not show an inclination to follow our example, and our present weakened position does not serve the cause of peace, but rather jeopardizes it.

I agree with the President that a treaty navy is the best insurance against war, and that it will be the most helpful thing we can do to bring about an international agreement for further limitation of armaments.

Mr. SEARS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman and gentleman, we are faced with the practical question whether or not we should build to the program we are entitled to.

This bill represents no departure from our intention as outlined at the Washington Naval Conference and subsequently reaffirmed at the London Naval Conference in 1930—that this Nation believes wholeheartedly in the limitation of armaments.

I might say in passing that I appreciate deeply the remarks of the gentleman from Illinois and the gentleman from Wisconsin, who spoke earlier on the bill.

I am concerned, and I believe I can say it on behalf of many other Members of the House who with me saw service at the front abroad, that I regret that we were not able in this House to stop the declaration of war. We went into it and spent such sums as your children will never be able to pay, and we accomplished absolutely nothing. [Applause.]

But to come back to this program showing you that this Nation is vitally interested in the peace of the world. When the nations met at Washington in 1922 we proposed to them to scrap our capital ships then built and building in the 1915 program. We proposed to scrap over 800,000 tons of the finest tonnage in the world. It is interesting to note that our present capital tonnage is less than one half a million, representing 15 battleships.

We did succeed in limiting capital ships to 525,000 tons and Great Britain to 525,000 tons and Japan to 315,000 tons. We did succeed at that conference in limiting the tonnage of battleships; but we were not able to do anything in relation to destroyers, cruisers, and submarines.

The result of the Washington Conference was such as to arrest the building of capital ships but transferred it into the lighter ships. While we stopped building battleships the other countries proceeded to build heavy cruisers. It can be said, and truthfully said, that we refused to enter into a race for cruiser supremacy.

We are not asking today to enter any race for supremacy; we are asking that we be allowed to construct the tonnage permitted us under the Washington and London Conferences. It will require a program of $380,000,000, a stupendous sum of money; but, remember, this is to last 5 years. The cruisers laid down in the fifth year will not be built for 3 additional years. The lighter ships under 3,000 tons, destroyers at 1,500 tons, will require 2 years to build. That embarks on a program of about $90,000,000 a year. That is equivalent to 70 cents per person for every man, woman, and child in this country.

Surely that is not an unreasonable assessment for national protection. I do not, nor does any man in this House, rise in defense of war. I hope we may never see another war. Certainly I hope we will never land another American soldier on foreign territory; but the fact remains that the rest of the world deems it necessary to maintain armament, and we cannot allow this Nation to slip into third or fourth place. We have today 251 destroyers, apparently a huge tonnage, but 248 of them are over-age and ineffective in actual combat. We have completed 10 of our major cruisers, and, when I say that, I mean the 8-inch type distinguished from the light 6-inch cruisers. We are building seven more, and on January 1, 1935, we will lay down the eighth, the last of the 18 allowed us in the cruiser category. We are asking in this bill that in the next 5 years we be permitted to build one airplane carrier, which will take the place of the obsolete *Langley*, which we have been experimenting with since shortly after the close of the war.

We are asking to build 65 destroyers to take the place of 248 destroyers that are today ineffective and over-age. We are asking that we be allowed to build submarine tonnage that will bring us up to our treaty limits. We have now submarine tonnage exceeding the treaty limits, but a large part of it is over-age and ineffective. We are faced with this practical question. We must either adhere to these treaties or lend our influence to have them revamped. If America, if Great Britain does not need 525,000 tons of capital tonnage, the answer is in not constructing, but the answer is in lowering the category in the treaty and not allowing any country to build them. There is no greater breeder of war than disparity of armament. It as surely leads to war as navy races and army races lead to war. When a country sees it is being overtaken and drawn away from, it resolves to submit its differences to the arbitrament of arms rather than wait until a later time when it will be more poorly equipped for conflict. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BRITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. ANDREW].

Mr. ANDREW of Massachusetts. Mr. Chairman, in much that has been said today about this bill as having for its object to build up the Navy to treaty limits, the impression I think perhaps has been given that the bill authorizes the addition to our existing Navy of more ships than we now have. As a matter of fact the various provisions of the bill give no such authorization. All that is provided in this bill is that the ships which are over-age, which have become obsolescent, which are antiquated, may be, if the President so desires and the money is available, replaced by new ships, better designed and better constructed than those which we now have. If you will examine the text of section 2 you will see that it provides, for example, for the construction of a certain tonnage of destroyers, but only to replace over-age destroyers. The same is true of the submarines. They are only to replace over-age submarines. The same is true of the new aircraft carrier. It is to replace the experimental aircraft carrier known as the "*Langley*" which has been in existence according to my recollection some dozen or more years. I think these facts should lodge in the mind of every Member in the House. This bill does not contemplate an enlargement of the Navy by so much as a single vessel. It does not attempt to direct when the substitution of new vessels for the old shall take place. It leaves that entirely to the judgment of the President, who will have to come back to Congress again to secure the necessary appropriation. The bill does not contemplate a bigger Navy in the matter of ships than that which we now have. But it expresses the desire of Congress that we bring our fleet up-to-date, get rid of those vessels that are obsolete, and build others to take their place. [Applause.]

Mr. BRITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Chairman, in the debate this morning reference was made to the opposition to legislation of this character by certain pacific organizations in the United States. I have made somewhat of a study of the activities of these organizations and find that an appalling situation exists. I have noticed during my 20 years of service in this House that whenever appropriation bills are under consideration which have for their purpose an increase in the Navy or the Army these pacific organizations are busy. A part of these organizations are organized and well

financed. I refer to those great endowments, the Carnegie Foundation, the Rockefeller Foundation, the Guggenheim Foundation—in fact, about 40 of them. They are all organized together under a voluntary head known as the "Twentieth Century Fund." The entire amount of funds, according to their sworn statement, amount to the enormous sum of $800,000,000. A great deal of this fund is being used in carrying on propaganda and lobbying against proper preparedness in behalf of the Army and the Navy. Their organization heads are busy, and in times like these have appeared in the offices of the Members of the House and Senate. They have their headquarters, some of them, in the Capitol here, and within the sound of my voice at this moment sits in the gallery the heads of one of these most subversive organizations, who is himself active at all times against proper preparedness in the United States.

Affiliated with these organizations that I have just referred to are many others of the active organizations, such as the Foreign Policy Organization, largely financed by the international financial group, that have for their purpose the weakening and holding down of proper preparedness in the United States.

I refer to a lot of other organizations that once or twice a year have meetings in our various cities, known as "political science" or other high-sounding names, as organizations. They are all in favor of the League of Nations and the World Court. They are all in favor of this international movement of consolidating the control of affairs of the United States in some foreign country. It is time we awakened, my friends, to what is going on in the United States.

On the 20th of April last I introduced a bill calling for an investigation of the activities of these various organizations. No attention has been paid to this resolution. The fact is that there is such financial power and influence back of those organizations that they bring pressure to bear against an investigation of that type of organization.

Mr. McFARLANE. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. McFARLANE. Will the gentleman insert in the RECORD the names of those organizations?

Mr. McFADDEN. I will insert them right now. I am very glad the gentleman wants to know. They are the Carnegie Foundation; the American Academy of Political and Social Science; the Foreign Policy Association; the American League to Limit Armaments; the American Neutral Conference Committee; the Emergency Peace Federation; the Fellowship of Reconciliation; the Woman's Peace Party; the Civil Liberties Bureau; the American Civil Liberties Union; the Women's International League for Peace and Freedom; the Committee on Militarism in Education; the National Council for Prevention of War; the War Resisters International; the Methodist Federation for Social Service; the League for Industrial Democracy; the Federal Council of Churches of Christ in America; the Mooney-Billings Committee; the Peoples Lobby; the Peace Patriots; the League for Independent Political Action; the Socialist Party; and the League of Women Voters.

All of those organizations are actively engaged in breaking down proper preparedness in the United States.

Mr. BRITTEN. Will the gentleman yield right there?

Mr. McFADDEN. I yield.

Mr. BRITTEN. Are they not all engaged in picking up dimes and nickels and quarters and halves from the credulous men and women all over the United States who think they are interesting themselves in the cause of peace when, in fact, they are keeping these professional pacifists alive?

Mr. McFADDEN. The gentleman is quite correct as to a certain number of them. I am referring to those which are not supported by these foundation funds.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. McFADDEN] has expired.

Mr. BRITTEN. Mr. Chairman, I yield the gentleman from Pennsylvania 2 additional minutes.

Mr. McFADDEN. Mr. Chairman, on February 3 last I took occasion to call the attention of this House to this situation, and I want to quote a paragraph from what I then stated. I am quoting from that speech:

> Let me quote from the book Triumphant Democracy, written by Andrew Carnegie and published by Charles Scribner's Sons in 1893. The concluding words of this book, which appear on pages 548 and 549, are as follows:
>
> "Readers will kindly note this as a look ahead—how far ahead I shall not attempt to guess; nevertheless, it is ahead, and sometime, somehow, it is to come to pass. I see it with the eye of faith—the faith of the devotee which carries with it a realizing sense of certain fulfillment.
>
> "Time may dispel many pleasing illusions and destroy many noble dreams, but it shall never shake my belief that the wound caused by the wholly unlooked-for and undesired separation of the mother from her child is not to bleed forever.
>
> "Let men say what they will; therefore, I say that as surely as the sun in the heavens once shone upon Britain and America united, so surely is it one morning to rise, shine upon, and greet again the reunited state—the British-American union."
>
> Andrew Carnegie's body is dead, but his money marches on.
>
> "The wholly unlooked-for and undesired separation of the mother from her child"! Undesired by whom? Surely not by that Washington whose anniversary we celebrate this year. Surely not by the inspired farmers and traders and hunters who beat back the British battalions on the slopes of Bunker Hill, brought Burgoyne to surrender at Saratoga, starved at Valley Forge, and rose to final triumph at Yorktown. Surely not the generations of simple and hardy women and men who shaped this Nation from the wilderness with no other tools than ax, rifle, and hope.
>
> "The reunited state—the British-American union"!

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. BRITTEN. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. SWICK].

Mr. SWICK. Mr. Chairman, I have been very much impressed with the illuminating remarks of the chairman of this committee on the Democratic side, and also the remarks made by the ranking Member on the Republican side. Coming from Pennsylvania, I feel I should be interested in this great shipbuilding program because of the work that will come to the State of Pennsylvania, the iron ore that will be used, and so on.

Of the 11 ships in the convoy on which I sailed to France in 1918, not a single vessel belonged to the United States of America. I realized then the weakness of our Navy, and ever since that time I have felt it would be better if we were a little more prepared for war. The vessel on which I sailed was the interned *Kaiser Wilhelm*. It was then renamed the *President Lincoln*. On that vessel were some 6,000 men, 5,600 soldiers and 500 or more in the crew. On the return trip that vessel was torpedoed and sunk. Over half of the crew went down and the brave captain of that ship was lost. The conditions on that ship on the way over were simply terrible. They were just as good as they could be, but if that ship had been torpedoed with those 6,000 men on her, I believe firmly that over half of them would have been lost.

There are arguments on both sides of this question. It seems like a tremendous amount of money to be spending; yet, as the gentleman from Pennsylvania [Mr. DARROW] pointed out, it is the same as an insurance policy, and if the expenditure of some eighty or ninety million dollars per annum will in any way insure our country against war, I feel it is money well spent.

The Washington Conference of 1922 was a failure as far as the United States was concerned. It cost us 800,000 tons of shipping, and I am not prepared to say how many millions of dollars that represented. The 1930 Conference again was a dismal failure, and we have no reason to believe that the coming conference will be any different from the ones which have preceded it.

From our experience in the late war with our shipping at that time, I feel it is only the sane and sensible thing to go on with this construction program as it has been outlined.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SWICK] has expired.

Mr. SWICK. Section 4 of this bill provides that in the event of international agreement for further limitations of naval armaments to which the United States is signatory, the President is hereby authorized and empowered to suspend so much of its naval construction authorized by this act as may be necessary to bring the naval armament of the United States within the limitation so agreed upon.

America is, and always has been, a peace-loving nation, and it is with the hope that at this coming peace conference there may be a marked limitation of naval armament that I support this measure.

Saint Paul, following in the footsteps of the Prince of Peace, wrote:

We should have our feet shod with the preparation of the Gospel of Peace.

Mr. DELANEY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, the human mind is prone to forget. The recent war has been over but little more than a decade. We are now being privileged, through the agency of the Hearst newspapers throughout this country, to view the uncensored pictures of some of the terrible incidents of the World War. I believe every adult in this country should look at these pictures and regard them carefully, because they represent an epitome of human suffering.

Andrew Jackson said that the summation of evil was war. Now, Mr. Chairman, there are a great many people in this country who were too young to remember the cruel incidents of the World War; they have grown up since then and have reached the age of majority. I suggest to them that they look at these pictures and keep them as a constant reminder of the cruelties of war. I suggest to the Members of this Congress that it would be well for each of them to keep one of these pictures on his desk, so that in the future we shall regard very carefully any declaration of war.

I am for a treaty-strength Navy. Mr. Chairman, I am for this bill. I believe that had we had such a navy a year and a half ago the Japanese would not have dared to encroach upon Manchuria, nor would they have dared to go into the city port of Shanghai and do what they did.

[Here the gavel fell.]

Mr. DELANEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MCFARLANE].

SHALL WE AUTHORIZE THE PRESIDENT TO BUILD, IF NECESSARY, THE NAVY TO TREATY STRENGTH?

Mr. MCFARLANE. Mr. Chairman, we who have listened today to the arguments pro and con regarding the measure before us fully realize the importance of the bill upon which we are soon to vote.

In the beginning I wish to call to your attention again the fact that this is an administration measure. Colonel Roosevelt, who came before our committee, clearly brought out the necessity for this program. I am afraid many of those who have spoken are unduly alarmed about the effect of this measure, because after all it is only an authorization bill; it does not appropriate one penny of the taxpayers' money. It says to the President that he shall have the power to bring our Navy up to treaty strength. Do you have confidence in the President? Do you believe he will abuse that power?

We new Members of the House during the special session which began last March heard our leaders time and again take the floor of this House and appeal for the support of a united front on both sides of the aisle to give the program of the President a chance.

LET US CARRY ON THE PROGRAM

The pending measure authorizes the President to do for the Navy in case of necessity what we have largely authorized him to do for banking, Budget balancing, farming, direct unemployment relief, securities regulation, farm-mortgage relief, Muscle Shoals power, home-mortgage relief, inflation, railroad reorganization, national industrial recovery, and gold devaluation.

We are seeking through this bill to do today what we should have done years ago. We have waited too long to start this building program. For 11 years, you might say, we have been derelict in our duty to construct year after year that portion of the Navy we should have constructed to keep up with the progress made by the other great naval powers of the world. So we now find ourselves at this time ranking third among the great naval powers. Admiral Standley told our committee that our Navy has not been fully manned since the World War. As the committee hearings on the bill show, the personnel of our Navy today is but 78 percent what it should be.

COMPARATIVE COST OF MAINTENANCE

Much has been said about the great expense of the Navy and what it is costing this country to maintain it. We will not suffer by comparison when the comparison of the amount of our national income spent for maintenance is compared to the wealth of our Nation, when the same comparison of expenditures is made with that of the other great naval powers. To the speakers here this afternoon who have made extravagant statements regarding naval cost and maintenance I would call attention to the fact that the United States in normal times spends 0.43 percent of its national income to maintain its Navy; Great Britain spends 1.48 percent of its national income to maintain its navy; France, 1.67 percent; Italy, 1.75 percent; Japan, 2.39 percent. We stand at the bottom of the list.

Mr. Chairman, I ask unanimous consent to insert in the RECORD the table showing a comparison of the five great naval powers, income, naval budgets, ratio of naval budget to national income, income per capita, and cost of navy per capita.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The matter referred to follows:

Country	National income, 1930	Naval budgets, 1930–31	Ratio of naval budget to national income	Income per capita, 1930	Cost of Navy per capita, 1930
United States	$89,419,000,000	$382,424,000	$0.0043	$760	$3.24
British Empire	18,390,000,000	[1] 273,000,000	[1].0148	420	[1] 6.21
France	8,500,000,000	[1] 142,396,000	[1].0167	203	[1] 3.39
Italy	4,500,000,000	[1] 78,798,000	[1].0175	105	[1] 1.84
Japan	5,500,000,000	131,469,000	.0239	87	2.08

[1] Does not include air force.

WE CAN TRUST THE PRESIDENT

Mr. MCFARLANE. I take it to be generally understood that in all probability the program authorized in this bill will not be carried out unless it is absolutely necessary. We have all been told of the coming naval conference to be held next year. There is not a man within the sound of my voice who does not have complete confidence in that great leader in the White House; but, if it does become necessary that we build up to treaty strength, should not someone in our country have such power and authority? Should not the President of the United States have the right to go ahead and say "Build"?

DISARMAMENT HAS FAILED—LET US PREPARE

We tried in the Washington Conference in 1922, and again in the London Conference in 1930 to get the other nations to join us in a disarmament program. You know the results of those conferences.

We have tried everything else. You have seen the figures indicating how much of our Navy has been scrapped in the past 12 years in the effort to maintain peace; but did this effort produce results among the other great powers of the world insofar as the race to build large navies is concerned? Millions upon millions of dollars' worth of our best ships have been scrapped; and while we have been scrapping ships, the other naval powers have been scrapping blueprints only. Not a nation of the world has tried so hard as ours to maintain world peace. We have kept faith with everyone, but the other nations cannot say the same of themselves.

We have now come to the point where we are face to face with the proposition of deciding whether or not we are willing to grant this power to the Commander in Chief to build if it is necessary. Are you by your vote going to say he should not be given this power?

THE WORLD WANTS PEACE

I take it a vote of the Membership of the House would disclose 99 percent of them in favor of peace. We are all

in favor of peace. The question is how best to maintain peace. History records that those countries least prepared for war are the ones which have been most abused. I submit in all fairness and candor that the cheapest insurance for peace Congress can give this country is the enacting of this measure giving the President of the United States the power granted him in it. Such action will be a guaranty of permanent peace. This bill is one of the most important pieces of legislation Congress could enact to carry into effect this program. [Applause.]

Mr. DELANEY. I yield to the gentleman from Mississippi [Mr. COLLINS] such time as he may require.

Mr. COLLINS of Mississippi. Mr. Chairman, I am particularly interested in the proviso beginning on line 16 and ending with line 21, on page 2, reading:

Provided, That the President of the United States is hereby authorized to replace, by vessels of modern design and construction, vessels in the Navy in the categories limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, when their replacement is permitted by the said treaties.

As to that particular proviso, Mr. Chairman, and the bill generally, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Chairman, why is this measure brought in here?

If it is not a gesture, and I have no reason to believe that it is; it will do more, in my judgment, to promote suspicion, ill will, and discord than anything we possibly could do, and undo much of the efforts of sincere and honest statesmen, not the representatives of selfish interests, extending over a number of years to promote world peace and curtail armaments.

I do not know who conceived this measure, but I do not know of anything we could possibly do that would better please the selfish commercial interests who live by the profits derived from matériel supplied to the Military and Naval Establishments.

What a splendid atmosphere we are building for our emissaries to the next conference on the limitation of naval armaments which meets a year hence!

In the naval bill passed by the House a few days ago every bit of ship construction that may be proceeded with at this time was provided for in the categories in which we are short. Bear that in mind.

As to the so-called "replacement construction", we have an experimental carrier which may be replaced at any time under the terms of the London Treaty, and it is true that practically all our destroyer tonnage, not building, is technically over age and may be replaced at any time. Also we have 7,700 tons of submarine tonnage, not yet technically over age, but the replacement tonnage for which may be commenced now. But let me tell you about this so-called "over-age tonnage."

At the London Conference some men sat at a table and arbitrarily determined that if a destroyer was laid down before the 1st of January 1921, it would be over age 12 years thereafter, but if it was laid down 1 day, mark you, subsequently, its life would be 4 years more; in other words, 16 years. The life of a submarine was fixed at 13 years unconditionally. It so happens that practically all of our destroyers were laid down prior to January 1, 1921.

Now, on January 20, 1931, let me tell you what the Chief Constructor of the Navy told the Appropriations Committee. In referring to 86 destroyers that had just been thoroughly overhauled and recommissioned, in response to an inquiry as to whether or not they had had much service, Admiral Rock said:

They have not; no, sir. They have been kept in fairly good condition. They have had very little service, and therefore the hulls in general are in very good condition.

Mr. FRENCH. That would also be true of the machinery?

Admiral ROCK. It probably would be true of machinery also.

Mr. TABER. What would you estimate the life of those destroyers—those 86?

Admiral ROCK. After recommissioning?

Mr. TABER. Yes.

Admiral ROCK. Certainly 10 years for the hulls.

Mr. TABER. And they might do better?

Admiral ROCK. Yes, sir.

* * * * * * *

Mr. FRENCH. Are these well built?

Admiral ROCK. You mean the old ones?

Mr. FRENCH. Yes, sir.

Admiral ROCK. Very well built, and the reports as to the condition of their hull are excellent. Some places have shown rapid deterioration, I think perhaps due to hurry in building them, not taking as much care as should have been taken, to make every part entirely accessible. But outside of those few places, they are in excellent condition.

Mr. FRENCH. Would they correspond to destroyers that you would build today in that regard, approximately?

Admiral ROCK. I think the destroyers we build today would be better, Mr. French, because we would be more thorough in applying such protective measures as galvanizing the plating in the locations where otherwise it could deteriorate. Our destroyers are built specially rugged in order that they may have such sea-going qualities as are required; for a small boat like a destroyer to drive into a heavy sea and to withstand damage means that they have to be heavily framed and heavily built, and we have followed that in the past, and we are following that in our new design.

I gave that as bearing directly on your question as to whether they deteriorated rapidly and whether we would look on destroyers as a class of ships that would deteriorate and go down and out in a short number of years. As to hull, that does not apply. They have a long life.

Now, in the face of that testimony by one of the ablest naval constructors we have ever had, here just 3 years later we are asked to pass a bill to construct replacements for those destroyers at a cost of $250,381,600.

But that is not half the story, my friends. The report on this bill indicates that, in addition to these destroyers, other construction for which the bill provides will bring the total expenditure to $380,329,250. Now, do not be fooled by that. This bill has been very adroitly phrased. There is a very interesting proviso, commencing in line 16, page 2, under which the President, subject to an appropriation therefor, would be empowered to replace after the calendar year 1936, if the existing treaties be not continued, 15 battleships of 525,000 tons gross. You will note that the first section of the bill permanently establishes the composition of the United States Navy in accordance with the limits prescribed in existing treaties for combatant vessels of the several categories.

Think of it, gentlemen! We are here asked to approve of the construction of 15 capital ships of 35,000 tons, average that may be laid down after January 1, 1936. Fifteen great big lumbering hulks that cost in the neighborhood of $40,000,000 apiece to build, which, in the event of a war, with a big naval power, would, as Admiral Sims, I believe, it was who said, "Better be tied up somewhere up the Mississippi out of harm's way."

So, we are not providing for the expenditure of $380,000,000. We are, in truth, asked to authorize an expenditure over a period of years of a sum more nearly in the neighborhood of $1,000,000,000. Possibly this is an understatement.

Now, addressing myself more particularly to my Democratic colleagues: What about our party platform? In that very recent covenant with the people we declared for so ordering our defense establishments "that the people in time of peace may not be burdened by an expenditure fast approaching $1,000,000,000 annually." It looks to me like the gentleman from Georgia [Mr. VINSON], in his enthusiasm, has forsaken this pledge, and it is a pledge, completely. He not only appears to be trying to out-Britain Britain, but to out-Britten, his senior Republican committee member, FRED BRITTEN, and that is going pretty strong.

We passed a bill here a few days ago for the Navy, which, in conjunction with expenditures from N.R.A. funds, will create a cash Treasury demand during the fiscal year 1935 of $478,000,000. This bill proposes to add to the figure—that is, just for next year alone—$23,180,000. Then, according to the papers, this same committee which has brought

in this bill is about to bring in another increasing the Navy's airplane strength from 1,000 to 2,184, and which looks to a further expenditure on that account during 1935 of not less than $4,500,000. In other words, the plans thus far look to a naval expenditure next year in excess of $500,000,000.

That is not all, gentlemen. The gentleman from Kansas [Mr. AYRES] stated here in the course of his speech on the naval appropriation bill the other day that a treaty Navy, as now delimited, is going to cost us annually to maintain not less than $459,000,000. Someone here the other day, on the same day, I believe, stated that a treaty Navy would require something like 115,000 men. Gentlemen, a treaty Navy with 115,000 men, according to Navy experts, would cost annually pretty close to $525,000,000.

So, my friends, we may just as well face the facts. Despite our party pledge, we are asked here today to join in this spending orgy. To use an expression in one of the popular weekly radio broadcasts: "It is only the beginning, gentlemen; only the beginning."

In view of our large interest-bearing debt that is piling up, I just do not see how we are going to pay the annual interest charges, to say nothing of retiring any part of the debt, support defense establishments of any such proportions as here advocated, and have anything left for other Federal activities, without so burdening the people with taxation as to cause a general revolt.

We have got to look to the future, in my judgment. It is all very nice to sit here and applaud speeches of this fellow or that fellow who waves the flag and would lead you to believe that he is more patriotic than some other fellow who believes in reckoning the cost; but however distasteful it may be to be reminded of, your constituents and my constituents sooner or later have got to pay for any extravagances in which we may here indulge.

We are not out of the depression yet by a long shot. Not a man within the sound of my voice knows how long and to what extent the Federal Government may be required to continue to give Federal aid to relieve distress. I personally feel that the end would be nearer if the money some seem to be so anxious to spend upon the Army and Navy were spent directly in our districts in building modern schoolhouses, providing small libraries in rural communities, and in similar directions where local unemployment would be immediately and directly benefited and from which local communities would derive lasting good.

The farmer is in distress—the cotton grower, the wheat grower, the stock raiser. Four million men have been given temporary work out of Federal funds in lieu of a dole. Three hundred thousand unemployed young men are scattered among camps maintained by the Government all over the land, and thousands upon thousands are working on Public Works projects costing a sum which cannot possibly be continued. Until we can see such demands as these disappearing, and, if they do not disappear, a way evolved to continue Federal support, by no vote of mine nor, I shall hope, by no vote of any man representing a district where poverty and want and hunger prevail shall our Government engage in throwing away vast sums needlessly upon alleged military weapons whose merit is negligible and whose need does not exist. This terrible emergency should not be used as an excuse for this wasteful expenditure.

Mr. DELANEY. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman and members of the Committee, I wish to thank the gentleman from Illinois [Mr. BRITTEN] and also the gentleman on this side [Mr. VINSON] for the time they allowed me to speak on this bill. I cannot say very much in 2½ minutes, nevertheless I appreciate the time extended me.

Mr. Chairman, I maintain the United States of America should be second to no nation in the world when it comes to an army, navy, marines, and other fighting units, provided it is absolutely essential to have a big army, navy, and so forth. We should hesitate to expend the taxpayers' money for naval construction unless it is absolutely essential.

It seems to me that if the United States Government would take the initiative of calling together all the nations in the world for the purpose of total disarmament, we would get somewhere. It is true that efforts have been made in the past in that direction, but I do not hesitate to say that these efforts were not sincere, and I would go on record as supporting everything the United States would do in constructing the greatest navy in the world if these other nations that were asked to disarm refused to do so.

Mr. Chairman, there are many thousands of school teachers in the United States who have not received one cent of compensation for over a year for the valuable services which they have rendered in behalf of their Nation. It seems to me that we ought to do something in behalf of those men and women, on whom civilization depends.

[Here the gavel fell.]

Mr. DUNN. It is my opinion education is one of the most effective weapons which can be used to eradicate all those things which prevent progress. Ignorance is the biggest obstacle in the path of progress. If more money would be spent for educational purposes instead of for guns to destroy human life, the people of the world would become elevated to the point that they would look upon their fellow men, regardless of their creed, nationality, race, or color, as their brother; therefore let us appropriate money to pay the unpaid school teachers, and also appropriate money to take care of all of our ex-service men, their widows, and dependents, who sacrificed practically all they had in the last two wars—the Spanish-American and World War—and also let us appropriate money to eradicate the slum districts and poorhouses and make it possible that every man and woman who is able to work will have a job at a living wage, and those who are too old to work and physically incapacitated be provided with an adequate pension. If we do these things, we will be rendering a really valuable service to all mankind.

Mr. BRITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. SHOEMAKER].

Mr. SHOEMAKER. Mr. Chairman, consistency is quite a jewel. Back in the year 1922 we entered into an agreement with some of the European powers and then decided to scrap part of our Navy. I will refer to one boat, the battleship *Washington*. After we had invested $40,000,000 in actual labor and material in this battleship, we towed it out to sea and sank it, along with $650,000,000 worth of other material in ships that had either been built or were in the process of being built.

We have lots of money to play with, and I say, O Patriotism, what crimes have been committed in thy name? I say that so far as the Hearst pictures of the World War are concerned, this is being done as propaganda in order to stir up and enthuse Members of Congress in favor of the various societies of war mongers, the Steel Trust, and you can spell that either way you want to, and others who are going to make the big money out of this Navy program. You can throw mud and impugn the good intentions of our religious organizations, who believe in the philosophy of the Prince of Peace and the philosophy of peace on earth and good will toward men. I lived upon the southwestern plains at a time when every man carried a gun in his pocket and when it was dangerous business to reach into your hip pocket to get your handkerchief unless you were quick on the draw. I want to tell you that crimes were committed by those who carried the guns.

We heard the great argument that the Kaiser of Germany put up for years and years in order to build up that military system of his. Oh, how he was going to prepare and keep out of war; all under the guise of holy peace. I want to say for those who went through the last war that there are a few here who stood on the floor and voted against that war. It was the President's policy back in 1917 when he came here and asked the Congress to vote for war after he was elected on a program of peace. The people voted for peace and got war.

We had no business in that war. We have no business over in China right now. We have no business in Cuba other than to protect the investment of Woodin and the Chase National Bank and some more people of that kind.

We talk about preparedness. Today there are 5,000,000 little boys and girls in the United States of America who are going to bed hungry, who cannot go to school because they have no shoes to wear or food to eat, because their people are poor. Their parents have no work. And here we throw this money into the sea when science has revealed that they now have a gas so deadly poisonous that they can drop one bomb and kill every bit of animal and vegetable life in an area covering 6 square miles. Where would the Navy be? With a few of these bombs you could destroy the whole works in less than 24 hours.

Let us help people live instead of trying to build up machinery of destruction. Let us not build up the instruments of destruction in order to destroy every bit of civilization.

I wonder if the Members of this Congress realize what this means? We can impugn the motives of the church organizations, but the hand of the Steel Trust is back of this, and my State would benefit by this program, because the State of Minnesota produces 80 percent of the iron ore of the world. But I would rather feed this money into the C.W.A., the P.W.A., and give it to the school teachers who have sacrificed their salaries, and build up the children, take them out of the rut they are in, the crippled, puny little people, and make good patriotic citizens out of them. I believe that is the best move this Congress could make toward preparedness, because we cannot fight a war with those little children who are going to bed hungry and who will grow up as dwarfs and weaklings. If we are to have preparedness, let us have it here in America. I believe in defending America. If war were declared, I would furnish my own guns and ammunition to defend America, but I will never go to a foreign land to fight for J. Pierpont Morgan, Barney Baruch, and Hugh S. Johnson, or any other puppets of the gods of greed. I shall vote against this bill.

Mr. BRITTEN. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, there is one statement that the former President of the United States made with which I can agree most heartily. He made this statement:

International trade is the lifeblood of civilization.

And this is true. International trade has raised the human race from the state of savagery to the heights it occupies today.

In order that we may exist as a nation it is necessary that we expand along the lines of international trade. We have an enormous population, which, if possible, must be furnished with employment. The great and only possible market of the future is in the East, and let me call your attention to the fact that history proves that whenever trade lanes converge there is danger of international conflict. Commercial interests will clash in the markets of the world as long as human nature is human nature and commerce continues. It is necessary that we have a Navy second to none to protect our foreign trade, and if we expand our foreign trade in the East, as we must, we must look for protection by a navy in that quarter of the globe.

I wonder if any Member of this House who has ever crossed a submarine-haunted sea on a transport unprotected by a convoy would be willing to place his son in that position, unprotected by any naval vessel. This is something for everyone to think of, and I think for the future of this Nation, for the protection of our own sons, if it is ever necessary that they should cross the seas, we owe it to them to give them all the protection possible. We can do this by no other means than a sufficient and an efficient navy. [Applause.]

Mr. DELANEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Kansas [Mr. AYRES].

Mr. AYRES of Kansas. Mr. Chairman, it is my intention at the proper time to offer the following amendment to this bill. On page 3, line 9, strike out the period and insert in lieu thereof "except that such suspension shall not apply to vessels actually under construction."

I want to make it plain that in proposing this amendment in no sense do I entertain the feeling of a lack of confidence in the present Executive of this Nation. I am proceeding upon that old theory that life is always uncertain, and we have no assurance as to who will be the Chief Executive of this Nation at the next naval disarmament conference. I hope that it will be our present President, Mr. Roosevelt.

Mr. Chairman, I am thinking now of what occurred in the Washington Naval Armament Conference of 1922. If any statesman or anyone in authority in this Nation had announced to the people of the United States as early as 1918 that there would be a conference of the great naval powers of the world within 4 years from that date, at which conference this country would agree to destroy the best Navy of any nation in the world, it would have been considered too preposterous for serious consideration. But it is fresh in the memory of all that this very thing occurred, and it is to provide against a repetition of this deplorable mistake that I offer this amendment.

The great Navy provided for in the 1916 program, advocated and made possible by legislation passed by Congress, provided for the construction of 157 naval vessels of various types which when completed would have placed the United States in the position of being the foremost naval power. Then what happened? It is a sad story to relate.

First, it is a well-known fact that this 1916 naval-construction program was halted by reason of this Nation entering the World War. However, shortly after peace was declared the Navy Department, under the direction of President Wilson and Secretary of Navy Daniels, started to complete this program, and may I say all of the vessels provided for in that program were built or building at the close of the Wilson administration. And may I further state that if this program had been completed, we would have had a Navy equal to the best and at a lower cost.

But this is what happened. While this 1916 program was well under construction the Naval Armament Treaty, made at Washington in 1922, stopped its progress, and not only stopped it but provided for the destruction of much of it. To be more specific, at that conference Secretary of State Hughes, who headed the American delegation, made to the conference the magnanimous proposal which was accepted and made a part of the naval disarmament agreement or treaty, as follows:

The United States is now completing its program of 1916 calling for 10 battleships and 6 battle cruisers. One battleship has been completed. The others are in various stages of construction; in some cases from 60 to 80 percent of the construction has been done.

On these 15 capital ships now being built over $330,000,000 have been spent. Still the United States is willing, in the interest of an immediate limitation of naval armament, to scrap all of these ships.

The United States proposes, if this plan is accepted, to scrap all capital ships now under construction. This includes 6 battle cruisers and 7 battleships on the ways and in course of building and 2 battleships launched. The total of new capital ships when completed would be 618,000 tons.

It is needless to say that this generous proposal was eagerly accepted on the part of the delegates of the other nations at this conference.

That, my friends, answers the question of what happened to the 1916 naval program, which, when completed, would have provided the United States, as already stated, the greatest, the most powerful navy of any nation. However, because of our generosity, our magnanimous spirit, as displayed by Secretary Hughes on that occasion, we agreed to, and did, destroy all of this new construction, amounting to $330,000,000, for a promise on the part of the naval powers like Great Britain, Japan, and others. That is not all we destroyed. That is to say, we destroyed and scrapped additional ships of about 222,000 tons, or, all told, 840,000 tons; and the American citizen wonders why it is that at this time we have a second-, if not a third-class navy, and that notwithstanding the many, many hundreds of millions of dollars that have been spent to keep it a first-class navy. I regret to say that too many of these millions of dollars have been wasted, just as shown in the Naval Armament Conference at Washington, where we threw away over $330,000,000.

I call your attention to the fact that the other nations at that conference, like Great Britain, Japan, and France, scrapped some of their old ships, many of which were obso-

lete and others obsolescent. There was but little, if any, of their new construction scrapped.

We have experienced the difference between disarmament by promises, implied or otherwise, on the part of other nations, and disarmament by example on the part of this Nation.

Therefore, because of this experience, I am exceedingly anxious to guard against a repetition in the next naval disarmament conference of what occurred in the Washington conference of 1922.

In other words, if an agreement is entered into to scrap ships, I want this Nation to begin at the bottom, as did other nations at the Washington Conference, and not scrap that which is actually under construction, as we agreed to do, and did so, at the Washington Conference.

Mr. DELANEY. Mr. Chairman, I yield the balance of the time to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Chairman, active duties in connection with the Appropriations Committee have made it impossible for me to be present during the discussion of this bill, and the only speech which I have heard in opposition to the bill was the one made a few minutes ago by the gentleman from Minnesota [Mr. SHOEMAKER]. I do not think the gentleman correctly interprets the feeling of the Members of this House when he says that we challenge the motives of those who, because of lack of information, I think, are opposed to this legislation.

This legislation is the culmination of some historic facts of recent date, and the gentleman from Texas [Mr. MCFARLANE] gave the key to such historic facts when he said that this Nation is on record, in a most positive way, in declaring its desire for peace. This was voiced by your President last summer when he sent to the nations of the earth a message to this effect; and I shall ask permission, Mr. Chairman, to insert that message as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. There was no favorable response to this message which sought to secure a promise of assurance from the nations of the earth that they were willing to meet and further discuss a reduction in the expenses incident to the maintenance of sea and land armaments. Receiving no favorable response, it was then that the President, without, so far as I know, any protest being registered by any organization or any informed American, released $238,000,000 for the improvement of navy yards and the construction of certain types of ships, which, when completed, will still leave us far short of the treaty navy.

This House only last week, by unanimous vote, with no amendment offered thereto, passed the Navy appropriation bill, thereby fully endorsing the action previously taken by the President. Why do I say so? Because the committee's report and many items carried in the bill called special attention to the action of the President taken last summer following his memorable and unanswered message. This bill now before the House is about two short pages in length, drawn in simple, plain, unambiguous language, so that no one reading it can misunderstand its full purpose and intent, and the committee reporting it should be commended therefor. Why? Because the committee briefly, yet with great clarity, has called attention to two important treaties entered into between our country and other nations of the world, to which public approval has been registered in no uncertain way, and which this bill authorizes the President to carry out when, in his judgment, it is wise to do so.

The gentleman from Kansas [Mr. AYRES] has just read the last section of the bill, where it is provided that if those nations that refused last summer to respond to that splendid appeal of the President to limit and cut down armament expense should now change their minds, the President is authorized to curtail, limit, and stop the building of ships now or hereafter authorized. Could there be a stronger expression of our country's desire for peace than is found in this section 4 of the bill? What American, believing in his country, believing in the necessity of providing reasonable security for his country's safety, can with sound reasons question the wisdom of this Congress conferring on the President authority to build a Navy within treaty limits and which other nations have not only given willing assent to but have invited by exercising their rights under such treaties to rapidly proceed with their building programs and to refuse to call a halt in response to our President's appeal?

That is all this bill provides for. The gentleman from Minnesota would, if the thoughts he expressed were carried to a logical conclusion, dismiss all sheriffs, all police, and other protection to life and property, both national and individual. When he reads more carefully this bill and studies its sane, wholesome, and patriotic purpose, I venture to indulge the hope that he may find, on further reflection, no justification for the alarm he expresses nor any foundation for what he imagines to be the thought and feeling of this House as to the motives of those who, without information, may have expressed disapproval of this bill. [Applause.]

Under leave granted by the House, the following message of the President, sent on May 16 to practically all the nations of the world, is set out as a part of my remarks:

A profound hope of the people of my country impels me, as the head of their Government, to address you and, through you, the people of your nation. This hope is that peace may be assured through practical measures of disarmament and that all of us may carry to victory our common struggle against economic chaos.

To these ends the nations have called two great world conferences. The happiness, the prosperity, and the very lives of the men, women, and children who inhabit the whole world are bound up in the decisions which their governments will make in the near future. The improvement of social conditions, the preservation of individual human rights, and the furtherance of social justice are dependent upon these decisions.

The World Economic Conference will meet soon and must come to its conclusions quickly. The world cannot await deliberations long drawn out. The conference must establish order in place of the present chaos by a stabilization of currencies, by freeing the flow of world trade, and by international action to raise price levels. It must, in short, supplement individual domestic programs for economic recovery, by wise and considered international action.

The Disarmament Conference has labored for more than a year and, as yet, has been unable to reach satisfactory conclusions. Confused purposes still clash dangerously. Our duty lies in the direction of bringing practical results through concerted action based upon the greatest good to the greatest number. Before the imperative call of this great duty, petty obstacles must be swept away and petty aims forgotten. A selfish victory is always destined to be an ultimate defeat. The furtherance of durable peace for our generation in every part of the world is the only goal worthy of our best efforts.

If we ask what are the reasons for armaments, which, in spite of the lessons and tragedies of the World War, are today a greater burden on the peoples of the earth than ever before, it becomes clear that they are twofold: First, the desire, disclosed or hidden, on the part of governments to enlarge their territories at the expense of a sister nation. I believe that only a small minority of governments or of peoples harbor such a purpose. Second, the fear of nations that they will be invaded. I believe that the overwhelming majority of peoples feel obliged to retain excessive armaments because they fear some act of aggression against them and not because they themselves seek to be aggressors.

There is justification for this fear. Modern weapons of offense are vastly stronger than modern weapons of defense. Frontier forts, trenches, wire entanglements, coast defenses—in a word, fixed fortifications—are no longer impregnable to the attack of war planes, heavy mobile artillery, land battleships called "tanks", and poison gas.

If all nations will agree wholly to eliminate from possession and use the weapons which make possible a successful attack, defenses automatically will become impregnable and the frontiers and independence of every nation will become secure.

The ultimate objective of the Disarmament Conference must be the complete elimination of all offensive weapons. The immediate objective is a substantial reduction of some of these weapons and the elimination of many others.

This Government believes that the program for immediate reduction of aggressive weapons, now under discussion at Geneva, is but a first step toward our ultimate goal. We do not believe that the proposed immediate steps go far enough. Nevertheless, this Government welcomes the measures now proposed and will exert its influence toward the attainment of further successive steps of disarmament.

Stated in the clearest way, there are three steps to be agreed upon in the present discussions:

First. To take, at once, the first definite step toward this objective, as broadly outlined in the MacDonald plan.

Second. To agree upon time and procedure for taking the following steps.

Third. To agree that while the first and the following steps are being taken no nation shall increase its existing armaments over and above the limitations of treaty obligations.

But the peace of the world must be assured during the whole period of disarmament, and I, therefore, propose a fourth step concurrent with and wholly dependent on the faithful fulfillment of these three proposals and subject to existing treaty rights:

That all the nations of the world should enter into a solemn and definite pact of nonaggression. That they should solemnly reaffirm the obligations they have assumed to limit and reduce their armaments, and, provided these obligations are faithfully executed by all signatory powers, individually agree that they will send no armed force of whatsoever nature across their frontiers.

Common sense points out that if any strong nation refuses to join with genuine sincerity in these concerted efforts for political and economic peace—the one at Geneva and the other at London—progress can be obstructed and ultimately blocked. In such event the civilized world, seeking both forms of peace, will know where the responsibility for failure lies. I urge that no nation assume such a responsibility, and that all the nations joined in these great conferences translate their professed policies into action. This is the way to political and economic peace.

I trust that your Government will join in the fulfillment of these hopes.

FRANKLIN D. ROOSEVELT.

The CHAIRMAN. All time has expired.

Mr. BRITTEN. Mr. Chairman, I should like to ask the gentleman in charge of the bill if he intends to conclude the bill tonight?

Mr. VINSON of Georgia. I hope to complete the bill.

Mr. BRITTEN. Let me say that there are a number of important amendments to be offered to the bill, and they will take some time. I am told that there are several gentlemen on the other side of the aisle who are inclined to press for a yea-and-nay vote, to show the sentiment of the House. I agree with them. If that is true, we will be here some time after 6 o'clock. I should like to ask the gentleman if we cannot agree on some time for adjournment?

Mr. VINSON of Georgia. I am sorry I cannot enter into any agreement, and I ask that the bill be read.

Mr. BRITTEN. Will the gentleman look forward to a 5 o'clock adjournment?

Mr. VINSON of Georgia. I am looking forward to pass the bill tonight.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, is hereby established at the limit prescribed by those treaties.

Mr. SISSON. Mr. Chairman, I move to strike out the last word.

The annual naval appropriation bill was passed in this House last week without opposition. Together with the other Members of the House I voted for this bill because I believed that it was proper to maintain our present Navy and to make needed repairs, and perhaps also such additions as that bill carried. I believe also that there are many Members of the House who, at the time we passed the annual appropriation bill, did not understand the contemplated enormous increase in the Navy and the extensive program of naval building projects which this committee is attempting to foist upon the country for the next 6 or 7 years. This bill should be called the billion dollar navy bill. The bill which we passed last week carried, on the face of it, an appropriation of over $295,000,000, but it also carried with it, under the provisions of the National Industrial Recovery Act and from the Public Works Administration, further appropriations, in effect bringing up the total amount to $441,000,000 for further naval purposes.

This bill, to bring the Navy up to full treaty strength, commits us to a further program of naval building in an amount estimated by the Assistant Secretary of the Navy as $475,000,000. We have already 54 ships in process of construction and it is proposed to put $475,000,000 into additional ships.

This bill was characterized by Admiral Standley, at the hearing of the Naval Affairs Committee, as "The most important naval legislation since the war", yet, in the consideration of this bill by the committee, a bill effecting such purposes as have already stimulated naval building on the part of Great Britain and have caused her to increase her program, and which is causing distrust in Japan, in the consideration of the bill, I say, no one was called during the too short, perfunctory hearing to testify as to the conditions warranting this tremendous program or to give the views of the people of the country, those who are going to pay the bills, except the Assistant Secretary of the Navy and three or four naval officers. No one else was invited or given an opportunity to be heard before the committee. A bill so greatly affecting our relations with the other countries of the world, involving in effect an expenditure, together with the naval appropriation of nearly $1,000,000,000, was rushed through without adequate hearing and it was even proposed to attach it to the naval appropriation bill as a rider or amendment to the bill and it was only through the fact that there were certain Members of the House who would have made a point of order against it that this plan of rushing it through before any opposition could develop, and before any of the true facts could be learned, was abandoned. I wonder how many Members of the House, when they voted, as I did, for the naval appropriation bill, understood that this naval parity bill would be brought on at the present session, involving an additional supplemental appropriation this year of possibly sixty or sixty-five millions of dollars more and in addition to this we were committing ourselves to a further expenditure for additions to the Navy of nearly a half billion dollars more during the next 7 years.

In addition to this there are other serious questions, developed even from the testimony of the naval officers before the committee, gravely affecting the question of our compliance with the provisions of the Washington and London Treaties about which there was no adequate discussion and about which it was evident from the testimony before the committee there is a great disagreement as between naval experts, members of the State Department, and others who have made a study of those treaties; for example, with respect to the building of flying-deck cruisers, evidently a departure. Admiral Standley testified:

There are many questions involved here. There is a question of legality under the treaty as to whether we can build them or not.

This is only one out of many considerations affecting our treaty relations, affecting international good will and affecting the question as to whether or not we are not stimulating and inciting a race in naval building competition to which not the slightest consideration was given.

I wonder how many Members of the House know that we already have more money invested in our Navy than has any other country in the world? And again I am citing figures given by Admiral Standley, who obviously was testifying as an advocate of a big navy, and I call your attention to the figures given by the admiral at page 205 of the committee hearings. I appreciate that this bill is brought here under the claim that it has the backing and approval of the President. In this instance, at least, that is not with me a determinating factor; but I call your attention to the letter submitted by the Director of the Budget, attached to the committee report, in which there appears the following significant sentence, which reads as follows:

We are advised that insofar as the financial program of the President is concerned, there is no objection to submitting this proposed legislation to Congress for its consideration.

This does not sound to me as indicating an enthusiastic commitment to this enormous naval building program on the part of the President.

I cannot conscientiously vote for this measure. I well realize the futility of attempting to change the mind, or convince against their will, the advocates of the big stick, the advocates of a show or demonstration of force, or those who believe that we should have a Navy second to none. Given an opportunity for a fair presentation of the facts, it can be shown that we now have a Navy equal to that of Great Britain and far superior to any other. But, of course,

if you mean here by a Navy second to none a Navy sufficient to meet and overcome the navies of any combination of powers that might conceivably be alined against us, that would involve a continuation of a naval building program such as not only would be never ending, but, in my opinion—and I say also not merely in my opinion but in the light of history—would constitute the greatest incitement to war. Against whom do we need such a Navy? Surely not against Great Britain. The only effect of this contemplated program upon Great Britain has been to stimulate activity on her part in order to keep up with us. The only effect of this program upon Japan has been to stimulate the militaristic party in that country. The history of the world has shown that the best way, the most effective way, to secure war, the most potent way to cause war, bring on war, is to talk war, prepare for war. I believe that there is grave danger of war in Europe.

I trust that we may never become again involved in a great war. Another World War, in the mind of any competent observer, according to the testimony of the greatest military authorities in the world, will not only be far more costly, far more destructive, far more ghastly in all its consequences than the late World War but will mean the wiping out of the most valuable part of our civilization and the entailing of suffering and privation and want, stunted minds and stunted bodies in our children and our children's children. I am not a pacifist nor do I come from a race of pacifists, but I could wish that those who are urging us to prepare for war—the armament makers, the munitions manufacturers, those who made their millions during the World War, and those who are profiting from all countries and on both sides by the stimulation of a race in armament, as well as the big Navy propagandists here in Washington—would be drafted to bear the brunt of war instead of our boys and the boys from the other countries of the world.

A study of the causes of wars that have heretofore cursed the world, a study of the results accomplished by those wars, will clearly demonstrate in the true light of history that no lasting good, no permanent benefit, nothing in fact but poverty and suffering, racked bodies, and racked minds and souls remain as the result of war, and I claim, Mr. Speaker, that in the present stage of the world's civilization, no people will ever willingly involve themselves or their neighbors in war if the vote were left to them to determine upon war, and that no war will, or ever can be again, justified except such a war as might be fought by some people to relieve themselves of tyranny or oppression, a war fought in the exercise of what Jefferson called "The sacred right of revolution."

There were in this country during the past year over a quarter million children of school age who had no schools to attend, who were deprived of a year of their education by reason of lack of funds and of the bankruptcy of many of our municipalities and school districts. There were thousands of teachers who went for many months without pay. Our farmers are bowed down with unremunerative toil and suffering under the burden of debt and of the enormous taxes upon their farms. Less than a year ago there were in this country 12,000,000 men willing to work who were unemployed. There is grave question whether our taxpayers, already bled white with taxation, can or will carry the weight of the maintenance of a sufficient Public Works program to furnish further employment. We are still failing either to provide proper employment or furnish charity sufficient to relieve the wide-spread suffering from lack of decent food and clothing. We are still failing, in many of our States, to provide proper school facilities for our children. The menace of an underfed, uneducated generation may come to constitute a far greater danger to our peace, to the maintenance of our existing order, to the maintenance of our form of government itself than any danger from any of the other great powers of the world arising through the lack of a Navy "second to none."

Mr. WEIDEMAN. Mr. Chairman, I rise in opposition to the amendment. It has been said that a strong army and navy are the best defense against war. They are as long as other countries continue to build navies and organize armies. We have no other way out of it. The fact that the other nations of the world did not see fit to follow the President's request for a general disarmament makes this action necessary. I do want to call the attention of the House to the cost of our Navy program. I am going to vote for this bill. I am going to follow the President. I do not always follow him. I follow him when I agree with him, and when I do not I do as I think the folks back home want me to do. This Congress is trying to cooperate with the President in his general program of social reclamation and national defense. The cost of our naval program will be approximately $293,000,000 as provided in the naval appropriation bill, and $276,000,000 that is provided for naval purposes under the Public Works Administration, and approximately $475,000,000 that we are authorizing under this bill, all of which amounts to $1,044,000,000. How the Membership is charged with patriotism when they rise up in defense of this bill! And so am I. We are all patriotic. Patriotism is one of the noblest motives that a human being has in his heart, but it is also capitalized on by people who would use that motive for their own personal gain. This bill should be amended to limit the profit to be made out of the construction of the warships and aircraft authorized in this bill.

While I was not overseas during the last war, I was not drafted into the service, either. I enlisted, and so did my brother, the only members of our family of eligible age. While all the Members are yelling that they are patriotic, that they want to defend the country, that they do not want to send soldiers abroad in old ships—and I hope that we never send them abroad again—still I should like to see them all march right up to the Clerk's desk and affix their signatures to the Patman bill, H.R. 1, and reward the patriots of the last war, and put their signatures on the resolution to "pay the veterans' adjusted-service certificates in cash now." That will partially square the last war's debt and put money in circulation among the people at the bottom of the heap and help recovery. I want to pay for the last war before I go into another.

When I go home and attend my veterans' meeting, I want to be able to walk up to the altar and salute my commander and say that I have not broken faith. Yes; I voted against the administration on the economy bill. I gave my solemn word to the citizens of my city that I would do that very thing. I only kept my promise and voted my convictions on that bill.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. WEIDEMAN. Yes.

Mr. DUNN. How many signatures are there on the petition for the consideration of the Patman bill?

Mr. WEIDEMAN. We had 3 more from Michigan today, making a total of 75 signatures to date, and I hope Michigan gets patriotic 100 percent in keeping faith with the soldiers of the last war. Before we get through I think we will.

Mr. DUNN. And I hope that Pennsylvania does likewise.

Mr. WEIDEMAN. I voted against the economy bill and against the gag rule, but I am with the President and the administration. I have reason to believe the President does not want legislation considered under gag rules. We want economy, yes; but we want economy by cutting out useless expenditures and bureaus. I shall vote for the bill because national defense is necessary; but when I get home, I want to be able to walk down the street and look my people in the eye and say that I kept faith. I hope that others who are yelling patriotism now can go before the folks back home and say that they also kept faith. [Applause.]

Mr. BOILEAU. Mr. Chairman, I move to strike out the last two words. I want to ask the chairman of the committee a couple of questions with reference to section 2. It is my understanding of the language in the last four or five lines in section 2 that the law confers upon the President the right to build these various ships if he sees fit to do so.

Mr. VINSON of Georgia. That is correct.

Mr. BOILEAU. Either before December 31, 1936, or at any time thereafter, so that there is no good purpose served by having the language "December 31, 1936", in the bill at all.

Mr. VINSON of Georgia. The reason is that the London Treaty expires on December 31, 1936.

Mr. BOILEAU. And he has the right under the provisions of this bill to build ships at any time he sees fit to do so.

Mr. VINSON of Georgia. As long as Congress appropriates the money for it.

Mr. BOILEAU. But he has a right to obligate the Government.

Mr. VINSON of Georgia. Not until Congress has first passed an appropriation to permit an obligation to be entered into.

Mr. BOILEAU. This is the usual authorization that goes to any agency of the Government to carry on work, and this gives him the power to do so 20 years from now, if these ships are not built by that time.

Mr. VINSON of Georgia. The 1916 building program was just finished last year. We authorized ships in 1916 and the Director of the Budget and Congress did not appropriate the money to finish the last of them until the last session. We hope that this program will be commenced in a moderate way in the fiscal year 1935, and that the President will ask Congress to appropriate sufficient money to commence laying down 20 ships, and that the building of them will extend over a period of 8 years.

Mr. BOILEAU. The point I am trying to bring out is this: As I understand it, by the enactment of this bill, if we pass it, if it is passed by Congress and approved by the President, Congress at least will never again have anything to say about the number of ships that shall be in the Navy.

Mr. VINSON of Georgia. Oh, yes; it will.

Mr. BOILEAU. Except by way of appropriation.

Mr. VINSON of Georgia. That is correct.

Mr. BOILEAU. Legislation is being enacted now for the future. We are giving Presidents of the future the power to carry on a program, and Congress will not legislate further except insofar as making appropriations is concerned.

Mr. VINSON of Georgia. We will not be required, if this goes through, to come in here every year or every 2 years and ask for an authorization bill, but we are confined to the number of ships by tonnage restricted by the treaties, and as long as these treaties or similar treaties are in force, then the President or the Congress cannot go beyond those treaties.

Mr. BOILEAU. With reference to the proviso in line 16, on page 2, it provides that after the treaty expires in 1936 the President can, if he desires, undertake to construct battleships, does it not, without coming to Congress for further legislation?

Mr. VINSON of Georgia. Under the treaty, no battleship can be commenced or replaced until after 1936. The President cannot replace a single ship until Congress authorizes the money for him to do so.

Mr. BOILEAU. But we are now authorizing him to undertake to construct those ships if he sees fit to do so.

Mr. VINSON of Georgia. Not at all; not at all. The Congress continues to control the rapidity with which the ships will be built, and the rate at which they will be built, and the amount of money that each may cost. In other words, we control absolutely, on the recommendation of the President, the rapidity of this building.

Mr. BOILEAU. I believe the gentleman will agree that this language on page 2, line 4, reads:

> The President of the United States is hereby authorized to undertake to construct—

And then follow the vessels that he can undertake to construct.

Mr. VINSON of Georgia. Of course he cannot construct until Congress makes an appropriation.

Mr. BOILEAU. But this bill authorizes him to undertake to construct. That is the language of the bill.

Mr. VINSON of Georgia. Well, that means that he will authorize the Budget to make recommendation to Congress, but this body will control how fast the ships will be built. It is absolutely retained in this body, just like any other appropriation.

Mr. BOILEAU. But this matter will never come before the legislative committees of the House, but will only be dealt with by the Appropriations Committee?

Mr. VINSON of Georgia. Now, the gentleman is correct, exactly.

Mr. HASTINGS. In other words, it is a continuing authorization.

Mr. BOILEAU. It is a continuing authorization, permitting the President, in the future, 20 years from now, to arrange the terms for the construction of our Navy and not bring it upon the floor of the House, except insofar as we approve or disapprove of appropriations.

Mr. VINSON of Georgia. We place in the President complete authority to make recommendations to the Appropriations Committee, and the legislative committee will have nothing further to do with it.

Mr. BOILEAU. That is permanent and not temporary, and we are hereby surrendering the power that the Congress has previously enjoyed.

Mr. VINSON of Georgia. You are not surrendering one single thing. The legislative committee is delegating its authority to the President to make his recommendation to the Bureau of the Budget, and the Congress will make the appropriation.

Mr. BOILEAU. Then the gentleman takes the position that this bill does nothing?

Mr. VINSON of Georgia. Oh, yes; this bill does a great deal.

Mr. BOILEAU. Then whatever the bill does is a surrender of power on the part of Congress.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. BOILEAU] has expired.

The Clerk read as follows:

> SEC. 2. That subject to the provisions of the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, the President of the United States is hereby authorized to undertake prior to December 31, 1936, or as soon thereafter as he may deem it advisable (in addition to the five cruisers not yet constructed under the act approved Feb. 13, 1929 (45 Stat. 1165), and in addition to the vessels being constructed pursuant to Executive Order No. 6174 of June 16, 1933), the construction of: (a) One aircraft carrier of approximately 15,000 tons standard displacement, to replace the experimental aircraft carrier *Langley;* (b) 99,200 tons aggregate of destroyers to replace over-age destroyers; (c) 35,530 tons aggregate of submarines to replace over-age submarines: *Provided,* That the President of the United States is hereby authorized to replace, by vessels of modern design and construction, vessels in the Navy in the categories limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, when their replacement is permitted by the said treaties.

With the following committee amendment:

> Page 2, line 6, strike out the word "five", and insert in lieu thereof the word "six."

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Committee amendment offered by Mr. VINSON of Georgia: Page 2, line 21, after the word "treaties", change the period to a colon, and add: "*Provided further,* That the President is hereby authorized to procure the necessary naval aircraft for vessels and other naval purposes in numbers commensurate with the treaty navy."

Mr. VINSON of Georgia. Mr. Chairman, I desire to submit to the Clerk a letter from the Director of the Budget, which I ask to be read, with reference to the amendment I have just offered.

The clerk read as follows:

JANUARY 27, 1934.

MY DEAR MR. SECRETARY: I have your letters of January 23 and 26, 1934, regarding proposed legislation to authorize the construction of aircraft for the Navy and Marine Corps in addition to the existing authorized 1,000-plane program.

You were advised on January 17, 1934, that there was no objection to the draft proposed by your letter of December 18, 1933, seeking general legislation to authorize the President to construct the necessary naval vessels to build the Navy up to treaty strength, together with the necessary replacements to maintain it at such strength. Such proposed legislation is now embodied in bill H.R. 6604. It appears that general authority to construct the necessary planes for vessels and other naval purposes not covered by the 1,000-plane program might well be incorporated in such proposed legislation by adding a proviso at the end of section 2 thereof authorizing the President to provide aircraft for vessels and other purposes in the numbers commensurate with a treaty Navy. Such action would seem preferable to that specifying limitations as to total number of planes or as to numbers of planes and costs thereof by years, since experience indicates that airplane requirements, financial, and international conditions, and other factors involved cannot be fairly estimated for even so short a period as 5 years.

You are advised, however, that insofar as the financial program of the President is concerned, there is no objection to your submitting to Congress for its consideration either the drafts of legislation proposed in your letters of January 23 and 26, or a modified draft embodying general authorization along the lines suggested above. It is deemed proper to state that, if such legislation be enacted into law, no commitment can now be made as to when and at what rate of progress the construction of the additional aircraft so authorized may be undertaken.

Very truly yours,

L. W. DOUGLAS, *Director.*

The Honorable the SECRETARY OF THE NAVY,
Washington, D.C.

Mr. VINSON of Georgia. Mr. Chairman, I desire to state briefly what this proposed amendment is. It is merely to delegate complete authority to the President in the usual way of making recommendations, through the Budget, to Congress, to provide for the necessary airplanes that must accompany these ships that are now being built, and ships that are provided for in this bill.

In the appropriation bill passed last week appropriation was made for the construction of some 54 ships. It will require approximately 650 airplanes to take care of those ships. In this program now under consideration, which calls for the construction of 102 ships, it will require in the neighborhood of 534 airplanes. So this amendment merely permits the President, in his discretion, to make recommendations to Congress as to the rapidity with which Congress shall make appropriations for the airplanes necessary for the new ships that are being constructed, and for the three airplane carriers.

In 1926 we established a 5-year aviation program. We now have 1,000 airplanes connected with the fleet. This will bring it up to 2,184, necessary to be used in the various units of the fleet. Since this matter has the sanction of the Budget and meets with the financial approval of the Executive, I ask that the amendment be adopted to provide for the necessary airplanes as these ships are being built.

Mr. BRITTEN. Mr. Chairman, as far as I can tell, and I followed the hearings very closely, there should be no objection whatever to the adoption of this amendment.

The planes authorized in this amendment are just as important to the ships now under construction or which may be constructed under the so-called "Vinson bill", which is before the House today, just as important to those ships as are the guns on those ships or the ammunition on those ships or the range finders on those ships. All our larger ships carry airplanes of various types. The cruisers carry 4 planes ready for flight and 4 additional planes in the knock-down. Additional motors for each plane are also purchased. For every airplane motor we buy with the plane we buy an additional half motor. In other words, for every 2 engines we buy 1 additional engine, which is carried in storage as extra or spare equipment. These planes will be purchased from time to time by the Federal Government as the ships to which they ultimately will be assigned are completed. They are part of the ships. Without them the ships would, of course, be tremendously handicapped.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. O'MALLEY. Does it not seem rather contradictory to spend millions of dollars to build immense ships when we have to put airplanes aboard the ship to keep the ship from being destroyed by airplanes? Why not simply build more airplanes?

Mr. BRITTEN. How would the gentleman get the airplanes to sea?

Mr. O'MALLEY. By airplane carriers.

Mr. BRITTEN. But the airplane carriers must be protected. An airplane carrier is very vulnerable. Incidentally, I am one of those who feel that antiaircraft attack has made greater progress in the last 5 years than has aircraft offense or attack.

Mr. Chairman, today with our antiaircraft gun—and they are big guns; they are 5-inch guns, almost as long as from where I stand to the Chairman himself, they are 20 feet long; they keep the attacking enemy planes up in the air 3 miles or more; and they keep chasing them very, very hard. With the retarded-action fuse that is in the shell fired by that gun, the shell does not explode until it gets pretty nearly 3 miles in the air, and then it becomes a shotgun loaded with shrapnel. My personal impression is that antiaircraft attack has gone ahead faster than aircraft offense, and I do not believe our ships at sea, the ships themselves being very fast, having aircraft aboard to protect them, as well as antiaircraft guns—I do not think we need fear the destruction of these ships on the high seas from plane attack; provided, of course, we also have planes in the air to attack the enemy planes. It is not presumed that we will send an airplane carrier out alone. A plane carrier by itself would be useless, almost defenseless. It would never be sent out alone. The big fighting ships would go out with the plane carrier.

Mr. Chairman, I hope this amendment will be unanimously adopted. It is a good amendment and the planes for which it provides are as much a part of the ships as the guns and ammunition.

Mr. SHOEMAKER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, once more on behalf of the people of the United States I want to protest against this bill. A few days ago we appropriated $274,000,000 for the Navy; and along with that another $278,000,000, I understand, is being provided from Public Works funds, this, too, for naval construction; and today we are authorizing a program that will cost another $380,000,000. Various Members who have spoken on the floor today have estimated that the cost will run to $470,000,000 because of increased cost of material.

All this material is being wasted. The naval officials, men who know the subject, have testified and have written that in the Battle of Jutland, the latest of the world's great sea battles, the ships could not communicate with each other by radio because of the turmoil, because of electric motors, because of the roar and blare of guns, the terrific noise of the battle, and so forth and so on, radio communication between the ships was absolutely destroyed and impossible. Most of the ships that were sunk in that battle were sunk by running into each other in the dense clouds of smoke. [Laughter.] That is what will happen in the next battle, the ships and the planes will run into each other because they cannot see through the smoke. We are just wasting this money. If, as the worthy proponent of the bill, the gentleman from Illinois, suggests, so much progress has been made in antiaircraft guns, then all we need do is to plant antiaircraft guns along our coast line. Not only will the antiaircraft guns shoot farther from shore than from the deck of a ship, but they can be fired with greater regularity and with far better accuracy.

I believe it is a crime, a crime against humanity, to spend all this money while our people here are starving to death and our boys and girls are being kept out of school because of lack of clothing and lack of food in a land which is blessed with an abundance of everything. It is nothing short of crime and shame. Another thing: Why all this great preparedness right now? Why follow William Randolph Hearst because he prefers to run war pictures and stir up war

hysteria, such as was stirred up in 1917, to plunge us into another holocaust and catastrophe?

What are the plans? Why, there came to me—I do not know how official it is—information that a certain gentleman was asked by the "brain trust" here a few days ago to be the head of a great national Federal patrol system of 300,000 soldiers. What does it mean? Let me say that the same thing happened in Russia before Lenin. It happened in Italy before Mussolini. It is always a step preceding dictatorship. Is that what we are coming to in America? Are we authorizing all this armed strength to back up a dictatorship?

I ask you if today you are going to sound the deathknell of democracy and cast aside all that is high and holy and desecrate the very blood upon which this Capitol stands, blood spilled by patriots who fought and died that we might have a democracy and a government of the people, by the people, and for the people.

I wish I had 4 hours to go on with this argument. [Laughter.] Oh, yes; laugh, if you please; laugh, if you please; but sometimes those who laugh last laugh best. In 1917 you scoffed and laughed at the name of Robert M. La Follette. You tried to drive him from the United States Senate. Today those who scoffed and maligned him are dead, rotten, and forgotten in their graves. Today he stands immortal in the hearts of real Americans. Under the very dome of this Capitol he has been honored by the placing of his statue in Statuary Hall, the Hall of Fame, time and history proved that he was right and the American Hohenzollerns and Junkers were wrong. History will record him among the greatest of American patriots and statesmen. He was sneered at and laughed at, and it was just another case of where history has repeated itself, as history again will do. La Follette laughed last.

The amendment was agreed to.

Mr. THOMPSON of Illinois. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON of Illinois: Page 2, line 21, after the committee amendment just adopted, strike out the period, insert a colon, and add the following: "*Provided further*, That the first and each succeeding alternate vessel of each category, except the 15,000-ton aircraft carrier, upon which work is undertaken, and the main engines, armor, and armament for such vessels, the construction and manufacture of which is authorized by this act, shall be constructed or manufactured in the Government navy yards, naval stations, naval gun factories, naval ordnance plants, or arsenals of the United States, except such material or parts as were not customarily manufactured in such Government plants prior to February 13, 1929."

Mr. VINSON of Georgia. Mr. Chairman, I desire to submit for the information of the Members a substitute which I propose to offer and will ask the gentleman if it will not take the place of the one the gentleman has offered.

The Clerk read as follows:

Substitute amendment offered by the committee: Section 5, appearing on page 3 after line 9 of the printed bill: "That so far as practical vessels constructed under the authorization of this act shall be built on the basis of one half in the navy yards and one half in private shipyards, the final decision in each case to be at the discretion of the President."

Mr. VINSON of Georgia. Mr. Chairman, the reason I ask that this substitute be adopted is because I am thoroughly in accord with the idea that one half should go to the navy yards and one half to industrial yards. That is exactly what is happening today. One half of the ships are constructed in the navy yards and one half are built in industrial yards. Under the gentleman's amendment it may be impossible to carry this out, due to the fact that the navy yards may be crowded with work of a certain character which would interfere with the program.

For instance, only yesterday the Secretary of the Treasury and the Navy Department entered into contracts for the construction of seven Coast Guard ships. When you put these seven Coast Guard ships in a certain navy yard it may be impossible to follow out that amendment.

We seek to do the same identical thing. We want one half of them to go to the navy yards and one half to go to industrial yards, but I say, leave it to the President to determine, because it might happen that it would be impossible to utilize the yards on the west coast, due to the fact that ships may have to be overhauled out there while the ships were in that section. I think the amendment I am offering would accomplish identically the same thing and would be far better than the amendment which the gentleman from Illinois has suggested.

Mr. THOMPSON of Illinois. Mr. Chairman, I appreciate the chairman's position in the matter, but I note the gentleman does not recognize any of the arsenals of the United States. These arsenals in many cases have hundreds of employees who are on furlough and who have shared liberally in the past in the building of some of this naval armament. The chairman mentions navy yards. In that the gentleman and I can agree, but beyond that I do not feel as though I should accept the amendment offered by the committee. I would prefer to present my amendment to the committee for decision.

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment.

I trust the Committee will vote this amendment down. This is along the same line as the amendment heretofore known as the "Dillinger amendment." I am thoroughly in accord with every principle of the amendment, but I do think it is far better to accomplish it in the manner I have suggested in the substitute which I will propose just as soon as the House votes on this pending amendment.

Mr. BLANCHARD. Will the gentleman yield?

Mr. VINSON of Georgia. In one minute. I know what every one of you is interested in, and I am just as much concerned about it as you are, but if you are not careful you are not going to accomplish what you desire. You want work for your navy yards. So far as I am concerned, I am perfectly willing that one half of them should be constructed there, but if the language of the gentleman's amendment is put in the bill it will restrict the activities of the navy yards because they will become congested with work and this will slow up the entire program. Under the substitute amendment which I propose you will take care of the navy yards by giving them one half of the work.

Mr. HEALEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. HEALEY. Does not the gentleman feel that the 12 navy yards we have in this country have sufficient facilities to take care of the building of one half of the vessels authorized by this program?

Mr. VINSON of Georgia. Of course not, and I will make this further statement. It is absolutely necessary to build ships in the navy yards, and I am for building them there, because we have got to maintain our navy yards. However, as a matter of fact, you can build these ships a great deal cheaper under competitive bids in industrial yards, but it is highly important to retain the navy yards to act as a leverage on the industrial yards, and to take care of these employees I am willing and shall be glad to see them obtain one half of all of this work. I do think the President should allocate the work, one half of it to navy yards and one half to industrial yards.

Mr. HEALEY. If the gentleman will yield further, will the gentleman assure us that the navy yards will be worked to their full capacity in connection with this program?

Mr. VINSON of Georgia. The navy yards today have one half of the 54 ships now being constructed without a line on the statute books to make the Navy Department do so. The Navy Department has testified before the committee that it will carry out the spirit of Congress with reference to the Dallinger amendment, irrespective of any mandate of the Congress.

Mr. HEALEY. Will the gentleman yield further?

Mr. VINSON of Georgia. I yield.

Mr. HEALEY. I favor the amendment of the gentleman from Illinois because I feel that the bill should contain definite language requiring that at least half of the vessels authorized under this bill should be constructed in Government navy yards and that the armament and guns should be constructed in Government arsenals.

Our Government has an investment of $2,000,000,000 in the navy yards of this country and their equipment and facilities, and I feel that the yards should be used in connection with this great naval program to the fullest extent of their capacity and that also the facilities of our arsenals should be employed to the fullest capacity.

Other great powers construct their naval vessels and equipment in government plants. We should do likewise, so that we may be sure that this work will be done by our own citizens—mechanics, skilled and trained, who know how to do this type of work accurately and expertly, and under the supervision of our own officers, and who are likewise skilled in naval construction. The citizens of this country have an enormous investment in our navy yards and arsenals. These plants should not be allowed to deteriorate by lack of use. Neither should the skill of our workers in navy yards and arsenals be allowed to be lost because of idleness. It is necessary that we should keep these branches of our national defense supplied with work to the end that both the establishments and the workers may be maintained at a high standard of fitness and efficiency in preparedness for any unforseen emergency that may arise.

Many of the trained and skilled workers at the Government plants are now idle because they have been furloughed or, in thousands of cases, entirely separated from the service because of lack of work.

I believe that our Army and Navy should not be built up or maintained so that great private corporations may receive profits at the expense of the taxpayers. As much as possible of this work should be allotted to our Government navy yards and arsenals, so as to assure that these plants will be employed to the fullest capacity. I am, therefore, in accord with the amendment of the gentleman from Illinois, because it will guarantee that these plants will be used to their full capacity; and I have also submitted an amendment to accomplish this same end.

Mr. MAY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Kentucky.

Mr. MAY. May I ask the chairman of the committee if he does not think his substitute offered for the amendment that is now pending should be modified so as to provide that in case of necessity or emergency the President might divert the work, and let the amendment go through in that way?

Mr. VINSON of Georgia. The substitute I have offered leaves it absolutely to the President. We are leaving this entire program to the President. The President makes the recommendation to Congress, and we are leaving the allocation of these ships to him.

Let me show how this might work out. Some of these ships are airplane carriers and some are destroyers and some submarines, and under the gentleman's amendment a navy yard might get a submarine and an industrial yard might get an airplane carrier.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes in order to answer these questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. So I hope you will accept my substitute in lieu of the amendment offered by the gentleman from Illinois [Mr. THOMPSON]. We are trying to accomplish the same thing identically, but if you adopt the gentleman's amendment it is liable to slow up this building program.

Mr. O'MALLEY. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. The substitute provides for one half of the construction in private shipyards. Would the gentleman accept an amendment to his amendment that all ships should be built in Government yards except those that the President decided could not be built there within the proper time?

Mr. VINSON of Georgia. No. I cannot accept that, because it would cost too much to do that.

Mr. BRITTEN. The Government yards are not equipped to do that.

Mr. VINSON of Georgia. Of course not. I yield to the gentleman from Illinois.

Mr. BRITTEN. I hope the amendment suggested by my colleague from Illinois will be defeated, because it will not accomplish the very thing the gentleman is after. At the present moment all the guns for these cruisers and destroyers and submarines will be made in the Washington Navy Yard. The gentleman wants to take that work away from the navy yard and divide it among a lot of private yards, which today are not equipped for such work. This would cost more money, and I cannot understand the gentleman's logic in aiming to do the very thing which is contrary to the principle of his amendment. All of these guns are to be manufactured by the Government, and the gentleman's amendment would provide that half of them must be made in some private plant.

I am in favor of the Vinson amendment.

Mr. THOMPSON of Illinois. Will the gentleman yield?

Mr. VINSON of Georgia. In just a moment. I am trying to accomplish the identical thing the gentleman is, and my amendment will accomplish it, while the gentleman's amendment will retard the program.

Mr. THOMPSON of Illinois. I would agree with the gentleman, provided he would include arsenals that are equipped to do this work and put them in the same category as navy yards.

Mr. VINSON of Georgia. The gentleman from Illinois [Mr. BRITTEN] has answered that question absolutely. The Navy does not go to arsenals for its equipment. It goes to the navy yards, and if you want this work done in the Washington Navy Yard or in the navy yards that build armament, then you should vote for my amendment, because it will give them the work.

Mr. THOMPSON of Illinois. I beg the gentleman's pardon, some of the arsenals of the War Department are today contracting to do this work for the Navy Department, and that is what I am directly interested in.

[Here the gavel fell.]

Mr. HASTINGS. Mr. Chairman, may the amendment be again reported?

The Clerk again read the pending amendment.

Mr. BRITTEN. Mr. Chairman, can we have the substitute again read?

The Clerk again read the substitute.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word, and I ask leave to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

Mr. CONNERY. Mr. Chairman, I dislike to disagree on this amendment with my distinguished friend from Georgia, the chairman of the committee, of whom I am very fond, but the very language of the two amendments, the Vinson amendment and the Thompson amendment, explain why the Thompson amendment should pass. In the Vinson amendment we have the words "as far as is practicable." I am getting so that I am very much afraid of those words. They leave too much to the discretion of one individual. My own Committee on Labor plainly wrote into the Wagner-Peyser bill that in every place where there was to be an employment office there should be a veterans' employment office, and we did not say "as far as practicable", either. Yet even after making plain just what Congress wanted done clearly and without equivocation, the law is being simply disregarded and the poor veteran left to shift for himself.

If that can happen when the law is plain, what can we expect from Government departments when we put into legislation words like "as far as practicable"? They will do anything they like then with the law. Let us tell them what Congress wants done and then insist that they observe the law.

Now, in building these vessels, the first cruiser should go to a navy yard and the next to a private yard, the first

destroyer to a navy yard and the next one to a private yard, and so on.

The President more than anyone realizes the need of keeping up the standards of our navy yards. If in time of war you want a navy yard prepared to fit your ships for war and keep them fit, then you must be ready, and to be prepared you must keep your yards constantly at work and well equipped. You must have them ready to handle ships and build ships and recondition ships to put them into commission again, and they must be ready to handle any ship that will come into that navy yard at a moment's notice.

If you want to protect the country and have real national defense, you have to build at least half of the ships in the navy yards and give work to the arsenals, and the only way to do it is by this amendment of the gentleman from Illinois. Have the first and every alternate ship built in the navy yards and have real navy yards.

Under the other amendment you will have some Navy official saying, "We will build the first 60 in the private yards and the next 60, if at all, in the navy yards."

Mr. BRITTEN. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BRITTEN. The gentleman is confusing the issue. The amendment of my colleague from Illinois would do the very thing the gentleman is talking against. The gentleman is arguing for the navy yards and he has a navy yard in his district.

Mr. CONNERY. No. I have many constituents who work in the Charlestown Navy Yard at Boston. The Charlestown Navy Yard is in the district of my friend and colleague, Mr. DOUGLASS, who has been ill. The distinguished gentleman from Massachusetts [Mr. HEALEY], whose district ends right at the edge of the navy yard, had ready a similar amendment to that offered by Mr. THOMPSON, but graciously yielded to the gentleman from Illinois to offer his amendment, as they both sought the same end—to strengthen the Navy by keeping the navy yards up to their highest efficiency at all times.

Mr. BRITTEN. The amendment of the gentleman from Illinois would tear down the navy yards.

Mr. CONNERY. Oh, no.

Mr. BRITTEN. That is what it would do, if you take the amendment of my colleague.

Mr. CONNERY. No; it would not.

I dislike to take up the time of the House, but I feel keenly on this matter. I can see where the amendment of the gentleman from Georgia almost covers the situation, but, to my mind, it does not entirely. I am getting to the point where I believe that Congress ought to write into a law just exactly what it means [applause], so that no one down in the Department can say, as I have remarked before, we will build 50 ships now in the private shipyards and then 50 ships some other time in the navy yards, under the plea that that is economy. I am for the amendment of the gentleman from Illinois [Mr. THOMPSON].

Mr. O'MALLEY. And is not that one way to take the profit out of building up these ships and guns?

Mr. CONNERY. Yes; absolutely; and keep men working at a decent living wage in the navy yards.

Mr. WEIDEMAN. We heard the arguments by the committee members that they were not so anxious to get the biggest Navy in the world within a year, that it would come about gradually. Does the gentleman not think that the Navy could cooperate in the 5 or 10 years in the Navy building program and do its part.

Mr. CONNERY. I think in those 5 or 10 years to which my friend from Michigan refers you can build up those navy yards into a wonderful national-defense proposition. I hope the amendment of the gentleman from Illinois will be agreed to. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last three words. I believe in all fairness to my colleague from Illinois [Mr. THOMPSON] that we should go back just a little bit to the colloquy that occurred between the proponents of this bill some 10 days ago, when they said to this House that one of the purposes of the program was to distribute the benefits among the various instrumentalities in the country, so that the people living out in our country, where we have an arsenal, might benefit as a result of this construction program. My colleagues on the Republican side of the House told the House that it would make work in various portions of the country. If I understand the amendment correctly, it means nothing more than that out in the arsenal in Rock Island we shall share proportionately with the other points of the country in this building program. After all that is the substance of the amendment.

Mr. VINSON of Georgia. That is what mine provides.

Mr. DIRKSEN. There can be nothing unfair about the amendment of the gentleman from Illinois. The chairman's amendment, however, contains the saving clause, "insofar as practicable."

Mr. VINSON of Georgia. In the discretion of the President.

Mr. DIRKSEN. That vests the discretion in one man and it does not write it into the law, it does not assure the people back home that they are going to get some of the benefits. It only resolves itself upon the generosity of one man. I think, after all, that we should vote for the amendment offered by the gentleman from Illinois [Mr. THOMPSON] and scatter the benefits to all corners of the country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. BLANCHARD) there were—ayes 140, noes 93.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 3. The Secretary of the Navy is hereby directed to submit annually to the Bureau of the Budget estimates for the construction of the foregoing vessels; and there is hereby authorized to be appropriated such sums as may be necessary to carry into effect the provisions of this act.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. VINSON of Georgia: On page 2, line 24, after the word "vessels", insert the words "and aircraft."

The committee amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, I offer an amendment which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: On page 3, line 2, after the word "necessary", insert "not to exceed $380,000,000."

Mr. HASTINGS. Mr. Chairman, I want to have the serious attention of the members of the committee on this amendment. This is an amendment to section 3. As this section now reads, there is no limit to the authorization, and if this amendment is adopted it adds the words "not to exceed $380,000,000", after the word "necessary." In other words, it limits the authorization to the amount that was indicated would be necessary to complete this program.

Let me say that as far as I know there has been no bill making similar authorization, that has not had a limitation in it. There has been no exception to that, as far as I know. You will remember that last spring when we were enacting the recovery program plan and a bill was brought in here to feed the hungry and distressed and to make work for the people throughout the country, there was a limit to the authorization of $3,300,000,000. The Committee on Appropriations could not go beyond that amount, because it would be subject to a point of order. That is true, as far as I know, of all other authorization bills. I have inserted $380,000,000 because that is the amount it is estimated will be required to build this program.

Mr. VINSON of Georgia. Oh, the gentleman is mistaken about that.

Mr. HASTINGS. Now, if the gentleman will wait until he gets authority to interfere. That is what the gentleman who presented the rule said.

Mr. VINSON of Georgia. Well, the gentleman was in error.

Mr. HASTINGS. And the gentleman from Georgia is out of order.

Now, this authorization has no limit whatever; and let me say to you there is no end to this. This is a continuing authorization. It not only runs to complete the program of the London Treaty, but it permits the President to replace those ships for all time to come. It is a continuing authorization. The sky is the limit. Let me say to you people who live out West, you just take the bridle off and if this amendment or a similar amendment is not adopted, let me say to you there is no further need of a legislative Naval Affairs Committee. I am opposed in principle to legislating and authorizing without placing any limit whatever on the amount. All that this amendment does is to place a limitation upon the amount of the authorization. It is something which, as I said a moment ago, has been followed in all cases. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment. I will not trespass upon your time for more than 5 minutes. At the very outset, as said in the beginning of this debate today, this is an administration measure. It has the unqualified endorsement of the administration. It was so testified by the representative of the executive branch, Colonel Roosevelt, when he appeared before the committee.

Mr. HASTINGS. And the National Recovery Act was an administration measure.

Mr. VINSON of Georgia. Now, the gentleman from Oklahoma is out of order. [Laughter.] The effort of the gentleman from Oklahoma is to curtail the effort of the administration to bring the Navy up to treaty strength. It is estimated from the best possible source at this time, if costs prevail in the future as they have in the past, that it would cost about $380,000,000; but Colonel Roosevelt said distinctly that you must add at least 25 percent more to the $380,000,000. Then, the House has just adopted an amendment to provide for 1,143 airplanes. Just think of it! One hundred and twenty ships and 1,143 airplanes, and the gentleman from Oklahoma proposes to permit the Government to only spend $380,000,000. Of course, if you do not want this program, there is a far better way to end it than this way, and that is to vote strictly against this program. If the amendment offered by the gentleman from Oklahoma is adopted, you have scuttled this program, because it will be out of the question to bring the Navy up to treaty strength with an expenditure of only $380,000,000. We leave absolutely to Congress the amount that it will cost. Every year the Congress will appropriate the money. If business comes back like it was 2 years ago, it will not cost as much, but if business continues to advance and labor receives its just hire, then it will cost probably more than what we estimate today. So I ask this Committee to vote down the amendment offered by the gentleman from Oklahoma. It strikes at the very heart of this bill, if you propose to maintain the Navy with airplanes and ships at treaty strength.

I ask for a vote on the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

Mr. McFARLANE. Mr. Chairman, I rise in favor of the amendment.

Mr. GOSS. Mr. Chairman, I make the point of order that all debate on the amendment has been exhausted.

The CHAIRMAN. The Chair sustains the point of order.

Mr. McFARLANE. Then, Mr. Chairman, I ask unanimous consent to speak for 5 minutes.

Mr. MILLARD. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS].

The question was taken; and on a division (demanded by Mr. HASTINGS) there were—ayes 51, noes 146.

So the amendment was rejected.

Mr. HASTINGS. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: Page 3, line 2, after the word "necessary", insert the following: "Not to exceed $475,000,000."

Mr. HASTINGS. Mr. Chairman, the only difference between this amendment and the last one is that the former amendment limited the authorization to $380,000,000. After the fervent appeal made by the Chairman of the Committee on Naval Affairs that it was necessary to have a leeway of 25 percent, and the first amendment having been defeated, I have modified my amendment and increased the amount from $380,000,000 to the maximum claimed by anybody as being necessary to be expended under this program, $475,000,000.

The chairman of the committee appeals to the House that this is the President's program. So was the National Recovery Act of last spring, and so have been mostly all the legislation that has been enacted by Congress; and let me remind you that in every one of those legislative bills we placed a limitation on the amount that may be expended or appropriated. I warn you now that you will rue the day if you do not place a limitation on the expenditures that may be incurred under this authorization. We have always and without exception done it thus far in all legislation enacted in the President's program. I repeat, that in the most important legislation enacted during the special session, namely, the National Recovery Act, we limited the authorization. In that case the limitation was $3,300,000,000.

What I am proposing by this amendment to do is to prevent the establishment of precedent—one we will regret in the future and one that will rise to plague us.

The Committee on Naval Affairs should have held hearings and made the most careful estimate possible as to the limit of cost and brought that estimate to the House, and that estimate should have been placed in this bill.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield for a question?

Mr. HASTINGS. I yield.

Mr. BRITTEN. I appreciate what the gentleman is trying to accomplish.

Mr. HASTINGS. And the gentleman stated this morning he would support such an amendment.

Mr. BRITTEN. I agree with what the gentleman is trying to accomplish.

Mr. HASTINGS. Then, will the gentleman vote for this amendment?

Mr. BRITTEN. I think the amount of $470,000,000 is too high. It will give everybody in the Navy Department something to shoot at, and they will spend it all.

Mr. HASTINGS. Did the gentleman vote for the $380,000,000 limitation?

Mr. BRITTEN. Oh, that was too low.

Mr. HASTINGS. Yes; that was too low. The gentleman is hard to satisfy. I want to say to the Members of the House that if we do not place a limitation in this bill we will establish a dangerous precedent. Congress has never before passed an authorization bill that did not carry a limitation as to the amount that may be expended.

Remember that this amendment involves only one question, and that is whether we are going to throw aside precedent that has been established in Congress and enact this bill which provides no limitation of the amount that may be expended under it.

I have been a member of the Committee on Appropriations a number of years. Without exception, when an item is considered, for which an appropriation is asked, we refer to the authorization and we are careful never to exceed it. If an amount is included in an appropriation bill in excess of the authorization it is subject to a point of order. This is the only way the taxpayers of the country may be protected.

I have repeatedly emphasized the fact that in all these legislative bills, without exception, there has been a limitation contained in the bill.

The gentleman from Georgia [Mr. COX] in presenting the rule which was adopted for the consideration of this bill, assured the House that those appearing before the Rules Committee in support of this bill, estimated that the carrying out of the program would call for an expenditure of $380,000,000. For that reason, in the first amendment which I offered, I included the figures $380,000,000, and when that amendment was not favorably considered I added the addi-

tional amount of 25 percent and included in that amendment the sum of $475,000,000, which was the outside figure estimated for before the Bureau of the Budget or the Committee on Rules. Those in charge of the bill are not willing to accept any limitation whatever. What does that mean? It means simply that a very much larger expenditure will be required.

A few days ago we passed the Navy Department appropriation bill which carried the sum of $308,669,562. The statement has been made that there was allocated from Public Works to the Navy Department, out of the $3,300,000,000 appropriation, which was passed during the special session of Congress, the sum of $238,000,000.

Let me call your attention to the provision in section 2 of the bill H.R. 6604. The first part of the section provides for a program bringing the Navy up to full treaty strength. Then follows this significant proviso:

That the President of the United States is hereby authorized to replace, by vessels of modern design and construction, vessels in the Navy in the categories limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, when their replacement is permitted by the said treaties.

I invite your attention to the last line of this proviso, which is as follows:

When their replacement is permitted by the said treaties.

This proviso means that during the life of the treaties, and without additional authorization, the President is authorized to replace vessels in the Navy authorized by the treaties without any restriction. This is a continuing authorization. As I said a few moments ago, the sky is the limit. In western parlance "we take the bridle off."

We not only authorize the building program outlined in section 2 of the bill, the cost of which the members of the committee will not venture an estimate, but throughout the life of the treaty, in the years to come, no additional authorization is necessary.

During my service in the House I insist that I have never seen a bill passed that is so wide open. If this bill is finally enacted, there is no need of a legislative Committee on Naval Affairs. Search all the other legislative bills, whether the authorization is for a small amount or runs into billions, and it will be found a limitation is always included as to the amount for which an appropriation may be made.

It is urged that the Committee on Appropriations will make a careful investigation as to the amount necessary. This same argument with equal force could be used in support of any other legislative proposal. Why place a limitation on any other bill if a limitation is not going to be placed in this one.

Let me repeat, in order to emphasize it, that when the people of this Nation were in dire distress and when the National Recovery Act was passed, it carried a limitation of $3,300,000,000.

The press reports that the President is about to submit another estimate to Congress for $950,000,000 to carry on the relief program. In the bills prepared under the direction of the President and submitted to Congress the President always follows the rule and causes to be inserted a limitation in the amount of money that may be authorized to be expended. This is not the President's bill. I do not mean to say he may not be in sympathy with the enlargement of the Navy, but what I do mean to say is that I do not believe he or the Bureau of the Budget would approve a wide-open bill which has no limitation in it and which is a continuing authorization for years to come.

This precedent is going to rise to embarrass Congress. Every time an authorization is brought before Congress the same argument will be made that it may be difficult to estimate the cost involved. Every annual appropriation bill enacted is for the following fiscal year, and the committees make the best estimates possible and submit them to Congress. If we take the bridle off and give unlimited authority either to contract for or expend money, we will establish a precedent that will lead to extravagance which will all but wreck the Treasury financially.

When we go home, we will be called upon to account for the legislation we enacted, and let me warn the Members of the House that they will find great difficulty in explaining to constituents why they voted for unlimited and continuing authorizations where the sky is the limit.

The question presented here is not whether we are for or against the naval program. The only question now is whether Congress favors an authorization bill from a legislative committee, which is a continuing one and which has no limitation as to the amount that may be appropriated or expended under it, and that may call for an expenditure of more than a billion dollars.

When those in charge of the bill refuse to make an estimate or decline to support an amendment limiting the amount that may be expended, or refuse to offer a substitute, there is the more reason why Members of the House should insist that some limitation, either the amount of $380,000,000 proposed in my first amendment, or this amount of $475,000,000, proposed in the pending amendment, or some other amount, be included in the bill. I cannot too frequently emphasize the danger of the precedent that is about to be established through the enactment of this bill, which is a continuing authorization through the entire life of the treaties and without a limitation.

In the future, when the Navy appropriation bill comes up for consideration, surprise amendments may be offered in the House, without any consideration by the committee, and will not be subject to a point of order because this bill is a continuing authorization.

Two good amendments have been adopted this afternoon, one requiring that alternate vessels be constructed in the Government navy yards, and another amendment providing that no Government contract shall be let except where the firm or corporation agrees to limit its net profit to 10 percent of the contract. I warn the Members, however, that these two beneficial amendments may be eliminated in the Senate, and that the House conferees may be unfriendly to them and may be quick to yield, which will result in their final elimination from the bill.

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment.

The House has just signified its opinion on this matter. It should be controlled by the Bureau of the Budget through the Appropriations Committee.

I ask the committee to vote this amendment down, because the $475,000,000 the gentleman now suggests does not include airplanes, and it is estimated that the airplanes will cost $95,000,000 over the period of time during which this program is being carried out. It is impossible to tell what this program is going to cost. Leave it to the President to submit later to the Committee on Appropriations. The gentleman is a member of that committee.

I ask you not to scuttle this bill by hamstringing it as the gentleman from Oklahoma is undertaking to do.

Mr. Chairman, I ask for a vote.

Mr. McGUGIN. Mr. Chairman——

Mr. VINSON of Georgia. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

Mr. BRITTEN. Mr. Chairman, I hope the gentleman from Georgia will modify his motion and move that debate close in 5 minutes, in order that the gentleman from Kansas may be heard. I do not know whether he will speak in favor of the amendment or against it, but I think he should be heard.

Mr. VINSON of Georgia. Then, Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. McGUGIN. Mr. Chairman, I have been very much impressed with the principle the gentleman from Oklahoma [Mr. HASTINGS] has been advocating. I realize it is very difficult here on the floor for the Members of the House to arrive at the proper amount to be expended for the Navy, but the fact remains that, as well as keeping up the Navy,

we are daily under the obligation of preserving parliamentary government under the Constitution.

Probably the most important responsibility placed upon the legislative body is the control over public expenditures. It was with this thought in mind that the provision was incorporated in the Constitution requiring that the expenditure of public money and the raising of public revenue originate in the House, the body frequently elected by the people.

Now, it is an exceedingly dangerous policy to turn over the Nation's check book, with checks signed in blank, to the executive branch of the Government. Not only is it contrary to parliamentary government in America, but it is contrary to parliamentary government in England and contrary to parliamentary government wherever that form of government has succeeded. It seems to me we should place some limitation on the amount to be expended. Then, if in the future it is necessary to spend more money, there will be a Congress which can meet that responsibility.

I shall vote to accept the last figure suggested by the gentleman from Oklahoma, not undertaking to say whether or not it represents the amount that should in the end be expended. I do undertake to say, however, that it represents all that need be expended until a future day when a future Congress can meet the responsibility of increasing the appropriation if necessary. In the meantime, as a matter of true constitutional, parliamentary government, we should retain in the hands of Congress some control over the amount of money which is to be expended for the Navy or any other purpose.

The real issue involved here is the precedent that we are establishing of turning over to the executive department the privilege of spending an unlimited amount. When I say that I am not talking about a Democratic executive department I am talking in the broader sense of government under the two branches—the legislative and the executive. The fathers of this country wisely reserved for the legislative branch the responsibility for appropriations. We should not now reverse their wisdom by shifting this responsibility from the Congress to the executive department.

Mr. KELLER. Will the gentleman yield?

Mr. McGUGIN. I yield.

Mr. KELLER. Is it not true that if we pass the bill as it is written they still cannot expend any more than we may appropriate when the time comes; is that not true?

Mr. McGUGIN. Oh, yes; but unless we are going to make a farce out of authorizations, we should place some limit on them.

Mr. KELLER. If you can make your limitation complete before your Appropriations Committee, why should you place a limit on something you do not know enough about to limit at the present time?

Mr. TABER. The reason we should place a limitation is because if we do not the estimates submitted will always be way beyond any imagination that anybody has now.

Mr. McGUGIN. And the Membership of the House should not pass the buck as to that responsibility over to the Appropriations Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS].

The question was taken; and on a division (demanded by Mr. VINSON of Georgia) there were—ayes 92, nays 115.

Mr. HASTINGS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. VINSON of Georgia and Mr. HASTINGS.

The Committee again divided; and the tellers reported that there were—ayes 74, nays 127.

So the amendment was rejected.

Mr. TOBEY. Mr. Chairman, I offer an amendment, which I send to the desk.

Mr. VINSON of Georgia. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TOBEY: Amend section 3 by striking out the period after the word "act", in line 2 on page 3, and adding thereafter the following:

"*Provided, however,* That no such appropriation shall be used for any contract with steel or aircraft or shipbuilding firms or corporations unless the said firm or corporation shall agree to limit its net profit on such Government contract to 10 percent of the gross of the contract."

Mr. VINSON of Georgia. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. TOBEY. Mr. Chairman, may I ask the gentleman to withhold the point of order until I can make a statement?

Mr. VINSON of Georgia. It is getting late. The gentleman knows it is not germane.

The CHAIRMAN. The Chair will hear the gentleman from Georgia.

Mr. VINSON of Georgia. Mr. Chairman, from the reading of the amendment it did not appear to me to be germane. Of course, if it is germane, I would like to have the Chair rule and have it voted on one way or the other.

The CHAIRMAN. The Chair is ready to rule.

This precedent I quote is from a decision by Chairman BEEDY on February 27, 1928:

An amendment specifying the manner in which a sum of money is to be expended is germane to a provision in the bill dealing with the authorization of the money.

The Chair overrules the point of order.

Mr. TOBEY. Mr. Chairman, public opinion in these United States of ours has long been outraged over the revelations of inordinate profits that have accrued to the manufacturers of aircraft, ships of war, and munitions. Methods have been practiced that are not only unethical but are absolutely scandalous and are a black page on the history of this country and our Government.

The name is legion of men and women the country over, of all creeds and all parties, who have long hoped that the day might come when we might do something within our power, God helping us, to remove this menace of inordinate profits in the production of ships and munitions for war.

President Roosevelt, whose name has been mentioned frequently here today by the proponents of this bill, came out strongly in his campaign of 1932 in declaring as one of his policies the taking of profits out of war and munitions making.

Toward this worthy objective I offer this amendment here today.

Here is an opportunity, in my judgment, for the men and women of this House to demonstrate that they are in sympathy with the President in this great matter and an opportunity to point to the people of this country of ours and say, "So far as we are concerned, this inordinate profit making shall stop, and such contracts shall be awarded to the lowest bidder and only a reasonable profit, limited to 10 percent net on the gross amount of the contract, shall accrue." Here is a chance to show the country that we mean something more than idle talk with reference to restricting the great profits made in the manufacture of ships and munitions for war. [Applause.]

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. TOBEY. Yes.

Mr. VINSON of Georgia. The gentleman's amendment prohibits a contractor from making more than 10 percent on such a contract; is that it?

Mr. TOBEY. I ask the Clerk to read the amendment again so that the gentleman may understand it.

Mr. VINSON of Georgia. Will the gentleman state whether I am correct in that or not?

Mr. TOBEY. I think the gentleman is not correct.

Mr. VINSON of Georgia. Will the gentleman state exactly what the amendment means?

Mr. TOBEY. It means that if this amendment is adopted, when the President orders bids to be made for aircraft, ships, or munitions of war, the lowest bidder, consistent with his character and reputation, and so on, naturally will get the contract. When he gets it, he can only get it by agree-

ing that the net profit on the gross amount of the contract shall be 10 percent and not over that.

Mr. VINSON of Georgia. The language limits the profits to 10 percent?

Mr. TOBEY. That is correct.

Mr. VINSON of Georgia. Let me call the gentleman's attention to the fact that in the hearings before the Appropriations Committee it was disclosed that some of the airplane corporations did not make more than 5 percent, and under the gentleman's amendment they would be assured a profit of 10 percent.

Mr. TOBEY. And I may tell the gentleman that we can find many instances in this country where the profit has been as much as 200 percent.

Mr. VINSON of Georgia. Let us get this straight, because we are all interested in what the gentleman is proposing. Does this amendment insure the shipbuilders a profit of at least 10 percent?

Mr. TOBEY. Oh, no, no; not over 10 percent.

Mr. VINSON of Georgia. The amendment says the shipbuilder cannot make over 10 percent.

Mr. TOBEY. Not over 10 percent.

Mr. VINSON of Georgia. If he cannot make over 10 percent, then is the reverse true and does the amendment absolutely assure him a profit of 10 percent?

Mr. TOBEY. The gentleman is quibbling about points and differentials. I am for limiting the profits, and the gentleman ought to be for the amendment, as I have explained it fully. I think the Members are ready to vote upon it.

Mr. VINSON of Georgia. I am trying to find out how the amendment would apply to a contract. Suppose the Newport News Shipbuilding Co. were to enter into a contract to construct one of these ships for $5,000,000, what effect would the gentleman's amendment have on the contract?

Mr. TOBEY. With a gross contract of $5,000,000 they could make 10 percent on that at the most.

Mr. CONNERY. Will the gentleman yield?

Mr. TOBEY. Yes.

Mr. CONNERY. May I ask the chairman of the committee what airplane corporation only made 5 percent? When they issue their statements to their stockholders they never say they have made only 5 percent.

Mr. TOBEY. That is true, and I would say that 10 percent is a reasonable profit for anybody.

Mr. VINSON of Georgia. Of course, the gentleman's amendment has been offered here late in the evening, and no one wants the corporations who are to construct these ships to profiteer at the expense of the taxpayers. If the amendment seeks to hold down their profits, I am heartily in accord with the gentleman. I want to ascertain from the gentleman, however, this fact: If a contract is entered into for $5,000,000 for the building of one ship, does that mean that the corporation would have the right to make $500,000?

Mr. TOBEY. I do not understand it so; no, sir.

Let me say to the gentleman that these questions are taking up the time that the gentleman has been so careful about. Let us vote on this matter.

Mr. VINSON of Georgia. Mr. Chairman, may we have the amendment again read?

The Clerk again read the pending amendment.

Mr. VINSON of Georgia. Mr. Chairman, I will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. That in the event of international agreement for the further limitations of naval armament to which the United States is signatory, the President is hereby authorized and empowered to suspend so much of its naval construction authorized by this act as may be necessary to bring the naval armament of the United States within the limitation so agreed upon.

Mr. AYRES of Kansas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, line 9, strike out the period and insert in lieu thereof a colon, and the words "except that such suspension shall not apply to vessels actually under construction."

Mr. VINSON of Georgia. Mr. Chairman, the committee accepts that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was agreed to.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to speak for 3 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BIERMANN. Mr. Chairman, during the course of this debate this afternoon the gentleman from Pennsylvania [Mr. MCFADDEN] read into the RECORD the names of a number of religious organizations having for their purpose the propagation of a spirit of peace in our country. He also read a statement of a number of religious organizations that financed these organizations.

I want it to appear that I question the accuracy of the statement by the gentleman from Pennsylvania. I direct attention to the fact that this same gentleman 2 years ago questioned the motives of the President of the United States and asked for his impeachment. I also call attention to the fact that last year he questioned the motives of several high officials of the Government and asked for their impeachment.

The gentleman from Illinois also questioned the motives of the organizations and said something about asking for an investigation. I should like to vote for an investigation of these organizations provided that at the same time we shall investigate the propaganda of the various munition makers and shipbuilders in our country. [Applause.]

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes.

The CHAIRMAN. Is there objection?

Mr. VINSON of Georgia. Mr. Chairman, I ask for the regular order.

Mr. McFADDEN. Mr. Chairman, I rise to a question of personal privilege.

The CHAIRMAN. The gentleman cannot do that in Committee of the Whole.

Mr. McFADDEN. Then I will wait until we are in the House.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 26, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, under rule 235 he reported the bill back to the House with various amendments adopted by the Committee.

The SPEAKER. Is a separate vote demanded on any amendment?

There was no demand for a separate vote, and the amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. COLLINS of Mississippi. And on that, Mr. Speaker, I ask for the yeas and nays.

The question of ordering the yeas and nays was taken, and 13 Members rose.

The SPEAKER. Thirteen Members have arisen—not a sufficient number.

The bill was passed.

On motion of Mr. VINSON of Georgia, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. DARDEN. Mr. Speaker, I think it valuable to consider briefly, at the outset of the discussion of this naval building program, what has been accomplished by this country, in cooperation with the other great naval powers, in the field of limitation of armament.

The program proposed here in no sense marks a deviation or departure from the principles laid down by this Government at the Naval Conference held in this city in 1921 and 1922 and reaffirmed at the Naval Conference held in London in 1930.

It can be said, I think, that the great naval powers have definitely determined that armament shall be limited, not only because naval races have become so expensive that economically the burden cannot be endured but because there is the firm belief, and one which I believe to be well founded, that excessive armament tends only to hasten war, with all its horror and waste. We are determined that this country shall not again be plunged into war if it can possibly be prevented.

There can be no denying the fact that the upkeep of navies and armies are expensive undertakings. On the other hand, without attempting to analyze the reasons, most of us feel that they are necessary and that they must be efficiently maintained.

There is, I believe, no greater incentive for war than great inequality in the armed strength of those nations which are daily in competition along the trade routes of the world. It was with this in mind that the Washington Conference was undertaken. It was conceded that armament was necessary. The question was to secure an agreement among the naval powers as to the amount and allocation.

We are engaged here in a building program looking to the establishment of a fleet such as was allowed us by virtue of the Washington and London Treaties. We desire no more, and we should be satisfied with no less.

In order that we may get a clear view of our present proposal, I should like to review briefly the naval situation at the time of the Washington Conference. At the time of the Conference we had built, or building, 520 ships of 2,062,528 tons, the greatest Navy every known. Great Britain had 422 ships of 1,813,802 tons; Japan, 166 ships of 853,111 tons; France, 121 ships of 449,240 tons; and Italy, 136 ships of 321,360 tons. I cite these five because they are the great naval powers.

That there may be no doubt as to the sincere desire of this country to promote to the utmost a plan looking to the limitation of all naval armament, let us look at the plan submitted to that Conference by our Government. The American plan rested upon the application of these four general principles:

First. That all capital-shipbuilding programs, either actual or projected, should be abandoned.

Second. That further reduction should be made through the scrapping of certain of the older ships.

Third. That, in general, regard should be had to the existing naval strength of the powers concerned.

Fourth. That the capital-ship tonnage should be used as the measurement of strength for navies and a proportionate allowance of auxiliary combatant craft prescribed.

Applying these principles: The United States was then completing its program of 1916 calling for 10 new battleships and 6 battle cruisers. One battleship had been completed. The others were in various stages of construction; in some cases from 60 to over 80 percent of the construction had been done. On the capital ships then being built, over $330,000,000 had been spent. The United States proposed, provided the other naval powers agreed to make comparable sacrifices, to—

First. Scrap all capital ships then under construction. This included 6 battle cruisers and 7 battleships on the ways and in the course of building, and 2 battleships launched. The total number of new capital ships thus to be scrapped was 15. The total tonnage of these ships completed would have been 618,000 tons. Now we have 15 of 455,400 tons.

Second. Scrap all older battleships up to, but not including, the *Delaware* and *North Dakota*. The number to be scrapped being 15, with a total tonnage of 227,740 tons.

Thus the total number of capital ships proposed by us to be scrapped amounted to 30, with an aggregate tonnage—including that of ships in construction, if completed—of 845,740 tons.

These proposed reductions, as I have stated above, were predicated upon like reductions, or rather reductions in proportion by the other powers.

It cannot be denied that this program is conclusive evidence that this country intended to limit armament and to limit it at once.

With comparatively few changes the plan became part of the treaty subsequently adhered to by the naval powers. It was provided, on account of the inability of the Japanese Government to agree to the scrapping of the *Mutsu*, for reasons which need not be gone into here, that the two ships of the *West Virginia* class then under construction, might be completed by the United States and upon their completion the *North Dakota* and the *Delaware* were to be scrapped. Great Britain was permitted to build two new ships upon condition that four of the older ships which otherwise were to have been retained, would be scrapped upon their completion.

Not only did the Washington Conference provide for the scrapping of a tremendous amount of tonnage by the great naval powers, but it went further and provided for definite limitation as to the navies to be maintained in the future.

The proposal of the United States was that the United States, England, and Japan scrap 66 capital fighting ships built and building with a total tonnage of 1,878,043 tons. The only major changes made in arriving at the final agreement were those involving the *Mutsu* referred to above.

This reduction in armament is particularly impressive when we remember that these same powers also agreed that there were to be retained 50 capital ships, aggregating 1,382,420 tons, less by approximately 500,000 tons than that disposed of. Of course, some of the ships scrapped were still building and in our estimate of tonnage we have regarded them as completed ships.

Great Britain retained 22 capital ships, the United States 18 and Japan 10. France retained 10 of 221,770 tons and Italy 10 of 182,800 tons.

There were certain provisions dealing with fortifications in the Pacific and other matters concerning warfare which I shall not attempt to discuss here.

It was agreed that the first replacement tonnage should not be laid down until 10 years from the date of the agreement, but that, subject to the 10-year limitation, capital ships might be replaced when they were 20 years old.

It was also provided that no capital ships should be built in replacement with a tonnage of more than 35,000 tons. The maximum limits of capital tonnage are as follows:

United States	525,000
Great Britain	525,000
Japan	315,000
France	175,000
Italy	175,000

It should be remembered that these figures represent only capital tonnage. The original American plan provided that the auxiliary combatant craft allowed each power should be in proportion to this tonnage. Upon this basis the tonnage of cruisers, flotilla leaders, and destroyers proposed for the three large naval powers was:

United States	450,000
Great Britain	450,000
Japan	270,000

The total tonnage of submarines proposed was:

United States	90,000
Great Britain	90,000
Japan	54,000

It is interesting to note here that the British delegation proposed the absolute abolition of all submarines. This pro-

posal was rejected for a plan proposing the limitation of the use of this vessel. The proposal in reference to auxiliaries would have left France and Italy each with 150,000 tons of cruisers, flotilla leaders, and destroyers and a maximum for submarines of 30,000 tons each. France, in accepting the allowance for capital ships, had made a distinct reservation in reference to the other categories. She maintained that her necessities required that she be allowed 330,000 tons for cruisers, and so forth, and 90,000 tons for submarines.

Such being the case, no agreement was possible insofar as auxiliary craft and submarines were concerned.

An agreement was reached in reference to aircraft carriers, which were at that time decidedly experimental. The following limits were agreed upon:

	Tons
United States	135,000
Great Britain	135,000
France	60,000
Italy	60,000
Japan	81,000

On account of the experimental nature of these vessels, provision was made for replacement without regard to age. The maximum tonnage of each carrier was set at 27,000 tons, with the exception that the signatories might build not more than two carriers, each of a tonnage not to exceed 33,000 tons.

In order to effect economy any of the powers were allowed to use for the construction of carriers any two of their ships either built or building, which otherwise would be scrapped under the treaty. This provision permitted the United States to construct the *Saratoga* and *Lexington*. The carrier was defined as a vessel in excess of 10,000 tons designed for the specific and exclusive purpose of carrying aircraft, and so constructed that airplanes might be launched therefrom and land thereon. The following provision is made as to guns. If it carried guns exceeding 6 inches the total number of guns should not exceed 10. It could not carry a gun in excess of 8 inches. There is no limit on 5-inch and antiaircraft guns. In case of the 33,000 tonners, it was provided that in case any of its guns exceeded 6 inches, excepting antiaircraft and guns not over 5 inches, not more than 8 could be carried.

Thus, we see that the Washington Conference brought about definite limitations as to capital ships and aircraft carriers and provided for disarmament on a scale heretofore unknown.

We now come to the London Conference of 1930. This conference was called as a result of conversations arising out of the Paris Peace Pact of 1928 between the United States and Great Britain. These conversations were made known as they proceeded to the other nations which had taken part in the Washington Conference.

The conference was called for the avowed purpose of continuing the work started by the Washington Conference and of agreeing to a parity of fleets category by category. This was necessary. While the Washington Conference had stopped competition in battleships it had merely transferred the competition to these other categories that were unlimited. Unless this could be effectively dealt with we were to be faced with another great race in naval armament at a time when the economic collapse was becoming world-wide. This condition, I think, materially assisted the Nation in arriving at a definite conclusion.

The London Conference resulted in the definite limitation of tonnage of cruisers, submarines, and destroyers. I shall discuss this agreement more particularly as it applies to the United States, Great Britain, and Japan.

It was agreed that the provision of the Washington treaty dealing with capital ships was to be continued until December 31, 1936. No capital ships were to be laid down for replacement purposes during this period. In addition, provision was made for the scrapping of 3 capital ships by the United States, 5 by Great Britain, and 1 by Japan. Thus we see a determined effort on the part of all the agreeing powers to continue the limitation in reference to the largest naval vessels.

There was a change in the definition of aircraft carriers. It was provided that the expression "aircraft carrier" was to include any surface vessel of war, whatever its displacement, designed for the specific and exclusive purpose of carrying aircraft and so constructed that aircraft could be launched therefrom and landed thereon. It was provided further that no capital ship in existence on April 1, 1930, should be fitted with a landing-on platform or deck.

But probably more important than anything else was the limitations arrived at in reference to cruisers, destroyers, and submarines. It will be remembered that these are the catagories upon which agreement was impossible at the Washington Conference. The cruiser category was divided into two subcategories, (a) and (b), as follows:

(a) Cruisers carrying a gun above 6.1-inch caliber.

(b) Cruisers carrying a gun not above 6.1-inch caliber.

Destroyers were limited to not over 5.1 guns and a tonnage not to exceed 1,850, with the further provision, however, that not more than 16 percent of the allowed total tonnage should be employed in vessels of over 1,500 tons.

Submarines were restricted to 2,000 tons with not above 5.1 guns. With the exception that each of the contracting powers were allowed to retain, build, or acquire a maximum of three submarines of not above 2,800 tons with guns not above 6.1-inch caliber, and within this number France was allowed to retain one unit, already launched, of 2,880 tons mounting 8-inch guns.

The treaty provided, as to cruisers, that on December 31, 1936, the tonnage should not exceed—

United States, 323,500 tons; (a) 180,000 tons; (b) 143,500 tons.

Great Britain, 339,000 tons; (a) 146,800 tons; (b) 192,200 tons.

Japan, 208,950 tons; (a) 108,400 tons; (b) 100,450 tons.

DESTROYERS

United States, 150,000 tons; Great Britain, 150,000 tons; Japan, 105,500 tons.

SUBMARINES

United States, 52,700 tons; Great Britain, 52,700 tons; Japan, 52,700 tons.

It was provided that the maximum number of subcategory (a), or 8-inch cruisers, should be:

United States, 18; British Commonwealth of Nations, 15; Japan, 12.

I have trespassed on your time with this rather detailed statement of the results of our two naval conferences in order to show you that this bill which we are considering today in no sense marks the beginning of a naval race; it in no sense marks a departure from our preconceived plan of limiting naval armament. It merely enables us to bring our naval force to the strength allowed us by treaty. This should be done. No nation should be allowed to become greatly superior to the others on account of the failure of the others to maintain their forces at treaty strength. I hold no brief for heavy armament. I believe that the race in arming ends in war, but I am convinced that the same end is accomplished when there is great disparity of armament. It is the duty of this Government, as it is the duty of the other contracting parties, to either maintain their forces as provided in the treaty or to ask that the terms of the treaty be revamped.

Now, leaving aside the situation existing in the other nations—I have no quarrel with them if they insist upon building ships within the limits provided in the treaty—what is the situation facing us?

First. We need not consider capital ships, because building in this category is definitely ended until December 31, 1936, at least.

Second. Of aircraft carriers we are allowed 135,000 tons; we now have under-age 2 carriers of 66,000 tons; 3, aggregating 53,800 tons, are building and appropriated for. This leaves us 15,200 of unused tonnage. We are asking that one additional carrier be built in order that we may have our total treaty tonnage.

Third. What about our destroyers? We have at present 251, totaling 267,470 tons. This would seem to be more than allowed. But 248 of them, totaling 263,900 tons, are over-age. This leaves us with three under-age destroyers, and these will be over-age as this program gets under way. We have building and appropriated for 32, totaling 50,800 tons. We are asking that 65 be built, aggregating 99,200 tons. These will bring us up to treaty strength in this category.

Fourth. We are allowed 52,700 tons of submarines. We now have 82, totaling 67,790 tons, but 37 aggregating 21,260 tons, are over-age. There are building and appropriated for 6, of 7,460 tons. The treaty allows us to lay down before December 31, 1936, 30 more, totaling 35,530 tons, in order to bring this category to treaty limit. We are asking that this be done.

It must be remembered that this building program is to extend over a period of 5 years, at a cost of approximately $90,000,000 per year. This, I know, is a tremendous sum of money. Yet we must bear in mind that we are dealing here with the first line of defense of the Nation, if you will pardon an overworked expression. The total amounts to, roughly, 70 cents per person in the United States. Surely that cannot be regarded as excessive.

Mr. FOULKES. Mr. Speaker, I rise to oppose this bill. In my judgment there are but few Members of this House who have familiarized themselves enough with its terms to cast an intelligent vote in its support. It is extremely difficult for the Members to follow the debate into terms of battleships, cruisers, and other war paraphernalia, but not so difficult to follow it in terms of sums of money appropriated.

A recent naval appropriation bill amounting to $293,000,000 passed this House. Many of the Members who voted for that bill were laboring under the impression that no further appropriations would be asked. That one sum alone is more than double what our Navy has cost us, in peace or war, in any one year before 1917.

We are now told that the Public Works Administration has added $276,000,000 and we are now beseeched to give an additional $470,000,000, making a total of $1,039,000,000 to be appropriated and allotted for Navy purposes. In my humble judgment such terrific sums of money for destructive purposes is a crime and a serious reflection upon the honesty and intelligence of the American people. We are spending each year more money on our Navy than any nation has spent in peace time in all history. In the past 3 years we have spent $60,000,000 more on our Navy than the combined navies of France, Italy, and Japan, and twice the sum that Great Britain has spent on her navy. The proponents of this bill lay special emphasis on the facts that these immense appropriations are necessary for preparedness. I am curious to learn what national power we should be prepared against. Certainly, the most zealous jingoist would not have the temerity to intimate that Great Britain was a danger to us. Then if this be true it must be against Japan, for she is the only other nation possessing a navy in any degree comparable to ours.

Let us analyze this situation for a moment and search for the TRUTH. Japan's entire appropriation for navy purposes during the 3 years last passed amounted only to $381,000,000. During this same period we have appropriated more than $4,000,000,000 for our own. Certainly, there can be no immediate danger from that quarter. A consolidation of forces with France, Italy, and Japan against our own is unthinkable, and even if such a calamity should occur we still have the preponderance of power. Can the supporters of this bill give any reasonable excuse why the stupendous outlays on the American Navy has brought about the meager results and unpreparedness which they now claim while other nations have supposedly built alleged efficient navies at such an amazingly less cost? We are given to understand that our administration has been attempting to set an example of disarmament to the rest of the world, and now we are asked to appropriate more money for destructive purposes than the other three great naval powers on earth.

If we are still inadequately prepared, as the Navy crowd state, then what has become of these $4,000,000,000 wrung from the taxpayers of this country, and what assurance have we that the billion and a quarter now demanded will produce more beneficial results. If we are still unprepared, it certainly cannot be for lack of liberal appropriations; and does any Member imagine that even the staggering sums now demanded will satisfy the Navy clique. A year or two hence they will again be knocking at the Treasury door with the same old excuse and war bugaboo, which I am quite convinced they themselves do not believe.

Mr. Speaker, I have sat through the debate on this bill patiently waiting to hear some voice raised in behalf of peace. I had hoped that somewhere in this distinguished body of gentlemen a voice from out of the wilderness could be heard translating these tremendous sums of money into terms of useful things. Do you know that ignorance is rampant in our land; that young men and women are unable to secure the educational advantages that would fit them for good citizenship. This one appropriation alone would endow 2,078 colleges with $500,000 each to carry on this most-desired and benevolent work? Did you know that the more than $4,000,000,000 appropriated for destruction of human life within the past few years would redeem every farm mortgage within the United States, thereby leaving the sorely distressed agriculturist the master of his own home and securing the destiny of his children? Did you know that this one appropriation alone now being demanded would build an 18-foot concrete road at the cost of $20,000 a mile for a distance of 52,000 miles, equal to 16 paid highways across the American Continent from New York City to San Francisco, and that literally hundreds of hospitals, now so badly needed, could be endowed for a mere fraction of this amount.

Since the Washington Conference, so blatantly heralded as a peace movement, more than nine thousand millions of dollars have been spent on our Army and Navy, and still they tell us we are not prepared for war. Let me ask again, War against what power?

It is not by accident that the trust press of the country at this particular time are exploiting many articles referring to our course as a "policy of disarmament by example", which they appear to fear may be a menace to world peace. I notice that these bought and paid-for newspapers are all pursuing the same objective now, and it will be interesting to note their lack of interest in our national-defense policy once this bill passes this body.

Mr. Speaker, if we should drain the National Treasury of every dollar and exhaust the entire credit of the American people in Army and Navy expenditures, it still would not satisfy these junkers who, like the privileged Bourbons of France, forgot nothing and learned nothing new. All history teaches the lesson in flaming words that huge military establishments lead to national ruin and that the paths of military glory lead but to the grave. Can we not profit by the past mistakes of other nations built upon the shifting sands of militarism?

Where are now our German friends with their pompous salutes and their ridiculous goose step? Their people are ruined and the most high is in exile and disgrace.

Mr. Speaker, this is a Christian Nation. The vast majority of our people believe in the divine tenets of their faith. While I have been somewhat neglectful of my Christian duties, I nevertheless have a deep and abiding respect for the millions of good men and women who make up these Christian congregations and without whose support the war junkers would have this Nation in the clutches of the military caste which would soon plunge us into the inevitable destiny of all such nations.

Mr. Speaker, in the special session of this Congress our Members saw fit to support the economy bill. While I was not one who voted for the bill, due to my absence on Agriculture Committee business, it is not for me to question their motives or integrity in so doing. It is quite probable that I should have done likewise, as I have supported our President in his program. Today the harmful results of

this legislation are apparent in every section of our country. The thought occurs to me that instead of appropriating more money for the destruction of life and happiness and for the purpose of still promoting war, if it would not be more in keeping with the Christian doctrines of He who said, "Forgive them; they know not what they do." Why not divert a substantial part of these war appropriations to heal the wounds of those who suffered by the last GREAT MISTAKE? I do not wish to indulge in personalities nor engage in unfair criticism of any Government department. You gentlemen who have had occasion to contact either the War or Navy arms of our Government have doubtless formed opinions similar to my own regarding these great expenditures. There can be no doubt but that strongly organized propaganda is deliberately carried on for the purpose of frightening the citizens into demanding these large appropriations on the pretense that we are surrounded by enemies, whose principal object in life is to destroy us. Much of this propaganda is deliberate falsehood. It is unpatriotic and a mere bugaboo for the exploitation of our people. Mr. Speaker, I am opposed to the bill for the reasons given. It is a deliberate waste of money that should be directed into other channels where it is so badly needed in behalf of a distressed people.

Mr. SNYDER. Mr. Speaker and Members of the House, right now when we are passing judgment on the advisability of a greater Navy I believe that a brief résumé of the history of naval aviation since its inception in the Navy is conducive to the understanding of how naval aviation has grown from an arm of doubtful value—to all but a few enthusiastic and far-seeing supporters—into its position of today as an integral part of the fleet.

The first naval officers were detailed for flight instruction in the early part of 1911, after a 3-year investigation of this new art by the Navy Department. One naval officer had been given flight training the previous year following a demonstration by Eugene Ely that an airplane could be flown from a platform on a vessel. This was accomplished on November 4, 1910, aboard the U.S.S. *Birmingham* at Hampton Roads, Va. On January 18, 1911, Mr. Ely made a successful landing on a platform built aboard the U.S.S. *Pennsylvania* and the following day he flew his plane off the platform on which he had landed. This was the forerunner of the aircraft carrier.

The naval aviation unit operated at Annapolis, Md., from the summer of 1911 until the winter of 1913, at which time the detachment went to Guantanamo, Cuba, and operated with the fleet during its target practices and maneuvers. Here it was learned how much better the officers in the airplanes could spot the fall of shot and how valuable the airplane was for scouting purposes.

In 1914 a naval air station was established on the old navy yard site at Pensacola, Fla., and regular classes of officers were assigned for flight training twice a year. It was during this year that naval aviation was first employed in a national emergency at Vera Cruz, Mexico.

During the following 3 years there occurred a temporary set-back due to the U.S.S. *North Carolina*, the aviation ship at Pensacola, being sent to Europe with its complement of aviation officers and men.

The World War gave aviation a tremendous impetus, including naval aviation. After the war there was the natural diminishing of activities and naval aviation progressed more slowly but steadily until 1926, when Congress authorized the 5-year aircraft-building program, upon the completion of which the naval aviation organization had reached a force of 1,000 useful planes as a limiting number.

It is perfectly evident to a person who thinks that the Navy must have aviation. It must have it to use against enemy ships and against enemy aircraft to get information concerning the enemy fleet, so that this information may be used by the commander in chief, who is manipulating his fleet of various types of ships to his best advantage.

The Navy would first use airplanes for the purpose of obtaining information—that is, scouting. Scouting is the search for the location of the enemy fleet; it is carried out by submarines, destroyers, cruisers, and aircraft. Aircraft are particularly valuable on account of their superior speed, which allows them to search areas in advance of their fleet during daylight hours, which areas the fleet will be passing through during the coming night.

If the enemy be sighted, the aviator must be able to form an estimate of the situation. He must be able to determine the types of ships, their formation, their course, their speed, and their probable intentions. This information he must be able to signal back to his commander in chief in secret codes and he must continue to follow up this information in order to further develop the situation. He may even have to fight his way through hostile aircraft in order to determine the exact intention of the enemy or to report any change in disposition of the enemy fleet. Only an aviator who has spent his entire service life in the Navy and practiced such work in peace times can have the thorough knowledge necessary to do it efficiently.

Upon receipt of this information the commander in chief makes the disposition of his own fleet to meet the enemy under conditions most advantageous to himself. He places his submarines, cruisers, battleships, and aircraft in the position desired and proceeds into action. He may decide to use his aircraft carrier force, including bombing, torpedo, and fighting planes, in order to destroy the enemy carriers before coming within gun range. The pilots of these planes must be able to recognize the enemy ships as to size and type, and they must be so indoctrinated that even though they have to pass directly over choice targets of other type ships to get to their assigned objective they do so because they realize that a carefully formulated plan might go astray if they fail to do their designated task. When they reach the enemy carriers they must bring into play the skill evolved from long months or years of practice in the art of dropping a bomb from a fast-moving airplane down through varying winds to hit a moving target.

As the two fleets close to within gun range, the observation planes are launched from the catapults, with which all cruisers and battleships are equipped. They take their proper positions and gaze down on the enemy fleet as though it were a set of toys moving around below them. The large guns of today are capable of carrying a projectile to a target which is invisible to the firing ship, due to the earth's curvature. To the observer in the airplane, however, the enemy ship is clearly visible from his elevated position, and he radios the bearing to his ship. When firing commences, the air observer tells his ship by radio whether the shell splashes, are over, or short, right or left, and coaches the gunners onto the target. This, of course, sounds quite simple in the individual case, but think what it must be when not one but a dozen ships are firing at a closely grouped column of enemy ships—when splashes are visible everywhere—then is the time that his previous training in this type of work begins to bear fruit. Due to his knowledge of the art of naval warfare and to his constant practice for this very event, he is able to keep track of his own ship's splashes and radio back the required information for attaining the greatest number of hits per gun per minute.

From the time that contact with the enemy is reported by the scouting planes until the end of the engagement, the fighting planes will be constantly engaged with the enemy in warding off their attacks and denying them information, protecting our own torpedo, bombing, and observation planes; or, in other words, maintaining control of the air. The pilots of these fighting planes must also be governed by the same school of thought and action, and must have the same sea understanding as the pilots of the other types of planes and those officers who are engaged in operating the vessels on and under the surface of the sea, all under the direct orders of the commander in chief.

The patrol plane, our one remaining type, operates from a land base but may shift this land base to various points, assisted by tenders, or mother ships. The patrol-type plane is a huge seaplane used for scouting purposes over large areas of the sea not in the immediate vicinity of the

fleet. These planes carry large quantities of fuel and are well equipped with radio, so that they may remain in the air for long periods of time and by radio advise the commander in chief of the presence or absence of the enemy within certain limits. Flying as they do, hundreds of miles at sea, the pilots must necessarily be well versed in the art of navigation; they must be familiar with all types of surface ships and must be acquainted with naval radio codes and procedure as well as with recognition signals. In addition to patrol work, these planes are capable of carrying heavy loads of bombs for long distances.

It becomes quite apparent then that naval aviation's functions parallel those of all other combatant naval craft: It scouts as does the cruiser, but has a greater area of visibility; it spots the fall of shot as does the shipboard spotter, but from a more advantageous position; it launches torpedoes as does a destroyer, but with a swifter attack; it drops bombs as the gun of the battleship hurtles an explosive projectile on an enemy.

The Navy is the front line of defense, and naval aviation is the advance guard of this first line. As long as the fleet is maintained and as long as naval aviation is properly maintained as a part of the balanced fleet we need have no fears for our safety.

The aviation organization of the United States Navy is manned entirely by officers and enlisted men drawn from the commissioned and enlisted personnel of the Regular Navy. An efficient naval aviator must have a thorough knowledge of the Navy, its doctrine, its traditions, and customs. The ability to fly, no matter how excellent that ability may be, is in itself insufficient. A naval aviator thoroughly indoctrinated is thus able to fully discharge his duties even in the absence of explicit directions.

Naval aviation is known as "the eyes of the fleet" and is to the fleet as integral a part as are the eyes to a body.

Mr. REILLY. Mr. Speaker, the pending bill amounts to nothing more than a declaration of a naval policy on the part of the United States Government, a policy that our country has been without for some time.

If the naval program provided for in this bill is carried out over a 5-year period, the output of naval craft resulting therefrom will be simply for replacing naval units already in existence. In other words, this bill provides for the carrying out of a naval replacement program which will keep our Navy to treaty limits by replacing over-aged naval units.

The active age of battleships and other fighting craft are fixed by naval treaties. Battleships and cruisers are supposed to be scrapped after 20 years, destroyers after 16 years, and submarines after 15 years. Navies at the present time are estimated by tonnage and not by the number of naval craft. On December 31, 1933, our Navy had 372 ships, aggregating 1,038,660 tons, but of this number, 288 ships, representing 330,110 tons, were over-aged, leaving the United States Navy on December 31, 1933, with 84 ships under-age, with a tonnage of 708,550. These over-aged naval craft are out of date and are of no great value to a navy, except from the numerical standpoint in times of peace, so the United States on December 31, 1933, had a Navy of 84 up-to-date, and effective sea-going craft.

When the World War closed, the United States had the greatest Navy afloat, either built or building. At the Washington Conference in 1922 our Government, speaking through Secretary of State Hughes, offered to scrap 11 of the greatest fighting battleships ever constructed, and 20 other battleships, as an example to the world of our desire to bring about world naval disarmament. These 31 battleships, that our country unselfishly offered to scrap and did scrap, represented over 800,000 tons of warcraft that had cost about $300,000,000 to build, brought our Navy down to a tonnage basis of about 1,186,000 tons. We not only scrapped these ships in order to set a fine example for international naval reduction, but we also spent about $20,000,000 in cutting them up into scrap iron so they could be disposed of in the trade.

Our unselfish act was enthusiastically applauded by the representatives of the great nations of the world who were assembled in that famous Washington Conference in 1922. But applause was all that followed from our actions in scrapping naval units that gave our country mastery of the seas. All the other large countries except Germany, which was prohibited under the Treaty of Paris from engaging in naval building at all, started out on a naval building program the likes of which they had never followed before. The Washington Conference resulted in two accomplishments: First, the scrapping of 800,000 tons of our Navy; and, secondly, a treaty between United States, Great Britain, and Japan to limit these countries to the number of battleships, called "capital ships", they had at that time. It was not possible to get any agreement at that conference limiting the building of other warcraft.

From 1922 to 1926 the United States had no naval building program. It simply beat time, so to speak, waiting for the rest of the world to follow its example in cutting down their navies.

In 1926 our country ordered the construction of 16 battle cruisers as a kind of a start of a navy program.

In 1927 the Second International Navy Disarmament Conference assembled at Geneva. At this conference the representatives of the United States pleaded in vain for a further limitation upon naval building programs, but our pleas fell upon deaf ears, largely because of the fact that since the Washington Conference our country had done practically nothing in the way of keeping up any kind of a naval construction program except the start made in 1926 in the authorization of 16 new battle cruisers which had yet to be built.

In 1930 another naval conference was called at London, in an endeavor to reduce the naval building program of the world—and by the world is meant outside the United States, which had no naval building program. This conference made some progress toward naval limitations by the signing of the treaty which limited the maximum size of the navies of United States, Great Britain, and Japan as follows: United States, 1,186,200 tons; Great Britain, 1,201,700 tons; and Japan, 706,050 tons. This treaty largely affected navy crafts below battleships. Under the Washington treaty battleships had been limited as follows: United States, 15; Great Britain, 15; and Japan, 9. This limitation of battleships represents the famous ratio of 5–5–3. However, Japan was given the right to have as many submarines as either United States or Great Britain.

The London Treaty expires in 1936, and under its terms the three signing powers—United States, Great Britain, and Japan—agreed to scrap all units of their navies that would give them tonnage in excess of the treaty limits referred to.

All these navy conferences have been attended by representatives of the United States, France, Italy, Great Britain, and Japan; but for some reason or other, while France and Italy were willing to talk world naval problems, they never signed any treaties pertaining to reduction of naval building.

Now, here we are, almost 4 years after the London Conference—what is the situation? In addition to ships now built and for which appropriations to build have been made up to December 31, 1936, the United States would have to construct 102 ships, as provided for in this bill, before 1936, in order to reach the London treaty limits, Great Britain 61 ships, and Japan no ships. Japan has already built up to the treaty limit.

Our country has today 54 ships being built or authorized, which means that we are now 156 below the London maximum treaty limit permissible for our Navy, considered from the standpoint of a navy ready for action.

Since the Washington Conference in 1922, or practically since the close of the World War, our country has only constructed 20 naval vessels, and it is a safe statement to make that England, Japan, France, and Italy have constructed five times that many naval vessels, with the result that today our Navy ranks only fifth as compared to other navies of the world. From the position of the first naval power in the world, we have fallen to fifth place, while the other large nations of the earth have speeded up their naval building program.

Mr. Speaker, our country has learned that our efforts to bring the world to a rational and sensible navy-building program has been a failure.

As I have said, this bill will not add a single vessel to our Navy. The naval construction herein provided for will go for replacement. If the full terms of this bill are carried out, it will take 4 or 5 years to complete the program, at least, and about $90,000,000 a year above our ordinary annual naval appropriations. When the program is completed, we will have about the same tonnage as today, but still below our treaty limit—with fewer vessels, because the size and tonnage of smaller units of navy warfare are being increased.

It would appear that the day of the big battleship, of about 40,000 tons and costing about $40,000,000 for each battleship, is over and that the world navies of the future will be made up largely of swift cruisers, submarines, submarine destroyers, and aircraft carriers.

It has been stated on the floor of this House that the United States Government has spent $4,000,000,000 on its Navy since 1922, more money than England and Japan have spent on their navies. This statement may be true, and probably is true, but we must remember that it costs a lot more money to build and operate our Navy than the navies of England and Japan because of the cost of material and higher wages in our country. The personnel of our battleships costs more than that of England or Japan because of the higher standard of living in our country.

Our representatives attended three naval conferences since the World War, and at each conference they were like lost sheep because they represented a country that had no definite naval building program. They represented a country that had made a tremendous sacrifice to lead the world on the pathway toward the goal of naval disarmament, but the world had not seen fit to follow its leadership.

If this bill passes and becomes a law, at the next naval conference our representatives will have a definite naval program as their guide, and for the first time our views will be potent and powerful in such a conference. Our representatives can then say to the representatives of the other great powers that the United States is opposed to the building of larger navies; but if the other nations of the world are set upon a mad naval building program, the United States will reluctantly comply with such a plan; but, on the other hand, we shall be willing to scrap more of our Navy if necessary, and to cut down our building program, if the rest of the world is willing and ready to follow us.

By passing the pending measure this House does not irrevocably commit itself to a navy-armament race. The President of the United States may not see fit to call upon Congress to make appropriations to fulfill the requirements of the Navy building program provided by this bill; and then, again, Congress still holds the purse strings. Contracts to build battleships or any other naval units are not made until Congress makes the appropriation.

The Navy building program provided for in this bill, looking into the future 5 or 6 years, can be changed at the next session of Congress or any succeeding sessions and also can be slowed down or speeded up by the President of the United States, as in the views of Congress and the President such changes may best serve our country's stand on naval armaments.

Since the announcement to the world that the United States would provide funds to build its Navy up to treaty limits, there has been a most favorable reaction in line with our views for the establishment of a lower maximum naval tonnage to which nations may build.

Mr. Speaker, there is another reason why I am for this bill. We are spending today hundreds of millions of dollars to put men to work. Much of this money is being spent on work that will have no lasting benefit to our country. It would seem that if ever there was a time when money could be spent on battleships and naval armaments—which may prove useless and unnecessary—this is the hour. Money spent in building up our Navy will give employment to millions, directly and indirectly, just the same as any other expenditure in building public structures and roads, and my judgment is that we will not only be able to put men to work, but we will also put our country in a position where the voice of the United States will have more power in arguing the cause of naval disarmament in world conferences.

Mr. Speaker, I am not for war; neither am I a pacifist. I think the proper course for our country to pursue is to do everything possible within its power to bring about a reduction in the armies and the navies of the world, but at the same time not to forget that the best peacemaker, as far as world peace is concerned, is the country that is prepared to protect its territory and its citizens on land and sea.

CONGRATULATIONS TO THE PRESIDENT OF THE UNITED STATES

Mr. WILSON. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk and ask to have read.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

House Resolution 246

Resolved, That the House of Representatives extends its congratulations to the President of the United States, Franklin D. Roosevelt, upon his fifty-second birthday, with assurance of appreciation for his aggressive action and service to our country, and joins the Nation in best wishes for continued health, happiness, and accomplishments.

[Applause.]

The resolution was agreed to.

GENERAL LEAVE TO PRINT

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days in which to extend their own remarks upon the Navy bill just passed.

The SPEAKER. Is there objection?

There was no objection.

LABOR RECORD OF CONGRESSMAN GEORGE HUDDLESTON

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, labor has many friends in Congress, but it is certain that few, if any, have a record equal to that of Congressman HUDDLESTON. During all his long service he has been the loyal and consistent friend of the men who work for wages. Through thick and thin, no matter how unpopular his position might have been, he has stood like a rock in defense of labor and of labor's right to organize and to follow policies for its own protection.

Mr. HUDDLESTON's services for labor have been innumerable. It would be impossible to recount them all so as to do him justice. Many of the issues on which he stood with labor are no longer acute. In glancing through the RECORD, however, it is not hard to find many instances in which he stood as labor's unfaltering friend. He has been no mere voting friend, nor has he merely followed leadership. On many occasions he has taken positions on labor's behalf without having been asked to do so.

CHALLENGED PRESIDENT HARDING

He has not merely been a voting friend, but many times, both in and out of Congress, has he challenged, with surpassing vigor and eloquence, those who had attacked the workingman. Perhaps the most notable instance of this kind was on August 18, 1922, when President Harding, having called Congress in special session, delivered a message upon the great coal and railroad strikes, which were then at their peak. Public opinion had been lashed into a fury against the strikers, and the President's address was scathing in criticizing them. As soon as he could get the floor thereafter, Mr. HUDDLESTON spoke to the House in answer to the President. He challenged Mr. Harding, both on his statements of fact and upon the principles announced. His speech, said by labor's friends to have been one of the strongest Mr. HUDDLESTON ever made, created a sensation, both in the House and over the country. Labor's representatives circulated many thousands of copies of the speech among the striking workers, who found it a great comfort in their sufferings. It was at this time that Mr. HUDDLESTON

was dubbed by the newspaper Labor as "the little giant of the South", a name which has clung to him.

LABOR MEASURES INTRODUCED BY MR. HUDDLESTON

December 13, 1917: A bill to increase the pay of Federal employees. The employees were then very poorly paid and were suffering greatly owing to the fact that the cost of living had risen rapidly, while their pay remained on a 1906 basis.

July 11 and 19, 1919: Bills to encourage the production of coal. Upon release of war control, the operators had boosted prices to an excessive basis, resulting in a consumers' strike, so that the miners were in great distress for lack of work. Mr. HUDDLESTON proposed to reduce coal prices to the war basis so that the mines could resume.

August 1, 1919: A bill to create a commission to prevent profiteering in the necessities of life. Owing to release of war control, the cost of living had been boosted to the skies, and there was great suffering. Mr. HUDDLESTON proposed that the profits on the necessaries of life should be limited.

August 15, 1919: Resolution to investigate overcapitalization and watered stock in railroads. The fight was then on, which led to the adoption of the labor sections of the Transportation Act, 1920. Mr. Plumb, representing railroad labor organizations, asked that this resolution be offered as a defensive stroke against the efforts of the railroads to reduce wages below a decent living basis. Mr. Plumb, speaking in Capitol Park, Birmingham, some years later, just before his death, praising Mr. HUDDLESTON's courage, said, "He would fight a rattlesnake and give the snake the first bite."

THE ALABAMA COAL STRIKE

April 29, 1921: To use War Department supplies for the relief of the destitute striking coal miners in Alabama. The strike had been lost—the union was disrupted—the operators refused to employ those who had been active strikers, so that thousands of good miners and their families were destitute. Mr. HUDDLESTON's purpose was to provide food and clothing for these suffering people. In addition to defending the striking coal miners in Congress, Mr. HUDDLESTON spoke to the strikers in Capitol Park, at Pratt City, and other places. Blood had been shed, and feeling was high and bitter. While he counseled observance of peace, law, and order, his speeches explained their cause to outsiders and encouraged the strikers to stand firm. He has never advised a strike, but has always advocated peace; yet when strikes came, he did not hesitate to show his colors, while others, who now pretend to be friends of labor, were hiding their heads.

February 13, 1926: A bill to require the labeling of prison-made goods and products of child labor. This bill required that all such goods offered for sale should be labeled conspicuously, so that the purchaser would know that he was using an article made by convicts or by children, as the case might be. His agitation on this subject laid the foundation for the Cooper prison-goods bill, subsequently offered, and which is now the law.

BILL TO REGULATE MOTOR CARRIERS

February 19, 1929: A bill to regulate the operation of motor carriers on public highways, again introduced December 16, 1929, and again January 8, 1932, and again March 23, 1933. This legislation has been long sought by railroad employees. Hearings by the committee are now being held, and probably a law on the subject will soon be passed.

FOR RELIEF OF THE UNEMPLOYED

December 2, 1930: A bill to appropriate funds for the relief of the destitute unemployed, again introduced December 8, 1931. On June 3, 1932, a bill to use Army supplies for the relief of the destitute unemployed. Mr. HUDDLESTON originated this type of legislation. Alone and single-handed he spoke and fought for it, while all others in Congress, as well as the public, were opposing it as a "dole." He foresaw that the depression would be long and devastating and advocated a system of Federal relief. He was called a "radical" and a "socialist" by other Members and in the press; but never daunted, he continued his efforts until his views were accepted and the present welfare work is the result. It is only fair to him to say that, skimpy though the relief may be, every beneficiary owes him a debt of gratitude. In his speech on December 4, 1930, he said in part:

> The argument against a proposal for direct relief is that it will undermine thrift and industry. Granted that it will, the consequences will not be half as serious as a failure to relieve wide-spread destitution. Direct relief will be less injurious to the morale of the people than for our Government to stand helpless and aloof in the presence of wholesale suffering.
>
> The argument will also be made that direct relief savors of the socialistic. I may grant that also, but I reply that it is no new departure. There are many precedents. Time and again our Government has granted direct relief in times of emergency. We have assumed to relieve destitution and suffering in times of fire, flood, and wide-spread calamity. I remember the controversy during Cleveland's administration for aid for the drought-stricken farmers of Texas. Numerous similar grants have been made. In 1919, just after the World War, $100,000,000 was voted for the relief of the starving populations of certain European countries. Again, in 1921, $20,000,000 was voted to feed the starving in Russia. If we may feed Europe's hungry millions, surely we need not ignore the pangs of our own.

Again, in his speech on February 11, 1931, he said:

> From the beginnings of organized society men have had regard for the sufferings of their fellow creatures. Governments back to the beginning have always had regard for the starving and miserable among their citizens. Never in all history can it be said, unless it may now be said of the American Government, that a government has been oblivious of such suffering.

Also:

> We are now confronted by the spectacle of men in authority, who supported grants from the Treasury to feed famishing Europeans, but who now refuse food to starving Americans.

PUBLIC WORKS FOR RELIEF

December 8, 1931: A bill to provide for a system of public works for the relief of the unemployed, reintroduced May 23, 1932. This bill was the precursor of the present P.W.A. and C.W.A. Advocated by Mr. HUDDLESTON at a time when it was unpopular, work under Federal direction is now being afforded to 4,000,000 of C.W.A. employees. Mr. HUDDLESTON originated this system. He advocated it when no others would do so. He is entitled to a large share of the gratitude of those who are now employed by the C.W.A. for his efforts for their relief.

Of course, it is not merely by bills offered that the value of a Congressman may be weighed. His true worth is frequently better shown by his position on measures offered by others. Putting this test to Mr. HUDDLESTON, we find him, at the outset of his career in 1916, supporting the Adamson 8-hour law, advocated by railroad employees, and under which they are working today. Agitation is now being raised for a 6-hour day; but at the time of the adoption of the Adamson law, it marked a long advance in the limitation of hours and was hailed by labor as a great victory.

CHILD LABOR AMENDMENT

We also find Mr. HUDDLESTON in 1924 supporting and fighting for the child labor amendment to the Constitution. When it was passed in the House, against the opposition of the great majority of southern Congressmen, he did not hesitate to differ from his associates from Alabama and other Southern States on this great humanitarian measure.

THE TRANSPORTATION ACT, 1920

The Esch-Cummins bill (Transportation Act, 1920): During the troubled period in which this bill was being considered, Mr. HUDDLESTON stood like a stone wall in opposition to the labor clauses, so much objected to by railroad employees. He spoke repeatedly in opposition and voted with labor upon every roll call. His speeches were a strong presentation of the cause of labor as it was affected by this bill.

THE PEOPLE'S LEGISLATIVE SERVICE

Seeing the need of some organization to combat the propaganda being carried on by the railroads against their employees, in 1920 the People's Legislative Service was organized by Warren S. Stone, grand chief of the engineers, W. T. Johnson, president of the machinists, Senator ("Old

Bob") La Follette, Basil Manly, and George Huddleston. It was financed by labor and functioned with great efficiency in their interest for some 10 years. Under its auspices, in 1923, was held the National Conference on Railroads in Chicago, one of the most unique meetings ever held.

THE RAILROAD-SHOP STRIKE

1922: During the big shop strike, Mr. HUDDLESTON spoke at every railroad center in Alabama—his audience at Decatur was estimated at 7,000; also spoke in Pennsylvania—explaining the justice of the workers' cause. This was a very unpopular strike with the business interests, and by his open stand for the strikers he made many lasting enemies.

THE HOWELL-BARKLEY BILL

Labor writhed under the unfair labor provisions of the Esch-Cummins Act, so that in 1926 a committee of the organizations drew up what is known as the Howell-Barkley bill. They placed it in the hands of Senator ("Old Bob") La Follette and Congressman HUDDLESTON, for introduction. The latter thought it better policy for the bill to be fathered by Mr. BARKLEY, as he was then ranking Democrat on the committee. Together, Mr. BARKLEY and Mr. HUDDLESTON and other friends of labor fought for the bill in committee and before the House. The effort to bring it to final action ended in failure after 21 aye-and-no votes had been taken. HUDDLESTON was with labor on every vote. His speech on the bill, Peace in the Railroad Labor World, is said to be one of the best of his speeches. It was listened to in the House with close attention and had great effect. Out of the bitter struggle over this bill came the compromise between the rail executives and the employees, known as the Railway Labor Act. Mr. HUDDLESTON took a leading part in securing the passage of this act in the form advocated by labor, and it is now the law.

RAILROAD CONSOLIDATION

If Mr. HUDDLESTON had done nothing else for railroad employees, his opposition to railroad consolidation would have won him their lasting gratitude. Beginning in 1927, pressure from railroad and banking interests arose in behalf of consolidation into a few great systems. The employees saw the danger, not only of the loss of their jobs, but of the vast power which would have been lodged in the hands of a few great executives. However, already Mr. HUDDLESTON had begun his opposition to these measures. In his Committee on Interstate and Foreign Commerce, on which he has served for 13 years and is now in a position of great influence as ranking Democrat, he threw all his weight against all consolidation proposals—he fought them in committee and on the floor of the House. When finally, through the large Republican majority, the Parker consolidation bill was voted out by the committee, he it was who wrote the minority report, so strong and convincing that the majority dared not attempt the passage of the bill. From the beginning of the agitation down to the present, he has been the most important factor in opposing it.

When President Hoover advocated the consolidation of all northern and eastern roads into four great systems, it was Mr. HUDDLESTON who challenged Mr. Hoover's position on the floor of the House and showed the dangers flowing from it.

CONSCRIPTION OF LABOR

A service to labor not widely known was Mr. HUDDLESTON'S fight on the proposal to conscript labor and property for war. In 1930 a resolution to investigate what should be done on this subject was considered in the House. He fought the labor clause to a finish. He spoke against it in the House, and from the floor offered and secured the adoption of an amendment which struck out the reference to labor and forbade any consideration of the conscription of labor. Those pressing this bill were chiefly interested in a means to force labor to work for industry during an emergency. Mr. HUDDLESTON called that "slavery." When he had succeeded in striking it from the bill, the committee made a perfunctory report, and there the matter was dropped.

THE RAILWAY COORDINATOR BILL

Lastly, in June 1933, when the railway coordinator bill was considered by the committee, it was found that under the provisions for consolidation of traffic wholesale reductions in employees would probably result. The railroad-labor organizations were greatly alarmed, and presented many amendments to meet this evil. Mr. HUDDLESTON cooperated heartily in securing the adoption of all these amendments, so that the bill as finally passed fully protected the labor interests.

Truly it may be said that labor has never had a better friend in Congress than GEORGE HUDDLESTON.

H.R. 7316

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing H.R. 7316, introduced by me.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following bill, introduced by me:

H.R. 7316

A bill to authorize the raising of funds by lottery for the purpose of providing additional means of defraying the cost of government, including expenditures authorized for veterans and their dependents, and for other purposes

Be it enacted, etc., That for the purpose of providing additional means of defraying the expenses of the Government, including expenditures now or hereafter authorized for veterans and their dependents, and for other purposes authorized by law, the Veterans' Administration, with the approval of the President, is hereby authorized to conduct a lottery or lotteries to raise funds not exceeding $1,000,000,000 in any one year, which shall be covered into the Treasury of the United States as a miscellaneous receipt.

SEC. 2. The Administrator of Veterans' Affairs, subject to the approval of the Secretary of the Treasury, is hereby authorized to prepare and issue rules and regulations under which said lottery or lotteries shall be conducted and managed; and the said Administrator shall have the power and authority to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this act: *Provided, however*, That no salary or compensation in excess of the sum of $8,000 per annum shall be paid to any person employed under the provisions of this section.

SEC. 3. The Postmaster General is hereby authorized, upon request of the Administrator of Veterans' Affairs, to make available to him the services and facilities of the Post Office Department and of the Postal Service to aid in administering the provisions of this act. The employees of the Post Office Department and of the Postal Service shall perform all services under this act without compensation.

SEC. 4. All funds received by the Veterans' Administration and all accounts, vouchers, and records in connection with such lottery or lotteries shall be subject to audit by the Comptroller General.

SEC. 5. If any person, partnership, association, or corporation shall forge or counterfeit any ticket or tickets to be made for the purposes of said lottery or lotteries under the provisions of this act or alter any of the numbers thereof or offer for sale or sell any forged or counterfeited ticket or tickets or any ticket or tickets whereof the number is altered, knowing them to be such, or bring the same to any of the persons engaged in administering this act with intent to defraud the United States of America or any adventurer in the said lottery or lotteries, every such person, partnership, association, or corporation shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 5 years, or both.

SEC. 6. Section 213 of the Criminal Code (U.S.C., title 18, sec. 336) is hereby amended by adding at the end thereof the following paragraph:

"Nothing in this section, or in any other act of Congress, shall be construed to prohibit the use of the mails in any manner for the purpose of carrying into effect any lottery or lotteries authorized by any act of Congress."

SEC. 7. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

SEC. 8. If any part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid as to any person, locality, or circumstance, such judgment shall not affect, impair, or invalidate the remainder of this act or the application of any part thereof to other persons, localities, or circumstances.

SEC. 9. The right to amend, alter, or repeal this act is hereby expressly reserved.

SEC. 10. All pensions, allowances, and other benefits accruing to veterans and their dependents, which existed prior to the 20th day of March 1933 shall be restored immediately upon the enactment of this act.

PHILIPPINE INDEPENDENCE

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to insert the letter sent to the President of the United

States by the former Philippine Resident Commissioner, Hon. Isauro Gabaldon, member of the Philippine delegation now in Washington, on January 18, 1934, discussing the Philippine independence question.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUEVARA. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following letter sent to the President of the United States by the former Philippine Resident Commissioner, Hon. Isauro Gabaldon, member of the Philippine delegation now in Washington, on January 18, 1934, discussing the Philippine independence question:

THE FAIRFAX HOTEL,
Washington, D.C., January 18, 1934.

The Honorable the PRESIDENT OF THE UNITED STATES,
The White House, Washington.

MR. PRESIDENT: As a member of the delegation appointed by the Philippine Legislature to deal with the Government of the United States on the question of Philippine independence, I deem it my duty to bring to your attention the grave injustice that would be inflicted upon the inhabitants of the Philippine Islands by a delay in the granting of the freedom for which they fought on fields of battle and have struggled incessantly in times of peace.

Three days ago, on the 15th instant to be exact, Philippine Resident Commissioner CAMILO OSIAS, one of the staunchest supporters of the Hawes-Cutting-Hare law, and who has, using his own words, "just returned from the Philippine Islands after several months spent in visiting various provinces, cities, and municipalities, meeting and conferring not only with our leaders but with the masses of the people", declared on the floor of the House of Representatives "that the Philippine people continue in their firm conviction that the early grant of Philippine independence is the proper solution of American-Filipino relations." He said further that "on this fundamental point the Filipinos are united."

It is important to note in connection with the foregoing statements that they were made by Commissioner OSIAS while pleading for an extension of the time set in the Hawes-Cutting-Hare law for its acceptance by a "concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question." I deem it of the highest importance also to call attention to the fact that the lower house of the Philippine Legislature had already passed a bill submitting the Hawes-Cutting-Hare law to the decision of the electorate of the Philippines, and the majority in the Philippine Senate had agreed in caucus to approve it, when those who caused the United States Congress to enact said law and now claim that the Filipino people had been deprived of the opportunity to vote on the question, signed an agreement to submit it to and abide by the decision of the Philippine Legislature.

I am entirely in accord with the statement of the chairman of our delegation that when the Philippine Legislature declined to accept the Hawes-Cutting-Hare law it did so in compliance with the wishes of the overwhelming majority of the people of the Philippine Islands.

TARIFF PROTECTION

I am not unmindful, Mr. President, of the economic set-backs that may follow the immediate granting of Philippine independence, but I cannot share the view that the continuation of the free trade between the United States and the Philippine Islands for a period of 10 years would render the transition from the condition of a dependent country into that of a free and independent nation immune to the inconveniences—political, social, economic, and otherwise—attending every human reform or departure from a long-established habit or order of things.

In stressing the necessity of a 10-year period of economic readjustment the eventual ruin of the Philippine sugar industry is brought forth as the outstanding illustration. This industry, it is contended, has been built and developed under the protecting wings of the Tariff Act of 1909, and it is further alleged that "This industry is entirely dependent at present for its continued existence upon the tariff protection of the United States." If this statement is correct, the inescapable conclusion is that an extension for 10 or 20 or 50 years of such protection under conditions barring its further expansion would not save the Philippine sugar industry from eventual ruin, thus necessitating the continuation of the present tariff protection for an indefinite period of time.

There is but one course known that can be pursued to place Philippine sugar on a competitive basis, and that is the lowering of the cost of production. This can only be achieved by reducing the prevailing wage scales and overhead in the operation of sugar centrals or by the use of better fertilizers and of sugarcane varieties yielding more sugar without increasing acreage. It is a well-known fact that present wages in the Philippine sugar industry have reached their lowest level, and it is generally conceded that sugar centrals "in the Philippines have already attained a high degree of efficiency" and that "if there would be any room for improvement in that direction it would have very little effect on the cost of production."

It is apparent, therefore, that the extension for any length of time of the privileges at present enjoyed by Philippine sugar in the American market will not enable this product to compete with similar commodity produced in other countries. On the contrary, the maintenance of the present tariff relationship between the United States and the Philippine Islands would hinder the expansion of American sugar industry and retard the reorganization of the Philippine sugar and other industries from a condition of tariff dependency to one of competitive soundness.

If the Philippines were a free and independent nation her industries could be revamped and developed on the basis of fair competition which is the only fundamentally sound economic policy. Reciprocal trade treaties with other countries could be resorted to as a means of offsetting differences in cost of production.

EFFECT OF IMMEDIATE INDEPENDENCE ON THE FINANCES OF THE GOVERNMENT

I submit that the Philippine Government does not have to depend on the income derived from the sugar industry to enable that Government to perform its duties and responsibilities toward the inhabitants of the islands and the world at large.

It is asserted that approximately 40 percent of the revenues of the Philippine Government is contributed by the sugar industry. Granting for the sake of argument that this is correct, I still maintain that this gap in the governmental finances can be spanned by the application of Philippine tariffs on all importations. Under present trade arrangements over 65 percent of the goods imported into the islands is admitted duty free. To this may be added the proceeds from a general reduction in salaries and allowances in the higher brackets of the present governmental structure, which are higher than the salaries and allowances assigned to officials of equivalent category in Great Britain and other European countries, in Japan, and in many of the South American countries. Again, there is ample room in the present governmental organization for further simplification.

In fact, during the last 15 years the revenues of the Philippine Government registered increases and decreases of approximately 20,000,000 pesos without affecting in the least the ability of the Government to meet its bonded indebtedness and to carry on the normal functions of a stable and well-regulated government.

You have, Mr. President, recently stressed the significance of a statement made by the late President Wilson that human liberty is paramount and that it should always receive higher and preferent consideration over trade and other material factors involved in the relationship of the peoples of the earth. In line with this lofty idealism, may I not submit that sugar, coconut oil, and cordage benefit but a negligible minority of the Philippine population? Shall the Filipinos be driven to face a situation similar to that confronting the United States at present, where 15 percent of the population control the wealth and the destinies of the remaining 85 percent?

THE WILL OF THE FILIPINO PEOPLE

I deem it contrary to the expressed will of the people of the Philippine Islands to make the granting of their independence contingent on any consideration other than that specified in the Jones Law, namely, the establishment of a stable government. That this condition had already been met is attested by the message sent by President Wilson to the United States Congress on December 16, 1920. He said: "Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of Congress in their behalf." The next logical and honorable step, therefore, that the people and the Government of the United States should take in connection with Philippine-American relations is the restoration of the Philippine Republic.

I am constrained to disagree with the proposals that the grant of Philippine independence be postponed to July 4, 1940; that a more autonomous government be established in the meantime; and that trade relations between the United States and the Philippines be continued as they are under certain limitations, because these proposals involve an unauthorized modification of the will of the Philippine electorate as expressed in every election held in the islands since 1907. On these elections the majorities controlling both houses of the Philippine Legislature were elected on the strength of their pledge that they would petition the Government and appeal to the people of the United States for the granting of "the immediate, absolute, and complete independence" of the Philippine Islands.

Any solution of the Philippine question based on representations amendatory of the expressed will of the electorate of the islands would necessarily involve the un-American and undemocratic decision that those chosen by the people to speak for them have the right to alter the mandate they received from that people. If such theory should be upheld, it would virtually destroy the representative form of government instituted in the Philippines by the United States and successfully maintained by the Filipino people for the past thirty-odd years, setting up in lieu thereof an oligarchy.

RECOMMENDATIONS

For the reasons stated, and true to the aspirations of the people of the Philippine Islands as expressed in every popular election held from 1907 to 1931, inclusive, I beg to recommend the enactment of a law providing substantially the following:

1. The immediate calling of a constitutional convention in the Philippine Islands for the purpose of drafting a constitution for a free and independent government of the Philippine Islands.
2. The submission of this constitution to the people.

3. The holding of elections for the offices provided in the constitution upon adoption thereof.

4. Recognition of the Philippine republic upon the installation of the officials provided in the constitution, not later than 3 years from the date of the enactment of the law.

5. Trade relations to be determined in a conference between representatives of the United States and of the Philippine Islands, to be held at such time and place as the President of the United States may designate after independence shall have been achieved.

Respectfully submitted.

ISAURO GABALDON,
Member, Philippine Delegation.

THE DESTINY OF THE REPUBLICAN MODEL OF GOVERNMENT

Mr. COOPER of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by Hon. CHARLES M. BAKEWELL, of Connecticut, at Niles, Ohio, January 29, in commemoration of the ninety-first anniversary of the birth of William McKinley.

The SPEAKER. Is there objection?

There was no objection.

Mr. COOPER of Ohio. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech by Hon. CHARLES M. BAKEWELL, of Connecticut, delivered at Niles, Ohio, January 29, 1934, in commemoration of the ninety-first anniversary of the birth of William McKinley:

WHITHER?

These are confusing days, and the people are plainly bewildered. They hail with rejoicing every indication of returning prosperity. They face the future with courage and hope, but there is evident a deep undercurrent of apprehension. Wherever you go, when thoughtful men of either party are met together, where the cloak of partisanship has been cast aside and men speak freely and off the record, they are asking anxiously: What does it all mean; whither are we going? Is the task the Government has undertaken too great for human capacity; will the forces that have been let loose get out of control and bring down in ruin our republican form of government? The President, in his address to Congress on January 3, stated his purpose to bring about "a permanent readjustment of our ways of thinking and, therefore, of many of our social and economic arrangements." With this statement, couched in general terms, no one can take exception, but what precisely does it mean? We have as yet been given no bill of particulars. If this means setting up an entirely new form of government, the people should be informed of that fact and be given an opportunity to pass upon it, for the people still are sovereign.

LIBERTY AND THE REPUBLICAN MODEL OF GOVERNMENT

George Washington, in his immortal Farewell Address to the American People, said: "The preservation of the sacred fires of liberty and the destiny of the republican model of government are, perhaps finally, staked on the experiment intrusted to the American people." In his mind these two things went together: Liberty and the republican model of government. I propose to discuss some aspects of the present crisis with this as a text.

There is a peculiar appropriateness in viewing our problem in this light on this occasion when we are gathered to honor the memory of our beloved martyred President, William McKinley, the typical American of our great tradition, sturdy, self-reliant, always eager to serve his fellowmen, guided by a stern sense of duty, and inspired by a lofty patriotism. For him our model of Government was not the symbol of a political creed outworn, but rather the expression of what is highest in human aspiration. He was a statesman of vision, who fought at all times with courage and sincerity for the sanctity of human rights and for the preservation of our constitutional privileges, and for the realization of a Government by the people and not by a few of the people. In his debates, he always kept the discussion on a high plane, never indulging in personalities, never appealing to passion and prejudice, but always seeking by fairness in argument and by sweet reasonableness to reach the understanding and common sense of the people. His speeches are not adorned with the artifices of rhetoric, but they ring with the irrestible eloquence of sincerity and truth.

And there is a special fitness in discussing these problems in this environment, in the heart of what was once known as "New Connecticut", which has already given three Presidents to the United States. And I esteem it a great privilege to carry a message from the parent State to this gathering of Republicans, which includes many descendants of the courageous men and women who, braving the hardships of pioneer life and the menace of savage tribes, came here to found their homes in freedom.

It was in Connecticut that for the first time in history there was set up a free representative government. We have always cherished our independence and been distrustful of every encroachment of the Federal Government upon the rights of our sovereign State. We pride ourselves on being a land of steady habits, where the old virtues of self-reliance, industry, and thrift are still valued, and the Constitution is held in reverence.

These traits you in new Connecticut prize equally and have put the seal of your approval upon them in the very name given to your county, for it is named after Jonathan Trumbull, the great war Governor of Connecticut during the Revolution, first to come out for the cause of the Colonists. He was a close friend of George Washington, who, whenever perplexed by any problem, used to say, "Let us consult Brother Jonathan", meaning Jonathan Trumbull. So that to this day, Brother Jonathan stands as a symbol of the spirit of free America.

"New occasions bring new duties,
Time makes ancient use uncouth"

In placing ourselves at the angle of vision necessary for an appraisal of present conditions and their effect upon the republican model of government, there are certain things that must be recognized. Gone forever is the comfortable optimism of the nineteenth century, with its complacent formulas such as, "The world runs round and the world runs well", or, "God's in his Heaven, all's right with the world"; with its confident assurance that we were on the right road and moving forward as fast as could reasonably be expected; and that time and a little patience and trust in the ancient idols whose American names were "manifest destiny" and "the logic of events" were all that was needed to bring about the realization of the dream of our fathers.

The devastating consequences of the dark years of the world-wide depression brought a rude awakening. The grim spectacle of poverty widespread in a land of plenty, of millions unemployed just at the time when the triumph of the machine had given almost unlimited control over the forces of nature, put an end once and for all to the easy-going acceptance of things as they are. The causes of our woes are many. They are the result, in part, of the incredible waste of the World War, and of the shattering of many ancient faiths that resulted, in part, of the unconscionable piling up of huge and unpayable debts; in part, of the selfishness and greed of individuals and of groups. But deeper than all, is the fundamental fact that we have a long way to go to catch up to the machine, to realize what it calls for not only in the shortening of hours and the spread of employment, but also in the reorganization of our social and economic life, and above all, to realize the greater demands it makes on the intelligence and character of the people.

Timorous men have thrown up their hands. Our civilization, they say, has simply outgrown our human capacity to deal with the problems it has created. But thoughtful men had for sometime been eagerly seeking the remedy and hopeful of finding one which would restore the balance between production and consumption, bring about more equitable distribution, more even-handed justice, better equality of opportunity, and at the same time preserve our traditional values of individual liberty, individual initiative and responsibility.

This was the situation when Mr. Roosevelt was inaugurated. His courage, his prompt and forceful action commanded universal approval. Partisanship was less in evidence in the special session of the Seventy-third Congress than at any time within my memory. We Republicans registered opposition in many cases to the methods adopted, but once they were enacted into law, accepted them as the plan of battle and gave our loyal support to the administration in its efforts to make them effective. The President's position had been in effect, we can all agree, as to the objective we seek, and while we may differ as to the method of realizing it, we have no time to argue about it. The patient is too desperately ill for that. We must promptly seize upon that method which seems to promise most, and courageously apply it, while at the same time admitting that it is frankly experimental.

THE CRUCIAL TEST OF DEMOCRACY AND THE WAR FICTION

To understand the situation fully, however, and appreciate our present duty, we must look at the matter from another angle. The most frequent criticism made by political writers of the republican model of government is that while it may work well enough when conditions are favorable, and may weather ordinary storms, it is unable to survive in a great crisis that involves the whole Nation, for the rivalry between the legislative and the executive branches of our Government makes impossible effective and unified action. Supreme emergencies can only be met by a strong centralized power in the hands of the Executive supported by a legislative body subservient to his will.

Our fathers were jealous of their liberties and suspicious of centralized power, and they framed our Constitution, as they fondly supposed, to protect the people and the States from the encroachment of the Federal Government. But they made the Constitution elastic enough so that the President might exercise extraordinary powers in time of war and counted upon the spirit of loyalty, which war intensifies, to keep the Congress from hampering his action.

Now, there can be no doubt that the economic crisis through which we have been passing is as serious and menacing as any war. So, by a convenient and plausible fiction, we have declared ourselves in a state of war—war against depression—and have granted the President powers and given him support as a war-time Executive. Mr. Hoover had said that the condition was very like war and had asked for special powers which a hostile Congress denied him. Mr. Roosevelt repeated the same thing and asked for enormously greater powers, and Congress, with surprising docility, granted him what he asked for. In the present session he has asked for still further powers, with every likelihood of receiving everything that he wants.

The powers that have been granted the President are broad and general. They give him control over railroads, industry, labor, farming, currency, and credit. He can, if he should so desire, exercise these powers so as to destroy the republican model of government, and in doing so quench the sacred fires of liberty. The present Congress is not a deliberative body. It goes through

the forms in a half-hearted way, but the substance is lacking. It might almost as well adjourn forthwith after passing a single measure which should read somewhat as follows: "All the powers by the Constitution vested in Congress are hereby granted to the President to use at his discretion, and all decisions that he or his agents may make are to be given the force and effect of law." No President has ever had such power as has been given Mr. Roosevelt. The situation is, if one stop to think, terrifying in its possibilities. And yet the people have accepted it with surprising calmness—nay, they have even welcomed it.

They have felt that drastic measures were necessary; they are satisfied that Mr. Roosevelt is a man of high ideals, single-minded in his devotion to the welfare of the people; that he will regard the powers granted him as war-time emergency powers to be used with caution and given up at the earliest possible moment, so that our Government may once again be as our fathers intended it to be, with the old ideals of liberty, of individual independence, individual initiative, and responsibility preserved—but given ever wider application and deeper significance. And they want him to win; we all want him to win.

DANGER SIGNALS

Here is the rub: The methods employed in the recovery program are, by the President's admission, frankly experimental; the powers upon which they rest purely emergency powers. There are not wanting at the present time indications of a desire to make emergency powers part of the permanent policy of the Government; and there are also ominous indications, when the methods fail to bring the looked-for results, indicating some radical defect in the plan, that instead of acknowledging their errors, retracing their steps, and starting over again, those in charge of the work are determined to insist on carrying out the original program by having recourse to the thoroughly un-American methods of force, coercion, intimidation, and regimentation, and by one-sided propaganda involving restrictions on freedom of speech and freedom of the press. These things, if persisted in, will bring about a complete revulsion of public sentiment. But this is just what the President promised not to let happen when setting out on his unchartered course, and we must still take him at his word.

THE DREAM OF THE AGES AND THE TEACHING OF HISTORY

There is a distinction, which the President is fond of emphasizing, between objective and method, to which we must again refer. When we hear the President or any of the finer spirits of his administration talking about the great objective of their endeavors, which they do with great eloquence and persuasiveness, we are all inclined to subscribe to his program, and are apt to overlook the fact that a worthwhile objective does not of itself put the seal of approval on any and every method employed to bring about its realization.

The great objective which is put before us is the ideal that has haunted the imagination of men almost from the dawn of reflective thinking. Some 2,500 years ago a wise old Pythagorean declared that the purpose of government was to secure that freedom which without unity was a delusion and that unity which without freedom was a snare. Despairing of realizing this ideal in a wicked world, the Pythagoreans organized themselves into a brotherhood, carefully recruited, where these ideals might be realized in a community of friends. A few centuries later Plato undertook to draw the picture of the ideal state. It was to be a social order from which selfishness, the desire to get on at the expense of others, which was the root of all evil in the state, had been completely banished; where every citizen had found the job for which he was best fitted and was performing his task in the interest of the community; and all was guided and controlled by the idea of the good. Plato did not, however, make the mistake of supposing that this vision could be realized by any mechanical means. It was, rather, a pattern laid up in heaven, to which the wise should look when setting their own house in order. A few centuries later, the same dream is given new vitality in the teaching of Christianity, with its doctrine of the unique and infinite worth of the individual soul. Unable to realize their ideal in the world as it is, the Christians, too, set up a community apart, the beloved community of the faithful, made one through the indwelling of the Holy Spirit. And from that day to this that vision has been leading men on. It guided our fathers when they came to these shores to establish their homes in freedom. It guided, however unconsciously, the work of the framers of our Constitution when they sought to establish a Government "conceived in liberty and dedicated to the proposition that all men are created equal."

But if there is one thing that history conclusively shows, it is that any attempt to bring about forthwith the realization of such high ideals by the mechanics of government is bound to fail. Human nature does not change much from age to age, and everyone begins life as a selfish, self-centered animal. To the ardent reformer, the next step possible may take one a pitifully short distance toward the realization of his ideal, but if it is the next step possible, it is the only step that will take him in that direction at all.

INTELLIGENT SUPPORT OF THE PRESIDENT

Now, I think that part of the popularity of the President is due to the response in the minds of men to the appeal which this great ideal makes, and that they are inclined to be uncritical as to the implications of the methods employed to bring about its realization, and are openly hostile to those who seek to raise a word of caution. We are all expected to support the President. I, for my part, believe that we should support him, but I maintain that intelligent support on the part of a legislative body does not mean dumb, supine acquiescence in everything that he may suggest. There is, indeed, no place for captious and obstructive criticism; but the deliberate and critical study of the proposals that are made is the plain duty of Congress. No greater disservice can be done to the administration, nor can there be any greater disloyalty to the country, than to suppose that the duty of the legislative body is simply to say yes to Executive proposals. It is, I think, most unfortunate that the President should have dismissed from his inner council the men who did not see eye to eye with him in the matter of policies. The methods, he has said, are frankly experimental. Every scientist engaged in experiment knows that often his severest critics are his most helpful collaborators. Inasmuch as he has done this, however, it is all the more imperative that Congress should exercise fully and freely its rights and perform its constitutional duties, and see to it that no action is taken without full and free discussion, through which alone the people can be kept informed of the full significance of what is being done. If the Democratic majority shirks this responsibility, the duty of the minority party is made so much the more evident. Many dangerous things are being done, many which threaten the very existence of the republican model of government. We should hearken to the words of President McKinley, in his speech at the Lincoln Day banquet, just 40 years ago: "The Republican Party values its principles no less in defeat than in victory. It holds to them after a reverse as before, because it believes in them; and believing in them is ready to battle for them. * * * Without discouragement, our great party reaffirms its allegiance to Republican doctrines, and with unshaken confidence seeks again the public judgment through public discussion."

THE THREAT TO THE REPUBLICAN MODEL OF GOVERNMENT

I have only time to enumerate a few of the more formidable dangers we are facing. Foremost among these is the virtual destruction of the freedom of the press, for in any reasonable interpretation of the spirit of the amendment which guarantees that freedom, the radio must be included. For the great mass of the people, it is the chief source of information available, and this is absolutely controlled by the administration. Its representatives and apologists have free access to the air and send out daily glowing reports of the progress of the recovery program, ignoring or belittling all difficulties and dangers that have been encountered or are threatened. If one seeks the opportunity to send over the air the other side of the picture in an endeavor to arouse the people to safeguard our liberties ere it is too late, one is forbidden to do so, and the explanation given that nothing can be put over the air without approval of the administration. No more deadly blow could be given to the republican model of government. Even Republican newspapers are in many cases indirectly controlled and dare utter only feeble protests.

Reports are coming in from every part of the land of graft and corruption and the playing of party politics in the distribution of jobs under the Civil Works Administration. The administration, aroused by these reports, has already taken steps to prevent the recurrence of these things, but it can only succeed if it has the support and cooperation of public-spirited citizens in the several communities.

There has been a terrific centralization of government in Washington. More than a score of bureaus have been set up which are in many cases being turned into formidable political machines. Our dual form of government has all but disappeared.

There has been an appalling waste in the expenditure of the people's money in building elaborate post offices far beyond the needs of the communities affected, and in embarking on many enterprises that Congress had already turned down as unwise and unnecessary. Apparently all this is done in order to stimulate capital industries, but there can be no real recovery for these industries save one that is based on normal development of business. This involves long-time credit, and that requires confidence which has yet to be restored.

The Government has been going into business in competition with private industry. More than half a million dollars has been allocated for putting up a plant in West Virginia to make post-office equipment, when there are factories in Connecticut, New York, Indiana, and elsewhere which are engaged in this particular business and will be forced to close down or greatly reduce their working force by the unfair competition thus initiated by the Government. The Government has been enticing communities, already well supplied, to borrow money in order to build their own light and power plants, and in doing so, destroy the established industries and do wrong to its citizens, to the widows and orphans, and to the educational and charitable institutions that have in good faith invested in these securities. Furthermore, if this is carried much further the safety of our insurance companies will be jeopardized.

A huge deficit is being piled up to which there seems no limit. If no check is put on this tendency, we are headed for disastrous inflation.

The farm program has not brought the results expected. Hundreds of millions have been given to farmers and cotton growers to reduce their acreage in the hope of reducing the crop, but without succeeding in bringing about this result. The suggestion is now being made that we must go further and that it will be necessary to have a complete regimentation both of farming and of industry, which means that we should be headed directly toward a sovietized form of government.

One of the most momentous bills ever to come before Congress, the so-called "monetary" or "gold" bill, was rushed through

the House a week ago Saturday with almost no consideration. The committee that reported it had not held adequate hearings. The strange excuse was offered that since the experts disagreed, there was no necessity for consulting any of them.

In any scientific matter when the experts disagree, that is of itself evidence that the problem is extremely difficult and complex, and is a warning to go cautiously, and not to act until after full and complete deliberation. The attitude taken by Congress called for action in ignorance, guided by emotion, passion, and prejudice. It was conduct worthy of no party save the Know-nothing Party. This was a bill that, under guise of stabilizing currency, placed the huge sum of $2,000,000,000 in the hands of the Secretary of the Treasury, with no check upon its use save that which may be imposed by the President, with huge powers to buy and sell foreign exchange, American securities, and other things—in short, power to rig the market and deceive the people and do all those things which are now recognized as a shame and disgrace amongst men. And all of this power has been put in the hands of a political appointee, with possibilities for its misuse for political purposes that are almost without limit; and all that he may do is to be shrouded in secrecy for a period of 3 years; that is, until after the next Presidential election. The bill virtually scrapped the Federal Reserve System which the Democrats have always boasted of as their great constructive achievement.

DUTY OF THE MINORITY PARTY

The duty of the minority party in this extremity is to work unceasingly to bring the country back to constitutional government, to resist Federal encroachment, to save the republican model of government and thus preserve the sacred fires of liberty. It is up-hill work with the Democrats in complete control of the air, building up through far-flung bureaucracies a formidable political machine, and using public funds for political ends.

NEED OF NEW ALIGNMENT

Circumstances have made the Republican Party the party of order and stability. The Republican sees first the good things that civilization has produced, the blessings that have been won through centuries of struggle for freedom, and is determined to preserve them. He sees also the evils that still persist and wants to get rid of them, for he knows that with nations as with individuals to stand still is to degenerate; that progress is the price of stability. But he clings to the funded experience of the past, and would build upon that. He agrees with Edmund Burke when he wrote, "We are afraid to put men to live and trade each on his own private stock of reason, because we suspect that this stock in each man is small, and that the individuals would do better to avail themselves of the general bank and capital of nations and of ages."

The Democrat, on the other hand, sees first the evils that are present and would get rid of them. If he is wise he sees also the good and wants to preserve that, but he is less solicitous about that, and more inclined to rash experiments. Perhaps there is not a great deal of difference noticeable when the ship is running on an even keel between the liberal conservative on the one side and the conservative liberal on the other. But each party has its camp followers. On the Republican side far down the line are the reactionary standpatters, so far down that they can see only the good, and, being themselves comfortably placed, are annoyed at all suggestion of change. They are the dead weight our party has to carry. On the Democratic side far down on the left, so far that they can see only the evils, are the radicals ranging from pink to blood red, to the revolutionists for whom the wisdom of the past is but hoary folly. These are the packages of dynamite in the Democratic train.

You may say that this is not an accurate description, for we can readily name men who call themselves Republicans who belong on the Democratic side of this picture. Perhaps that is because in their communities the Republican label has a cash value for vote-getting purposes. And we could as readily name Democrats who belong on the Republican side. Perhaps they come from those States in the South which have virtually but one party, and that the Democratic, so that they have nowhere else to go. But in the main the description given is true, and corresponds to a psychological difference in human nature.

We need a fresh alignment of parties with new names—names that are not colored by emotion, or blurred by passion, so that the liberal conservatives and the conservative liberals can combine to save our republican model of government. These groups have far more in common with each other than has either group with the radicals on the one hand and the standpatters on the other.

We Republicans are determined to safeguard our great tradition and to build upon the past as we push forward to the better day that is to be. We know that the wisdom of the past lives on in the present, else were today's wisdom naught but tomorrow's folly. Into our institutions and ideals that wisdom has flowed if they have aught of value. It is not a new model of government that we need but intelligent and conscientious use of the opportunities which our present model provides. No democratic government can be better than the citizens who compose it. What is needed is more loyalty, more devotion, more willingness to serve.

THE INDOMITABLE SPIRIT OF AMERICA

I particularly deprecate the loose and irresponsible talk of those who assert that if we do not simply accept the administration program without question. we are headed for bolshevism or fascism. The truth is rather that this menace lurks in that program itself. Besides, such statements show little understanding of the indomitable spirit of America. We cherish too well our liberties won through centuries of hard struggle to think of surrendering them in exchange for the yoke of an external and absolute authority and the consequent regimentation of life. We should take heart from the fact that although the recently established democracies in the Old World have proved unequal to the strain, not a single democratic government with a long history behind it has succumbed. Should the recovery program fail utterly, we should, however saddened, try again and in the American way—the way of cooperation and mediation, not of coercion and dictation. America has never yet lost a war, and we shall not lose this war on depression. But, should the radicals gain control of the administration, the Republicans will speedily be placed in command, for the people still believe in democracy, and would regard any result that involved the loss of our liberties and the complete regimentation of life as a defeat and not a victory.

However, it is not a simple question of success or failure. Like every human endeavor, the program will fail to meet the expectations of its most enthusiastic and optimistic supporters. Unforeseen complications continue to slow up the program, especially in the case of capital industries. Any number of difficult problems remain to be solved. This is only what was to have been expected in attempting to carry out a comprehensive plan including a social and economic reorganization, which must depend in the last analysis upon the revivifying of the moral and spiritual life of the people. We must carry on in the spirit of friendly cooperation and mutual understanding, recognizing no special privileges for any class or group. But you cannot change human nature overnight. We shall have to cultivate the virtue of patience; and remember that the millennium cannot be realized day after tomorrow.

THE LONG-RANGE VIEW

If you will keep in mind the long range, and if the dangers I have indicated can be removed, one will have cause for satisfaction over progress that has been made. We have been having impressed upon us the absolute need in a machine age of better cooperation, better coordination of effort. A new spirit is abroad in the land, the spirit of national unity and national endeavor, directed by friendly and willing cooperation and inspired by mutual friendliness. In this spirit we shall yet win through to victory in the war against depression, while remaining true to the fundamental principles of our democratic government.

THE VITALITY OF REPUBLICAN PRINCIPLES

Let us cherish our faith in America and in its model of government. As William James once wrote: "Democracy with us is a kind of religion. We are bound not to admit its failure. The best of us are filled with a contrary vision of democracy struggling through every error until its institutions glow with justice, its customs shine with beauty. Our better men shall show the way and we shall follow them. The ceaseless whisper of the more permanent ideals, the steady tug of truth and justice, give them time enough, must warp the world in their direction."

Building on the funded experience of the past and pinning our faith on these enduring values, our republican principles of government will never lack vitality.

CHANGE OF REFERENCE

Mr. MEAD. Mr. Speaker, I ask unanimous consent that the bill H.R. 6844 be re-referred to the Committee on the Civil Service. It was referred to the Committee on the Post Office.

The SPEAKER. Is there objection?

There was no objection.

WILD-LIFE CONSERVATION

The SPEAKER laid before the House the following communication, which was read:

Pursuant to the provisions of House Resolution 237, the Chair appoints as members of the Special Committee on Wild Life Conservation to join those members provided in said resolution the following: Mr. Robertson, Virginia; Mr. Warren, North Carolina; Mr. McKeown, Oklahoma; Mr. Milligan, Missouri; Mr. Buck, California; Mr. Berlin, Pennsylvania; Mr. Williford, Iowa; Mr. Carter, California; Mr. Foss, Massachusetts; Mr. Millard, New York; Mr. Blanchard, Wisconsin.

REPORT OF GOVERNOR GENERAL OF PHILIPPINES (H.DOC. NO. 233)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs and ordered printed:

To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of

the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands for the period February 29, 1932, to February 10, 1933, together with appendixes, including the reports of the heads of the six departments of the Philippine Government for the calendar year 1932.

I concur in the recommendation of the Secretary of War that this report and its appendixes be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 30, 1934.*

WORK OF JUVENILE COURT, DISTRICT OF COLUMBIA

The Speaker also laid before the House the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on the District of Columbia:

To the Congress of the United States:

I transmit herewith for the information of the Congress a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court during the fiscal years July 1, 1931, to June 30, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 30, 1934.*

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. BOEHNE, for 4 days, on account of business.

To Mr. RANSLEY, on account of death in family.

TAXING INCOMES OR TAKING PROFITS—WHICH? (REVENUE ACT OF 1935)

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GRIFFIN] may extend his remarks upon the Revenue Act of 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, in a few days the new revenue bill of 1934 making certain changes in the income taxes will come before this House for consideration.

While Congress was in recess the subcommittee of the Ways and Means Committee has worked all summer and fall in an effort to close the loopholes in the law through which unscrupulous corporations and individuals have scandalously escaped taxation.

Nothing can be said except in the highest commendation of its work; nevertheless, without intending any disparagement, it will have to be admitted that it has not gone far enough. It has not closed all the gaps.

DEFECTS IN INCOME TAX LAW

The defects in our income tax laws are basic. They have to be found in a fundamental error in the conception and interpretation of definitions.

The income tax, as a system of raising revenue, was primarily intended as a tax on incomes; not, as is now so generally taken for granted, as a tax on net incomes or profits—after various ingenuities and questionable expedients have been resorted to—to reduce the amount on which the tax is to be calculated.

In other words, we have to confess that in the past we have not been enacting income taxes at all but a most complicated system of profit taxes.

The whole broad basic conception of the true principle of the income-tax method of raising revenue has been disregarded. We have persistently and perversely loaded down the law with exceptions, exemptions, deductions, and allowances so that the Federal income has been ridiculously below the returns we have had the right to expect.

The plain, blunt truth is that every income tax law we have ever had has been largely a "game refuge" for the rich to escape taxation. And that has been true, even where the law has been so framed as to give the ostentatious appearance of "soaking the rich."

THE INCOME TAX DERIVED FROM THE TITHE SYSTEM

The income tax is founded on the tithe system—in other words, the simplest form of taxation—where each citizen gave up a flat percentage of his crop, his produce, or his earnings for the support of his government. We seem to have wholly abandoned that concept and elaborated a complicated system of taxing profits. The evil of this departure can easily be conceived without argument or example; but, it so happens, that our bitter experiences of the past few years furnish us with both.

In the first place, the moment you try to estimate profits, you enter into labyrinths of cupidity and avarice and the government becomes instantly at the mercy of the selfish interests from which the details are to be derived.

Then, when attempts are made to estimate exemptions, allowances, and so forth, the Government is confronted with deceit, falsehood, and outright fraud. The revelations of the Senate investigation furnished numerous examples which shocked, amazed, and disgusted the entire Nation.

In practical operation this method of applying the income tax as a profits tax has proven itself to be a dismal failure.

For these reasons I have been fighting for 2 years to get back to the fundamental principle of taxing incomes instead of profits. I have realized that where a custom has been long established it is difficult to get public opinion to welcome any innovation. Therefore in my proposal I have only gone as far as to suggest the hitching on to the machinery of the old tax system a stabilized and fraud neutralizer in the nature of a 1-percent tax on the gross incomes shown on the returns in addition to the computed tax on the net income.

When I introduced my original resolution on May 7, 1932, my object was to lay before Congress the immense revenue to be derived from this simple, direct tax and thus avoid the increases in the income tax which were then contemplated.

I also was anxious to avoid the cut in the Federal employees' salaries and in veterans' compensation which certain officious, smug organizations were even then advocating—the members of which, as was afterwards revealed, were the real beneficiaries of the loopholes in our tax system.

I tried to interest some of the Federal employees in backing up my proposed 1-percent tax on all incomes, but I made no headway. One chap nonchalantly retorted (he was getting $4,000 a year): "Why the ——— should I pay $40 a year under your plan, when I don't have to pay anything at all now?"

I replied, "Because the economy boys will soon be cutting off much bigger slices from your salary." He laughed then, but with hundreds of thousands of other Federal employees he is now repenting over the loss of 15 percent, instead of only 1 percent.

At the time I made this proposition I submitted an analysis of the income-tax returns of 1930, which showed that over 50 percent of the corporations filing returns showed no net income whatever, and, therefore, paid not a cent of taxes.

I showed that nearly 50 percent of the individuals filing returns also escaped taxation. Subsequent revelations in the Senate committee showed that the list of slackers included some of the wealthiest men in the Nation.

In the figures I then analyzed full returns were not available, but today we have at our disposal the Treasury statistics of incomes for 1932, and I append herewith two charts which I have compiled and arranged from official figures showing the corporation returns for 1930, 1931, and 1932 and the individual returns for 1931 and 1932.

CHART I.—*Corporation returns for 1930, 1931, and 1932 (revised up to Aug. 31, 1933)*

	Number of returns showing net income	Pay no taxes		Total gross incomes	Taxes paid	Taxes which would be paid under gross income tax of 1 percent (exclusive of general income tax)	Total to be realized if general income tax were retained
		Number of returns showing no net income	Number of corporations inactive				
Number of returns, 1930, 518,736	221,420	241,616	55,700				
Number of returns, 1931, 516,404	[1] $89,561,495,003 175,898	[1] $46,500,564,065 283,806	56,700	$136,062,059,068	$711,703,900	$1,360,620,590	$2,072,324,490
Number of returns, 1932, 481,368	[1] $52,051,035,004 78,775	[1] $55,464,204,033 348,954	53,639	107,515,239,037	398,993,703	1,075,152,390	1,474,146,093
	[1] $27,158,732,012	[1] $38,493,024,862		55,651,761,874	277,689,311	556,517,618	834,206,929

CHART II.—*Individual returns for 1932 (revised up to Aug. 31, 1933)*

	Number of returns showing net income	Number of returns showing no net income	Total gross incomes	Taxes paid	Taxes which must be paid under the 1-cent-per-dollar plan	Total to be realized
Number of individual returns, 1932, 3,760,402	1,864,969	1,895,433				
	[1] $13,764,294,643	[1] [2] $7,000,000,000	$20,764,294,643	$324,744,617	$207,642,946	$532,387,563
CORRESPONDING FIGURES FOR 1930, FOR COMPARISON						
Number of individual returns, 1930, 3,376,552	1,946,675	1,429,877	$21,665,505,860	$473,689,563	$216,655,058	$690,344,621

[1] Gross income.

[2] Estimated.

AMAZING FIGURES

It will be seen at a glance that in 1930, 518,736 corporations filed returns. Of these, only 221,420 showed net incomes on which they paid taxes.

Note that 287,316 paid no taxes whatever, ducking their responsibility, either on the ground that they were inactive or that their business showed no net income. Yet 241,616 of these nontaxpaying corporations showed a gross income of $46,500,564,065. If they had paid 1 percent on this amazing sum (amazing for businesses not supposed to be thriving) the Government would, as it should, have received $465,005,640.

With individual incomes, the evasions were nearly in the same proportion. In that year, 1930, out of 3,376,552 individuals filing returns, 1,429,877 showed, or purported to show, that they had no net incomes and paid no tax whatever, although their returns showed on their face a gross income of $21,665,505,860.

If they had paid their tithe of 1 percent it would have yielded $216,655,058.

Thus, from both sources, corporations and individuals, the Government could have collected $681,660,698 in revenues that were allowed wholly to escape, simply because we permitted ourselves to think that an income tax should be a profits tax instead of a tithe tax, as it was really intended to be.

But that is not all. The Government would not only have collected the tithe from the gross income of those ducking all taxation, but also from those which did not have the face to pretend that their books showed "no profits."

From this source the Government would have realized from corporations an additional $895,614,950 and from individuals $137,642,946, or a total gain of $1,033,357,896 over the routine income under the existing income-tax provisions.

Altogether, in that year of 1930, the income tax to be realized, if fortified by the 1-percent tax, would have been as follows:

Corporations	$2,072,324,490
Individuals	690,344,621
Total	2,762,679,111

And there would have been no deficits to face in the ensuing years.

A STUDY OF THE CHARTS REVEALS SOME SIGNIFICANT FACTS

For instance, note how the number of returns showing net income have steadily decreased, and, inversely, how those showing no net income have increased:

First. In the case of corporations the net-income returns have decreased from 221,420 in 1930 to only 78,775 in 1932, while those showing, or purporting to show no net incomes have increased from 241,616 in 1930 to 348,954 in 1932.

Second. In the case of individuals the net income returns have decreased from 1,946,675 in 1930 to 1,864,969 in 1932; while those showing no net income have increased from 1,429,877 to 1,895,433 in 1932.

In other words, they have learned the trick: How to fool "Uncle Sam."

INCOME TAX OR PROFITS TAX

Sooner or later the American people are going to make up their minds not to be fooled any longer by the absurdities of the present income-tax system and will put it up to Congress whether we are going to have a real income tax or continue the present practice of imposing simply a profits tax, which invites frauds and evasions.

BROADEN THE BASE

The census of 1930 shows that there were 36,994,695 persons, 25 years and over, who were gainfully employed. Of these, according to the same source, there were 18,882,794 persons gainfully employed earning salaries of over $1,500 per year. Under European methods all such would pay taxes. Of these 18,882,794 persons only 1,429,675 made taxable returns. There is, therefore, a wide margin of perhaps 15,000,000 individuals in the United States who I am certain would be willing to contribute their share to the expenses of the Government instead of, as now, being put at the foot of the tax structure where all the piled up and accumulated taxes imposed directly and indirectly upon the upper layers are relentlessly shifted and shaken down inevitably upon their unfortunate backs.

MAKING CITIZENS TAX-CONSCIOUS

Such a policy, if inaugurated, would not only broaden the base of taxation, a desideratum upon which all tax experts are agreed, but it would fortify and encourage a spirit of tax consciousness and expand their sense of good citizenship.

With the base of taxation thus broadened and made practically universal, the ratio of the tax could be graduated and the profits idea as the basis of income-tax competition could be finally abandoned. With that object accomplished, the host of petty nuisance taxes on every social and economic phase of modern life would be eliminated.

SOME MAXIMS OF TAXATION

The simpler the tax the more effectively may it be enforced, with the minimum of overhead for collection.

The greater the base the lighter the load on each, a principle having its counterpart and analogy in physics. Everyone knows that each leg of a four-legged table bears a lighter load than an individual leg in a three-legged table.

THE FAILURE OF THE PROFITS OR NET INCOME-TAX METHOD

Under the present system the receipts from the income tax as at present devised and administered are constantly dwindling. The tax collections on corporations have fallen from $711,703,900 in 1930 down to $277,689,311 in 1932.

In the same period the collections from individuals have dropped from $473,689,563 in 1930 down to $324,744,617 in 1932.

To make up for these deficits Congress has been obliged to step up the receipts by a resort to increases in postage and taxes on gasoline, on checks, on admissions to amusements, and a host of other nuisance taxes.

A RATIONAL PLAN

A rational plan to meet the situation is to revive and reinstate the modest income-tax rates of Public Resolution No. 23, Seventy-first Congress, which was approved December 16, 1929, and which was superseded by the unprofitable tax rates incorporated in the Revenue Act of 1932.

With these modest rates restored and the loopholes in the 1932 law closed up as planned in the pending bill, an additional special tax on incomes—not net incomes or profits—will yield a constant and reliable income to the Government.

The House Joint Resolution No. 186, which I introduced May 19, 1933, provides for a special tax of 1 percent, but the special tax or tithe need not be 1 percent. It might even be half of 1 percent. The rate could be changed from year to year to meet the varying needs of the annual Budget.

By this method we can not only get rid of the nuisance taxes, but dispose, once and for all, of the propaganda for the manufacturers sales tax, the consumers sales tax, the "soak-the-rich" tax, and every other scheme of taxation emanating from the brains of certain individuals who conceive that the only function of government is to pester its citizens with provocative taxes.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the gentleman tell us about the program for tomorrow?

Mr. BYRNS. Mr. Speaker, it is expected that the Committee on Appropriations will present a resolution making a small appropriation for the enforcement of the Liquor Act for the District of Columbia. The committee also proposes probably to present a resolution making an appropriation for the C.W.A. and P.W.A. administrations.

Mr. SNELL. Will that come up tomorrow?

Mr. BYRNS. Probably so, but it can only come by unanimous consent. The committee will report it. Then, in addition to that, the appropriation bill for the State, Justice, Commerce, and Labor Departments will be presented.

Mr. SNELL. I think, perhaps, in regard to the C.W.A. matter we ought to have the testimony given by Mr. Hopkins before the committee today before we consider that matter.

Mr. BYRNS. I understand that if that resolution is reported, the gentleman from Texas proposes to ask unanimous consent to take it up. Of course, a single objection will prevent that, and it will come up later on.

Mr. SNELL. I dislike very much to object, but I think we ought to have the evidence that Mr. Hopkins gave before the committee today, before the House. I think we are entitled to that on a matter of such tremendous importance.

Mr. BYRNS. Under those circumstances, that resolution will not come up.

Mr. SNELL. I wish the gentleman would give us time to at least look that over.

Mr. BYRNS. I think the gentleman is entitled to that and the House is entitled to it.

CALENDAR WEDNESDAY

Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

QUESTION OF PERSONAL PRIVILEGE

Mr. McFADDEN. Mr. Speaker, a gentleman on the opposite side of the House, whose name I do not recall, just now, made a statement which I believe entitles me to a matter of personal privilege. I shall not prefer that at this moment, but I want it understood that at the proper time I shall prefer that request.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 2465. An act to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia; to the Committee on the District of Columbia.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6976. An act to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 6976. An act to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 31, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

(Wednesday, Jan. 31, 10:30 a.m.)

Hearings on H.R. 6604.

COMMITTEE ON THE PUBLIC LANDS

(Wednesday, Jan. 31, 10:30 a.m.)

Hearings.

COMMITTEE ON MERCHANT MARINE, RADIO, AND FISHERIES

(Wednesday, Jan. 31, 10 a.m.)

Hearings on House Joint Resolution 100, House Joint Resolution 151, and Senate Joint Resolution 15.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, Jan. 31, 10 a.m.)

Continuation of the hearing on H.R. 6836, to regulate motor carriers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

320. A letter from the Secretary of War, transmitting a report of designs, aircraft parts, and aeronautical accessories purchased by the War Department pursuant to section 10 of the act approved July 2, 1926 (44 Stat. 787, title 10, sec.

310 (m), U.S.C., Supp. VI), during the fiscal year ended June 30, 1933; to the Committee on Expenditures in the Executive Departments.

321. A letter from the Secretary of War, transmitting draft of a bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department, with a view to its enactment into law; to the Committee on Claims.

322. A communication from the President of the United States, transmitting a communication from the judge of the juvenile court of the District of Columbia, together with a report covering the work of the juvenile court during the fiscal years July 1, 1931, to June 30, 1933; to the Committee on the District of Columbia.

323. A communication from the President of the United States, transmitting the report of the Governor General of the Philippine Islands for the period February 29, 1932–February 10, 1933, together with appendixes, including the reports of the heads of the six departments of Philippine Islands for the calendar year 1932 (H.Doc. No. 233); to the Committee on Insular Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 214. Resolution relative to further expenses of conducting investigation authorized by House Resolution 163 (Rept. No. 412). Ordered printed.

Mr. WARREN: Committee on Accounts. House Resolution 215. Resolution relative to the further expenses of conducting the investigation authorized by House Resolution 145; with amendment (Rept. No. 413). Ordered to be printed.

Mr. JAMES: Committee on Military Affairs. H.R. 93. A bill to authorize the Secretary of War to sell to the Plattsburg National Bank & Trust Co. a tract of land comprising part of the Plattsburg Barracks Military Reservation, N.Y.; without amendment (Rept. No. 415). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H.R. 7305. A bill to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; without amendment (Rept. No. 416). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 207. A bill for the relief of Homer C. Chapin; without amendment (Rept. No. 381). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 211. A bill for the relief of John A. Rapelye; without amendment (Rept. No. 382). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 262. A bill for the relief of Anna Caporaso; without amendment (Rept. No. 383). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 469. A bill for the relief of Lucy Murphy; without amendment (Rept. No. 384). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 472. A bill for the relief of Phyllis Pratt and Harold Louis Pratt, a minor; without amendment (Rept. No. 385). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 473. A bill for the relief of Irene Brand Alper; with amendment (Rept. No. 386). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 526. A bill for the relief of Arthur K. Finney; without amendment (Rept. No. 387). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 666. A bill for the relief of Charles W. Dworack; without amendment (Rept. No. 388). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 881. A bill for the relief of Primo Tiburzio; without amendment (Rept. No. 389). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 987. A bill for the relief of Sard S. Reed; with amendment (Rept. No. 390). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 996. A bill for the relief of A. W. Holland; without amendment (Rept. No. 391). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1133. A bill for the relief of Silas B. Lawrence; without amendment (Rept. No. 392). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1155. A bill for the relief of John Z. Lowe, former collector of internal revenue for the second district of New York; without amendment (Rept. No. 393). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1254. A bill for the relief of H. Forsell; without amendment (Rept. No. 394). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1398. A bill for the relief of Lewis E. Green; without amendment (Rept. No. 395). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1405. A bill for the relief of the Yosemite Lumber Co.; without amendment (Rept. No. 396). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2188. A bill for the relief of Newark Concrete Pipe Co.; with amendment (Rept. No. 397). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2342. A bill for the relief of Chambliss L. Tidwell; with amendment (Rept. No. 398). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2419. A bill for the relief of W. B. Ford; without amendment (Rept. No. 399). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2512. A bill for the relief of John Moore; without amendment (Rept. No. 400). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2649. A bill for the relief of the Farmers & Merchants National Bank of Gilmer, Tex.; without amendment (Rept. No. 401). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2672. A bill for the relief of John B. Russell; without amendment (Rept. No. 402). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2818. A bill for the relief of Katherine G. Taylor; without amendment (Rept. No. 403). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3044. A bill for the relief of Charles Beretta, Isidore J. Proulx, and John J. West; without amendment (Rept. No. 404). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3296. A bill for the relief of Carl F. Castleberry; without amendment (Rept. No. 405). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3318. A bill to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army; without amendment (Rept. No. 406). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3460. A bill for the relief of the International Manufacturers' Sales Co. of America, Inc.; with amendment (Rept. No. 407). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3554. A bill for the relief of Pinkie Osborne; without amendment (Rept. No. 408). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3606. A bill for the relief of William Sheldon; with amendment (Rept. No. 409). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3621. A bill for the relief of John L. Friel; without amendment (Rept. No. 410). Referred to the Committee of the Whole House.

Mr. JOHNSON of Oklahoma: Committee on Military Affairs. H.R. 6822. A bill for the relief of Warren F. Avery; without amendment (Rept. No. 414). Referred to the Committee of the Whole House.

Mr. WARREN: Committee on Accounts. H.Res. 224. Resolution for the relief of Ida May Ellis (Rept. No. 411). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on the Post Office and Post Roads was discharged from the consideration of the bill (H.R. 6844) extending the classified civil service to include special-delivery messengers, and the same was referred to the Committee on the Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H.R. 7469) to guarantee the principal of Home Owners' Loan Corporation bonds, extend the period for making loans by such Corporation from 3 to 5 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOEPPEL: A bill (H.R. 7470) to extend to war veterans, borrowing on their insurance policies, equality with banks and other financial institutions obtaining loans through Federal facilities; to the Committee on World War Veterans' Legislation.

By Mr. SMITH of Virginia: A bill (H.R. 7471) to raise revenue by taxing certain wood pulp and pulpwood; to the Committee on Ways and Means.

By Mr. MURDOCK: A bill (H.R. 7472) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. PEAVEY: A bill (H.R. 7473) providing for the sale and disposal of public lands within the areas hereafter surveyed as erroneously meandered lake-shore land in Wisconsin; to the Committee on the Public Lands.

Also, a bill (H.R. 7474) granting to the State of Wisconsin certain unappropriated public lands in meandered areas; to the Committee on the Public Lands.

By Mr. DIES: A bill (H.R. 7475) to authorize each United States coinage mint to receive for coinage into standard silver dollars any silver which such mint is satisfied has been imported into the United States in payment for agricultural surplus products sold and delivered or to be delivered to foreign buyers for exportation, and also authorizing the issuance of silver certificates in lieu of silver dollars; to the Committee on Coinage, Weights, and Measures.

By Mr. KNUTSON: A bill (H.R. 7476) to authorize the conveyance by the United States to the State of Minnesota of certain lands in Morrison County, Minn.; to the Committee on the Public Lands.

By Mr. COLLINS of Mississippi: A bill (H.R. 7477) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in public education; to the Committee on Education.

By Mr. JONES: A bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes; to the Committee on Agriculture.

By Mr. ELLZEY of Mississippi: A bill (H.R. 7479) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in public education; to the Committee on Education.

By Mr. PEAVEY: A bill (H.R. 7480) providing that erroneously meandered lake-shore land in Wisconsin shall be conclusively presumed to be the property of the owner of title to lands adjoining it; to the Committee on the Public Lands.

By Mr. CROWE: A bill (H.R. 7481) to allocate the sum of $125,000,000 out of any sums appropriated to carry out the National Industrial Recovery Act for expenditure in completing the interdepartmental committee building program, and for other purposes; to the Committee on Appropriations.

By Mr. HUGHES: A bill (H.R. 7482) declaring a portion of the East River, in the city of Green Bay, Wis., to be nonnavigable; to the Committee on Rivers and Harbors.

By Mr. MEAD: A bill (H.R. 7483) to provide minimum pay for postal substitutes; to the Committee on the Post Office and Post Roads.

Also, a bill (H.R. 7484) to amend section 51 of chapter 2, title 45, of the Code of Laws of the United States of America; to the Committee on Interstate and Foreign Commerce.

By Mr. LUDLOW: A bill (H.R. 7485) to authorize the Reconstruction Finance Corporation to purchase poor-relief bonds; to the Committee on Banking and Currency.

By Mr. BLAND: A bill (H.R. 7486) for a preliminary examination and survey of Chincoteague Bay, with a view to establishing a harbor of refuge at Greenbackville and Franklin City, Accomack County, Va., and protection of adjoining shore from storm depredation; to the Committee on Rivers and Harbors.

By Mr. BROWN of Kentucky: A bill (H.R. 7487) authorizing and directing the Reconstruction Finance Corporation to make loans to private business, and authorizing and directing the Home Owners' Loan Corporation to act as agent in receiving application for said loans; to the Committee on Banking and Currency.

By Mr. FERNANDEZ: A bill (H.R. 7488) authorizing the Secretary of Commerce to acquire a site for a lighthouse depot at New Orleans, La., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GRISWOLD: A bill (H.R. 7489) to promote the safety of employees and travelers upon railroads by compelling common carriers by railroad engaged in interstate and foreign commerce to man locomotives, trains, and other self-propelled engines or machines with competent employees; to provide the least number of men that may be employed on locomotives, trains, and other self-propelled engines or machines; to provide qualifications for certain employees; and providing a penalty for the violation thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAVEZ: A bill (H.R. 7490) to further extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law", approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. FITZGIBBONS: A bill (H.R. 7491) for the equalization of letter carriers; to the Committee on the Post Office and Post Roads.

By Mr. O'CONNELL (by request): A bill (H.R. 7492) to amend an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933 (Public, No. 2, 73d Cong.), and an act entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes", approved June 16, 1933 (Public, No. 78, 73d Cong.); to the Committee on World War Veterans' Legislation.

By Mr. CLARK of North Carolina: A bill (H.R. 7493) to authorize the acquisition of a right-of-way for sewer line in connection with the Fort Bragg Military Reservation, N.C.; to the Committee on Military Affairs.

By Mr. SMITH of Virginia: A bill (H.R. 7494) to provide for the acquisition of a tract of land in Arlington County, Va., for inclusion within the Fort Myer Military Reservation, and for other purposes; to the Committee on Military Affairs.

By Mr. PATMAN: Resolution (H.Res. 242) to provide for the appointment of a committee to determine a humane, constructive, systematic, and economical method of caring for the needy aged; to the Committee on Rules.

By Mr. FULMER: Resolution (H.Res. 243) providing that the Committee on Banking and Currency, or a subcommittee thereof to be appointed by its chairman, investigate fully the affairs of the First Carolinas Joint Stock Land Bank of Columbia, S.C., and of any other joint-stock land bank, and of any affiliated or associated corporation; to the Committee on Rules.

By Mr. FISH: Resolution (H.Res. 244) requesting information in regard to war debts; to the Committee on Ways and Means.

Also, resolution (H.Res. 245) requesting information in regard to war debts; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the board of supervisors of Milwaukee County, Wis., memorializing the President and the Congress of the United States to extend Federal unemployment relief under the Civil Works Administration from and after February 15, 1934, for such length of time as economic conditions may require; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, relating to the corn-hog program; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Wisconsin, urging the national administration to provide relief for the potato-growing industry in Wisconsin; to the Committee on Agriculture.

Also, memorial of the House of Representatives of the State of South Carolina, memorializing Congress to maintain the present compensatory-tax schedules on all fibers used in competition with cotton; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H.R. 7495) for the relief of the First National Bank of Chicago; to the Committee on Claims.

By Mr. COLE: A bill (H.R. 7496) for the relief of Clifton C. King; to the Committee on Claims.

By Mr. CROSSER of Ohio: A bill (H.R. 7497) for the relief of Barney Rieke; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H.R. 7498) for the relief of Margaret Grace; to the Committee on Claims.

By Mr. EICHER: A bill (H.R. 7499) granting a pension to Delia Louck; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H.R. 7500) granting a pension to Jacob Franklin Dale; to the Committee on Invalid Pensions.

By Mr. GRANFIELD: A bill (H.R. 7501) to restore to the active list of the Marine Corps the name of Albert Hamilton; to the Committee on Naval Affairs.

By Mr. HESS: A bill (H.R. 7502) to correct the military record of Clifford Brenner; to the Committee on Military Affairs.

By Mr. McKEOWN: A bill (H.R. 7503) for the relief of Kee-sheck-ko-thah, a Kickapoo Indian woman; to the Committee on Indian Affairs.

By Mr. PEAVEY: A bill (H.R. 7504) for the relief of George Parker; to the Committee on Indian Affairs.

By Mr. PEYSER: A bill (H.R. 7505) for the relief of Frank Aquilina; to the Committee on Claims.

By Mr. SECREST: A bill (H.R. 7506) for the relief of Harry S. Dyar; to the Committee on Pensions.

By Mr. SMITH of Virginia: A bill (H.R. 7507) for the relief of Earl Thomas Dodd; to the Committee on Claims.

By Mr. TERRY of Arkansas: A bill (H.R. 7508) for the relief of Alpha Vint; to the Committee on Claims.

Also, a bill (H.R. 7509) for the relief of C. C. Young; to the Committee on Claims.

By Mr. WADSWORTH: A bill (H.R. 7510) granting a pension to Anna Belle Stevens; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H.R. 7511) for the relief of Louis Lelli; to the Committee on Claims.

By Mr. WILLIAMS: A bill (H.R. 7512) granting a pension to Oscar James Callier; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1926. By Mr. AYERS of Montana: Petition of A. W. Ashley, of Glendive, and sundry other citizens of Glendive, Sidney, and Wibaux, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1927. Also, petition of M. D. Whitney, of Miles City, and sundry other citizens of Miles City and Forsyth, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1928. Also, petition of W. N. Trudeau, of Havre, and sundry other citizens of Havre, Whitefish, Glasgow, and Culbertson, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1929. Also, petition of Joseph Canning, of Helena, and sundry other citizens of Helena, Boulder, Paradise, Anaconda, and Butte, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1930. Also, petition of R. W. Birch, of Livingston, and sundry other citizens of Livingston, Columbus, Laurel, and Billings, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1931. Also, petition of F. S. Smith, of Great Falls, and sundry other citizens of Great Falls, Black Eagle, and Vaughn, Mont., praying for repeal or modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1932. By Mr. BLANCHARD: Petition of 5,666 citizens of Green, Kenosha, Racine, Rock, and Walworth Counties, Wis., opposing radio discrimination; to the Committee on Merchant Marine, Radio, and Fisheries.

1933. By Mr. BLAND: Resolution no. 14 of the Ninth Women's Patriotic Conference on National Defense, held January 24, 25, and 26, 1934, at the Mayflower Hotel, Washington, D.C., on the subject of the New York State Merchant Marine Academy; to the Committee on Merchant Marine, Radio, and Fisheries.

1934. By Mr. CARPENTER of Kansas: Petition of L. D. Buss, of Stockdale, and 49 others residing in and about Stockdale, Kans., in behalf of the Frazier bill; to the Committee on Agriculture.

1935. Also, petition of Nelsey Williams and 62 others living in and around Toronto, Kans., favoring the passage of the Frazier bill; to the Committee on Agriculture.

1936. Also, petition of W. E. Kerby and 39 others, residing in and about Wakefield, Kans., in behalf of the duck stamp bill, S. 1658 and H.R. 5632; to the Committee on Agriculture.

1937. Also, petition of K. K. Kirk and about 250 others residing in Chase County, Kans., protesting against the increasing of armaments; to the Committee on Naval Affairs.

1938. By Mr. DONDERO: Petition of the Commission of the City of Royal Oak, Mich., urging Congress to appropriate additional funds for non-Federal public works; to the Committee on Appropriations.

1939. Also, petition of the Commission of the City of Royal Oak, Mich., urging the enactment of legislation to permit municipal governments to bring about an adjustment of their debts with their creditors; to the Committee on the Judiciary.

1940. By Mr. EVANS: Petition of Margaret Malcolm, and approximately 23,000 others; to the Committee on Merchant Marine, Radio, and Fisheries.

1941. By Mr. FOCHT: Petition of citizens of the Eighteenth Pennsylvania Congressional District, protesting

against certain discriminations in radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

1942. By Mr. HOEPPEL: Petition of residents of the Twelfth Congressional District of California, urging restoration of pensions, hospitalization, and care of veterans of Spanish-American War as same existed prior to enactment of Public, No. 2, Seventy-second Congress; to the Committee on Pensions.

1943. By Mr. JAMES: Resolution of the City Commission of the City of Ironwood, Mich., requesting the continuance of the Civil Works Administration program beyond February 15, 1934; to the Committee on Appropriations.

1944. Also, petition of George E. Nygard and other freeholders of the township of Felch, Dickinson County, Mich., petitioning support of the Frazier bill, the Swank-Thomas bill, and the Wheeler bill, which are of interest to the farmers in their township; to the Committee on Agriculture.

1945. Also, resolution of the City Commission of the City of Wakefield, Mich., urging the continuance of Civil Works Administration program for the next 2 or 3 months; to the Committee on Appropriations.

1946. Also, telegram from H. O. Johnson, of Kenton, Mich., in behalf of more than 1,000 constituents asking for continued support of Civil Works Administration; to the Committee on Appropriations.

1947. Also, telegram from L. A. Paige, commander Cloverland Chapter 23, Disabled American Veterans of the World War, Iron Mountain, Mich., endorsing appropriations for Civil Works Administration; to the Committee on Appropriations.

1948. By Mr. KEE: Petition of sundry citizens of the Fifth Congressional District of West Virginia, protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1949. By Mr. KELLY of Pennsylvania: Petition of more than 10,000 citizens of McKeesport, Braddock, Rankin, and other towns, protesting against censorship of radio broadcast; to the Committee on Merchant Marine, Radio, and Fisheries.

1950. By Mr. LAMBERTSON: Petition of A. O. Johnson and 107 other citizens of Holton, Kans., urging appropriations for the continuance of the Civil Works Administration; to the Committee on Appropriations.

1951. By Mr. LINDSAY: Petition of committee for the abolition of lynching, Kane, Pa., urging passage of the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

1952. Also, petition of Women's International League for Peace and Freedom, New York City, opposing the passage of the Vinson naval bill; to the Committee on Naval Affairs.

1953. Also, petition of William S. Murray, New York City, urging support of House bill 5632, the duck stamp bill; to the Committee on Agriculture.

1954. Also, petition of Associated Office and Professional Emergency Employees, New York City, opposing pay cuts of Civil Works Administration employees and for the expansion of civil-works program in order to absorb more workers from the millions still unemployed; to the Committee on Appropriations.

1955. Also, petition of Long Island Soap Co., Brooklyn, N.Y., concerning the proposed tax on coconut and sesame oils; to the Committee on Ways and Means.

1956. By Mr. LUNDEEN: Petition of Citizens Social Justice Association, Minneapolis, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1957. Also, petition of Veterans of Foreign Wars, Glencoe Post, No. 1558, Glencoe, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1958. Also, petition of Rochester Chamber of Commerce, Rochester, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1959. Also, petition of Edina Minnesota Unit, project 3464, Minneapolis, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1960. Also, petition of Lake Benton Corn Hog Committee, Farm Bureau, Farm Union, Farm Holiday Law and Order League, and the County Commissioners of Lincoln County, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1961. Also, petition of Minnesota State Legislative Board, Brotherhood of Railroad Trainmen, Minneapolis, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1962. Also, petition of International Institute, St. Paul, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1963. Also, petition of Post No. 187, Veterans of Foreign Wars, Minneapolis, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1964. Also, petition signed by 22 citizens of Sauk Center, Minn., urging that the public schools of the country be given a fair and just apportionment of relief similar to that allotted to public highways, public works, and other types of emergency relief; to the Committee on Appropriations.

1965. Also, petition of the City Council of the City of St. Paul, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1966. Also, petition of Hennepin County Commissioners, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1967. By Mr. MANSFIELD: Petition of L. J. Sulak and 3,000 citizens of Fayette County, Tex., praying for a continuation of the Civil Works Administration program; to the Committee on Appropriations.

1968. By Mr. MILLARD: Resolution of the Board of Supervisors of Westchester County indicating the board is strongly in favor of the Federal Civil Works program being continued during the winter months and that after the winter months such program be then decreased gradually until the unemployed can be absorbed in other public-works projects or by private employers; to the Committee on Appropriations.

1969. By Mr. MOYNIHAN of Illinois: Petition of the Illinois State Teachers' Association and the Federation of Women's High School Teachers of Chicago and approximately 1,000 other petitions favoring an amendment to the National Recovery Administration legislation so that States,

municipalities, and school districts can be financed directly by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

1970. By Mr. PERKINS: Letter from Charles V. Bacon, Mahwah, N.J., opposing the excise tax on coconut oil; also telegram from William King, Hohokus, N.J., opposing excise tax on coconut oil and other imported oils; and a telegram from Albert Grundy, River Edge, N.J., opposing excise tax on coconut oil and copra; to the Committee on Ways and Means.

1971. By Mr. RUDD: Petition of Murray & Flood, New York City, favoring the passage of House bill 5632; to the Committee on Agriculture.

1972. By Mr. STRONG of Pennsylvania: Petition of Woman's Christian Temperance Union of Indiana County, Pa., favoring enactment of House bill 6097, to regulate the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

1973. Also, petitions signed by 7,658 citizens of Armstrong, Cambria, Indiana, and Jefferson Counties, Pa., petitioning the Congress of the United States to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1974. By Mr. THOMASON: Petition of residents of the Sixteenth Congressional District of Texas, regarding the broadcasting of certain radio programs; to the Committee on Merchant Marine, Radio, and Fisheries.

1975. Also, petition of residents of Leakey, Tex., urging repeal of the Economy Act; to the Committee on Appropriations.

1976. By Mr. WADSWORTH: Petition numerously signed relating to freedom of the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1977. By Mr. WERNER: Petition of citizens of the Second Congressional District, South Dakota, requesting Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1978. By Mr. WOLFENDEN: Petition signed by Robert Gray Taylor, of Media, Pa., and 38 others, urging passage of the Costigan-Wagner antilynching bill; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JANUARY 31, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days January 27 and January 30 was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, in which it requested the concurrence of the Senate.

INCOME TAXATION

Mr. McKELLAR. I wish to give notice that tomorrow as soon as I can obtain the floor I expect to address the Senate briefly on the subject of income taxation.

REPORT OF WASHINGTON GAS LIGHT CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Washington Gas Light Co., transmitting, pursuant to law, a detailed statement of the business of the company, together with a list of stockholders, for the year ended December 31, 1933, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

REPORT OF THE GEORGETOWN GASLIGHT CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the vice president of the Georgetown Gaslight Co., transmitting, pursuant to law, a detailed statement of the business of the company, together with a list of stockholders, for the year ended December 31, 1933, which, with the accompanying papers, was referred to the Committee on the District of Columbia.

REPORT OF THE CHESAPEAKE & POTOMAC TELEPHONE CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Chesapeake & Potomac Telephone Co., transmitting, pursuant to law, the report of the company for the calendar year 1933, to be substituted for the report submitted on January 9, 1934, in which report the operations of the company for the month of December were estimated only, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

BALANCE SHEET OF THE CHESAPEAKE & POTOMAC TELEPHONE CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Chesapeake & Potomac Telephone Co., transmitting, pursuant to law, a comparative general balance sheet of the company for the year 1933, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

As in legislative session,

The VICE PRESIDENT laid before the Senate a telegram from Dr. Anna G. Franklin, of Tulsa, Okla., relative to the operations of the N.R.A. and her opportunity to make a livelihood, which was referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by the Independent Merchants Association of Oregon, commending the attitude of the Senator from Idaho [Mr. BORAH] and the Senator from North Dakota [Mr. NYE] in their efforts to revive the operation of the Sherman Antitrust Law, which were referred to the Committee on the Judiciary.

He also laid before the Senate the petition of Charles McAdam, of Danville, Ill., praying for the passage of a Senate resolution instructing the Department of Justice to investigate the Chicago Railways Co. receivership, and also the instigation of criminal proceedings in relation thereto, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a resolution adopted by the Woman's Christian Temperance Union, of Los Angeles, Calif., favoring the passage by Congress of a resolution proposing an amendment to the Constitution for the purpose of excluding aliens in counting population for apportionment of Representatives among the several States, which was referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

As in legislative session,

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 85) for the relief of Paul J. Sisk, reported it with an amendment and submitted a report (No. 246) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2053) for the relief of Capt. L. P. Worrall, Finance Department, United States Army, reported it without amendment and submitted a report (No. 247) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 1804) to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield, Minn., post-office-site litigation, and for other purposes, reported it without amendment.

BILLS INTRODUCED

As in legislative session,

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BORAH:

A bill (S. 2544) for the relief of William T. Putman and John A. Peterson; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 2545) to extend the times for commencing and completing the construction of a bridge across the Columbia River at or near Astoria, Oreg.; and

A bill (S. 2546) to amend the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930; to the Committee on Commerce.

By Mr. ERICKSON:

A bill (S. 2547) to amend section 92 of the Judicial Code relating to the Federal judicial district of the State of Montana; to the Committee on the Judiciary.

By Mr. FLETCHER (by request):

A bill (S. 2548) authorizing and directing the Commissioners of the District of Columbia to place on the pension rolls the name of Theodore U. Cargill; to the Committee on the District of Columbia.

By Mr. GIBSON:

A bill (S. 2549) for the relief of Albert W. Harvey; to the Committee on Claims.

By Mr. PATTERSON:

A bill (S. 2550) granting an easement over certain lands to the Springfield Special Road District in the county of Greene, State of Missouri, for road purposes; to the Committee on the Judiciary.

By Mr. BAILEY:

A bill (S. 2551) to amend the Agricultural Adjustment Act in respect to the processing tax on hogs; to the Committee on Agriculture and Forestry.

A bill (S. 2552) for the relief of Charles C. Bennett;

A bill (S. 2553) for the relief of the Brewer Paint and Wall Paper Co., Inc.; and

A bill (S. 2554) for the relief of Cohen, Goldman & Co. Inc.; to the Committee on Claims.

A bill (S. 2555) granting a pension to Emory M. Farrar; and

A bill (S. 2556) granting a pension to Ann E. Rickards; to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 2557) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians; to the Committee on Indian Affairs.

By Mr. REYNOLDS:

A bill (S. 2558) for the relief of William J. Cocke; to the Committee on Claims.

A bill (S. 2559) to prohibit the transmission through the United States mails of gaming devices pertaining to lottery and gift enterprises and literature pertaining thereto; to the Committee on Post Offices and Post Roads.

INTERNATIONAL PETROLEUM EXPOSITION AT TULSA, OKLA.

As in legislative session,

Mr. GORE. Mr. President, I desire to introduce a joint resolution and ask that it lie on the table. I will call it up tomorrow.

The VICE PRESIDENT. Without objection the joint resolution will be received.

The joint resolution (S.J.Res. 80) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 12 to May 19, 1934, inclusive; was read twice by its title and ordered to lie on the table.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

As is legislative session,

Mr. WHEELER and Mr. FRAZIER submitted an amendment proposing to strike out in the Interior Department appropriation bill the matter commencing with line 2 on page 10, down to and including line 10, on page 45, and to insert in lieu thereof a substitute covering appropriations for the Bureau of Indian Affairs, intended to be proposed by them to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE BILL REFERRED

As in legislative session,

The bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

TAX ON OIL AND GAS

Mr. DAVIS. Mr. President, as in legislative session, I ask unanimous consent to have printed in the RECORD at this point and appropriately referred three communications from residents of Pennsylvania relating to the oil industry. The first, written by Hon. Frank E. Baldwin, auditor general of Pennsylvania, and the second, written by Mr. J. R. Livezey, express alarm and protest against the report that the Secretary of the Treasury is recommending elimination of the percentage depletion clause of the revenue act, while Mr. J. Stratmeyer, of Reading, Pa., advises that the oil industry seeks relief from the 1-cent excise tax on oil and gasoline.

There being no objection, the communications were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF AUDITOR GENERAL,
Harrisburg, January 27, 1934.

Hon. JAMES J. DAVIS,
United States Senator, Washington, D.C.

DEAR SENATOR DAVIS: Our oil producers in this section of Pennsylvania are very much alarmed by the report that the Treasury Department is recommending the elimination of the percentage depletion clause in sections 114 (b) (2), (3), and (4).

Section 114 (b) (3) is the one that provides for percentage depletion for oil and gas wells. The oil industry is very important in Pennsylvania, and if this section were eliminated it would impose a very great hardship upon the producers of McKean County, as they are producing oil under a flooding system which means they get the oil out of the ground much sooner than they otherwise would and the depletion of a territory is very large.

Will you not interest yourself in seeing that section 114 (b) (3) is retained in any new revenue act that may be passed? I assure you your interest will be appreciated by all of those engaged in the oil business.

Trust you are in the best of health, and with kind personal regards, I remain, yours sincerely,

F. E. BALDWIN.

PHILADELPHIA, PA., *January 23, 1934.*

Hon. JAMES DAVIS,
Senate Office Building, Washington, D.C.

DEAR SENATOR DAVIS: The Ways and Means Committee of the House of Representatives is considering certain changes in the present income tax law which will vitally affect any oil- or gas-producing properties.

The present Federal income tax law provides for a depletion deduction of 27½ percent of the gross income or 50 percent of the net income derived from oil and gas properties. The subcommittee has recommended a 25-percent reduction in such allowance. The Secretary of the Treasury has recommended the entire elimination of such allowance. If either of these recommendations is adopted, a heavy increase in Federal income tax will be imposed upon everyone deriving income from oil and gas properties.

The equity and justice of such allowances have been recognized in all Federal income tax laws during the past 15 years. Although the methods of determining the amount of such allowances have been changed from time to time, Congress has never seen fit to deprive people owning oil royalties or engaged in the oil business of these just and reasonable allowances. In view of the serious and detrimental effect which the elimination of these allowances would have upon us and everyone engaged in the oil business, I would most sincerely ask you to demand that the fair and reasonable provisions of the present law be left undisturbed.

Yours very truly,

JOHN R. LIVEZEY.

READING, PA., *January 23, 1934.*

Senator JAMES J. DAVIS,
Washington, D.C.

DEAR SIR: The oil industry as a whole is endeavoring to be relieved of the unjustifiable tax which is placed on gasoline and motor oils. Taking our particular industry as a whole, we do not feel that the tax should be so apportioned that it is unfair to that particular industry compared with taxation on all others. In fact, when you consider the State tax as well as the Federal tax, and the cost price of the product, it would, in our estimation, seem to be a case of confiscation.

We do not know how you feel regarding this subject, but are passing on our views in the event that there is a possibility of this 1-cent Federal tax being eliminated. We trust that you will act favorably for the oil industry in this respect.

Very truly yours,

PENN SERVICE OIL CO.,
J. STRATMEYER.

ANTITRUST LAWS AND INDEPENDENT BUSINESSES

Mr. BORAH. Mr. President, as in legislative session, I ask permission to have inserted in the RECORD and to lie on the table a telegram from the independent movie association; also a photostatic copy of a letter from the major oil companies touching the interests of the small independent oil companies; and also an article from Sphere under date of February 1934, all touching the subject which I was discussing several days ago concerning the antitrust laws and their effect upon small business.

There being no objection, the matter was ordered to lie on the table and to be printed in the RECORD, as follows:

NEW YORK, N.Y., *January 25, 1934.*

Hon. WILLIAM E. BORAH,
United States Senate:

National Board of Directors, Allied States Association of Motion Picture Exhibitors, meeting at Warwick Hotel, direct that your attention be invited to a device resorted to by code authority for motion-picture industry to defeat remedial measures not involving change in law. That body dominated by major producers requires that independents fill unqualified assets to code as condition of participating in any degree therein, thereby waiving all right and approving in advance everything this code authority may do. We have filed suit to test their right to do this and are advised defense of proceeding will be handled by N.R.A., thus making it appear we are opposing the Government. Major producers are violating code provisions against forcing short subjects with feature pictures and protecting themselves by stamping on contract that the exhibitor has agreed to purchase excess number and requiring exhibitor to initial the clause. This is cited to show how large units being in absolute power can and do exact agreements and waivers which will preclude independents from contesting monopolistic practices before boards. We greatly deplore that efforts to enlist interest of General Counsel Richberg elicited only condescending and evasive letter from a subordinate attorney.

By direction of the board.

ABRAM F. MYERS, *Chairman.*

COLEMAN, TEX., *January 18, 1934.*

To whom it may concern:

The writer is a member of the new pool committee in Texas under the code of fair competition for the petroleum industry, and respectfully calls your attention to the necessity of filing a report by January 31, 1934, showing agreed plan of development. This is necessary to the legal shipment of oil from any new pool.

The new pool is defined as "any commercially productive accumulation of crude petroleum (whether located in a field, area, or horizon heretofore known as productive or otherwise) discovered after January 1, 1933, and/or in which 10 commercially producing wells had not been completed by September 13, 1933."

The plan requires presentation of maps showing ownerships, present and proposed development and probable outlines of the pool, and must include several provisions which have received rather wide publication, such as in the Star Telegram issues of December 24, 1933, and January 14, 1934, and probably the various oil journals have included this in recent issues, including the Oil and Gas Journal issue of January 18, 1934, page 10.

The chairman of the Texas new pool committee is Fred Sealey, of the Texas Co., Houston, Tex., and other members are H. E. Marsh, of the Amerada Petroleum Corporation, Fort Worth; T. E. Swigert, Shell Petroleum Co., Houston, Tex. Six copies of the report must be submitted and signatures must be sworn to before a notary public. No set form has been proposed, and it is apparently up to the owners of each new pool to adopt some definite plan in keeping with conservation and stability of the industry. Two of these copies must be filed with the Petroleum Administrative Board, Department of the Interior, Washington, D.C. (attention of Mr. J. W. Steele), by January 31, 1934, with single copies to the following:

E. H. Eddleman, care of the Planning and Coordinating Committee, Willard Hotel, Washington, D.C.
J. D. Collett, Fort Worth, Tex.
L. E. Barrows, P.O. box 1160, Fort Worth, Tex.
Fred C. Sealey, care of the Texas Co., Houston, Tex.

Yours very truly,

M. G. CHENEY,
By V. E. STEPP.

cc—A. R. Forster, Coleman, Tex.; F. M. Sullivan, Coleman, Tex.; Sherwood Owen, Brownwood, Tex.; H. G. Agnew & Sons, Ballinger, Tex.; Centennial Oil & Gas Co., Goldsboro, Tex.; Roth & Faurot, Coleman, Tex.; I. E. Ransom, Coleman, Tex.; H. Minister, Coleman, Tex.

[From Sphere, February 1934]

CODES MAKE A SHAMBLES OF SMALL BUSINESS—ANTITRUST LAWS MUST BE RESTORED, SAYS SENATOR BORAH, OR INDEPENDENT BUSINESSES WILL BE DESTROYED—LITTLE BUSINESS SHOULD HAVE ITS OWN SPECIAL CODES

By Senator WILLIAM E. BORAH

Not much is being said about it, probably not much will be said, but a real tragedy is being played out today in American business life, a tragedy which involves anxiety and great suffering, mental and physical, and, in many instances, the sacrifice of pride, place in the community, and at last, turning the key in the door, failure in business, failure in life. The tragedy is that of small business fighting for existence and, in many instances, fighting in vain.

Last October in a public address I called attention to the fact that these business codes were written for big business or written in conformity with the interests of big business. It was almost necessary that they be made to conform to the interests of big business. That by reason of that fact, small business, independent business, was becoming greatly distressed, and that, in my opinion, unless there was a change in the program, small business would be crushed out, destroyed. Some publicity was given to these remarks.

Since that time I have received over 9,000 letters or messages from small business, independent business, confirming more than I had indicated. These men are not chiselers; they are not desirous of impeding a just and sound plan for recovery. They are among the best citizens of our country, asking no more than a chance to play the game under rules fair to small business as well as to big business.

It is no attack upon big business to say that, after all, "small business" constitutes the real strength of our economic structure. It needs no argument to convince any reflecting person that its ruin would be an irreparable loss to the Nation. It needs no argument to prove that the small business man cannot carry on under codes made to conform to the interests of big business.

One of the great items in the situation arises out of the fact that the antitrust laws have been suspended. There is little practical restraint upon the rapacious appetites of some big businesses. Not all. For bigness itself does not necessarily denote greed or meanness of purpose. But it was a sad mistake to lift all restraint from big business by suspending the laws against trusts.

It is true that there is in the National Recovery Act a general statement prohibiting monopoly and monopolistic practices. But in practical effect this seems to be a dead letter. It furnishes no protection to small business.

Trusts and combines and conspiracies and restraint of trade prevail, not only without restraint, but rather under the shelter of the Government. The result is that the small business man must not only do business under codes framed to meet the requirements and in accordance with the necessities of large business, but he is compelled to contend against those practices of great combines which have been used from time immemorial to destroy small business.

Many letters which I have disclose price fixing, price cutting, and all the practical methods heretofore employed but condemned by our courts and condemned by our laws.

It seems to me that the first step we should take in the interest of small business is to restore the antitrust laws; that provision of the National Recovery Act which suspended them should be repealed. They should remain in full force upon the statute books.

This will, in my opinion, not embarrass the administration of the National Recovery Act. It was supposed at the time that act was passed that the antitrust laws would embarrass the administration of the National Recovery Act. But, in view of the decisions of the Supreme Court during the last 30 years, there is no reason to suppose that the fair administration of the National Recovery Act would not come well within the decisions of the Supreme Court as to the meaning of the antitrust laws.

The Industrial Recovery Act has for its object the establishment of fair competition, and the Supreme Court has said that the Sherman Antitrust Act was "not intended to fetter free and fair competition as was commonly understood and practiced by honorable opponents in trade."

No one need fear the Sherman Antitrust Laws or the Clayton Act who desires to carry on a business upon a fair and honorable basis or upon a basis of fair competition.

Secondly, it seems to me that some way must be devised to have different codes for small, independent business institutions and great combines, as it were, as a different condition has to be met, and different rules must necessarily prevail.

It has been said to me, and it has been said elsewhere, that the period of the small business is passing. This brutal doctrine is born of greed upon one hand and of the communistic theory upon the other. It is in the interest of the whole country, in the interest of sound economics, and in the interest of the perpetuity of the institutions under which we live to protect the small business interests of the country.

NATIONAL INCOME, 1929–32 (S.DOC. NO. 124)

As in legislative session,

Mr. LA FOLLETTE. Mr. President, in June 1932, I submitted a resolution, which was adopted by the Senate, being Senate Resolution 220, which called upon the Secretary of Commerce—

To report to the Senate of the United States on or before December 15, 1933, estimates of the total national income of the United States for each of the calendar years 1929, 1930, and 1931, including estimates of the portions of the national income originating from agriculture, manufacturing, mining, transportation, and other gainful industries and occupations, and estimates of the distribution of the national income in the form of wages, rents, royalties, dividends, profits, and other types of payments. These estimates shall be prepared by the Bureau of Foreign and Domestic Commerce, and the Bureau shall use available official and unofficial statistics and such relevant data as may be in the possessions of the various departments, bureaus, and independent establishments of the Federal Government.

Mr. President, the Department of Commerce has submitted its report under the terms of that resolution, and the report was referred to the Senate Committee on Finance. At the last meeting of the committee I discussed the report with other members of the committee, and, after explaining that it is a very valuable piece of statistical work and is the first official estimate of this character which we have had for many years, I was instructed by the committee to request unanimous consent that the report be printed as a Senate document. Therefore, now, as in legislative session, I make that request. I may say that the action of the committee in making this recommendation was unanimous.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PROPOSED INVESTIGATION OF LOUISIANA PROPAGANDA

As in legislative session,

Mr. LONG. Mr. President, I ask unanimous consent to call up Senate Resolution 158. I cannot call it up without unanimous consent, because there has been no new legislative day since I submitted it.

Mr. PITTMAN. Mr. President, I should like to have the resolution read first, to understand what it is.

Mr. LONG. It merely provides for an investigation.

Mr. PITTMAN. Will it require debate?

Mr. BARKLEY. Does it require any appropriation or any expenditure?

Mr. LONG. No; it does not require any at all.

Mr. BARKLEY. Let the resolution be passed over until some of us can look into it. It may be that the resolution ought to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LONG. No; it does not have to go there. It might have to go to the House of Morgan, but it does not have to go to the Committee to Audit and Control the Contingent Expenses of the Senate. The only question is as to whether or not we will investigate the expenditure of money in this city to set up headquarters, to run a publicity bureau, and do other things financed by private interests for the purpose of protecting certain private interests against a Member of the United States Senate. That is all there is to the resolution.

Mr. BARKLEY. Let it go over for the present. I should like to look into it.

Mr. LONG. Very well.

Mr. LONG subsequently said: Mr. President, I have been talking with the Senator from Arkansas [Mr. ROBINSON], and I desire to ask leave to bring up Senate Resolution 158.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Louisiana, while I was absent from the Chamber today, called up Senate Resolution 158. Objection was made to its immediate consideration, as I am informed.

Mr. LONG. That is correct.

Mr. ROBINSON of Arkansas. And I understand the Senator from Louisiana wishes to call up the resolution now.

Mr. LONG. Yes; I do.

Mr. ROBINSON of Arkansas. I have no objection to the Senator doing so, with the understanding that I shall make a motion to refer the resolution to a committee.

Mr. LONG. I call up Senate Resolution 158, if there is no objection.

There being no objection, the Vice President laid before the Senate the resolution (S.Res. 158) submitted by Mr. LONG on the 30th instant, providing for an investigation of the activities of citizens of Louisiana adverse to HUEY P. LONG, United States Senator from Louisiana.

Mr. ROBINSON of Arkansas. I move that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LONG. Mr. President, I am not going to object to that motion, because I hope I will be able to get an early report from that committee.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The motion was agreed to.

EMPLOYMENT OF TEMPORARY CLERKS TO SENATORS

As in legislative session,

Mr. BONE. Mr. President, I send to the desk a resolution and ask unanimous consent for its immediate consideration. I ask to have the resolution read.

The VICE PRESIDENT. The resolution will be read.

The resolution (S.Res. 161) was read, as follows:

Resolved, That each Senator is authorized to appoint one additional clerk to serve until the expiration of the present session of the Congress, and to be paid a salary at the rate of $1,800 per annum out of the contingent fund of the Senate.

Mr. BONE. Mr. President, such comment as I desire to make on this resolution will be very brief.

I assume that I suffer from the same disadvantages which seem to be affecting all other Members of this body now. Every Senator to whom I have talked has told me the same story. It is physically impossible to answer the mail that is now coming in.

I do not care to prolong the discussion. The resolution merely provides that each Member of this body shall have the aid of an extra clerk during the remainder of this session, which may go on for 60 days or possibly longer. It does not provide for any permanent extra aid.

I am not sure whether the resolution should be referred to a committee or not. If not, I ask for its immediate consideration.

The VICE PRESIDENT. Necessarily the resolution must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BONE. That is perfectly all right, if it has to be so referred under the rule.

The VICE PRESIDENT. The resolution will be so referred.

HEARINGS BEFORE COMMITTEE ON CLAIMS

As in legislative session,

Mr. BAILEY. Mr. President, I submit a resolution which I ask to have read and adopted. It is a resolution from the Claims Committee authorizing that committee to hold hearings, and providing for the payment of stenographic expense. It is the ordinary resolution which is passed from year to year, and we need it. It ought to be adopted today, for the reason that we have some hearings set for tomorrow.

There being no objection, the resolution (S.Res. 162) was read, as follows:

Resolved, That the Committee on Claims or any subcommittee thereof be, and hereby is, authorized during the Seventy-third

Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during sessions or recesses of the Senate.

The VICE PRESIDENT. Under the rule, the resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BYRNES, subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which Senate Resolution 162 was referred, reported it without amendment.

Mr. BAILEY. Mr. President, I wish to call up Senate Resolution 162, which has been favorably reported by the Committee to Audit and Control the Contingent Expenses of the Senate. The resolution merely authorizes hearings by the Committee on Claims, and allows a stenographer to be employed. I desire its adoption at this time in order that the committee may have a hearing tomorrow. It is the usual form of resolution.

There being no objection, the above resolution (S.Res. 162), submitted today by Mr. BAILEY, was considered and agreed to.

THE TOWN OF NORRIS, TENN.

Mr. CUTTING. Mr. President, I ask permission to have printed in the RECORD an article appearing in the New Republic for January 31, 1934, entitled "The T.V.A. Builds a Town", having relation to the town of Norris, Tenn.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic, Jan. 31, 1934]

THE T.V.A. BUILDS A TOWN

The town of Norris, Tenn., will be more than a memorial to the great liberal Senator for whom it is named; it will be the first example in the United States of what genuine, coordinated planning can accomplish. It will be a town in which human intelligence and human technical skill will turn the natural advantages to uses that will enable men and women to build a living, functioning, possibly beautiful community, rather than a realtor's dream of subdivisions or a landlord's dream of rack-rent.

Four miles away through the Cumberland foothills is the Norris Dam, one of the major power units of the Tennessee Valley Authority, and at Norris will be built a new, complete town for those whose work makes it desirable for them to live near the dam. The sole landlord, the sole planner, the sole builder will be the T.V.A. itself. Nor will time, congestion, and economic shifts, the three great destroyers of the model town, be able to strike at Norris. There is no land for sale. Indefinitely the T.V.A. will be the sole planner, landlord, and builder. The land and buildings at Norris will be for rent only, and they will be for rent only to those who will use them—employees whose work leads them to live in Norris. So there will be no artificially encouraged congestion "down town" while the blight of abandonment and decay settles over an outlying section. There will be no arbitrary, eternal lot lines to block new streets or prevent the assemblage of large plots for future public buildings or industrial needs. The T.V.A. is aware that a town is a living thing; it cannot be planned into a state of eternal perfection and left to stand unaltered and unalterable. It lives; time changes its needs, its problems; only unending planning can keep it what its makers intend it to be.

In the meantime, how is the town to be started? What is it to look like? With what sort of lots and houses does the T.V.A. plan to start its child off into life?

Streets have already been graded, lots staked off, and plans drawn for the first unit of 250 houses. Construction of the first block, 50 houses, will start at once, and the entire unit should be completed by the middle of June or the first of July. It has not been decided how many more units will follow, but engineers estimate a maximum population of 5,000 to 6,000, requiring approximately four units.

The standard home will average four rooms, a bath, a laundry, and a large screened porch in the rear. Materials and labor costs will range from $2,100 to $5,000 per building. The rental for a 3-room house with all conveniences, including an electric heating unit, will be less than $20 a month. Larger houses will rent for as high as $45. Each house will be entitled to a 4-acre farm plot at no additional cost. Some of the residents will have individual farms; others will pool their land and till it on a cooperative basis.

The designing of the houses is in charge of Roland A. Wank, New York architect, who in 1930 won the gold medal of the American Institute of Architects for his design for the Grand Street apartments in New York City for the Amalgamated Clothing Workers. Mr. Wank has decided to use no standardized, special style of architecture. Traditional materials are being used for building because they are local and therefore cost less. The emphasis, both outside and in, is on simplicity, so that all the money available can be spent on things that will give value, use, and comfort to the occupants. The houses will have no cornices, moldings, or other ornaments. They will be heated by electricity. This will be possible through the cheap power the T.V.A. will produce at Norris Dam. An electric range, a refrigerator, a water heater, and numerous other electrical appliances will be furnished. Steel casements which will extend to within 4 inches of the ceiling will be used for windows to improve ventilation. Every house will have a large screened porch costing almost as much as a room but almost as useful in this climate.

Showers will take the place of bathtubs because they require less space and are more efficient. Wall board will be used instead of plaster because it is cheaper and can be applied without skilled labor. Skilled labor will be used by the T.V.A., but the hope is to make the type of construction at Norris so easy that a neighboring farmer who wants to build himself a similar house will be able to do so. It is for the same reason that the T.V.A. is experimenting with a fireproof type of construction that would be simpler to build than brick veneer. Every house will have an electric humidification system to reduce the heat bill, for properly humidified air is comfortable at a lower temperature than dry air.

There will be no building line in the town of Norris. Further, the houses will be staggered unevenly. No window of any house will command an unbroken view of its neighbor's kitchen. The details of location for each house will be determined entirely by the topography of its lot. Each lot will be slightly irregular and slightly different in size from the others. The T.V.A. town planners will see to it that there are not in Norris the wretched views almost inseparable from the subdivision type of development. The rear of a house will be as attractive as the front.

In the center of the town there will be a large common to serve as a park and open-air meeting place. A recreation field will be laid out next to the school. At one end of the common will be the town center, which will include an administration building, a hotel, a restaurant, a drug store, a barber shop and beauty parlor, a general store, and a post office. All these will be built and owned by the T.V.A. It has not yet been decided whether the T.V.A. will operate them itself or lease them, but in any event it will not sell them. The Authority will not only build its school, but will operate it as well. Dr. Floyd W. Reeves, T.V.A. personnel director, formerly of the University of Chicago, will be the director. The school will offer grammar, junior-high, and high-school courses.

On the outskirts of the town there will be a well-designed tourist camp, a filling station, and a garage, while surrounding the town will be a protective belt of park to prevent the encroachment of undesirable developments. Residents of Norris will also have the use of a large administration building equipped with an auditorium, game rooms, movie hall, library, canteen, and lounge.

The cost of street improvements, water and sewer systems, grading, landscaping, storm-water drainage, street lighting, public buildings, and cost of planning and overhead expenses, together with interest on investment in construction, will not be added to the cost of the houses. And there is a sound economic reason for this: If the town had not been built it would have been necessary to erect several more dormitories at the construction camp and several individual houses for foremen and engineers. For practically the cost of such temporary buildings the T.V.A. is able to give its town a permanent start in life.

Mr. Wank and his aids do not like the term "model town." They refuse to apply it to Norris. "We cannot make revolutionary improvements any more than we can pull rabbits out of a hat", Mr. Wank said. "Until mass production puts materials of the twentieth century—steel, concrete, aluminum, glass, cork, rubber, resin compositions, etc.—closer within our reach, we are confined to much the same materials as our forefathers used, and they have already made a pretty thorough job of exploring all the possibilities of lumber, brick, stone, and mortar."

But though technical necessity limits the distance that the T.V.A. can go toward changing our whole accepted methods of town and house building, the steps taken at Norris are definitely in the right direction. They could hardly be otherwise. After all, as Mr. Wank remarked, "Private enterprise has made a sorry mess of housing."

JOHN T. MOUTOUX.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence Deep Waterway, signed July 18, 1932.

Mr. LA FOLLETTE obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

Mr. LA FOLLETTE. I yield for that purpose.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Steiwer
Barkley	Erickson	Long	Stephens
Black	Fess	McAdoo	Thomas, Utah
Bone	Fletcher	McCarran	Thompson
Borah	Frazier	McGill	Townsend
Brown	George	McKellar	Trammell
Bulkley	Gibson	McNary	Tydings
Bulow	Goldsborough	Murphy	Vandenberg
Byrnes	Gore	Neely	Van Nuys
Capper	Hale	Norris	Wagner
Caraway	Harrison	O'Mahoney	Walcott
Carey	Hastings	Overton	Walsh
Connally	Hatch	Patterson	Wheeler
Coolidge	Hatfield	Pittman	White
Copeland	Hayden	Pope	
Costigan	Hebert	Reynolds	

Mr. LEWIS. I desire to announce that the Senator from Oklahoma [Mr. THOMAS] and the Senator from Virginia [Mr. GLASS] are detained at home by illness. I desire also to announce that the Senator from Virginia [Mr. BYRD] is detained by official engagements and the Senator from Missouri [Mr. CLARK] and the Senator from South Carolina [Mr. SMITH] are detained upon official business out of the city.

Mr. HEBERT. I desire to announce that my colleague, the senior Senator from Rhode Island [Mr. METCALF], the Senator from New Jersey [Mr. KEAN], the Senator from South Dakota [Mr. NORBECK], the Senator from North Dakota [Mr. NYE], and the Senator from Pennsylvania [Mr. REED] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. Mr. President, when the debate was concluding yesterday afternoon in the time of the Senator from Wisconsin, a difference of opinion arose on the floor of the Senate respecting the correct quotation of President Roosevelt in his Albany address in July 1932 opening the Democratic campaign. I quote from the stenographic notes of yesterday's late proceedings:

> Mr. VANDENBERG. In the address which the Democratic nominee made to the country over the radio he undertook to read and paraphrase the Democratic national platform. * * * The Democratic nominee, in reading the program and platform to the country, included the precise St. Lawrence plank to which the Senator from Wisconsin is referring.
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> Mr. LEWIS. I want to say that my able friend from Michigan has fallen into an error, unconsciously, of course. The speech of the President did not say "the St. Lawrence waterway" but "waterways", and I call attention to the fact that the Democratic platform did not allude to the "St. Lawrence waterway", and thus it could not have authorized him in his speech to construe that platform to endorse other than what it said—"waterways."
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> Mr. VANDENBERG. I shall be very glad to put the President's precise words in the RECORD tomorrow.

I rise, Mr. President, to complete that promise, and at this moment I read from the New York Times of July 31, 1932, under the heading "Full Text of Speech of Governor Roosevelt Delivered from Albany, N.Y., July 30, 1932":

> We advocate extension of Federal credit to the States to provide unemployment relief where the diminishing resources of the States make it impossible for them to provide for the needy; expansion of the Federal program of necessary and useful construction affected with a public interest, such as flood control and waterways, including the St. Lawrence-Great Lakes deep waterway.

I submit that the facts thus vindicate my statements upon yesterday. The President specifically identified the St. Lawrence-Great Lakes deep waterway.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield.

Mr. LEWIS. I again call the attention of my eminent friend from Michigan to the fact that what he has read has vindicated the statement made by me to the Senate. It is that the President had not authority and could not have had authority as the nominee upon the Democratic platform to have advocated the treaty which is now under discussion. It is evident that the President's remarks had to do with waterways and made reference to the St. Lawrence. I am perfectly willing to agree that Canada shall build her St. Lawrence waterway whenever she pleases; that the St. Lawrence waterway may be built whenever she chooses; but there is not a word in the President's speech which advocates this treaty between the United States and Canada for a St. Lawrence waterway; nor is there a word in the Democratic national platform—and may I be pardoned for saying I had a little something to do with that document; pardon me; I withdraw that—with reference to the pending treaty, but the platform advocates only "waterways."

My friend is right in assuming that the words "St. Lawrence waterway" were used by the President, but I call his attention again to the fact that I have insisted all the time that the President had at no time in that speech advocated the support of the treaty or referred to the treaty in connection with the St. Lawrence waterway.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. I do not intend to discuss with the Senator what happened to the St. Lawrence waterway plank in the Democratic National Convention. I freely concede that it is shrouded in great mystery.

Mr. LEWIS. We regret that the Senator from Michigan was not present in order that he might have given us information.

Mr. VANDENBERG. At least if the Senator from Michigan had he would have undertaken to make it plain what the situation was.

Mr. LONG. We did.

Mr. VANDENBERG. The Senator from Louisiana indicates that they did. If the Senator from Wisconsin will bear with me, I shall proceed just a step farther into the historical facts to which my friends are alluding to demonstrate otherwise.

It appears that on the evening of July 30, 1932, the Senator from Iowa [Mr. DICKINSON] made an address over the radio from Chicago in behalf of the Republican National Committee in which he took the Democratic Convention to task for not having specified in its platform its attitude respecting the St. Lawrence project. The pending treaty had been signed 2 weeks previous. The Senator from Iowa called attention to the fact that the printed platform as released in Washington did not include the reference to the St. Lawrence seaway. The Senator from Illinois is entirely correct in that respect. I have never disputed it. Hence, the mystery to which I referred.

That evening—the same evening—the Democratic Presidential nominee made his Albany address and the only controversy between the Senator from Illinois and myself on yesterday afternoon was solely the question whether or not Governor Roosevelt in that speech identified the St. Lawrence seaway as a part of the platform and as a Democratic pledge. I am submitting this morning the textual fact that he did undertake to read the St. Lawrence identification into his platform.

Immediately after the delivery of that speech and as further demonstration of the historical truth of the thing I am discussing, the Senator from Iowa [Mr. DICKINSON] sent

a telegram to the Democratic nominee under date of July 31 in which he said:

In your radio address last night while reading what you informed your national audience to be the Democratic platform you made use of the phrase "including the St. Lawrence-Great Lakes deep waterways"—

That is the only present contention I have been making—

in what you called the Democratic unemployment plank.

I am constrained to believe that in so doing you have, knowingly or otherwise, committed an amazing deceit upon the American people. It is unfortunate that you should begin your campaign for the Presidency so inauspiciously.

In other words, the Senator from Iowa was indicating at that time that there was an amazing difference of opinion respecting what the Democratic national platform had to say upon this proposition. The only thing I am submitting to the Senate, the only thing which was involved in my controversy with my able friend from Illinois on yesterday afternoon, was that Governor Roosevelt did say in his speech of July 30 that the Democratic commitment was to "flood control and waterways, including the St. Lawrence-Great Lakes deep waterway."

The whole controversy is of no serious moment, because the present attitude of the President of the United States makes it utterly clear what has been and is in his mind in respect to this great undertaking, as further evidenced by the fact that in his message submitting the St. Lawrence Treaty he said:

I request the consideration of ratification by the Senate of the so-called "St. Lawrence Treaty with Canada." Broad national reasons lead me, without hesitation, to advocate the treaty.

Mr. LEWIS. I will conclude, with the usual generosity of the Senator from Wisconsin, by commenting on the fact that the Senator from Michigan says his observation upon the subject is of no moment. I deny that anything the Senator from Michigan should say is of no moment, but I call attention that the particular thing in the moment is that in the whole moment occupied no word of the treaty between this country and Canada was mentioned by the President.

Mr. PITTMAN. Mr. President, if the Senator from Wisconsin will yield further——

Mr. LA FOLLETTE. I yield to the Senator from Nevada.

Mr. PITTMAN. I dislike to take any more time on the question of the platform, but I wish to say that no mention was made in the platform of the Mississippi River as a part of our inland waterway project, nor of the Missouri River, nor of the Ohio River, and yet I doubt if any Senator or any citizen of the United States who has ever studied the question doubts that when we refer to the development of waterways we have in mind those rivers.

It is general knowledge without mentioning it specifically. It is equally general knowledge that from the beginning of our Government—yes; even before the existence of our Government—the Great Lakes and the St. Lawrence River were recognized as a part of the water transportation of the territory at that time embraced within the British possessions and colonies and now under the sovereignty of the United States.

Following it down from that time until the present time the Great Lakes and the St. Lawrence River have been recognized as one of the water transportation systems of the United States. Part of these Lakes are our exclusive property. Other parts of the Lakes are held in common, we might say, between Canada and the United States. Part of the St. Lawrence River is a boundary and sovereignty is divided and held in common. But even as to that part of the river exclusively within the sovereignty of Great Britain and Canada, since the very beginning of our Government all treaties have recognized that the whole system is an essential waterway to both countries and it has been made free to both of them from the beginning.

It was not necessary in the platform to mention any one of the particular waterways. The platform did not do it. It was not even essential for the President of the United States to mention particularly the Great Lakes-St. Lawrence waterway because, as I said, from the beginning of our Government we have had treaty after treaty recognizing that system of water as a waterway of the United States in common with Great Britain. There was no necessity whatever for mentioning it. The President mentioned it very probably because, as a legislator in the Legislature in the State of New York many years ago, he had taken an interest in that waterway, and because President Wilson initiated steps for the purpose of making it economically available to us to the highest capacity. It was recognized then; it was recognized again under President Harding; it was recognized under President Coolidge; and it was recognized under President Hoover as one of our waterways. In fact, it has been recognized as one of the waterways of the United States upon which to transport commerce just as long as the Mississippi River has been so recognized.

It seems to me that this effort to show that there was not some specific mention in the platform of one waterway is entirely beside the question and is an attempted argument that has no weight.

[Mr. LA FOLLETTE resumed and concluded the speech begun by him on yesterday. His speech entire is as follows:]

Tuesday, January 30, 1934

Mr. LA FOLLETTE. Mr. President, I had intended to address the Senate on the subject of the Great Lakes-St. Lawrence Treaty this morning when it met, but, in view of the fact that the Senator from Louisiana [Mr. LONG] rose to a question of personal privilege, of course, it was necessary for me to yield to him.

Mr. President, the completion of the Great Lakes-St. Lawrence project, provided by the treaty, will permanently benefit the producers and consumers of every section of the United States. It will inevitably stimulate and increase our domestic commerce in the home market, comprising 80 percent of all our water-borne tonnage. It will thus directly contribute to the shipping and trade of every existing American seaport on the Atlantic, Gulf, and Pacific coasts.

I propose, therefore, to discuss the pending treaty in terms of its effect not upon any single State or section but upon the United States as a whole.

President Roosevelt has expressed the correct principle upon which this and every other project should be tested in a message which has inspired confidence and support among the people, not only in the Great Lakes region but throughout the Union.

In his message the President said:

Broad national reasons lead me, without hesitation, to advocate the treaty. There are two main considerations, navigation and power.

The President completely disposes of the misrepresentations and false arguments which have been advanced in the discussion of this project. He appeals from fear to a confidence based on authenticated facts. He subordinates local, sectional greed to the general welfare and the interest of the whole Nation.

The President continues in his message:

I am sending you herewith a summary of data prepared at my request by governmental agencies. This summary, in its relation to the economic aspects of the seaway, shows from the broad national point of view, first, that commerce and transportation will be greatly benefited and, secondly, local fears of economic harm to special localities or to special interests are grossly exaggerated. It is, I believe, a historic fact that every great improvement directed to better commercial communications, whether in the case of railroads into new territory, or the deepening of great rivers, or the building of canals, or even the cutting of the Isthmus of Panama, have all been subjected to opposition on the part of local interests which conjure up imaginary fears and fail to realize that improved transportation results in increased commerce benefiting directly or indirectly all sections.

For example, I am convinced that the building of the St. Lawrence seaway will not injure the railroads or throw their employees out of work; that it will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation.

The President continues:

I am satisfied that the treaty contains adequate provision for the needs of the Chicago drainage district and for navigation

between Lake Michigan and the Mississippi River. A special report from the Chief of Engineers of the War Department covers this subject.

Concluding his message, the President states:

I have not stressed the fact that the starting of this great work will put thousands of unemployed to work. I have preferred to stress the great future advantages to our country and especially the fact that all of us should view this treaty in the light of the benefits which it confers on the people of the United States as a whole.

Every conclusion the President states in his message is buttressed by official data in the summary which accompanies it. It is a document that does credit to the administration and brings immeasurably nearer to realization the greatest economic and engineering project undertaken on this continent since the construction of the Panama Canal.

When the existing obstacles to navigation on the connecting rivers and channels from the Great Lakes to the sea are removed under the terms of the pending treaty and when ocean-going vessels dock at the harbors of 30 American cities on the Great Lakes, with 80 percent of their cargoes originating at the ports of the Atlantic, Gulf, and Pacific coasts, the resulting benefits to the whole Nation will be due in large part to the decisive action of President Roosevelt.

The treaty before us was signed at Washington on July 18, 1932, nearly 18 months ago. The Committee on Foreign Relations conducted an exhaustive investigation which continued from November 1932 until February 1933.

Every phase of the project was carefully considered. Representatives of public utilities, railroads, and other interested parties were heard. The economic advantages to the whole Nation and the feasibility of the engineering plans embodied in the treaty were thoroughly established by the testimony of scores of disinterested witnesses.

Sixty-nine witnesses were heard orally, and written statements and briefs were filed by numerous individuals and organizations, a great majority of the whole number being favorable to the immediate completion of the project. No adverse witness was denied a hearing. No line of inquiry was proposed by any member of the Senate or of the committee which was not pursued to a conclusion. At the end of the hearing, upon the motion of the late Senator Thomas J. Walsh, of Montana, the treaty was favorably reported to the Senate by a vote of 9 to 2, with an accompanying report from the Senator from Idaho [Mr. BORAH], the chairman of the committee.

VICIOUS PROPAGANDA AGAINST THE TREATY

From the time this treaty was under negotiation, when it became evident that the United States and Canada might reach an equitable agreement after years of study and cooperation, the project became the subject of an attack which has continued unabated for the last 2 years.

A vicious propaganda directed by special interests has been circulated against the treaty from the day it was submitted to the Senate. Estimates of costs and maintenance have been padded. Statistics have been twisted and distorted. The simplest facts of geography pertaining to this project have been falsified in order to obstruct the completion of the project and to intimidate the President and the Senate from carrying out the pledge for ratification of the treaty made by the candidates of both major political parties in the last campaign.

I have examined the pamphlets most widely circulated in this campaign of propaganda and find that they contain scores of direct misstatements of fact, every one of them contradicted by the public record. Upon that false foundation were built up the "local fears of economic harm to special localities or to special interests" to which the President refers in his message as "grossly exaggerated."

Until the President sent his message to the Senate, with accompanying data from the agencies of government concerned with this project, we were asked to accept propaganda as fact.

This vast accumulation of misinformation and untruth has now been thrown into the rubbish heap. The time has gone by when the Senate of the United States can be asked to accept padded cost estimates and briefs prepared by public utility and railroad lobbyists in preference to official figures from such agencies as the Corps of Engineers and the Federal Power Commission, authenticated by the President of the United States.

At the last session of the Senate, the Senator from Louisiant [Mr. LONG] and the Senator from New York [Mr. COPELAND] led the filibuster which prevented consideration of the treaty. They insisted over and over again that no adequate economic study had been made to determine the effect of the project upon our domestic commerce.

The President has submitted the results of an exhaustive investigation for discussion by the Senate, and it can no longer be maintained that further study of this project is needed.

OFFICIAL DATA NOW AVAILABLE

The President sent his message urging the ratification of the treaty and submitted the official estimates of the Corps of Engineers of the War Department covering every item of the cost of both the power and navigation projects covered by the treaty. The President called upon the highest engineering authority available under the Government to obtain these estimates. He adopted them and sent them to the Senate for consideration in connection with the treaty.

Not one Senator opposed to the treaty has pointed to an error in the estimates. Not one figure submitted by the President in his summary of the official report has been challenged. The whole effort, in fact, has been to disregard these estimates, official in character, as though they had never been made; to drag in other figures and estimates made years before the project was agreed upon and the treaty was signed, drawn from unofficial and private sources. The evident purpose of this effort is to avoid the real issue of cost presented by the President of the United States and to confuse Senators who approach the question with an open mind.

Senators continue to quote the estimates of Col. Hugh Cooper made 14 years ago for a plan of development of the St. Lawrence River which had absolutely nothing to do with the project provided by the pending treaty. Colonel Cooper himself, in a telegram to the Senator from Michigan [Mr. VANDENBERG] specifically repudiated the use of his estimates as applied to the project under consideration in this debate. Yet, in order to confuse the minds of Senators, the opponents of this treaty persist, in the teeth of Colonel Cooper's repudiation, to use those figures.

The opponents of the treaty ask us to consider the figures in a book published 5 or 6 years ago by Dr. Moulton, an economist without shipping, engineering, or power experience of any kind. The figures used in that book have absolutely nothing to do with the project specifically provided by this treaty.

So far as the development of St. Lawrence power is concerned, Dr. Moulton frankly states in his book that he has relied upon figures furnished him by Sanderson & Porter, an engineering firm which for years has been one of the chief consultants under retainer by the private power and public-utility companies of the East.

Dr. Moulton's book was written and published years before the pending treaty was drawn up and signed at Washington by representatives of Canada and the United States. Yet Senators are asked to consider figures that have their origin in such sources and to disregard official estimates of the Corps of Engineers, an official agency which has served this Government in war and peace and served it faithfully since the establishment of the United States Military Academy at West Point in 1802.

I wish Senators to refer to page 424 of the current issue of the Congressional Directory, which gives the official duties of the various agencies of the Federal Government. I quote:

The Chief of Engineers is charged under the direction of the War Department with control in technical matters over all the Corps of Engineers. The duties of the Corps of Engineers comprise reconnoitering and surveying for military purposes; the preparation, reproduction, and distribution of military maps of the United States and its possessions, and in field operations of maps of the theater of operations; selection and acquisition of sites and preparation of plans and estimates for military de-

fenses; construction and repair of fortifications and their accessories, including submarine mine systems; planning and supervising defensive or offensive works of troops in the field; military demolitions; military mining; and the construction, operation, and maintenance of all railways, utilities, ferries, canal boats, or other means of inland water transportation.

Civil duties committed to the Chief of Engineers, under the direction of the Secretary of War, are principally as follows: The execution of work ordered by Congress for the improvement of rivers and harbors and other navigable waters of the United States; and investigation and supervision, in cooperation with the Federal Power Commission of power projects affecting navigable waters of the United States.

The Board of Engineers for Rivers and Harbors is a permanent body created by the River and Harbor Act of June 13, 1902. To it are referred for consideration and recommendation all reports upon examinations and surveys provided for by Congress and all projects or changes in projects for works of river and harbor improvements upon which report is desired by the Chief of Engineers United States Army. In its investigations the Board gives consideration to all engineering, commercial, navigation, and economic questions involved in determining the advisability of undertaking such improvements at the expense of the United States.

CORPS OF ENGINEERS RESPONSIBLE FOR RIVER AND HARBOR WORK

Mr. President, no river or harbor project has been undertaken in this country in more than 30 years except on the basis of estimates made by the Board of Engineers for Rivers and Harbors under the direction of the Chief of Engineers.

If the estimates made by the Corps of Engineers are to be disregarded when we come to deal with the Great Lakes and the St. Lawrence River, then the estimates from the same source should be disregarded when we come to deal with the improvement of New York harbor, the other ports on the Atlantic, Gulf, and Pacific coasts, and the improvement of the Mississippi River system, and appropriations for improvement upon other rivers in the country.

We cannot disregard such estimates and resort to the twisted and partial figures of railroad and utility propaganda, without checking the development of this country and introducing chaos into the plans for improving the navigable waters of the United States.

Does any Senator here contend that the officers of the United States Army, who are at present at the head of the Corps of Engineers, have failed to bring to the consideration of this project devotion to national interests, impartial minds, and familiarity with the subject?

The present Chief of Engineers of the United States Army is Maj. Gen. Edward Murphy Markham, appointed by President Roosevelt October 17, 1933. General Markham has had more experience in dealing with navigation, questions of diversion and control, and development of power on the Great Lakes and their connecting rivers and channels than all the Members of the Senate combined.

A complete statement of the record of General Markham is as follows:

General Markham was born in Troy, N.Y., July 6, 1877. He was appointed a cadet to the Military Academy from New York in June 1895, graduated fifth in a class of 72 in February 1899, and was immediately appointed additional second lieutenant in the Corps of Engineers, United States Army.

His first duty as an engineer officer was as an assistant at St. Augustine, Fla.

He became second lieutenant, Corps of Engineers, September 29, 1899; was ordered to duty at the engineer school at Willets Point, N.Y.; and was appointed first lieutenant, Corps of Engineers, February 2, 1901, later being assigned to duty with Second Battalion of Engineers during the period at Willets Point and in the Philippine Islands. Returning to the United States, he was assigned as adjutant at Washington Barracks, D.C., and as assistant to Captain Sewell, Corps of Engineers, in charge of the reconstruction of Washington Barracks, D.C. He later commanded Company H, Second Battalion of Engineers, at Washington Barracks and in Cuba. He was promoted to captain October 15, 1905, and, returning from Cuba, was assigned to duty in Washington, D.C., in August 1907, and remained in this city as assistant engineer commissioner until August 1912. His promotion to major came February 27, 1912, and from the summer of 1912 until ordered to duty at the United States Military Academy, West Point, N.Y., in 1917, he was on duty as district engineer at Memphis, Tenn.

His duty during the war as colonel of Engineers, National Army, from August 5, 1917, was at Camp Dix, N.J., where he organized and commanded the Three hundred and third Engineers. He took this regiment to France and remained in command of it until relieved for assignment to General Headquarters, A.E.F., as deputy director of light railways and roads. He was afterward transferred to Coblenz, Germany, as chief engineer, Army of Occupation, and he returned to the United States and went at once to Detroit, Mich., where early in the summer of 1919 he had been assigned as district engineer.

Since October 1929 he has been division engineer of the Great Lakes division with office at Cleveland, Ohio, having supervision over the Buffalo, Detroit, second Chicago, Milwaukee, Duluth, and Lake Survey Districts. During this period the following work on channels and harbors was commenced or provided for: Duluth-Superior Harbor, channels in St. Marys River above and below the Soo Locks, the St. Lawrence between its head and Ogdensburg, Livingstone Channel in Detroit River, the lower Saginaw River, channel across Lake St. Clair, Toledo Harbor, Cleveland Harbor, Indiana Harbor, and Conneaut Harbor.

At the same time, as a member of the Board of Engineers for Rivers and Harbors since early in 1932, he has taken an active part in reviewing the major proposed improvements of rivers and harbors for navigation and flood control over the entire country.

Since the war his assignments have been: District engineer, Detroit, Mich., July 15, 1919; district engineer, Lake Survey, July 12, 1921; commanding officer, Fort Humphreys, Va., June 4, 1925; and division engineer, Great Lakes division, Cleveland, Ohio, October 26, 1929.

He was promoted to colonel, Corps of Engineers, May 11, 1921. Important boards of which he has been a member are:

Board of Engineers for Rivers and Harbors.

St. Lawrence Waterway.

Waterway from Chicago to the Mississippi River, Calumet River, Little Calumet River, Lake Calumet, and the Sag Channel, Ill., July 29, 1930.

The Joint Board of Engineers on St. Lawrence River Waterway. Appointed June 6, 1932.

International Board of Control to govern the maintenance and operation of the power-development works already built and authorized to be built in St. Marys River between Sault Ste. Marie, Mich., and Sault Ste. Marie, Ontario.

Board appointed to make preliminary examination of the Miami and Erie Canal, Ohio, including a branch canal connecting the Miami and Erie Canal with Lake Michigan, with a view to securing a channel.

Board appointed to consider and report upon plans for the construction of a county highway bridge across the Ohio River at McKees Rocks, Allegheny County, Pa.

Board for the purpose of making a survey of Calumet River, Little Calumet River, Lake Calumet, and the Sag Channel, Ill., with a view to providing a connection with, and terminal transfer harbors for, the waterway from Chicago to the Mississippi River, authorized by the River and Harbor Act approved July 3, 1930.

Educational Advisory Board.

Board of Surveys and Maps.

General Pillsbury's record is as follows:

Pillsbury, George Biglow, Army engineer; born Lowell, Mass., December 19, 1876; student Massachusetts Institute of Technology, 1894–96; graduate, United States Military Academy, 1900; commissioned second lieutenant, Engineer Corps, United States, June 13, 1900, and advanced through grades to lieutenant colonel, February 6, 1920; engineer, Alaska Railroad Commission, 1904–8; associate professor mathematics, United States Military Academy, 1908–12; district engineer, New London, Conn., district, 1912–16; Los Angeles, Calif., district, 1916–17; commander, One hundred and fifteenth Engineers, 1917–18; One hundred and second

Engineers, 1918; Corps Engineers, Second Corps, American Expeditionary Forces, 1918–19; member, Joint Board of Engineers, St. Lawrence waterway, 1923–26; District engineer, Philadelphia district, 1928–30; assistant to Chief of Engineers, United States, with rank of brigadier general for period of 4 years from June 27, 1930; awarded D.S.M. (U.S.).

Mr. President, it is to men like General Markham and General Pillsbury to whom President Roosevelt turned to obtain the estimates as to the cost of this project, the capacity of the locks and channels, and the desirability to the United States of the execution of the works provided by the treaty, when he sent his message of January 10 to the Senate.

The President gave a general summary of these estimates and the reports from other governmental agencies when he submitted his message.

On January 19 the President made public at the White House a detailed summary, confined exclusively to the report from the Corps of Engineers.

FACTS IN SUPPORT OF ECONOMIC BENEFITS OF SEAWAY NOW ESTABLISHED

Notwithstanding the attempts which are being made to avoid the issue, in spite of the confusion over the physical aspects of this project and its cost of construction and maintenance, I submit that the following facts have been clearly established and cannot be successfully challenged or overthrown. I quote from the official summary of the report of the Corps of Engineers, as follows:

The net cost to the United States of completing the seaway, under the treaty, is estimated at $182,726,250. This assumes that the New York power project will carry $89,726,750 as its share of the cost.

The annual cost of the seaway to the United States, including interest at 4 percent, amortization of the entire cost of the project in 50 years, operation and maintenance, is estimated at $9,300,000. This amounts to an annual cost of 7.4 cents per capita of the United States and 23.2 cents per capita of the area which will be directly served by the seaway.

The reports show that less than 10 percent of the total mileage of the waterway requires improvement to enable ocean-going cargo vessels to navigate the entire distance of approximately 2,300 miles from tidewater to Chicago or Duluth. It is already improved to a depth of 21 feet through the lake channels and consists of 134 miles of deep open water and 49 miles of 14-foot canals in the St. Lawrence above Montréal.

The proposed improvement provides for a minimum depth of 27 feet from all Great Lakes ports to open ocean. The major portion of the work, provided for in the treaty between the United States and Canada, will be done in the International Rapids section of the St. Lawrence River, where two dams will transform the rapids into deep pools. Two short canals with locks will carry navigation around the dams.

Analysis of prospective use of the seaway shows that the ocean-going-freight cargo vessels of the chief maritime nations of the world, with a tonnage of 2,000 tons or over, number 6,707, with a total tonnage of 31,000,000. Of this total, 5,457, with a combined tonnage of 22,000,000, have a draft, fully loaded, of 26 feet or less. This means that more than 80 percent of the world's freight cargo vessels and 70 percent of the cargo-vessel tonnage can utilize the proposed seaway.

Possible export and import commerce over the proposed St. Lawrence Waterway, based on 1929 conditions, is estimated at 25,000,000 tons. This is determined on the basis of a survey of the country's entire exports and imports, allocated on a regional basis. Certain arbitrary assumptions in the interest of conservatism reduced the final estimate of probable tonnage to 13,000,000.

For determining the potential savings due to the use of the waterway, movements of certain commodities considered typical were utilized. Thus, in the case of kaolin, comparison was made as to the cost of movement from Liverpool via the St. Lawrence and Cleveland to Cincinnati. In this manner the movements of 5 import commodities and 6 export commodities were traced. These include grain products, meats and animal fats, manufactured iron, chemicals, automobiles, agricultural implements, and copper. Potential imports via the seaway include sugar, rubber and rubber substitutes, coffee, bananas, kaolin, vegetable oil, manganese, and pyrites.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. HEBERT in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. As an interesting demonstration of the fact that the computations to which the able Senator from Wisconsin refers are no mere fiction, that they have a substantial reality in fact, may I call the Senator's attention to the fact that even with the limited export water-borne traffic, which is possible today from the city of Detroit through the 14-foot channel, last year 54 cargo ships cleared from Detroit for foreign ports carrying meat products, corn sirup, corn meal, and soda products in England; coal-tar pitch to Spain, Holland, Belgium, and France; meat products to Germany; and automobiles to England, Spain, Holland, South Africa, Australia, Belgium, Denmark, Germany, France, and Sweden, all directly from the Detroit docks.

I submit that the Senator is wholly justified in the conclusions he is submitting to the Senate on the basis of the experience we are now undergoing by way of water-borne traffic out of Detroit under the great handicap still existing until the seaway is opened.

Mr. LA FOLLETTE. I appreciate the Senator's interruption, because it reinforces the point I was making.

I quote further from the official summary of the report of the Corps of Engineers:

In estimating the savings on other commodities the average saving per ton on the typical commodities was used. It was realized that the navigation season on the St. Lawrence would be about 8 months per year and a reduction of one third in the potential tonnage was arbitrarily made for this reason.

The figures, as reduced, were found to indicate an export tonnage of 7,471,500 tons, with an indicated saving of $44,810,923. Similarly import tonnage was estimated at 5,742,333 tons and the savings on the movement at $34,082,207. * * *

Comparison with the important ship canals of the world, including the Manchester, Kiel, Suez, Panama Canals, and the North Sea Canal to Amsterdam, in terms of length of restricted navigation, depth, bottom width, and locks, shows that the proposed seaway is completely practical for navigation by ocean cargo vessels. The completed seaway from Duluth to the Atlantic Ocean will provide a waterway in which vessels may move with unrestricted speed over approximately 97 percent of the total distance.

ANSWER TO THE MINORITY REPORT

The junior Senator from New York [Mr. WAGNER] has submitted a minority report upon this subject. The Senator states in his report that in reaching his conclusions as to the effect of the project upon the commerce of the United States he has considered no official data published since the Department of Commerce report of 1926 and the St. Lawrence Commission report of 1927.

Since the minority report is chiefly directed against these traffic-tonnage estimates of 1926 and 1927, it is evident the Senator's report itself is completely out of date. Every important point, and every question raised in the minority report submitted by the junior Senator from New York, has been covered in official data brought up to date in the summary submitted to the Senate with the President's message.

When the Senator has had an opportunity to examine the data submitted by the President, I know he will give it that fair, earnest, and open-minded consideration which has characterized his whole service in this body. In the end I feel sure he will square his position on this question with the best, most complete, and latest-available facts, unmoved by any consideration other than the welfare of his State and the entire Nation.

In my opinion, the Senator has performed a public service by repudiating and rejecting from his minority report the misstatements of fact and false arguments which have been circulated most widely against the pending treaty.

The minority report, for instance, omits any reference to the absurd claim so often made upon this floor that the treaty presents a scheme to build up the port of Montreal at the expense of New York City, Boston, Baltimore, and our other Atlantic and Gulf ports.

The truth is that Montreal is today the head of navigation on the St. Lawrence River. She has enjoyed tremendous growth under existing conditions, and her chamber of commerce and port authorities have denounced the pending treaty as inimical to her interests. Montreal is situated below the rapids on the St. Lawrence River, which today cut off Cleveland, Toledo, Detroit, Chicago, Milwaukee, Duluth-Superior, and other great American ports from direct access to the sea.

According to an official survey of the ports of Canada recently made by the Dominion Government, Montreal has an assured future as a seaport even when she loses her

favored position as the head of navigation on the St. Lawrence. It is obvious, however, that the great American cities on the Lakes will remain at a heavy disadvantage until the project provided by this treaty is completed and the obstacles to navigation above Montreal are removed.

Another significant omission of the minority report of the junior Senator from New York is the argument so often advanced by the Senator from Louisiana [Mr. LONG] that the Chicago Sanitary District should be permitted to increase its illegal diversion of water from Lake Michigan beyond the limits imposed by the Supreme Court of the United States and the pending treaty.

The Senator from New York refers in the Minority report to article 7 of the treaty, by which it is provided that Canadian vessels shall be permitted equal navigation rights with American vessels on Lake Michigan. Canada has that right today under the treaty of 1909. That lake would be of little value to the United States unless it formed a part of the Great Lakes system and its connecting channels, comprising the greatest body of fresh water on the face of the globe.

In exchange for this parity, American vessels under the treaty are conceded equal rights with Canadian vessels in perpetuity to the free navigation and use of the Welland Canal, built wholly at Canadian expense, at a cost of $128,000,000, and in 1,000 miles of the St. Lawrence River below Montreal, already improved at Canadian expense to a depth of 30 feet.

The minority report of the Senator from New York cited article 8 as "a further limitation upon the rights of the United States in Lake Michigan", but it is to be noted that the Senator does not advocate any increase in the diversion at Chicago. It would be surprising, indeed, if the Senator from New York, who has declared with such emphasis his stanch advocacy of "the power project upon which the treaty is based", should join with those who are insisting upon nullification of the Supreme Court decree by amendment or reservation of the treaty.

By resolution of the Legislature of New York with the approval of her Governor and attorney general, the State of New York joined the States of Wisconsin, Minnesota, Michigan, Indiana, Ohio, and Pennsylvania in the protest against the excessive diversion by the sanitary district of Chicago which ultimately resulted in the Supreme Court decree.

A resolution adopted by the Senate of the State of New York on February 2, 1925, provided:

> Whereas the withdrawal of 1,000 cubic feet per second of water from Lake Michigan is adequate for the needs of navigation in constructing a waterway from Lake Michigan to ultimately connect with the Mississippi River; and the withdrawal of 10,000 cubic feet per second of water from Lake Michigan at Chicago is damaging navigation interests on the Great Lakes to the extent of approximately $3,000,000 annually in addition to the damage done to other interests:
>
> *Resolved (if the assembly concurs)*, That the Legislature of the State of New York respectfully memorializes the Congress of the United States not to advance to passage the aforesaid bill nor any other measure which would authorize the withdrawal of any quantity of water from Lake Michigan to the Chicago Sanitary Canal in excess of 1,000 cubic feet per second.

Upon a moment's consideration it will be recognized that every cubic second-foot of water diverted at Chicago diminishes the water power that can be generated on the St. Lawrence by precisely the same extent. If the 5,000 cubic second-feet sought by opponents of the treaty were diverted at Chicago, it would diminish by 50,000 primary horsepower the hydroelectricity that can be generated on the St. Lawrence, a block of power conservatively valued at $15,000,000. As a friend of the power project, the junior Senator from New York could not be expected to sanction this denial of the undoubted legal rights of his own State.

The Senator, in fact, supports the President in viewing this question from a broad national point of view. He rejects all appeals to national envy and prejudice directed against a friendly neighboring nation. He despises to implant the "grossly exaggerated" "local fears of economic harm to special localities or to special interests" to which the President referred in his message. I differ with many of the Senator's estimates of cost, based upon inadequate data entirely superseded by official estimates which are now available. While I take direct issue with his conclusions, yet it must be conceded that the Senator from New York is correct in his definition of the central question involved in this treaty.

The Senator states in his minority report that—

> The single issue that everyone wants to face is: Will the cost of the St. Lawrence project to the people of the United States as a whole be more than the foreseeable returns to these people?

Immediately after the minority report was filed and before it appeared in print, this proper and practical question received a complete answer from the President of the United States. The President sent here the careful, authoritative estimates made by the Corps of Engineers of the War Department bearing directly on the Senator's question.

As I have already shown, the President's report shows a transportation saving to the producer and consumer of $79,000,000 a year in a study confined to foreign commerce, which comprises only one fifth of our total water-borne shipping, the balance being entirely domestic in its origin.

I read from the summary of the report of the Corps of Engineers:

> A consideration of the producers and consumers' market which will be opened up to deep-water transportation by the development of the proposed seaway, with a comparison of the land and ocean rates, will indicate in some small measure the benefits to domestic commerce which will be developed through the proposed improvement.
>
> Typical savings in such domestic shipments, assuming return cargo available, were $5.55 to $12.64 per ton on lumber from Grays Harbor, Wash., to Detroit, Mich.; $9.33 per ton on class 5 commodities from Philadelphia to Chicago; $84.95 per ton on automobiles from Detroit to Los Angeles.

These are by no means all the benefits the President has asked the Senate to consider in connection with this project. The general economic development of all sections of the country, the new industries and the rise in values resulting from both the seaway and power project, the stimulus given our domestic trade by the creation of a new seacoast 3,500 miles in length, and the enormous saving to consumers of electricity resulting from the development and distribution of the cheapest electric current available in North America, are also clearly shown in the summary submitted by the President.

Take the cost of the entire project under the treaty which is given in the Senator's minority report. Disregarding the carefully worked out estimates of the Corps of Engineers, the report estimates the cost at $573,136,000, or more than double the official estimates of the War Department.

This figure, which is utterly discredited in the interdepartmental report sent to the Senate by the President, is arrived at by arbitrarily assuming that the cost will exceed the estimate by 20 percent. This assumption is made in the teeth of the testimony of General Markham, the Chief of Engineers, and General Pillsbury, the Assistant Chief of Engineers, that work on the connecting channels of the Great Lakes has been going forward for more than a year at an actual cost of about 50 cents on the dollar of the original estimates.

After adding 20 percent to the estimates of the Engineers, the minority report includes with the cost of this project an arbitrary estimate of $25,000,000 for each of the principal harbors on the Great Lakes: Duluth-Superior, Chicago, Milwaukee, Detroit, Toledo, Cleveland, Buffalo, and Sandusky. This accounts for $200,000,000, or about 40 percent of the cost of this project as estimated in the Senator's minority report. It completely ignores the fact that many of the great ports on the Great Lakes, like the city of New York on the Atlantic, maintain their own port authorities and that much of the expense of developing the harbors will be borne by the local communities.

The estimate of $200,000,000 for the improvement of eight harbors on the Great Lakes, as presented in the minority report, is directly challenged by the testimony of General Markham, Chief of Engineers, in the hearings on this treaty.

General Markham testified before the Foreign Relations Committee that, allowing for the usual local contribution to such port developments, eight important harbors on the

Great Lakes could be developed to a depth of 25 feet at a total Federal cost of $7,500,000.

Mr. President, I ask unanimous consent to have an excerpt from the testimony of General Markham inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The testimony referred to is as follows:

Senator WALSH of Montana. Now, something was said here about the necessity of large expenditures for the improvement of the Lakes harbors to make them open to entry by ocean-going vessels drawing 25 feet. What have you to say about that?

Colonel MARKHAM. We have never been called upon to report the cost of ocean-going traffic into the Lakes harbors, but as a matter of small interest and provision we have taken eight harbors and adopted our own contemplations of what, in fact, will be the manner of their upbuilding toward ocean trade, and have arrived at the conclusion that in all likelihood the Federal expenditure to get ocean-going ships drawing 25 feet to an ocean terminal in each of these eight harbors will cost less than $7,500,000.

Senator VANDENBERG. Will you name those eight harbors?

Colonel MARKHAM. Duluth, Chicago, Calumet, Toledo, Cleveland, Buffalo, and Milwaukee.

Senator WALSH of Montana. And Detroit?

Colonel MARKHAM. I probably should have included Detroit, but there is practically no improvement to be done at Detroit. * * *

Mr. LA FOLLETTE. Following the testimony of General Markham I desire to insert in the RECORD a copy of a letter under date of January 24, 1934, sent to me by General Markham at my request, containing a further statement in connection with this particular phase of the subject.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, January 24, 1934.

Hon. ROBERT M. LA FOLLETTE, Jr.,
United States Senate, Washington, D.C.

DEAR SENATOR LA FOLLETTE: I am advised that in view of the extravagant statements made as to the cost of improving the harbors on the Great Lakes to accommodate shipping through the proposed St. Lawrence deep waterway, you desire reliable figures on the probable cost of such improvement.

The harbors on the Great Lakes are already developed to accommodate a commerce vastly exceeding in volume the commerce which may be anticipated through the seaway. Ships used on the present commerce of the Lakes exceed in size those which will use the waterway, but are of less draft. Until 1930 Lake harbors were developed to provide depths generally of from 21 to 22 feet to accommodate vessels of 20-foot draft. In 1930 a comprehensive project was adopted by Congress for deepening the connecting channels between the Lakes to accommodate downbound ore-carrying vessels of 24-foot draft. The River and Harbor Act authorizing this improvement directed the submission of detailed plans and estimates of the cost of correspondingly improving the harbors on the Lakes. These plans and estimates have been prepared and submitted to Congress, a large part of the work of improvement at the principal harbors has been included in the Public Works program, and has been contracted for at prices in close agreement with the estimates.

On the table below there is shown for five of the largest harbors the actual cost of improvement heretofore accomplished for 20-foot navigation and the detailed estimated cost of further improving these harbors to accommodate vessels of 24-foot draft.

	Actual cost of improvement to June 30, 1930, to provide channels generally 21 to 22 feet deep to accommodate vessels of 20-foot draft with breakwaters, entrances, and other protective works	Cost, based on detailed estimates of improving the harbor generally from 25- to 26-foot depth, to accommodate vessels of 24-foot draft, including incidental improvement of breakwaters, entrances, and other protective works
Duluth-Superior	$7,159,634.38	$1,319,000
Buffalo	4,779,627.62	1,863,000
Cleveland	6,733,967.99	600,000
Toledo	2,892,102.36	1,255,000
Calumet (South Chicago)	2,803,261.10	4,540,000
Total	24,368,593.45	9,577,000

The list does not include Milwaukee Harbor, where a capacious and well-protected outer harbor of 21-foot depth has been constructed at a total cost of $5,808,387.96. Since this harbor is not an ore port, detailed estimates have not been prepared for its further improvement to provide 24-foot draft. Detroit Harbor is not included, since the water front is on natural deep water in Detroit River.

In order that these harbors may accommodate ocean-going vessels passing through the St. Lawrence seaway it is necessary only to further deepen to 27 feet the channels to a suitable location for an ocean terminal or terminals in the present protected harbor areas. Preliminary but conservative estimates based on available and appropriate locations for such terminals show that a total expenditure of $7,500,000 or less will provide the necessary harbor improvements at seven of these largest lake harbors.

Sincerely yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

Mr. LA FOLLETTE. Mr. President, perhaps I have devoted too much time to that contention of the minority report, because it seems utterly absurd to me. It would have been just as absurd at the time the Panama Canal was under construction to have figured up all of the improvements for all time to come in the harbors of the Atlantic, Gulf, and Pacific ports and to have added the lump sum thus ascertained to the total cost of building the Panama Canal.

But let us accept for the sake of argument the estimates submitted in the minority report. Let us assume that the cost of the power project, the seaway, and the improvement of the principal harbors on the Great Lakes would amount to $573,136,000. Nevertheless the President has shown in the interdepartmental report which is now before us that the saving of $79,000,000 in transportation costs alone will pay the entire cost of this project and the improvement of the harbors in less than 10 years of normal business activity. This takes no account whatever of the enormous benefits which will accrue to the people of the State of New York and the northeastern region generally in the public development of the cheapest water power available in the United States.

We have already seen how the public power development at Muscle Shoals has forced the private utility companies from Birmingham, Ala., to St. Louis, Mo., to reduce their extortionate rates, with a saving of millions of dollars a year to consumers of electricity. If St. Lawrence power is developed, it is inevitable that the rates charged domestic consumers, which are now about four times the rates charged across the St. Lawrence River in Ontario, will be sharply reduced not only in the State of New York but throughout Pennsylvania and New England.

In passing, Mr. President, I desire to point out one example of the effect of the power development. The summary indicates that the cost of electricity delivered to the switchboard in the city of New York from the St. Lawrence project with a 60-percent load factor to be one-half mill per kilowatt-hour and 4.8125 mills with an 80-percent load factor.

In view of this situation we can all agree with the statement made by the Senator from New York [Mr. WAGNER] at the outset of his minority report:

I am completely in favor of the public development of cheap and abundant water power; and I want to emphasize at the outset that I do not oppose the power project upon which the treaty is based.

It only needs to be pointed out, Mr. President, that it is impossible to secure this development of power without a treaty; therefore, if this development of power is to take place, the treaty must be ratified.

The argument has been advanced on the floor and in the cloakrooms of the Senate that this treaty should not be ratified because the Senators from New York are opposed to the development. The junior Senator [Mr. WAGNER] has made it entirely clear in his minority report that he strongly favors the only portion of the project under this treaty which directly concerns his own State.

He stands with President Roosevelt in urging the construction of the works and the development of the latent water power in his own State, which promises such enormous benefit to the people of the Northeast. The only difference between the Senator and the President is that the President likewise favors the navigation development, which does not concern the State of New York alone but, as the President has shown, will directly benefit the land-locked States of the interior of the country, with a population of

45,000,000, and ultimately stimulate and promote the development, commerce, and shipping of every seaport and State bordering on the Atlantic, Gulf, and Pacific coasts.

The President bases his advocacy of the navigation project upon up-to-date estimates, carefully sifted and analyzed by four separate governmental agencies. The Senator from New York lays before the Senate a minority report, frankly stating that he has had no up-to-date data before him and, accordingly, has had to rely upon estimates made in 1926 and 1927, 7 or 8 years ago.

I know that the Senator will give the up-to-date information submitted to the Senate by the President his best consideration.

PRESIDENT'S MESSAGE AND SUMMARY IS COMPLETE ANSWER TO OBJECTIONS TO NAVIGATION PROJECT

I submit, Mr. President, that no fair-minded person can read the President's message and the summary that accompanies it without conceding that he has given a complete answer to every objection raised against the navigation features of the treaty. The President has given an answer based upon the authority of the Corps of Engineers of the War Department and upon his long study and entire familiarity with this subject. The answer he gives is conclusive on the benefits of the seaway. It is devastating to the absurd propaganda that has been circulated against the treaty by the great banking houses connected with the public utility and railroad corporations of the eastern section of the United States. At sometime, Mr. President, before this debate shall have been concluded I expect to make a demonstration of their control and of their direct, selfish interest in defeating the treaty.

In view of the circumstances stated, it is not surprising to find the opponents of the treaty virtually abandoning the field, refusing to fight this question out on its merits on the issue of actual transportation savings and national benefits.

In the opening address of the Senator from Illinois [Mr. LEWIS] we have witnessed an attempt to take refuge in the fantastic argument that the seaway, which the Senator claims will be inadequate to float an ocean vessel, is the result of a foreign plot to open a highway into the heart of the United States for an invasion by British battleships.

The Senator resorted to an equally absurd argument when he attempted to show that the power development had no place under the treaty and had been included in the treaty project only because of the cunning of the negotiators for the Dominion of Canada.

This line of argument is disproven and discredited by every word of testimony in the record of the Committee on Foreign Relations and every official document of the United States and Canada that has ever been printed on this subject. Likewise, it belies the whole public record of Franklin D. Roosevelt as Governor of the State of New York and impeaches his good faith and intelligence as President of the United States.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I yield for a question.

Mr. LONG. I was just going to ask the Senator a question. We had a convention in Chicago at which the President was nominated, and at that convention there was a report in favor of the St. Lawrence Waterway Treaty, but it was stricken out on the floor of the convention, because a majority of the party were not in favor of it. In other words, it came to the floor of the convention, but was not adopted.

Mr. LA FOLLETTE. Mr. President, that is not my understanding of the matter——

Mr. LONG. Perhaps I am a little wrong about that.

Mr. LA FOLLETTE. My understanding is—and I think such a statement has been made in this debate—that an affidavit was made by the chairman of the resolutions committee that an endorsement of the St. Lawrence seaway project had been included in the report of the resolutions committee, and that it was left out when the report was presented, due to an oversight.

Mr. LONG. That is a mistake.

Mr. LA FOLLETTE. I am not ready to concede that is a mistake.

Mr. LONG. It was recalled to my mind, and I very vividly recollect how it was left out. It was intentionally and designedly left out as everybody, I think, probably will agree. I inquire of the Senator what chairman was it who it is stated made such an affidavit as he has indicated?

Mr. LA FOLLETTE. If my recollection is correct——

Mr. DUFFY and Mr. LEWIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. LA FOLLETTE. I yield first to my colleague.

Mr. DUFFY. Former Senator Hitchcock, the chairman of the resolutions committee, has executed an affidavit to the effect that the question was passed on by the subcommittee and that they intended to read the provision to the convention, but that it was left out purely by oversight.

Mr. LONG. Mr. President——

Mr. LA FOLLETTE. I will have to let this question go over until some later time. I do not think it is particularly important in view of the fact——

Mr. LONG. If the chairman left it out, he did so for a good reason, because it would have been hail Columbia if he had read it.

Mr. LA FOLLETTE. That also is a statement, the accuracy of which I cannot concede. In any case, however, it does not seem very important to me.

Mr. LONG. Did the Republican Party put such a provision in its platform?

Mr. LA FOLLETTE. It certainly did.

Mr. LEWIS. I may say that the Democratic platform used the word "waterways."

Mr. LA FOLLETTE. Mr. President, the Senator from Illinois when in the chair is very meticulous about forcing every other Senator to address the Chair before he interrupts.

Mr. LEWIS. I was correcting my friend from Louisiana.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I am very glad to yield to the Senator from Illinois, but I cannot listen to two Senators when they talk at the same time, and I am anxious to have the record straight. I do not believe that the point is very important inasmuch as the candidate of the Democratic Party made a statement early in the campaign unequivocally pledging himself and his administration, if elected, to the ratification of the treaty.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. In the address which the Democratic nominee made to the country over the radio, he undertook to read and paraphrase the Democratic national platform. I agree with the Senator from Wisconsin that it is more or less inconsequential, but the fact is that the Democratic nominee, in reading the program and platform to the country, included the precise St. Lawrence plank to which the Senator from Wisconsin is referring.

Mr. LONG. Mr. President, will the Senator yield to me for a moment; and I promise I will not disturb him further until his speech shall have been concluded.

Mr. LA FOLLETTE. I yielded to the Senator about 3 hours this morning, but I am glad to yield to him again.

Mr. LONG. A member of the resolutions committee came to my room and told me they were leaving the St. Lawrence waterway out. I had forgotten it until I was reminded of it. I remember it very vividly; and it was left out purposely and not brought to the floor of the convention.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield.

Mr. LEWIS. I want to say that my able friend from Michigan has fallen into an error, unconsciously, of course. The speech of the President did not say "the St. Lawrence waterway", but "waterways", and I call attention to the

fact that the Democratic platform did not allude to the "St. Lawrence waterway", and thus it could not have authorized him in his speech to construe that platform to endorse other than what it said—"waterways."

Mr. DUFFY and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. LA FOLLETTE. I yield, first, to the Senator from Michigan, and then I shall yield to my colleague.

Mr. VANDENBERG. I shall be very glad to put the President's precise words in the RECORD tomorrow. I think there is no doubt about where the President stands.

Mr. DUFFY. Mr. President——

Mr. LA FOLLETTE. I yield to my colleague.

Mr. DUFFY. In this connection I wish to say that I discussed this matter with the President about 2 weeks ago, trying to recall whether my recollection was correct, and the President at that time assured me that it was the St. Lawrence waterway that he referred to in his radio speech, and it was he who called my attention to the affidavit which had been executed by former Senator Hitchcock.

Mr. DIETERICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield.

Mr. DIETERICH. I do not think we ought to labor under any mistaken notion as to the pledge in the party platform. There is not any question that the Republican Party platform directly pledged the party to the St. Lawrence project, though the treaty had not then been completed. It is also a matter of record that the Democratic Party pledged to "waterways", including the St. Lawrence and Great Lakes waters. I want to differentiate as to that. That was not a pronouncement for this particular treaty; it was generally for a St. Lawrence waterway project and not for this particular treaty, but the project was included in the word "waterways", which the Democratic platform endorsed generally, as my colleague has well said.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. LA FOLLETTE. I yield.

Mr. PITTMAN. Just to clear up this platform matter, I have the Democratic platform before me, and I will read it to the Senate. It states:

> We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy; expansion of the Federal program of necessary and useful construction affected with a public interest such as adequate flood control and waterways.

I regret to say that it does not specifically mention the Mississippi River, and I hope the failure to mention the Mississippi River does not mean that the platform is against the development of the Mississippi River. It does not mention any particular harbor, and I hope it will not be construed that the platform is against the improvement of any of the harbors of the country.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield to the Senator from Nebraska.

Mr. NORRIS. Since there is so much controversy about the Democratic platform and there seems to be more than one, I should like to know whether the Democratic Party circulated one platform around Chicago and a different platform around New York?

Mr. ROBINSON of Arkansas. Oh, no, Mr. President, we never do anything like that. [Laughter.]

Mr. NORRIS. It looks now as though you have been caught right in the act of doing that very thing.

Mr. ROBINSON of Arkansas. But the Senator from Nebraska is occasionally cross-eyed. [Laughter.]

Mr. DIETERICH. Mr. President, with the permission of the Senator from Wisconsin, I wish to correct my statement. The platform I read was a copy published at the time the convention was held, which contained the language indicated by me. I see from the platform read by the Senator from Nevada that that language was stricken out.

I did not interrupt the Senator from Wisconsin when he was talking about the diversion of water at Chicago because I did not want to interrupt his speech at that time, but I do not agree with him, and I do not think he has a correct understanding of the litigation and its effect. I want to serve notice on the Senator that I will undertake to enlighten him on the subject when he shall have concluded.

Mr. LA FOLLETTE. I will also try to enlighten the Senator before I conclude.

THE PRESIDENT HAS STUDIED ALL QUESTIONS INVOLVED

Mr. President, I had just referred to the statement made by the Senator from Illinois in his opening address concerning the power aspects of this treaty.

The Senator from Illinois gave it as his opinion that the President had fallen into error in his conclusions in respect to the treaty. The fact is that the President has given the subject more consideration over a longer period of time than any Member of this body. For 5 years he has been grappling with this question of the development of the St. Lawrence River. He followed every step of the negotiations between the United States and Canada. He came to the conclusion, based upon repeated inspections of the site of this project, and upon study of all phases of the question, for 4 years as Governor of New York and during his incumbency as President, that the simultaneous development of the river for both power and navigation would result in a tremendous saving of public money and confer lasting benefits upon the people of New York and the Nation.

The Senator from Illinois, in my judgment, has only disclosed his own unfamiliarity with the subject matter of the treaty, and the narrow interests of the Chicago Sanitary District from which he views this great project in the speech he has made upon the floor of the Senate belittling the intelligence of the President.

Mr. President, let the opponents of this treaty disprove the estimates of the Corps of Engineers. Let them point out the errors in the economic survey that has been made on transportation savings. Let them explain why ocean-going vessels cannot navigate a channel 27 feet in depth from the Atlantic to Chicago and Duluth, with 97 percent of the total distance free from canals, locks, or restrictions of any kind. I hear Senators who are opposed to this treaty constantly referring to this project or seaway as a "canal." For 97 percent of the distance from Duluth to tidewater it is no more a canal than is the Atlantic Ocean itself.

The opponents of this treaty refuse to discuss these questions and insist upon raising irrelevant questions, designed to inflame public sentiment against Canada and to arouse local fears and prejudices, because the President has completely demolished the legitimate grounds of opposition to this project.

(At this point Mr. LA FOLLETTE yielded the floor for the day.)

Wednesday, January 31, 1934

DIVERSION OF WATER FROM LAKE MICHIGAN

Mr. LA FOLLETTE. Mr. President, it seems to me relevant that we should briefly review the history of diversion of water from Lake Michigan at Chicago.

The city of Chicago had been dumping its sewage into Lake Michigan. Despite the efforts of the city to build its domestic water intakes farther and farther out into the lake, the deaths from typhoid fever began in the late 1880's and 1890's to show an alarming increase. During the World's Fair of 1893 the death rate from typhoid fever rose to something like 140 per hundred thousand people. This alarming situation developed a demand for some relief from these insanitary conditions and gave tremendous impetus to the proposal to create a sanitary canal to dispose of this sewage in some manner so that it might not menace the health of the citizens of the city of Chicago.

Although it is now regarded, I believe, by impartial sanitary engineers as a colossal engineering blunder, the Chicago Drainage Canal was pushed very rapidly until it was

open for use in 1900. In order to flush this sewage through the drainage canal it was necessary to change the natural course of the Chicago River, which theretofore had flowed into the Great Lakes system, and to divert a large amount of water at Chicago from the Great Lakes-St. Lawrence Watershed. This diversion reached an excessive amount of water; and in 1907 the United States Government instituted a suit in the Federal District Court in Chicago to restrain the Sanitary District of Chicago from diverting more than 4,167 cubic second-feet of water from Lake Michigan.

The suit was pending in the district court for upward of 6 years, when finally a decision was rendered sustaining the contention of the Federal Government, in which the district judge held that any diversion in excess of 4,167 cubic second-feet was in violation of law. This decision was appealed to the Supreme Court of the United States; and the States of Wisconsin, Minnesota, Ohio, and Michigan joined with the Government in the hearing on the appeal. The sanitary district, through its lawyers in the Supreme Court, urged that the previous action of Secretaries of War had affirmed and authorized this diversion.

In the decision of the Supreme Court on this case it completely rejected this contention on the part of the sanitary district of Chicago, and refused to recognize that there were in the actions of the Secretaries of War or of Congress any authorizations for this excessive diversion as it was then being made by the sanitary district. After reciting the statutes and the various permits issued by the various Secretaries of War, the Court said in part—and I quote from Two Hundred and Sixty-sixth United States Reports, 405, at page 430:

> On January 8, 1913, Mr. Secretary [of War] Stimson carefully reviewed the situation, including the obvious fact that so large a withdrawal would lower the levels of the Lakes, and the overwhelming evidence that it would affect navigation, and held that he was not warranted in excepting the appellant [the sanitary district] from the prohibition of Congress on the ground of even pressing sanitary needs. It appears to us that the attempt to found a defense upon the foregoing licenses is too futile to need reply.

In a later case the States of Wisconsin, Ohio, Minnesota, and Pennsylvania joined in asking that any diversion in excess of 1,000 cubic second-feet should be restrained. The State of Michigan brought a separate action, in which it was later joined by the State of New York, asking for relief against all diversion. Now, it is perfectly clear, although it may not perhaps be pertinent to this particular argument, that the reason why the States of Wisconsin, Ohio, Minnesota, and Pennsylvania did not ask for a complete cutting off of the diversion at Chicago was that they were in entire sympathy with the construction of the Illinois waterway, but were convinced upon the overwhelming weight of the evidence and testimony of the Army engineers that 1,000 cubic second-feet was more than that necessary to provide water for navigation upon this waterway.

It is my understanding and, I think, that of the attorneys general who have represented the Lake States in this long litigation, that the Supreme Court has never passed upon the question of the right of Congress to divert water from one natural watershed to another, even in the interests of navigation. I think I am correct in stating that it is the unanimous opinion of these attorneys general, who have given years of study to this question, that Congress has no such right.

I wish to make it clear that I concede at the outset that the Supreme Court has not passed in these cases upon the right of Congress, through the exercise of plenary power, to divert water from one natural watershed to another. I state, however, as a fact, that it is the contention of these attorneys general that Congress has no such right.

In this connection, however, I think there should be pointed out the physical situation involved in this question of diversion.

It has been contended by some of the opponents of this treaty who appeared before the Foreign Relations Committee that the source of the Des Plaines River was Lake Michigan. This is entirely disproved by all the testimony that has been taken in these cases. The physical fact is undoubtedly that the Des Plaines River is on the west side of the Continental Divide, and certainly that in all times of written history it has never been on the east side of the Continental Divide. All of the testimony indicates that in order that water from Lake Michigan should flow into the Des Plaines River, Lake Michigan would have to rise between 8 and 10 feet above its normal level. The overwhelming weight of testimony in these cases demonstrates beyond possible refutation that certainly during any historic time there has never been any such rise in the levels of Lake Michigan. The Supreme Court of the United States, I contend, has definitely settled the question of any right to a diversion based upon any previous flow from Lake Michigan into the Mississippi Basin against this contention.

Mr. LEWIS. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Illinois.

Mr. LEWIS. May I be pardoned to say to my able friend, whose speech indicates his splendid industry, that his position that the Supreme Court of the United States has never affirmed the right of taking water from one shed transverse to another is defeated, I deplore to add, knowing his industry—he has been misdirected—in the late case in the Supreme Court of the United States of *Connecticut* v. *Massachusetts* (282 U.S., 660–674), which I must concede so thoroughly varies from previous rulings that it was very natural for both eminent counsel and the able Senator to have drawn deductions from the previous rulings. I call attention to the last case, Two Hundred and Eighty-second United States Reports, pages 660–674, which justifies the doctrine of the right of Congress or any other legitimate source to divert interstate waters from one watershed to another.

Mr. LA FOLLETTE. It is the contention, Mr. President, may I say—and this is what I intended to state—that the Supreme Court in these cases never passed upon the right of Congress to divert water from one watershed to another. I think perhaps the Senator misunderstood my statement.

The State of Wisconsin filed the first of these bills on July 14, 1922. The Wisconsin bill was amended on October 5, 1925, and the States of Minnesota, Ohio, and Pennsylvania became coplaintiffs. The amended bill sought an injunction restraining the State of Illinois and the sanitary district of Chicago from causing any water to be taken from the Great Lakes-St. Lawrence watershed in such manner as permanently to divert it from that watershed. On April 8, 1926, the State of Michigan filed a separate bill for the same relief. On October 8, 1926, the State of New York filed a separate bill for the same relief. Subsequently the three suits were consolidated for the purpose of hearing.

Pursuant to a hearing upon the first report of the special master to whom the causes had been referred, the Supreme Court, in a decision rendered on January 14, 1929, established the facts and declared the law governing the rights of the parties. I quote from the decision, which is to be found in Two Hundred and Seventy-eighth United States Reports, 367, at page 420:

> In increasing the diversion from 4,167 cubic feet a second to 8,500 the sanitary district defied the authority of the National Government resting in the Secretary of War. And insofar as the prior diversion was not for the purposes of maintaining navigation in the Chicago River, it was without any legal basis, because made for an inadmissible purpose. It therefore is the duty of this Court by an appropriate decree to compel the reduction of the diversion to a point where it rests on a legal basis, and thus to restore the navigable capacity of Lake Michigan to its proper level. The sanitary district authorities, relying on the argument with reference to the health of its people, have much too long delayed the needed substitution of suitable sewage plants as a means of avoiding the diversion in the future.

In October 1929, in referring to this decision above quoted, Mr. Justice Holmes declared—and I quote from Two Hundred and Eighty-first United States Reports, 179, at page 196:

> * * * The facts were set forth in detail and the law governing the parties was established by the decision reported in Two hundred and Seventy-eighth United States, page 367. It was decided that the defendant State and its creature, the sanitary district, were reducing the level of the Great Lakes, were inflicting great losses upon the complainants, and were violating their

rights by diverting from Lake Michigan 8,500 or more cubic feet per second into the Chicago Drainage Canal for the purpose of diluting and carrying away the sewage of Chicago. The diversion of the water for that purpose was held illegal, but the restoration of the just rights of the complainants was made gradual rather than immediate in order to avoid, so far as might be, the possible pestilence and ruin with which the defendants have done much to confront themselves. * * *

As recently as May 22, 1933, the Supreme Court, in a unanimous decision, rendered by Chief Justice Hughes, reaffirms the foregoing in forceful language. I quote from the preliminary print, volume 289, United States, no. 3, 395, at pages 401 and 402:

In this suit the State of Illinois has defended from the beginning upon the ground that diversion was essential with reference not only to the needs of sanitation but also for a continuous waterway from the lake to the Gulf (*Wisconsin* v. *Illinois*, supra, pp. 388, 396). But the Court found this contention unavailing and that the existing diversion was unlawful. The Court found no basis for the argument that the diversion had been authorized by the Congress (id., pp. 416–420).

After a full examination of the facts, and considering the questions presented in all their aspects, the Court deemed it to be its duty "by an appropriate decree to compel the reduction of the diversion to a point where it rests on a legal basis and thus to restore the navigable capacity of Lake Michigan to its normal level" (id., p. 420). The "restoration of the just rights of the complainants was made gradual rather than immediate in order to avoid so far as might be possible pestilence and ruin with which the defendants have done much to confront themselves" (*Wisconsin* v. *Illinois*, 281 U.S. 179, 196). The final decree fixed the time and amount of the reduction of the diversion with this object in view (id.). That decree in terms bound the State of Illinois, no less than its creature, the sanitary district. In delivering the opinion of the Court Mr. Justice Holmes summed up the matter by saying: "It already has been decided that the defendants are doing a wrong to the complainants and that they must stop it. They must find out a way at their peril. We have only to consider what is possible if the State of Illinois devotes all its powers to dealing with an exigency to the magnitude of which it seems not yet to have fully awaked. It can base no defenses upon difficulties that it has itself created. If its constitution stands in the way of prompt action, it must amend it or yield to an authority that is paramount to the State" (id., p. 197 (*Wisconsin* v. *Illinois*, 289 U.S. 395, 401–402).

The attitude of the Court and the situation with regard to the future is emphasized in the following statement by the Court in its enlargement of the decree of April 21, 1930, Two Hundred and Eighty-first United States Reports, page 695. Chief Justice Hughes says—and I quote from the same decision, pages 410 and 411:

The finding of the master that it is still possible to complete the sewage treatment works within the time fixed by the decree for the ultimate limit of the diversion finds support in the statements now submitted by the defendants. On the hearing before the master the sanitary district took the position that "ample time remains for this construction, assuming that funds will be available", and "that a finding that the district will not obtain the necessary funds or will not construct these works by December 31, 1938, is premature and unwarranted." And in its present argument beforer this Court the sanitary district states:

"No delay has occurred which will affect the ultimate completion of the works before the end of 1938, except the delay caused by lack of money. The evidence does not disclose that there need be any apprehension on the part of this Court as to the diligence it may expect from the sanitary district. On the contrary, the testimony to which we have referred indicates that this Court may anticipate that the sanitary district will act with all possible speed in the performance of work necessary to effect compliance with the decree."

The question, then, comes down to the procuring of the money necessary to effect the prompt completion of the sewage treatment works and the complementary facilities. To provide the needed money is the special responsibility of the State of Illinois. For the present halting of its work the sanitary district is not responsible. It appears to be virtually at the end of its resources. The master states that, due to its financial situation, the sanitary district cannot go forward in any adequate manner with either contracts or construction. We find that the master's conclusion, that there is no way by which the decree can be performed under tolerable conditions "unless the State of Illinois meets its responsibility and provides the money", is abundantly supported by the record.

That responsibility the State should meet. Despite existing economic difficulties, the State has adequate resources, and we find it impossible to conclude that the State cannot devise appropriate and adequate financial measures to enable it to afford suitable protection to its people to the end that its obligation to its sister States, as adjudged by this court, shall be properly discharged.

We do not undertake to prescribe the particular measures to be taken or to specify the works and facilities to be provided. But in view of the delay that has occurred and the importance of prompt action, and in order that there may be no ground for misapprehension as to the import of the decree or the duty of the defendant State, we think that complainant States are entitled to have the decree enlarged by the addition of the following provision:

That the State of Illinois is hereby required to take all necessary steps, including whatever authorizations or requirements, or provisions for the raising, appropriation, and application of moneys, may be needed in order to cause and secure the completion of adequate sewage treatment or sewage disposal plants and sewers, together with controlling works to prevent reversals of the Chicago River if such works are necessary, and all other incidental facilities, for the disposition of the sewage of the area embraced within the sanitary district of Chicago so as to prerclude any ground of objection on the part of the State or of any of its municipalities to the reduction of the diversion of the waters of the Great Lakes-St. Lawrence system or watershed to the extent, and at the times and in the manner provided in this decree.

DECISIONS OF SUPREME COURT HAVE DETERMINED RIGHTS OF LAKE STATES

These decisions of the Supreme Court, bringing the matter right down to the present time, constitute clearly a conclusive and final determination of the rights of the lake States and their citizens, and indeed of all citizens of the United States, to have this diversion limited as ordered by the Supreme Court of the United States in its decree. This limits diversion to 1,500 cubic second-feet plus the domestic pumpage, which now amounts to approximately 1,700 cubic second-feet, a total of 3,200 cubic second-feet, most generous to the State of Illinois and the sanitary district of Chicago, and which provides at least three times the amount of water necessary for navigation or lockage purposes as repeatedly testified by the Chief Engineers of the War Department.

A status so well established as between the States of the Union and its citizens can very properly be respected in our international dealings with a friendly nation which has a corresponding and joint interest in the water in question.

In considering the question of diversion it must be borne in mind that the States which joined in this litigation based their entire contention for the curtailment of this excessive diversion from Lake Michigan upon the ground that it excessively lowered the levels of the Lakes and affected the tremendous traffic upon the Great Lakes system. Perhaps at this point it would be well to emphasize and to remind Senators of the enormous importance of the Great Lakes in relation to the water-borne commerce of the United States. From 1923 to 1932 the Great Lakes ports did 41 percent of the total water-borne commerce of the United States, including both foreign and domestic commerce. This is a larger percentage than the commerce originating from the ports on the Atlantic or the ports on the Pacific or the ports on the Gulf. If the comparison is made exclusively upon water-borne domestic commerce, the Great Lakes ports during this period handled 51 percent of the commerce of the United States.

The interest of Canada in objecting to the Chicago diversion is equal to that of the United States, and has been consistently maintained in its diplomatic correspondence with this Nation. It should be kept in mind that for all practical purposes Lake Michigan and Lake Huron constitute one lake because of the enormous expanse of water connecting the two bodies, and the levels of these lakes, as shown by the long record thereof, are always the same. It should also be noted that any reduction in the levels of the two lakes not alone affects adversely the commerce on the lower lakes and connecting waters but also vitally affects the commerce which must pass from these lower lakes through Lake Huron into or out of Lake Superior.

This excessive diversion of water from Lake Michigan also damaged the harbors on the Great Lakes not only by lowering the channel depths but also by lowering the water so as to expose above the natural water line the piling under the foundations of buildings near the shore lines of the lakes and in harbors, requiring repair work running into the millions of dollars. The Supreme Court in its decisions found repeatedly that an excessive diversion at Chicago lowered the levels of the Lakes, particularly Lakes Huron and Michigan, by approximately 6 inches, and also caused a lowering of the levels in the Lakes below Lake Huron and in the St. Lawrence River, and that it does an actual injury to the large commerce on the Great Lakes involving a direct loss to shipping interests in the reduction of the amount

of tonnage carried of more than $3,000,000 a year. In this connection I wish to quote from the resolution adopted by the Wisconsin Legislature:

Whereas the Great Lakes constitutes the greatest seaway in the world carrying at the present time tonnage equal to one fourth of all the railroad tonnage of the United States at a cost of less than one fifth that of railroad freight rates, and the diversion by the sanitary district of Chicago has already increased lake freights by not less than $3,000,000 annually and has damaged lake harbors and other works fully $12,000,000.

At the time the Chicago diversion was excepted from the treaty of 1909 with Canada, the whole question with regard to the Chicago diversion was in an unsettled state, and the exception was very properly made, pending decision within the United States of the controversy with regard to this diversion. That controversy has now been settled, so far as the United States is concerned, by the final decision of the United States Supreme Court. This decision definitely settles the matter against all the contentions of the State of Illinois and the sanitary district of Chicago in favor of the diversion, and in favor of the proprietary rights of the lake States and of the citizens of the United States to have the lake levels maintained. These proprietary rights so sustained in favor of our own citizens are equally important to the citizens and the provinces of the Dominion of Canada. The proposed treaty, therefore, very properly provides for the same protection to their rights as has been provided heretofore and is provided by this treaty with respect to any other diversions from the boundary waters between the United States and Canada.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. CUTTING in the chair). Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I yield.

Mr. LONG. The Senator from Wisconsin is speaking of the decision affecting the sanitary district of Chicago, but I believe he overlooks the fact that the decision does not affect the right of this country to use the waters of Lake Michigan for inland waterways, such as the Mississippi River, for instance. That decision does not settle anything. The treaty, of course, is supposed to be based upon what Chicago can take out of Lake Michigan.

Mr. LA FOLLETTE. I do not agree, Mr. President, with the contention of the Senator from Louisiana in that regard. There has been a constant effort, as the decisions, portions of which I have quoted, will show, on the part of the sanitary district to justify the diversion of water upon the basis of the need of it for the Gulf-to-the-Lakes waterway for navigation purposes.

Furthermore, the States lower down the river attempted to intervene in this matter and to have the decree of the Supreme Court modified. They filed their brief on January 12, 1933. It bears the following title:

Application of the States of Missouri, Kentucky, Tennessee, Louisiana, Mississippi, and Arkansas, intervening defendants, for modification of decree under the provisions of paragraphs 6 and 7 thereof and for enlargement of pending reference to report in connection with such application.

The brief bears the names of attorneys general or representatives of attorneys general for the States of Kentucky, Mississippi, Louisiana, Missouri, Tennessee, and Arkansas.

Mr. LONG. Will the Senator from Wisconsin further yield?

Mr. LA FOLLETTE. In just a moment.

Mr. LONG. That, however, is only a brief. It is not a pleading.

Mr. LA FOLLETTE. No; this is a petition to modify the decree, and, if the Senator will be patient, I desire to quote from it briefly. In the first place the States in question base their contention and ask for the right to intervene and have the decree enlarged upon an act of Congress authorizing the Illinois waterway, which is fully set forth in the decree. It is the act of 1930 entitled:

An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

This act contains, among other provisions, the following:

Be it enacted, etc., That the following works of improvement are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans recommended in the reports hereinafter designated.

Then the petition proceeds to quote those sections dealing with the Illinois River, as follows:

Illinois River, Ill., in accordance with the report of the Chief of Engineers, submitted in Senate Document No. 126, Seventy-first Congress, second session, and subject to the conditions set forth in his report in said document, but the said project shall be so constructed as to require the smallest flow of water with which said project can be practically accomplished in the development of a commercially useful waterway: *Provided*, That there is hereby authorized to be appropriated for this project a sum not to exceed $7,500,000: *Provided further*, That the water authorized at Lockport, Ill., by the decree of the Supreme Court of the United States, rendered April 21, 1930, and reported in volume 281, United States Reports, in Class Nos. 7, 11, and 12, original—October term, 1929, of Wisconsin and others against Illinois and others, and Michigan against Illinois and others, and New York against Illinois and others, according to the opinion of the Court in the cases reported as Wisconsin against Illinois, in volume 281, United States, page 179, is hereby authorized to be used for the navigation of said waterway: *Provided further*, That as soon as practicable after the Illinois waterway shall have been completed in accordance with this act, the Secretary of War shall cause a study of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway as defined in said Senate document, and shall, on or before January 31, 1938, report to the Congress the results of such study with his recommendations as to the minimum amount of such flow that will be required annually to meet the needs of such waterway and that will not substantially injure the existing navigation on the Great Lakes to the end that Congress may take such action as it may deem advisable.

After quoting those sections, I continue to quote from the petition:

Applicants—

That is, these States I have already mentioned—

allege that in and by the act aforesaid Congress gave direct authority for a waterway from Lake Michigan to the Mississippi and thereby removed any legal bar to due and proper consideration of the rights of applicants, the intervening Mississippi River States, and thereby made relevant for consideration the findings of the original report of the special master first appointed by the court in these cases.

In other words, Mr. President, the intervening Mississippi River States based their contention for a right to refer the whole question of the water needed for this waterway to the special master on the following grounds, and I quote further from the petition, on page 8:

The applicants, therefore, allege that no consideration of these questions can be given without the question as to the ultimate diversion becoming involved, and therefore it becomes necessary and appropriate in considering said questions that the decree be modified to comply with the said act of Congress aforesaid, or at least consideration to said act of Congress be properly and appropriately given by the said special master.

Wherefore your applicants, the States of Louisiana, Missouri, Kentucky, Tennessee, Arkansas, and Mississippi, pray that this Court enter an order enlarging the reference heretofore made to the Honorable Edward F. McClennen, as special master, to determine what modification of the decree of April 21, 1930—

Which is the decree which fixed the limitation upon diversion—

is required to make the same conform to the action of Congress taken by the said Rivers and Harbors Act of 1930 above set forth, with right to the parties, including the applicants herein, to appear before said master, introduce any relative testimony in connection with the allegations hereof, and with directions to the said special master to report such facts and make such recommendations as equity and justice may require, and for such other and further relief in the premises as shall seem just and meet.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I will yield in just a moment.

In Two Hundred and Eighty-eight United States Reports, at page 587, Senators who are interested will find that this motion submitted January 12, 1933, from which I have just been quoting, was acted on by the court, when the court held—

The motion to amend the decree herein is denied.

Mr. LONG. Mr. President, now will the Senator yield?

Mr. LA FOLLETTE. I will yield in just a moment more. I want also, since the Senator has raised this point, to state that there has been a constant attempt not only upon the part of the sanitary district and the State of Illinois but also, as I have shown, on the part of other States, to intervene and to raise the broad question of diversion for navigation purposes. In Two Hundred and Seventy-eight United States Reports, at page 388, in summing up the argument for defendant the decision says—and this is the argument made on the part of the sanitary district of the State of Illinois—

(a) It makes possible an adequate water outlet of the Mississippi Basin to the Great Lakes.

And also, on page 396, in summing up the argument for the defendant, the decision states as follows:

The diversion is not for the purpose of sanitation only. It is also for the purposes of navigation and, even if we examine its purpose of sanitation alone, we shall find that authorization thereof for that purpose was and is a regulation necessary and reasonably related to the protection of both navigation and interstate commerce on land.

Mr. President, not only did the Supreme Court deny the petition of the Mississippi River States which intervened to secure a reference to the master and a modification of the decree to include questions of diversion for navigation purposes on the Mississippi to the Gulf waterway, I contend that not only the decision, but the voluminous record and testimony taken before the masters in this long litigation, demonstrate beyond refutation that there has been a determined effort on the part of the sanitary district and the State of Illinois and the other States to justify diversion on the need of it for navigation purposes. The Court has not only denied that petition, as I have just demonstrated, but that in a unanimous decision rendered recently by Chief Justice Hughes, it is stated—and I quote again from Two Hundred and Eighty-nine United States Reports, page 401:

In this suit the State of Illinois has defended from the beginning upon the ground that the diversion was essential with reference not only to the needs of sanitation, but also for a continuous waterway from the Lake to the Gulf (*Wisconsin v. Illinois*, supra, pp. 388–396). But the Court found this contention unavailing and that the existing diversion was unlawful.

Furthermore, he disposes of this contention raised in the case from which I have just been quoting in the following language:

The Court found no basis for the argument that diversion had been authorized by the Congress.

POWER ISSUE BEHIND DIVERSION AT CHICAGO

Mr. President, no one can get a full understanding of all the issues which lie behind this long controversy between the sanitary district and the State of Illinois and her sister States bordering on the Great Lakes, and involving the lake diversion at Chicago without taking into consideration the fact that the sanitary district has in the past derived large sums of money from the development of the hydroelectric power made possible only by excessive diversion. For a number of years the district obtained a revenue of upwards of $1,000,000 annually from this excessive diversion through the development of water power.

If it was deemed appropriate, Mr. President, I could go into that matter further, but I do not think that even the Senators from Illinois will controvert the fact that power was an issue in this whole question. I could demonstrate from the record, if necessary, that excessive diversion occurred at Chicago in correspondence with the peak load of electricity and that the very time during the day when navigation was at its lowest on the Chicago River harbor and elsewhere.

PRACTICAL ASPECTS OF DIVERSION

There are certain practical aspects of the question of diversion of water from Lake Michigan by the Chicago Sanitary District which I wish to present at this time.

I have already pointed out that every cubic second-foot of water diverted by the Chicago Sanitary District from Lake Michigan diminishes the amount of water power that can be developed by the public power project in the State of New York. Any increase in that diversion at Chicago will cripple the public power project in New York, reduce the amount of cheap electricity available to the consumer, and increase the unit cost of electricity which President Roosevelt, while Governor, insured should be preserved and developed for the benefit of the consuming public.

Article VIII of the treaty permits the withdrawal from Lake Michigan of 1,500 cubic second-feet plus about 1,700 cubic second-feet for pumpage—that is, for drinking, sanitary, and other domestic purposes. The total withdrawal permitted under the decree of the United States Supreme Court and article VIII of the treaty amounts to an average of about 3,200 cubic second-feet. President Roosevelt, upon authority of the Corps of Engineers has stated in his message:

I am convinced that the building of the St. Lawrence seaway * * * will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation. * * * I am satisfied that the treaty contains adequate provision for the needs of the Chicago Drainage District for navigation between Lake Michigan and the Mississippi River.

Mr. LONG. Mr. President——

Mr. LA FOLLETTE. I yield.

Mr. LONG. I was out of the Chamber when the Senator finished reading the authorities. The Court, of course——

Mr. LA FOLLETTE. It makes it a little difficult for me to attempt to argue with the Senator on that point when he goes out of the Chamber while I am discussing the subject.

Mr. LONG. I went out only for a second. The authorities, however, which the Senator read, simply mean that the Court declined to entertain the petition of the States intervening in the suit between Chicago and the sanitary district as to the use of the waters of Lake Michigan. The Court could have very well declined to entertain the petition for the reason that it was not a proceeding to decide that question, but, even though it had decided the case on its merits, Lake Michigan is an international lake and is owned by the United States, and therefore, there is no way in the world that the Congress, without this treaty, could be forbidden to do whatever it wanted with Lake Michigan.

Mr. LA FOLLETTE. I do not concede the Senator's contention in that regard, and the attorneys general for the Lakes States that have conducted this litigation through all these years do not concede it. I stated frankly at the beginning of my argument that I conceded that in the decisions relating to these cases the Supreme Court had not passed upon the right of Congress to exercise its plenary power to divert water from the Great Lakes watershed to the Lakes-to-the-Gulf waterway for the purpose of navigation, but I do contend, and I reiterate, that there has constantly been an effort in all these cases upon the part of the sanitary district and the State of Illinois to justify this diversion upon grounds of navigation and its necessity for the Illinois waterway and for the Gulf-to-the-Lakes waterway.

I contend further—and I have already cited the decisions of the Court to support my contention—that the Supreme Court has refused to consider those contentions, and has dismissed them, and, in addition to that, it dismissed the petition filed by the so-called "Mississippi River States" asking for the right to have the reference to the master modified in the last case to include this question.

Mr. LONG. Will the Senator permit another question?

Mr. LA FOLLETTE. Yes; I will permit a question.

Mr. LONG. I wonder if we could not amend this treaty so as to give the Senator's State and other States the flood water in the spring? Since they want all the water during the time it can be used for navigation, why can we not just amend the treaty and give them the right to construct reservoirs up there and take the flood waters?

Mr. LA FOLLETTE. Before this debate shall have been concluded, there will be developed the enormous sums of money, of which the lake States have willingly paid their share, to provide flood control upon the Mississippi River and its tributaries. Furthermore, an enormous sum of money

has already been allocated under the Public Works Act for these projects, and taxes, in part, will be levied upon the Great Lakes States to carry out that work.

I want to say to the Senator from Louisiana that I will challenge him to find any record in this body more consistently in favor of assisting the States of the lower Mississippi and its tributaries and securing flood control than my own. As a matter of fact, I fought side by side with the former Senator from Missouri, Mr. Hawes, when the whole question of flood control was before the Commerce Committee at that time. I contend that the same consideration must be given, as a matter of justice, to the rights of the Lakes States and to the enormous economic advantages to which they are entitled by nature through the preservation and development of this great waterway system.

Furthermore, I am contending that the State of Illinois, the Chicago Sanitary District, and the Mississippi River States sought to plead the cause of excessive diversion on the ground it was needed for navigation. The Court has definitely rejected their argument and contentions that diversion in excess of 1,500 cubic second-feet and 1,700 cubic second-feet for domestic pumpage allowed by the decree is not adequate to provide for a waterway from the Lakes to the Gulf!

Mr. LONG. I wish to say that I am mindful of the fact that the Senator did very noble work in our flood-control efforts, and I know the Senator went even beyond what our own Senators from Louisiana did, and I thank him for that. However, we are willing to help the Great Lakes States in every way in the world. Why not go along and take the Missouri River, which will be far more helpful to the States of the West than anything that can be done through the St. Lawrence waterway?

Mr. LA FOLLETTE. I do not concede that.

Mr. LONG. We have never asked to spend money in Mexico, and we have never asked to spend money in Nicaragua. We have asked to spend money in the United States to take care of the waters of the United States.

Mr. LA FOLLETTE. I will show, before the debate is concluded, although not in this particular address, that more money has been granted for flood control under the Public Works Act to be paid 100 percent out of the Treasury of the United States to control flood waters upon the Mississippi River system and its tributaries than it will cost the United States Treasury under the pending treaty to develop the St. Lawrence waterway. This recent allotment of funds is in addition to the hundreds and hundreds of millions of dollars that have already been spent by the Federal Government for flood control and navigation on the Mississippi system.

I say again that the Great Lakes States have been perfectly willing to bear their share of the taxes to provide for this enormous expenditure for flood control; and for the same reasons of national benefit we have the right to ask for a fair consideration in the development of the natural economic resources which God in His wisdom gave to the people who live in the midcontinent area.

TREATY PROVIDES ADEQUATE DIVERSION OF WATER FOR NAVIGATION

If it is true, as the President states upon the highest authority available to the Executive and to the Senate, that article VIII of this treaty provides ample water for navigation purposes on the Illinois and Mississippi Rivers, then the withdrawal of water beyond the limit fixed by the Supreme Court is wholly unnecessary. It will admittedly injure other American States bordering on the Great Lakes. It will reduce the amount of water available for power to public projects, not only in the State of New York but in the Province of Ontario. It will confer benefits upon only one interest—the Morgan-controlled private power companies of the northeastern United States which fear the competition of the public project provided for in this treaty and which will gain an advantage if the water power is reduced in volume, and its unit cost increased.

I submit that this whole question of diversion is not merely an international issue between the United States and Canada but an issue between the Chicago Sanitary District and other States of this Union whose rights are equal to those of the State of Illinois and the Sanitary District.

Let Senators examine a map of the United States. There are 15 States which border directly upon Canada or upon waters of the Great Lakes and the St. Lawrence River. The mileage of the boundary line by land and the shore line of States bordering on the Great Lakes and the St. Lawrence River is 6,275 miles.

No Senator from any one of these 15 States, except the Senators from Illinois, has arisen here to urge an increase in the diversion of water by the Chicago Sanitary District in excess of the legal limit fixed by the Supreme Court. Yet the State of Illinois has a frontage on Lake Michigan of only 60 miles, or less than 1 percent of the mileage of the international boundary and shore line on the Great Lakes. It has less than 2 percent of the shore line on the Great Lakes and the St. Lawrence River.

On the Great Lakes and connecting channels the United States has a shore line of 3,576 miles, with 39 ports, whose commerce exceeded 500,000 short tons each in the year 1931. Out of these 39 ports in 8 States, Illinois has a shore line on the Great Lakes of 60 miles, or less than 2 percent of the total, and 1 port out of 39 ports, all of which would be adversely affected by permitting the Chicago Drainage District to exceed the legal limit of diversion permitted by the United States Supreme Court.

On Lake Michigan alone, the State of Michigan has a shore line of 760 miles and the State of Wisconsin 380 miles. I do not contend, because Wisconsin's frontage on Lake Michigan exceeds that of Illinois by more than 6 to 1 and Michigan's exceeds Illinois' by more than 12 to 1, that the rights of Illinois should therefore be disregarded. I do assert, however, that it is an absurdity that the United States Senate should be asked to disregard the rights of 7 other States, with 38 ports on the Great Lakes and connecting channels, and sacrifice the public-power projects on the St. Lawrence River, in order to permit one State, with one port, to withdraw water from Lake Michigan, which the highest engineering authority in the United States declares is wholly unnecessary for navigation purposes on the Illinois and Mississippi Rivers.

It is a preposterous proposition that the Senators from that single State should come here and set themselves up as the guardians of the sovereignty of Lake Michigan and that they should perform that guardianship by seeking, on behalf of one port among all the States bordering on the Great Lakes system, to divert and extract an excessive amount of water from that system, to the detriment of sister States of the Union and a friendly neighboring nation, the rights and the equities of those sister States having been adjudicated several times in the highest court of this land.

At this point in my remarks I ask leave to insert in the RECORD a table showing the mileage of the international boundary line between the United States and Canada, and so forth.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Mileage of international boundary line between United States and Canada, United States side, exclusive of islands, and shore line on Great Lakes system

State		*Statute miles*
Maine		611
New Hampshire		59
Vermont		90
New York:		
Land	65	
Lake Ontario	291	
Niagara River	38	
Lake Erie	70	
St. Lawrence River	115	
Total, New York		579
Pennsylvania, Lake Erie		57
Ohio, Lake Erie		235
Michigan:		
Lake Erie	34	
Detroit River	36	
Lake St. Clair	49	

Mileage of international boundary line between United States and Canada, United States side, exclusive of islands, and shore line on Great Lakes system—Continued

State	Statute miles	
Michigan—Continued.		
St. Clair River	27	
Lake Huron	490	
Lake Michigan	760	
St. Marys River	87	
Lake Superior	504	
Total, Michigan		1,987
Indiana, Lake Michigan		40
Wisconsin:		
Lake Michigan	380	
Lake Superior	141	
Total, Wisconsin		521
Minnesota:		
Lake Superior	162	
Land	547	
Total, Minnesota		709
North Dakota		310
Montana		546
Idaho		45
Washington		426
Illinois, Lake Michigan		60
Total		6,275
Total, international boundary and shore line—miles		6,275
Total shore line—do		3,576
Illinois, total shore line—do		60

(0.9 percent of total international boundary and shore line.)
(1.7 percent of total shore line.)

Mr. LA FOLLETTE. So much for the moment as to the question of diversion. I now wish to turn to another question which has been raised in the propaganda which has been circulated against the treaty—

False statements of United States money to be spent in Canada.

No statement has appeared more frequently in the propaganda against the treaty than the claim that 80 percent of the cost of the project is to be expended by the United States in Canada to employ Canadian workers using Canadian materials.

This is a vicious falsehood circulated in this propaganda for the evident purpose of arousing national envy and prejudice against a friendly neighboring nation.

The claim that United States funds expended under this treaty are to go chiefly for Canadian labor and Canadian materials has been publicly and specifically denied by the highest ranking officers of the Corps of Engineers.

On October 20, 1933, Brig. Gen. George B. Pillsbury, Acting Chief of Engineers, made public the following letter to Frank P. Walsh, chairman of the Power Authority of the State of New York:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, October 20, 1933.

FRANK P. WALSH,
Chairman the Power Authority of the State of New York,
Washington, D.C.

DEAR MR. WALSH: In accordance with your request for information on the percentage of funds furnished by the United States under the Great Lakes-St. Lawrence Deep Waterway Treaty, which will be expended for American labor, material, etc., I take pleasure in advising you that of the total estimated expenditures of American funds of $257,992,000 for both navigation and power works, approximately 80 percent will be expended by United States engineers with United States labor and United States material. The remainder under the terms of subparagraph (b) of article III of the treaty will be for work executed by Canadian engineers and Canadian labor and with Canadian material for works within Canadian territory to be constructed by the temporary St. Lawrence International Rapids Section Commission. Approximately 60 percent of the total cost will be expended on works in the State of New York.

Sincerely yours,

G. B. PILLSBURY,
Brigadier General, Acting Chief of Engineers.

Now, let us consider why 20 percent of the funds contributed by the United States to this project is to be used for the employment of Canadian labor, with Canadian materials.

This proration of the funds to provide employment for Canadian labor with the use of United States funds occurs only in the International Rapids section of the St. Lawrence River, forming the northern boundary of the State of New York. In no other portion of this project, throughout the extent of the Great Lakes and their connecting rivers, is a dollar of American money to be used for the employment of Canadian labor or materials.

In the International Rapids section a temporary St. Lawrence International Rapids Section Commission is set up by the treaty, consisting of 5 representatives of Canada and 5 representatives of the United States.

Mr. President, it becomes necessary to discuss the manner in which the division of costs of this project were arrived at. It must be borne in mind by Senators that large and substantial works were already completed or were nearing completion when this negotiation took place. In every instance where any work done either by the United States or by Canada had been undertaken which did form or would form an integral part of this waterway, each of the respective governments was given consideration to that extent in estimating their share of the total cost.

For instance, Canada has just completed the new Welland Canal around Niagara Falls at a cost of $128,000,000. She has made other improvements which form an integral part of the 27-foot channel project, entirely at her own expense. All these essential improvements made in the past by Canada, and all the essential improvements made in the past by the United States as an integral part of the 27-foot channel, are included in the estimates and both Canada and the United States were given credit for every dollar so expended. The cost of the entire project was divided equally between both countries.

Mr. LEWIS. Mr. President——

Mr. LA FOLLETTE. Will the Senator let me complete this statement before yielding to him?

Mr. LEWIS. Certainly.

Mr. LA FOLLETTE. On account of the fact that Canada, with about one tenth of the population of the United States, had expended more money than the United States on such improvements—that is, improvements which formed an integral part of this waterway—it was necessary for the United States to furnish the funds for building two dams in the International Rapids section of the St. Lawrence River to offset the expenditure of Canada on the Welland Canal and to equalize the net cost between the two countries.

Thus the United States will furnish the money for the erection of these two dams to be built in international waters under the direction of a temporary commission. Every cent of United States funds expended under the direction of the International Rapids Section Commission will go for improvements within the banks of the St. Lawrence River itself, including dikes to be built at certain points on each side of the river to confine the waters of the river and to prevent overflow for which compensation would have to be paid.

The charge has repeatedly been made on this floor and in the propaganda against the treaty which has been circulated throughout the country that the major portion of the United States funds under the treaty will be expended on Canadian soil. The truth is that except for the hydraulic works which are essential to the development of the river itself, not a dollar of American money will be spent on the Canadian side of the international boundary and not one dollar of American money will in any case be spent for rehabilitation improvements, power houses, acquisition of lands, or construction of railroads or highways on Canadian soil.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield; certainly.

Mr. LEWIS. May I ask the able Senator what was the date of the report which the Senator read under the name of General Pillsbury?

Mr. LA FOLLETTE. The date of that letter is October 20, 1933.

Mr. LEWIS. I wish to say to the able Senator that General Pillsbury is a very high order of man, far from deliberate misrepresentation, either to serve a purpose or to serve the administration; but I have before me the speech General Pillsbury made at Philadelphia, as reported in the annals of the American Academy of Political and Social Science, in March 1929, when the political subject was not before him for consideration. Without further trespassing on the Senator's time, to be fair to him, I will state that I have read this article, and I am compelled to say that I find a great variance between the speech the general then made and the report which my able friend has just read as of the later date of 1933.

Mr. LA FOLLETTE. So far as I know, Mr. President, in all of the official estimates and statements there is not one statement nor estimate which controverts the facts set forth in General Pillsbury's letter. I must state that I am not familiar with, and have not had the opportunity to read, the address to which the Senator refers.

Mr. President, there is hanging on the back of the Chamber a chart which shows the break-down of these funds and the amounts which will be expended, both in the United States and in Canada. Unfortunately, in having the chart enlarged, the figures do not stand out sufficiently for me to use it and to have Senators follow me. I do hope, however, that they will make an inspection of this chart at closer range if they are interested in arriving at the actual facts concerning the division of costs.

Suffice it for me at this time to say that I have had broken down in tables the cost and the percentage of funds of this project.

The first table shows the cost of the entire seaway, including power and the international section.

The second table shows the cost of the International Rapids section development.

The third table shows the funds supplied by the United States for the International Rapids development.

I hope that in considering these figures Senators will bear in mind that this entire development in the International Rapids section is one integral piece of engineering work, and that it is not fair to separate the expenditure of money which will be made by the State of New York not only in contributing to the United States cost of the dams but also to the power houses, the superstructure, and other work which the State of New York has agreed to undertake in an agreement made with the Corps of Engineers, and already confirmed in a resolution which passed the House at the last session of Congress.

I ask leave to have the tables referred to inserted in the RECORD at this point in my address.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

Allocation of cost of Great Lakes-St. Lawrence project

	Amount	Percent
Cost of entire seaway, including power in international section	$543,500,000	100.0
Funds supplied by the United States	272,500,000	50.1
United States funds expended for United States labor and materials	219,000,000	40.3
United States funds expended for Canadian labor and materials	53,500,000	9.8
Cost of International Rapids section development	274,500,000	100.0
Funds supplied by United States	215,000,000	78.3
United States funds expended for United States labor and materials	161,500,000	58.8
United States funds expended for Canadian labor and materials	53,500,000	19.5
Funds supplied by United States for International Rapids development	215,000,000	100.0
For United States labor and materials	161,500,000	75.1
For Canadian labor and materials	53,500,000	24.9

United States funds which may be spent for Canadian labor and materials under the treaty, totaling approximately $53,500,000, represent: 9.8 percent of the $543,500,000 estimated cost of the entire project; 19.7 percent of the $272,500,000 fixed as the United States' share of the cost of the entire project; 24.9 percent of the $215,000,000 estimated expenditure of United States funds in the International Rapids section of the St. Lawrence River.

Mr. LA FOLLETTE. Mr. President, I do not intend to discuss further today the navigation features of the treaty, upon which, in my opinion, the President has made a complete demonstration of national benefit upon the highest economic and engineering authority that is available to the Executive and to the Senate.

As I view the subject in its broad aspects, this should not be a struggle over the navigation project. A waterway already exists from Duluth and Chicago to the Atlantic Ocean. The canals on the Canadian side of the St. Lawrence River now provide a depth of 14 feet. These canals today, even under the conditions attending the depression, are taxed almost to their full capacity. Every Senator knows that when this capacity is exceeded, as it will be with the return of normal business activity, the commerce of the interior of the continent will inevitably burst its fetters and get access by the shortest route to the sea. Canada has already built four Welland Canals to accommodate the increasing volume of tonnage from the midcontinent. As the President states in his message:

> I call your attention to the simple fact that Canada alone can, if desired, build locks at the Lachine Rapids and the international sector, and thus provide a seaway wholly within Canadian control without treaty participation with the United States. This, however, would be a reversal of the policy of cooperation which the United States and Canada have continuously maintained for generations.
>
> I want to make it very clear that this great international highway for shipping is, without any question, going to be completed in the near future, and that this completion should be carried out by both nations instead of by one.

POWER INTERESTS FIGHTING THE TREATY

This statement is so evidently true that it becomes apparent, it seems to me, upon the slightest consideration, that the paramount issue which we are considering here in the Senate is not whether a seaway should be completed from the Great Lakes to the ocean, with free navigation for American ships, but whether or not 1,100,000 horsepower should be developed by a public agency to compete with the great private power and utility companies dominated by J. P. Morgan & Co.

The Power Trust never fights in the open. The official files of the Federal Trade Commission disclose scores of instances in which the public utilities have used chambers of commerce, newspapers, public-school textbooks, ministers of the gospel, and other innocent and respectable agencies to spread their propaganda, in order to prevent public competition, and thus to maintain extortionate rates.

The same great banking interests which control the private power and utility companies of New York and New England likewise control the trunk-line railroads of the East.

HOUSE OF MORGAN HAS SELFISH INTEREST

The principal competitor of the St. Lawrence power development provided in this treaty would be the Niagara Hudson Corporation. This corporation and its holding company, the United Corporation, are controlled absolutely by J. P. Morgan & Co., as the recent testimony before the Banking and Currency Committee of the Senate shows. J. P. Morgan & Co. likewise is the fiscal agent for the New York Central Railroad, the Michigan Central Railroad, and other roads running parallel to the seaway.

The Niagara Hudson Power Corporation (commonly referred to as the Morgan system) outside of the metropolitan area of New York City (metropolitan area is also Morgan dominated and was his first utility interest) furnishes over 85 percent of the electric service in New York State. The combined assets of the top corporation and its subsidiaries at the end of the year 1931 stood at $799,019,858. The total kilowatt-hours of electric energy generated and purchased during the year 1931 amounted to approximately 6,000,000,000 kilowatt-hours (nearly 7 percent of country's total), or about equal to the capacity of the public power project on the St. Lawrence under the treaty. Of this amount, over 5,000,000,000 kilowatt-hours were sold, for which approximately $66,500,000 was received. (Low average of 1¼ cents due to large industrial customers.)

Outside of the city of Rochester and what is known as the southern tier of counties, including Harlem Valley, where the Associated Gas & Electric system operates, the Niagara Hudson system covers virtually all of the State of New York outside of the metropolitan area.

The four main subholding companies of the Niagara Hudson Power Corporation are Buffalo Niagara & Eastern Power Co., Mohawk Hudson Power Corporation, Power Corporation of New York, Oswego River Power Corporation.

The operating companies of the Niagara Hudson system include the following large corporations: The Niagara Falls Power Co. and its subsidiary, Canadian Niagara Power Co., Ltd., which operates in Canada; Buffalo General Electric Co.; Niagara, Lockport & Ontario Power Co.; New York Power & Light Corporation; Utica Gas & Electric Co.; The Syracuse Lighting Co., Inc.

In addition to the above, Niagara Hudson Power Corporation owns all of the capital stock of the Frontier Corporation, which is the owner of riparian rights on the St. Lawrence River at the site of the proposed development under the treaty, or extending roughly from Ogdensburg to Massena.

Mr. President, Senators may say that they are in favor of public power development in the State of New York and may contend that they are perfectly willing to see that development go forward; but the fact remains that it is only by the exercise of the plenary power of the Federal Government under its right to control navigation that the rights of private power interests already fastened upon this great resource in the International Rapids section can be extinguished. It is impossible to extinguish the rights of the Niagara Hudson Corporation, the Morgan interests, the Aluminum Co. of America, and other vested interests, unless we have a treaty which provides not only for power but for navigation, and which thus extinguishes the right of those selfish power interests to the power already staked out in this great domain of natural resources, as I have so often said, Mr. President, the largest single block of power on the North American continent.

Mr. President, J. P. Morgan & Co., and their allied interests are seeking to destroy this administration, and they are seeking to prevent the ratification of this treaty, not because they fear the effect of the completion of the seaway but because they are determined to prevent a public power development on the St. Lawrence River, like that at Muscle Shoals and Boulder Dam.

These banking interests are behind the false propaganda that conjures up war with Great Britain and Canada. They are ready to sow seeds of discord between two friendly neighboring nations, and their propaganda is almost exclusively confined to navigation, but their real interest lies in blocking this public development of power.

Not one Senator in this debate has attacked the power project under this treaty, and yet, as I am prepared to show, it is the power interests of this country, dominated in the East by J. P. Morgan & Co., which are the chief source of opposition outside this Chamber; and they are fighting this treaty because they well know that it is only if this treaty, containing the navigation provisions, is passed that their right to private power claims which they have already entered upon this area can be extinguished.

Mr. President, as has already been pointed out previously in this debate, down to the year 1931 the ablest railroad executives of the United States were open and ardent advocates of the development of a seaway connecting the Great Lakes with the Atlantic. Down to that year, and for nearly a generation preceding it, railroad management took the position President Roosevelt now takes, and repeatedly declared that the creation of a new seacoast for the United States by the completion of this project would benefit the whole Nation, including the rail carriers.

RAILROAD EXECUTIVES WERE FOR THE SEAWAY

During the 10 years preceding 1931 the president of every important western railroad at one time or another publicly endorsed the seaway project.

Howard Elliott, when chairman of the Northern Pacific Railway, said before the Harvard Club, of New York City:

This is a great national project, national in scope and influence. * * * The project will be beneficial to New England and to all the country tributary to the Great Lakes. It will relieve congestion on the railroads reaching the upper Atlantic ports when population and industry are twice what they are today. The project will help coastwise trade, export and import trade between the Middle Western States and foreign countries, and give great opportunity to our merchant-marine fleet.

E. Pennington, president of the Minneapolis, St. Paul & Sault Ste. Marie Railroad, October 28, 1920:

* * * As for the benefits to be derived if the St. Lawrence project were put through, I think it would be a great thing for the Northwest and Canada to shorten the rail haul. It would have the same beneficial effect on the Northwest as the Panama Canal has had on Pacific coast cities and coast States. * * * Looking to the future of this great Northwest, which is not over half developed, the transportation lines that we have at the present time cannot handle the products of this country. * * *

C. T. Jaffrey, president Minneapolis, St. Paul & Sault Ste. Marie Railroad, June 7, 1929:

Personally, I feel the completion of this waterway will be of benefit to these Northwestern States, and anything that is of benefit to them must be of benefit to the railroads operating throughout the territory.

H. E. Byram, president Chicago, Milwaukee & St. Paul Railroad Co., July 12, 1923:

There is no doubt, to the extent that vessels moving through the canal would carry grain and grain products from the Middle West, that there would be an advantage to the railroads serving lake ports in the release of their cars at such ports rather than on the Atlantic coast.

H. A. Scandrett, president Chicago, Milwaukee & St. Paul Railroad Co., July 2, 1929:

The movement in volume of export and import traffic from and to eastern termini of western railroads would unquestionably be of benefit to those railroads and the territory they serve.

Charles Donnelly, Northern Pacific Railway Co., May 15, 1925:

* * * The northwestern railroads have always recognized the advantage of transportation via the Lakes in connection with the eastbound movement of grain, lumber, copper, and other products of their territory. The necessary breaking of bulk at the Lake port permits prompt release and return of cars to loading points and to the extent the Lake route is utilized we have an independent railroad operation and thus escape the losses which often attend the delayed return of cars by connecting railroads.

F. W. Sargent, president Chicago & North Western Railroad, September 17, 1925:

* * * The Great Lakes-St. Lawrence waterway will help the Middle West. Anything that will help promote the prosperity of the inland empire lying between the Alleghenies and the Rockies will help the railroads and will be of inestimable value to the entire country.

October 27, 1926:

* * * A direct ocean route from this interior territory to trans-Atlantic markets would stimulate industrial and agricultural growth with resulting benefits to all classes of business, including that of railroad transportation in the region thus benefited.

Ralph Budd, president Great Northern Railway Co., December 7, 1920:

The benefits accruing to the middle and northwestern sections of the United States as a result of the Great Lakes-St. Lawrence tidewater project cannot help being apparent to anyone who has given the subject consideration.

The success with which lake-and-rail movement of ore and coal is carried on serves as a splendid illustration of what could be done in a larger way with the tidewater project carried out so that exporting could be carried on freely from this great middle and northwestern territory directly from the termini of the rail lines which serve the territory.

W. G. Bierd, Chicago & Alton Railroad Co., August 2, 1923:

With our own American roads west of the Great Lakes, of what we generally term the central western lines, there can be nothing to lose and everything to gain. We of the central West would still have our eastern connections to handle all-rail commodities, but in times of congestion, or times of shortage of equipment, we would also have the waterway, which, of course, can only mean a more profitable and prosperous condition.

But the completion of this deep waterway could only be advantageous to the central western roads, although I appreciate this is partly a selfish view, that we might prosper to the loss or detriment of certain eastern lines. However, if I believed this to be true, I would not advocate it; but in the end, I do

believe that the eastern roads will not suffer by such a water route; in other words, I view this largely as does Sir Henry Thornton.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Minnesota?

Mr. LA FOLLETTE. I yield.

Mr. SHIPSTEAD. The Government of the United States spends money for the development of its waterways, as do France and Germany; and all those countries spend a great deal of money on canals and on canalizing their rivers, and keep them open for free competition with the government-owned railways, because as a national policy they feel it not only helps the railroads but helps the country as a whole.

Mr. LA FOLLETTE. Mr. President, I am very glad to have the Senator's observation on that point. I listened with great interest to his very able address upon the subject. I am entirely in agreement with him that we shall never have a satisfactory transportation system in this country until there is real coordination between rail and water transportation, and, as I shall try to show in a few moments, I think it is clearly demonstrable from the facts which are already available, that the competition of the Panama Canal with the western railroads has not been detrimental to their interests—has, in fact, increased their tonnage and their revenues.

SEAWAY WILL BENEFIT RAILROADS AND THEIR EMPLOYEES

I am convinced, Mr. President, after a careful consideration of this whole problem, that the completion of this seaway will not adversely affect the interests of either the railroads, their security holders, or the men who are employed on the transportation systems. The Interstate Commerce Commission reports show that railroad freight ton-miles have increased from an average of 162,000,000,000 in the 5-year period 1901–5 to an average of 430,000,000,000 ton-miles in the 5-year period 1926–30. Now, if we except the abnormal war years, these figures show a remarkably steady growth in the annual increase of ton-miles of traffic.

If the figures were plotted upon a chart, Mr. President, and the abnormal years of the war were eliminated, the curve showing the increase of ton-mile traffic in the United States would show an almost unbroken and constant curve of increase for the period from 1901 to 1930.

This is extremely important in considering the effect of this navigation project upon the railroads and their employees, because it has been during recent years that the railroads have experienced an increase of competition, both on waterways and on highways. If this increase in traffic hauled by the railroads is plotted on a curve it indicates a traffic of 650,000,000,000 ton-miles in 1950, or 200,000,000,000 ton-miles more than the all-time peak reached in the year 1929. If we base the calculation upon population growth and the increased per capita ton-miles of traffic, the estimate of increased traffic by the year 1950 is very like the estimate based upon the yearly increase in traffic to which I have just referred. These two methods of calculation concerning the traffic to be expected in 1950 indicate that the traffic demands on our transportation facilities in that year will be at least 30 times the estimated traffic on the seaway.

When we confine the comparison to the railroads which parallel the seaway, we find that increased traffic demands for transportation in 1950 will exceed the ports traffic of the Great Lakes-St. Lawrence seaway 10 times over. In considering this phase of the question, it should also be pointed out that during the period 1920–29, when competition on both highways and waterways was increasing to a marked degree, the railroads enjoyed a revenue which enabled them to pay out during this period an average of a billion dollars a year in dividends and interest.

Mr. BONE. Mr. President, I do not desire to interrupt the Senator from Wisconsin——

Mr. LA FOLLETTE. I am perfectly willing and glad to yield to the Senator from Washington.

Mr. BONE. I should like to ask the Senator a question later about one of the power aspects of the development, but I shall ask that question at a time when the Senator has finished his address, without interrupting him at the present moment, and if the Senator would be good enough to indicate to me when it would be agreeable for him to answer I should then be glad to ask him the question.

Mr. LA FOLLETTE. I will be very glad to do so.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. On the point to which the Senator has just addressed himself, that the railroads enjoyed a revenue which enabled them to pay out a billion dollars a year in dividends and interest for the period indicated——

Mr. LA FOLLETTE. The period 1920–29.

Mr. TYDINGS. Yes. It is a fact, however, that none of the railroads' earnings, of any consequence, went into an amortization of their debts.

Mr. LA FOLLETTE. That is perfectly true; but I am not arguing that point. I am saying that in the period 1920 to 1929, when the railroads were experiencing an increase in competition from both highways and waterways, they were able to pay out in interest and dividends on the average $1,000,000,000 a year.

Mr. TYDINGS. If the Senator will permit another interruption? I think it is also a fact that during that period, while they did not amortize any of their old debt, they floated additional bond issues, which contributed to a new debt, to which they did not apply any funds for sinking-fund purposes.

Mr. LA FOLLETTE. That may be true. The Senator, I infer, is criticizing the financial policy of the railroads, and at sometime I would be glad to go into that with him. I do not think, from the inference I draw from his interruption, that we differ very much about the wisdom of the policy of the railroads. It does not, however, alter the point I am trying to make, that during this period, when competition by water and by highway was growing, that the railroads enjoyed a revenue during the period 1920 to 1921 which on the average enabled them to pay out a billion dollars a year in interest and dividends.

Those who contend that the seaway will absorb existing traffic from the railroads have not studied this question in the light of the data now available.

PANAMA CANAL AND THE WESTERN RAILROADS

The Panama Canal affords the best example of the opening of an important water route in competition with the railroads. The analysis of this competition shows that the water-borne traffic through the Canal has been more largely in heavy, bulky products which are low revenue producers for the railroads. It shows that at the same time, however, the railroads have increased their traffic in manufactured articles and other higher revenue types of traffic. The cargo tonnage through the Canal grew from approximately 4,000,000 tons in 1915 to 30,000,000 tons in 1930. It might be assumed by those who have not studied this question that this traffic would inevitably have resulted in diminished revenue for the western roads, against which the Canal offers its most serious competition. The facts are, however, that at the very period while this tremendous growth in tonnage carried through the Canal was taking place the western roads secured an increase, not only in total traffic, but also in density of traffic as compared with the period before the Panama Canal was opened.

The gross and net income of the western roads increased markedly during the period from 1915 to 1930. In the year 1929 it reached an all-time peak. The net income in that year of the western roads was $336,769,000. This was an increase of 48 percent over the peak year, 1913, in their history before the Panama Canal was opened. The inescapable conclusion from these studies is that the tendency in traffic changes and the special facilities of the railroads for handling high-yield revenue traffic in which the time element of transportation is a factor will be greatly stimulated by the proposed St. Lawrence Waterway. The possibility of drawing upon the raw materials of the world at lower costs than

the present would inevitably bring rapid expansion to the industries already located at the ports and throughout the tributary seaway area. Obviously it will also make possible the development of many new industries. Perhaps equally important from the economic point of view and from the point of view of the railroads, the seaway will save many of the industries already established which are now menaced by diminishing sources of raw materials. There can be no question that the opening of the seaway will be of great benefit to the steel-producing communities located from Pittsburgh to Chicago, and benefits to those communities and to those industries will inevitably result in increasing traffic for the railroads.

The railroads likewise will benefit in the opportunities the seaway will afford for the development of raw material resources and manufactures in that great area which lies west of Lake Superior.

The inevitable industrial expansion on and adjacent to the Great Lakes will afford millions of ton-miles of new high-yielding revenue traffic to the railroads to be transported inland. It will develop millions of new ton-miles of traffic to be hauled by the railroads from adjacent agricultural sections to urban industrial localities. In this connection it should be borne in mind that the seaway cannot be completed until 1942. Its total estimated tonnage is less than 5 percent of the estimated increase in tonnage that will be available to the railroads by that time.

It is upon the basis of the new data which have been gathered at the direction of the President that President Roosevelt predicated the statement in his message which, it seems to me, should set at rest, once and for all, the apprehension on the part of the railroads and their employees that the seaway will injure their interests. I quote:

For example, I am convinced that the building of the St. Lawrence seaway will not injure the railroads or throw their employees out of work. * * *

Mr. SHIPSTEAD. May I further interrupt the Senator from Wisconsin to say that, in my opinion, a great deal of the apprehension on the part of the railroads and railroad labor which has led to opposition to the treaty is based upon the delusion that the ships using the seaway can travel inland and carry cargoes in competition with the railroads into the hinterland?

Mr. LA FOLLETTE. Their opposition, apparently, is based upon the misapprehension that the tonnage which would be hauled in by the ships would either be dumped in the Lakes or would be dumped upon the docks of the ports on the Great Lakes and never moved anywhere or used in manufacturing any articles which would require any transportation facilities.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. I do not think the Senator can put too much emphasis upon the proposition he was recently urging, to wit, that it will not be until 1942 that the proposed seaway can have any bearing of any nature whatsoever upon any competitive phase of our transportation system in the United States. In other words, even if it were to be conceded for the sake of the argument that the seaway through its competition would take railroad jobs away from railroad labor, it must also be conceded, on the other side, that not one railroad job can be affected in any possible degree until 1942.

I can fully understand the feeling of restlessness and unhappiness and uncertainty with which railroad labor contemplates its situation in 1934, but we must project our vision into 1942 in order to get a fair estimate of the situation and to do justice to the equation.

I am confident that the Senator is wholly justified in his estimate respecting the compensating traffic which will have been developed in 1942, but, fundamentally, he puts a square challenge to the labor criticism of the pending treaty when he asks them to lift their eyes from 1934 and contemplate the situation in terms of 1942. It seems to me that cannot be too strongly emphasized.

Mr. LA FOLLETTE. I agree with the Senator.

Mr. President, when I discussed the pending treaty at the special session, on May 29, 1933——

Mr. LEWIS. Mr. President, with the consent of the able Senator from Wisconsin, I should like to address myself to my distinguished friend and antagonist, the Senator from Michigan.

Mr. LA FOLLETTE. Does the Senator say "antagonist"?

Mr. LEWIS. He is very much an antagonist to my contention. The Senator from Michigan encourages the able Senator from Wisconsin by giving him an illustration indicating that those who now fear some trouble to themselves are worrying themselves about a matter as far away as 1942, and he cannot see why such fears at such a distance should now enter into consideration. I ask my friend from Michigan where is the validity in the philosophy of the able Senator from Wisconsin and the Senator from Michigan when they present what they profess to be the blessings which they contend will follow after 1942 the construction of the canal while they deny to others the right to contend concerning the curse which will follow to them under the same kind of construction and the same kind of usage?

Mr. VANDENBERG. Mr. President, will the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. I have nothing to say about the objection the Senator from Illinois persists in raising against the treaty and the project, but I do insist that the consideration of 1934 transportation conditions, in the midst of a depression, which we hope is to be shortly cured, is not a fair test of a project which cannot come into operation until 1942. I insist that the difference between measuring and assessing the project in 1934 and in 1942 rests upon the fact that the Interstate Commerce Commission gives us the best possible authenticated opinion that transportation facilities will be needed in 1942 in a specified degree to such an extent that this project, even if it were competitive, could not take up more than a small portion of the newly created traffic and transportation needs. Therefore, I submit that 1942 transportation conditions and 1934 transportation conditions are two totally and utterly unrelated propositions.

Mr. LEWIS. Therefore, I answer, if such be true—and such, I admit, is true—how can it be consistently said that those who fear danger to themselves from the results must not be equally accepted in their fears as are those who now profess benefits based upon the same distance of time? It is a calculation, and why adopt the calculation that is rosy in its promise and deny that which is cloudy in its threat?

Mr. LA FOLLETTE. Mr. President, I should like to say, in reply to the comment just made by the Senator from Illinois, that we are basing these estimates upon figures taken from the Interstate Commerce Commission reports; that they are the most accurate available information; that they have been gathered at the direction of the President and transmitted to the Senate for its study. They are entitled to more weight in this connection than the fears of special interests which have not considered and weighed these new data.

CHAMBER OF COMMERCE OF NEW YORK AGAINST THE TREATY

Mr. President, one of the leading organizations opposed to this treaty is the Chamber of Commerce of the State of New York. That is the same organization which took the lead a few weeks ago in opposition to the financial policy of this administration.

In discussing this question on May 29, 1933, I presented to the Senate an analysis of the membership of the New York State Chamber of Commerce. This analysis demonstrates that the chamber is not representative of the business and economic interests of the State of New York. I desire to quote from portions of that analysis in order that the Senate may have an understanding of the influences

which are responsible for the bitter opposition of the New York chamber to this treaty.

Mr. President, I ask leave to insert at this point certain extracts from my remarks on that occasion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

On November 18, 1932, a representative of the Chamber of Commerce of the State of New York appeared before the Foreign Relations Committee in opposition to the pending treaty. This organization presented a long report and copies of resolutions strongly opposing the development of the St. Lawrence River.

At the regular monthly meeting of the Chamber of Commerce of the State of New York on April 6, 1933, a further report and resolution were unanimously adopted, advancing in almost identical terms the proposal for an economic study presented on the floor of the Senate on April 17 by the senior Senator from New York [Mr. COPELAND].

The resolutions adopted on April 6 are as follows:

"*Resolved*, That the Chamber of Commerce of the State of New York urges upon the Senate of the United States that action on the Great Lakes-St. Lawrence Deep Waterway Treaty be held in abeyance until official and up-to-date data has been made available by a competent nonpartisan body upon the expenses of operation, the amount of traffic, the savings to the United States, and other economic questions involved in the St. Lawrence project; and be it further

"*Resolved*, That copies of this report be sent to the President and Members of the Senate."

This was the origin of the demand that, after more than 30 years of investigation, the United States Senate should not be permitted to pass upon the pending treaty until an entirely new economic study was authorized and the findings resulting therefrom reported to this body. That demand has been met by the report submitted by the President with his message on January 10.

On October 6, 1932, the Chamber of Commerce of New York adopted a report which condemned the St. Lawrence development in its entirety. I quote from this report:

"This chamber has gone on record on several occasions against Government participation in business. It seems as if the huge expenditure contemplated on the St. Lawrence is closely akin to the enterprises this chamber has so often criticized. * * * No scientific principles exist which can be used as a guide in allocating the expenditures on the canal which are for navigation to be paid by the Government, and the expenditures which are for water power and accordingly should be self-sustaining. The result will be that the private electric power industry will not know for years what competition to expect from the St. Lawrence. Also, the railroad industry will be uncertain as to the effect the opening of the canal will have upon its business. It might even develop that the Government will go into the operation of barges or similar craft on the St. Lawrence Waterway when completed, as it has on the Mississippi River, which this chamber condemned on December 3, 1931. It might even happen that Congress would decide to put the Federal Government still further into the water-power business."

In an earlier report, on similar grounds, the Chamber of Commerce of the State of New York strongly condemned the Muscle Shoals power project, embodied in the Norris bill passed by Congress by an overwhelming vote, and signed by President Roosevelt.

I have before me the analysis of the membership of the Chamber of Commerce of the State of New York to which I have referred.

The analysis demonstrates that the pending St. Lawrence Treaty is being opposed today with the support of the leading partners of J. P. Morgan & Co., and the powerful combination of railroad and public-utility companies operating in the eastern section of the country which are under Morgan control.

The analysis shows beyond question that the Chamber of Commerce of the State of New York, which has been active in the organized opposition to the pending treaty, represents the financial district in Wall Street, and is utterly indifferent to the benefits this project will bring to the consumers of electricity in New York City, and to the farms and homes in the State as a whole.

The pretense that the New York Chamber of Commerce is in any true sense representative of the State of New York as a whole is shown to be a fiction by the fact that out of 1,538 members, only 142, or less than 10 percent of the total number, show an address outside of the city of New York. Most of the 142 either show addresses within the metropolitan area or indicate that they have retired and live outside the State. A careful check reveals not more than 10 who can in any sense be considered as representing any local business interests in the State outside the New York City area.

The interests represented by the membership of the Chamber of Commerce of the State of New York are even more limited than the above statement would indicate. More than 50 percent of the membership actually belongs to the area known as "lower Manhattan" and appears to be definitely associated with the financial capital of the country. There are 164 members giving a Wall Street address.

A classification of the membership by occupation shows the following:

Banking, including investment bankers	510
Insurance	105
Real estate	62
Brokers	53
Shipping	41
Railroads	39
Utilities	32
	842
Other classifications	696
Total membership	1,538

The above figures show clearly that the New York chamber is dominated by New York City financial and banking interests, and the great corporations associated with them. A considerable proportion of the members have a clear-cut, selfish interest in blocking the St. Lawrence development and this interest is far from being identified with the general interest, either of the people of New York or of the country as a whole.

The 510 listed as bankers include in their number 64 who are also railroad directors and 36 who are directors of important utilities interested in electric power. Thus, the railroad and power interests have a considerably larger representation in the chamber than the original list would indicate.

J. P. Morgan & Co. alone accounts for 13 members of the chamber including J. Pierpont Morgan himself, Henry S. Morgan, Junius S. Morgan, Jr., Thomas W. Lamont, Thomas S. Lamont, Henry P. Davison, E. T. Stotesbury, Charles Steele, Thomas Cochran, R. C. Leffingwell, Harold Stanley, George Whitney, and Francis D. Bartow.

Kuhn, Loeb & Co. are represented by Otto Kahn, J. J. Hanauer, and William Wiseman.

The big public-utility interests which have been committing American business to opposition to publicly owned utility projects are well represented.

Floyd L. Carlisle, chairman of the boards of the Niagara Hudson Power Corporation, the Consolidated Gas Co. of New York, and the New York Edison Co., is a member.

George B. Cortelyou, president of the Consolidated Gas Co., holding company for all the New York City electric properties, is a member.

Lewis Gawtry, who is a member of the chamber, is a trustee of Consolidated Gas Co. of New York and a director of its subsidiary electric companies, including New York Edison Co., United Electric Light & Power Co., Westchester Lighting Co., and Yonkers Electric Light & Power Co.

Donald G. Geddes, a member of the chamber, is trustee of Consolidated Gas Co. of New York, and director of New York Edison, United Electric Light & Power, New York & Queens Electric Light & Power, etc. Other trustees of Consolidated Gas in the list are Charles E. Mitchell and George Whitney, of J. P. Morgan & Co.

Harold S. Sutton, assistant secretary both of Floyd L. Carlisle & Co. and Niagara Hudson Power Corporation, is a member.

Harold Stanley, already noted as a member of the firm of J. P. Morgan & Co., is also present as a director of Niagara Hudson, the United Corporation, the United Gas Improvement Co., and the Columbia Gas & Electric Co., representing Morgan's far-flung utility interests. Other Morgan partners appearing as utility directors are E. T. Stotesbury, of United Gas Improvement, and George Whitney, of Consolidated Gas.

John E. Alfred is a member of the chamber, representing a considerable number of utility companies, including several Canadian companies directly interested in preventing the development of cheap power by New York State. These are: Montreal Light Heat & Power Co., Cedar Rapids Manufacturing & Power Co., Shawinigan Water Power Co., and the Saguenay Transmission Co. Alfred is also a director of the Duke-Price Power Co. and the Pennsylvania Water & Power Co.

The Henry L. Doherty interests, which have been actively pressing an application before the Federal Power Commission for the right of the American Super-Power Corporation to develop the International Rapids section of the St. Lawrence River for power, have three representatives in the membership of the chamber of commerce, including W. Alton Jones, chairman of the executive committee of Henry L. Doherty & Co., as well as director of Cities Service and its subsidiaries; Arthur B. Leach, of A. B. Leach & Co., chairman of the executive committee of the American Super-Power Corporation, which is making the application; and J. M. McMillen, of the Henry L. Doherty and Cities Service.

Lewis E. Pierson, director of Electric Bond & Share Co. and National Power & Light, discussed at considerable length by Senator NORRIS on May 4 in his remarks on the attitude of the United States Chamber of Commerce toward Muscle Shoals, is a member.

Other important utility men in the list are: Frank L. Dame, president of the North American Co.; Philip G. Gossler, president of the Columbia Gas & Electric Corporation and its subsidiaries; E. T. Stotesbury, a J. P. Morgan director of the United Gas Improvement Co.; Albert A. Tilney, chairman of the board of Bankers' Trust Co., who is also director of American Gas & Electric Co., Electric Power & Light Corporation, and National Power & Light Co.; Louis H. Seagrave, director of Standard Gas & Electric Co., Standard Power & Light Corporation, and U. S. Electric Power Corporation; Charles A. Stone, chairman of the board of Stone & Webster; and many others.

Eastern railroads are represented by such executives as W. W. Atterbury, president of the Pennsylvania; Albert J. County, vice president of the Pennsylvania; Patrick E. Crowley, former president of the New York Central; John M. Davis, president of the Delaware, Lackawanna & Western; Edward E. Loomis, president of the Lehigh Valley; Leonor F. Loree, president of the Delaware & Hudson; Roy Barton White, president of the Central Railroad of New Jersey; and Daniel Willard, president of the Baltimore & Ohio, as well as by Cornelius Vanderbilt, member of board of managers of the Delaware & Hudson Co. and director of Illinois Central.

This is the organization which is the head and front of the opposition to the St. Lawrence project. It is this little group of Wall Street bankers, public-utility officials, and railroad executives which is resisting the policy of President Roosevelt's administration to develop the St. Lawrence for power and navigation, and which is appealing to Members of this body to betray party pledges by blocking and defeating the pending treaty.

J. P. Morgan & Co. has a direct interest in the defeat of the St. Lawrence Treaty.

This great banking house holds dominion over an empire composed of the chief trunk-line railroads and public utility power corporations of the East. It has underwritten hundreds of millions of dollars in railroad and power securities.

The House of Morgan is pursuing the narrow, short-sighted, and selfish policy of bottling up the interior of the United States and preventing its development by seeking to continue the obtsruction to navigation existing today in the undeveloped International Rapids section of the St. Lawrence River.

The development of this section of the river under the pending treaty is opposed by Morgan and allied interests in part because it will affect the transportation monopoly of the Morgan trunk-line roads running from Chicago to the seaboard, but chiefly because it will produce 1,100,000 horsepower, to be developed by a public agency furnishing electricity at low rates, in competition with the Morgan-controlled power companies.

This explains why 13 of the partners of J. P. Morgan & Co. are participating as members of the Chamber of Commerce of the State of New York in its campaign to defeat the St. Lawrence Treaty.

The people of the Middle West are in no mood today to tolerate this policy of obstruction. The House of Morgan, with all its vast influence and wealth, is not powerful enough to stand in the way of a public project that is vital to the development of this country. You cannot cheat 45,000,000 people of their birthright and sabotage the forward movement in transportation and industry and expect the people of the midcontinent to submit to it forever.

There is another special interest which has a stake in the defeat of the St. Lawrence Treaty—the Aluminum Co. of America, owned and controlled by the Mellon family.

During the hearings before the Foreign Relations Committee, the fact was developed that the Aluminum Co. is diverting 20,000 cubic second-feet of the waters of the St. Lawrence to its plant at Massena, N.Y., for the generation of hydroelectric power. The Aluminum Co. attempted to secure the right to divert one fourth of the entire American share of the flow of the St. Lawrence under the treaty, a right which was denied through the vigilance of the power authority of the State of New York.

The passage of the joint resolution which has already been voted by the House and the ratification of the pending treaty will extinguish the diversion which is today being exercised by the Aluminum Co. Every day that ratification is delayed the Aluminum Co. is enriched by the diversion of the waters of the St. Lawrence, for which it does not pay a dollar into the Federal Treasury.

It may be said in passing that the Aluminum Co., later in combination with the General Electric and the Du Pont interests, sought for more than a quarter of a century to obtain control of the water-power rights on the St. Lawrence which were vested in the people of New York in 1931 by Gov. Franklin D. Roosevelt.

Mr. LA FOLLETTE. Mr. President, I ask permission to insert a letter and memorandum from the Northern Federation of Chambers of Commerce of New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE NORTHERN FEDERATION OF CHAMBERS OF COMMERCE,
Alexandria Bay, N.Y., January 23, 1934.

Hon. ROBERT M. LA FOLLETTE, Jr.,
United States Senate, Washington, D.C.

DEAR SIR: I am enclosing a brief memorandum prepared by this organization covering the proposed St. Lawrence seaway development.

Regardless of the propaganda emitting from New York City, the northern half of New York State is solidly in favor of the St. Lawrence development. There is a chance, if this development goes through, for a new industrial center to be added to the United States which will be of equal size and importance to the Pittsburgh region or the proposed Tennessee Valley industrial sector. In addition to the industrial development, the St. Lawrence development offers a chance for relief of the domestic user of electricity in this territory where rates are excessively burdensome and also offers the Midwest manufacturer and farmer an opportunity to get back on equal terms with the eastern and Pacific seaboards and to recover the disadvantage which became effective with the completion of the Panama Canal.

I sincerely trust that you will do everything in your power to further this major plank in President Roosevelt's program of economic rehabilitation.

Very sincerely yours,

GEORGE J. SAVAGE, *Secretary.*

STATEMENT OF THE NORTHERN FEDERATION OF CHAMBERS OF COMMERCE URGING THE SIGNING OF THE ST. LAWRENCE WATERWAY TREATY BY THE UNITED STATES SENATE

If the Straits of Gibraltar were blocked through obstructions so that only vessels of 14-foot draft could get through, there would be no argument about the immediate necessity of excavating the channel immediately so that the vessels of the world could once more reach the ports of the Mediterranean Sea.

This imaginary situation exists in close parallel in this country today; we have a vast inland sea of the Great Lakes, and connecting channels are between all the Lakes, so that an ocean-going boat can go from Ogdensburg to Duluth without a bit of trouble, provided her draft is 25 feet or under. But ocean-going boats cannot get up to the Lakes and the lake boats cannot get down to the seaports because of the bottle neck at the International Rapids section of the river. And as a result a vast region extending over most of the northern half of the continent is land-locked and 40,000,000 people are deprived of their desire to have free access to the ocean.

Since the early days of discovery on this continent the importance of providing a bypass around these rapids of the St. Lawrence has been evident to the rulers of North America. First the French and then the English built locks around the rapids of this mighty river, and as early as 1797 provision for a 9-foot lock around the various sections of the rapids was made. Gradually this 9-foot depth was increased to 14.

However, since 1914 the depth of these channels has not been increased. The railroads are not expected to run with 1914 style of locomotives and the power companies are not expected to generate power with 1914 style of equipment. Why expect lake shipping to get along with 1914 type of locks?

Aside from the advantages to 80 percent of the ocean shipping, the demands of lake shipping alone require the deepening of these locks to meet modern conditions.

COSTS OF THE SEAWAY

Much has been made of the argument that the United States will spend more money on this project than Canada. The facts are that each nation is given credit for the money they have already spent in making certain channels wholly in their own waters navigable for vessels of 25-foot draft, and the total additional expense for the international section is then divided after giving these credits. The works charged to the power development are to be built by the Province of Ontario and the State of New York, each on their own side of the river, and none of this power expense is chargeable to the United States Government.

EMPLOYMENT EFFECT

Conservative estimates are that over 22,000 men will be employed in the building of the navigation and power works, and that well over 50,000 men will receive employment through the new factories erected at the source of the power. These figures are for the direct employment only and the indirect employment of men in the plants producing the materials used in these projects will run to many times that figure.

POWER

It is estimated by engineers of the New York State Power Authority that 1,100,000 horsepower will be developed on the American side of the rapids, and that this power can be distributed for costs that are approximately as follows: In the Utica area, 130 miles away, 2.99 mills per kilowatt-hour, with 60-percent load factor; at the end of the 300-mile transmission line, 4.20 mills, with 60-percent load factor.

The people of the State of New York are paying an average of 6 cents per kilowatt-hour, and in the vicinity of the proposed development 10 and 11 cents per kilowatt-hour. They look across at their neighbors in Ontario who are paying a cent and a half per kilowatt-hour, and they read in the papers of the Tennessee Valley development and the Columbia River development. Why must they be forced to put up with their present rate schedule and with an undeveloped countryside just because a few of the big banking houses and railroads are against this power development?

President Roosevelt has proposed a method of utility regulation known as the "yardstick method", and nowhere is this yardstick more needed than in New York State where 12,000,000 people are paying exorbitant rates because of the absence of such a yardstick.

PROPONENTS AND OPPOSITION

In opposition to this project we find the General Electric Co., the Aluminum Co. of America, the banker and utility controlled Chamber of Commerce of the State of New York, the railroads, the utility companies, and a few eastern ports.

In favor of this development we have the people of the Midwest agricultural States, the people of the State of New York as expressed through their legislature when they passed the power authority bill, all the consumer organizations in the State of New York, the Republican Party of the United States through their platform pledges, the former President of the United States Herbert Hoover, and finally the President of the United States Frank-

lin D. Roosevelt, who won national recognition through his fight against the power interests of the State who wanted to develop the St. Lawrence privately instead of in the people's interest.

INDUSTRY

The northern half of New York State has never been developed industrially because of the absence of transportation and cheap power. Within 50 miles of the proposed development there are large quantities of magnetic ore, zinc, lead, arsenic, molybdenum, and the materials for a huge ceramic industry. Lack of fuel and power, combined with the transportation factor, have prevented the development of these mineral resources.

The St. Lawrence development will provide the transportation and the power development will provide the heat to refine these metals.

There is a definite relationship between the development of power resources and the resultant industrial expansion which follows the power development. Using the experience of the Province of Ontario, the following relationship between the power and industrial development has been developed:

Capital invested per 1,000 horsepower in industry, $1,250,000.

Annual salaries and wages per 1,000 horsepower, $200,000.

Employees per 1,000 horsepower, 185.

Using these figures as a basis, the installation of 1,000,000 horsepower means $550,000,000 additional capital investment in industrial plants, $90,000,000 additional annual pay roll, $220,000,000 additional factory output annually, and 82,500 additional workers in industrial plants.

Shall we let this huge investment and huge annual pay roll migrate to Canada, or shall we help New York State and the country at large by adding this investment in industry and this pay roll to that of this side of the river and boundary?

Respectfully submitted.

GEORGE J. SAVAGE, *Secretary.*

Mr. LA FOLLETTE. Now, Mr. President, I shall be glad to yield to the Senator from Washington, as I am about to conclude, if he desires to ask me a question.

Mr. BONE. I hope the Senator will agree with one of the conclusions which I want to state in my question. For a great many years this country witnessed what was to me a very sordid spectacle, a monstrous diversion of public functions and a ruthless invasion of the United States Treasury for the benefit of private business interests in the building and operation of the Muscle Shoals power project. It was built at great expense out of the Public Treasury; and because it was hamstrung by the Congress, the Government was compelled to sell power at the bus boards of that plant to the Alabama Power Co., a private power organization, for 2 mills per kilowatt-hour. I visited that section of the country a few years ago, and I saw that same power retailed by private power companies, which were then the sole and exclusive beneficiaries of this vast public expenditure, for prices ranging up to 18 cents a kilowatt-hour, or 90 times what the private companies paid the Government for the power.

Since the element of production of power has been brought into this argument repeatedly by the Senator from Wisconsin, by my good friend the Senator from Illinois [Mr. LEWIS], and by others, it becomes important, it seems to me, for us to have a clear picture of what is to be done with the power that is to be developed on the St. Lawrence, because, if that is to be in any wise a determining factor in the mind of myself or other Members of this body, then, certainly we have a right to know or to be assured to as great a degree as is possible that there will not be a repetition of the Muscle Shoals fiasco; that the taxpayers of the country will not be sweated in taxation to build at public expense a great hydroelectric development only to enrich the Morgan power syndicate of the State of New York. That point becomes pertinent and important in light of the Senator's declaration made a few moments ago, and that leads me to ask the Senator this question. Is there the possibility and probability in the State of New York that this development, which will make available 1,100,000 horsepower of electric energy, will be developed through an agency that will effectively transmit this power to the ultimate consumer at a low price, some agency through which private power companies will not be able to build one toll gate after another with which to reap excessive profits?

I have been reading, Mr. President, with a great deal of interest, a series of articles running in the New York American dealing with the controversy between the people of Westchester County—I think it is—in the State of New York, and the Yonkers Power Co., which I believe is either an affiliate or is tied in with the Morgan power group. Some of the figures that have been published in this series of articles are astounding. For instance, I note in the issue of January 31 that a small neighborhood store pays $27.55 for 300 kilowatt-hours of light service, and that the charge for the same amount of light service to a home, which has a somewhat better rate, is $18.81 for 300 kilowatt-hours, or an average throughout of 6⅓ cents per kilowatt-hour. It seems to me incredible that in any civilized community of this country a private power company can exact a rate like that for domestic use for 300 kilowatt-hours of service.

As the Senator from Wisconsin is aware, I come from a section of the country where there is a tremendously big hydroelectric development, and I claim to know a little something about the cost of developing electric energy. I am wondering whether the State of New York now has an agency in existence able to safeguard the rights of the consumers. I am aware of some of the work that is being done there, but I want the Senator to assure this body that there is an agency in the State of New York that can effectively transmit the current to the people of New York, the ultimate consumers, if this project shall be approved? It will not do, in my judgment, Mr. President, for this plant to be built and the current to be sold at the bus bars to private companies that then will distribute it, because we may have a repetition of the Muscle Shoals fiasco; and I want the Senator to tell me, and in so doing to tell other Members of this body, whether, if this development shall be undertaken at a cost of somewhere around $90,000,000 on the part of the State of New York, we can have assurance that the people of New York and not the Morgan power syndicate will derive the advantage of it.

Mr. LA FOLLETTE. Mr. President, there can be no question that if this treaty shall be ratified and the power project developed, it will be developed under the New York State Power Authority created under the leadership of Mr. Roosevelt while he was Governor of the State of New York for the specific purpose of protecting the rights of the people in this great natural resource, namely, the power of the St. Lawrence River.

When the treaty was finally negotiated the question of the division of cost between the New York State Power Authority and the United States Government came up. A series of conferences were held and finally an agreement was arrived at whereby the State of New York was to pay $89,000,000 of the cost of the development of the works in the International Rapids section.

There was passed by the House of Representatives at the last session, and there is still pending in the Senate, a joint resolution authenticating and carrying that agreement between the New York State Power Authority and the Government of the United States into legal effect. I will quote from a proviso in that joint resolution which has the full approval and the active support of the New York State Power Authority as well as of the President of the United States:

Provided, That no part of the United States share of the water in the International Rapids section of the St. Lawrence River shall be diverted for the benefit of any person or private corporation, nor shall the use of any part of said water or the rights pertaining to said water be sold, leased, or otherwise alienated to any person or private corporation for the generation of hydroelectric power.

If the Senator will refer to page 20 of Senate Document No. 110, I will read from the heading "Status of St. Lawrence Power Project Under the Laws of New York":

The St. Lawrence power project of the State of New York is provided for in chapter 722 of the Laws of New York, approved by the Governor April 27, 1931—

The reference is to Governor Roosevelt—

This act was the fruition of 25 years of effort to provide for development of St. Lawrence power by the State in the public interest. Licenses had been sought by private corporations for the right to exploit the power resources in the international rapids section, but such applications were rejected by both State and Federal agencies.

Section 5 of the act specifically directed the power authority "to cooperate with the appropriate agencies and officials of the

United States Government to the end that any project undertaken" by the trustee—

"shall be consistent with and in aid of the plans of the United States for the improvement of commerce and navigation along the St. Lawrence River, and shall be so planned and constructed as to be adaptable to the plans of the United States therefor, so that the necessary channels, locks, canals, and other navigational facilities may be constructed and installed by the United States in, through, and as part of the said project."

Section 5 directed the trustees to—

"'develop, maintain, manage, and operate' the project and 'to make provision so that municipalities and other political subdivisions of the State * * * may secure a reasonable share of the power' 'subject to conditions which shall assure the resale of such power to domestic and rural consumers at the lowest possible price.'"

Mr. BONE. Mr. President, may I interrupt the Senator again?

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Wisconsin yield further to the Senator from Washington?

Mr. LA FOLLETTE. With pleasure.

Mr. BONE. I notice in the papers there is a controversy in the State of New York induced by the action of Governor Lehman in asking the legislature to change the law there so that municipalities might own their own electric distribution system. New York appears to be somewhat old-fashioned and has quaint ideas about some things. They have a provision of law, or perhaps I should say an absence of a provision of law, that makes it impossible for a city to own its own electric distribution system unless it has incorporated that provision in its charter, and not having that power it cannot get it except by going to the legislature. If the New York Power Authority wants to give this power to cities, it can do so, but otherwise they are trussed up in a strait-jacket of law and cannot get the power to sell to their own. They are liable to be harmed and rendered absolutely impotent even though the New York Power Authority might want to give them this power and make it available to them.

Mr. LA FOLLETTE. I do not think that is a logical deduction——

Mr. BONE. Of course that is a local condition. I admit that.

Mr. LA FOLLETTE. I do not think it is a logical deduction which the Senator has made, waving aside the question of whether or not the legislation will be enacted, because I wish to point out that a formula was set up by the New York Power Authority Act to which any contracts made with private companies for transmission and distribution of current must conform. The act specifically provided for—

(a) Full and complete disclosure to the power authority of all factors of cost in transmission and distribution of power, so that rates to consumers may be fixed initially in the contract and may be adjusted from time to time on the basis of true cost data.

(b) Periodic revisions of the service and rates to consumers on the basis of accurate cost data obtained by such accounting methods and systems as shall be approved by the trustees.

(c) That rates, services, and practices of the purchasing, transmitting, and distributing companies in respect to the power generated by this project shall be governed by the provisions and principles established in the contract, and not by the regulations of the Public Service Commission or by the general principles of public service law regulating rates, services, and practices.

That puts the matter entirely in the hands of the power authority.

Mr. BONE. Of course, the Senator is aware that it would invite a recasting of the rate structures of every private power company in the State of New York, because manifestly they could not sell power from a public plant on the St. Lawrence at one price and power on the same service lines in another section at another price. It would invite a complete recasting of their entire rate structure.

Mr. LA FOLLETTE. And that is exactly what I think would happen.

Mr. BONE. I believe the Senator shares my view that that will be a very happy circumstance.

Mr. LA FOLLETTE. Judging by the manner in which the trustees have fought for this project and fought to maintain the public interest in it, I think we need have no fear that they will not exercise every legal and economic advantage which the law so sweepingly confers upon them to assure that electricity shall be delivered to the consumers at the lowest possible rate, regardless of whether or not Governor Lehman wins his fight to amend the law of New York at this session to provide that municipalities may own their own distributing systems.

Since the enactment of the law the trustees of the power authority have recommended additional legislation to permit municipalities which do not now enjoy that right under their charters to purchase St. Lawrence power for distribution to consumers.

In his message to the legislature, January 3, 1934, the Governor of New York made the following recommendation:

I trust that during this session a definite conclusion will be reached by the Federal Government on the treaty with Canada for the development of the St. Lawrence River. The important thing is that power be developed as quickly as possible for the benefit of the consumers of electricity in this State.

Pending the final settlement of this problem I repeat the recommendation made to you last year, that you adopt legislation to permit municipalities of the State, after approval by a referendum vote, to purchase and sell electricity developed from the St. Lawrence River. Municipalities will in this way be able to buy cheap electricity, and at the same time be given a potent weapon with which to compel existing public-utility companies to provide them with electricity at reasonable rates.

The evident intent and effect of the laws of New York providing for the St. Lawrence power project has been the provision of a yardstick on electrical costs and rates for the benefit of the consumers of current and for the protection of the public against unfair charges.

The development of the St. Lawrence by a public agency represents the last opportunity available to provide the northeastern section of the United States with the benefits assured other sections through development of Muscle Shoals, Boulder Dam, the Columbia River, and similar public projects.

The Senator raised some question as to the cost of electricity in Yonkers, near New York City, where consumers enjoy the privilege of paying their bills to a private power corporation owned and controlled through holding companies by J. P. Morgan & Co. I want to invite the attention of the Senator to the estimates of cost. In the first place, I point out that under an agreement already reached between the United States Engineers and the Power Authority of New York the investment of $89,726,750, to be assumed by the New York Power Authority as the share of the total cost of developing the International Rapids section allocable to power, will make power available at an investment cost of $81.57 per installed horsepower and $115.74 per primary horsepower. It renders the proposed power development one of the most economical on the continent, comparing with an investment cost of $136 per installed horsepower for the present capacity of Conowingo, $120 for Fifteen Mile Falls, N.H., and $122 at Muscle Shoals.

I also point out that none of the projects which I have mentioned have the large percentage of primary power which is available on the St. Lawrence.

Mr. President, in connection with the effect which this might have on existing rates in the State of New York and the other States in the northeastern section which are within transmission distance, I want to point out that the St. Lawrence power can be transmitted to southern New York, a distance of approximately 300 miles, with allowance for transmission losses, approximately 2.2 mills at a 60-percent load factor and 1.6 mills at an 80-percent load factor.

St. Lawrence power can be transmitted to the Utica area, a distance of 135 miles, with allowance for transmission losses, for approximately 0.97 mills at a 60-percent load factor, and 0.73 mills at an 80-percent load factor.

On the basis of the above conclusions the total cost of St. Lawrence power delivered at the end of the 300-mile transmission line would be 4.20 mills at a 60-percent load factor and 3.13 mills at an 80-percent load factor. The corresponding figures for delivery in the Utica area would be 2.99 mills at a 60-percent load factor and 2.24 mills at an 80-percent load factor.

Mr. President, I had not intended to go into the power aspect of the matter, but I appreciate the great interest of the Senator from Washington [Mr. BONE] in public power development. His long and distinguished record in his own State in behalf of the public development of power is one which should give commanding weight to his point of view on the whole question of public power during the entire time that he continues to serve in this body, which I hope will be many years.

Mr. President, Senators opposing the treaty cannot fetter the great producing and consuming region in the Middle West, block off its natural highway to the sea, and divert its commerce to a few favored ports. They cannot get the mass of the people of this country in any section or in any State to support a policy based on grasping, greedy special interests. The opponents cannot make the criminal waste of a great natural resource popular. They cannot revive the spirit of sectionalism in this country without destroying the political party for which they speak and without blasting the future progress of this Nation.

President Roosevelt knows this to be true. Against the bitter opposition of the party leaders and of the servile agents of the Power Trust, he firmly established, as Governor of New York, a public project for the development of the St. Lawrence. He had the vision to see that this development, though it did not lend itself to exploitation for private profit, would benefit every producer and consumer in the Nation.

The seaway from the Great Lakes to the Atlantic will be completed; the St. Lawrence power now running to waste, spending the force of an army of 5,000,000 men, will be harnessed; and this treaty will be ratified.

Mr. DIETERICH obtained the floor.

Mr. OVERTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. DIETERICH. I do.

Mr. OVERTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Steiwer
Barkley	Erickson	Long	Stephens
Black	Fess	McAdoo	Thomas, Utah
Bone	Fletcher	McCarran	Thompson
Borah	Frazier	McGill	Townsend
Brown	George	McKellar	Trammell
Bulkley	Gibson	McNary	Tydings
Bulow	Goldsborough	Murphy	Vandenberg
Byrnes	Gore	Neely	Van Nuys
Capper	Hale	Norris	Wagner
Caraway	Harrison	O'Mahoney	Walcott
Carey	Hastings	Overton	Walsh
Connally	Hatch	Patterson	Wheeler
Coolidge	Hatfield	Pittman	White
Copeland	Hayden	Pope	
Costigan	Hebert	Reynolds	

Mr. LEWIS. Mr. President, I regret to announce that the Senator from Oklahoma [Mr. THOMAS], and the Senator from Virginia [Mr. GLASS] are detained from the Senate on account of illness.

I desire to announce that the Senator from Virginia [Mr. BYRD], the Senator from Missouri [Mr. CLARK], and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate on official business.

Mr. HEBERT. I desire to announce the unavoidable absence of the Senator from New Jersey [Mr. KEAN], the Senator from Rhode Island [Mr. METCALF], the Senator from South Dakota [Mr. NORBECK], the Senator from Pennsylvania [Mr. REED], and the Senator from North Dakota [Mr. NYE].

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

[Mr. DIETERICH addressed the Senate. After having spoken for about 1 hour and 30 minutes, he yielded the floor for the day. His speech is published entire on p. 1739.]

Mr. ROBINSON of Arkansas. Mr. President, I understand that the Senator from Illinois would like to suspend his remarks, particularly in view of the fact that some days ago the Senate entered into an agreement to take up this afternoon a nomination pending on the Executive Calendar, being that of George C. Mathews to be a member of the Federal Trade Commission.

Mr. DIETERICH. It is entirely agreeable to yield the floor at this time, and I will continue my remarks tomorrow.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H.J.Res. 250) to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

As in legislative session,

The joint resolution (H.J.Res. 250) to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, was read twice by its title and referred to the Committee on Appropriations.

CONSIDERATION OF EXECUTIVE BUSINESS

Mr. ROBINSON of Arkansas. Mr. President, as I said a few moments ago, there is an agreement to proceed to the consideration of the nomination of George C. Mathews to be a member of the Federal Trade Commission. The Senator from Washington [Mr. DILL] is on his way to the Chamber, I am informed, and I suggest that the Senate proceed to carry out that agreement.

The PRESIDING OFFICER (Mr. HATCH in the chair). The Senate is now proceeding in executive session.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following nominations:

Jefferson Caffery, of Louisiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Cuba; and

Cyril L. F. Thiel, of Illinois, now a Foreign Service officer of class 8 and consul, to be also a secretary in the Diplomatic Service of the United States of America.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. BAILEY, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. ASHURST, from the Committee on Public Lands and Surveys, reported favorably the nomination of Patrick J. Keohane, of Arizona, to be register of the land office at Phoenix, Arizona, vice Henry A. Morgan.

The VICE PRESIDENT. The reports will be placed on the calendar.

UNITED STATES MARSHAL, NORTHERN DISTRICT OF OHIO

Mr. ASHURST. From the Committee on the Judiciary I report favorably the nomination of George J. Keinath to be United States marshal for the northern district of Ohio. I invite the attention of the junior Senator from Ohio to the nomination.

Mr. BULKLEY. Mr. President, some 2 or 3 weeks ago the marshal for the northern district of Ohio unexpectedly resigned, making his resignation effective January 31. The Department of Justice is anxious to have the new marshal

ready to undertake his duties tomorrow. The nomination came from the White House yesterday; the Judiciary Committee has now favorably reported it, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. FESS. Mr. President, I happen to know the nominee very well, and I hope that the request of the junior Senator from Ohio will be granted.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. BULKLEY. Mr. President, under the circumstances, I ask unanimous consent that the President may be notified.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

RECOMMITTAL OF NOMINATION

Mr. McKELLAR. Mr. President, I call attention to Calendar No. 194, being the nomination of Edward A. Tigner to be postmaster at Milledgeville, Ga. At the request of the Representative in Congress from that district, and also the Senator from Georgia [Mr. RUSSELL], I ask that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination will be recommitted to the Committee on Post Offices and Post Roads.

FEDERAL TRADE COMMISSIONER—GEORGE C. MATHEWS

The VICE PRESIDENT. The clerk will state the nomination, the consideration of which, under the unanimous consent agreement, is now in order.

The Chief Clerk read the nomination of George C. Mathews, of Wisconsin, to be Federal Trade Commissioner for the remainder of the term expiring September 25, 1938.

Mr. FESS. Mr. President, when this nomination came before the committee, the question whether the vacancy had been legally created was considered. The committee did not determine that that was a question for it to decide. It was suggested by the junior Senator from Illinois [Mr. DIETERICH] that the only thing the committee had before it was the fitness of the candidate and not whether the vacancy had legally been created. I am somewhat under the impression that that position is correct; and if I could know that it would be generally understood that the Senate in confirming this nominee is not acting upon the question of the legality of the vacancy but rather upon the fitness of the candidate, I should have no objection at all. However, it raises a very important question, as must be obvious to everyone. The President sent this letter to Mr. Humphrey, who formerly filled the office to which Mr. Mathews has been appointed:

> Without any reflection at all upon you personally, or upon the service you have rendered in your present capacity, I find it necessary to ask for your resignation as a member of the Federal Trade Commission. I do this because I feel that the aims and purposes of the administration with respect to the work of the Commission can be carried out most effectively with personnel of my own selection.

In his second letter to Mr. Humphrey, the President stated:

> You will, I know, realize that I do not feel that your mind and my mind go along together on either the policies or the administering of the Federal Trade Commission, and, frankly, I think it is best for the people of this country that I should have a full confidence.

That is a very frank statement of the basis on which the vacancy was created by what might be called an Executive decree. It leaves open this question, How far can the Executive go in the removal of an appointee, especially an appointee of an independent commission?

I have no doubt whatever that the requirement of the consent of the Senate to a nomination does not imply that the President must get the Senate's consent to remove an officer whose nomination has been confirmed. I think that would be an erroneous conclusion. The Executive is the administrative officer of the Government, and his judgment must prevail as to the efficiency of the service of an appointee. Merely because a man nominated by the President cannot assume office without the consent of the Senate, it does not follow that the President cannot remove him without the consent of the Senate. Here, however, an entirely different case is presented. This is a case wherein an independent commission, not under the control of the President except as to the efficiency of the service rendered, a vacancy is created by the act of the President, who states that there is not any complaint as to the efficiency of the officer who is removed. Everyone must certainly concede that for malfeasance in office or inefficiency in office the President may remove; but where there is no charge of that kind, and it is so admitted, does the President's power extend to the extent of removal from office? If it does, would it be possible for the President, feeling that the Federal Reserve System is not being administered according to his own wishes, to declare all the members of the Federal Reserve Board to be inefficient and not to be going along with his mind, and therefore to declare their positions vacant and to appoint a new board? That is not a far-fetched supposition, and it is involved in this question.

The same thing might be said—although the two cases are not quite on a par—of the Comptroller General. He is an executive officer, speaking for the legislative department, created under the Budget legislation as the final judge as to the legality of the payment of bills under laws enacted. Congress was very jealous of its prerogatives when it came to enact Budget legislation and was anxious to avoid allowing the executive department to be its own auditor. So the legislative department provided for an auditor who was not to be in the executive department but was to be the spokesman of the legislative department, and Congress even specified that his removal could not be brought about without the form of an impeachment. Exercising his general constitutional authority of being responsible for the efficiency of appointive officers, could the President go to the extent, without cause, of removing the Comptroller General? The question is quite important; and when the matter came up, I had in mind what Lord Haldane calls "the mind of the legislators", which is always taken into consideration by the Supreme Court when it undertakes to arrive at the purpose of the legislators in an act passed by them.

I should not want our action today to be construed in a court where this case is to be settled as being the judgment of the Senate as to the legality of the vacancy; and that is the reason, and the only reason, why I asked that the nomination be not confirmed until a statement might be made. I myself have no objection to the confirmation of the nomination, but I ask unanimous consent to insert in the RECORD some editorials on this particular subject.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The editorials are as follows:

[From the Detroit Free Press (independent), Oct. 17, 1933]

THE HUMPHREY ISSUE

The issue raised by the refusal of William E. Humphrey to accept dismissal without cause from the Federal Trade Commission, at the hands of President Roosevelt, involves the continued independence of the quasi-judicial bodies Congress has created. It is a serious matter, likely to have consequences far more important than the personalities involved.

The language of the acts setting up the Trade Commission, the Tariff Commission, the Interstate Commerce Commission, and other agencies clearly indicates that Congress intended to keep them free from Executive or partisan domination. It is provided, among other things, that not more than three members shall be of the same political party. They are made removable by the President, but only for inefficiency, neglect of duty, or malfeasance in office.

If the President succeeds in his present attempt to remove Mr. Humphrey without specifying charges under the law, he will, in effect, make the terms of all the members subject to capricious curtailment and destroy the Commission's freedom from domination. It will then have no more real authority than an ordinary administrative unit of the executive establishment, and the indirect powers of the President's office will have been vastly enlarged. Much of the authority "to regulate commerce" bestowed upon Congress in the Constitution will have been absorbed by the rival establishment centered in the White House.

Such a prospect stirs Democratic spokesmen as well as Republicans to distinct unease. The Baltimore Sun, for instance, terms it

"an attempt to establish a dangerous precedent", while the New York Times, in discussing the legal background, expresses regret that Chief Justice Taft, of the Supreme Court, in 1926 "went rather far out of his way" in the case of *Myers* v. *The United States* to bestow an advance blessing upon an act somewhat like the one President Roosevelt now has taken.

The decision in the Myers case upheld President Wilson's right to remove a postmaster without consulting the Senate. Postmasters are purely administrative officers, but the Chief Justice added:

"There may be duties of a quasi judicial character imposed upon executive officers and members of executive tribunals whose decisions after hearing affect interests of individuals, the discharge of which in a particular case the President cannot properly influence or control. But in such a case he may consider the decision as a reason for removing the officer on the ground that the discretion regularly entrusted to the officer by statute has not been, on the whole, intelligently or wisely exercised."

This, however, is not the law, it is merely the Chief Justice's obiter dictum. And many will agree with the Times that in advancing such a suggestion "the former President may be thought unconsciously to have influenced the judge.

[From the Indianapolis Star (independent), Sept. 19, 1933]

HUMPHREY STANDS PAT

William E. Humphrey is not only within his rights but is doing a good service to his party and to the country when he refuses to resign from the Federal Trade Commission at the request of the President. The Commission was created September 26, 1914, in the Wilson administration, and the law specifically provides that no more than 3 of the 5 members shall be of the same political party. The intention was to keep it from becoming a partisan subsidiary, such as the President would make of it.

The Commissioners are named for 7 years. Their terms expire so as to make sure that there shall always be at least four experienced members. The Commission has been functioning almost exactly 19 years, during which it has investigated a multitude of complaints of unfair and unlawful tactics in business activities. Its work has been highly satisfactory, and it has been neither accused nor suspected of figuring in partisan politics.

Mr. Humphrey has been on the Commission since 1925, and his term does not expire until 1937. The President would have to appoint another Republican if Mr. Humphrey resigns, and is reported as having Philip La Follette, of Wisconsin, picked for the place. The President, in his request to Mr. Humphrey, explained that he feels his policies could be carried out better by a Republican of his own choosing.

The appointment of La Follette as a Republican would be a farce and subterfuge. The law contemplates that the Republican and Democratic Parties shall be represented on the Commission, and the spirit as well as the letter of the law should be observed. La Follette is no more representative of the Republican Party than is Brookhart, who is now serving as the President's contact man in dealing with Soviet Russian trade representatives.

Mr. Humphrey is a born Hoosier. He was educated at Wabash College and practiced law in Crawfordsville before going out to Seattle in 1893. He served in Congress from Washington and is a thoroughgoing representative of the Republican Party on the Trade Commission, such as the law provides the party should have. Ours is a two-party Government, and that fact should not be overlooked even in these times. The minority is entitled to members on the Trade Commission. They are not there, under the intent of the law, to enable a President of either political party to carry out his policies unhampered but to act as a balance wheel of opposition. Commissioner Humphrey is right when he declines to step aside for a puppet bearing a Republican label.

[From the Washington Post (Republican), Dec. 31, 1933]

BEHIND THE HUMPHREY CASE

A suit filed in the Court of Claims by William E. Humphrey is expected ultimately to bring from the Supreme Court a decision as to whether or not the President has authority to remove members of quasi-judicial, independent Federal commissions because they may disagree with his policies. The case may thus be of the utmost importance in determining the future status of these bipartisan bodies.

President Roosevelt asked Mr. Humphrey to resign from the Federal Trade Commission because he felt that its work "can be carried out more effectively with the personnel of my own selection." No specific charges were made against the Commissioner and his request for a hearing was not granted. When he refused on several occasions to resign, he was arbitrarily removed by Executive order.

The differences in the viewpoints of President Roosevelt and Mr. Humphrey are extraneous to the issue. So in regard to the principle involved, are the merits of the latter as a member of the Federal Trade Commission. The broad question which the Supreme Court will be asked to decide is the right of the President to disrupt bipartisan commissions by dismissing members who belong to the party out of office.

Congress provided long terms for members of the Federal Trade Commission and similar bodies to foster independent judgment. Membership of the Commission was divided on party lines so that both the Republican and Democratic viewpoints would be represented. Yet President Roosevelt ousted a Republican member because, to use his own words, "I do not feel that your mind and my mind go along together on either the policies or the administering of the Federal Trade Commission."

At least one other Commissioner has been removed from office on the same principle. If this policy is to be carried out further, the independence of the quasi-judicial bodies will be ended and their usefulness may be seriously impaired.

[From the Republic-Bulletin, Oct. 16, 1933]

AN OPENING FOR POLITICS

Perhaps no action which President Roosevelt has taken in many weeks will turn out to be of more political importance than the removal of William E. Humphrey as a Republican member of the Federal Trade Commission. Mr. Humphrey, it is understood, will contest his removal in the courts on the ground that the Commission is a semi-independent body and that the law creating it provides only for the removal of a member from office because of malfeasance or incompetency. That neither of these charges applies to Mr. Humphrey can be gathered by the fact that when the President first called on the Commissioner to resign, he added to his request that it was being made "without any reflection upon you at all personally or upon the service you have rendered", and added: "I congratulate you upon your long and active service."

But, aside from the legal phase of the question, this change in the personnel of the Federal Trade Commission will have political importance in that it will give the Republican leaders a chance to state that the political "honeymoon" is over and that it was ended not by themselves but by the President himself. The Federal Trade Commission has always been regarded as a nonpartisan institution, and during three Republican administrations as many Democrats were carried on the pay roll as Republicans. Commissioner Humphrey was reappointed by President Hoover late in his term, and the appointment was confirmed by a Democratic Senate. The Republicans will now have the opportunity to charge that the Federal Trade Commission is to be converted to partisan uses. Already it is being alleged that politics has crept into the new securities division and that of 50 appointments made in that department, all have been Democrats in spite of the traditional nonpartisanship of the Commission. This is why, the Republicans will say, it was necessary to get rid of Mr. Humphrey, an old-time Republican, so that the entire Commission could be reorganized to function on a partisan basis.

Ever since the national recovery drive was put into effect it has been emphasized in high places that it is a nonpartisan attack on the depression. The same methods of putting it over have been used as were employed during the World War. Rumor in Washington now is to the effect that the administration of the N.R.A. is to be finally lodged in the Federal Trade Commission. Republican leaders are doubtless getting ready to say that the Federal Trade Commission is to be reorganized on a Democratic basis to get it ready for Democratic control of the N.R.A. and the important codes under it.

No matter how much or how little there is in these charges it is undoubtedly a fact that the administration in removing Mr. Humphrey has given the Republicans a good opening. They can now go into battle with a perfectly good excuse—that the administration donned the political armor first.

But aside from these political angles to the situation there is a deeper and more serious side. It is well summed up by the independent Washington Star in the following words:

"The attack upon the independence of the Trade Commission by the Chief Executive in the removal of Mr. Humphrey is a serious matter. If the decisions of the Commission in important matters relating to the conduct of business, placed in the hands of the Commission by law, are to be dictated from the White House, there may be trouble ahead. Such an attack will be regarded in much the same light as an attack upon the judiciary by the Executive. Federal judges hold their appointments 'during good behavior' under the terms of the Constitution. It has been held they are only removable after impeachment and trial by the Senate. The President and all civil officers of the Government also may be removed after impeachment proceedings as a matter of fact. But the Congress, in passing its laws setting up various Government agencies, has recognized the right of the President to remove civil officers—outside of the judiciary—for cause."

[From the Baltimore Sun (Democratic)]

THE ONE OBJECTION

When President Coolidge wanted to influence the findings of one of the semijudicial commissions, he was accustomed to resort to devious means. If he wanted to hold a bludgeon over a commissioner's head, he suggested that the man furnish him with an undated resignation. If he wanted to get rid of a commissioner entirely, he found a convenient post at Bucharest or Santiago into which the unruly member could be discreetly eased. For President Roosevelt's method, as exemplified in the removal of William E. Humphrey from the Federal Trade Commission, it may at least be said that it is open and direct.

Mr. Roosevelt does not think Mr. Humphrey is in sympathy with the policies of the new administration. He wants to get him out of office and he says so in a forthright manner. There is no beating about the bush, after the manner of Mr. Coolidge in the once-famous case of William E. Culbertson, and for this fort-

rightness we ought to be grateful. It at least permits us to know what is going on and to see the practices of government in actual operation. An important issue is involved in this controversy, and it is better to have this issue thrashed out in the open than behind the old obscurities.

It is unfortunate that the issue is joined over Mr. Humphrey. The man President Roosevelt has chosen to oust is hardly the man most of us would like to keep on a commission charged with the new responsibilities that devolve on the Trade Commission. He is the spokesman of the Bourbon tradition that business can do no wrong. He is the conservative thorn in the flesh of progressive members eager to move the Trade Commission toward the goal of greater usefulness. There are a thousand reasons why he ought not to be on the Commission, and only one reason for his continuance there. Yet that one reason is worth weighing, for it involves the independence of the Commission on which Mr. Humphrey has been serving.

When the Trade Commission was established in 1914, it was organized as a continuing body, the term of one commissioner expiring every year. It was also organized as a nonpartisan body, the law for its creation specifying that not more than three members should be members of the same political party. Members once appointed were removable by the President, but only for "inefficiency, neglect of duty, or malfeasance in office." The purpose of these provisions was to create a semijudicial body such as the Tariff Commission has been in theory and such as the Interstate Commerce Commission has been in both theory and practice.

By removing Mr. Humphrey without specifying charges under the law, President Roosevelt has struck at this independence. If such action is permissible, the Trade Commission will cease to be the continuing body Congress intended, for the terms of its members will be terminable at the will of the President. If disagreement with the President's policies is a valid ground for removal—and this is the only ground on which Mr. Roosevelt bases his case—then the Trade Commission will be subject to reorganization with every change of administration and it will cease to be an independent, quasi-judicial body and become one of the administrative agencies of the Government.

It may be argued that the new Securities Act with the administration of which the Trade Commission is charged so enlarges the authority of the Commission as to make such reorganization essential. Some grounds for this contention exist, but the fact is that neither the administration, which drafted the act, nor the Congress, which passed it, provided for such a change. The enforcement of the securities law was intrusted to the Trade Commission as the Trade Commission then stood. If this was an oversight, it could be remedied by appropriate legislation at the next session of Congress. To attempt a remedy by administrative fiat is to risk the establishment of a dangerous precedent.

[From the New York Herald Tribune (Republican), Oct. 10, 1933]

HIGH-HANDED

The President's summary dismissal of Mr. William E. Humphrey from the Federal Trade Commission seems both high-handed and contrary to the spirit of the law. We are glad Mr. Humphrey has decided to have the courts pass upon its legality, for none of the precedents informally cited to sustain it seems entirely applicable.

The statute is similar to many covering the establishment of so-called "bipartisan commissions." It provides that not more than 3 of the 5 members shall belong to the dominant party. The idea back of that provision is that there shall not only be minority party representation but a division of thought on controversial subjects. This is particularly important at this time, when the Federal Trade Commission is entering upon the administration of the Federal Securities Act, about which there is so much difference of opinion.

Mr. Humphrey was a conservative when first appointed in 1925 and has represented that school of thought through the intervening years. Evidently the President is seeking to force a commission agreeing completely with his own economic theories—in other words, he wants a "rubber stamp" instead of a deliberative and quasi-judicial body. If the courts uphold him in this, there would seem to be no lengths to which he may not go in bending the processes of government to meet his will.

[From Morning Oregonian (Independent Republican), Oct. 8, 1933]

HUMPHREY STANDS PAT

In his attempt to oust William E. Humphrey from the Federal Trade Commission, President Roosevelt regards bipartisan regulative commissions as instruments of administrative policy, equally subject to political control with the various departments and bureaus. When Congress provided that the minority party should be represented, that terms of Commissioners should overlap, and that Commissioners might be removed by the President "for inefficiency, neglect of duty, or malfeasance in office", it excluded all other reasons for removal. The only reason given by the President is that "I do not feel that your mind and mine go along together on either the policies or the administering of the Federal Trade Commission."

In passing the Federal Trade Commission Act Congress did not contemplate that the minds of the President and the Commissioners, especially those of the party opposed to the President, should go along together. It delegated to that Commission, as to the Interstate Commerce, Tariff, and Federal Power Commissions, certain legislative powers. Exercise of those powers is semijudicial, therefore precludes consideration of administration policies. Congress intended that the Commission should be independent of the administration in reaching its decisions.

This is not the first occasion on which a President has undertaken to break down the independence of a commission and to subject it to control. In appointing the Tariff Commission, President Wilson appointed the minority members of the Progressive Party, which was more nearly of his mind than was the Republican Party, and only as vacancies occurred under succeeding Republican Presidents did Republicans again win places. Congress itself has not been guiltless of attempts to break down the independence of commissions, for a Senate committee grilled members of the Interstate Commerce Commission for the decision in the *Lake Coal Rate case*, but the Commissioners stood their ground and an attempt to prevent confirmation of one of them on reappointment failed.

Importance of the Federal Trade Commission has been enhanced by the Industrial Recovery and the Securities Acts. The former law exempts industrial codes from the antitrust laws, which the Commission administers, and provides that violation of standards of fair competition established by codes "shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act", and that the act may not be construed "to impair the powers of" the Commission. Under the Securities Act no securities, domestic or foreign, may be offered for sale without license from the Commission, which may be withdrawn. Apparently the President wishes these new, extensive powers to be exercised in harmony with his policies.

Mr. Humphrey's firm stand suggests that he is prepared to contest in court the President's power to remove him. Such power has been upheld by the Supreme Court as to offices in the executive departments, the most recent decision having been in the case of ex-Postmaster Myers, of Portland. But appointments to semijudicial commissions are in a different class. They exercise legislative power delegated by Congress, which has limited the President's power of removal to specific causes.

[From the Washington Post (Republican), Nov. 2, 1933]

INDEPENDENT COMMISSIONS

Two members of Federal bipartisan commissions recently have been involuntarily retired from their positions by Presidential action. In one case a legal fight is contemplated. In the other the Commissioner has stepped out at the request of the White House without any attempt to thwart the desire of the President to name a representative of his own choosing to this post.

Only the courts can decide the extent of the President's power to remove members of the independent commissions where no specific charges are made. But the practice of ousting from bipartisan commissions members who represent the opposition party merely because their views do not run in channels approved by the White House is a matter of policy that is of vital concern to the public. It involves the very character of these independent, bipartisan bodies set up by Congress to exercise specific functions.

These two dismissals are certain to produce reactions among the members of the independent, bipartisan commissions. Men chosen to these positions are human. Most of them doubtless wish to hold their jobs. Perhaps a majority of them are strong enough to maintain their points of view in spite of constant fear that they may be asked to resign. Nevertheless, the effect of this unexpressed threat, hanging like the sword of Damocles over their heads, is bound to be demoralizing. Can commissioners be expected vigorously to uphold principles which they believe to be right when their fellow members are being ousted from their jobs for similar conduct?

It is obvious that the disruption of these quasi-judicial bodies tends to destroy their usefulness. Congress specifically provided long terms for members of the Federal Trade Commission, the Tariff Commission, the Interstate Commerce Commission, the Power Commission, etc., to avoid a change of personnel with each incoming administration, and thus to strengthen the independence of these bodies. If these terms are to end at the discretion of the President, that purpose will be frustrated and the quasi-judicial bodies will become agencies of whatever administration happens to be in power.

When Congress reassembles, a vigorous protest against this handicap which has been placed on the bipartisan and independent commissions may be expected.

[From New York Herald Tribune (Republican), Sept. 21, 1933]

NO RUBBER STAMPS

It seems incredible to think that President Roosevelt, after more mature consideration of all it involves, will go ahead with his present intention of forcing Mr. William E. Humphrey out of the Federal Trade Commission. It would be too flagrant admission of a desire to reduce all of the quasi-judicial establishments in Washington to the status of rubber stamps.

It would seem fair to assume that when Congress in 1914 declared that in the Federal Trade Board of five "not more than three of the commissioners shall be members of the same political party", it meant to provide a minority point of view different from that of the administration at any particular time. That Commissioner Humphrey's economic or social ideas may differ from those of President Roosevelt and a majority of his commissioners

should be no cause for getting rid of him. Rather should it be a reason for retaining him, if, as reported, the President finds no criticism of him personally or of his work.

Commissioner Humphrey is frankly a conservative and always has been—during his service in Congress, 1903–17, and since his first appointment to the Federal Trade Commission in 1925. At that time his confirmation was strenuously opposed by such progressive Republicans as Senators LA FOLLETTE, NORRIS, WHEELER, and others. When his name came up for reconfirmation last January, Senator HUEY LONG was one of the few who made much of a fuss. Apparently there was nothing in his record his enemies could put their hands on except consistent conservatism. He once summed up his philosophy by saying he did not believe success a crime or failure a virtue, that wealth was presumptively wrong or poverty presumptively right, that honesty and brains in industry should be penalized, or extravagance and inefficiency glorified.

According to report the President wishes to replace Commissioner Humphrey by former Governor Philip La Follette, of Wisconsin, who supported the Democratic ticket in 1932. We doubt whether such a substitution would fulfill either the letter or the spirit of the law. We think it wise to have minority opinion in such a body as the Federal Trade Commission at all times. Particularly is this true now in view of its new duties in the administration of the highly important Federal Securities Act.

[From Seattle Times (independent), Sept. 18, 1933]

A PRINCIPLE INVOLVED

In his refusal to comply with President Roosevelt's request for his resignation as Federal Trade Commissioner, Will E. Humphrey, of Seattle, seems to be within his rights. His interpretation of the law governing his case is sustained by the sound opinion of Republican Senators. Should the President now attempt to force him out, a serious question would be raised, and the case probably would be subject to court review.

Only hasty thinkers will ascribe Mr. Humphrey's attitude to obstinacy or desire to hold the job. There is a principle involved quite apart from and far more important than his personal interest in the matter. In this, as in other bipartisan commissions, the law provides that not more than a bare majority of the members shall be of the same political party. The obvious intent is to maintain not necessarily a hostile but at least a critical minority membership.

The term "bipartisan" used to cover the ground quite fully. It doesn't any more. In this case, for instance, the President would have to appoint a nominal Republican as Mr. Humphrey's successor. Republicans nowadays come in all sorts and sizes. The very natural inclination of the President would be to appoint one of the many who are in sympathy with the policies of his administration. That would contradict the purpose of the bipartisan set-up, which is meant to prevent the suppression of minority opinion.

It can be of no personal advantage to Mr. Humphrey to hang on to a job under an administration that seeks to be rid of him. In the present instance he is acting under the advice of Republican Senate leaders, the object being to test the security of the law creating the Federal Trade Commission.

[From the Baltimore Sun (Democratic), Sept. 19, 1933]

A TIMELY CHALLENGE

It is perhaps impossible for any one of the so-called "independent commissions" of the Government to remain rigidly independent of the appointing power. That power of necessity resides in the Presidency. And it is asking too much of human nature to expect men who have received appointment or who may seek reappointment at the hands of the Chief Executive always to ignore his wishes or completely to resist his influence.

For that reason, such bodies as the Federal Trade Commission, the Interstate Commerce Commission, and the United States Tariff Commission are not literally free agencies. In theory they so function. In practice their policy may be and often is determined by the will of the White House.

No one can doubt that Presidents Coolidge and Hoover, for example, controlled in large measure the conclusions of the Tariff Commission during their administrations. President Hoover's domination of the Wickersham Commission was a notorious fact, as was his exercise of power over the activities of the Shipping Board. President Roosevelt has dictated the action of the Reconstruction Finance Corporation from the beginning of his regime.

The Federal Trade Commission and the Interstate Commerce Commission have been somewhat freer of Executive interference in the past than some of the other bodies. In the case of the former, that part of its work other than the utilities investigation long ago degenerated into dull routine and so remained until the Securities Publicity Act was passed. The Interstate Commerce Commission somehow had maintained an untouchable air as it went its way.

In virtually demanding the resignation of William E. Humphrey as a member of the Federal Trade Commission, President Roosevelt has further encroached upon the supposed freedom of the independent commissions. To his credit it must be said that he has done this openly and for the avowed purpose of reorganizing that board. He did not emulate the late Mr. Coolidge, who sought to exact of David J. Lewis an undated resignation as the price of a reappointment on the Tariff Commission.

In the present instance Mr. Humphrey has challenged the President's right to remove him from the commission in the absence of specific charges. The commissioner, who is one of the two Republican members of this bipartisan body, and perhaps the most reactionary member of it since its creation, was reappointed by President Hoover more than a year ago for a 7-year term and was confirmed by the Senate.

It is the commissioner's contention that he can only be forced out of office for incompetency, manifest neglect of duty, or malfeasance in the discharge of that duty. No complaint is publicly made by the President touching Mr. Humphrey's official conduct.

The fate of Mr. Humphrey, as an "ex parte" proposition, is not a matter of public interest. He has not been one of his commission's ornaments or assets. But the power of the President to reorganize the independent commissions at will in order to enforce his political policies is a matter of proper concern. If he can require Mr. Humphrey to resign without proving or even asserting charges against the official, he may require any or all the Interstate Commerce Commissioners to do the same, or any or all the members of the Civil Service Commission, or any other similar body.

Future Presidents might take the same line, with the result that with each change of a national administration there would be sweeping changes in the personnel of all the independent commissions. This would mean that a continuing policy in the matter of railroad regulation, for example, would be impossible. The commissions would be politicalized in exactly the same sense as are the executive departments of the Government.

[From New York Times (Democratic), Sept. 20, 1933]

THE POWER OF REMOVAL

Few are the Presidents who have avoided a controversy over their power to appoint and remove Federal officials. President Wilson won a posthumous victory when the Supreme Court of the United States, in the Myers case, recognized his right to remove executive officers without the consent of the Senate which confirmed them. President Coolidge stirred the ancient embers when, as a condition to the reappointment of a member of the Tariff Commission, he asked that gentleman for his undated resignation. President Hoover emerged triumphant from a quarrel with the Senate when the Supreme Court refused to allow that jealous body to withdraw its consent to the nomination of George Otis Smith as a member of the Federal Power Commission after he had been actually appointed to that office. Now, Mr. Humphrey, a Republican member of the Federal Trade Commission, enters the historic lists with a refusal, on constitutional grounds, to accede to President Roosevelt's request for his resignation.

The President, it is reported, wished to put in Mr. Humphrey's place Philip La Follette, a Progressive Republican, presumably more in sympathy with his own views as to the proper functioning of the Trade Board. Mr. Humphrey protests that it is a "continuing and independent body not under Presidential control", and that under the law a Commissioner may be removed only for wrongdoing or inefficiency, neither of which has been charged in his case. The President will doubtless rely on the majority opinion in the Myers case, in which Chief Justice Taft went out of his way to include even such quasi-judicial bodies as this in the scope of a determination which, as an ex-President, he no doubt deemed not only sound in law but essential to the proper exercise of executive authority and discretion. The President, he held, "must place in each member of his official family and his chief executive subordinates implicit faith." The moment he loses confidence in any one of them he "must have the power to remove them without delay." But that is not all: There may be duties of a quasi-judicial character imposed on executive officers and members of executive tribunals whose decisions after hearing affect interests of individuals, the discharge of which the President cannot in a particular case properly influence or control. But even in such a case he may consider the decision after its rendition as a reason for removing the officer, on the ground that the discretion regularly entrusted to that officer by statute has not been on the whole intelligently or wisely exercised. Otherwise, he does not discharge his own constitutional duty of seeing that the laws be faithfully executed. That doctrine has been widely challenged, however. Thus Professor Corwin, of Prinecton, contends that the scope of the President's power of removal may vary with the nature of the office. He thinks that members of quasi-judicial bodies like the Interstate Commerce Commission fall in a different category from ordinary executive officers. Their powers are not a subtraction from Presidential prerogative, "but are, on the contrary, derived from a delegation by Congress of its own express constitutional powers." How is independence of decision, he asks, "to be reasonably predicated of an officer over whose head the Damocles sword of removal is ever suspended"?

[From the Washington Star (independent), Oct. 9, 1933]

THE HUMPHREY REMOVAL

President Roosevelt's ouster of William E. Humphrey from membership in the Federal Trade Commission without preferring charges of incompetence, neglect of duty, or malfeasance in office has raised two questions. The first is the power of the President to remove an official without regard to the terms of the act of Congress providing for his appointment and removal. The second is the wisdom of an attack upon the independence of a commission set up by Congress to act in a judicial capacity; in other

words, the wisdom of having such a judicial commission "packed" with members who believe as does the President and presumably will take orders from him.

The Federal Trade Commission was created by law at the urgent recommendation of the late President Woodrow Wilson. It was hailed as the instrument which would henceforth make impossible unfair practices in business and industry. It was set up, as far as possible, as a nonpartisan and independent and judicial commission, provision being made that not more than three of its five members should belong to the same political party. In the law creating the commission it was specified that removal from office should be for one or more of three causes—incompetence, neglect of duty, or malfeasance in office. Presumably, since Congress had fixed these causes, removal was to be limited to them. President Roosevelt has not charged Mr. Humphrey with incompetence, neglect of duty, or malfeasance in office. Indeed, when he first requested the resignation of Mr. Humphrey the President wrote a flattering letter.

Had the President, instead of complimenting Mr. Humphrey on his long service, merely written him that he was removed because of incompetence, he would have been entirely within the law from any point of view. Apparently the President has foreclosed his right to make charges against Humphrey by his early letter to him, unless he should now advance the suggestion that later information has shown that Humphrey was incompetent or neglectful of duty. But such a course would invite public criticism.

The question at law which apparently presents itself is whether the Congress had the right, in passing the Federal Trade Commission Act, to curtail in any manner the power of removal from office belonging to the President. The constitutionality of that part of the Trade Commission Act relating to removals for cause might be called into question. The Constitution, while it gives the President power to appoint officers of the United States Government, makes no specific mention of removal from office. In practice and in court decisions, however, the power of removal has been held to be the proper corollary of the appointing power. Since the Government was established there have been constantly recurring disputes between the President and the Senate over the power of removal from office, when appointments were made by the President and confirmed by the Senate. One of the most famous battles of the kind was over the removal from office of the then Secretary of War Stanton by President Andrew Johnson, leading to impeachment proceedings against Johnson.

The attack upon the independence of the Trade Commission by the Chief Executive in the removal of Mr. Humphrey is a serious matter. If the decisions of the Commission in important matters relating to the conduct of business, placed in the hands of the commission by law, are to be dictated from the White House, there may be trouble ahead. Such an attack will be regarded in much the same light as an attack upon the judiciary by the Executive. Federal judges hold their appointments during good behavior under the terms of the Constitution. It has been held they are only removable after impeachment and trial by the Senate. The President and all civil officers of the Government also may be removed after impeachment proceedings, as a matter of fact. But the Congress, in passing its laws setting up various Government agencies, has recognized the right of the President to remove civil officers—outside of the judiciary—for cause.

[From the New York Times (Democratic)]

THE PRESIDENT'S POWER OF REMOVAL

In July President Roosevelt asked Mr. William E. Humphrey, a Republican member of the Federal Trade Commission, to resign. The Commissioner, appointed by Mr. Hoover, had served but 2 years of a term of 7. In the polite correspondence that followed Mr. Roosevelt's request it appeared that it was not intended as a reflection upon the commissioner's past service. The President felt that the policies of the administration with reference to the work of the Trade Commission could "be carried out most effectively with personnel of my own selection."

Mr. Humphrey pointed out that Congress meant the Commission to be an "independent, semijudicial body", and that the statute creating it provided that a Commissioner "may be removed by the President for inefficiency, neglect of duty, or malfeasance in office." He knew that the President had unrestrained powers to remove postmasters. There was no such decision in regard to the statute establishing the Trade Commission. On Saturday Mr. Roosevelt removed Mr. Humphrey. The latter will contest the removal, presumably by suing the Comptroller General for his salary, or otherwise.

So the great case of the Oregon postmaster, *Myers* v. *the United States*, decided in 1926 after having been 2 years before the Court and twice argued before a majority opinion could be reached, will come up for clarification. Chief Justice Taft delivered the opinion, an enormously long and learned document, in which at times the former President may be thought unconsciously to have influenced the judge. Without trusting himself to that sea of argument, it is enough for the layman to remember that President Wilson's right, without the consultation of the Senate, prescribed by the act of Congress, to remove a postmaster was sustained. The Court ruled that the constitutional power to remove an executive officer appointed by the President, by and with the advice and consent of the Senate, is solely the President's; nor can Congress confer upon the Senate a share in that power. Further—and here is where the shoe pinches—since the President has the sole constitutional power to remove executive officers, he may remove them at his discretion.

Associate Justices McReynolds, Brandeis, and Holmes dissented. Professor Corwin, of Princeton, wrote a closely reasoned little book whose thesis is that "the essential nature of the office under consideration, as shown by its characteristic duties, determines the scope of the removal power in relation to the power of Congress in creating an office to fix its tenure." Quasi-judicial bodies and administrative commissions must be protected in their independence and kept free from political manipulation. Chief Justice Taft went rather far out of his way when he said:

"Then there may be duties of a quasi-judicial character imposed on executive officers and members of executive tribunals whose decisions after hearing affect interests of individuals, the discharge of which the President cannot in a particular case properly influence or control. But even in such a case he may consider the decision as a reason for removing the officer on the ground that the discretion regularly intrusted to that officer by statute has not been on the whole intelligently or wisely exercised. Otherwise he does not discharge his own constitutional duty of seeing that the laws be faithfully executed."

For the moment, no great number of persons can be expected to break their heads over a constitutional question; but the Republicans in Congress and, it may be, a lot of Democrats, if patronage continues to be dispensed with the speed of cold molasses, may be depended on to catch the proper fervor.

[From Philadelphia Ledger (Independent) Oct. 9, 1933]

WITHOUT CHARGES

President Roosevelt's action in removing Mr. William E. Humphrey, a Republican, from the Federal Trade Commission and appointing Mr. George C. Matthews, of Wisconsin, another Republican, in his stead, involves a question of propriety, if not of legality. The law prescribes that not more than three of the members shall be of the same political party. It provides also that a member may be removed for "inefficiency, neglect of duty, or malfeasance in office." No charges have been made against Mr. Humphrey by Mr. Roosevelt, who says merely that their minds are not in accord "on either the policies or the administering of the Federal Trade Commission."

A Supreme Court decision upholding President Wilson's removal of a postmaster without charges has been cited in this connection. It was then held that a President may remove an appointee even when he has been confirmed by the Senate. The Federal Trade Commission has recently been intrusted with the administration of the important act of controlling the issue of securities. It is understood that the differences between Mr. Humphrey and the President arose over the policies to be pursued in this matter.

The issue raised by Mr. Roosevelt is not a new one. He is not the first President who has sought to control the actions of a commission through his powers of discharge and appointment. Mr. Humphrey contemplates legal action. But the highest court has been loath to circumscribe the powers of the Executive, although an interpretation of the law in this case would be of wide interest.

Mr. HASTINGS. Mr. President, I was present at the committee meeting when this matter was considered. I think one may very well question whether we ought to try to object to what has been done by the President by refusing to confirm the man appointed to succeed the one who was removed, for it has always seemed to me, in connection with the question of confirmation, that the sole question which the Senate can properly ask itself and consider is whether the man who is selected is a fit person for the office. No one, so far as I know, has questioned the fitness of the appointee for the office and therefore I feel a great hesitancy about voting against the confirmation of the man who has been appointed.

I desire, however, to call attention to the fact that the removal of Mr. Humphrey in this case violates two principles laid down by the Congress when it created the Federal Trade Commission. It was distinctly provided that the Commission should be nonpartisan by using this language:

Not more than three of the Commissioners shall be members of the same political party.

In addition to that, a rather long term is provided, a term of 7 years, the idea of the Congress being that the Commission should not only be nonpartisan but that the person selected should be there long enough to be able to learn the work and to perform his duties better than some other person who might be there only a short time.

If the President may violate one of these principles by removing a man who does not agree, as the President be-

lieves, with his policy, then he destroys the very purpose of that provision of the act. The very purpose of Congress was to have a minority on the Commission who could not be controlled by the President.

If it be true that the President may at his pleasure remove any one of them he sees fit to remove, he may keep on doing that until he gets a commission that he can control and that will do exactly what he asks them to do.

The Congress distinctly provided that the Commissioners might be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Mr. Humphrey is not charged with any of those things; but, as the Senator from Ohio [Mr. FESS] just stated by reading it into the RECORD, the letter written by the President shows distinctly that Mr. Humphrey was not guilty of any of those particular things.

I think the Senate at this time has a duty to itself to perform. I think we ought not casually to overlook this violation of the intent of Congress by this action of the President. It is true that the ultimate place where the question must be decided is in the courts; but I think we ought to do more than register a protest in the Senate. I think we ought to do what the Senate has done before. I refer particularly to the George Otis Smith case, in which the Senate selected its own counsel to present the matter to the courts in order that it might protect itself. The George Otis Smith case was not nearly so important as is this, because in that instance the Senate could protect itself merely by refusing to notify the President until the time for reconsideration had passed. But here there is no opportunity for the Senate to protect itself. We may in the future enact legislation containing a similar provision, but unless this challenge should be sustained by the Supreme Court it would be useless hereafter to write such a provision in any law.

So, Mr. President, while I am not going to object to the confirmation at this time, I do offer to the Senate a resolution requesting that the Interstate Commerce Committee be authorized to select counsel to represent the Senate when this case reaches the courts. I ask that the resolution be referred to the Committee on Interstate Commerce.

There being no objection, the resolution (S.Res. 163) was referred to the Committee on Interstate Commerce and was read, as follows:

Resolved, That the Interstate Commerce Committee be, and it is hereby, authorized and directed to employ counsel to appear before the Supreme Court on behalf of the Senate in any action that may be brought before that Court by William E. Humphrey for the purpose of testing the right of the President to remove a member of the Federal Trade Commission for any reason except that stated in the statute.

Further resolved, That there be appropriated out of the contingent fund of the Senate a sum not to exceed $2,500 to pay for the services of such counsel.

Mr. DILL. Mr. President, so far as I know, there is no objection to Mr. Mathews from the standpoint of his fitness or his qualifications for the office. The discussion in the committee and on the floor turned on the point of whether or not Mr. Humphrey's legal rights would be in any way weakened by the action of the Senate in confirming the nomination of his successor. I think it was the unanimous judgment of the committee that such action was not intended in any way to affect that question, and that it should be understood that the Senate, by confirming Mr. Mathews, was in no way taking any side in the legal contest that is to be maintained before the court in the District of Columbia and eventually before the Supreme Court of the United States. Certainly none of us want to do anything to interfere in any way with the rights which may be involved.

The VICE PRESIDENT. The question is, Shall the nomination be confirmed? Without objection, the nomination is confirmed.

The clerk will read the next nomination on the calendar.

RECONSTRUCTION FINANCE CORPORATION

The legislative clerk read the nomination of Charles B. Henderson, of Nevada, to be a member of the board of directors of the Reconstruction Finance Corporation.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. PITTMAN. Mr. President, as all the nominees for membership on the board of directors of the Reconstruction Finance Corporation have been confirmed, I ask that the President be notified.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the President will be notified.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Harry W. Blair, of Missouri, to be Assistant Attorney General, Department of Justice.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES COURT FOR CHINA

The legislative clerk read the nomination of William Thomas Collins, of Missouri, to be clerk of the United States Court for China.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE JUDICIARY—UNITED STATES ATTORNEYS

The legislative clerk read the nomination of Maurice M. Milligan to be United States attorney for the western district of Missouri.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Martin Conboy to be United States attorney for the southern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles D. McAvoy to be United States attorney for the eastern district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Horatio S. Dumbauld to be United States attorney for the western district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of George Vice to be United States marshal for the northern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert E. Clark to be United States marshal for the southern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Kingsbury B. Piper to be United States marshal, district of Maine.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John T. Summerville to be United States marshal, district of Oregon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters, with the exception of that of George W. McIntyre, Jr., to be postmaster at Grafton, N.Dak., be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations, with the exception noted, are confirmed en bloc.

GEORGE W. M'INTYRE, JR.—RECOMMITTAL

Mr. McKELLAR. Mr. President, recurring to the nomination of George W. McIntyre, Jr., to be postmaster at Grafton, N.Dak., the Senator from North Dakota [Mr. FRAZIER] asked yesterday that the nomination go over. I will ask that it may be recommitted for the present to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, the nomination will be recommitted as requested.

MARINE CORPS

The VICE PRESIDENT. Is it the desire to have all nominations in the Marine Corps considered en bloc?

Mr. ROBINSON of Arkansas. Some of these nominations are of high rank and I think ought to be considered separately.

The VICE PRESIDENT. The clerk will state the first nomination in the Marine Corps.

The legislative clerk read the nomination of John T. Myers to be major general from the 1st day of September 1933, with rank from the 1st day of October 1931.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John H. Russell to be major general (temporary) from the 1st day of September 1933.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles H. Lyman to be brigadier general from the 1st day of September 1933.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Louis McC. Little to be brigadier general from the 1st day of January 1934.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Hugh Matthews, to be the quartermaster of the Marine Corps with the rank of brigadier general for a period of 4 years from the 26th day of December 1933, with rank from the 26th day of December 1929.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the remainder of the nominations for promotion in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations will be confirmed en bloc.

IN THE NAVY

The legislative clerk read the nomination of Samuel W. Bryant to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Sinclair Gannon to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John D. Wainwright to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles S. Freeman to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles Russell Train to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Ernest J. King to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Paul B. Dungan to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Hayne Ellis to be rear admiral.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. ROBINSON of Arkansas. I ask that the remaining nominations for promotions in the Navy be confirmed en bloc.

The VICE PRESIDENT. Without objection, the remainder of the nominations will be confirmed en bloc. That completes the call of the calendar.

LIQUOR CONTROL IN THE DISTRICT OF COLUMBIA

As in legislative session,

Mr. ADAMS. Mr. President, from the Committee on Appropriations I report back favorably without amendment the joint resolution (H.J.Res. 250) to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, and I ask unanimous consent for its present consideration.

There being no objection, the joint resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, etc., That for carrying into effect the provisions of the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the service of the fiscal year ending June 30, 1934, and payable from the revenues of the District of Columbia, the following sums, respectively:

DISTRICT OF COLUMBIA

Alcoholic Beverage Control Board: For personal services, rent, advertising, printing and binding, office equipment and supplies, street-car and bus transportation, telephone service, and other necessary contingent and miscellaneous expenses, $23,054.

Office of corporation counsel: For an additional amount for personal services, $3,613.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 27 minutes p.m.) the Senate, in executive session, took a recess until tomorrow, Thursday, February 1, 1934, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 31 (legislative day of Jan. 23), 1934

ASSISTANT ATTORNEY GENERAL

Harry W. Blair to be Assistant Attorney General.

UNITED STATES ATTORNEYS

Maurice M. Mulligan to be United States attorney for the western district of Missouri.

Martin Conboy to be United States attorney for the southern district of New York.

Charles D. McAvoy to be United States attorney for the eastern district of Pennsylvania.

Horatio S. Dumbauld to be United States attorney for the western district of Pennsylvania.

UNITED STATES MARSHALS

George Vice to be United States marshal for the northern district of California.

Robert E. Clark to be United States marshal for the southern district of California.

Kingsbury B. Piper to be United States marshal for the district of Maine.

George J. Keinath to be United States marshal for the northern district of Ohio.

John T. Summerville to be United States marshal for the District of Oregon.

MEMBER OF THE BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION

Charles B. Henderson to be a member of the board of directors of the Reconstruction Finance Corporation.

MEMBER OF THE FEDERAL TRADE COMMISSION

George C. Mathews to be a member of the Federal Trade Commission.

CLERK, UNITED STATES COURT FOR CHINA

William Thomas Collins to be clerk, United States Court for China.

PROMOTIONS IN THE NAVY

To be rear admirals

Samuel W. Bryant
Sinclair Gannon
John D. Wainwright
Charles S. Freeman
Charles Russell Train
Ernest J. King
Paul B. Dungan
Hayne Ellis

To be captains

Richard S. Edwards
Clyde R. Robinson
Irving H. Mayfield
John H. Hoover
Philip H. Hammond
Claud A. Jones
Allan S. Farquhar
Albert C. Read
Willis W. Bradley, Jr.
Lucien F. Kimball
Harold M. Bemis
Ernest D. McWhorter
Carl T. Osburn
William S. Farber
George M. Ravenscroft
Harry J. Abbett

To be commanders

Stephan B. Robinson
William G. Greenman
James A. Crutchfield
Charles P. Mason
John J. Brown
Campbell D. Edgar
Walter S. Haas
De Witt C. Ramsey
Roscoe E. Schuirman
Ingram C. Sowell
Francis E. M. Whiting
Charles A. Lockwood, Jr.
Paul S. Theiss
Aaron S. Merrill
Charles S. Alden
Otto M. Forster
Leonard N. Linsley
James C. Jones, Jr.
William D. Taylor
Daniel E. Barbey
Elmer L. Woodside
Glenn B. Davis
Palmer H. Dunbar, Jr.
Charles P. McFeaters
Charlie N. Ingraham
Thomas M. Shock
Adolph V. S. Pickhardt
William I. Causey, Jr.
Norman C. Gillette
George D. Hull

To be lieutenant commanders

Francis W. Reichelderfer
Robert P. Briscoe
Morton T. Seligman
Charles E. Olsen
Logan C. Ramsey
William H. Ferguson
Gerald L. Schetky
Charles E. Coney
William H. Mays
Henry D. Baggett
Bayard H. Colyear
Ralph W. Hungerford
Charles B. Hunt
George M. O'Rear
James D. Lowry, Jr.
John B. Griggs, Jr.
Eliot H. Bryant
George C. Dyer
David S. Crawford
Charles J. Rend
Robert L. Boller
Henry C. Fengar
Paul F. Lee
Marshall R. Greer
Homer F. McGee
Philip P. Welch
Joseph R. Lannom
Harry A. Rochester
James J. Hughes
Carl K. Fink
Stuart S. Murray
John J. Patterson, 3d
Walter C. Ansel
Adrian O. Rule, Jr.
Robert S. Smith, Jr.
Elmer R. Runquist
Walton R. Read
Daniel M. McGurl
Robert M. Smith, Jr.
Robert B. Crichton
Paul H. Talbot
James L. Holloway, Jr.
Gustave H. Bowman
Ralph E. Jennings
Frank N. Sayre
John G. Crawford
James G. Atkins
Francis H. Gilmer
Earle H. Kincaid
Carleton McGauly
George W. Brashears, Jr.
Giles E. Short
Thomas B. Fitzpatrick
Willis W. Pace
Harold M. Martin
John L. Reynolds
John R. Redman
Ross A. Dierdorff
George F. Mentz
George H. Mills
John B. McDonald, Jr.
Charles Allen
Spencer H. Warner
Grayson B. Carter
Riffel G. Rhoton
Dorrance K. Day
Samuel B. Ogden
Orie H. Small
Elmer B. Robinson
Elijah E. Tompkins
Arthur L. Karns
Homer E. Curlee
Homer B. Davis
James M. Connally
Arthur E. Bartlett
Harold J. Wright
Alfred J. Byrholdt
Charles A. Goebel
Stonewall B. Stadtler
Maurice H. Stein
Hobart A. Sailor
Thomas P. Jeter
Adolph O. Gieselmann
David H. Clark
Jeffrey C. Metzel
Festus F. Foster
Russell M. Ihrig
James J. Graham
Ralph H. Roberts
Valentine H. Schaeffer

To be lieutenants

Robert O. Minter
Crutchfield Adair
Bertrand D. Quinn
Stephen R. Bedford
George W. Evans
John D. Hayes
Max Schreiner
Harold P. Smith
Walter D. Leach, Jr.
Austen V. Magly
Robert G. Lockhart
Thomas C. Ragan
Preston V. Mercer
Robert Goldthwaite
Jose M. Cabanillas
Carl E. Cullen
Audley L. Warburton
Colby G. Rucker
Jack B. Williams
Wilkie H. Brereton
Warren W. Harvey
Harold R. Demarest
Francis M. Hook
William W. Weeden, Jr.
Samuel M. Bailey
Elton C. Parker
Ethelbert Watts
Lawrence J. McPeake
William H. Duvall
Charles M. E. Hoffman
Howell Armor
Douglas T. Day, Jr.
Minor C. Heine
Donald J. Ramsey
Henry E. Richter
Frank E. Deam
Richard J. Bourke, Jr.
Edward P. Creehan
Leon W. Johnson
Howard V. Hopkins
Harry Burris
Joseph F. Dahlgren
Joseph S. Lillard
Arthur D. Barnes
John A. Holbrook
Harrison B. Southworth
George C. Montgomery
Joseph F. Johnson
Thomas E. Fraser
Thomas S. Cameron
Wallis F. Petersen
William G. Michelet
Francis J. Grandfield
Joseph H. Foley
William V. Davis, Jr.
Roger E. Perry
Edwin T. Layton
Thomas A. Turner, Jr.
Robert C. Sutliff
Adolph H. Oswald
Frederick R. Furth
Robert L. Swart
Eugene C. Burchett
George W. Stott
Thomas A. Huckins
George A. Sinclair
Dale Harris
Kenneth Earl
James B. Ricketts
Hubert M. Hayter
Allen P. Calvert
LeRoi B. Blaylock
Samuel E. Latimer
Harold B. Miller
Virginius R. Roane
William B. Bailey
Henry C. Daniel
Edmund W. Whitehead
Murray J. Tichenor
Joseph P. Thew
John P. Cromwell
Herrmann G. Page
Forrest Close
Frank W. MacDonald
Herman Sall
Herbert K. Gates
Solomon F. Oden
Steadman Teller
Tillman T. Dantzler
John L. Brown
Thomas E. Kelly
Matthew L. Kelly
George A. T. Washburn
Homer Ambrose
Robert R. Buck
Philip R. Coffin
Philip H. Jenkins
William A. Fly
Marvin P. Kingsley
Charles A. Parker
John R. McKinney
John A. Morrow, Jr.
Harry A. Dunn
John H. Brady
John H. Parrott
Henry F. Agnew
John D. Shaw
Harry E. Morgan
Winston P. Folk
Edward S. Mulheron
John P. B. Barrett
William A. Graham
Henry F. Mulloy
George W. Allen
Stephen G. Barchet
William P. Tammany
Shirley Y. Cutler
Richard F. Stout
Willford M. Hyman
Bernard L. Austin
Joseph M. P. Wright
Norman W. Ellis
Joseph E. Wolowsky
James R. Pahl
George W. Patterson, Jr.
Joseph A. Callaghan
Howard L. Collins
John W. C. Brand
John N. Opie, 3d
Aurelius B. Vosseller
John R. Ruhsenberger
Emory W. Stephens
Donald F. McLean
Howell C. Fish
Alfred J. Bolton
John M. Kennaday

Philip M. Boltz
Sumner K. MacLean
William D. Brown
Everett W. Abdill
Paul L. F. Weaver
Edward W. Young

To be lieutenants (junior grade)

Samuel C. Anderson
Robert DeV. McGinnis
Wellington T. Hines
James H. Hean
Griswold T. Atkins
Peter H. Horn
Oliver E. White
Bruce E. S. Trippensee
William B. Moore
William E. Gentner, Jr.
Manley H. Simons, Jr.
Leonidas D. Coates, Jr.
William C. Ennis
Herman N. Larson
Robert C. Haven
Joseph A. E. Hindman
John R. Craig
Marshall E. Dornin
Volckert P. Douw
Frank I. Winant, Jr.
Raymond W. Johnson
Richard M. Nixon
David L. Whelchel
James A. Adkins
Ephraim P. Holmes
Walter M. Foster
William C. Butler, Jr.
Robert L. Moore, Jr.
George B. Chafee
John T. Hayward
Frank L. Johnson
William H. Kirvan
Lot Ensey
William T. Nelson
Hugh T. MacKay
Thomas B. Haley
Charles B. Brook
Samuel M. Randall
Alexander S. Heyward, Jr.
Donald F. Krick
Frank T. Sloat
John W. Ailes, 3d
Francis S. Stich
George C. Seay
Eddie R. Sanders
Dudley W. Morton
Ruel S. Dally
Lynne C. Quiggle
William S. Estabrook, Jr.
Robert J. Stroh
John Corbus
Bernhart A. Fuetsch
Jack S. Dorsey
Otis J. Earle
Bryan F. Swan
Victor S. Gaulin
Howard G. Corey
Eugene T. Sands
Donald J. Sass
Gilbert C. Carpenter
Frank P. Luongo, Jr.
Kenneth M. Gentry
Thomas L. Wogan
Charles H. A. Rohr
Thomas W. Marshall, Jr.
Albert S. Miller
Frank B. Miller
Warren H. McClain
John B. Gragg
Robert H. Taylor
Jack Agnew
Edward C. Renfro
John A. Moreno
John F. Tatom
Robert R. Craighill
John H. Armstrong, Jr.
Louis D. McGregor, Jr.
George G. Palmer
Charles E. McCombs
John G. Burgess
Royal L. Rutter
Harold M. Heming
Shryock M. Arwine
James S. Clarkson
Russell R. Ross
Lafayette J. Jones
George L. Heap
George M. Chambers
George F. Kosco
Durand Kiefer
John J. Shaffer, 3d
Harry P. Badger
Herschel A. House
George T. McCready, Jr.
John Hulme
William N. Wylie
Carlton R. Adams
Lee DeV. Boyle
Emmet O'Beirne
Scarritt Adams
Vernon L. Lowrance
Charles R. Herms
George E. Garcia
William O. Snead, Jr.
Edward N. Little
William C. Thomas
Richard C. D. Hunt, Jr.
Thomas J. Thornhill, Jr.
Lawrence E. Ruff
Ira E. McMillian
William Y. Allen, Jr.
Horace S. Hubbard
John K. Bisson
James D. Whitfield, Jr.
Charles H. Andrews
James L. Thibault
Carlos M. Charneco
Charles T. Mauro, Jr.
Samuel D. Dealey
George E. Marix
James W. Coe
Walter T. Jenkins
Elvin Hahn
Francis E. Wilson
John B. Bowen, Jr.
Ellis K. Wakefield
Milton D. Fairchild
William G. Tisdale, Jr.
Robert M. Patten
Thaddeus J. Van Metre
Allan B. Roby
Joe McA. Whitaker
Alston M. Boyd, Jr.
Royce L. Gross
Raymond L. Mayo
William S. Post, Jr.
Frank L. Robinson
William T. Doyle, Jr.
Robert F. Coates
Harry J. Verhoye
Philip T. Smith, Jr.
Veldon O. Long
Lyle L. Koepke
Henry G. Sanchez
Albert Konigsberg
William A. Moffett, Jr.
John E. Sisson
William H. Farmer
Joshua J. Nix
John B. Dimmick
Arthur E. Owen
John R. Haile
Richard D. McGlathery
Francis M. Carter
Harry Smith
James A. Woodruff, Jr.
John G. Howell
Robert D. Sutton
Robert F. Jennings
James H. Newsome
Norwood A. Campbell
Thomas S. Webb
Robert W. Germany, Jr.
John F. Flynn
John M. Bristol
William W. Wilbourne
Doyle M. Coffee
Ian C. Eddy
Elmer J. Dunn
Harry C. Stevenson
Baylies V. Clark
Edwin O. Wagner
Henry S. Wygant, Jr.
William T. Woodard
Arthur F. Spring
Byron B. Newell
Harold E. Duryea
Nicholas A. Lidstone
George R. Over
Charles R. Gilliam
Wreford G. Chapple
Laurance O. Mathews, Jr.
Albert P. Douglass
Joseph C. Clifton
John E. Edwards
Samuel A. Randolph
William C. Kaiser
Paul F. Heerbrandt
Charles C. Howerton
James O. Vosseller
Arthur J. Barrett, Jr.
Kenneth S. McPherson
Ray R. Conner

To be ensign

Herbert S. Fulmer, Jr.

To be medical directors

Middleton S. Elliott
James C. Pryor

To be medical inspectors

John Harper
Martin Donelson
Louis H. Roddis
Paul Richmond, Jr.
Walter A. Vogelsang
Elphége A. M. Gendreau
Virgil H. Carson

To be pay director

George G. Seibels

To be pay inspector

Herman G. Bowerfind

To be paymasters

Frank H. Baasen
George W. Masterton
Thomas A. Culhane
William R. Parker
Lester A. Dyckman
William A. Abbey
Thomas L. Sorrell
Lorimer C. Graham

To be passed assistant paymaster

Alfred P. Randolph

To be assistant paymaster

Edward S. Rhea

To be naval constructors

Beirne S. Bullard
Leonard Kaplan
John A. Sweeton
Francis H. Whitaker
Carlyle L. Helber
Dale Quarton
Nicholas A. Draim
Henry A. Ingram
Leslie A. Kniskern
Edward C. Craig
Leland D. Whitgrove
Alden R. Sanborn
Bernard E. Manseau
Milo R. Williams

To be Chief of the Bureau of Yards and Docks, Department of the Navy

Norman M. Smith

To be civil engineers

Henry F. Bruns
Henry P. Needham
Beauford W. Fink

To be assistant civil engineers

William F. Wesanen
Alexander S. C. Wadsworth

To be chief boatswains

Cecil Cuthbert
George W. Graves

To be chief gunners

Edward F. Manning
Francis E. Church

To be chief electricians

Carl A. Quarnstrom
Elmer A. Barton
Roland E. Moore

To be chief radio electricians

William M. Thomas
Arthur T. Hodges
Paul J. Koterba

To be chief machinists

Robert L. Davis
Virgil A. Cowart
DeWitt O. Thomas
Harry G. Jones
Charles W. Hart
Charles S. Seidle
Billie B. Bullard
Frank F. Loftin
Leon M. Glasscock
Donald R. Cheek
Bernice C. Hesser

To be chief pay clerks

Thomas C. Wade
James W. Frey
Matthew C. Ryan
Tallie M. Welch

MARINE CORPS

To be major generals

John T. Myers
John H. Russell (temporary)

To be brigadier generals

Charles H. Layman
Louis McC. Little
Hugh Matthews (quartermaster)
Charles R. Sanderson (assistant quartermaster)

To be colonel

Walter N. Hill

To be lieutenant colonels

Paul A. Capron
John Potts
Edward A. Ostermann

To be majors

Arthur H. Turner
James F. Moriarty
Peter Conachy
Walter T. H. Galliford
Fred G. Patchen

To be captains

Samuel A. Milliken
William H. Hollingsworth
Thomas J. Cushman
John D. O'Leary
Clyde H. Hartsel
Delmer Byfield
Arthur C. Small
James Ackerman
Ralph C. Alburger
Benjamin W. Atkinson, Jr.
William L. Bales
Frederick C. Biebush
Gale T. Cummings
Terrell J. Crawford
Howard B. Enyart
George Esau
Edwin J. Farrell
Augustus H. Fricke
Julian N. Frisbie

To be first lieutenants

Samuel S. Jack
Henry R. Paige
Joseph W. Earnshaw
Walter L. J. Bayler
Marion L. Dawson
Harold G. Newhart
Frank M. June
George H. Potter
Earl S. Piper
Robert A. Olson
Francis M. McAlister
Jack P. Juhan
Jesse S. Cook, Jr.
Miles S. Newton
Archie E. O'Neil
Allen C. Koonce
Alan Shapley
David F. O'Neill
John C. Munn
Jaime Sabater

To be second lieutenant

James M. Beam

POSTMASTERS

CONNECTICUT

Charles E. Gray, North Stonington.

ILLINOIS

John G. Rehwald, Altamont.
Jacob Heid, Cairo.
Naomi C. Reiter, Cherry.
Ernest J. Kruetgen, Chicago.
Pearl W. Blackwelder, Litchfield.
Charles L. Hodge, Mason.
Virginia D. Wall, Nebo.
Ralph Van Matre, Olney.
Arthur B. Caughlan, Pittsfield.
Palmer E. Cogdal, Tallula.
Ira Dezouche, Wayne City.
Edward J. Welflin, Wheeling.

INDIANA

John G. Evans, Bloomingdale.
Mary W. Lawrence, Earlham.
Ernest R. Presser, Lapel.
Henry Wyrick, Maywood.
Harry S. Glump, New Harmony.
Myrtle A. Schreiber, New Palestine.
Fred J. Merline, Notre Dame.
Earl M. Miller, Princeton.
William J. Zehner, Tipton.

MAINE

Marjory D. Woolley, Bridgton.
Floyd A. Smith, Caribou.
F. Raymond Brewster, Ogunquit.
Eddie J. Roderick, Rumford.

MINNESOTA

Anna C. Dallaire, Ah-Gwah-Ching.
Svend Petersen, Askov.
Cora O. Smith, Bayport.
John N. Peterson, Beltrami.
Isaac R. Lamppa, Jr., Embarrass.
Edward C. Ellertson, Gully.
Viola M. Terrell, Holdingford.
Joseph L. Gilson, Ivanhoe.
Arvid J. Lindgren, Orr.
Joseph R. Keefe, Redwood Falls.
Edith B. Petersen, Tyler.
Mathias J. Olson, Wolverton.

NEBRASKA

Joyce Hubbard, Ashby.
Astor B. Enborg, Bristow.
Russell Mooberry, Dorchester.
John A. Gibson, Mullen.
Edwin A. Baugh, Oakland.
Ernest J. Kaltenborn, Waco.
Minnie M. Morrow, Winside.

NEW JERSEY

George M. Beaman, Keansburg.
Agnes Despreaux, Middletown.
Ella M. Fables, Whippany.

NEW YORK

Daniel W. Hanley, Albion.
William A. Gardner, Amsterdam.
W. Edward Sweetman, Ardsley on Hudson.
John J. Navins, Barrytown.
Joseph S. Annable, Bayport.
James P. Bruen, Bedford Hills.
Hanna A. Williams, Belleville.
Frederic M. Buckley, Boonville.
Charles F. Bergner, Callicoon.
John C. Monahan, Canandaigua.
Burdette G. Dewell, Catskill.
Benjamin B. Tooker, Center Moriches.
Oscar D. Ayres, Central Valley.
Thomas F. J. Hannan, Chappaqua.
Philip J. Dwyer, Chittenango.
William J. Casselman, Clayton.
Wentworth S. Colwell, Cold Spring.
Howard G. McGee, Copake.
Walter S. Blade, Delanson.
Leona Fortner, Dryden.
Clayton I. Burch, Earlville.
Wayne H. Wright, East Aurora.

Samuel B. Cline, East Hampton.
Joseph C. Zuklin, East Islip.
Charles W. Thompson, Eaton.
Emily C. Stevens, Eldred.
Thomas J. McMullen, Ellenville.
Nettie Kass, Greenfield Park.
Lloyd C. Vunk, Hagaman.
Matthew F. Dixon, Hamilton.
William L. McGranaghan, Hancock.
Raymond C. Nellis, Hastings.
Francis J. Kelly, Hornell.
Roscoe H. Whiter, Ilion.
John V. Kellogg, Interlaken.
Thomas V. O'Connell, Island Park.
Albert J. Griffiths, Keuka Park.
Grace S. G. Davies, Lake Kushaqua.
Gustav I. Gehweiler, Lake Ronkonkoma.
Clyde S. Edmister, Lisle.
Dennis W. Daly, Lockport.
Edward J. McSweeney, Long Lake.
Katherine M. Nortz, Lowville.
Zoa I. Van Gorder, Minetto.
Louis C. Donovan, Mount Morris.
John C. Morgan, Naples.
Daniel Shaw, New Paltz.
Dennis Shannon, New York Mills.
August F. Biesel, Niverville.
Hiram C. Denton, Northville.
Hugh M. Bulger, Norwich.
William E. Farnsworth, Oakfield.
Floyd C. Bennett, Otego.
John J. Cassidy, Port Jefferson.
Hugo Kreitzberg, Port Jefferson Station.
Francis M. Daly, Pulaski.
Dennis T. Dillon, Jr., Raquette Lake.
Howard M. Curtis, Richfield Springs.
Alice A. Sherman, Shelter Island.
Thomas J. Reilly, Silver Springs.
Nora E. Feeley, Skaneateles Falls.
Anthony J. Kennedy, Suffern.
Daniel J. Coutu, Jr., Sunmount.
Edmond L. Weston, Syracuse.
Raymond J. Slattery, Trudeau.
Jesse S. Crane, Vestal.
Chauncey H. McLean, Wallkill.
Oliver C. Cone, Waterloo.
Mabel B. Williams, Westhampton Beach.
Dennis A. Ferris, Windham.
Walter J. Reynolds, Woodhull.

NORTH CAROLINA

Handy C. Allred, Alamance.
Willis M. Manning, Bailey.
T. Coleman Galloway, Brevard.
G. Leslie Hensley, Burnsville.
Samuel T. Stough, Davidson.
Carroll E. Kramer, Edenton.
Erastus B. Huffine, Elon College.
Nathan W. LeGrand, Hamlet.
Thomas N. Kerns, Huntersville.
Hugh M. McArn, Laurinburg.
Oscar L. Phillips, Matthews.
Frances G. Thompson, Morven.
Carl L. Williamson, Raleigh.
Paul Green, Thomasville.
J. Francis Tron, Jr., Valdese.
Bertie L. Matthews, Vass.
Wilbur R. Dosher, Wilmington.

RHODE ISLAND

John J. O'Connor, Ashton.
John J. McCabe, Pontiac.

TENNESSEE

Marvin McKnight, Bemis.
John J. Parran, Bolivar.
James F. Anderson, Cleveland.
William B. Olds, Cottagegrove.
Vola W. Mansfield, Dunlap.
Hollis M. Caldwell, Lookout Mountain.
William P. Stone, Lynchburg.
William Gupton, Nashville.
Amy G. Sylar, Ooltewah.
Ethel H. Stanfield, Signal Mountain.
Alfred H. Gill, Silver Point.
Lois McReynolds, South Pittsburg.
Raymond B. Gibson, Spring City.
Lemuel F. Bell, Springfield.
Irene M. Cheairs, Spring Hill.
Phil W. Campbell, Tiptonville.
James B. Goodwin, Trezevant.

VERMONT

Kenneth A. Tudhope, North Hero.
Anson S. Hawkins, South Shaftsbury.

WASHINGTON

I. Wells LittleJohn, Pateros.

WEST VIRGINIA

Raymond E. Snodgrass, Branchland.
Eulalie B. Wheeler, Elkhorn.
Jeremiah W. Dingess, Huntington.
John Kenna Kerwood, Ripley.
Joseph V. Emig, Wellsburg.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 31, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Again, most merciful God, it is Thy everlasting love that draws with unfailing mercy. Out of it bursts the revelation of the eternal. O may it minister unto us the needed lessons of humility. Even allow it to reproach our feverish impatience and our fretful spirits. Blessed Father in Heaven, cleanse us and be the ministering power that makes for righteousness and breaks down the barriers of selfishness; may our hearts burn against all forms of injustice. Let Thy light fall upon our immortal souls that they may be like the dawn upon the hills of earth. We would unveil the cross and behold the mercies of God, the hopes of our land, and the joys which are to bless the children of time. O let Thy good come this way, the way of our country and the way of every man, until it falls like silver dewdrops from the heart of the All-father. Amen.

The Journal of the proceedings of yesterday was read and approved.

SALE OF ALCOHOLIC BEVERAGES IN THE DISTRICT OF COLUMBIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution No. 250, to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That for carrying into effect the provisions of the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the service of the fiscal year ending June 30, 1934, and payable from the revenues of the District of Columbia, the following sums, respectively:

DISTRICT OF COLUMBIA

Alcoholic Beverage Control Board: For personal services, rent, advertising, printing and binding, office equipment and supplies, street-car and bus transportation, telephone service, and other necessary contingent and miscellaneous expenses, $23,054.

Office of corporation counsel: For an additional amount for personal services, $3,613.

Mr. BUCHANAN. Mr. Speaker, the Budget estimate sent to the Committee on Appropriations was for $87,000 to cover the balance of this fiscal year and the next fiscal year.

This resolution carries only $26,667 to cover the balance of this fiscal year, leaving to the regular District of Columbia appropriation bill the amount for next year.

The importance of the passage of this resolution at this time is that this control is not effective until funds are provided and the District does not receive any revenue from the sale and manufacture of intoxicating liquors until the board created by the act of Congress to control liquor in the District gets into operation and issues licenses.

The salaries provided for are those specified in the statute: $5,000 each for each 3 commissioners, less the 15 percent; 1 secretary, $3,200, under the Classification Act; 8 inspectors at $2,300, under the Classification Act; 3 stenographers, 1 at $2,000 and 2 at $1,620; 1 typist, 1 bookkeeper, and 2 clerks at $1,400 each; and 1 messenger, all regulated by the schedule of the classified service, less the 15 percent.

Now, if there are any questions, I shall be pleased to try to answer them.

Mr. BLANTON. The gentleman has provided all the President asked up to the 1st of July next.

Mr. BUCHANAN. No, not all; but we have supplied a sufficient amount to last until the end of this fiscal year.

Mr. BLANTON. What cuts have been made?

Mr. BUCHANAN. Only insofar as the 15 percent is concerned.

Mr. BLANTON. Then, the gentleman has supplied everything the President asked for the remainder of this fiscal year, less the 15 percent.

Mr. BUCHANAN. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, I am interested, of course, in seeing this legislation passed so that the law we enacted governing the regulation and sale of liquor in the District of Columbia can be put into force at the earliest possible date.

I want to make a few remarks now in reference to the price of whisky. Are we going to permit those who hold warehouse receipts and control all the good liquor in this country to continue to charge exorbitant prices for it. If we do, we will not have disposed of the bootlegger; he will be in the picture more than he ever was. It will be a case of repealing the eighteenth amendment for the benefit of the bootlegger.

Just think of it! The cheapest liquor that can be bought by the man licensed to sell liquor in a hotel or restaurant in Washington is $68 a case in 10-case lots. At this rate they are not going to be able to sell a drink of liquor for less than 65 cents, and few of them will sell it at that price. What is the result? You can see the picture yourself. The people cannot pay such a price for liquor.

Now, I thought we might be able to reach this situation by a graduated tax, but I find that such a tax would be playing right into the hands of those who have this liquor. Those who hold this liquor are happy because they have declared a dividend, not a dividend in money but a dividend in whisky. The stockholders have parceled out whisky to themselves in the form of a dividend. They have that whisky and those stockholders living in Washington can bring it in here as soon as this law goes into effect. I understand if a high tax were placed on liquor which was sold above a certain price per gallon they would use the whisky for blending purposes. How are they blending whisky? They take a gallon of good whisky and make 4 gallons of rotten whisky out of it.

Now, Congress must do something if it is going to correct this situation. I am not talking at random. I know what I am talking about. I have investigated this. It does not apply only to the District of Columbia but it applies to the entire country and to my own city as well. I have an advertisement on my desk right now taken from a St. Louis newspaper of last Sunday's date which advertises liquor at outrageous prices too high for the average person to pay.

Mr. LLOYD. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. LLOYD. Can the gentleman conceive any reason why there should have been such a sudden rise in the price of whisky from $27.50 a case to approximately $60? It was selling in the drug stores last April at $27.50, the same whisky taken from the same barrel.

Mr. COCHRAN of Missouri. I never knew they sold it for less than $32.50. I missed the $27.50 price.

Mr. LLOYD. Twenty-seven dollars and fifty cents a case was what they were charging for it last April.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. O'CONNOR. I am glad to see the gentleman has at last sided with me in the matter. He was opposed to my attempts to permit the Government to get some of these profits.

Mr. COCHRAN of Missouri. I do not think we can correct the situation by putting a tax of $6 a gallon on whisky because it would only be passed on to the consumer; but I was not opposed to the gentleman's investigation and I am not opposed to it now. There is a Whisky Trust in this country. The gentleman knows that.

Mr. O'CONNOR. There is a Whisky Trust in Washington, with its tentacles reaching out everywhere. The prices were announced the other night.

Mr. Doran and his institute announced, it appears, that the lowest price was 10 times what they got before prohibition or what they are entitled to get, including tax and everything. In other words, they are mulcting the American people nine times an exorbitant profit. All I was in favor of doing was for the Government to take this profit in the way of a sales tax. Before prohibition they paid a sales tax of 50 percent. That is what it figured.

Mr. COCHRAN of Missouri. I only have 5 minutes. I do not agree with the gentleman that you can cure the situation in the way he advocates, because they will simply pass the excess tax on to the purchaser, which will make the price higher to the consumer. We can do something by passing laws that will permit the Government to control the blending of whisky and not permitting them to put stuff on the market that is worse than bootleg whisky. I think we have a duty to perform to protect the public.

Mr. O'MALLEY. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. In order to keep the prices up they have a plan over in the A.A.A. to limit the number of distilleries that can get licenses.

Mr. COCHRAN of Missouri. That will not help. Whisky made today cannot be sold until it is 4 years old if placed in bond. It must remain in the Government warehouse 4 years. To permit the manufacture of an unlimited amount now would help 4 years from now. I want to get the price down now, and I say it is the duty of Congress to take action that will bring it down. We owe it to the public to act now. [Applause.]

[Here the gavel fell.]

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BUCHANAN, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

GENERAL LAFAYETTE

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report:

House Concurrent Resolution 26

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a special joint congressional committee to be composed of five Members of the Senate, to be appointed by the President of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, which shall make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette, occurring on May 20, 1934.

SEC. 2. The committee shall select a chairman from among its members. Any vacancy occurring in the membership of the com-

mittee shall be filled in the manner in which the original appointment was made. The committee shall cease to exist upon making its report as hereinafter provided.

SEC. 3. The committee is authorized to accept and make use of contributions for carrying out the purposes of this resolution and shall file with the Secretary of the Senate and the Clerk of the House of Representatives a report with respect to amounts so received and expended.

STATE, JUSTICE, THE JUDICIARY, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1935

Mr. OLIVER of Alabama, from the Committee on Appropriations, reported the bill (H.R. 7513) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1935, and for other purposes (Rept. No. 449), which was read a first and second time, and, with the accompany papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BACON reserved all points of order on the bill.

TAXATION AND THE PUBLIC DEBT

Mr. SIMPSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMPSON. Mr. Speaker, as a Republican Member of this House I have laid aside partisan considerations and tried sincerely to cooperate with the President in his efforts to restore prosperity, and I shall continue in that attitude while a Member of this House.

The President has asked for constructive suggestions from the minority, and I, therefore, desire to call attention to what I believe the most important subject which so vitally affects the American people, which is taxation.

There are certain tendencies in the recovery program that have me deeply worried. One of these tendencies is the tremendous expenditures of money. Last year the Congress authorized the spending of $11,500,000,000 of which approximately $4,000,000,000 was the annual current expenses, the rest being extraordinary expenses. This year the administration has asked for an additional $10,000,000,000 for the purpose of continuing the recovery program. This means an unheard of increase in our national debt, which was $25,482,034,419 for the fiscal year ending June 30, 1919, reduced to $16,185,308,299, for the fiscal year ending June 30, 1930, and it is estimated that at the close of the fiscal year ending June 30, 1935, it will be approximately $32,000,000,000.

Let us examine what this means to the individual. Today there is a public debt of $1,500 for every family in the United States and this has to be repaid.

The citizens are already groaning under a tax burden such as has caused the downfall of every great civilization that has preceded ours. Mr. Speaker, we are faced with one of two alternatives. We must either mortgage the future of our children and possibly our grandchildren or we will be forced to repudiate our honest obligations if we continue to follow the policy of borrowing and spending. This repudiation may take many forms, but the most likely means would be to make use of the printing press. No inflation has ever started in any way except by being controlled and no inflation has ever ended that way.

Unstable money means that commodity prices rise faster than the wage scale, and the standard of living falls at the same ratio as the value of money depreciates until the very people who were to be aided are the ones most injured.

Confronting the Seventy-third Congress, I believe, should be the adoption of a new financial program—a program that will assure the American people that our Government is not going to continue borrowing and spending and then be forced to repudiate its obligations. Instead of following such a course, let us adopt a program assuring our countrymen that we are going to stop borrowing and spending and start paying back to our citizens the money borrowed from them by our Government.

Mr. Speaker, I believe we are all in accord that we must bring about a policy that will give employment to the American men and women workers in industry and agriculture which will prevent the further increase in taxes and depletion of the Federal Treasury. Therefore, I urge higher tariff duties even to the extent of an embargo on all imported products which we are able to manufacture or produce in the United States until such time as those of our people who want work have found employment.

To me I can see no good reason why American farmers or workmen should be forced to compete with foreign workmen whose living conditions are far below that of ours, while millions of our countrymen are unemployed or are on Federal pay rolls.

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 7513) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes; and pending that motion, I should like to ask the gentleman from New York whether or not we can reach an agreement in reference to the time of general debate.

Mr. BACON. Mr. Speaker, for the time being it would seem to me that we would better run along on general debate and perhaps agree to a limited time tomorrow.

Mr. OLIVER of Alabama. That is satisfactory.

Mr. Speaker, I ask unanimous consent that no time for general debate be fixed, and that the time this afternoon be equally divided and controlled by the gentleman from New York [Mr. BACON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 7513, with Mr. LOZIER in the chair.

The Clerk read the title of the bill.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BACON. Mr. Chairman, I yield 25 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the House will probably remember that a week ago I made some remarks regarding the C.W.A., because of my position as ranking member on the minority side of the Committee on Expenditures in the Executive Departments.

From the answer made by the chairman of the committee to the leader of this side of the House, we understood that the committee would be called together. Upon examination of the RECORD, however, I find that this is not the case. I have, in consequence, again asked the chairman if the committee would be called together and was informed that it probably would not be. Hence, Mr. Chairman, this would seem to be the only forum which we of the minority party—with its positive duty to perform—are to have to express ourselves on the subject of these enormous expenditures and the methods used in disbursing them. The Committee on Expenditures should be in session continuously while there are being given away, in lavish fashion, billions of dollars regarding which the Committee on Appropriations has no opportunity to investigate. Certainly this, of all others, is the time when the Committee on Expenditures in the Executive Departments should be in session.

I was told that the committee would not be summoned unless I was prepared to show that fraud and corruption in the expenditures mentioned did exist. That was a week ago. In the interim the newspapers from coast to coast and from

nearly all cities of the country have carried articles and editorials on the corruption and political favoritism which has been brought to light—enough to satisfy any individual that it exists. It is not enough to say in answer that this is merely local to States and municipalities.

Now, while we are moving blindly, led by hope or faith in the President, at a time when many on the other side of the House are being told that they rode in here on the President's coat tails and had better be quiet if they wish to do so again, as a result of which their criticism is silenced, it is peculiarly the duty of the minority on this side to aid the Nation, and the President himself, by making vocal, constructive criticism.

Let no one attempt to put words in my mouth and say that in so doing we are antagonistic to the President's program or that we will refuse to vote for the funds he requests. My suggestions are made simply in the hope that hereafter a somewhat different method may be devised to spend these vast sums of money. Let us not allow ourselves to be deterred from this duty by the statement that "under the conditions we are not able to do anything, and that it is neither wise nor proper to speak, lest it embarrass the administration."

I once heard of a poor fellow who said that "he was drunk when he kissed the lady", and when the magistrate demanded that he prove that his mental condition was such as to furnish an excuse, he replied, "Judge, take a good look at the complainant yourself." [Laughter.]

So this afternoon let us take a good look at some of these huge expenditures which are being made all over the country, only, however, so that we may make helpful suggestions regarding them.

The mayor of the one city in my district telegraphed me urging a continuance of the C.W.A. work through new appropriations, and to make my own position clear I ask permission at this time to place in the RECORD a copy of his telegram and my reply thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MAYOR ASHLEY'S TELEGRAM TO CONGRESSMAN GIFFORD

NEW BEDFORD, MASS., *January 13, 1934.*

CHARLES L. GIFFORD, Congressman:

Private industry has not yet improved sufficiently to take over C.W.A. employees. Abandonment of plan now will create conditions far worse than if C.W.A. had never been adopted. It will be impossible for city to assume responsibility of providing for workers at this time and continuance of plan through the winter is absolutely imperative.

CHARLES S. ASHLEY, *Mayor.*

CONGRESSMAN GIFFORD'S REPLY

MY DEAR MAYOR ASHLEY: The receipt of your telegram of even date is acknowledged.

As a stopgap the Civil Works Administration has unquestionably rendered a highly beneficial service in relieving unemployment, and I feel that Massachusetts, which has contributed so heavily to the Nation's revenues, should take the fullest possible advantage of this form of temporary relief. Any community actually in need thereof should receive this aid, but it is certainly my feeling that many of the methods which have been used in distributing it, such as the use of this money in grants to certain wealthy cities and towns which were fully capable of caring for their own unemployed, merits investigation and alteration.

Nor in my opinion can the Nation in its present financial condition stand the strain of any prolonged continuation of this form of emergency relief. An appalling debt, which must fall on the already overburdened shoulders of the country's taxpayers, is being piled up. Certainly, the whole situation demands thorough investigation and consideration from every angle, with serious thought being given to the financial future of the Nation as well as the present need. Please be assured that this whole most serious situation is having my most earnest consideration and that I appreciate your message dealing with the situation in New Bedford.

Sincerely yours,

CHARLES L. GIFFORD.

Mr. GIFFORD. I want the Committee on Expenditures to be called together and to have a report made to it regarding the A.A.A. program as well. This is the only Federal administration authority that we can recall that had frankly and candidly admitted that it had made errors. But now Mr. Hopkins says that the C.W.A. program, too, has been a flop. Secretary Wallace says that the cotton-reduction program has been unavailing and that a normal crop is being produced in spite of the fact that 10,000,000 acres have been removed from production. If these great emergency measures have indeed failed, why not have a congressional committee investigate the situation and advise with the bureau heads as to future procedure? No; you do not want a meeting of the committee unless fraud and corruption can be definitely proved. These failures are not indictable offenses. It is not an indictable offense even when 2,000 workmen stand in line for 2 weeks, receiving 50 cents an hour for so doing, with not a tool to work with and therefore nothing accomplished except the payment of this dole.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. TAYLOR of Tennessee. What has been the result of the birth-control program with respect to pigs?

Mr. GIFFORD. Mr. Chairman, I should be pleased to yield to the gentleman for questions ordinarily, but this afternoon I do not wish to do so for this is a very serious matter, and I am trying to be serious about it.

Mr. TABER. If the gentleman will yield there, with respect to my own section I can answer the gentleman from Tennessee. It has reduced the price of hogs to 1 cent a pound, and out of that they have to pay a processing tax of over 2 cents. [Laughter.]

Mr. GIFFORD. Mr. Chairman, the party in power does not now deny these things, but wishes to continue these experiments, in spite of the fact that the greatest Democrat of them all—so styled in 1928—now complains that we are all nothing but guinea pigs being experimented on. If one scheme fails they desire to try another, and while all these experimentations are being made the country is still stewing in fear for the future and gripped by banking and business paralysis. Fear is not being allayed, business is not improved by taking people off the welfare rolls, especially those of wealthy municipalities. The giving of money to them may be necessary under the conditions, but it does not appreciably help to prime the pump of industry or make the wheels turn faster.

Mr. BANKHEAD. Will the gentleman yield for a question at that point?

Mr. GIFFORD. Yes.

Mr. BANKHEAD. The gentleman seems to be criticizing the present administration for what he calls a system of experimentation and of new policies. Does the gentleman imagine that this is what actuated the former Secretary of the Treasury, Mr. Mills, in his recent speech out West to abandon the principles of the protective tariff and advocate experimenting for a while with the old-fashioned Democratic doctrine of low tariff for the country?

Mr. GIFFORD. Mr. Chairman, if the gentleman wishes to get into a political discussion, well and good. I read that speech, and Mr. Mills did not abandon the old-fashioned Republican doctrine of protection for America. The gentleman cannot find a word of that sort in the speech, and the gentleman knows it. In view of the present system of giving money away, which for the time being induces some Republicans to be Democrats [laughter], the Republican Party must gradually draw those who have been thus deluded back to their old anchorage of constitutional government and rise and oppose any form of dictatorship. In peace times, at least, this must not be imposed upon our country.

But, Mr. Chairman, this political discussion is not in line with my remarks this afternoon. I merely wish to reason with you. Your A.A.A. is falling down. Secretary Wallace has acknowledged it. Why cannot he come before our legislative committee and let us hear the facts and take counsel with him? Do not let us go on without any explanation to Congress, which has to appropriate the money.

We have heard a lot of good things about the C.C.C. Well, I happen to be rather familiar with this program. The first 6 months passed and generally little could be done in the camps but build barracks, ball fields, tennis courts, and provide many other things for the morale of the outfits. Why not let this committee know what constructive work

actually has been accomplished to date and what the expense involved has been? We hear little about it except what is obviously propaganda. Certainly the Committee on Expenditures could help the work if on investigation they found it worthwhile.

I listened with a great deal of interest last November to the report of one of our best Army engineers—and we have reason to believe that these officers are almost above criticism—when he stated that 900 men would be at work on a specific project by December. Two months after that date only 200 men were actually employed. This is mentioned to illustrate the great difficulty of extending speedy unemployment relief under the P.W.A. It is also true that the well-to-do States and municipalities are about the only ones which can obtain these P.W.A. funds, because they alone can produce the necessary guarantees for repayment to the Federal Government. Most governmental units have a limited credit and under State constitutions are not allowed to issue bonds, or are permitted to do so in very restricted amounts. The P.W.A., therefore, is not going to relieve all sections of the country, because many cannot get the credit to carry on operations of the type authorized.

It has, for instance, been suggested that Indiana will not be able to qualify for her share of the P.W.A. funds. But some of you gentlemen from Indiana are not allowed to criticize, since you, too, rode into office on the coat tails of the President, as your leaders have reminded you.

I have suggested that many wealthy municipalities have taken and will continue to take money supposed to have been used for the relief of the most needy sections of the country. My friend from Missouri says that they should take it, having contributed to it. The fact is that they take it because they can get it, and perhaps they would indeed be foolish not to, under the present system employed in the distribution of these Federal relief funds. But that does not affect the argument.

Mr. Chairman, we are all really very much disturbed over this tremendous indebtedness of $32,000,000,000 with which the country is to be faced. If you over there were free to speak what is in your minds, and discuss this matter, you could not but give expression to grave concern.

Now, for another phase of the relief situation: If the North Carolina Representatives could speak out they would tell us that farming is now beginning in their localities; that they have been accustomed to pay about $1 per day for some of the labor, but that now under the C.W.A. the former farm laborers are getting 45 cents an hour and in consequence there is much difficulty in securing labor. But they want to continue their loyalty to President and party, and hence do not openly complain. Possibly someone from that State will rise and declare that everything is all right, but my information as to these conditions there comes from people who actually own farms. Will this temporary aid to the State of North Carolina be to the best interests of the State in the looking forward?

If my chairman wants information, we have plenty to lay before the committee and it would take up many pages of the RECORD were I to attempt to insert but a portion of the complaints we have received. I am mentioning only a few items involving complaints of graft, corruption, and political favoritism. Would Los Angeles like to have recorded the complaint of its own Democratic State chairman and the facts carried in newspaper stories day after day? They are backed up by photographs which are undoubtedly authentic. They are not to be denied. The other morning I was called up by a newspaper reporter who asked me if I had seen the Baltimore Sun. He said, "Don't be afraid to suggest Mr. Hopkins, although he was not directly mentioned in the interview." Some of you have seen the article to which I refer, but I want to place a portion of it in the RECORD so that you will be sure to read it before the debate on this subject occurs in a day or two. Yesterday the chairman of our committee said to me "The Appropriations Committee is now in session; Mr. Hopkins is there and you should go in and hear him." I went immediately, but was informed that the committee was in executive session and visitors were not permitted, hence I do not know what Mr. Hopkins may have said then, and am not in a position to judge the merits of the statements presented by him in explanation of past disbursements. I do, however, now quote from the Baltimore Sun, and here is what Mr. Hopkins is reported to have said:

> We have got the bull by the tail and are afraid to hang on and afraid to let go.

You can bet that he is afraid to let go. The mayor in my city and in yours are afraid to let go.

> We are spending tens of thousands of dollars just to investigate cases of graft that fairly fill the air.

Mr. Chairman, my chairman says that unless we can show graft, there should be no investigation. Let him have Mr. Hopkins come in and tell us about those cases, in the investigation of which tens of thousands are being spent, and see if there are any Federal officials and investigators involved. We are not spending money like that without having Federal investigators on the job, are we?

I further quote:

> The lid is liable to blow off any minute. Some of our projects are lousy and we know it. The whole thing is a flop.

Read that and enjoy it, if you can.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Not now. I remember the many times the gentleman has refused to yield to me and others during his attacks on my party's policies. I am reminding you that money is being spent to pay musicians to entertain the public, to pay dancing masters to carry on dancing schools, and for countless other such things. I want to read from one newspaper published in Atlanta, Ga.—and the newspapers are our chief source of information—

> Under the direction of the Georgia C.W.A. all women confined in the State public and private charitable institutions will be beautified by 50 beauty operators and manicurists.

I do not care to comment on these things. I was, however, asked to put them in the RECORD. Each one must draw his own conclusions as to the wisdom of such expenditures. Would you Democrats tolerate such things of our party had it adopted any such method of spending the money borrowed at interest from the people of the country and which must eventually be repaid by the people?

Do you know of any municipalities which owe more than four times their yearly budget? There may be some, having municipal water or lighting plants which not only pay their own way but contribute to the general expenses, but I know of none in my section which would dare to owe that much, unless they owned some profitable municipal plant of that nature. Most States see to it that the municipalities are not permitted to go in debt for a sum greater than their annual budget, yet here the Federal Government is with a Budget of three and a half billion dollars and we are planning to owe thirty-two billion soon. It is almost impossible to believe that it can ever be paid off. In the recent debate in the Senate on the necessity of cutting the gold content of the dollar in half it was stated that, whereas we once had an annual income of $90,000,000,000, we now have one of less than fifty billion and that the entire indebtedness of the country was four times that. The Senator asked, "Is it conceivable that the people of the country can pay that four times as much?" It was, he said, absolutely necessary to have the dollar in order that the people could pay their debts.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. No. If it is inconceivable that we can pay 4 times as much, how can we pay 10 times as much? A tax bill is soon coming in here, but it will offer but little encouragement. The committee preparing it is afraid to add but little to rates and add but few new taxes to meet this great emergency. Shall we wait until the sales tax is usurped by all the States? This is above all the time—while we are giving money away to the States—to say to them that we must have the revenue applicable to the Federal Government, such as that from gasoline and the tax on manufacturers' sales. These and certain other good

revenue-producing taxes should certainly come within the field of Federal taxation.

I want to call the attention of the House to an editorial about the "sugar bowl in Washington" appearing in the last Saturday Evening Post. I speak of it not because of the writer but because this sort of editorial should serve to awaken the conscience of our people and create a demand that this wild spending, without proper care or restraints, must cease. No matter what we may say here, it is the editorial thought expressed in our magazines and newspapers which these days interests the people, harassed and worried by the failure of business recovery, and the people will soon be awakened to the true conditions and demand retrenchments in wasteful spending, for the very safety of our national life.

Let us not have to go to the Nation this fall and say that we have moved blindly, without giving the President the benefit of constructive criticism, freeing ourselves of responsibility by placing it all on him. Blind loyalty is not the kind of loyalty which our Nation demands. The people want their Representatives to think as well as act. Certainly my people cannot ask me for that sort of loyalty, especially since I occupy the position to which I have been appointed. It is my duty, as a member of the House Committee on Expenditures, to the best of my ability to reason with the agencies which are charged with the spending of all this money to the end that means may be devised to have it expended according to the need and the resources of the people and municipalities receiving it. Can anyone possibly disagree with me on that point?

What shall we do about these complaints from farmers who want to get their work started; from those who have contracts to carry out? How can they proceed if the C.W.A. is paying so much higher wages than those paid for productive work in the same localities? Are you on the Democratic side to prevent us from offering worth-while amendments to the appropriating bill? Are you going to bring in a closed rule tomorrow under which we shall not be able to suggest such amendments? Why should we dole out money in sections of the country to a greater amount than is paid for worthwhile labor and thereby further upset conditions therein? Shall we listen to General Johnson when he says that "only those complain who are unwilling to pay a decent living wage"? What answer do the Carolina farmers make to that?

Before closing I want to say that I believe the minority party, to which I belong, must and will support you in this new appropriation, if it is the only plan for relief which you have to present. If you insist on continuing to spend or give away money in this manner we must perforce go along with you, but we do object to your bringing in another closed rule which would prevent us from offering proper suggestions and amendments.

Keep on giving away money to wealthy municipalities which do not actually need it at the expense of those poorer ones which do and thereby help them to escape additional taxes and you will still be open to the criticism that what you are trying to do is make Democratic voters out of Republicans. We hear this charge often and openly stated, but I am not interested in that. How easy it is to get into the political phase of any argument, but if President Hoover had adopted such measures for free spending and giving away of money, even when the Treasury was in comparatively good shape, imagine the criticism which would have been heaped upon him by the conservative men on the Democratic side, whose mouths are now closed, who dare not complain about the squandering of funds of the National Treasury during these days of what is akin to dictatorship.

I see Members on the other side who have proved themselves remarkable investigators. I wish that now you might be freed of your political chains and could get up on this floor and tear the hide off of such methods of spending as now prevail—most wasteful methods. I know that at heart some of you would like to do it. Why not come to the real help of our President? I am sure that he would be glad to have us take over some of the burdens of legislation. Why wait for him and his professors to assume the entire burden of planning for the country and the blame if the plans do not succeed? He has of late been trying to clean house of those who have come to Washington to make use of their political positions as go-between. You know it; and you know that he is anxious that all graft, corruption, and unwisdom in spending be shown up, so that it can be eliminated. Are we not to help him? [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, I regret the necessity of inflicting myself on the House again this morning, but I feel that I should rise in view of what the gentleman from Massachusetts [Mr. GIFFORD] has said.

I did tell the gentleman from Massachusetts there would be no meeting of the committee as far as I was concerned to take up an investigation of the P.W.A., C.W.A., and the rest of the alphabetical administrations of the Government, until we had something concrete to investigate. If the gentleman will read the rules of the House, he will find the jurisdiction of the committee is limited. Our committee has gone to the Rules Committee when it was controlled by members of the Republican Party and it has gone before the Rules Committee when it was controlled by the Democratic Party, and asked that we be given additional authority, such as authority to subpena witnesses, and so forth. We were refused that authority.

Now the gentleman says he is going to vote for all appropriations that are asked, despite the fact he says the money is being thrown in the gutter. If that is his attitude, then he should refrain from making such speeches as the one we have just listened to.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. COCHRAN of Missouri. I yield.

Mr. SNELL. Do I understand the gentleman wants to leave the impression with this House that his committee has no authority to look into these expenditures?

Mr. COCHRAN of Missouri. I say the committee has no authority to go around the country. It has no money to spend.

Mr. SNELL. I agree with the gentleman on that, but the gentleman could call the officers of these independent commissions and other officials of the Government. A simple request from the gentleman would bring them up here, and that is one of the duties of the gentleman's committee, as I understand it, and I think the gentleman is shirking his duty when he refuses to do it.

Mr. COCHRAN of Missouri. I admit that the committee has that power. However, as far as I am personally concerned, I am going to refuse to call these gentlemen. That is going to be left to the committee, and if the committee says to call them before the committee, they will be called. My argument is there is no necessity to call them.

Mr. GIFFORD. Will the gentleman yield?

Mr. COCHRAN of Missouri. I did not interrupt the gentleman. I made no statements that reflected on the gentleman, and therefore I wish the gentleman would let me proceed.

Mr. GIFFORD. Had we any meetings of the committee during the last 2 or 3 months of the Hoover administration?

Mr. COCHRAN of Missouri. No; we did not.

Mr. GIFFORD. The committee did not hold meetings?

Mr. COCHRAN of Missouri. The committee has not met during this session of the Congress.

Mr. GIFFORD. During the last 3 or 4 months of Hoover's administration did not the gentleman's committee meet on consolidation matters and other things?

Mr. COCHRAN of Missouri. Yes; I misunderstood the gentleman. We did meet on consolidation matters and reported a resolution which was adopted by the House, which resolution set aside the recommendation of President Hoover because we felt reorganization should be left to the incoming President; and he has done a mighty good job of it so

far. He has saved the people millions of dollars and is not as yet through. There is no need of my reminding the gentleman that when his party was in control of the executive branch of the Government I at no time embarrassed the President by conducting useless investigations. Why should I do it now?

I said the committee is going to meet, and it is going to meet; but the committee, and not the chairman, is going to decide what the committee is going to do.

The gentleman from Massachusetts has read newspaper reports in reference to how the C.W.A. money was handled, and he has complained about the rate of pay. He complains because municipalities in his own section of the country accept this money. No one went up there and threw a rope around their necks, brought them to Washington, and forced them to take the money; they applied for it of their own accord. The gentleman should find fault with the officials of those municipalities and not with the officials of the C.W.A. nor the P.W.A. nor with the Chairman of the Committee on Expenditures.

Now, I admit this money has not been handled in some localities as it should have been. Mr. Hopkins admits it and is striving every day to eliminate graft. He is discharging many officials.

Everybody admits that this was an emergency proposition. It was inaugurated for one purpose, for the purpose of giving men and women in this country an opportunity to feed their families. Naturally, mistakes were made when 4,000,000 men were put to work within a month's time. The program is working out fine in my community, and men are going home at night with money in their pay envelops, holding up their heads and saying, "I have something with which to buy food; and I have earned it, I did not beg it." At night they offer up their prayers for the man in the White House who made this possible. The gentleman cannot tell me he does not know that this was done to take our citizens out of the bread line.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. OLIVER of Alabama. The gentlemen who are registering complaints against the expenditure of funds by the C.W.A. and the P.W.A. should set out in connection with their protests the lists of the unemployed in their towns and what is being done to furnish employment to them under their direction.

Mr. COCHRAN of Missouri. I think that is only fair. The situation in Massachusetts is the same as elsewhere. The unemployed have been put to work; and if you did not put them to work, then you would have been required to appropriate money to feed them.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 4 additional minutes to the gentleman from Missouri.

Mr. COCHRAN of Missouri. Mr. Chairman, I repeat that the committee is going to meet; and the gentleman from Massachusetts, being a member of the committee, will have a full opportunity to be heard in executive session. But the committee is going to work out its own program, and the chairman is not going to attempt to dictate. I do reserve the right, however, to have my say in opposition to the gentleman's investigation. I do not think he will object to that.

Mr. GIFFORD. Mr. Chairman, would the gentleman be willing to have an inquiry as to these matters rather than an investigation?

Mr. COCHRAN of Missouri. In what form?

Mr. GIFFORD. Oh, have Mr. Ickes, Mr. Hopkins, and others come before the committee.

Mr. COCHRAN of Missouri. That will be for the committee to determine. Personally I do not think that is necessary. Mr. Hopkins testified before the Appropriations Committee yesterday, and Mr. Ickes will testify when the President makes the request for more funds for the Public Works Administration. Read the Appropriations Committee hearing.

Mr. GIFFORD. How many of these organizations are there, from 16 to 21?

Mr. COCHRAN of Missouri. I do not know and do not care. As to the question of procedure, that will be for the committee to decide. Personally, I repeat, I see no reason for having them come down here. They are busy men. These gentlemen have told you what they are doing. They art not covering anything up. You can get any amount of literature from them. I can fill the RECORD with reports they have issued as to what they are doing in every locality, what they have done in reference to allocating money on Federal projects, and so forth. It is all published. I put part of it in the RECORD last week. Let the gentleman read it.

Mr. GIFFORD. Would the gentleman be willing to have Mr. Hopkins come down and explain how he is spending tens of thousands of dollars to investigate graft and corruption over the country?

Mr. COCHRAN of Missouri. I do not see any reason to have Mr. Hopkins come down when he is doing his duty. He admits there has been graft, and he is putting a stop to it. If he were not doing his duty, then it might be advisable to bring him down. But we all know Mr. Hopkins is just as much against fraud and corruption as is the gentleman from Massachusetts. He wants to stamp it out. Give him a fair chance. He will satisfy you.

Now, we are going to bring in a bill this week providing additional appropriations for this work, and it is going to pass; they are going to get the money. Governors and mayors all over the country are wiring in to all of us, saying, "Pass additional appropriations so they can carry on the C.W.A. work. Do not turn this army back to relief rolls."

If we were to take these men out of this work at this time and put them back in the bread lines, it would be the most dangerous thing for the country that could happen. There is no telling what would happen.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. OLIVER of Alabama. The gentleman from Massachusetts will be very much interested, no doubt, in reading a very informative statement made yesterday by Mr. Hopkins before the Appropriations Committee and which will be available to the House on tomorrow or next day. I think he will find that many of the questions he suggests have been answered very definitely by Mr. Hopkins.

Mr. COCHRAN of Missouri. I have been trying to tell the gentleman that. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I am sure that all of us in our school days were from time to time lectured by schoolmasters. We always profited by it. I am sure we have profited this morning by the 25-minute lecture from our colleague from Massachusetts, the former schoolmaster of Cotuit. Cotuit means, so he says, "Barnstable." He has been an honored Member of this House ever since Joe Walsh left us, the great Joe Walsh of Massachusetts, since August 1921. I am sure he must have learned his rights and prerogatives as a Member of the House of Representatives. If he has not learned them, I shall tell him now what a few of his rights are.

If there is a single bureau, commission, or department of this Government that is spending money wrongfully and unlawfully, he as a Member of the House of Representatives has the right to go down there himself and tell them to put their books on the table and show him where the money has been going. He has the right to check them up. He can see any record in their office.

If the committee headed by our friend the distinguished gentleman from Missouri [Mr. COCHRAN], than whom there is no more lovable man in this Congress or one more anxious to do service to the people of the country, will not call the members of the Expenditure Committee together, then let the gentleman from Massachusetts go on an investigating tour of his own.

Why, I can remember not so many years back under Republican rule, if you please, when practically every member except the Chairman of the great Ways and Means Committee wanted that committee to meet on important business of the country and they could not get the chairman, Mr. Hawley, to call the committee together.

Committeeman after committeeman on this floor complained that they could not get the Ways and Means Committee to meet. Mr. Hawley had the effrontery to get on the floor and tell us that he would call the committee when he pleased and would not do so otherwise. Our great former Chairman of the Rules Committee [Mr. SNELL] will remember that Mr. Crisp came upon this floor and introduced a rule to make the committee meet, if the chairman refused to call a meeting, whenever a certain number of Members signed a request for the committee to meet.

Mr. SNELL. Will the gentleman yield for a question? You are getting into my territory now.

Mr. BLANTON. Certainly I yield to the gentleman from New York. I am reminding the gentleman of some past history.

Mr. SNELL. Can the gentleman name a single time during the 8 years I was Chairman of the Rules Committee when I refused to call it together?

Mr. BLANTON. I am not talking about the Rules Committee not meeting. I am talking about the great Ways and Means Committee under Mr. Hawley.

Mr. SNELL. I cannot answer for him. I thought the gentleman was getting into my territory.

Mr. BLANTON. Oh, no. I will say this for the minority leader, he was always very kind and considerate when he was chairman of that committee. He would call his committee together when it was proper and exigent to call it together and when it was expedient. And when it was expedient from his standpoint to report a rule, he reported it, but when it was not expedient the rule did not come.

I may say to the gentleman from Massachusetts [Mr. GIFFORD] that there is a great responsibility resting upon his shoulders, because there was a record made here during the service of Joe Walsh, his predecessor, to match which he must work all the time. He must be ever vigilant, earnest, and full of endeavor to serve his country, because I considered it an honor to serve in this House with Joe Walsh, of Massachusetts. The gentleman speaks of the money being spent by the C.W.A., the A.A.A., and the P.W.A. and makes a lot of complaint about these three services.

Who is in charge of these three services? Are Democrats? Oh, no. The President in his wisdom has seen fit to put in charge of the A.A.A. a Republican who has filled every agricultural district in the United States with Republican appointees to office. I shall not criticize my President. I have never criticized a President of the United States, Republican or Democrat. If Mr. Secretary Henry Wallace has put any Democrats in any districts, I do not know of it.

Who is in charge of the C.W.A.? A Democrat? No. Is Harry Hopkins a Democrat? Oh, no. He has filled the United States with Republican appointees from one side of it to the other.

Who is in charge of the P.W.A.? A Democrat? Oh, no. Mr. Secretary Ickes has filled the country with his Republican appointees from one side of the United States to the other. Has he put any Democrats in any of our districts? [Cries of "No!" from the Democratic side.]

I want to remind my friend the gentleman from Massachusetts about some of my own investigation during some of his Republican administrations. I went down to Colonel Forbes' office and I said: "Put your books out on the table. I want you to show me, as a representative of the people, how you have been spending these millions of dollars." And I checked up their method of spending. I went down to the Department presided over by Mr. Secretary Fall and said: "Show me how you have spent the money Congress has given this Department." And I checked it up. And I carefully checked up various other offices in Washington on the same kind of service to the Government. I say to our friend that it is time, possibly, for the gentleman from Massachusetts to check up on some of these Republican officeholders who are now spending under the Democratic regime.

Mr. GIFFORD. Will the gentleman yield?

Mr. BLANTON. I yield to the schoolmaster from Cotuit.

Mr. GIFFORD. I should like to say to the gentleman that I sympathize with the administration because they could not find good Democrats and they had to go to the Republicans. But I rise to my feet to say that I am just as proud of the place I come from as the gentleman is of the place he comes from.

Mr. BLANTON. I am not making fun of that.

Mr. GIFFORD. Thank you. I want to say to the Members that the gentleman may know how to pronounce "Abilene", but I know how to pronounce "Cotuit", and the people who live there are just as fine as the people who live in Abilene. So if there is any sarcasm intended, let us forget it.

Mr. BLANTON. I endorse everything the gentleman says about the splendid people of Cotuit. Far be it from me to criticise anybody who lives in a small place. The present distinguished Speaker of this House comes from the little town of Carrollton. When you enter the town on the public highway, you will see a great sign: "The Speaker of the House of Representatives lives here in Carrollton." When you go into the little city of Potsdam, you will find that every man and woman there is proud of the fact that BERT SNELL, the great minority leader of the House, lives in Potsdam.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 additional minutes to the gentleman.

Mr. BLANTON. And when you go down to the splendid little town of Uvalde, Tex., you will find the people of west Texas to a man are proud of the fact that the great Vice President of the United States lives in Uvalde. [Applause.]

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. BLANTON. I yield to the gentleman from Illinois.

Mr. BRITTEN. The gentleman has referred to Potsdam as the home of the minority leader. I should like to suggest to the gentleman that we also have a very distinguished Member of Congress from Chambersburg. [Laughter.]

Mr. BLANTON. Yes. The great statesman from Illinois, who always smells so sweet with perfume and rouge, is an authority on such matters. [Laughter.]

Is is not peculiar, Mr. Chairman, that our friend from Massachusetts, the professor from Cotuit, has only complained about three Democratic departments and everyone of those is in charge of a Republican? He has not complained about the Treasury Department, the State Department, the Commerce Department, the Navy Department, the War Department, the Post Office Department, or the Department of Justice, all conducted by Democrats. He only complains about the three that his Republican brethren are in charge of and conduct the spending. We Democrats are going to try to keep our house clean and in order.

If you can show me where a single dollar of our money is being misspent, I will go right down the line with you to unearth the facts; and if anybody is taking money from the people of this country that they are not entitled to, I will help you put them in the Federal penitentiary, where they belong. [Applause.] But, for God's sake, in this time of crucial potentialities, it does not behoove any man from either side of the aisle or from any part of this country to get up here and offer criticism unless he has some basic foundation for it. It does not behoove him to cast a cloud upon the White House, where our great President right now is devoting his very life to the services of his country, who is sacrificing himself every day in the interests of humanity, whose every heart beat is a beat in sympathy with the suffering people of the United States.

I wonder if my friend from Massachusetts, during the last 2 or 3 days, when the thermometer has been below zero in many places, has thought of the suffering in the little hovels—not just the alleys of Washington but the hovels of

America—where there is not enough heat to warm little children and women, where there is not enough food to give them the proper sustenance of life? Has the gentleman thought of that? Is he sympathetic toward that condition? If he is, let him not berate the Government.

Mr. OLIVER of Alabama and Mr. GIFFORD rose.

Mr. BLANTON. I yield to the gentleman from Alabama.

Mr. OLIVER of Alabama. If the gentleman from Massachusetts will take time to inquire, he will find that C.W.A. has thought of the little hovels referred to by the gentleman from Texas.

Mr. BLANTON. Yes; and that is what the President of the United States is doing—bringing them needed relief. The President says that in the great United States—a Government of plenty—no woman or child is going to freeze to death and no woman or child is going to go hungry if he can help it. [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Simply, Mr. Chairman, because the last few remarks were pointed at me, I should like to say that I have those people in mind and I probably am doing as much, according to my ability, to relieve them as the gentleman who just took his seat. I will match him on that at any time; and, as I have said—and I do not want these remarks misconstrued or twisted—that is why I am voting for this money, in spite of the way it has been or may be spent.

Mr. BACON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, whenever general debate is thrown wide open, as it is today, there always develops some peculiar quirks of political psychology which are interesting to the House and interesting to those in the galleries.

I was rather impressed with the attitude of my good friend [Mr. COCHRAN of Missouri] when he indicated to the House that during the past 12 months not one single meeting has been held by his Committee on Expenditures in the Executive Departments of the Government. I cannot help but recall that under the Hoover administration his committee was meeting all the time, and I think they should be meeting now. Something good usually comes when the searchlight is thrown on large governmental expenditures.

Mr. DIES. Will the gentleman yield there?

Mr. BRITTEN. Yes.

Mr. DIES. Maybe it was needed during the Hoover administration.

Mr. BRITTEN. Maybe it is needed now.

As of yesterday, the distinguished Democratic leader on all matters affecting veterans' legislation, the gentleman from Texas [Mr. PATMAN] took the floor, and he was frightfully embarrassed and terribly distressed because a magazine called the National Tribune, which is printed for veterans, took occasion to criticize him as the leader of your party on that side of the aisle in all matters affecting veterans' legislation. The National Tribune and veterans throughout the United States are complaining to him and to the other Members of the House who voted for the gag rule when the independent offices appropriation bill was under consideration a week or 10 days ago.

The gentleman from Texas [Mr. PATMAN] is very hurt—oh, his feelings are frightfully hurt—he is a very sensitive man under a Democratic administration [laughter], and he is humiliated that any veteran should dare write him and criticize his vote for that gag rule.

Mr. MAY. Will the gentleman yield there?

Mr. BRITTEN. Yes.

Mr. MAY. May I ask the gentleman to state whether or not it is a fact that that gag rule in no way affected the veterans so far as remedial legislation is concerned?

Mr. BRITTEN. The gentleman's judgment is in error. It affected the veterans and wives of veterans of the Civil War and of the Indian wars.

Mr. MAY. But not the World War or Spanish-American War veterans?

Mr. BRITTEN. Oh, they are all veterans. You cannot single them out. It affected war veterans. What is the use of you fellows on that side of the aisle trying to make people believe that the gag rule did not affect war veterans? It affected war veterans and it prevented you gentlemen, as well as Members on this side of the aisle, from offering amendments that would have straightened out many of the quirks and injustices that occurred after the enactment of the economy bill.

Mr. MAY. Will the gentleman answer directly the question of whether or not it affected at all World War veterans or Spanish War veterans?

Mr. BRITTEN. I do not know what sort of amendment might have been held in order that would have affected war veterans. That was a matter for the decision of the chairman of the committee acting when that invidious rule was put through.

Mr. KLEBERG. Will the gentleman yield to me?

Mr. BRITTEN. Yes; I yield.

Mr. KLEBERG. I should like to ask my friend a question. Of course, the gentleman knows that the bill under consideration under the supposed gag rule was an appropriation bill.

Mr. BRITTEN. Yes.

Mr. KLEBERG. And on any such bill legislative matters affecting veterans could not well have been considered.

Mr. BRITTEN. That would altogether depend on the character of amendment offered.

Mr. KLEBERG. I just wanted to call that to the gentleman's attention.

Mr. BRITTEN. Now, I will tell the gentleman what that gag rule did. I did not blame the veterans and the Federal employees throughout the United States for criticizing you gentlemen on that side for voting for the gag rule. I would criticize you if I were one of them, and so would you if you were on the outside looking in.

What did the gag rule do? That gag rule provided that every appropriation bill to be passed by this session of Congress this year and every supply bill throughout the year could not be amended by attaching to it any increase of salary or compensation affected by the Economy Act. Any compensation taken from veterans or Federal employees could not be returned, once that gag rule was adopted. No portion of the 15-percent salary reduction could be replaced.

That was a frightfully drastic rule, the most drastic rule that has been presented to this House in the history of the American Government, and you gentlemen know it, because of its far-reaching effect. I hear the gentleman from Oklahoma breaking out with laughter and a groan. [Laughter.]

Mr. McCLINTIC. Will the gentleman yield?

Mr. BRITTEN. Yes; I yield.

Mr. McCLINTIC. I remember distinctly that we have passed a good many gag rules, and more on that side have been put into effect than on this—and for a good reason, too, because you have been in power longer.

Mr. BRITTEN. When this particular gag rule was put into effect, the veterans complained, and I do not blame them.

Mr. TRUAX. Will the gentleman yield?

Mr. BRITTEN. I will yield to the gentleman.

Mr. TRUAX. Is the gentleman aware that 84 Democrats voted against the gag rule?

Mr. BRITTEN. I am aware that a change of 3 votes on that side would have defeated the gag rule.

Mr. TRUAX. Does the gentleman still contend that the Democrats on this side have been following any self-appointed leader in veterans' legislation?

Mr. BRITTEN. All but 84.

Mr. TRUAX. Will the gentleman yield for a further question?

Mr. BRITTEN. Yes.

Mr. TRUAX. Why could not the gentleman from Illinois have secured the 3 votes on his side as well?

Mr. BRITTEN. Because on this side they all voted against it. There was not a Republican who voted for the rule. It was not possible to change 3 votes over here.

Mr. TRUAX. Is it not a fact that the Members on the gentleman's side of the aisle stood up en masse and voted for the economy bill that cut the veterans' throats from ear to ear?

Mr. BRITTEN. Well, that is getting me away from my subject, but I will say the vote was probably pretty equally divided on both sides of the aisle. At that time probably the Republican Members who voted for the economy bill did not expect the President of the United States to declare himself a magician and determine in advance the presumptive cases and literally destroy every vestige of the rights the veterans had—they did not expect that when the leader on your side took the floor and said that we should have confidence in our great President—that on account of his infirmities he would undoubtedly deal kindly with the veterans. We remember what you said, and we realized the force of it.

Mr. TRUAX. Did not the spokesman on the gentleman's side of the House say that the Economy Act would save $400,000,000.

Mr. BRITTEN. Is that the reason the gentleman from Texas [Mr. PATMAN] on yesterday was so embarrassed and is endeavoring to apologize for his vote on the gag rule? His name does not appear on the petition for a soldiers' bonus now resting on the Speaker's desk. Nor do the names of other Democratic leaders who were so active for a bonus under the Hoover administration.

Mr. TRUAX. Is the gentleman's name on it?

Mr. BRITTEN. I have never paraded as a leader of a party talking for legislation of any special class. I do not suppose my dear friend knows, because he was not here at the time, but there was not a day during the past 5 years, hardly, when the distinguished leader on that side of the aisle on veterans' legislation, Mr. PATMAN, was not around here circulating petitions for bonuses. He was talking for the veterans, he was the patron saint of the veterans. They looked to him almost as they looked to God Almighty himself, because he stood for everything they wanted. He worked for them so constantly—morning, noon, and night. He took advantage of every opportunity that presented itself to embarrass Herbert Hoover and the Republican Party.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mrs. KAHN. Mr. Chairman, I yield 10 minutes more to the gentleman.

Mr. BRITTEN. But now the shoe is on the other foot, the embarrassment is on the other side. The administration does not want to pay any increased compensation nor to return any salary reductions. The administration does not want to pay a bonus. The gentleman himself [Mr. PATMAN] evidently does not want to pay a bonus. If he did, his name would be on that bonus petition that is on the Speaker's desk. His great energy and ambition in former years is quite in contrast with his timidity now. Naturally he is embarrassed.

Mr. BLANTON. Mr. Chairman, will the gentleman yield? Oh, you cannot refuse an old friend.

Mr. BRITTEN. Yes. I always yield to the gentleman.

Mr. BLANTON. The World War veterans in the State of Texas are behind our distinguished colleague, WRIGHT PATMAN, 100 percent.

Mr. BRITTEN. Yes; and the World War veterans in Illinois are against him 100 percent.

Mr. BLANTON. And that is a reflection upon the veterans of Illinois.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. For a question.

Mr. TRUAX. Does the gentleman defend the eviction of the soldiers' bonus army by Herbert Hoover from the Capital City of the United States?

Mr. BRITTEN. Oh, the gentleman is going back into ancient history. Come down to date. Let us talk about the distinguished Democratic leader, Mr. PATMAN, who for the past 5 years has spoken for veterans. Let us talk about his embarrassment today; and it is not only the veterans, but it is every Federal employee of the Government, many thousands of them, hundreds of thousands of them, underfed, undershod, underclothed today, who cannot eke a living out of the salaries they are getting, and some of us would like to increase those salaries, and if not 15 percent, then 5 percent or 10 percent. For myself—and I am talking only for myself on this side of the aisle—I am for restoring the entire 15 percent that was taken away from them. The Government is doing them a great injustice at a time when vast sums of money are being spent in every other direction. A rank discrimination.

Mr. LUCE. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. LUCE. Is the gentleman aware that the Committee on World War Veterans' Legislation has not been called together in this session?

Mr. BRITTEN. That is another peculiar quirk in this political psychology. The gentleman from Mississippi [Mr. RANKIN] is the chairman of that committee. He was also a guardian saint for the veterans during the past 5 years. He never overlooked an opportunity to embarrass the Republican Party. Now, however, when he is so thoroughly embarrassed himself by the attitude of his own administration, he does not even call a meeting of his committee. Those veterans' leaders were politicians first and benefactors second. They could do much with the tremendous Democratic majority now in the House if they displayed but a fraction of the energy they had under a Republican administration.

Mr. TRUAX. Will the gentleman yield for one more question?

Mr. BRITTEN. I yield for another question.

Mr. TRUAX. Did the gentleman vote for the Hoover furlough plan for Federal employees?

Mr. BRITTEN. I probably did. Will the gentleman compliment me on that vote or not?

Mr. TRUAX. The gentleman was referring to cutting the salaries of Federal employees.

Mr. BRITTEN. My memory has been refreshed by one of my able lieutenants here, Mr. MCGUGIN, of Kansas.

Mr. TRUAX. I am glad that the gentleman is a lieutenant of his.

Mr. BRITTEN. I am very proud to designate him as such, in fact I sometimes designate him as my chief. He reminded me that I voted for the furlough scheme and that I presented the amendment that was carried on the floor of the House that gave the Federal employees a $2,500 exemption. [Applause on the Republican side.]

Mr. TRUAX. Then the gentleman in a slight way atoned for his other mistake.

Mr. BRITTEN. What started all this conversation, my friends? It was this peculiar quirk I called attention to; the backwardness of important Democrats today under the present administration to do what they continually persisted in doing under a Republican administration, to the embarrassment of the administration. The situation now is completely turned around. The shoe is on the other foot. You Democrats do not dare come out in the open and allow the Members of the House even on your side of the aisle to vote for a 15-percent return of the Federal salaries. You do not dare bring it out on the floor; and if it is put in in the Senate, I challenge now—I shall not even challenge, but I make the prophecy that you will not dare allow your own Members to vote on it, because you know it will be carried and because you know it is just and it should be carried. You know these postal employees cannot live on the salaries they are getting with a 15-percent reduction and the loss of time that goes with it.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. BOLAND. Will the gentleman give us his reason for not signing the petition on the Speaker's desk?

Mr. BRITTEN. Ask Mr. PATMAN what he thinks about it and possibly I may agree with him.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. MAY. Answering for myself and no other, I say to the gentleman from Illinois that if the Senate puts an amendment on the independent offices appropriation bill restoring the 15 percent, I will vote for it when it comes back to the House.

Mr. BRITTEN. And will the gentleman do this? In case the Senate votes only 5 percent, will the gentleman insist on his conferees bringing that bill back to the floor of the House so that we may vote on a 15-percent return, if possible?

Mr. MAY. I certainly will.

Mr. BLANTON. If the distinguished gentleman from Illinois will look on page 3624 of the daily RECORD for February 8, 1932, he will see that, excluding the President's salary of $75,000, the big salaries of the Supreme Court judges, Cabinet officers, ministers to foreign countries, and the $8,500 per year salaries now paid Senators and Congressmen, this Government then had 315,948 civil-service employees on its pay roll drawing basic salaries ranging from $2,100 to $16,000 per year.

Mr. BRITTEN. What do the rest of them get? $900, $1,100, $1,300, with 15 percent off, and they cannot live on it.

Mr. BLANTON. Some of the rural carriers get basic salaries of $2,100 a year for 3 or 4 hours' work a day, with allowances for expenses.

Mr. BRITTEN. We do not have any rural carriers in my Chicago district. [Laughter.]

Mr. STUDLEY. Will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. STUDLEY. Does the gentleman know that in the city of New York some of the substitute carriers get as little as $5 a week?

Mr. BRITTEN. Yes. In the city of Chicago and all the larger cities we have substitute carriers who do not get $10 a week, and they have families, and 15 percent of their wages is being taken off every week. I say it is not fair. At least, the House should be permitted to vote its judgment. That is what was prevented when the gag rule was put through. That is what is embarrassing my good friend Mr. PATMAN, the distinguished Democratic leader from Texas, and that is what is embarrassing other Members on the floor of this House, every one of those embarrassed, to a very large degree, coming from the Democratic side of the House.

Mr. SHOEMAKER. Will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. SHOEMAKER. But not only the substitute carriers but the special-delivery carriers have to maintain automobiles, and they are getting $7, $8, and $10 a week, and they must maintain a car on it. I wonder if the gentleman from Texas realizes that in our country especially they have to keep up several teams of horses the year round to use when the roads are snowed under or muddy, and all that equipment has to be maintained, and it costs more than half their salaries?

Mr. BRITTEN. The gentleman from Texas [Mr. BLANTON] knows more about that than the gentleman from Minnesota [Mr. SHOEMAKER]. That is the reason they are embarrassed. That is the reason it hurts them. After talking for 5 or 6 years for the veterans and what they would like to do for the veterans, tickling the veterans under the chin all the time, it now appears that their first thought was not the veteran at all. It was politics they were playing. That is evident now, because if they were not playing politics, then they would be just as energetic, just as strenuous, just as forceful, and just as eager now to benefit the veterans as they were 2 or 3 or 4 years ago.

Mr. TRUAX. Will the gentleman yield for one further question?

Mr. BRITTEN. Yes; I yield.

Mr. TRUAX. Since the gentleman has been so frank in his answers, I want to say to the gentleman that I will be glad to join with him in the complete restoration of pay cuts for Federal employees, for service-connected and presumptive cases of World War veterans, for Spanish War veterans, and for the payment of the soldiers' bonus now.

Mr. BRITTEN. I am glad to hear the gentleman say that, and I hope he can induce the balance of his side to go along with me for complete restoration, and the gentleman will be doing a great job. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BRITTEN] has expired.

Mr. OLIVER of Alabama. Mr. Chairman, it gives me great pleasure to yield 10 minutes to the distinguished gentlewoman from Arizona [Mrs. GREENWAY].

Mrs. GREENWAY. Mr. Chairman, I send the CONGRESSIONAL RECORD home, and my constituents have congratulated me on my silence [laughter], commenting that it was rare in woman. In order to be inconsistent, I begin to talk at once. I do not feel that I am wise enough, in my inexperience, to answer anybody here; but I feel, in coming from the State from which I come, I come with a peculiar knowledge, as if from a laboratory, about veterans, and I am happy to address my colleagues for the first time on what I feel are not party issues. I am asking sincere attention for the 10 minutes allowed me, to speak on what is very near to my heart, and may I preface my remarks by asking you to believe that they are not tinged with sentimentality, but they are genuinely accurate.

I do not suppose any novice ever suffered as I suffered over the gag rule. I had never heard of a gag rule until it was presented to me the other day in the guise that it was, of having to vote for it if I wished to indicate my party allegiance. Some of the people here had quite a little anguish with me in this corridor. About 2 hours did they struggle with me, and finally in writing it was established that to vote for that gag rule in no way precluded independent legislation in behalf of veterans' and Federal employees' pay cuts, and on those grounds, written, did I vote for the gag rule. My conscience is clear, and I think I knew what I was doing.

I once took a drive in a terrible storm with my mother. The storm grew worse and worse, and the lightning and thunder scared us terribly. I was driving the car and I could not see the road ahead of us for rain. My mother turned and said, "I am so glad I am with you, my child." I was amazed. I said, "Mummy, that was a very wonderful thing to say. Will you tell me why?" She said, "Because I have implicit faith in the Providence that looks out for fools." [Laughter.]

I feel as I stand here today I am being indiscreet to the limit. I feel I am the fool that dashes in where angels fear to tread, but I have come here to be useful, and to be useful I must be sincere.

There has become a fashion—I do not know whether to call it a street-corner fashion—certainly not a pool-hall fashion, because we do not hear it in the pool halls; possibly a ladies' tea habit, certainly a New York dinner habit, of discussing the problems of the veterans as you have heard the last man or woman discuss them, but not as you have found them statistically to be. If you ask 99 people out of 100 whom you hear discussing veterans' problems, you will find they have never taken the trouble to get a statistic, to study it, to learn it, or to cross the threshold of a hospital. I could, if I did not want to appear in a too light vein for my introduction, give you a monologue on the type of people I am talking about.

They say, "Do you believe that a man knocked down by a street car should receive so much a month from Uncle Sam because that man once served in a camp in this country and never went overseas?"

Who believes that man should? Nobody thinks of that type of jargon as anything but nonsense and wasting the time of intelligent people. We should have no more of such arguments.

Every one of us here knew that this country had to exercise major economies in relation to veterans; and the tragedy and the glory of last March was that the veterans were back of this administration on March 4. I know whereof I speak. Veterans receiving under $80 and under $70 a month on which to live squared their shoulders and said: "This country is facing ruin. If other people can take a 25-percent cut, we will. We will show our patriotism today with

glory and support this administration", and they did. And they were right. But I get too excited about this. I have not yet learned to talk as you do, with real gesticulation, but I am practicing.

The answer to this is we made a mistake, not a major mistake, in that the policy of economy had to be; but we have not admitted that we made a mistake nor have we honestly and without party lines tried constructively to put to the administration the truth with the kind of unanimous backing and sober thoughtfulness that would get an attentive ear. We have practiced expediency, and political expediency, with veterans.

I want to give you in the minute or two left me a description of my home. We have two enormous hospitals. In these hospitals in 1924 were put to bed hundreds of ill men on the presumption that they might possibly have become ill through some service connection. Now, friends, think of this: Those men were not asked to prove service connection; those men possibly were not service connected if we are going to be honest with ourselves; and there is a very big school in this country that feels that those people never should have been put in those beds and cared for at the expense of Uncle Sam. But those people were put in those beds with advanced cases of tuberculosis, and some of them with insanity, and their families were given $60, $50, $40 a month to live on in 1924. Those people have lain in those beds, presumably put there by a group of Government officials, ourselves, put there and told that they would be cared for while their families paid $4, $5, and $10 a month on little shacks which they hoped ultimately to own and live in.

Today when you go through these hospitals in my State, hospitals built with Federal funds, magnificent, adequate hospitals, you will find that whole wings are empty and those men I saw there these years wasting away, who lost by the Economy Act that pittance upon which their families lived while they died, those men got up and asked for their clothes at a time when they had temperatures of 100, 101, or more or less, ill, cadaverous, with hectic spots in their cheeks; and those people today are walking the streets of my home State begging for work that they may support their wives and their children for whom we as a Government have been caring for for 8 years.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 additional minutes to the gentlewoman from Arizona.

Mrs. KAHN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Arizona.

The CHAIRMAN. The gentlewoman from Arizona is recognized for 15 additional minutes.

Mrs. GREENWAY. Thank you. I believe, however, I shall need only 2 minutes.

I did not mean to speak on veterans for a very long time. I hoped that I would prepare with great care an elaborate speech to present to you; but as I listened to the gentleman from Illinois I could not but ask for a chance. I feel, Mr. Chairman, that this is not a matter of party lines or party expediency. [Applause.]

We go into wars. This is not the occasion to discuss whether we should or whether we always will, but we have, and we may. A policy should be established by those of us who are here with high purpose by which our veterans can be lifted once and for all time out of politics and be cared for in the dignified way that I believe the citizens of the United States wish to have them cared for. [Applause.]

Mr. WEIDEMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. GREENWAY. I yield.

Mr. WEIDEMAN. Right on that phase of the matter I have today introduced a bill which was framed after consultation with the various veteran organizations providing for the appointment of a commission to determine a permanent veterans' policy. I hope when it comes before the House we may have the gentlewoman's aid.

Mrs. GREENWAY. My ignorance is perfectly evident. I do not think I need explain it, and I am not going to apologize for it; but to those of us who sit out in that laboratory of Arizona watching all of you here, you in whom we have put our confidence, you people we have sent here to care for our national affairs, our reaction is a feeling that every one of you for a period had been exploited by the ex-service men.

But we feel that you in turn, for popularity, have exploited the ex-service men. It has been 50–50 right down the line; and now the issue in regard to the presumptive cases, which include the Spanish War veterans, is: Do you, as a body, mean to repudiate yourselves as of former years? Do you feel that you can take dying human beings—and when I say dying I pray that none of you may know what it is to die with tuberculosis; it is an hour-to-hour anguish that cannot be described—do you intend to practice economy on bed-ridden human beings this body of Congress put to bed in 1924 and told to build their lives accordingly?

Mr. Chairman, again let me say this is not sentiment; this is the human equation for which government was made. I beg of you on both sides of the House to lay down political lines and now or never do for these human beings whose lives you took what you said you would do for them in 1924.

I hope that by standing before you for the first time in a matter so vital to me, so vital to my State, that you will not misunderstand me. I am a Democrat anxious to make the Democratic administration successful. I know that in the sweeping efforts of last year some things had to be done ill-advisedly in part. I beg those of you who care for this administration and the responsibility that it has undertaken to square your shoulders along with your Republican colleagues who voted for the Economy Act—all of us—and say: "In major part our economies are right, but in some of their details they are wrong."

To undo in one sweeping act the results of 15 years of intricate and painstaking legislation is impracticable and unjust to the humans involved. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the law of evidence recognizes what is termed "the verbal-act doctrine", which permits a type of evidence to be offered not ordinarily admissible under the general rules of evidence. The verbal-act doctrine recognizes the force of human impulses spontaneously voiced, and such evidence is always convincing and effective. We have just listened to an impressive address by the gentle lady from Arizona which falls into that category.

When the gentleman from Illinois [Mr. BRITTEN] began his address, I know that the gentle lady from Arizona had not the remotest idea of speaking on any subject. She was so impressed, however, that veterans' legislation should not be referred to or discussed in a partisan way that she requested time immediately on the conclusion of the speech of the gentleman from Illinois.

Time was gladly yielded, and her spontaneous reply, I respectfully submit, made a most profound impression on the House and, I trust, in future may serve to remove from the field of partisan discussion all legislation relating to veterans, since this is a subject close and dear to the hearts of Members on both sides of the aisle and should always remain so.

Speeches that really carry weight and influence are not often prepared and studied efforts, but rather a spontaneous, sincere, and sympathetic heart utterance such as you have just listened to. [Applause.]

Mr. BACON. Mr. Chairman, I yield 25 minutes to the gentleman from Kansas [Mr. MCGUGIN].

Mr. MCGUGIN. Mr. Chairman, Mark Sullivan in a recent article on the consideration of the monetary bill in the House expressed the thought that the membership of the lower House was reelection-conscious. Speaking on the consideration of this bill, he said:

> Out of 289 Democrats voting, only 2 voted nay, and out of 128 Republicans, 38 voted nay and 68 voted aye. The meaning lies not merely in the completeness of the acceptance of the President's program, the greater significance lies in the spirit in which it was done. * * * A Democrat in the very highest rank of leadership, intelligent, well educated, and long experienced—and therefore able to understand the deeper meaning of what is taking place—said in private conversation: "I know well that the coun-

try is being carried toward fascism or communism—probably to, first, fascism and then communism, and I deplore it. It saddens me; but—" The shrug of shoulders which completed the sentence meant that politics was his career, and he does not choose to commit political suicide.

The Representatives are reelection-conscious.

This is a sad thought. I wish this were only a passing newspaper story; but it is the truth. The country knows it and we know it—that Congress is reelection-conscious.

I am not different from any other Member of this House. It is my ambition to be reelected; but I am firmly convinced that it would be much better for each one of us to be Constitution-conscious rather than reelection-conscious. For my part I lay no claim to being an astute politician of the first order. I do with modesty admit that I am not politically the dumbest politician who ever sought a seat in Congress. Of course, I have played some politics or I would not be here, the same as the rest of the gentlemen, but this is a world of compensation and we must pay for that which we do, and it is just a case of whether or not we are always willing to pay the price.

I am willing to play some politics, as every man in public life must. I am willing to pay a reasonable price, but I am not willing to pay the price of casting aside all that is time honored and time-tried in government.

Let us see what is taking place. I realize that when this administration came into power on the 4th of March last, the country was confronted with a great economic and social emergency. I realize that at such time a constitutional government may fail unless the constitution bends to the wind. I realize that it has been the genius of democracy with the Anglo-Saxon people that in emergencies they have been able to delegate momentarily extraordinary power to an executive. I was willing to go along in the special session and give to Mr. Roosevelt exceptional power to meet the responsibilities which were upon him as the leader of this country.

I realized the price this country had paid for 2 years by having a Congress of one political party and a President of another. I realized that in times of emergency there is nothing more costly than indecision.

While I was indeed sorry to see many of my good Republican colleagues and friends of the previous Congress fall by the wayside in the election of November, and I was sorry to see my party swept from power, still I was philosophical enough to reason that it was an ill wind that blows no good; that now we at least had a President and a Congress of the same party so that indecision would be at an end.

But here is the thing that hurts. In the guise of emergency powers we have seen constitutional government cast aside by this Congress since it convened in special session on March 4. Mark Sullivan is right. That has gone on and on until today Congress, the House of Representatives particularly, the great depository of the people's liberty, has become reelection conscious rather than constitutional conscious.

Let me say this: Every last one of us who took a seat in this House took our solemn oath before God and man that he would uphold and defend the Constitution of the United States. We can read this obligation over and over again and cannot find within its lines any mandate upon you or me to be reelected, but we can find the obligation upon us as Representatives in this Congress to preserve and guarantee the liberties of the people which were intrusted by the Constitution to this membership.

Here we are in this House with nearly three quarters of the membership of the Democratic Party, the President's own party. If there were ever a time when this House should be able to legislate in an orderly manner, it is now. It is utterly impossible for a small handful of Republicans, the minority, to throttle or embarrass the administration. If there were ever a time when there is no excuse for a gag rule in this House in order to carry through the administration's legislation, it is now. With the overwhelming membership of the President's own party, it is obvious that he will have no trouble in obtaining a successful vote upon legislation in this House, if indeed, his legislation comes within the Constitution and stands the test of reason and honest, critical debate. The truth about the matter is that every gag rule that has been passed during this last session of Congress has been passed for one reason, and one reason alone, and that is to see that the majority membership in this House does not function as it should function under the Constitution.

The Constitution has no comprehension or understanding of a gag rule. The very spirit and soul of the Constitution is that legislation will pass through this legislative body, based upon its merits, after free and open debate.

The gag rule denies this. There are occasions in legislation when I would say that a gag rule would be justified, and that is an occasion where the Constitution is bending to the wind. A tariff bill with two or three thousand items, which has been written after long deliberation by the Ways and Means Committee, is a piece of legislation which cannot be subjected to many amendments upon the floor by a body of this size. The same would be true of a revenue bill.

If there is an excuse for a gag rule ever to be enacted, that excuse can only be that it pertains to legislation which is so voluminous that it is not practicable or possible to deliberate upon it on the floor of the House. When the gag rule is carried beyond this point, then the gag rule is destructive of constitutional government and is only used to make it possible for legislators to dodge their responsibilities.

The gentlewoman from Arizona [Mrs. GREENWAY] delivered a most touching and a most truthful address, and when she spoke of the wrong which has been done to the presumptive cases and to the Spanish War veterans she spoke of a wrong which would not now exist except for a gag rule passed in this House during the consideration of the Connally amendment and the Cutting-Steiwer amendment. Either of these two amendments would have placed every presumptive case back on the rolls and every Spanish War case back on the rolls with a reduction not to exceed 25 percent.

This was very simple legislation. It was merely a yes-or-no vote in this House on whether or not the House would concur, first, in the Connally amendment and then in the Cutting-Steiwer amendment. There was nothing voluminous about this legislation, but there came the gag rule, which made it impossible to obtain a square-toed vote on that issue, and without this violation of fundamental constitutional government of enacting a gag rule to stifle honest open deliberation in this legislative body there would not today be a single man driven from the hospitals of Arizona, as was described a moment ago. This illustrates how far-reaching it is to deviate from true constitutional government.

Gag rule has been applied to the simplest of legislation. I remember one bill that came in here of a page and a half that had just one thing involved in it, and that was whether or not power would be given to the President to levy an embargo upon the exportation of munitions to any particular country which he might designate. It was a very simple question, but it was limited by a gag rule which prohibited amendments.

If this were only a partisan question, it would be a matter of small concern. If the overwhelming Democratic vote in this House today is unwilling to trust itself to deliberate fairly and openly upon legislation and it must have these gag rules, then well and good; but the point is that we have started the precedent now of using gag rule, not to make it possible to enact in an orderly way voluminous legislation but to make it possible for politicians, reelection conscious, to dodge their constitutional responsibility of sitting on this floor and honestly passing on legislation. [Applause.]

It was proper to extend to the President great powers to meet the emergency last spring in our banking situation, but that having been done, what do we find? We come back here at this session and the Congress was called upon to delegate its sacred constitutional authority over the value

of money to the executive branch of this Government, and in doing so it shirked its constitutional duty.

This, again, would be a matter of small concern if it were only this Congress doing it, but the precedent is started, and no man knows where it will end. It is decay of the Republic under the Constitution.

We go a little further and yesterday, for the first time in the history of this country, a House of Representatives authorized a public expenditure by the Executive without limitation or restraint. Such was the statement of my distinguished friend from Oklahoma, Mr. HASTINGS, a man of long tenure of office in this body, a member of the Appropriations Committee, a Democrat, loyal and true to this administration, and one who, above all, is a Democrat loyal to his country and his party.

He stood upon this floor yesterday and appealed to the House not to make authorizations without limitation, because, in doing so, it was breaking a precedent that is time-honored in this body. Worse than breaking a precedent, it was violating the true principles of the Constitution itself; more than this, it was violating the true principles of parliamentary government from Magna Carta until now. The very heart, the very soul, the very genius of parliamentary government is that control over the expenditure of money shall rest in the hands of the representative body of government. Yesterday we cast it aside on the Navy bill, and when we did this it was not a case of taking power from you or me. Ah, we are but pawns in the game. Here is what we did. We took the power away from the people who sent us here to have some control over the money which is being spent and to have control over the amount of their money which is to be spent.

Yesterday, in one step, we repudiated constitutional government and turned back the pages of history to the days of Magna Carta when the people wrested from King John the right for them to say how much of their money the executive might spend, and not for him to say how much of their money he might spend.

From then to yesterday it was the genius of parliamentary government to keep always in the hands of the representatives elected by the people the power of control over the expenditure of the people's money.

We have started on the way and no man knows where the end will be in this program which leads away from the Constitution and the people's control of their money. Practically every appropriation bill which has come before us this session is indefinite as to what the money shall be expended for.

I want the administration to succeed, but I do not want it to junk the Constitution in all its parts. I realize that the Constitution was written over 150 years ago for an agricultural civilization and that the Constitution today may not be wholly applicable to a growing industrial civilization.

Our forefathers realized that they could not write a constitution to stand forever, so they made provision for it to be changed in an orderly manner by amendment. They never had in mind that the Congress would for any particular purpose delegate away the rights of the people, which had been won at the cost of blood and treasure.

The Fathers of this Republic never dreamed that Congress would do what it has done since March 4 in giving away the people's rights under the Constitution. They did believe that when the time came, if necessary, it would be changed in an orderly manner.

In conclusion let me say that, as for my part, I am ready to burn the bridges behind me. I am willing to support this administration when it has a program for emergency purposes for the human welfare of the country, but I am not willing to support the administration when it is carrying on a program contrary to constitutional government.

Washington was great, but not so great as the Constitution; Jefferson was great, but not so great as the Constitution; Jackson was great, but not so great as the Constitution; Lincoln was great, but not so great as the Constitution; Roosevelt, the first, was great, but not so great as the Constitution; Roosevelt, the second, may be great, but not so great as the Constitution.

If I must take my choice between blindly following the leadership made up of flesh and blood and the leadership of the Constitution of my country, I shall choose to follow the Constitution. Let the election of November be what it may, if I must go down, let me go down with the good ship Constitution, rather than to ride to a political haven on a ship of political expediency. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BACON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. HOOPER. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. HOOPER. While my opinion may be of no value, I agree absolutely and cordially with everything that the gentleman has said. If the gentleman had made this speech a year ago or 2 years ago, the gentleman would have had publicity throughout the United States upon it because his speech is a classic. How much publicity, I ask the gentleman, does he expect through the newspapers of this country now on the fundamental speech that he has made here today?

Mr. McGUGIN. I do not know that I have any great expectations on that subject. My answer is this, that the responsibility is upon the press to carry the truth to the people. That is its responsibility. The responsibility is on the people to accept it or reject it, and that is their responsibility. All the responsibility that is mine or that is that of any other Member of this House, is to have the courage to stand here and say that which we honestly believe, wholly unmindful of political expediency or effect.

Mr. HOOPER. I believe that, and I want to ask one other question, and I do so in justice to many of the splendid constitutional Democrats in the House. Is it not true that some of these men, when they discuss these matters away from the floor of the House, take exactly the same view that the gentleman has taken in his speech?

Mr. McGUGIN. I will say so, but there is nothing that would hurt me more today, there is nothing that would lead me more to believe that the remarks I have made are a failure than for any man in this House on either side to believe that I am now making them for the purpose of bringing political disadvantage to the Democratic Party or political advantage to my own. What I am asking is that Republicans and Democrats alike stand up and defend constitutional government and not barter it away for temporary expediency. [Applause.]

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. ROMJUE. Since Mr. Roosevelt came into power a number of acts have been passed by the Congress and a number have been recommended by the President. In order that we may have a definite understanding as to just where we are going, will the gentlemen please point out the particular and individual acts of legislation that he disapproves, in which he thinks the President and the Congress have made mistakes, and do that by name, not dealing in generalities, starting with the bank moratorium and coming right on down the line?

Mr. McGUGIN. I thought I had made myself clear. I am not complaining so much about the merits or demerits of specific legislation as I am complaining about Congress in surrendering the constitutional responsibilities of Congress. The particular instances in which that has been done are the innumerable number of gag rules that have been passed during this Congress, the passage of the monetary bill, in which we passed over to the executive department control over money, which is fixed by the Constitution in the Congress, and in the bill which you passed yesterday providing unlimited authorization for the expenditure of public money.

Mr. ROMJUE. I want to be absolutely fair with the gentleman. Does he not honestly believe that the party in power sometimes has to employ the gag rule, and does he not

honestly believe that it makes some difference whose ox is being gored? If the gentleman's party were in power, as they have been in the past, he would believe the gag rule to be fair and all right because his party was doing it.

Mr. McGUGIN. Oh, my friend, let me interrupt right there.

Mr. ROMJUE. Does it not make some difference whose party is in power as to whether the gag rule is a good rule or not?

Mr. McGUGIN. It should not.

Mr. ROMJUE. I am asking if it does not.

Mr. McGUGIN. My answer is this: I have never been a Member of this House when my party was in a majority; but if my party were in the majority and it would insist on passing gag rules for any legislation except such as tariff bills or revenue bills which have innumerable items in them, I would be much opposed to the gag rule; and I believe the RECORD will bear me out that this House has passed more gag rules since the 4th day of March than were passed by this House from the time the Republicans came into power in 1920 down to the 4th of March last.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. BOYLAN. I have always admired the gentleman for the intelligent stand he has taken in the discussion of questions before the House, but the gentleman knows that when a member of a legislative body would criticize a program, in order to have weight and force to his criticism, he should be able to submit an alternative program. Has the gentleman submitted or attempted to submit an alternative program?

Mr. McGUGIN. I am very sorry that apparently I have been unable to make my views clear to the gentleman from New York. I am not so much opposed to the program as I am to the manner in which it is being carried out, in transferring constitutional powers vested in the Congress over to the Executive, when there is no need for it whatever at this time, because the Executive can always come to this House, overwhelmingly of his party, and obtain the legislation he wants in an orderly constitutional manner.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. Yes.

Mr. BANKHEAD. As I understand it then, the gravamen of the gentleman's argument is that he does not maintain that Congress has done anything in direct violation of the terms of the Constitution.

Mr. McGUGIN. I claim this, that Congress by political expediency and legislative legerdemain has in a cowardly manner deserted its constitutional responsibilities and done that which never entered into the minds of the founders of this country or the writers of the Constitution. I do not believe that it ever entered the mind of George Washington, James Madison, or any of the other members of the Constitutional Convention that the time would ever be when the legislative body would by delegation pass over to the Executive the power which we passed over to the Executive in the monetary bill that we passed a few days ago, and the unlimited appropriation authorization of yesterday, as well as other far-reaching delegations of congressional responsibility to the Executive.

Mr. BANKHEAD. If the gentleman will pardon me, it seems that the gentleman's argument falls to the ground unless he can take the position that this delegation of power which the Congress has exercised is in itself a violation of constitutional limitation. What is the gentleman's reply to that?

Mr. McGUGIN. My reply is that if we carry on as we have been doing, then the Congress will abdicate step by step instead of at one fell swoop, as did the German Reichstag a few months ago to Hitler. Yes; the Congress is casting aside the Constitution step by step.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. McGUGIN] has again expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 20 minutes to the Commissioner from the Philippine Islands [Mr. OSIAS].

Mr. OSIAS. Mr. Chairman, I ask my colleagues to indulge me as I speak perhaps for the last time in the Congress of the United States, certainly for the last time this session of the Seventy-third Congress. Within a few days I expect to leave this august Hall and these familiar scenes and friendly faces to take my place in the ranks of my countrymen on the other side of the vast Pacific, because there duty calls.

History shows that the struggle for freedom from time immemorial has never been easy. It has always been arduous. It has been attended by difficulties without number. It has entailed sacrifices untold. Whether in war or in peace it has meant long hours of toil, no little anguish, much anxiety, and all borne in a spirit of sacrifice and martyrdom. The path of those who sincerely fought for liberty has ever been thorny. It has never been strewn with roses.

In the case of the struggle for Philippine freedom the situation has become such that the fight must be waged and the task must be undertaken and victory must be won in two sectors—the American sector and the Philippine sector.

It was my fond hope, with the action of the Seventy-second Congress approving the Philippine Independence Act, commonly known as the "Hare-Hawes-Cutting law", by which this Government sought to discharge its obligation and America made a proffer of freedom and independence to the Philippines, that the major victory may be said to have been won in this sector. But unfortunately the Philippine Legislature has seen fit, for reasons best known to Mr. Quezon and his followers in that body, to decline to accept the congressional enactment.

I waged a hard and honest fight for several months in my country. I carried the issue to the people. It was the wish of the people generally that they themselves might be given a fair opportunity in an honest plebiscite to act. It was right that the people should have been given the opportunity to vote on their independence and destiny. But, Mr. Chairman, when it was apparent that the tide was going in favor of those who were for acceptance of the independence law, the Philippine Legislature, dominated by Mr. Quezon, decided to decline to accept the act of Congress and appointed a committee or delegation to proceed to the United States. It should be said that the killing of the law in the Philippine Islands was done under the slogan of "immediate and absolute and complete independence", and on the promise that Mr. Quezon and those who were in favor of rejection could and would secure a better law from the Congress of the United States.

What was the purpose of the new committee or the new Quezon mission? According to the resolution creating it, it was to seek amendments of the law of Congress or to secure a new independence legislation.

Before the mission headed by Mr. Quezon left Philippine shores, Messrs. Sergio Osmeña, Manuel Roxas, and the members of the ninth mission who were here during the Seventy-second Congress and I informed the Filipino people of the temper of the American Congress and of the American people, and of the situation in which America in these times of depression finds herself. I told them something of my experience and observation with respect to major pieces of legislation in the Congress; I told them of the parliamentary difficulties, including the fact that in every Congress approximately 20,000 bills and resolutions are presented for the consideration of both Houses. The enemies of the law were stubborn. They preferred to gamble, and sacrificed the certain for the uncertain.

Time and again we asked the Quezon band: "How can you go to the United States and seek amendments to an act of Congress which you boast of having 'killed and buried'?" If they are right in their claim to have "killed and buried" the law, are they sincere in seeking amendments? The fact is that the Quezon mission have not submitted amendments

up to now. Worse still, up to this hour the exact plan or concrete proposal of the new Quezon delegation is not known by the American people or the Filipino people.

I have been demanding that Quezon come forward with a "better bill." For several months others have been making that demand. That so-called "better bill" has not been forthcoming. I want to record as of this date—January 31, 1934—after consulting the leadership of the Congress of the United States and the authorized representatives of the executive department of the American Government, that neither the majority nor the minority of the new Quezon delegation has submitted a better bill. I want this fact to go on record for all time, and I want to state it here in these sacred precincts where freedom of speech is not only a privilege but a right.

You do not yet know, as Members of Congress, what the exact proposal of Mr. Quezon, who is the head of the delegation, is. What we do know is the dissenting opinion of a member of the delegation, because on yesterday, thanks to the courtesy of my colleague, Mr. GUEVARA, the communication of Mr. Isauro Gabaldon, as a member of that Philippine delegation, sent to the President of the United States, found its way into the CONGRESSIONAL RECORD for January 30, 1934. It may be rather strange that Mr. Gabaldon's dissenting communication should first be published before the communication of Mr. Quezon as chairman is officially released. But such is the fait accompli.

A study of the document in the RECORD, pages 1639–1640, is revealing. Mr. Gabaldon, a member of the Quezon mission, publicly announces his dissent. He revealed the existence of division within the delegation. He stated that he disagrees with the proposals of Mr. Quezon; and I am quoting:

> That the grant of Philippine independence be postponed to July 4, 1940; that a more autonomous government be established in the meantime; and that trade relations between the United States and the Philippines be continued as they are under certain limitations * * *.

Herein Mr. Gabaldon, as Americans say, has "let the cat out of the bag." He has revealed that Mr. Quezon has proposed not immediate independence but a 6-year period, contrary to the promise made in the islands, while he and his followers campaigned against the Hare-Hawes-Cutting Act. Because of this change of front, Mr. Gabaldon has registered his disagreement.

That means that Mr. Gabaldon is disagreeing with the specific proposals presented to the President of the United States, inferring from this document in the RECORD by the head of the delegation, Mr. Quezon.

So I repeat, there is division in the ranks of the Quezon delegation, and no other than a member of it gives us this intelligence. The Members of Congress have heard no attacks from me against the membership of this new delegation, in obedience to the policy adopted by Mr. GUEVARA and myself of no obstructionism. It is no fault of ours if the members of the delegation themselves obstruct one another. When I took the floor at this session of Congress on January 15, I plainly stated that I was ready to support any measure as good as or better than the independence law approved by Congress which can be converted into a law, regardless of its paternity or its authorship.

For the information of all interested, let me incorporate at this point the three formulas of Mr. Quezon defining his "stand on the Philippine problem" in an official report he submitted to the Philippine Legislature in 1931:

> In conferences with some Senators, among them Senators King and Hawes, some Representatives, and high officials of the administration I expressed my opinion that the Philippine problem could be solved satisfactorily through any one of these three procedures:
>
> First. Immediate establishment of an independent government, with free trade between America and the Philippines for a period of 10 years, limiting the amount of sugar entering the United States free of duty to 1,000,000 tons, and of oil to the amount that is exported at present, and restriction of labor immigration into the United States.
>
> Second. Immediate establishment of an autonomous government with all the consequent powers, including that of enacting measures considered necessary to meet the responsibilities of an independent government, when independence is granted with the restrictions necessary to safeguard the rights of sovereignty of the United States in the Philippines. For a period of 10 years the trade relations between the United States and the Philippines and the labor immigration into the United States would be governed as stated in the first plan. At the end of 10 years absolute independence of the Philippines will be granted, or the Filipino people will decide through a plebiscite whether they desire to continue with this kind of government to prefer to have one that is absolutely independent. In the latter event independence shall be granted forthwith.
>
> Third. If neither of these plans protecting Philippine economic interests shall be acceptable to Congress, I said that the Filipino people would, as a matter of course, accept any law granting independence, even under the most burdensome conditions.
>
> The first plan found no acceptance in any quarter.
>
> Even Senator KING (the American Senator who has been fighting for Philippine independence with the greatest zeal and disinterestedness) told me that the American people would never consent to the continuance of free trade between America and the Philippines in any form after independence has been granted us. This view is shared by all.

The full text of the Quezon report was inserted in the CONGRESSIONAL RECORD on December 22, 1931, by the Hon. Harry B. Hawes, then Senator from Missouri.

I repeat, for the sake of truth and for emphasis, that the Quezon mission have submitted no amendments to the Hare-Hawes-Cutting law. They have presented no concrete proposal to the Congress. They have not given any draft of a bill to the executive or the legislative branch of the Government. The chairman of the delegation has been gallivanting between New York and Washington. But, sir, I am no disciple of inaction. In the absence of a concrete proposal, in the absence of a definite plan, in the absence of an independence bill from the Quezon mission, and in the face now of the decision of the Senate Committee on Territories and Insular Affairs reached after meeting, deliberating, and discussing the matter on January 23, that there will be no new independence legislation at this session of Congress, and in the face of the statement of Chairman MCDUFFIE, published in the Washington Post for January 28, 1934, recognizing that it is "altogether fair to allow the Philippine people to have a referendum on this bill", there is but one path for me to follow, and that is to find the way out.

The feasible way out, reading the decision of the Senate committee, is to have the Hare-Hawes-Cutting law amended by extending the time to October 17, 1934. This will give the Filipino people themselves the sovereign right to decide their own fate and destiny in the exercise of their sacred right of suffrage.

I believe sincerely that if such a proposition could come to a vote, it would pass this body. Why? It is just; it is democratic; it is republican. It is just to both sides, to both camps of thought in my country. If the members of the legislature who voted declining to accept the law believe they have the people with them, then they ought not to be afraid of the outcome. On the other hand, we of the pro-independence party, who believe that the Filipino people would have gladly accepted this law, want this extension of time in order to have a show-down. In the ardor of that belief, I am risking my future and my fortune in order that I may meet the assassins of the independence law at home next June. [Applause.]

Mr. Chairman, there is one obstacle to every great ideal being translated into reality, and that is selfishness or greed. It has been the great consideration that has militated against the acceptance of this law. I want to be more specific. I think it is, essentially, sugar. I come from a sugar-producing country, and it is my duty to defend the economic interests of the land I represent. Prompted by the dictates of my conscience, I have fought against every attempt at discrimination against sugar, against oil, against cordage, and every important product of my country. I am on record on these things not only by my speeches on the floor of Congress but in statements at the different meetings of congressional committees.

To those people who favor scrapping the independence law because it does not seem to give them more sugar, I say here and now I am their relentless foe. Those who are more interested in sugar than in freedom, why do they ask for only 1,000,000 tons? You are pikers. Why not ask 2,000,000 while you are at it? To ask is easy. To get is not. The

sugar barons and their allies should get together and shout: "Give us immediate, absolute independence, free trade forever, and protection for all time to come." That would be perfection itself.

But, in all seriousness, I do want to leave this thought with you. The Filipino people know freedom entails sacrifice. Those who do not want to shoulder the responsibilities that go with freedom ought not to be coming here asking for the independence of the Philippines.

Mr. Chairman, thank God I can come to you and look you in the face and say my people exalt freedom above sugar or every material consideration. [Applause.] I know whereof I speak because on this last trip of mine to the Philippine Islands, I went to Occidental Negros, the Province that produces the largest amount of sugar in the Philippine Islands; and I want you to believe me when I say that the people of that Province, depending upon the sugar industry more than any other, do not share the selfishness of the few vested interests. They told me, and I have it in the words of former Governor Jose Locsin speaking for the people of his Province. He said, "Sugar is sweet to us, but freedom is sweeter still."

Mr. Chairman, I am glad that Mr. Gabaldon has enabled you to see the stand he has taken. He disagrees with those who would place sugar as an obstacle to independence, because he says:

> I submit that the Philippine government does not have to depend on the income derived from the sugar industry to enable the government to perform its duties and responsibilities.

But I see from this same document that Mr. Gabaldon quotes the chairman of his delegation as having said:

> This industry is entirely dependent at present for its continued existence upon the tariff protection of the United States.

At this juncture Mr. Rafael Alunan, in his paper on the sugar industry in the Philippine Islands, which appeared in the CONGRESSIONAL RECORD for January 8, 1934, said:

> The foregoing facts and data demonstrate the absolute dependency of Philippine sugar upon its free entry into the United States. They also demonstrate the truth that the political, economic, and social life of the Filipino people mainly depend upon the status of the sugar industry, which supports the Philippine government to the extent of 60 percent of its revenue.

The logic of the statements of Mr. Quezon and Mr. Alunan is clear.

While I am on the subject of sugar, may I say here and now that the limitation of 850,000 long tons in section 6 of the law was arrived at as a matter of compromise. After all, every major legislation is a matter of compromise. No one here expects 100-percent success in any major piece of legislation he sponsors. I know that if we wanted a law that was perfect from every standpoint, it would be a long, long time, if ever, before we saw it enacted. I also know—and I am facing the inexorable reality of facts—that if the American people would enact an independence law that was 100-percent perfect from their standpoint, it would not be fair to us; and, vice versa, if we were to enact a law 100-percent satisfactory to the Filipinos, it would not be fair to you. But it is time that we descend from the clouds to the level of reality, and I invite the leaders of my country to realize frankly and fearlessly that the time for generalities is past. [Applause.]

At this juncture I wish to include self-explanatory cables exchanged between Mr. Quezon and myself while I was in the course of the process of helping push the Philippine bill to final passage:

FEBRUARY 14, 1932.

QUEZON, *Manila:*

Senate committee voting Saturday. Will work fixing early date independence. Need your views on date trade limitation or graduated tariff, plebiscite, immigration.

OSIAS.

The following categorical reply was received:

FEBRUARY 15, 1932.

OSIAS, *Washington, D.C.:*

I favor such date as would most likely become law. Am against graduated tariff and favor trade limitation and immigration as proposed by mission or suggested in my report. Refined sugar not very important. Prefer elimination plebiscite, but would accept it, if necessary, to insure passage bill.

QUEZON.

All comment is superfluous.

Mr. Chairman, I said in my country, and I want to say it here: "Viewed in the light of world economic conditions, considered in the light of the history of colonization, the law that was approved by the Congress of the United States by more than a two-thirds vote in each House was in the main fair, just, and reasonable." I predict, though I realize that the role of a prophet is precarious, that whatever independence legislation may be passed in the future, will follow substantially along the lines of the Hare-Hawes-Cutting law or the independence act approved by the Seventy-second Congress.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 additional minutes to the Resident Commissioner from the Philippine Islands.

Mr. OSIAS. Mr. Chairman, may I have the satisfaction of borrowing a little time from the other side just to have the honor of being indebted to both sides for their courtesy on the eve of leaving for the country of my birth?

Mr. BACON. Mr. Chairman, I gladly yield to the gentleman 5 minutes.

Mr. OSIAS. Coming from the gentleman from New York [Mr. BACON] I particularly appreciate it.

I shall proceed and prove my thesis, namely, that future legislation will follow substantially along the lines of the law we approved in the last Congress.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. OSIAS. I yield.

Mr. KVALE. The gentleman is making a scholarly and a courageous statement; but does he not believe that in the future if additional legislation is had upon the subject it will be guided more by the economic urge than by the spiritual urge?

Mr. OSIAS. I am afraid the gentleman is correct. I think it is the part of wisdom to accept the law we have now instead of continually chasing the rainbow and then perhaps end up losing the substance, being left with only the sentiment.

In fact, it would not surprise me in the least if the same sugar people who have been loudest in their condemnation of the present act are not even now regretting its nonacceptance, because they would have been sure of at least 850,000 long tons a year for some years, with the hope of more, whereas now they are not sure of anything, and the sword of Damocles hangs over them.

Mr. Chairman, there have been introduced in this Congress several bills dealing with the independence of the Philippines. One is Senate bill 2064, presented by the distinguished Senator from Utah [Mr. KING], a stanch friend of Philippine independence. This was presented on January 4, 1934. Mr. Quezon and the members of his delegation have been wonderfully silent on this law; they have not come out openly in its support. If they sincerely want immediate independence, why did they not get behind the King bill? They have been here over 2 months.

In 1930 there was a mission here, and in connection with the hearings held by the Senate Committee on Territories and Insular Affairs we submitted a statement, from which I quote the following:

> Different measures having been introduced for the purpose of solving permanently and definitely the Philippine problem, it would seem that it is our duty, for the information of this committee, that on behalf of our people we make our position clear in relation to said measure.
>
> We desire to reiterate our unqualified support of the bill presented by Senator KING, which provides for the withdrawal of American sovereignty over the Philippine Islands and the recognition of their independence without any delay, except for such time as is absolutely necessary for the organization and inauguration of the new government. This bill embodies fully and completely the aspirations of the Filipino people, and to our mind carries out logically and consistently to a happy culmination America's altruistic mission in the Philippines.
>
> * * * * * * *
>
> MANUEL ROXAS.
> MANUEL C. BRIONES.
> PEDRO GUEVARA.
> PEDRO GIL.
> CAMILO OSIAS.

At the Seventy-second Congress, if I mistake not, the King bill received 2 votes in the committee.

On January 18, 1934, the gentleman from Mississippi [Mr. RANKIN] submitted a resolution for the immediate independence of the Philippines. If the Quezon mission really and sincerely desire to secure immediate and complete independence, they should have got behind this Rankin measure. They have done nothing of the kind.

I again say that we are face to face with a condition, not a theory. Almost anybody could write a bill that perhaps from his standpoint would be better than any other bill that has been presented, but the crucial question is, Can he get it approved? To convert a bill into law is the crucial test. It has to go through the hazards of parliamentary procedure in a body consisting of 435 Members in the House and 96 Senators, each one of whom is an institution by himself. The Senate by its committee says, referring to the Hare-Hawes-Cutting measure, that "no better bill can be written and passed." If that is so, I say the way out of the tangle, the way out of the present dilemma, is either to extend the time limit by 9 months, as I have pleaded, or the reenactment of the law, changing only the time, if there be constitutional scruples in the way or a revival of the substance of this law.

I take the King bill, S. 2064, on immediate independence and prove that future legislation must follow substantially the law that we have enacted. Section 1 provides the authorization of my people to convoke a constitutional assembly and to draft and formulate a constitution. This is one of the greatest rights that can be enjoyed by any people. This section of the King bill is patterned after section 1 of the Hare-Hawes-Cutting law.

Section 2, subsections (1), (2), and (3) of the King bill, which speak of specific points that must be a part of the Constitution, are now found in the Hare-Hawes-Cutting law, section 10, subsections (1), (2), and (3) of the law.

The King bill that has been presented provides in section 6 for a neutralization treaty to be concluded by the President of the United States with foreign powers. This treaty of neutralization is provided for in section 11 of the Hare-Hawes-Cutting law.

Section 7 of the King bill, which provides for the proclamation and recognition of independence and the notification of foreign governments with which the United States is in diplomatic correspondence, is section 12 of the Hare-Hawes-Cutting law.

Section 8 of the King bill speaks of a trade conference which ought to be held between representatives of the Philippine Government and the United States Government. This is similar to section 13 of the law that we have enacted.

Section 9 of the King bill dealing with immigration after independence is an exact copy of section 14 of the Hare-Hawes-Cutting law.

The very recommendations of Mr. Gabaldon in his communication to the President of the United States, with the exception of the time, are in reality in the Hare-Hawes-Cutting law.

I make bold to assert that the specific recommendations of the chairman of the delegation, judged from the context of the dissenting member's communication, will be found substantially covered by the provision of the Hare-Hawes-Cutting law. It is significant, that in the enumeration of proposals disagreed to by Mr. Gabaldon, nothing is said about military and other reservations or about immigration.

To me there is but one road to follow at this Congress, and that is to extend the time, accept the law, and later work for improvement. Let the time limit be extended and us, the Filipinos, fight it out. I believe if the people are given a chance, they will accept it. They will vote for it and overthrow those who have been the killers of this law and whom we have branded, much to their discomfiture and chagrin, as assassins of the Philippine Independence Act.

I do not speak with passion. I have been harassed and ridiculed, maligned and villified, but we have to be hardened to such things. These are the necessary concomitants of public life in a democracy. But I am glad to say that I have been able to keep my self-restraint. Even now I am being branded as a man who ought to be relegated to the limbo of forgotten things and, in addition, "forgiven, like the Roman soldiers who tortured Christ on the cross, for he knows not what he does."

Mr. KELLER. Will the gentleman yield?

Mr. OSIAS. Yes.

Mr. KELLER. Who said that about the gentleman?

Mr. OSIAS. This is an editorial from the Herald of Manila.

I have been represented as being "a liability" and an "enemy to the freedom of the Philippine Islands."

The legislature in my own country tried to oust me by presenting a nonconfidence resolution. I said, "Pass it. If you approve it, I will carry it personally to Congress and present it myself." This passed one house, but did not pass the other. I am sorry it did not pass, because I would have brought it here, and then invoked the personal privilege rule and I would have been entitled to one solid hour.

Mr. Chairman, I want to leave for the Philippines, as I want to inform the Filipino people of the temper of America, the friendly spirit of Congress and the spirit behind the announcement of the Senate committee when it announced its decision reached on January 23, 1934, and which I have embodied as part of my remarks in the CONGRESSIONAL RECORD when I took the floor that same day. In the Philippine Islands there are some voices protesting against this "coercion", so they say, on the part of the members of the Senate Committee on Territories and Insular Affairs in their willingness to see the time extended.

This cry of coercion that is being aired in the Philippine Islands is being aided and abetted in the United States by some of the very same papers that for the last 5 years have been fighting me and have been fighting the Philippine independence bill and every Member of Congress who favored Philippine independence.

[Here the gavel fell.]

Mr. OLIVER of Alabama. I yield the gentleman 5 additional minutes.

Mr. BACON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. OSIAS. Mr. Chairman, I am glad that I am the object of this spontaneous generosity, because it simply confirms what I was trying to say, and it is this spirit of friendliness that I want to carry to my people across the sea.

I want to go to my countrymen and explain to them that it was not coercion that prompted the Senate committee, consisting of some of the most distinguished Members of the Congress of the United States, in deciding the way they did on January 23. It is not coercion, certainly, for them to decide to give us one more chance to vote on our liberty. It is not coercion, certainly, when they leave to us the determination of our future; and it is not coercion when they say, in plain language, that Congress retains an open mind about modification of the Hare-Hawes-Cutting bill at some future period, or

if, after acceptance, the Philippines show they want independence, Congress would have no objection to considering the objections, with the possibility of modifying the measure if it is deemed advisable.

Mr. KNUTSON. Will the gentleman yield?

Mr. OSIAS. I yield to my friend from Minnesota.

Mr. KNUTSON. The gentleman from the Philippines will recall that when the bill was before the House I expressed doubt as to the wisdom of having a provision in the bill providing for a plebiscite; and if the gentleman will recall, I prophesied at that time that, through some hook or crook, the plebiscite provision would be used to defeat the very thing that Congress sought to accomplish, namely, to give the Filipino people their independence. The gentleman will recall that.

Mr. OSIAS. I recall that and, may I add that I appreciate the contribution of the gentleman, because he has always been interested in the granting of Philippine independence at the earliest practicable date. But the law was rejected, not because it had a plebiscite provision, but because the

legislature by and of itself decided to act without endorsing it to the people of the Philippine Islands or having a convention called for the purpose of acting on the law.

But I was starting to say, Mr. Chairman, and I want to continue, that it is not with any desire of coercion, but in a spirit of fair play and friendliness that members of the Senate Committee on Territories and Insular Affairs, and men like Mr. McDUFFIE, and those distinguished men who serve with him on the Committee on Insular Affairs—it is not self-interest, it is not coercion or intimidation that prompt these men, and it is my purpose to explain to my people the true intent and purpose of the Congress of the United States in the enactment of this law.

I think it can be said in all sincerity that there must be few Members who have received the courtesy and the kindly consideration that I have received during my service in the Congress of the United States.

Whatever may be the vicissitudes of the future, I shall always cherish, as one of my priceless treasures in life, the friendship, the esteem of the Members of the Congress of the United States, and their sympathetic attitude toward the freedom of the people of the Philippines.

Mr. Chairman, I have faith in my people; I have faith in America, and this faith has been strengthened, not weakened, by the passage of the Independence Act by the Seventy-second Congress. I hope that this faith will be further strengthened by doing that which I am for the last time pleading for; namely, to extend the time within which the Filipino people may act on their own destiny. Do this and you will be practicing true democracy. You will enable the Filipinos to go through the same processes which every nation, aspiring to occupy a place in the family of free nations of the world, must go through.

I am leaving, in the confidence that Congress will do right by us. I shall interpret the spirit of America as best I can to the Filipino people, and in the light of my understanding of and with the leaders and Members of Congress.

Mr. KNUTSON. Will the gentleman yield?

Mr. OSIAS. Yes.

Mr. KNUTSON. The Filipino people will elect a new legislature in June, if I am not mistaken.

Mr. OSIAS. Yes; our next election will be on June 5.

Mr. KNUTSON. Then if the Hare-Hawes-Cutting bill were extended 9 months, this would automatically give the Filipino people an opportunity to vote upon independence?

Mr. OSIAS. Exactly; and that, Mr. Chairman, is the reason I am making this plea. Besides, the new legislature will convene on July 16. May I state ere closing that I am going home to run for a seat in the senate, abandoning a $10,000 job for a $3,000 job, because I believe that great ideals beckon, and ideals are beckoning me to my country. [Applause.]

I entertain the fond hope, sir, that when the last chapter of the American-Filipino relations will at last be written, and I trust it may soon be written, it will be one that will do credit and honor both to the United States and the Philippine Islands, and one which will be pronounced by the impartial verdict of history as being righteous altogether. [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a draft of the platform and seven-point program for my colleagues and myself and upon which we stand in the titanic struggle which we expect to wage in the Philippines.

The CHAIRMAN. The gentleman from the Philippines asks unanimous consent to revise and extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

The matter above referred to follows:

OUR PLATFORM AND SEVEN-POINT PROGRAM

The people to whom we owe first loyalty are entitled to know our main ideas, principles, and plans as we appear before the electorate of our district to appeal for their vote and support in the present titanic struggle for a cause which involves the life, the liberty, and the happiness not only of the present generation but of generations yet unborn. We hereby present our platform and seven-point program seeking popular indorsement at the polls in the next general elections.

I. GENERAL PRINCIPLES

We share the firm conviction of the Filipino people that the grant of independence at the earliest practicable date is the proper solution of the Philippine question. We believe in an independence law as good as or better than the Independence Act (Hare-Hawes-Cutting law) sanctioned in consultation not with the leaders alone but with the masses themselves.

As in the past, we believe that the four main pillars upon which Philippine democracy must rest are education, agriculture, commerce, and industry.

We believe in honesty, merit, and economy in our government.

We believe in the administration of justice to rich and poor alike without fear or favor.

Faithful to the cardinal principles of democracy and devoted to the sound nationalism of patriotic Filipinos, we shall cooperate in full measure toward achieving those ends for which good governments exist.

II. HEALTH, SANITATION, EDUCATION

Our human resources are the country's greatest asset. Health, personal and public, is basic.

The government and the people in partnership must cooperate in the furtherance of a national program of health, sanitation, and education.

We support movements calculated to reduce mortality, prevent disease, lessen its ravages, and develop hospitals and clinics.

Our love of education is excelled only by our passion for freedom. Education is the bulwark of democracy. The government owes it to itself and the people to establish and maintain an adequate school system and enlighten the masses.

An elementary education is the birthright of every child. There should be ample opportunity for secondary education both cultural and vocational. A state university should be properly supported as the capstone of the system of tax-supported institutions of learning. Our country needs normal schools, colleges, and universities for the training of leaders.

We favor the establishment of part-time schools for the common people to wipe out illiteracy and for the education of the poor who cannot attend schools on a full-time basis.

We recognize the sacrificial patriotism of teachers. They are entitled to a living and a saving wage.

We advocate the establishment of a university branch of Pangasinan.

III. ECONOMIC DEVELOPMENT

A country like the Philippines, blessed with rich resources and unlimited potentialities, should be assured in its progressive economic development.

With unexcelled fertility of the soil, the future should witness an agricultural reawakening. The government should lend support to the rice and tobacco industries just as it has aided and is aiding the sugar industry.

We favor cooperative organizations for rice and tobacco growers. We must have cooperative marketing laws. For the stability of Philippine society, the relationship between employers and employees, landowners and tenants, capitalists and laborers must be placed on a just and equitable basis.

We believe in the principle and practice of sane protectionism. We must patronize Philippine industries.

Products not immediately used should be conserved. Finding new uses of Philippine products now largely wasted is a national concern.

The largest single industry of one of our neighboring countries is fishing. The Philippines, with her streams, ponds, lakes, and seas, is a fertile country for the development of the fishing industry in its different branches.

Too much of the trade and commerce of the Philippines is in the hands of foreigners. The nationals must have a greater share of Philippine business.

Increased credit facilities ought to be extended to small farmers and Filipino business men.

We must inculcate greater economic-mindedness among the young men and young women of today, the citizens and leaders of tomorrow.

IV. CONSERVATION, FORESTATION, FLOOD CONTROL

As the author of a law on conservation, forestation, and reforestation when the undersigned was a senator of the Second District, we shall continue our interest in this very important problem. The forestal wealth of the country is our greatest single wealth.

A systematic program of forestation and reforestation must be adopted to keep and increase the country's wealth and as a measure of flood control.

The control and husbanding of streams, the construction of dikes and revetments, and the like, must be attended to in order to lessen the annual destruction of floods to property and life.

V. CURRENCY, CREDIT, AND FINANCE

Our revenue system must be restudied and reformed.

Taxation on the basis of the citizen's ability to pay should be implanted.

Filipinos need increased credit facilities if they are to have a greater part in the commercial and industrial development of the country that gave them birth.

Our mining laws should be modernized. Careful consideration should be given to the severance tax and tax on luxuries.

The government budget must be balanced. The stability of the peso must be secured. Greater attention should be given toward a reform or stabilization of our banking system and currency.

VI. POLITICS AND GOVERNMENT

A government exists for the people. We are for a government of laws, not of men. We favor the merit system, not the spoils system, in the public service.

Democracy, not autocracy or dictatorship, is what we desire. Terrorism should be replaced by the spirit of patriotic service in the government.

Political parties are essential in the life of the nation. Let us uphold the principle of democracy and republicanism in our country to insure the greatest measure of prosperity, progress, happiness, and independence.

VII. SELF-RELIANCE AND INDEPENDENT CITIZENRY

While government is important, it is not everything in a democracy. A government is only as good and as strong as the citizens make it. We believe in wresting the government from a selfish leadership and vesting it in the sovereign people.

An alert public must assist in extending education, improving health and sanitation, bettering our system of transportation and communication, and effecting needed public improvements. There must be concerted action to effect recovery and insure progress.

We must foster a spirit of freedom, self-help, and self-reliance in thought and action on the part of the citizenry of this nation in order to deserve a rightful place in the concert of free nations of the world.

APPEAL TO THE PEOPLE

Loyal to the welfare of the people and the principles of the partido nacionalista proindependencia, I appeal to the patriotism of all proindependence men and women regardless of previous political affiliations. I invite the cooperation of our fellow citizens and fellow electors of the Second Senatorial District to make the ideas set forth in our platform and seven-point program triumph.

People of La Union, Pangasinan, and Zambales, we earnestly solicit your vote and support.

Yours for a free and independent Philippines.

Mr. BACON. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Chairman, this session of Congress has been in being less than 30 days, a very short time, and yet long enough to make painfully clear that Congress has ceased to exist as the legislative branch of the Government.

Free speech has been suppressed in this House by gag rules, the taskmaster's whip has been cracked over our backs by limitation of debate, we have been threatened with the displeasure and discipline of the Executive if we do not spend in 4 weeks more money than this Government can collect by legitimate taxation in 4 years.

We are told by leaders that the President demands these things and that the country stands back of the President unanimously. Not yet in words, but in inference, we are threatened with lynching at the hands of an outraged public if we so much as stop to ask where we are going.

There are two things which a man must have if he is to be called a leader. He must be going some place and somebody must be following him. The gentlemen who appear as leaders on this floor are not leaders in any sense of the word. They do not lead. They follow. They do not hold the status of generals or colonels or majors or captains or even second lieutenants. They are corporals and file closers, whose only permitted function is to shout "Hep! Hep!" and pass the orders to this awkward squad which is not yet trained to the technique of the goose step.

I am not making a partisan Republican speech. I was thrown out of the Republican Party by the alleged leadership of that organization 2 years ago. I have had my own experiences with leadership. When I was cast into the outer darkness by the leaders of the party of which I have been a member all my life, the Republican voters of my district went out into the shadows with me. After looking over their surroundings, the Democratic voters of my district followed their Republican neighbors and joined us in the wilderness of Presidential disapproval. I was reelected on both Democratic and Republican tickets, and I hold my warrant as a Member of this House from the people and not from the parties of my district.

If I am partisan—and I may as well admit that I am—that partisanship is for the people whom I represent. I received their orders in November 1932. Those orders have never been countermanded, and I will follow them until they are countermanded by the people from whom I accepted them. I will take orders from no one else.

Franklin Delano Roosevelt received his orders on the same day that I received mine. The orders he is following today are not the orders he accepted then—and the orders he accepted then were drafted by himself in his campaign pledges and sealed with his inaugural oath. I do not know the source of the orders he is following today. I do not know that he is following either order or orders. He admits himself that he is trying first one course of procedure and then another in the hope of finding a good one. He has not presented to this body, to the Senate, or to the public any plan nor any program of what he proposes to do with us.

He has shown but one of the qualifications of leadership. People are following him, but he does not know where he is going. I cannot follow him until I know his destination—not and keep my self-respect as a man and an American. Neither can the people of the United States. Neither will the people of the United States.

His friends will say, "But he should be given his chance." Right. But so should the rest of the country. I do not question the sincerity or the courage of Mr. Roosevelt. I question his ability and his judgment, and shall continue to question them until I have seen more proof of his infallibility than I have seen to date.

Any man who asks for such unprecedented power as he seeks should be willing to show that he has the capacity to use that power properly, effectively, and without danger to the country. No such proof has been forthcoming. All that we have had is a hallelujah chorus of adulation delivered through a controlled radio and such part of the press as could be bullied or frightened into complaisance. This Roosevelt opera is all overture so far. It is time for the curtain to go up.

What we may wish to say upon this floor as Representatives of the people of the United States may be wrong, but it is our inalienable duty and our inalienable right to say it. What truth we may wish to disclose in the public interest must not be suppressed for any reason—least of all to delude the people or to establish or maintain in this country any form of government other than that provided in our Constitution.

Partisanship! Gentlemen of the majority, you are creating partisanship. There is no longer a Republican Party. It choked itself to death trying to swallow the candidacy of Herbert Hoover for reelection to the Presidency. There is no longer a Democratic Party. There is only Franklin Delano Roosevelt.

The partisanship that you are creating is a partisanship that will aline two opposing forces in this country—the people versus the Government. The American people are thoughtful and deliberate, but they always achieve decision in the end. When this extravaganza of experiment and expenditure, this blind stumbling in the face of disaster, shall have reached its inevitable climax, when all our alphabetical overlords shall have unified themselves into one mighty final set of initials and those initials the fateful I O U, then, gentlemen of the majority, you will have partisanship. It will be partisanship based on bitterness and disillusionment.

Why is it that you fear debate? Why is it that your leader answers no questions, gives no information, offers no chart or road map, but demands only unthinking obedience to orders which he himself cannot put into words? Gentlemen of the majority, why do you sit silent and refuse to defend your course? Is it because that course has no defense—or is because you do not know what the course is nor whether there is any defense for it?

This is a two-party system of government. Today there is only one party. That party seeks to rule with an absolute hand. It seeks to suppress opposition. So far as the Republican opposition is concerned, you have succeeded, but not through your own efforts. The Republican Party destroyed itself by the course which you yourselves condemned before election and embraced after inauguration.

This is still a two-party system of government. There will be another party forced into existence by your attempt to establish a dictatorship. Every man and woman within sound of my voice knows that such a party is being born in the womb of the public mind. Most of you are thinking very seriously about the effect upon your own political futures of that foreshadowed event.

In these remarks I am defending the people and institutions of the United States. In saying that there will inevitably be born a new political party to oppose the present control of our national affairs I am not speaking alone. Many competent and reputable agencies of public opinion have already reflected popular opposition to the present attempt to strangle free speech and a free press in the United States.

Only a few weeks ago the Saturday Evening Post, our most outstanding weekly publication, editorially expressed the rising demand for a new political party that should be free of the unfortunate alliances and obligations of the present organizations. Mr. William Randolph Hearst has used the columns of his newspapers to protest against improper alien influence in our National Government and against any limitation in the traditional freedom of the press. Col. Robert R. McCormick, publisher of the Chicago Tribune, has made many eloquent pleas against any infringement upon the constitutional right of free expression in public matters.

Gentlemen of the majority, these and many other moving fingers have penned the handwriting on this wall you have tried to build around the rights and privileges which you ask that we surrender to your leader.

For many years the affairs of this country were mishandled by self-styled financial experts who seized upon political power in the name of business. Their dishonesty of thought and method were the fabric of our disaster. The land rose and cried out against these men. You seized the public resentment as your opportunity and by promising to it satisfaction for its wrongs, you won your way into power. You had a great opportunity. What did you do with it?

You turned over the processes of government to the very same individuals who had wrecked us as financial experts, giving them barely time to change their clothes and rechristen themselves economic experts. You asked and secured unlimited executive power in the name of emergency and then turned that power over to the men you had denounced as criminals, giving them legal protection and unlimited use of the public funds to bring their personal ambitions to a profitable conclusion.

No single evil of the Hoover administration has been corrected. Many of them have been perpetuated. Men who acquired fortune and dishonor by swindling the public as individuals are now placed in official positions where they can swindle us collectively through control of our Federal Treasury.

We are asked to believe that virtue and wisdom are conferred upon men by appointment to Federal office. The great effort to make all men virtuous by legislation having failed, it is now sought to do the same thing by proclamation.

The Civil Works Administration is an example of the unholy result. Petty extortions from hungry men, graft squeezed from their few weekly dollars, became so uncontrollable a scandal that the C.W.A. had to put itself under martial law by calling upon the Army to direct its activities. Is this a foretaste of military dictatorship, to be made necessary by the failure of civil government?

Free government can rest upon no foundation but that of truth. Censorship, propaganda, suppression—all these are the enemies of truth. All three are practiced by this administration in the name of emergency.

Particularly is this true of the newest avenue to public attention—radio. Some time ago the Columbia Broadcasting Co. announced its intention to furnish to its listeners a daily news service. The company employed several Washington newspapermen and established a news bureau which has paid particular attention to proceedings in both Houses of Congress. It has been their custom to broadcast this news at a certain hour each evening. Last Saturday evening, January 27, Mr. Farley, who in his one person combines the functions of the Warwick and the Sancho Panza of this administration, appeared at a political rally in Boston, Mass. He desired that his remarks on that occasion be put upon the air. The Columbia Broadcasting Co. canceled its news service for the evening, gave its local news-gathering employees a holiday, and gave the news period to Mr. Farley for his remarks. Either they valued their news service too little or the words of Mr. Farley too much. A news service that has to make way for propaganda is not an independent news service, nor can its professed news be given any serious consideration.

Let me offer two quotations. The first is from the Washington Post of November 5, 1933. It reads:

> Herbert L. Pettey, Secretary of the Radio Commission, has been directed to coordinate radio speeches of officials, obtain free time on the air for them from the radio stations licensed by his agency, and with the aid of R. Fred Roper, executive secretary of the Democratic National Committee, revise or censor such speeches with the view of making every word count for the administration.

Pettey was assigned to the job by Postmaster General Farley.

The next quotation is from the New York Herald Tribune of November 2, 1933. It reads:

> ROCHESTER, November 1.—Assemblyman Richard L. Saunders today charged in a statement that he had been given a "raw deal" and had been ruled off the air by the management of station WHAM because of criticism of Postmaster General Farley in a speech prepared for delivery last night in answer to an address Monday night by the Democratic leader.
>
> Assemblyman Saunders said he had presented his speech for approval, and had been asked if it could not be toned down. On his reply that it could not, said Saunders, he was told that he could not make the speech.

Newspapers justify their existence by their willingness to print the news, whether or not that news agrees with the political opinions of their publishers. Radio must learn the same lesson before it presumes to put itself forward as a medium for the dissemination of news. News is a record of events. It is not a medium for propaganda. The newspaper which prints a statement puts itself upon record; forever afterwards the printed words themselves commit such newspapers to full legal responsibility for what they have said. Copies of their own pages are evidence of what they have said and in the event that charges of libel are made, those same pages may be introduced in court as competent evidence.

The newspaper is bound by what it says and makes no effort to avoid that responsibility.

Radio, on the other hand, is limited to the spoken word, heard but once and nowhere upon record. Many times I have sought to obtain from radio stations transcripts of statements that have been made to their listeners through their facilities. Sometimes I have been successful in securing such transcripts. More often I have not been so successful—and the latter instances often occurred in cases where the reported accounts of what had been said implied a legal responsibility on the part of the radio station.

Radio is a sort of mechanical back-fence gossip, utilizing the poisoned word, the slighting accent, the sarcastic tone and all those shades of meaning which are so much more available in appealing to the ear than in appealing to the eye. Added to its greater versatility of expression, it has the additional advantage of being able to avoid responsibility for what it says. It now seeks to have itself accepted on a par with newspapers as a medium for the dissemination of public information.

Withal it takes its news responsibilities so lightly that it is willing to discard them to win the pleasure of anyone who holds a position of political power. I do not believe that radio should be admitted to any parity with newspapers so far as having access to the press gallery or any other restricted source of news is concerned.

There are newspapers which I do not like. There are newspapers which do not like me. When either of us is

moved to utter an opinion about the other, that opinion becomes a matter of printed record. Neither of us can or will try to hide behind a denial.

Free criticism is an inalienable right under free government. Full responsibility for that criticism is a moral responsibility which should be as inalienable as the right to make it.

There is now before the proper committee of this body a resolution calling for a full investigation into the conduct of the radio business in the United States. I introduced that resolution in the last Congress and it is still alive. No action has been taken upon it. Like many other matters pending before this Congress, no attention will be paid to it unless it has Presidential approval. Will the administration get Presidential approval of this?

Will the Rules Committee put that resolution upon its passage, and will the majority pass it and conduct a full and impartial investigation? No Member of this House who reads his mail can say that there is no public demand for such an investigation. You all know that there is, and you all know that the radio situation should be dealt with by Congress and that without further delay.

I sometimes feel that all that this House is, now that we have abandoned the Constitution, and resolved ourselves into a rubber stamp, is a sounding board and, even at that, we are restricted lest that sounding board produce something which, in the judgment of the administration of this House, should not be heard.

I know now that nothing I say upon this floor will receive the compliment of attention from the majority. I am listed as a "trouble maker", as a critic of all administrations, as one whose outlook upon life and affairs is through blue glasses.

That is not the truth. I am not against anyone, except as that person or group is against the interest of the public. I am a defender, not an assailant. I present my complaint against conditions to the House, fully and fairly in the RECORD, not by whispered innuendo or implied suggestion. I present my complaint, knowing that it will receive no attention from a majority which is blind because it will not see, which is deaf because it is forbidden to hear. I present my complaint so that it will be a matter of record. I fear that I am right in surmising that your decision will be against me and against the people for whom I speak. I know that I must appeal from your decision and that I am prepared to do. My appeal will be to the highest court in this land, one above any party or any official. That is the court of public opinion, whose next session will be held on the first Tuesday after the first Monday of next November.

When I speak of a new party, I do not mean any of the strange assortments of odd people who proclaim themselves to be political parties and who propound strange panaceas and programs of public conduct as the reason for their being. Those we have always with us. What I do mean is a great gathering of those men and women to whom America is more than a word, the Constitution more than an antique—that great middle class who are the sinew and backbone of this United States, that class of people who are being strangled at this moment by the policies under which you are being led.

The Republican Party itself was born out of the failure of Whigs and Democrats to meet the moral issues of 1856. The moral needs of 1934 will bring forth the answer to our political problem of today.

Gentlemen of the majority, I might be one of you if I chose. I was elected to this House upon the Democratic as well as upon the Republican ticket. I cannot join you. You do not carry your power gracefully. You have yet to learn moderation. Power is like alcohol. A little raises one's spirit to the heights. Too much puts body and soul in the gutter.

Ambition, too, is a thing that calls for moderation. Lucifer was ambitious to be the dictator of Heaven. Hell was created for his punishment.

Mr. GLOVER. Will the gentleman yield?

Mr. McFADDEN. I yield to the gentleman.

Mr. GLOVER. The gentleman stated that he came back with the nomination of both the Republican Party and the Democratic Party, and now he says that there will be a third party. I wish to ask him if he will seek the endorsement of that third party?

Mr. McFADDEN. In the 1932 election I had a third-party endorsement, too. I am sure that my friend, the gentleman from Arkansas, will want to join that third party, and I shall be glad to see him there. [Laughter.]

Mr. BLANTON. Will the gentleman yield?

Mr. McFADDEN. I yield to the gentleman from Texas.

Mr. BLANTON. I notice that all the Republican brethren on his side are applauding him vociferously. Are these the same gentlemen who awhile ago took away the gentleman's committee assignments and spanked him every day—are they the same individuals?

Mr. McFADDEN. The gentleman from Texas is pretty well acquainted with them, and I will say that I am sure he can answer that question better than I can; but out of deference to him, I will say that some of them are.

Mr. BLANTON. I am glad that the gentleman is getting back in their good graces. [Laughter and applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. CASTELLOW].

Mr. CASTELLOW. Mr. Chairman and Members of the Committee, at least I am in a position to sympathize with you at this late hour in our deliberations today. Those present, according to my observation, were practically all here at the meeting of the House at noon.

I have listened with great interest not only to the discussion today but to the multitude of discussions for more than 7 months in the aggregate. I have been highly entertained as well as instructed by these discussions. This afternoon, in the early stages of the debate, there was a great deal of partisanship exhibited. I have never felt the necessity of casting a vote for the sole purpose of manifesting the fact that I am a Democrat. I am that by inheritance, I am that by environment, and I am a Democrat from principle.

Though I have made comparatively few political speeches, my present position being the second elective office to which I ever aspired, I did undertake during my campaign to express clearly my attitude. I recall making the remark to a group of friends in the beginning: "If it is your desire to elect a man to Congress for the sole purpose of endeavoring to destroy the Republican Party, pass me by. If it is your wish that his time be devoted exclusively to party consideration, it would at least be wise to prefer another; but, if his time and thought are to be devoted in an effort to ameliorate the condition of our country, I would be pleased to undertake the service."

It occurs to me that it is not so important when two horses are pulling tandem as to which shall go first. It is important that the goods be delivered. The difficulties confronting us are certainly of sufficient gravity to enlist the best efforts of every true American without regard to party affiliations. In a successful solution of these problems there will be glory enough for all. To me there would be infinitely more satisfaction in the knowledge that our people, without regard to partisanship or sectionalism, were again prosperous, contented, and happy than to occupy the most exalted position, either in party or State, with a knowledge of their misery. The entire Membership of this House, without regard to political views, should ever bear in mind that we are all passengers on the same ship—simply occupying different staterooms. When storm tossed, as at present, the question of paramount importance is the safety of the ship itself without which no passenger may survive. According to my observation there are certain fundamental principles underlying all things, and, may I submit that fundamental principles are more important than temporary expedients. As I have said before on the floor of this House, we have been unusually blessed by Providence in being permitted to enjoy the blessings of the choicest part of this earth in which to live, and if we find ourselves in difficulties, it cannot, as I have before remarked, be charged to that Providence which has been so kind and beneficent but to

our own short-sightedness. While never attempting oratory, I trust that at least I have done my share of independent thinking.

In an effort to convey more clearly certain views entertained as to the causes of some of our difficulties, I ask your indulgence while I relate a conversation with a friend some years ago. We both had cattle ranches at the time and concluded that possibly we could secure a better price by uniting and supplying a certain prospective purchaser with a larger number of cattle upon which to bid. While waiting for the arrival of our prospective purchaser it occurred to me to ask my friend this question: "Ben, do you consider that you are attending to business today or are you just frolicking?" He was a man who rarely indulged in recreation and whose chief pleasure was his business. Looking at me in a rather surprised way, he replied: "I consider that I am at least endeavoring to attend to business." I continued: "If our mutual friend, Mr. Sealy, were up here with his hounds chasing a fox, would you say that he was attending to business or frolicking?" With emphasis, he rejoined: "Of course, he would be frolicking." "Thank you", I replied, "I wanted to know your mental reactions to these two propositions, and then, too, I have a few more questions to ask."

"If you make $500 today out of this stockman, as I hope you will, are you going to spend it in addition to what you would spend if you do not make it?" "Oh, no; not at all", he replied. "Will you permit your family to spend it, in addition to what they will spend if you do not make it? You know what I mean. You provide for your family most generously. You live in as splendid a home as you would feel comfortable in occupying; they ride in as expensive an automobile as would add to their pleasure." "Yes; I understand", he said, "and I would not." "If you thought they would spend it, would you be willing to make it?" "No", he replied, "I would not." "Very well", I continued, "if Mr. Sealy catches the fox, is he going to eat him?" "No, of course not." "Would he be willing for his family to eat him?" "Surely not." "If he thought his family would eat that fox, would he be willing to catch him?" "No, indeed." "Well", I asked, "what is the difference between you chasing $500 and Mr. Sealy chasing the fox?" For a moment he hesitated, but replied, "I do not believe there is much." "Much?" I said, "Is there any?" "Bryant, I must confess, I do not believe there is any." "Then why is it that you say you are attending to business and Mr. Sealy would be just frolicking?" "Well," he concluded, "I did not realize the import of what you were asking." I submitted to him then this rather direct question, which might possibly be worthy of the consideration of others: "Ben, do you know the rule whereby it is determined whether a man is engaged in the pursuit of business or simply indulging himself in sport?" He suggested that he had never considered the question. "Then, I will tell you where, in my opinion, the line of demarcation can be drawn. As long as it is necessary to labor to provide one's self and his family with the necessities of life, and even those luxuries necessary to maintain them in that strata of society and with that standard of living in which they find most pleasure and are most comfortable, just to that extent it is business, but when that point is exceeded, I say to you, it is no longer business—it becomes a game, a sport, pursued for the pleasure it affords and the satisfaction produced by excelling our fellow creatures."

What I desire to call to the attention of the House is that this character of sport may be responsible for much of America's troubles and a contributing cause to many of our perplexities and the distress of millions, for in America it became too easy to accumulate a fortune, too difficult to earn a living. We have failed to observe the rule by which we could differentiate between sport and true business. We enjoy doing that most in which we excel. There is nothing so pleasing to the great Paderewski as to be seated for hours at the piano. There would be nothing on this earth more irksome to me. He excels in that line. I do not. So that is possibly the reason why we have so many today indulging in business purely as a sport, so to speak. We refer to them and they characterize themselves as business men. But are they? Would it not be more accurate to simply say they are business sportsmen? Does anyone think that Mr. Ford today is really engaged in business in that sense to which I have referred? He knows, and we all know, that it is not necessary for him, Mr. Morgan, or Mr. Mellon, and thousands of others of even less wealth, to accumulate another dollar to afford them a surplus. It is not essential to Mr. Ford's financial independence to excel in the manufacture of automobiles, either in quantity or in quality. Then why is it that he works more diligently, perhaps, than any of his employees? It is because he enjoys the game and it has become essential to his happiness; nothing more and nothing less. Personally, I have no objection to any man getting the most he can out of life. I have no objection to their sport, to their entertainment, so long as it does not interfere with the business of others, the real business of life in providing its necessities and meeting its requirements.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. CASTELLOW] has expired.

Mr. OLIVER of Alabama. I yield the gentleman 3 additional minutes.

Mr. CASTELLOW. I do not know how many automobiles Mr. Ford can produce in a day, and I have not singled him out except for the purpose of illustration, but would it not be infinitely better even for Mr. Ford himself if, supposing he can produce a thousand cars a day, but the people are financially able to use only 100 per day, would it not be much better if Mr. Ford could only produce 500 per day and the people were financially able to consume 500? It would be better for Mr. Ford. It would be better for his customers; it would be better for all concerned.

We are now developing a thought; I submit there is much for our consideration just here. These problems confront us not only from the standpoint of the workingman but for the protection of the producer, and even those to whom we refer as capitalists. The real danger with which the latter class is menaced lies in their financial growth; Samsonlike, if permitted, might destroy themselves and others along with them. There is a truth just here to which I would direct attention. It is this: The average capitalist does not himself produce wealth. He does not produce dollars. He simply assembles them just as an automobile assembling plant assembles but does not produce a single part in the machine it supplies. Practically all wealth is produced by the men and women who labor, and they rarely find opportunity to assemble much of their earnings. The man who has accumulated his multiple of millions evidently has either paid those who really produced too little or charged those who consumed, too much, and probably both. The Government is now undertaking to supervise all classes of business from the highest to the lowest. This is a tremendous undertaking in a country the size of ours. It has been said that it was not intended the trees should grow into the heavens, and there likewise is a limit to all things.

So it occurs to me that if a proper supervisory control were exercised to prevent the inordinate growth of great enterprises and private fortunes by a limitation of profits, and a more equitable distribution of the burdens of Government, the operation of the natural laws of competition would sufficiently regulate the undergrowth in business as nature applies it to the forests. It has been my observation that, whether in private life or public, it behooves us ever to recognize the potency of these natural laws. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. OLIVER].

Mr. OLIVER of New York. Mr. Chairman, I hope before long the House will pass a resolution of protest against the action of Herr Hitler in persecuting the Jews in Germany. He has lost all the progress Germany has made toward a resumption of its prestige and its dignity by these acts of inhumanity and brutality. Through stupidity he seems to have blamed on one race all of the troubles of Germany which were caused by the war and the Treaty of Versailles,

and he has exerted all the force of government to destroy that race. That great race cannot be destroyed. In attempting to destroy it he is destroying the good will of the world toward Germany and is keeping it from Germany for many years to come. The good will of the world is a precious possession. The bad will of the world is a powerful and relentless weapon.

Our Nation has been settled by so many who have come from Europe that every time a government in Europe strikes down humanity the shock comes right into our own homes, because our neighbors are affected.

The people in the city from which I come are willing to be patient. They have been patient in the present crisis because they have been expecting that any sensible people would quickly end these unbelievable punishments. The Jewish people are willing to suffer and to sacrifice, sacrifice for any cause of humanity. But, naturally, indignant as they are at this unthinkable and unexplainable action which calls upon their coreligionists to sacrifice everything that is dear to man on the altar of bigotry and senseless despotism they protest with all of their power against Mr. Hitler's policy of brutal and outrageous annihilation.

The peace of America depends upon her people being happy and contented under their Government. They expect their Government to represent at least humanity in international affairs. They appreciate that it cannot interfere with domestic affairs of Germany, but they expect it to enter a strong protest.

This they expect us to do for the benefit not of their coreligionists in Germany alone, but for the benefit of Germany itself. Their brothers in Germany have fought under the German flag and love it dearly. They seek but to reestablish the old spirit of Germany, and will make any sacrifice to regain for it its old glory and greatness.

I am strongly in favor of making representations. We have been patient, hoping that Mr. Hitler would change his policy, but as time advances he seems to have changed to a policy of greater bitterness, of greater vindictiveness, and greater misunderstanding of world sentiment and world attitude. I do hope that the Congress of the country which has spoken for liberty and humanity throughout the generations will lift its voice in an effort to have Mr. Hitler repeal the policy of Germany and redeem Germany's prestige in the eyes of the world. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Chairman, and I feel like saying "gentlemen of the jury", because I have started addresses to juries that were as large as this gathering of Congressmen. Anyway, as one who on every occasion has voted to support the administration, I want today to take issue with certain actions of certain departments of the administration, so that at some future time I may be in the position either of having been mistaken in my present feelings and attitude, or being in the position where I will not have to say, "I told you so."

From the headlines of one of my home papers I read these words: "Pool to burn 10 percent of bluegrass seed." Now, this pool was organized under the old Federal Farm Loan Act. It bought approximately 2,000,000 bushels of bluegrass seed. They are now going to take 200,000 bushels of this seed, pile it on the farm of a gentleman named Spears, in Bourbon County, and burn it. In years to come I do not want to have it said I failed to raise my voice in Congress in disapproval of this act.

The purpose, of course, is to increase the price of what they have left. It may be that they will; but I, as one individual, want it clearly understood that I am not in favor of taking a thing you have produced and destroying it in order to create a market for the little bit you may have left. [Applause.] I say this with all friendliness toward every department of the administration. I believe in the new deal in this Government as sincerely as any advocate on this side of the aisle; but I want to say that long, long years ago the thing of greatest value that the savage mind could conceive was yellow, glittering gold, yet they learned the truth of the assertion that you must beware, for everything that glitters is not gold. Shakespeare summed it up most fittingly when he said, "All that glistens is not gold."

I want to say to my Democratic brethren on this side of the House that it is my sincere belief that everything that is proclaimed in the name of the new deal does not partake of the spirit of the new deal. I do not think all the things the various departments do partake of the spirit of the new deal; and I think this is one of the things that does not. As a matter of fact, I think it is a hang over of the Hoover principle. It has a tinge of the philosophy of the old administration that has stolen into the new. I say this because I read here where the manager of this pool down there sat one time on the Republican side of this House, but he was defeated for reelection by CAP R. CARDEN over here on the Democratic side of the House.

Now, let us see what is the value of this 200,000 bushels of bluegrass seed. Even on this depressed market it has a value of $3 a ton as fertilizer or as cow feed. The farmers down there could use it as fertilizer at $3 a ton, or to feed cattle. I do not know, but it seems to me it would be more sensible to use it that way. The newspaper report says that when they take it out to burn, it will cover from 12 to 15 acres of land and take 2 weeks to burn.

Suppose way back yonder—and I asked my friend from Texas what the name of the Egyptian was at whose house Joseph lived, but he could not remember—but anyway, suppose when he had that vision he had called in a member of his "brain trust"—and I say it with all deference to the "brain trust", for I believe we should have more brains in government—but he had called in one of the members of his "brain trust" and said, "I had a vision last night; I dreamed there were 7 fat cows and that 7 lean cows came and ate them up", and this member of the "brain trust" had said to him, "The thing for you to do is to cut the amount of steak off the fat cow that you want and throw the rest away."

I ask what would have happened when the lean years came on? I live in the bluegrass section. There are only two parts of the United States which produce bluegrass seed; that is, the bluegrass region of Kentucky and another small region around St. Joseph, Mo. Any farmer will tell you that you cannot depend on over 1 good year out of 5 years for this bluegrass. Now, because we have a temporary surplus we take it out and burn it. It may be all right. I am not saying it is not. But it does not fit in with what I have been taught in the past. I can remember when they used to teach the children the saying that "Willful waste makes woeful want, and I may live to see the day I'll need the crust I threw away." I do not think this policy has anything to do with the new-deal philosophy of government.

Mr. RANDOLPH. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield to the eloquent gentleman from West Virginia.

Mr. RANDOLPH. Is it not a fact that the State of West Virginia has even more bluegrass than Kentucky?

Mr. BROWN of Kentucky. If the State of West Virginia has so much bluegrass they ought to advertise it a little bit, because if you talk to anyone from almost any State he will tell you that the State of West Virginia has not one sprig of bluegrass. If you have bluegrass you must have borrowed the bluegrass from the State of Kentucky, and the reason I do not want the seed burned is because I want some of the other States, like West Virginia, to borrow this bluegrass.

Mr. BLANTON. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield to the gentleman from Texas.

Mr. BLANTON. The State of West Virginia may have as much bluegrass as the State of Kentucky, but it has not as much of those other things that go with the bluegrass, that all together made Kentucky famous.

Mr. BROWN of Kentucky. No; it has not the things that make the bluegrass bluest in Kentucky.

Mr. MOTT. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield to the gentleman from Oregon.

Mr. MOTT. I am very much interested in the gentleman's statement, but in view of the announced policy of the Department of Agriculture and the one they continue to put into effect, of curtailing the production of all farm products and killing off the surplus hogs, and so forth, how can the gentleman say that this is not a part of the new deal?

Mr. BROWN of Kentucky. I will say this: I am in favor of curtailed production. I am in favor of taking land out of production and letting it remain idle. But I am not in favor of producing something, storing it in a granary, and then burning it in order to get higher prices for the remainder.

Mr. MOTT. Is the gentleman in favor of killing off the surplus hogs?

Mr. BROWN of Kentucky. It depends on what use is made of the meat from the surplus. If the meat is used to feed the poor, I am in favor of that. This 200,000 bushels of bluegrass seed could be used to plant lawns in front of some of the homes of the poor families in this country, so that in the summertime the children could roll in bluegrass instead of in dirt.

Mr. McFADDEN. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I am in hearty accord with what the gentleman said with respect to the destruction of seed or. in fact, anything of that type like corn or wheat that has been raised or the plowing under of cotton. Is it not a fact that this theory has come about as a result of the economic mind which has been grafted onto the new deal? The theorists, as I understand it, are predicating their whole theory on price levels, and the very basic thing that they have been counting on now is being shattered, as well as the method by which price levels are arrived at. For instance, Professor Jones, of Columbia, in his recent book entitled "Horses and Apples" has largely exploded the theory upon which Tugwell, Warren, and others are operating. In other words, the manner in which price levels are made up are well known to be erroneous, so the foundation of all of these schemes of that type is being shaken and taken out from under.

Mr. BROWN of Kentucky. I appreciate the gentleman's remarks, but this is using up my 10 minutes. I do not think it is right to burn bluegrass seed as long as there are barren yards in this country that ought to have grass in them. I do not think it is right to destroy pork when there are hungry mouths to feed, and I do not think it is right to destroy cotton when there are poor people to be clothed.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Chairman, I was very much interested in this bluegrass discussion of the gentleman from Kentucky, but I have been more particularly interested in the discussion during the day with reference to the C.W.A., P.W.A., and other work in connection with the new deal. There is something in which all of us are more interested perhaps than in bluegrass just at this moment, and I am not discrediting the gentleman's splendid speech. The thing I desire to bring to the attention of the Members on both sides of the aisle for the moment is this: As a member of the Committee on Education I have studied rather extensively the school situation in our country at this time.

I believe that there is an emergency in the educational system of the various States of the country. There are at this time 200,000 teachers whose salaries for 1933–34 are less than $750 per year. There are 85,000 teachers whose salaries are $450 or less. There are 45,000 teachers whose salaries are less than $350 for the year 1933–34.

Someone has said that this is a matter for the States to take care of. I admit, and, of course, we all know, that under the Constitution and under our system of public education the various States must look after their own school systems; but, recognizing the emergency which exists, the senior Senator from my State, Senator GEORGE, introduced in the Senate on the 19th of January a bill providing immediately for $150,000,000 to be granted by the Reconstruction Finance Corporation, $50,000,000 to meet the emergency existing in the schools in the several States for the fiscal year 1933–34 and $100,000,000 for the fiscal year 1934–35.

Before introducing this bill, the distinguished senior Senator from my State, Senator GEORGE, had studied the educational situation throughout the country, and in the bill there is a provision that at least $50,000,000 of this money shall be made available in the immediate future.

Permit me to say, Mr. Chairman, in my judgment, the Army and the Navy of this Nation do not constitute the greatest defense for the Nation, neither do the farms or the industries of the country constitute its greatest fortification. In my judgment, the most powerful and the most potent factor in civilization is good citizenship, and it is for good citizenship that millions of dollars are spent in our country for public education.

In this connection let me say that the youth of our land is the greatest and most powerful potentiality that we have. The teachers of this country this day, and I want it on record as January 31, 1934, have owing to them the sum of approximately $40,000,000 in unpaid salaries. I yield to no person anywhere in love, admiration, and respect for the veterans of the wars. I yield to no man greater respect for the workers in the Federal Government, but I have heard on the floor of this Chamber, until my heart has been made heavy, of the sacrifices of the workers in the Federal Government, when in the State of Kentucky, which grows your fine bluegrass, there are 1,000 teachers today in your public schools whose salaries for 6 months are less than $35 per month. Your own State school superintendent, Dr. James Richmond, told me 2 days ago that your own capital city, Frankfort, Ky., must close 1 month short of its 9 months' term for lack of funds.

The teachers to whom $40,000,000 is now due and unpaid have made their part of the sacrifice for the new deal. In my county the high school in my town, for a lack of funds, closed in December, has not reopened and will not for some time. One principal of a county high school in my county has been paid $100 in 4 months.

Mr. McCLINTIC and Mr. RANDOLPH rose.

Mr. DEEN. I yield first to the gentleman from Oklahoma.

Mr. McCLINTIC. The gentleman is making a good speech and I am in accord with his views. I saw a statement a short time ago which was to the effect that the Chairman of the Reconstruction Finance Corporation would ask for additional funds or for continuation of the life of that organization on the ground he was interested in the railroads. Does not the gentleman think it would be far more beneficial for us to widen the scope of that legislation so as to allow teachers' warrants to be used as a medium for obtaining loans, so that these weak schools that have not been able to carry on can receive this kind of financial support?

Mr. DEEN. I agree with the gentleman, absolutely, that the unpaid warrants of the teachers of this country, backed by the property, the resources, and the morale of our citizens in every State, are just as good collateral for the Reconstruction Finance Corporation as the bonds and assets of any and all railroads in the United States.

Mr. McCLINTIC. In fact, it is better than the securities of the railroads.

Mr. DEEN. The gentleman is right.

Mr. McCLINTIC. I have introduced such a bill and I hope the committee having jurisdiction will allow us to widen the scope of the authority of that Corporation.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DEEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I heartily agree with what the gentleman is saying about the seriousness of our school situation, not only in the State of Kentucky, but also in the State of West Virginia. My colleague from the State of Kentucky

would not rise to the defense of West Virginia bluegrass, and I simply want to say that I rise to his defense and want to suggest that they might pay off those teachers in Kentucky with the bluegrass seed from that State.

Mr. DUNN. Will the gentleman yield?

Mr. DEEN. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Does the gentleman know how many teachers there are in the United States now teaching without compensation?

Mr. DEEN. I have not the figures on that, but I do know that the C.W.A. is now advancing, and has been for some time, approximately $2,000,000 per month to the boards of education and State superintendents so as to give employment to teachers who have not been employed. Forty thousand teachers, I believe, have been taken care of under this fund.

Mr. DUNN. May I also tell the gentleman that I have introduced a bill providing help for teachers in the United States who have not been paid their salaries and I hope the committee that has this bill will give it favorable consideration.

Mr. DEEN. I thank the gentleman.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. DEEN. I yield to the gentleman from Kentucky.

Mr. BROWN of Kentucky. I am in hearty accord with what the gentleman has said, and intend to support any measure that comes here to aid the schools. I do not like to take the gentleman's time for this purpose, but my friend, the gentleman from West Virginia [Mr. RANDOLPH], thinks I should have helped him out on his bluegrass, but I want to say to the House that the reason I did not do so is because the kind of bluegrass they have in West Virginia we call crabgrass in Kentucky. [Laughter.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. DEEN. I wish to say to the gentleman from Kentucky [Mr. BROWN] in connection with the discussion of bluegrass or crabgrass that in the southern part of Georgia we have a great deal of grass that is known as "bull grass", in which we sometimes sow cowpeas, but it does not always make the best of hay.

I want to say in conclusion that here is a telegram which came from the State of Alabama a week ago:

> Every school, white and Negro, will be closed in 24 out of 67 counties by February 15 * * * Many of these schools already closed. Some few have reopened on subscription or other basis. Also by February 15 all schools will be closed in 13 of 45 cities. This includes Montgomery city and county schools.

May I say that I believe the passage of this bill, S. 2402, introduced in the Senate by Senator GEORGE, of Georgia, is imperative, and I hope the Senate will act on it and it will come to this body promptly and that the Membership of this House will join hands and hearts for the passage of the bill, which is of such vital welfare to the country.

Mr. Chairman, permit me to say that I believe the time is now here when this branch of the Federal Government might give consideration to the importance of a national equalization school fund to be made up from a tax to be levied on tax-exempt securities, to be put in a fund in the Treasury for educational purposes and appropriated to the various States without any supervision or control by the Federal Government. No one wants anyone in the South to read a textbook saying that Robert E. Lee was a traitor to the Federal Government. Nobody wants to see portrayed in history a statement of that kind. [Applause.]

It is therefore exceedingly important that there be no Federal control or supervision over public education in the several States. The Federal Government, through the Bureau of Roads, is assisting in the building of highways. It is equally as important that the Federal Government participate in the education of the public-school children of the Nation. Congress should enact into legislation the joint resolution which I recently introduced, House Joint Resolution 219, providing for the taxing of incomes from what is known as tax-exempt securities.

Billions of dollars are invested at the present time in tax-exempt bonds. The holders of the bonds clip their coupons, receive their dividends, and pay no taxes. If the proper tax were placed on the incomes from bonds a substantial fund could be maintained for public-school education, appropriated to the several States on a per capita or attendance basis.

I therefore hope that all members who are interested in this matter will add their support to the program provided for in Senate bill 2402, introduced by Senator GEORGE, of Georgia, and will support House Joint Resolution 219, which I introduced in the House on January 5.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Chairman, much has been said lately about the veterans' legislation in the House, and it might not be inappropriate for me to bring your attention to the history of veterans' legislation.

In one instance today I heard the words "careless legislation" used by one speaker. I want to correct this impression if it exists.

I was elected to the Sixty-seventh Congress. In the Sixty-eighth Congress I helped to form a Committee on World War Veterans' Legislation. That committee was carefully selected on behalf of the majority and minority sides.

The chairman was Royal C. Johnson, of South Dakota; the other majority members were Snyder, of New York; Luce, of Massachusetts; Vaile, of Colorado; Perkins, of New Jersey; Fitzgerald, of Ohio; McLaffery, of California; Vincent of Michigan; Welsh of Pennsylvania; Simmons, of Nebraska; and Robinson, of Iowa.

On the Democratic side were Carl Hayden, of Arizona; Cullen, of New York; I was from North Carolina; Rankin, of Mississippi; Jeffers, of Alabama; Milligan, of Missouri; Connery, of Massachusetts; Tydings, of Maryland. Later on, after vacancies occurred, Members like Mrs. Norton, of New Jersey; and Mrs. Rogers, of Massachusetts, were members of the committee. One of the first meetings—and I am now speaking to you today of presumptive cases—one of the first meetings was held in 1924. Prior to the organization of this committee, the Interstate and Foreign Commerce Committee of the House had charge of all veterans' legislation, and the original act provided for 2 years' presumptive cases in the case of tuberculosis and neuropsychiatric diseases and some others.

The third Sweet bill, as it was called, extended that presumption from 2 to 3 years, and the question which was largely before the committee when we organized was the question of a longer time for presumption. The American Legion's representative, through Watson B. Miller, brought experts before the committee, and I am speaking of tuberculosis first. It was then 1924. All over the country many men had tuberculosis who could not get into the hospitals. They had this dread disease and were lying around in the various communities, suffering and dying. One of the first witnesses before the committee was one of the greatest tuberculosis experts in the United States, Dr. Kenneth Dunham, of Cincinnati. Dr. Dunham had performed more autopsies on lungs than probably any man in the United States and he knew as much about lungs, as far as tuberculosis is concerned, as any man in the Nation. Dr. Dunham recommended at least the presumptive time be extended to 5 years. The second Sweet bill had a presumption of 3 years, mandatory, and the Director of the Veterans' Bureau could not go beyond that time. Not only in the cities but all over this country in many of the isolated cases, these men were suffering from tuberculosis and were not examined, were not close to physicians, and had no tuberculosis experts to examine them. We saw the condition that existed, and General Hines himself, the Director of the Veterans' Bureau, asked that the presumptive time be kept at 3 years, but that the Director be given discretion to extend that time so that if anybody came in a short time after the 3-year period it was in the discretion of the Director whether that should be considered a service-connected presumptive case.

There was filed in the record any amount of evidence from the Veterans' Bureau physicians and from physicians in various hospitals in the United States. All showed without a doubt that you could not tell about the dread disease of tuberculosis in a year, but that it would even break out 5 years after a man had contracted it. It is never cured, no matter what anybody says. It is first apparently arrested and then physicians classify it as arrested. But you can take any man who has had tuberculosis and if you overload him he will break down just as certain as he is living. It is a case of a 6-cylinder automobile trying to run on 4 cylinders and overloading. It goes to pieces pretty soon. Overloading can come not only from labor but it can come from the mental condition. If a man who has had an arrested case of tuberculosis knows that in the future he cannot provide a living for himself and family, then that man is certain to break, and no power on earth can stop it save the power of restoring his mental condition back to normal. I speak more now of tuberculosis because I went into these hospitals in the United States, some three or four of them, and made an investigation. I have seen these men suffer. I have seen them lie there, and I have seen them go, as it was called in those days, into "St. Peter's" ward, knowing that the end would come for them in only 2 or 3 weeks' time.

I call this to the attention of the Committee because there is much misunderstanding about presumptive cases, both in the neuropsychiatric cases and in some of the others. The law should be remedied so that these men can come back, to a 3-year presumption at the least, if not a 5-year presumption. [Applause.] If that is not done, then I say to you there will be many more tubercular graves in the United States.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. PATMAN. The gentleman is making a very interesting statement. I agree with what he has said. The gentleman speaks of the 5-year presumptive period. Does he mean to 1925 or to 1923?

Mr. BULWINKLE. 1923. Or 5 years after discharge from the service.

Mr. PATMAN. You want to bring the period up to 1923?

Mr. BULWINKLE. Yes. And also 5 years after discharge from the service.

Mr. PATMAN. Does the gentleman think that the testimony introduced at the time would justify bringing it up to 1925 as it was before?

Mr. BULWINKLE. Yes.

Mr. PATMAN. In the case of these tubercular cases and the neuropsychiatric cases, does the gentleman not think it would be justified to make it January 1, 1925?

Mr. BULWINKLE. Yes; I do. No one not in the service can realize the mental strain that many of these men went through. I have seen them break down. Just after the armistice my battalion was ordered out to clear up a whole sector around there. The first thing was to hunt for the dead and the wounded. We found on one barbed-wire fence the bodies of a number of Frenchmen, shot by machine guns, caught in that wire, dying a death as bad if not worse than the death on the cross. Some of these boys could not stand it. Sooner or later their mental condition will be affected. Through occurrences like that, in 1946 you will find there will be 50,000 former service men with mental ailments in the hospitals in the United States or in the county homes and in jails. These men must be taken care of. The people of the United States expect you to take care of them, and the Congress of the United States does, and I know when it is properly brought to the attention of the President they will be taken care of. [Applause.]

Mr. PATMAN. At this time those who are in the hospitals, with service-connected ailments, receive only $15 a month, their compensation having been reduced to that. Would the gentleman give them full compensation or would he let that figure remain?

Mr. BULWINKLE. Yes; in some instances it should be increased.

Mr. PATMAN. Does the gentleman mean with the neuropsychiatric cases?

Mr. BULWINKLE. I was referring particularly to the tubercular cases. Does the gentleman refer to the neuropsychiatrics?

Mr. PATMAN. Yes.

Mr. BULWINKLE. The neuropsychiatric does not need much money, but he needs a little. He needs a little to play with. He needs a little to buy tobacco and fruit with. It will help him a great deal. I am also thinking of the man who lies on the bed with the white plague. His mind is entirely on the sufferings and privation of his family.

Mr. KVALE. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. KVALE. Will the gentleman permit to be included in his remarks the statement that by granting these men presumptive connection and then withdrawing it from them we do them a greater injustice than if we had never originally given them the grant, for the reason that they are now in a position where they cannot go back to records and establish direct connection which they might have done had they been compelled to do so at that time?

Mr. BULWINKLE. These tubercular men would have suffered a great deal anyway; but when you take it away from them, when they have no hope in life, it is pretty hard.

Mr. SWICK. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. SWICK. Has there ever been any evidence produced to show that this presumptive period should be less than 5 years?

Mr. BULWINKLE. I have never heard of any at all.

Mr. SWICK. From any reliable source?

Mr. BULWINKLE. I have never heard of any. I want to say to this House that the committee gave serious consideration to this matter. Dr. Minor, of Asheville, who is now dead, but who was a great tubercular expert, at first did not believe in the 5 years, but before it was ended he told me it was one of the best pieces of legislation that we had passed for the service man.

Mr. BLANTON. Will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. BLANTON. With reference to tubercular patients: They cannot get jobs anywhere, and they cannot be placed except in hospitals. Industry will not employ them. As far as they are concerned, would it not be well for the Government to give them a standing, regardless of any time?

Mr. BULWINKLE. The gentleman is correct. Those men cannot get jobs. Nobody will hire a man who has been branded as a tubercular. Unfortunately, in the beginning, shortly after 1919 or 1920, men who were suffering from other causes were branded as tuberculars, and life was made miserable for them.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BULWINKLE] has again expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield such time to the gentleman from Ohio [Mr. UNDERWOOD] as he may desire.

Mr. UNDERWOOD. Mr. Chairman, I always listen with much interest and give thoughtful consideration to the remarks of my distinguished colleague from North Carolina, Mr. BULWINKLE, who has just preceded me, but I desire in the time allotted to me to approach the question of veterans' legislation from another angle.

As the chairman of the oldest pension committee of the Congress, I have for many years given earnest consideration to the subject of emoluments of all kinds benefiting the veterans and their dependents. On January 3, the opening of this session of Congress, I introduced in the House H.R. 6206, of which section 1103 provides that it may be cited as the "Veterans' Act of 1934." That I have been sympathetic to the just demands of the veterans is evidenced by my record. Since my election to the Congress 12 years ago I have been in practically constant contact with them and their dependents.

Much has recently been said about the Government's policy in the matter of veterans' relief. Not all that has been said is based upon facts; therefore, many of the conclusions reached are erroneous. However, it is my conviction that in justice to all concerned, the taxpayer as well as the veteran, the existing legislation governing veterans' relief should be coordinated, classified, and simplified into one code which will discard present inequalities and place all veterans of similar age and suffering similar disabilities upon the same basis with respect to the benefits extended, whether it be pensions, hospitalization, or domiciliary care. I consider such action desirable at the present time, not only because of the necessity for strict economy in Government expenditures but because of the present administrative necessity to simplify operative procedure.

It is my honest opinion that a codification and simplification of the present system would save millions of dollars for the taxpayers of the country and do justice to the veteran and his dependents.

It would seem to me that we should give first consideration to the principles involved with the hope of evolving certain sound policies dealing with the problem.

We all recognize the Government's moral obligation of taking care of the veteran and his dependents who through service has suffered disability or an aggravation of a preexisting disability which prevents him from carrying on after service.. Likewise it has been the policy of our Government to care for its veterans when they have reached the time of life where they are unable to carry on. No one questions the desire of our people to deal generously and fairly with all veterans. We are all proud of the fact that our Government has been able to grant relief to our veterans, and the taxpayers will make no complaint as to the cost of such relief provided these expenditures go to those who are deserving.

Service to one's country cannot be measured in terms of dollars and cents. Gratitude to those who have served their country cannot be expressed under any policy we might adopt, but we can devise a system of veterans' relief which will insure that benefits are granted equitably to those who are entitled thereto.

My aim in drafting H.R. 6206 was to submit to the Congress and the country a sound national policy. This policy contemplates that those given Government benefits be placed upon an honor roll; that this national obligation extends, first, to those having disabilities incurred in or aggravated by military service; and, second, to those who, while not suffering from disabilities directly attributable to military service, have become, through age or disability, unable to carry on for themselves.

I am firmly of the opinion that if all benefits are equalized and awarded upon correct principles, and administrative costs kept within reasonable bounds, all that can be expected in the way of economies will follow. I am sure that we all fully subscribe to the policy of dealing fairly with those who have served our Nation in times of great emergency. The bill I have introduced is in keeping with that policy.

Many years ago I advocated a uniform policy, and several years ago I drafted the framework of this present bill. After careful consideration of its every provision, I admit, owing to human frailty, it may not be a perfect bill, and I have never seen a perfect bill, yet I do maintain that its principles are just, and it substitutes for the present jumble and disjointed pension legislation a comprehensive and permanent uniform national policy which is applicable to the future as well as to the present.

There is no thought of criticism of Congress for the imperfections in the legislation governing existing benefits. Each enactment or amendment to existing legislation has been in response to urgent representations and demands of different groups. In many instances these demands were so insistent and immediate in character as to preclude deliberate consideration and action such as might have evolved more uniform provisions. I believe the chief cause for these inequalities and injustices was the fact that all earlier legislation had to be taken up piecemeal, as it were, and the needs of each group of veterans had to be handled separately, because the benefits were dispensed or administered by many different Government agencies and legislation pertaining to their affairs was handled by several different committees in both Houses of Congress. For these reasons it was impracticable for Congress to attempt to arrange all groups of veterans and benefits in classes for comparative study and then to correct or eliminate certain features by one piece of legislation.

I do not know whether or not this bill can be enacted into law this Congress, but it is my sincere belief and I am certain that the Congress must ultimately enact such legislation.

This proposed legislation is not destructive of the present governmental policy with respect to veterans' affairs. It repeals and modifies all prior laws concerning veterans' relief, but it does so only for the purpose of substituting a just, permanent, and uniform national policy.

The Economy Act was admittedly enacted with the greatest of haste in the face of an emergency. That there are inequalities in the kind and character of the benefits extended to the veterans of different wars under the present laws is undeniable. Veterans are thrown together in their organization meetings, work, and social life, and are familiar with the patent injustices that exist; hence dissatisfaction and complaints increase.

So long as the Economy Act remains the law, there will be constant attempts to amend it for the benefit of some special classes; hence I feel that it is urgent that the Government adopt a definite national policy at the earliest pracical date, before the pressure of some of these special classes destroy every benefit contained in the Economy Act.

Many changes have been suggested by various organizations for the consideration of the Congress, the adoption of which would tend to multiply the present inequalities and increase the annual budget for veterans' relief. If inequalities and inconsistencies in existing laws are to be corrected and expenditures kept within reasonable bounds, steps having to do with veterans' legislation must be taken only after the most careful consideration.

I have burned the candle long hours, doing intensive research work in an effort to reach a just and sympathetic conclusion concerning veterans' legislation. When the Economy Act was under consideration, there was no time to take advantage of the results of investigations made by me during the course of years in Congress, and by others qualified to deal with the problems of our veterans, and determine a definite national policy with respect thereto.

My bill, H.R. 6206, substitutes a definite plan in specific terms for the broad, general, and uncertain terms of the Economy Act, but it does not do away with any of the just principles that are contained in the Economy Act and section 20 of the Independent Offices Appropriation Act, and the executive regulations issued to carry out the provisions of the Economy Act, which are beneficial to the veterans and their dependents.

I have drafted into one bill, which if enacted, will codify into one law, all the pension provisions hitherto scattered throughout the statutes and enacted as far back as July 14, 1862.

This bill is so drafted in form that it can be readily amended or expanded to meet changing conditions. For once the veteran will be able to pick up one single law and by a brief examination thereof, determine definitely what his rights, as a veteran, are.

The underlying principles of my bill are to bring together under a Cabinet officer, all governmental activities having to do with veterans' relief of whatever character, and with a view of securing a better coordination, added efficiency, and a more complete economic use of existing facilities and to improve the service rendered to the veterans of all wars and equalize the benefits extended them by the Government.

Having once adopted the fundamental principles of a national policy, our efforts should then be directed to the

administration of such a policy by the shortest and most direct route.

It is the clear duty of the Congress to get the greatest possible results in services for the money available for a specific purpose.

It is quite evident from the viewpoint of national policy and a balanced Budget that the veterans' relief problem merits the most careful consideration of the legislative and executive branches of the Government.

Any governmental agency disbursing annually since its inception nearly a billion dollars must of necessity attract public attention in prosperous times as well as when enforced economies in national expenditures are under consideration.

Anyone who is familiar with the present activities of the Veterans' Administration knows that there is a considerable duplication of functions and that they should operate on a considerably reduced personnel, which would result in increased savings and simplification of operative procedure.

When one considers that there are approximately 35,000 employees in the Veterans' Administration and that the expenditures are approximately one half of the total revenue of the Government, it is my opinion that it is proper and timely that this governmental activity should be placed under the head of a Cabinet officer, who would be the directing head of a department that would rank alongside of the other great administrative departments of our Government.

This Cabinet officer would be in a position to secure better results for both the taxpayers and the veterans and would be in a position at all times to visualize to the President and the Congress the picture of veterans' benefits, which would result in a more simplified procedure and consequently greater economies.

Looking back over the old reports of the Bureau of Pensions, I find from 1891 to 1894, inclusive, they had the largest number of employees at any one time in their service. This large number of employees for that service is a surprisingly low figure of 2,009. At that time they were paying pensions based on services rendered during the Revolutionary War, our early Indian wars, War of 1812, War with Tripoli, Mexican War, Civil War, and various Indian campaigns. They were, even with the low rate of pensions paid at that time, disbursing $140,000,000 annually direct to veterans and their dependents. The 2,009 employees received $2,508,810 average salaries during those years. The entire cost of the operation, which included medical service, supplies, equipment, field service, and maintenance, averaged only $4,898,665 for those years.

In 1898 the peak of Civil War pensions was reached when the Bureau had 745,822 Civil War veterans on the pension rolls and a total number of pensioners of 993,714. It disbursed $145,000,000 with only 1,836 employees, who were paid in salaries $2,281,710. The expenses of the Bureau for that year were $4,114,000.

It is interesting to note that from 1868 to 1931, inclusive, when the old Bureau of Pensions was consolidated with the present Veterans' Administration, that, although the Bureau disbursed more than eight and one-half billions of dollars in the form of pensions to veterans and their dependents, the cost of maintenance and expenses of all descriptions for the operation was only $152,957,460.46.

It is disclosed in volume 4, pages 1125, 1126, 1127, of the hearings before the Joint Congressional Committee on Veterans' Affairs, held February 24, 1933, that there were 857 attorneys employed by the Bureau, whose salaries ranged from $2,600 to $9,000, and they also had employed 1,584 full-time physicians, whose salaries range from $2,600 to $9,000.

I have a proviso in my bill which transfers the administration of the civil-service retirement fund from the Veterans' Administration to the Civil Service Commission. This activity has no more connection with veterans than any other group of citizens, but the charge is made against veterans' relief in the appropriation bill, when not one cent of that money does the veteran or his dependents an iota of good.

The Veterans' Administration was authorized as an independent agency by act of July 3, 1930; and by Executive order of July 21, 1930, there were consolidated therein under a single control the Bureau of Pensions, the United States Veterans' Bureau, and the National Home for Disabled Volunteer Soldiers.

The Administrator of Veterans' Affairs has control, direction, and management of all agencies and activities comprising the Veterans' Administration; is chairman of the Federal Board of Hospitalization; is responsible for extending relief to veterans and dependents of veterans in the way of pensions, Government military and naval insurance, adjusted compensation, emergency officers' retirement pay, and hospital and domiciliary care; also administration of Civil Service retirement law, and settlement of claims for annuities, refunds, and allowances under said law.

The Veterans' Administration, in addition to its central office in Washington, with 5,052 employees, operates regional offices or combined regional offices and hospitals in every State, except Delaware, and maintains and operates 72 hospitals and 14 soldiers' homes, necessitating services of 30,415 employees. Salaries for this army of employees totaled $58,528,639 for 1933.

This independent establishment disbursed $868,688,479.42 in 1933. It paid pensions, compensation, disability allowances, and emergency officers' retirement pay to 997,918 veterans and 272,749 dependents of veterans; gave hospital medical service to 136,626 veterans and out-patient medical service to 256,652 individuals; and took care of 24,225 veterans in soldiers' homes.

To June 30, 1933, it acted upon 3,990,674 applications for adjusted compensation involving $3,717,487,218.21. It was concerned in life insurance of 637,049, the value of whose insurance was $2,925,618,222.52.

When consideration is given to the fact that the disbursements of the Veterans' Administration are far in excess of those of any other departments of the Government, except the Post Office Department, which largely depends on postal revenues for running expenses; that in its many and diversified activities, involving monetary benefits of various kinds, insurance annuities, adjusted compensations, hospitalization, domiciliary care, construction of hospitals, and so forth, it directly contacts several millions of our people, and indirectly benefits many more millions; that in point of numbers of employees it is exceeded by only four of our Government activities, one of which is our great Postal Service—the conclusion must be that so great an activity of our Government should constitute a department with a Cabinet official, the Pension Department, with a Secretary, an Assistant Secretary in charge of monetary benefits for veterans, and an assistant secretary in charge of hospitalization, domiciliary care, and similar activities. To such a department might be assigned those activities now existent, and that may be brought into being, that carried grants of benefits to our civilian population, as compensation, annuities, old-age pensions, and so forth. Such a department could work out systems that would be uniform in character, formulate legislation that would be equitable to all beneficiaries, and bring order out of the present chaos of the hodge-podge of laws, regulations, and so forth, that are difficult of administration and so exasperating in their inequalities as to stir up wide-spread dissatisfaction that bodes no good to any party that may be in power.

The President's Cabinet is his official family, the members of which meet on Tuesdays and Fridays to consider and discuss important matters. Opportunity is afforded for exchange of views, a determination as to how projects advanced by one Cabinet officer may affect the Departments presided over by other Cabinet officers, and opportunity afforded for coordination and the elimination of overlappings and duplications. It surely cannot be gainsaid that the Veterans' Administration has so many great problems and such vast and far-reaching activities that opportunity should be afforded the heads of Departments at Cabinet meetings to consider them, and to bring this about means

the creation of a pension department. Examination of cabinet set-ups in other great nations reveals that to certain ministers or secretaries are assigned portfolios dealing with pensions. This is practically true of Great Britain and France, and even our neighbor to the north of us, Canada, has its Minister of Pensions. In Great Britain, under the Secretary for Home Affairs, are centered war pensions, old-age pensions, national health and unemployment insurance, workmen's compensation, hospitalization, and kindred public social services.

The most urgent need at the present time is a codification of pension laws. This necessity has been realized for some years past, but never more so than since the passage of the so-called "Economy Act", which repealed all laws granting pensions since the beginning of the War with Spain, April 21, 1898, and has resulted in the granting of pensions pursuant to Executive orders and regulations, which have been changed several times and in the administration of which there have been reviews upon reviews, delays, confusion, and a piling up of work within the Veterans' Administration almost to the point of demoralization of service, and wide-spread discontent throughout the length and breadth of the land in the ranks of all classes of veterans and their widows and dependents.

Then there are different laws granting pensions to Civil War veterans and their widows, to Indian war veterans and their widows, to soldiers for disability incurred in the Army, Navy, and Marine Corps prior to April 21, 1898, and to widows and dependents by reason of deaths of such soldiers from peace-time service-connected causes—all carrying different rates of pension. In place of this hodge-podge of laws, orders, and regulations there should be enacted laws granting uniform benefits which might be administered along lines of simplicity and directness, and with that same degree of economy and efficiency as marked the operations of the old Pension Bureau during its existence of almost 100 years.

My bill H.R. 6206, is a step in the right direction and a long stride toward the goal of a safe, sane, and uniform pension system administered by a head clothed with the dignity and powers of a Cabinet official.

For the information of the Membership of the House and others concerned it is my purpose to present herewith a résumé of my bill H.R. 6206:

THE UNDERWOOD BILL (H.R. 6206)—VETERANS' ACT OF 1934

To establish a Department of Veterans' Affairs, with a Secretary of Veterans' Affairs at the head thereof; to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such department and its functions relating to the administration of the civil-service retirement laws to the Civil Service Commission; to adjust and equalize pensions of veterans and widows and dependents of veterans; and for other purposes.

DEPARTMENT OF VETERANS' AFFAIRS

Section 1: (a) Provides for the establishment of a Department of Veterans' Affairs, at the head of which shall be a Secretary of Veterans' Affairs, who shall be appointed by the President, with the advice and consent of the Senate.

(b) Provides for the transfer of all the duties, functions, and powers of the Veterans' Administration to the Department of Veterans' Affairs, except those of the civil-service retirement laws, which are transferred to the Civil Service Commission.

(c) Provides for the abolishment of the office of the Administrator of Veterans' Affairs, and transfers the functions, powers, and duties to the Secretary of Veterans' Affairs, except such duties, functions, and powers as relate to the administration of the civil-service retirement laws, which are transferred to the Civil Service Commission.

(d) Provides for the transfer of officers, employees, records, and property as pertain to the administration of the duties, functions, and powers of the Veterans' Administration to the Department of Veterans' Affairs, except such as pertain to the administration of the civil-service retirement laws, which are transferred to the Civil Service Commisson.

Section 2: (a) Amends section 158 of the Revised Statutes to include the Department of Veterans' Affairs, and provides that title 4 of the Revised Statutes, as now and hereafter amended, shall be applicable to the Department.

(b) Provides for a seal for the Department.

(c) Provides that the Department of Veterans' Affairs shall be governed by this act, and by the laws in force with respect to Veterans' Administration, except those relating to the administration of the civil-service retirement laws at the time of its transfer under this act, insofar as such laws are not inconsistent with the provisions of this act.

(d) Provides that in the transfer of officers and employees that no change in classification and compensation be made, but provides that such changes in titles and designations as may be necessary may be made after the transfer.

(e) Provides that all orders, rules, regulations, awards, grants, permits, or other privileges, made, issued, or granted by or in respect of the Veterans' Administration, in effect at the time of transfer of such administration under this act, shall continue in effect at the same extent as if such transfer had not occurred.

(f) Provides for the transfer of all appropriations made for the Veterans' Administration to the Department of Veterans' Affairs, except those with respect to the civil-service retirement, which are transferred to the Civil Service Commission.

TITLE I—PART I

WAR-TIME SERVICE-CONNECTED DISABILITIES

Section 101: (a) Grants pension of from $10 to $100 per month for disability incurred in service and line of duty in time of war. (See secs. 132, 133, and 134.)

(b) (1) Grants $15 per month for the loss or loss of use of 1 hand, 1 foot, or 1 eye additional to those specified in paragraph (a).

(2) Grants $25 per month for the loss of a leg at or above the knee or an arm at or above the elbow additional to the rates specified in paragraph (a).

(3) Grants $150 per month for the loss or loss of use of both hands or both feet or 1 hand and 1 foot or helplessness requiring the regular aid and attendance of another person, in lieu of the rates in paragraph (a).

(4) Grants $175 per month for the loss or loss of use of both hands and 1 foot or both feet and 1 hand or loss of sight of both eyes, in lieu of rates in paragraph (a).

(5) Grants $200 per month for loss or loss of use of 1 hand or 1 foot in addition to blindness of both eyes, in lieu of rates specified in paragraph (a).

(6) Grants $250 per month for loss or loss of use of both hands or both feet or 1 hand and 1 foot in addition to blindness of both eyes, in lieu of rates specified in paragraph (a).

Section 102. (a) Grants $30 per month to widows with $6 per month additional for each child under 18 years of age and each child who has been helpless since prior to attaining the age of 18 years, qualified by date of marriage and personal conduct.

(b) Provides that in the event there is no widow entitled, the title succeeds to children as enumerated in the paragraph next above.

(c) Provides that in the event the veteran is not survived by a widow or child as enumerated in second paragraph above, a grant of $20 per month may be made for one dependent parent or $30 per month for two.

Section 103: (a) Provides that after 90 days' service prior soundness shall be presumed except as to defects noted at enlistment or evidence or medical finding that disability existed prior to enlistment.

(b) Provides that a chronic disease showing a 10-percent disability within year shall be held to have been contracted in service, provided the person served 3 months.

(c) Provides that an increase in a disability existing prior to enlistment shall be held to be aggravated by service unless there be a specific finding that the increase in disability is due to the natural course of the disease.

(d) Provides that persons drafted or called into service in the World War and incurring a disability in line of duty prior to muster into the service of the United States shall be entitled to have such disabilities considered as having been incurred in the World War.

TITLE I—PART II

PEACE-TIME SERVICE-CONNECTED DISABILITIES

Section 121: (a) Grants pension of from $6 to $50 per month for disability incurred in line of duty in time of peace.

(b) (1) Grants $10 per month for the loss or loss of use of 1 hand, 1 foot, or 1 eye in addition to the rates specified in paragraph (a).

(2) Grants $15 per month for the loss of a leg at or above the knee or an arm at or above the elbow in addition to the rates specified in paragraph (a).

(3) Grants $75 per month for the loss or loss of use of both hands or both feet or 1 hand and 1 foot or helplessness requiring the regular aid and attendance of another person, in lieu of the rates specified in paragraph (a).

(4) Grants $90 per month for the loss or loss of use of both hands and 1 foot or both feet and 1 hand or blindness of both eyes, in lieu of the rates prescribed in paragraph (a).

(5) Grants $100 per month for loss of or loss of use of one hand or one foot in addition to blindness of both eyes, in lieu of rates specified in paragraph (a).

(6) Grants $125 per month for the loss or loss of use of both hands or both feet or one hand and one foot in addition to blindness of both eyes, in lieu of the rates specified in paragraph (a).

Section 122: (a) Grants $25 per month to widows with $5 per month additional for each child under 18 years of age and each child who has been helpless since prior to attaining the age of 18 years, qualified as to time of marriage and personal conduct.

(b) Provides that in the event there is no widow entitled the title succeeds to the children as enumerated in the paragraph next above.

(c) Provides that in the event there is neither widow nor children as enumerated in the paragraph second above a grant of $15 per month may be made for one dependent parent, or $25 per month for two.

Section 123: Provides that after 6 months' service prior soundness shall be presumed except as to defects noted at enlistment or evidence or medical finding that the disability existed prior to enlistment.

TITLE I—PART III

COMBINATIONS OF PENSIONS

Section 131: Direct payment of pension at war-time rates when there has been service in both peace time and war time and pensionable disability incurred in each.

Section 132: Provides for payment of pension at war-time rates for disability or death incurred in combat in any Indian campaign or military expedition or occupation.

Section 133: Provides a 10-percent increase to any pension to which otherwise entitled to a veteran who actually participated in combat with an enemy of the United States.

Section 134: Provides for the reduction from 65 years to 50 years of the age at which "Medal of Honor" pensioners may be entitled to the extra pension provided by the act of April 27, 1916, and extends its provisions to veterans of Indian campaigns and military expeditions and occupations.

TITLE II—PART I

PENSION FOR NON-SERVICE-CONNECTED DISABILITY

Civil War and Indian campaigns service

Section 201: Provides for the continuance of laws in effect as to the non-service-connected disabilities for Civil War veterans (act of June 9, 1930—$75 and $100 per month) and Indian campaign veterans (act of Mar. 3, 1927—$20 to $50 per month), continues laws in effect as to widows of Civil War veterans ($50 per month if wife during service, $40 per month if married subsequent to service and prior to June 27, 1905 and 70 years of age, $30 per month if married subsequent to service and prior to June 27, 1905, and not 70 years of age), and proposes to grant a pension of $30 per month to widows of Civil War veterans who married the veteran on or after June 27, 1905, and prior to June 27, 1910, and who lived and cohabited with such veteran for a period of 5 years. This section also proposes to extend the age limit of minors from 16 to 18 years of age and to include those children who have been insane, idiotic, or otherwise permanently helpless since prior to attaining the age of 18 years.

I deem this an opportune time to make some explanation of the much-misunderstood provisions of existing law relative to the pensioning of helpless children of veterans. None of the laws now in existence provides for the pensioning of helpless children as such, but merely provides for the continuance of pension granted them as minor children. If they were lucky enough to have their veteran fathers die before they attained the age of 16 years and they succeeded in having a claim filed before reaching that age they were all right; but if they were unlucky enough to have their veteran fathers survive until they had attained the age of 16 years, their only recourse was to a special act of Congress.

TITLE II—PART II

WAR WITH SPAIN AND WORLD WAR SERVICE

Section 221: Provides that if the veteran served 90 days and was honorably discharged he would be entitled to pension as follows:

If 50 years of age and 50 percent disabled, $18 per month.
If 55 years of age and 75 percent disabled, $24.
If totally disabled, regardless of age, $30 per month.
If 55 years of age, regardless of disability, $12.
If 62 years of age, regardless of disability, $18.
If 68 years of age, regardless of disability, $24.
If 72 years of age, regardless of disability, $30.
If 75 years of age, regardless of disability, $40.
If 78 years of age, regardless of disability, $50.
If 80 years of age, regardless of disability, $60.
If 85 years of age, regardless of disability, $75.

Section 222: (a) Grants $20 per month to widows, with $4 per month additional for each child under 18 years of age and each child who has been helpless since prior to attaining the age of 18 years, qualified by date of marriage and personal conduct.

(b) Provides that if there is no widow entitled, the title goes to children as enumerated in paragraph next above.

TITLE III

EMERGENCY OFFICERS' RETIREMENT PAY

Section 301: Provides for the continuance of retirement pay to those emergency officers who were retired under the provisions of the act of May 24, 1928, who were in the service between April 6, 1917, and November 11, 1918, who were properly rated; that the disease or injury or aggravation of the disease or injury directly resulted from the performance of military duty; and that the causative factor therefor is shown to have arisen out of the performance of duty during such service.

TITLE IV—PART I

DOMICILIARY CARE, HOSPITALIZATION, MEDICAL TREATMENT, ORTHOPEDIC APPLIANCES

Domiciliary and hospital care

Section 401: Provides for hospital and domiciliary care to veterans in following order of preference:

(1) To honorably discharged veterans of any war when in need of treatment for disabilities incurred in service and line of duty. (Includes service aggravation of a pre-existing disability.)

(2) Peace-time veterans suffering from service-connected or aggravated disabilities when in need of treatment for such disabilities.

(3) War-time veterans who served 90 days or more and are suffering from permanent disabilities or tuberculosis or neuropsychiatric ailments and have no adequate means of support.

(4) Peace-time veterans who served 6 months or more and are suffering from permanent disabilities or tuberculosis or neuropsychiatric ailments.

Section 402: No clothing to be furnished to any person admitted to departmental facility, except (a) where necessary for health or sanitation; (b) where special clothing is necessary by the wearing of prosthetic appliances.

Section 403: Traveling expenses to be paid only when veteran has been ordered to report to departmental facility.

Section 404: No domiciliary, medical, or hospital care outside the continental limits of the United States, its Territories or possessions.

Section 405: Authorizes the Secretary to issue necessary regulations.

Section 406: Directs that continuance of care be given those properly admitted prior to March 20, 1933, until such time as they may be discharged without jeopardizing their life or health.

TITLE IV—PART II

MEDICAL CARE AND SUPPLIES, ORTHOPEDIC APPLIANCES

Section 421: Provides for furnishing medical, surgical, and dental services and orthopedic appliances and the manner in which orthopedic appliances may be obtained.

TITL V

BURIAL ALLOWANCE

Section 501: Provides for the furnishing of a flag to drape casket of deceased veteran of any war.

Section 502: Provides for the allowance of $75 for funeral expenses of the veteran of any war if net assets at the time of death do not exceed $1,000.

Section 503: Provides for the allowance of $75 for the burial of a veteran of any war who dies in a departmental facility.

Section 504: Relates to claims for accrued pension to reimburse the person who bore the expenses of last sickness and funeral of a veteran.

TITLE VI—PART I

CONDITIONS AND LIMITATIONS ON PAYMENT OF PENSIONS

Service requirements

Section 601: Fixes date of beginning of Civil War as April 12, 1861, and termination as July 1, 1865, with extension to August 20, 1866, when service was in certain States.

Section 602. Relates to war with Spain, Philippine insurrection and China relief expedition, and fixes service in the war with Spain as that performed by persons regularly in the Army, Navy, or Marine Corps, and so forth, between April 21, and August 12, 1898, and that performed by persons who entered the service on or after August 13, 1898, and on or before April 11, 1899, and who served in Cuba or Puerto Rico prior to April 12, 1899; restricts service in the Philippine insurrection to that performed by persons who went to the Philippine Islands prior to July 4, 1902, or, if service was in the Moro Province, prior to July 15, 1903; and service in the China relief expedition to that performed by persons who actually served in China between June 16, 1900, and May 12, 1901.

Section 603: Relates to World War service and fixes the date of beginning as April 6, 1917, and termination as November 11, 1918, with extension to April 1, 1920, if service was rendered in Russia.

Section 604: Provides that where a service of 90 days is required it is not necessary that that number of days' service be completed prior to the cessation of hostilities, but that the person must have entered the service prior to the cessation of hostilities and served continuously for 90 days; and in the case of a person who was in the service at the beginning of hostilities, it provides that he must have served the requisite number of days after the beginning of hostilities.

TITLE VI—PART II

INCOME, EMPLOYMENT, AND RESIDENCE LIMITATIONS

Section 621: Forbids payment of benefits where the beneficiary holds a position either appointive or elective under the United States Government, the government of the District of Columbia, any State, Territory, or political subdivision thereof or under any corporation the majority of stock of which is owned by the United States, except:

(1) That based on disabilities incurred in combat with an enemy of the United States or for disabilities resulting from the explosion of an instrumentality of war in time of war;

(2) That based on disability or death due to service and line of duty where wages or salary, if single, does not exceed $1,000 per annum or if married or has minor children does not exceed $2,500. (If the wages or salary exceeds the amounts stated the rate of pension is reduced to $6 per month.)

(3) That based on non-service-connected disabilities where wages or salary, if single, does not exceed $720 per annum, or if married or has minor children does not exceed $1,200 per annum.

Section 622: Reduces benefits by 50 percent where beneficiaries reside outside the continental limits of the United States, exclusive of Hawaii, Alaska, Puerto Rico, Virgin Islands, and Panama Canal Zone, for a period of 6 months.

TITLE VI—PART III

APPORTIONMENT OF PENSION AND RETIREMENT PAY

Section 631: Provides that in a case of a veteran receiving pension or emergency officers' retirement pay shall for a period of 6 months desert his wife, she being a woman of good moral character and in necessitous circumstances, or his minor or helpless children, the benefits, not to exceed that payable for total disability shall be apportioned as follows:

(1) Wife but no child, 70 percent to veteran and 30 percent to wife.

(2) Wife and one child, 60 percent to veteran and 40 percent to wife, or if the child is not in her care and custody, 20 percent to the wife and 20 percent to the child.

(3) Wife and two children, 55 percent to the veteran and 45 percent to the wife, or if one or more of the children are not in her care and custody, 20 percent to the wife and 25 percent for the children, equally divided.

(4) Wife and three or more children, 50 percent to the veteran and 50 percent to the wife, or if one or more of the children are not in her care and custody, 20 percent for the wife and 30 percent for the children, equally divided.

(5) No wife, one child, 80 percent to veteran and 20 percent to child.

(6) No wife, two children, 70 percent to veteran and 30 percent to children, equally divided.

(7) No wife, three or more children, 65 percent to veteran and 35 percent to children, equally divided.

Section 632: Provides that in a case of a veteran receiving pension or emergency officers' pay in excess of $10 per month and is being maintained in an institution under the supervision of the United States or of any political subdivision thereof, whether the residence therein is voluntary or involuntary, his pension or retirement pay shall not exceed 25 percent of that to which he would otherwise be entitled, in no case more than 25 percent of what he would be entitled were he totally disabled, and in no case is he to be reduced below $10 per month, the remainder to be apportioned to his wife and children, if any, as follows:

(1) If there be a wife and no child, or a wife and one or more children all in her care and custody, 100 percent (of the difference) to the wife.

(2) If there is a wife and one child not in her care and custody, 70 percent to the wife and 30 percent to the child.

(3) If there is a wife and two children, one or both of whom are not in the care and custody of the wife, 60 percent for the wife and 40 percent for the children, equally divided.

(4) If there is a wife and three or more children, one or more of whom are not in the care and custody of the wife, 50 percent for the wife and 50 percent for the children, equally divided.

(5) If there is no wife but one child, 100 percent to the child.

(6) If there be no wife but two or more children, 100 percent to the children, equally divided.

Section 633: Provides that if it be shown that the wife has abandoned her children by the veteran or that she is an unsuitable person to have care and custody of them, apportionment shall be made to them the same as if there were no lawful wife, or if apportionment has been made to her this section to take effect from the date of last payment to her.

Section 634: Provides that no apportionment shall be made for any child that has been adopted by another person.

TITLE VI—PART IV

BEGINNING, SUSPENSION, DISCONTINUANCE, AND RECOMMENCEMENT OF PENSION PAYMENTS

Section 641: (a) Provides that the date of commencement of pension in all cases shall be the date of filing a valid application in the Department. Application in a veteran's case not valid if executed prior to discharge from the service or in a dependent's case if executed prior to the death of the veteran.

(b) Provides that the date of commencement of increase of pension on account of increased disability shall be the date of the examining surgeon's certificate showing such increased disability, and the date of commencement of increase on account of age shall be the date on which the beneficiary attains the beneficial age.

Section 642: (a) Provides that reduction or discontinuance of a veteran's pension shall be effective the first day of the month next following the month in which the approval is made.

(b) Provides that discontinuance on account of death shall be the date of death in all cases.

(c) Provides that discontinuance of pension because of remarriage of a widow shall be the date next preceding the date of her marriage.

(d) Provides that discontinuance or reduction of pension because of a child reaching the age of 18 years or being married shall be the date next preceding the eighteenth birthday or next preceding the date of marriage, as the case may be.

Section 643: Provides for the pensioning of a so-called "remarried widow" if she was the wife of the veteran during his service in any war since April 20, 1898, whose death was due to such service and line of duty, and she is again a widow by the death of the subsequent husband or his divorce on her application and without fault on her part and she is in necessitous circumstances, and any child that may be pensioned on his service is in her care and custody. In such case pension to the child to cease. It also provides that the open and notorious adulterous cohabitation of the widow of a veteran bars her title to pension.

Section 644: Provides that if it be shown that the widow of a veteran has abandoned her children by such veteran or is shown to be an unsuitable person to have care and custody of them that pension shall be granted the children in the same manner and from the same date as if no widow survived. No pension to be allowed the widow in such case. In case pension has been allowed the widow the date of commencement of pension for the children shall be from and after the date to which the widow was paid, and the pension to the widow shall then cease.

Section 645: (a) Provides that pension to a dependent father or mother shall continue during dependency until death or remarriage, whether the dependency arises prior or subsequent to the death of the veteran.

(b) Provides that pension for a child shall continue only until the child's eighteenth birthday or marriage, or if helpless until death or marriage, or during the continuance of such helplessness.

Section 646: (a) Provides for payment of accrued pension and emergency officers' retirement pay, as follows:

(1) First to his widow; second, if there is no widow, to his child or children under 18 years of age at his death;

(2) In case of a widow, to her children under 18 years of age at her death;

(3) In case of an apportionee, to the veteran.

(b) Provides that in the event that no person is entitled to the accrued pension by reason of relationship as above set forth no part of it shall be paid except so much as may be necessary to reimburse the person who bore the expenses of the last sickness and funeral of the beneficiary. Claim therefor must be filed within 1 year after the death of the beneficiary and completed within 6 months after call for evidence by the Department.

Section 647: Provides that in the event more than one person is drawing pension and one of them dies or marries, the pension for the remaining shall be the same as if they had been the sole original beneficiaries.

Section 648: Provides that not more than one pension shall be paid to any individual covering the same period; that in case an individual is entitled to more than one pension payment shall be made of the one granting the greater benefit. Allowances under sections 4756 and 4757 to be considered to be pensions.

Section 649: Provides that in a case wherein the veteran is insane and is being maintained in an institution by the United States, has no dependent, and his estate derived from pension or other allowance or allowances by the United States exceeds $1,500, such allowance shall be discontinued until his estate is reduced to $1,500.

Section 650: Provides that the minimum rate of pension for disability shall be $6 per month and for death $10 per month.

TITLE VII—PART I

ADMINISTRATIVE PROVISIONS

Administrative powers and functions

Section 701: Provides that decisions of the Secretary shall be final on all questions of law and fact and that no other official or court shall have power by mandamus or otherwise to review any such decision.

Section 702: Provides that the Secretary shall administer, execute, and enforce the provisions of this act.

Section 703: Provides that the Secretary may delegate authority to such person or persons as he may see fit to render decisions and such decisions when rendered shall have the same force and effect as if rendered personally by the Secretary.

Section 704: (a) Provides that claims shall be filed in the Department under such regulations as the Secretary may prescribe and that payment shall not be made for any period prior to the date of application.

(b) Provides that no person entitled to monetary benefits under this act shall render decisions hereunder.

(c) Provides and directs that there shall be attached to each application and papers relating thereto briefs of determination which shall be permanent records and shall contain signed endorsements in ink of disposition of the claim.

Section 705: (a) Provides and directs that the Secretary adopt and apply a schedule of ratings, based as far as practicable on the average impairment of earning capacity. The schedule to provide 10 grades of disability and no more for service-connected disabilities upon which award of pension shall be based, namely, 10, 20, 30, 40, 50, 60, 70, 80, 90, and 100 percent.

(b) Provides and directs that the Secretary adopt and apply a similar schedule for disabilities which are not service connected except that there shall be only three grades of disability, namely, 50, 75, and 100 percent.

Section 706: (a) Authorizes the Secretary to incur necessary expenses incident to the commitment of mentally incompetent veterans to departmental hospital or home when necessary for treatment.

(b) Authorizes the Secretary to incur necessary expenses incident to the appointment of fiduciaries for incompetent or minor beneficiaries, or the removal of such, when to charge the estate of such incompetent or minor would unduly deplete such estate.

(c) Provides that payment to beneficiaries laboring under a legal disability shall be made only on the submission of properly executed vouchers with two witnesses.

TITLE VII—PART II

APPEALS

Section 721: (a) Provides for the establishment of a Board of Veterans' Appeals to be composed of a chairman, vice chairman, and not to exceed 15 associate members. Also provides for necessary professional, administrative, clerical, and stenographic personnel. Members of the board to be appointed by the Secretary.

(b) Directs that a docket be kept and permits formal recorded hearings to be held prior to decision in the claim.

Section 722: Provides that all questions on claims involving benefits within the jurisdiction of the Department shall be subject to review on appeal by the board and when a claim has been disallowed by the board it may not thereafter be reopened and allowed and no new claim shall be considered except on new and material evidence. The board shall in its decisions be bound by the regulations prescribed by the Secretary.

Section 723: Provides that appeals, except in simultaneously contested claims, must be filed within 1 year from the date of mailing notice of the original determination; that such appeals be filed with the head of the activity which entered the denial, who shall within 60 days consider and determine whether the action from which the appeal is taken shall be adhered to, and if he shall determine not to recede therefrom, he shall within the 60-day period forward such appeal, together with the record in the case and a report stating his reasons for the action complained of, to the Secretary, and such appeal shall be entered upon a docket kept for that purpose, and the jurisdiction of the activity involved shall then cease and the matter shall be decided by the board. If no appeal is filed within the period specified, the action taken on initial review shall become final, except where subsequent to such disallowance new and material evidence is furnished.

Section 724: (a) Provides that applications for review on appeal may be made in writing by the claimant, his guardian, or duly authorized agent, and that not more than one agent be recognized at any one time in the prosecution of a claim.

(b) Requires that each appeal must show the name and service of the veteran on whose service the claim is based, as well as the number of the claim, the date of the action appealed from, and the benefit sought.

(c) Requires that each appeal shall contain specific assignment of error of law or mistake of fact in the adjudication of the claim and provides that any appeal insufficient in this respect may be dismissed.

Section 725: Directs that appeals shall be considered in the order of their filing, except that a case involving interpretation of law of general application affecting other claims or for other sufficient cause shown may be advanced on motion for earlier consideration and determination.

Section 726: (a) Provides that in simultaneously contested claims, where one is allowed and the other rejected, the time for filing an appeal shall be within 60 days from the date of mailing notice of the original action to the claimant to whom the action was adverse. That in such cases the activity involved shall promptly notify all parties in interest of the original action taken, expressly inviting attention to the fact that an appeal will not be entertained unless filed within the period of 60 days. Such notices to be sent to the last known post-office addresses.

(b) Directs that on filing of an appeal in a simultaneously contested claim all parties, other than the appellant, whose interests may be adversely affected by the decision shall be notified of the substance thereof and allowed 30 days from date of mailing notice within which to file brief or argument in answer thereto before the record is forwarded to the board. Such notices to be forwarded to the last known post-office addresses of the parties.

Section 727: Provides that an appeal shall not be entertained unless it is in conformity with this title.

TITLE VII—PART III
RECORDS AND REPORTS

Section 731: Provides that all files, records, reports, and other papers and documents pertaining to any claim, whether pending or adjudicated, shall be deemed confidential and privileged, and no disclosure thereof shall be made except as follows:

(1) To a claimant or his duly authorized agent as to matters concerning himself alone when, in the judgment of the Secretary, such disclosure will not be injurious to the physical or mental health of the claimant;

(2) When required by process of a United States court;

(3) When required by any department or agency of the United States Government;

(4) In all proceedings in the nature of an inquest into the mental competency of the claimant;

(5) In any judicial proceedings when in the judgment of the Secretary such disclosure is deemed necessary and proper;

(6) That the amount of pension of any beneficiary shall be made known to any person who applies for such information, and the Secretary, with the approval of the President, upon determination that the public interest requires it, may, at any time and in any manner, publish any or all information of record pertaining to any claim;

(7) The Secretary may authorize an inspection of departmental records by duly authorized representatives of recognized organizations.

Section 732: (a) Provides that any person desiring to obtain a copy of any record, paper, or document in the custody of the Department, which may be disclosed under the provisions of section 731, must make written application therefor to the Department, stating specifically—

(1) The particular record, paper, or document, a copy of which is desired and whether certified or uncertified, and

(2) The purpose for which the copy is to be used.

Section 732: (b) The Secretary is authorized to fix a schedule of fees for copies and certifications of such records.

TITLE VII—PART IV
ATTORNEYS, AGENTS, AND REPRESENTATIVES

Section 741: Authorizes the Secretary to recognize representatives of the American Red Cross, the American Legion, the Disabled American Veterans, the Grand Army of the Republic, the United Spanish-War Veterans, Veterans of Foreign Wars, and such other organizations as he shall approve, without fee, in the presentation of claims. No such representative to be recognized until a certificate has been filed in the Department, under such regulations as the Secretary may prescribe, certifying that no fee or compensation of whatsoever nature shall be charged veterans or the dependents of veterans for service rendered. Such regulation to contain a provision requiring the filing in each claim a power of attorney in such manner and form as the Secretary shall prescribe.

Section 742: (a) Authorizes the Secretary to recognize agents and attorneys in the presentation of claims and to prescribe regulations relative thereto. Such regulations may require that such attorneys and agents show that they are of good moral character and in good repute, possessed of the necessary qualifications to render such claimant valuable service and otherwise competent to advise and assist applicants in the presentation of their claims. Forbids the recognition as an attorney or agent any person who is an officer or employee, appointive or elective, of any organization whose representatives are recognized under section 741 of this act, who transacts business relating to any such claim from or at which any such organization carries on its work incident to presenting claims, or who uses the stationery of any such organization in transacting business relating to any such claim. Forbids the payment of a fee to any person not recognized as an agent or attorney under this section.

(b) Authorizes the Secretary to suspend or exclude from further practice before the Department any agent or attorney, for cause, after hearing.

(c) Authorizes the Secretary to determine and to pay fees to agents and attorneys in accordance with the provisions of sections 4785 and 4786 of the Revised Statutes, as amended.

Section 743: Authorizes the Secretary to detail employees to make examination into the merits of pension claims, whether pending or adjudicated, and to aid claimants in the preparation of their claims. Such persons to have authority to administer oaths, take affidavits, and certify to the correctness of papers and documents pertaining to the administration of this act.

TITLE VII—PART V
DEFINITIONS AND CONSTRUING PROVISIONS

Section 751: (a) The term "military or naval service" includes the Army, Navy, Marine Corps, Coast Guard, Naval

Reserves, National Naval Volunteers, and the State militia while serving pursuant to law with the Army or Navy in time of war or national emergency.

(b) The term "person who served" means a person, whether male or female, and whether commissioned, enlisted, enrolled, or drafted, who was finally accepted for active service in the military or naval forces of the United States, members of training camps authorized by law, and such other persons heretofore recognized by statute as having a pensionable status.

(c) In the case of a veteran of any war, the term "veteran" means officers, enlisted men, members of the Army Nurse Corps (female), members of the Navy Nurse Corps (female), those women who served as contract nurses, and those persons who served overseas as contract surgeons of the Army.

(d) In the case of a widow of a veteran of the Civil War, the term "widow" means a woman who was married to the veteran prior to June 27, 1910, except that if she was married to him subsequent to March 2, 1899, she must have lived and cohabited with him continuously from the date of her marriage to him to the date of his death, or, if the cohabitation was not continuous, it must be shown that it was not due to the fault of the wife.

(e) In the case of a widow of an Indian war veteran, the term "widow" means a woman who was married to the veteran prior to March 4, 1917, except that if she was married to him subsequent to March 2, 1899, she must have lived and cohabited with him continuously from the date of her marriage to him to the date of his death, or, if the cohabitation was not continuous, it must be shown that it was not due to the fault of the wife.

(f) In the case of a widow of a veteran of the war with Spain, Philippine insurrection, or China relief expedition, the term "widow" means a woman who was married to the veteran prior to September 1, 1922; and in the case of a widow of a World War veteran the term "widow" means a woman who was married to the veteran prior to July 3, 1931, except that in the case of a veteran of either the war with Spain or the World War who dies subsequent to the approval of this act, his widow shall not be entitled to pension unless she was his wife during his service in one of those wars, or unless she lived and cohabited with him continuously from the date of the approval of this act to the date of his death; or, if she did not live with him continuously during the period specified, it must be shown that it was not due to the fault of the wife.

(g) In the case of a widow of a peace-time veteran, the term "widow" means a woman who was lawfully married to the veteran prior to or during his service in which he incurred his fatal disability, or one who was lawfully married to him and lived and cohabited with him the last 5 years of his life.

Section 751: (h) The term "mother" or "father" means a natural mother or father of the veteran, or mother or father of the veteran through legal adoption prior to service.

(i) The term "child" means a legitimate child or a child legally adopted prior to service, unmarried and under the age of 18 years, unless prior to reaching the age of 18 years the child becomes or has become permanently incapable of self-support by reason of mental or physical defect.

Section 752: (a) An injury or disease shall be deemed to have been incurred in line of duty whether the person was at the time of incurrence on active duty or on authorized leave for a period which did not materially interfere with the performance of his regular routine of duty, unless it was due to misconduct on his part; but shall not be so deemed if (1) he was absent from his organization or other post of duty on a furlough or leave of absence which materially interfered with his regular routine of duty; (2) was confined under sentence of court martial or civil court or was resisting lawful arrest; (3) was relieved from all performance of duty by command of his superior officer as a result of the intemperate use of drugs or alcoholic liquor or because of injury or disease contracted as a result of his own misconduct; (4) was acting in disobedience of the lawful orders of his superior officer or in violation of the rules and regulations of his organization; or (5) whether at his post or lawfully absent, if the injury or disease was caused by something not involving misconduct but was done in pursuing some private business or avocation.

(b) A disability shall be held to have resulted from misconduct when it is due to venereal disease, unless it is shown that it was innocently acquired, other than through illicit sexual intercourse, or when caused by an act of commission or omission, wrong in itself; or by an act contrary to the principles of good morals; or as a result of gross negligence, gross carelessness, alcoholism, drug addiction, or self-infliction of wounds.

Section 754: Marriages shall be proved in pension cases to be legal marriages according to the law of the place where the parties resided at the time of marriage or at the time when the right to pension accrued.

Section 755: The term "departmental facilities" as used in this act shall include the following:

(a) Those facilities over which the Department has direct and exclusive jurisdiction;

(b) Those other Government facilities for which the Secretary may deem it necessary to contract;

(c) Those private facilities for which the Secretary may deem it necessary and proper to contract in order to provide hospital care (1) in emergency cases for persons suffering from injuries or diseases incurred or aggravated in line of duty in active military or naval service; (2) for women veterans of any war; (3) for veterans of any war in the territories or possessions.

TITLE VIII

PENALTIES

Section 801: Provides penalty of $5,000 fine or 2 years imprisonment, or both, for making a false affidavit, knowingly, in any claim.

Section 802: Provides penalty of $2,000 fine or 1 year imprisonment, or both, where a person has title to pension which is terminated by the happening of a contingency and who continues to accept payments.

Section 803: Provides penalty of $2,000 fine or 1 year imprisonment, or both, for accepting any money, check, or pension, without being entitled to it, and with intent to defraud the United States or any beneficiary of the United States.

Section 804: Provides penalty of $1,000 fine or imprisonment for 1 year, or both, for in any way aiding in the making or presentation of any false statement concerning any claim for benefits under this act, and in addition to all other penalties prescribed forfeits all rights to benefits under the act.

Section 805: Provides penalty of $2,000 fine or 5 years imprisonment, or both, in case of anyone in a fiduciary capacity who embezzles benefits paid under the provisions of this act.

TITLE IX

JOINT CONGRESSIONAL COMMITTEE ON VETERANS' AFFAIRS

Section 901: (a) Provides for the establishment of a joint congressional committee, to be composed of the chairmen and the ranking majority and minority members of the Committees of the House on Invalid Pensions, Pensions, and World War Legislation, and of the Committees of the Senate on Finance and Pensions, and of the subcommittees of the House and Senate Committees on Appropriations for the Department of Veterans' Affairs.

(b) Provides that no Member shall continue to serve on the committee after failure of reelection.

Section 902: Fixes the duties of the joint committee as follows:

(1) To investigate the operation and effects of the Federal system of benefits to veterans and their dependents;

(2) To investigate the administration of the pension laws by the secretary of any department, establishment, or agency charged with their administration;

(3) To investigate measures and methods for the simplification of pension laws and their administration;

(4) To report from time to time to the committees of the House and Senate having legislative jurisdiction over pensions and other benefits the results of their investigations, together with such recommendations as it may deem advisable.

Section 903: (a) Directs that the joint committee shall meet as soon as practicable and elect a chairman and vice chairman from among its members, and empowers it to appoint and fix the compensation of a clerk and such other clerical, expert, and stenographical assistants as it deems advisable.

(b) Ten Members shall constitute a quorum, but not less than four Members of each House.

(c) Authorizes the joint committee, or any subcommittee thereof, to hold hearings and sit and act at such places and times, in the District of Columbia or elsewhere, whether or not Congress is in session, to issue subpenas, administer oaths, and require the production of books, papers, and documents, and incur expense of printing and binding. Subpenas to be issued over the signature of the chairman or vice chairman and served by any person designated by him. Extends the provisions of sections 101, 102, 103, and 104 of the Revised Statutes (U.S.C., title 2, secs. 191, 192, 193, and 194) in case of a subpena.

(d) Provides that members shall not receive compensation, other than as Members of Congress, except that they shall be reimbursed for necessary expenses incurred by them other than expenses incurred by them in connection with meetings held in the District of Columbia during such time as Congress is in session.

(e) Provides for one half of the expenses from the contingent fund of the Senate and one half from the contingent fund of the House.

TITLE X

YEARLY RENEWABLE TERM INSURANCE

Section 1001: Permits the conversion within 31 days of notice of yearly renewal term insurance where the insured has disappeared and his insurance is being carried by the payment of premium.

Section 1002: Permits veterans who are receiving insurance payments on yearly renewal term insurance by reason of total permanent disability, if terminated, to convert the remaining amount.

Section 1003: Permits the continuance of payments under contracts of yearly renewable term insurance—including automatic insurance—which had begun prior to March 20, 1933, and payments on any judgment heretofore rendered or may be hereafter rendered in a court of competent jurisdiction in any suit on a contract of yearly renewable term insurance—including automatic insurance—in any such suit pending in court on March 20, 1933, and permits the adjudication of claims filed prior to March 20, 1933, on the evidence filed prior to that date, in accordance with the laws then in effect, except that the decision of the Secretary shall be final; request for such adjudication to be made within 1 year from the date of approval of this act.

Section 1004: Provides that benefits under section 1003 hereof be paid in accordance with the World War Veterans' Act of 1924.

Section 1005: Directs that all claims for yearly renewal term insurance—including automatic insurance—filed subsequent to March 19, 1933, be rejected.

TITLE XI

MISCELLANEOUS PROVISIONS

Section 1101: (a) Repeals the Economy Act and such other acts and parts of acts inconsistent or in conflict with the provisions of this act to the extent of the conflict or inconsistency.

(b) Provides that there shall be no recovery of payments made after June 30, 1933, wherein title was affected by the act of March 20, 1933, but claim was not reviewed until later.

Section 1102: (a) Provides that this act shall take effect on the first day of the third calendar month following the month of its approval, except that section 301 shall be deemed to have taken effect on March 20, 1933, and sections 1 and 2 of this act shall take effect when the Secretary of Veterans' Affairs has taken office.

Section 1103: Provides that this act may be cited as the "Veterans' Act of 1934."

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

(Mr. KOPPLEMANN, by unanimous consent, was granted permission to revise and extend his remarks, and to include certain detail figures and data.)

Mr. KOPPLEMANN. Mr. Chairman, I have before me a set of figures made public today by the Agricultural Adjustment Administration. They are significant enough to dumfound our American milk producers and shock the milk consumer. These figures relate to net profits of milk-distributors in four of America's largest milk-consuming cities. These cities are Boston, Philadelphia, St. Louis, and Chicago, and cover distributors handling from two thirds to 90 percent of the milk in these cities.

The figures are the result of an audit recently completed by auditors for the Agricultural Adjustment Administration and cover the business operations of these milk-distributing companies from 1929 to the end of 1933.

I ask to have the detailed figures of this audit incorporated with my remarks, so that all of my colleagues, the general public, and the farmers may know who is skimming the cream off the dairymen's milk checks.

Before I discuss what these figures are I want to point out some significant facts. From 1929 to 1932 the wholesale price of milk sold by farmers declined 50 percent. During that same period the gross income of American farmers from dairy products produced on their farms declined 46 percent. During the last few months we have heard much about the sad plight of the dairy farmer. For several years he has been driven to the wall, and now he is feeling the squeeze. His voice is being lifted for help. Profits from his business have disappeared. I know from figures in Connecticut, my own State, that while labor income on 30 of the best farms averaged $1,719 in 1929, the average labor income on these same 30 farms was minus $244 in 1932. And while I do not have the figures for 1933 I am certain that these dairymen, in common with others throughout the whole country, suffered serious losses in their business, the majority of them unable to pay their cash expenses.

During this same period from 1929 to the end of 1933 the milk distributors of this country have been making enormous profits out of the farmers. I will not take the time to recite the profits made by milk distributors in each of the four milk sheds. These figures will appear in a table as part of my remarks. But I will give you a composite of the figures from 1929 to 1933.

In 1929 the milk distributors in Boston, Philadelphia, St. Louis, and Chicago made a net profit averaging 29.48 percent; in 1930 these same distributors made a net profit of 34.37 percent; in 1931 it was 30.56 percent; in 1932, 18.43 percent; in 1933, 15.13 percent.

The average net profit for the 5-year period was 25.71 percent, or a total of $62,456,553 net profit on a total net plant investment of $242,971,189.

Mr. Chairman, these figures speak for themselves.

Milk distributors' profits—Composite yield of net plant investment—Chicago, Boston, Philadelphia, and St. Louis milk sheds

	Chicago [1]	Boston [2]	Philadelphia [2]	St. Louis [2]	Total, 4 sheds
1929—Net plant investment	$17,856,948	$7,861,561	$16,552,180	$4,229,478	$46,500,167
Net profit	$4,833,175	$1,980,365	$5,992,784	$904,222	$13,710,546
Yield, net profit, percent	27.07	25.19	36.21	21.38	29.48
1930—Net plant investment	$19,009,180	$9,302,947	$16,504,771	$4,610,919	$49,427,817
Net profit	$7,223,711	$2,756,992	$6,004,335	$1,001,995	$16,987,033
Yield, net profit, percent	38.00	29.63	36.38	21.73	34.37
1931—Net plant investment	$18,854,361	$10,699,548	$16,459,657	$5,040,522	$51,054,088
Net profit	$6,248,670	$2,876,934	$5,798,354	$679,620	$15,603,578
Yield, net profit, percent	33.14	26.89	35.23	13.48	30.56

[1] Net profit in this shed is net operating profit before deducting income tax.
[2] Net profit—net profit after deducting income tax.

Milk distributors' profits—Composite yield of net plant investment, etc.—Continued

	Chicago	Boston	Philadelphia	St. Louis	Total, 4 sheds
1932—Net plant investment	$17,979,002	$10,531,980	$15,893,334	$4,985,402	$49,389,718
Net profit	$3,265,694	$1,618,341	$3,690,359	$529,561	$9,103,955
Yield, net profit, percent	18.16	15.37	23.22	10.62	18.43
1933—Net plant investment	$16,859,527	$9,897,355	$15,066,498	$4,776,019	$46,599,399
Estimated net profit	$1,829,400	$1,609,151	$3,266,140	$346,750	$7,051,441
Yield, estimated net profit, percent	10.85	16.26	21.71	7.26	15.13
Total net plant investment	$90,559,018	$48,293,391	$80,476,440	$23,642,340	$242,971,189
Total net profit	$23,400,650	$10,841,783	$24,751,972	$3,462,148	$62,456,553
Average yield, net profit, percent	25.84	22.45	30.76	14.64	25.71

EXPLANATION OF FOREGOING FIGURES

The audit of milk distributors' books by the Agricultural Adjustment Administration reveals a yield on the net plant investment for the 5 years ending December 31, 1933, as follows:

	Percent
Philadelphia (distributors handling 85 percent of volume)	30.76
Boston (distributors handling 75 percent of volume)	22.45
St. Louis (distributors handling 67 percent of volume)	14.64
Chicago (distributors handling 90 percent of volume)	25.84

The percentage of yield which represents net profit was based upon the net plant investment which was arrived at by the auditors after the elimination of certain items from the schedules. Items eliminated from the net plant investment included appraisal appreciation, idle property, and adjustment of excessive reserves for depreciation, where obtainable.

Items of expenses eliminated in arriving at net profit included excessive officers' salaries, bonuses to officers and employees, excessive depreciation charges, losses on sales of capital assets, adjustment of excessive reserves for group insurance on employees, insurance on lives of officers, and other insurance reserves, where found excessive, and also the interest on bonds issued for good will.

In determining the operating income for 1933, estimates were made for the last 4 months in St. Louis, for the last 4 months in Boston, for the last 4 months in Philadelphia, and for the last 2 months in Chicago.

The Chicago schedules, the auditors report, show the net operating profit before deducting income taxes, while the audits on the other three milk sheds represent average net profit on average net plant investment after providing for income taxes.

Salaries of officers in each of the milk sheds were adjusted to comply with the following maximum rates: Presidents, not to exceed $20,000 per annum; vice presidents, not to exceed $15,000 per annum; treasurers, not to exceed $10,000 per annum; and secretaries and comptrollers, not to exceed $5,000 per annum.

In submitting the summaries of the audits the accountant in charge asserted that—

> We have taken every precaution to determine that the figures as submitted are correct. Each company's figures were prepared by one auditor and rechecked by another.

Mr. OLIVER of Alabama. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. MCFARLANE].

THE DOMESTIC COMMERCE WORK IN THE BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Mr. McFARLANE. Mr. Chairman, since the beginning of the new deal there have been established a large number of governmental agencies functioning under an entirely new theory of operation that is contrary to all the known precepts of past departmental trends; this because of the emergency nature of the program at hand. This difference arises from the fact that they were formed with the avowed purpose of redistributing some of the wealth of the Nation by spending huge sums of money. Accompanying this purpose in many cases was also the acknowledged need of quick action by these organizations to relieve the appalling distress of large numbers of the unemployed and needy citizens of this Nation. Operating under such conditions there has perhaps been some waste due to the hurried performance of many of their duties. The administration, realizing these facts, has not been hypercritical in these matters, but, there is not now and never has been, as far as is known, any policy on the part of any administration that will condone the waste of the public moneys by previously organized and supposedly efficient Government agencies in achieving the results desired.

AN INVESTIGATION NEEDED

With this idea in mind, then, it seems that a condition which has been in existence for some time should be made the object of a thorough investigation by the proper authorities. The Domestic Commerce branch of the Bureau of Foreign and Domestic Commerce in the Department of Commerce has been found to be not only a pork barrel into which increasingly large sums have been poured since its beginning with little or no value coming out, but also a hotbed of political intrigue, corruption, and graft.

HISTORY OF DOMESTIC COMMERCE BRANCH

While the history of the Department of Commerce is probably well known it is doubtful whether there is much common knowledge concerning this office. It will be well, therefore, to give a brief outline as to its origin and purposes. After the old Department of Manufactures and Labor was divided into the Department of Commerce and the Department of Labor, there was formed under the Department of Commerce a section known as the "Bureau of Foreign and Domestic Commerce" for the purpose of stimulating, expanding, and promoting American trade both at home and abroad. The foreign part of the work commanded the attention and emphasis at first, but in 1922 a smaller office under this Bureau was created to specialize on domestic commerce with especial reference to the problems of handling and distributing raw materials. The idea back of the formation of this office may or may not be of value today, since thought on this subject has changed in many instances, but at the time it was considered a worthy undertaking, and Congress appropriated $50,000 to cover the expenses of its activities.

This suboffice, known as the "Domestic Commerce Division" was then still further divided into branches known as the "domestic" branch and the "economic research" branch. The Domestic Commerce branch was later divided into three sections, which were recombined during the past year. The present appropriation of these two offices is $266,000, 70 percent of which goes to the domestic branch and the balance of 30 percent going to the economic research branch. Since the beginning of these offices Congress has appropriated to cover the expense of their activities amounts ranging from $50,000 for the year of 1923–24 to $518,220 for the year of 1931–32, and totaling $2,603,160, an average of over $230,000 per year for the 11 years of their existence. Assuming that all appropriations were divided between the two offices in the same proportion as the current year's appropriation, we find that the domestic commerce branch has received a total of $1,822,212. Naturally, one would expect that this office would produce the more valuable information of the two and also more information than the other, but the exact reverse has been the case.

In discussing the results and achievements of this office the trend of the discussion will be from the general to the particular, but it should be borne in mind that documentary evidence and witnesses are at hand and awaiting permission to be introduced to prove the assertions made.

This domestic commerce work has been organized and reorganized many times during its life, and a complete reorganization was attempted in July of last year. The then acting head of the Bureau of Foreign and Domestic Commerce notified all the employees engaged in domestic commerce work of their dismissal, with the exception of a few employees who were retained since their knowledge of worthy work which could be done was to be used as a basis of a

reorganized office. Accordingly a tentative plan was drawn up bringing the activities of the office back within the scope authorized by Congress in creating the work and in appropriations. Every effort was to be made to achieve the results for which Congress had appropriated the sum of $266,000. Many of the functions of this office had departed from the directions of Congress, but in the new set-up this would have been remedied and the new office could have been operated for an amount estimated to be 50 percent of the old. Before this proposed change could be made the temporary head was replaced by the appointment of a permanent director, who took charge of the Bureau but whose appointment is as yet unconfirmed. The new director immediately rescinded all previous orders relating to the change, abolished the idea of any change, and reinstated a number of those who had been dismissed after the beginning of the plan. This means that the old routine of inefficiency and waste is back in this office and likely to stay there for some time unless remedies are devised and enforced.

THE PERSONNEL NEEDS CHANGING

The personnel of this office has been a problem almost from the day of the beginning of this office. Into it have been injected, upon authority of higher executives, numerous incompetents and inefficients. The wasting of Government money at the disposal of these individuals has caused much unfavorable publicity to the Department of Commerce and the Government in general. Ill-advised courses of action as laid down by the heads of this office have caused the domestic commerce work to depart from the routes and ends to be achieved as set out by Congress and has placed the Government in competition with private business men and firms. The misuse of confidential governmental information has caused a great deal of adverse comment, for employees of this outfit have been on the pay rolls of private industries. The lack of discipline in handling this confidential information as set forth by the control by the governmental employees has resulted in the exploitation of the Government integrity, facilities, and data for the benefit of private interests.

In support of the foregoing statements the following specific instances are given and there are, no doubt, many others equally as well known and as easily provable as these.

USELESS EXPENDITURES SHOULD STOP

Numerous employees have been given salaries although they did little or no work, and others who were not qualified to do the work required were continued.

The actions of the employees from this office during the Louisville grocery survey caused an ill reputation to be attached to this agency.

The $2,000 taxi bill of two employees of the office was an obvious waste. A U-Drive-It car was used in a regional survey of the Southeast.

TWO WORTHLESS SURVEYS

The Louisville grocery survey and the St. Louis drug-store survey did very little toward furthering American trade or helping the American taxpayer, yet they were terrifically expensive and are believed to have cost the Government more than $100,000 each, and the only results that the Government can show for these undertakings is the further expense incurred by publishing worthless material in the bulletins covering these surveys. One other result that might perhaps be mentioned is that the Government acquired a great deal of confidential information which was not published but soon became available to certain private interests. Personnel connected with this work took positions with private firms—three employees of the Louisville grocery survey secured high-salaried jobs on the strength of the information thus secured for their former knowledge of the industry was meager.

FAVORITISM SHOWN

One Federal employee has admittedly accepted a fee for consultation on problems akin to those covered in these studies. For this good work he has been retained by the present director after being dismissed by the acting director, and also given a promotion upon reinstatement.

One executive of this office was sick and convalescent for months and yet continued to draw his salary for the full time.

PRIVATE CONCERNS USE CONFIDENTIAL GOVERNMENT INFORMATION

As many as 15 private employees are known to have had excess to the information files and to have used this information. They also used the Government equipment and Government facilities in securing what their (nongovernmental) employers wanted. At one time over 20 people are believed to have worked in or had access to the office where this information was located that were not Government employees.

INEFFICIENCY AND FAVORITISM SHOWN

In closing the discussion on the personnel of the domestic commerce branch office it must be noted that these and other conditions, which were probably just as well known, such as laxness in regard to office hours, performance of duties, indiscriminate traveling, and similar offenses, were winked at and condoned by the heads of this office. These things were called to the attention of the proper officials at various times, but no corrective measures have ever been taken, at least, none that were effective.

In fact, one employee, who was supposedly dismissed from this office for incompetence, was immediately—on the same day—placed in another office which also comes under the same general supervision.

ANALYSIS OF PUBLICATIONS

In a discussion of the literature published by this office, which apparently represents 90 percent or more of the achievements of its employees, the fact must be borne in mind that a majority of the material published had already been issued either in other governmental publications, trade journals, other established sources of information and statistical data, or was common knowledge to the interested public to begin with. In many cases the prior publications of this same office were used as sources for material for reprinting. Acknowledgments of all the sources of the material used would have branded much of the information printed in their bulletins as mere copy. In one instance a whole bulletin was copied from another Government publication. But the authors in this branch of the governmental service are very weak and reticent about acknowledging sources of information.

Accordingly acknowledgments are much more frequently forgotten than put into the new publications, and upon examination one finds that tables, illustrations, maps, and charts have been lifted bodily from their original containers and placed into the new bulletin or pamphlet with such important additions as the withdrawal of pertinent dates, the omission of the most important information, the addition of percentage figures of no value, and the changing of column locations on the page. Important rearrangements and rewritings such as is seen in the changing of the title from "Eggs, butter, and cheese" to "Butter, eggs, and cheese" is an illustration of their technic. As to the amount of such rearrangement, rewriting, copying both accurate and inaccurate, and plagarism, little is known, for no known method would determine the exact amount of this, but we have been able to find a great deal. It is also noteworthy that much of the information contained in the bulletins is presented from 1 month to 3 years later than in the original publication. This is especially true of the information taken from the publications of the Bureau of the Census and the Department of Agriculture and is also true to a large extent of the information taken from the trade journals and periodicals. The practice has been to take from the governmental publications statistical information of all kinds, reworded and rehashed for republication. Tables have been taken from the Census Bureau publications intact, with or without acknowledgments, or rearranged with minor changes and additions.

Needless to say, the republishing of material acquired in this manner is a useless waste of money without regard to

the question of the value of the information thus presented to the public. We also find that much of the information secured in this manner is lacking in accuracy due to errors made in copying from the original, which still further detracts from its value. The correction of one such mistake cost the Government $540. The perspective is often lost, and much junk is printed with a great amount of really valuable information left completely out of the text.

A second source of information to the Domestic Commerce employees is through the use of questionnaires. This method accounts for the material presented in those few documents which were believed to be of some value.

A third source of information for the publications of this office was by personal contact of the industry or territory surveyed by the Domestic Commerce branch's experts. This method was used on two of the most expensive undertakings, the Louisville grocery survey and the St. Louis drug-store survey. The resultant publications of these and other similar projects were considered to be absolutely worthless, as the information published consisted only of old business maxims and common knowledge among the personnel of the industries, reissued either in ponderous language or occasionally in just plain, unadorned, and unchanged form.

The domestic commerce branch has issued over 110 bulletins and pamphlets, and besides these a large amount of mimeographed sheets and bound pamphlets of various kinds. Of the 110 or more printed bulletins, 18 are believed to be of value since they contain information that may be worth something to someone or to some business or industry. However, of the 18 considered to be of some value, 12 come under the single title of the "Retail Credit Survey" and its associated publications. Considering, then, that only the first issue of this bulletin necessitated the services of experts and expert planning, since all future issues should have been a matter of routine, we find that the total efforts of the entire domestic commerce branch have resulted in the publication of seven bulletins of probable value during the entire 11 years of the office's existence. Needless to say, these seven bulletins are hardly worth the $1,800,000 or more spent by this office during its life. Of the demand and need for these seven bulletins which are considered valuable, little can be said, for no information could be obtained as to this feature, but it is believed that the material presented could have been obtained in other places by interested individuals, if any, fairly easily.

Of the remaining 98 or more bulletins nothing can be said in the way of praise. They can, however, be classified and divided into two groups based on the opinions of several individuals who are not identified with any special industry or trade, but who tried to render impartial decisions as to the possibility of all of the bulletins containing information of some value to individuals, industries, or businesses. On this basis, then, 29 of the remaining bulletins may have possibly contained information of value to the industry surveyed, and these bulletins were then classified as to value as being possible but doubtful.

Nineteen of the remaining bulletins were found to have been compiled by other governmental agencies and listed under the publications of the domestic commerce branch. This seemed entirely unnecessary, as the material presented could have and should have been published and listed by the office compiling the material contained. Apparently an effort was made to swell the total list of the domestic commerce branch's publications in order to secure the credit of issuing these, and so no decision was rendered on these.

The remaining publications were found to be worthless, containing information of no value. Into this group fall the publications resulting from the Louisville grocery survey and the St. Louis drug-store survey, those two terrifically expensive undertakings which have been previously mentioned.

While speaking generally of the publications of the domestic commerce branch, it seems that a discussion of the eventual disposition of these bulletins, together with the selling price, is in order. There are, however, no accurate sources from which the disposition of these bulletins can be obtained. It is believed, and generally understood, though, that a large number of these publications find their way into the public libraries of the Nation and also into the hands of college and university officials and their students. Considering the worthlessness of the majority of these bulletins, it is extremely surprising that these institutions and people should desire or even care to receive them. A smaller portion has supposedly been sold to individuals seeking information reputedly covered in these pamphlets. But it is very doubtful that any sizeable percentage of these purchasers secured any information or considered that they had received their money's worth no matter how small their expenditure in securing the bulletin. The percentage of actual sales in that group reported sold is very problematical. An examination of the inventory records shows that the stocks on hand are increasing instead of decreasing—in some instances. Also the total number printed cannot be obtained. These increases of stock are believed to be the result of the branch-office closures and the accompanying return of their stock of bulletins. This would indicate that all of the bulletins in the branch offices were placed there on consignment basis and reported sold by the printer at the time of such disposition. Apparently, therefore, the sales reported have been highly inflated and possibly still other methods have been used to inflate these figures.

The disposition of the balance of the number printed is unknown except for the fact that some are provided for free distribution and others turned over to the Superintendent of Documents for sale, where, no doubt, they remain for long periods, accumulating dust and abuse. One other item before leaving the disposition of these valuable bulletins: A cursory examination of the inventory records reveal that 25,000 bulletins are acknowledged to have been destroyed for some reason or other, and one wonders if these figures cover the total destruction. Also, one complete edition of one bulletin was destroyed because of a minor change in wording, which seems entirely unnecessary, and the omission of an acknowledgment. The omission of acknowledgments is altogether too frequent, but the reprinting of an entire edition is a little strange, considering the freeness with which the domestic commerce branch has appropriated material from other publications and neglected to give them credit.

There also seems to be an idea circulating among certain of the executives of this office that some of the information contained in some of these bulletins must be couched in the simplest and most cajoling language or must be delivered very quietly in order not to arouse the animosity or suspicion of the receivers, since the executives of the domestic commerce branch suppose the receivers to be rather ignorant on the subjects relating to their business and wish to educate them without calling their ignorance to their attention.

In order to obtain an idea of the total uselessness of most of the publications of the domestic commerce branch it is necessary to take up a few of these publications individually. In doing this no attempt has been made to pick out specific publications, with two exceptions, which will be taken up first. In selecting passages for quotation from these bulletins no attempt has been made to read each one in its entirety, but from a scattered reading that was done in each bulletin some passage was taken that would indicate, if possible, the whole tone of the bulletin, as far as could be ascertained from such a hurried examination.

Probably the most unique of all the bulletins from the standpoint of its literary value is that bulletin entitled "Aids to Retail Grocery Profits." This is one of the publications resulting from the Louisville survey and was printed and compiled because of the smallness of the sales of the other Louisville grocery survey publications. The reason of the lack of interest in these publications by the grocers and the public, as evidenced by the sales, was assumed to be because of the technical language used in these bulletins. There seemed to be a feeling that the poor, ignorant grocer could not understand the ordinary, everyday trade terms of his business. Accordingly this publication was compiled and printed in words of one or less syllables, if possible, for the avowed purpose of educating the supposedly ignorant grocer

to the extent that he would become interested in and purchase the other Louisville publications. This bulletin was commonly referred to as the primer of the Louisville group.

All the information contained in this publication had already been printed in the Louisville group, and therefore this publication was useless unless one assumes the average grocer to be as ignorant as the authors thought he was. It is also useless because it contains no technical information of any value whatsoever.

The cost of compiling this book was estimated at $3,000. The reason for estimating this and other costs of compilation is that there were no records kept that would reveal the accurate cost of compiling each of these bulletins, so the time and expenses of the authors in gathering the material, together with the clerical work that can be fairly assigned to the task, are estimated and this taken as the cost.

The cost of printing this bulletin has been estimated, also, at $1,500. No actual figures on the cost of printing were available either. The reason for setting the cost of printing at $1,500 is that the entire first edition was destroyed because of the desire to make a few minor changes in the wording and the addition of an acknowledgment. Besides the addition of the acknowledgment, a close examination revealed only the following change: Replace "coffee stock" with "investment in coffee."

Seven thousand three hundred and sixty-three of these bulletins—of the second edition—have supposedly been sold at 10 cents each. Assuming these figures to be correct, the net cost to the Government has been $3,763.70.

A few quotations from the bulletin follows:

Page 15, paragraph 2:

If it were not for expenses, what a lot of fun running a grocery store would be.

Paragraph 4:

Expenses remind me of a lot of greedy mouths—never filled—always clamoring for more.

Gross margins we might liken to a nice wedge of deep-dish pie—crisp and appetizing—something we would like to keep all for ourselves.

But we cannot. It has to be split into two cuts. One, and usually much the bigger, must first go to feed those hungry expenses.

The above quotations reveal rather clearly the condescension with which this bulletin was written. While it may be possible that some few grocers have never heard of the terms "gross margins" and "expenses", there is undoubtedly a far greater number who have never heard of "deep-dish pie."

The remainder of the Louisville grocery survey publications are seven in number. The cost of gathering the material for these publications has been estimated at $150,000, of which amount that paid by the Government is believed to have exceeded $100,000, the other being borne by the trade association. A majority of the facts presented are almost as old as the grocery business itself, and what little is not has been published in the various trade magazines from time to time. The only original materials set forth are the statistics gathered in the survey, and these are found to be impudent and of no value. The probable net cost to the Government of these seven bulletins is approximately $100,000, since only 17,926 of them have been sold at a price of 10 cents each or less. A few quotations follow:

Bulletin No. 14, page 58, paragraph 2, line 2:

If current liabilities exceed current assets, the concern is headed toward the auctioneer's block; and the most feasible remedial measures are to call upon the owners for a capital contribution, float a long-term loan, or convert an unneeded asset into cash. Sound management demands that current assets be considerably greater than current liabilities.

Bulletin No. 11, page 25, paragraph 4:

An extra man was employed in the store every Saturday. The store hours were from 6 a.m. to 6:30 p.m. A salary of $45 a week was charged against the business for the proprietor, and $10 a week was paid for part-time service of his wife.

The proprietor of the store was well liked. The customers appeared to be his friends and apparently enjoyed shopping there.

The proprietor was his own butcher and handled a very good line of meats. He was especially careful of his fresh fruit and vegetable business and increased it by the installation of modern vegetable racks, which afforded a better display with less spoilage.

The above is a typical pair of quotations taken from these publications. These facts, while they may prove interesting, reveal only details that are in no way essential to the betterment of the trade. No mention is made of reducing current liabilities through more efficient management instead of raising more money through the sources named. These sources may some day run dry. No sensible conclusions can be drawn from the last quotation. In fact, all of the publications are remarkable for their lack of sensible conclusions.

There are six publications as the results of the St. Louis drug-store survey. These publications reputedly set out the problems of the drug stores, and while the statistics presented are original most of the texts smack of a nonsensical rehash of the trade organs. This survey is believed to have cost the Government in the neighborhood of $110,000 for its compilation and about $10,000 for the printing of the results. About $2,500 worth of these publications have been sold so the net cost to the Government is about $117,500. Quotations from two of the bulletins follows. Bulletin 61, paragraph 2, line 8, page 1:

The drug store ranks high in the regard of the people it serves, not because it sells cigars, sodas, and candy, but in spite of that fact.

Paragraph 3, line 5:

It is hoped and believed that the information in this bulletin will enable pharmacists to apply modern business methods to their prescription counters without sacrificing any of the dignity of their profession.

Bulletin No. 73, page 17, line 13:

Shaving creams and dental creams are typically presented in tubes since this offers the most convenient means of transferring the product to a brush. The exception group is depilatory creams, in which there has recently been a decided swing from the jar to the tube, although the usual method of application is with the fingers. The jar is still used to a considerable extent, however, and is the predominant type of container for depilatories in powdered form.

These facts and hopes, while perhaps interesting, have no value in increasing the trade of the retail drug store.

Instead of making quotations from the following-named publications only estimates of their cost to the Government and remarks concerning their true worth will be made.

Bulletin No. 67, Manufacturing Market Statistics, was taken in whole from the material gathered by the Bureau of the Census and other governmental agencies and publications. The material was gathered by the Census in 1930 and was published in this book in 1932, 2 years after its original compilation by the Bureau of Census. The value of this publication is further undermined by the fact that many of the tables of statistics are undated. The cost of compiling this publication is believed to have been about $60,000, and the cost of printing to have been about $15,000, this being due to the fact that the book contains 1,070 pages. It was also this book in which the $540 mistake in copying was made. There have been only 828 of these bulletins sold at the price of $1 each, so the net cost to the Government is approximately $75,000.

Bulletin No. 44, Petroleum Industry of the Gulf Southwest, is estimated to have cost the Government $20,000 in its compilation and $2,500 for its printing; 1,711 of these have been sold or given away, making the net cost of this to the Government approximately $22,500.

The cost of Bulletin No. 52, Hardware Distribution in the Gulf Southwest, is estimated to have cost the Government $15,000 for compilation and $3,424 for printing. About 1,000 of these have been sold at 70 cents each, making the cost to the Government about $17,700.

Before leaving the bulletins and their cost to the Government, it would be well to mention those bulletins prepared for private interests. There are six of these, and they represent probably the best efforts of the Domestic Commerce branch, outranking the other bulletins greatly, both as to statistical detail and completeness. These publications have,

apparently, material of real value in them, but they are not Government publications. The employees who prepared these publications were loaned to the special interests, and while the private employers paid their expenses and the expenses of printing and publishing the material gathered, the Government paid their salaries during all the time that they spent on this work. It is believed that these salaries amounted to not less than $50,000.

Judging then all the bulletins from the value of the material found in them, it is believed, that if the wasted efforts directed toward the unnecessary duplication of material already published and the gathering of useless information by the most expensive methods, had been eliminated, that the entire cost of securing and publishing what information of value was found would have been, under efficient management, not more than $25,000. This very plainly shows a lack of planning and judgment on the part of those who are assumed to have been most thoroughly acquainted and best fitted and equipped to understand and solve the problems of commerce and industry. The most striking qualification of the management of this office seems to have been the ability to waste great amounts of money in ludicrous undertakings. A second qualification almost as striking as the first is the facility of gathering information which when placed in the hands of unscrupulous individuals, will enable them to command large sums from special interests and private enterprise. Not only is this detrimental to the operation of the Department of Commerce but also it reflects a great amount of discredit to the Department.

THE REAL-ESTATE SURVEY

It is understood that the Domestic Commerce Branch is at present planning a survey of the real-estate business and will use these plans as a basis of a request for an increased appropriation to carry out this work. Judging then on past performance, the similarity of this proposed survey to the Louisville grocery survey and the St. Louis drug-store survey, seems to indicate very clearly the nature and purpose of the present management. Either it proposes to continue the career of waste and graft, since there have been few changes in the personnel which were the fundamental cause of these conditions, or the present management of this office is unable to see and correct these conditions.

The executives of this office need to have high qualifications in order to carry out the purposes as set forth by Congress. They must be men of unquestioned integrity and with the highest sense of moral values. Not only are qualifications of this kind needed, but also there must be a background of practical experience that will be the guiding factor of this office. The executive responsible for the operation of this office must have a practical knowledge of all business and industrial problems, he must have a keen sense of value and be an accurate judge of human nature. His powers of analysis must be so great that he can readily see all the flaws of plans for future operations spreading over years in time and involving the outlay of tremendous sums of money. His knowledge cannot be confined to one territory but must be of the Nation and the world, and he must be able to comprehend and assimilate all the information coming to him, understanding and accepting the true and recognizing and rejecting the false. If any of these qualifications are missing the routine of this office soon slips back into its old conditions. The present head has definitely reinstated those responsible for these conditions in the past after a complete change had been made. The old regime is apparently back in power to stay unless some strong corrective measures are taken.

These remedial measures seem very plain. Either the entire purpose of the organization must be resurrected and returned to its original status, and all persons and ideas detrimental to this reorganization abolished, or the entire office closed and those few functions that are found to be necessary transferred to other governmental agencies.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HAINES].

Mr. HAINES. Mr. Chairman, I ask unanimous consent to preface my remarks by inserting several telegrams I received.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The telegrams referred to follow:

DALLASTOWN, PA., *January 16, 1934.*

Hon. Congressman HARRY L. HAINES,
House of Representatives:

The cigar industry of York County, which depends primarily upon the manufacturing of 2-for-5-cent cigars, must have relief from increase in taxation, wages, and material. Unless something is done our entire district is threatened with ruin caused by unemployment. We are thoroughly in accord with your efforts to establish a $1 revenue for 2-for-5-cent cigars.

PORTO VANA CIGAR CO.

MCSHERRYSTOWN, PA., *January 16, 1934.*

Hon. Congressman HARRY L. HAINES,
House of Representatives.

DEAR SIR: Unless we are relieved from any further taxation on the 2-for-5 cigar it means it will be impossible for us to continue manufacturing this priced cigar, and as our output represents about three forths of the 2-for-5 cigar, you can readily see it will mean the elimination of three fourths of our employees, who are now well satisfied with their present wage scale. You can also well appreciate the fact we must manufacture and sell the class cigar the public demands, which today is principally the 2-for-5 cigar. In behalf of our 370 employees and ourselves we petition you to use your every influence to have it possible for us to continue in business.

Very respectfully,

F. X. SMITH SONS CO.,
Per PETER F. SMITH.

RED LION, PA., *January 15, 1934.*

Hon. Congressman HARRY L. HAINES,
House of Representatives, Washington, D.C.:

We must have relief from increased taxation on cigars retailing at 2 for 5 cents. The processing tax on tobacco, increased wages, and advanced price of materials will prohibit the manufacturing of 2-for-5-cent cigars. Our industry will be ruined, and we alone will throw 350 people out of work. While the revenue is graduated on cigars retailing at 5 cents and up, it is not fair to us to pay the same rate on 2-for-5-cent cigars as on 5-cent cigars. One dollar per thousand would make it possible to continue manufacturing 2-for-5-cent cigars and keep our people employed. The amount of revenue the Government would lose through reducing the rate would certainly be made up through increased production of 2-for-5-cent cigars; and should we be compelled to discontinue manufacturing 2-for-5-cent cigars the loss in revenue would be much greater.

W. J. NEFF & CO.,
Cigar Manufacturers.

EAST PROSPECT, PA., *January 16, 1934.*

Hon. Congressman HARRY L. HAINES,
House of Representatives, Washington, D.C.:

The cigar industry of York County, which is practically a 2-for-5 manufacturing district, has suffered tremendously due to increased labor cost under the N.R.A. and the processing tax, We are now confronted with increased cost on cigar boxes in advance of the price of some types of tobacco and other material. If this district hopes to continue the manufacturing of cigars and the employing of thousands of cigarmakers, we must have relief from increased taxation, since there are different classifications of revenue stamps, the higher-priced cigar paying the higher revenue per thousand cigars. It would be only fair that the 2-for-5-cent cigar should have a lower tax than the 5-cent cigar. We feel that a revenue of $1 per thousand on the 2-for-5-cent cigar would not only be just but also helpful to a dying industry. As a manufacturer of 2-for-5-cent cigars, we will appreciate your cooperation in this noble cause.

EAST PROSPECT CIGAR CO.

Mr. HAINES. Mr. Chairman, I have sought these few minutes to present to the House a subject in which I am personally interested and because of its importance to 15,000 men and women employed in my congressional district in the industry of manufacturing cigars.

About one eighth of all the cheap cigars produced in the United States are manufactured in my congressional district. Almost 300 independent cigar-manufacturing plants are located in this district. The men and women there have been cigarmakers for generations, and their grandparents before them. Practically 100 percent of these people are native white American citizens, many of them known as "Pennsylvania Germans", although all are not confined to that race. But be that as it may, they make up a fine body of American citizenship engaged in the production of cigars.

This afternoon let me call the attention of the committee to the fact that we have had an almost complete break-

down of the cigar industry in my district, and we must come to Congress for some relief.

The cigar manufacturers I represent do not use machines in the manufacture of their product but their cigars are made by hand. Were they to install machines, although it would be of great economic value to them, it would completely deprive thousands of men and women of employment in the cigar trade. The bankers and business men of my district, including these manufacturers, see the wisdom of continuing to employ hand labor in this industry. As I say, the installation of machinery in this industry would mean throwing, perhaps, 70 percent of the people of my district out of employment; and there are about 15,000 of them in this business.

This automatic cigar-making machine has displaced so many cigarmakers in the industry already that we simply dare not have these machines installed if we are to keep our men and women employed. Our manufacturers are hardly able to compete, and, of course, it means that no small manufacturer could hope to remain in business if the machines were to dominate completely the field and have the hand workers dismissed.

In 1907 we produced more than seven billions of cigars in the United States, and now in the year 1934 we are producing a little more than one half that quantity. In 1907 we had about 25,000 cigar manufacturers in the United States, and today we have a little more than 5,000. I contend that the permanency of this great Republic is dependent upon the ability of the small manufacturer to operate and build for himself a business, for in the days of the past many of these great cigar-producing concerns started with just a few cigarmakers. I pity the small manufacturer who attempts to compete with the group today, with their machine-made cigars, their printer's ink, and radio advertising, much of which is an insult to the intelligence of our people. My people produce fine-quality cigars for the money, and they retail at from 2 for 5 cents to higher prices, but the greater portion of cigars made in my district are the 2-for-5-cent grade. There is a potential market for our manufacturers to keep all our people employed, but unfortunately Congress has seen fit to have a process tax on tobacco that has made it almost impossible to continue to produce these cigars, and as a result there are thousands of my people unemployed and considerably disturbed as to their own future. The people I represent make some 5-cent cigars and few higher-priced cigars; but, as stated before, the greater percentage are the cigars retailing at 2 for 5 cents.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HAINES. I yield.

Mr. BROWN of Kentucky. Does the gentleman think it would be a good plan to just burn this surplus stock?

Mr. HAINES. I do not.

Mr. BROWN of Kentucky. Neither do I, but that has been followed in the case of some other products.

Mr. HAINES. As a result the cigars from the Philippine Islands are selling and displacing the cigars made by my people and the people in other States of the Union. Ohio and Florida are large producers of these cheap cigars, and also New Jersey and other States all have manufacturers making these cigars.

Practically all the manufacturers in my district patriotically signed the President's Reemployment Agreement, but unfortunately about 40 percent of the manufacturers of the Nation did not. My people, especially those who did sign the P.R.A., are paying a wage scale far in excess of those who did not sign the P.R.A. and are now being penalized because of their patriotism, in the loss of their customers and the business they spent years in building up, for every one of us is asked why he cannot sell his cigars as low as the other fellow who did not sign the P.R.A. The situation is alarming to my people, and for this reason we are anxious to have the code, as it relates to wages and hours of employment, approved and put into immediate effect. The N.R.A. is not so popular with the cigarmakers because it has failed to give them the code they are so anxious to have, and yet I want to say to you that it has helped them more than they realize, so far as their rate of pay is concerned, in that it has increased their rate of pay as much as 50 percent in some instances, but it has also left them without work, and many of them would be willing to work for the former low rates rather than be unemployed. Personally, I know the N.R.A. has helped them a lot, for the rates of pay given to many of our cigarmakers were a disgrace and a shame upon our intelligence and the day in which we live. Manufacturers in striving for business to keep their people employed were led into these low rates of pay until they themselves have seen their great mistake and are now anxious to have a code that will give to labor decent pay and also bring all the manufacturers of cigars in the Nation into a code that will not give an unfair advantage to those who want to exploit human hands. We must do something for the farmer if he is to continue to grow the cigar-leaf types of tobacco. In 1933 Pennsylvania farmers produced almost 35,000,000 pounds of tobacco. A normal crop is about 40,000,000 pounds, but about 12,000,000 pounds was destroyed and about 8,000,000 pounds is still in the hands of the farmers of the 1932 crop unsold, and will likely remain unsold, spoil on his hands, unless something is done to increase cigar consumption.

Ohio grows about 20,000,000 of pounds; 4,000,000 was destroyed of last year's crop, with about 7,000,000 of the 1932 crop unsold, with the prospects not bright at all for the 1933 sale.

In Wisconsin the farmers have a pool, and are holding, I am told, about 22,000,000 pounds; and it is estimated that one half of the 1932 crop remains on their hands unsold. Connecticut grows a fine wrapper and binder type of tobacco that has been taken care of by the R.F.C., but I know instances where 35-cent tobacco sold at as low as 3 cents, because of the great surplus of tobacco on hand. Much of this tobacco is exported because of the texture of the leaf which is suited for wrapper and binder purposes. They also grow in the shade a great deal of fine wrapper tobacco; and if our nationally advertised brands of cigars would have more of the Connecticut wrappers used on their product, instead of the imported wrappers they make so much fuss about, the farmers of Connecticut, Massachusetts, and Florida would profit quite a bit.

The machines are made to use the imported tobacco wrappers at the expense of the American farmers. The State of Florida also produces a fine type of wrapper tobacco, and if they would receive more encouragement at the hands of the large corporations which use automatic machines—and there are probably no more than 25 out of the 5,000 or more who do use machines—the Florida farmers could produce a better crop; and, instead of producing it at a loss, they would show a profit to those farmers. Georgia grows tobacco similar to that of Florida, and there is also a fine type of wrapper that is suited for cigars grown in parts of Alabama. New York State grows a fine binder type, and parts of Massachusetts produce a tobacco very similar to that grown in Connecticut. These farmers need a greater consumption of tobacco if they are to continue growing the weed.

I want you to know, my colleagues, that in every crop that grows there is about a 30-percent lower grade that is unsuited for the finer types of cigars, such as the ground leaves, the top leaves, some broken tobaccos, very often hail-cut or storm-damaged crops, so this cheaper grade of cigar is of great importance to the farmer. In addition to this, the cheap cigar contains all domestic-grown tobacco, and in many of these cigars you will find some of the finer quality of tobacco. Right now these 2-for-5's offer unusual quality because of the low price at which tobacco could be purchased.

I have introduced a bill in this Congress known as "H.R. 7398", seeking to have a lower rate of tax on cigars retailing up to and including 3 cents each. At the present time we pay a revenue of $2 on cigars retailing up to and at 5 cents;

we pay $3 per thousand for cigars retailed at from 5 to 8 cents, inclusive, and a rate of tax of $5 per thousand for cigars made to retail from 7 to 15 cents, and so on.

It seems to me only fair that cigars retailing at half the 5-cent price should bear one half the tax. When I took this matter up with the Department of Agriculture tobacco division, headed by Mr. Hutson, he told me he was in sympathy with my efforts and believed that it would be very helpful to the cigar situation. I tell you frankly—and I speak with some knowledge of this industry after having had more than a quarter of a century of experience in the business—that unless we give some relief to the manufacturers of cheap cigars, we are going to further decrease cigar consumption and thus create a greater problem as to the price the farmer can obtain for his tobacco. While this $1 per thousand lower tax rate on these cheap cigars will mean a loss of several millions of dollars in receipts to the Treasury, I am confident that within a year or two an increased cigar sale will make up this loss, and I know it is going to mean much to move the tobacco in the hands of our farmers and packers.

I can say to each one of you that the manufacturers will not want to use this $1 per thousand cigars for their own profit, but, on the other hand, they can purchase the tobacco at a higher cost and also pay labor more money; indeed, I have no hesitancy in saying to you that I believe that most of this $1 per thousand will go to labor.

The N.R.A. code will ask a higher rate of pay than some cigar manufacturers now pay to labor, and then, without this relief, these cheap cigars will disappear from the market. I am sure you will all agree that these small independent manufacturers cannot hope to compete successfully with the highly advertised brands of 5-cent cigars, and to enter that highly competitive field is almost out of the question. I am standing here today in an appeal that I be given the support of this House in granting this new tax for the lower-grade cigars, knowing that if granted it will contribute just that much toward keeping men and women employed. I have asked the Internal Revenue Bureau to agree to this proposal of mine, and am quite encouraged by their attitude, for I am sure they, too, appreciate the plight of the small independent manufacturer of the cheaper grades of cigars. May I remark in conclusion that I first thought of trying to have the processing tax eliminated from these cheap cigars, but I appreciate how difficult this would be from an administrative standpoint. The processing tax is about $1 per thousand cigars, and with its coming and the increased cost under N.R.A. the industry could no longer produce the 2-for-5-cent, or 3-cent, cigars.

Mr. SNELL. Will the gentleman yield?

Mr. HAINES. I yield to the gentleman from New York.

Mr. SNELL. If I understand the gentleman's argument, it is that on account of the processing tax the manufacturer of these cheap cigars is compelled to go out of business?

Mr. HAINES. That and the increased cost under the N.R.A. code.

Mr. SNELL. That is what I have in mind.

Mr. HAINES. Yes.

Mr. SNELL. The paper mills in my section of New York State are practically going to be put out of business on account of the processing tax on cotton, because paper bags come in competition with cotton sacks. Has the gentleman any suggestion to make whereby I can get some relief?

Mr. HAINES. I may say to the distinguished leader from New York that I have troubles of my own in this connection and I am going to solve my own problems as best I can.

Mr. SNELL. I will trade the gentleman some paper sacks for cigars.

Mr. HAINES. I think the gentleman and I could probably strike a bargain.

Mr. BROWN of Kentucky. How about some bluegrass seed?

Mr. HAINES. I have spoken to many Members of Congress on this subject and you have been most sympathetic and I hope to have your continued interest in the hope that an industry like ours, that of the hand-made-cigar industry, be continued to give employment to thousands of our citizens. I should like to invite you to visit these cigar-producing communities. You will find beautiful small towns, with modern sanitary factories; beautiful homes, well kept; and a thrifty, frugal people that is typical of the finest of our citizenship. It was suggested to me that I insert in my bill that this $1 tax apply only to hand-made cigars. I want to say here that I think the automatic cigar machine has done much harm to the cigar industry, in that it cannot produce as fine-quality cigars as the human hand produces, and has thrown thousands of men and women out of jobs, but it is not my purpose to want to build a business at the expense of tearing down another, but at the same time I know that it is not the machine that needs this help, for they have already driven hand-made prices so low that it is the chief reason for the low wages that were paid in the past; but, with some encouragement of this House in approving my bill, I feel sure it will be a step in the right direction and will win for you the gratitude of a fine group of your fellow Americans.

Mr. OLIVER of Alabama. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 7513, the State and Justice Departments, the judiciary, Commerce and Labor Departments appropriation bill, had come to no resolution thereon.

ORDER OF BUSINESS

Mr. BUCHANAN. Mr. Speaker, I have just introduced a joint resolution carrying an appropriation of $950,000,000 for the C.W.A. and relief. I ask unanimous consent that immediately after the reading of the Journal on Friday next it may be in order to take up this bill for final passage and that all points of order thereto be considered as waived.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRINTING HOUSE DOCUMENT WITH REVISED LIST OF RETIRED EMERGENCY OFFICERS

Mr. BLANTON. Mr. Speaker, in the Seventy-first Congress, third session, in 1931, the House granted me permission to have printed as House Document 802 a complete list of the emergency officers who had been retired on pay. sanitary factories; beautiful homes, well kept; and a thrifty, Since then I am informed that about 4,800 out of the sixty-three-hundred-and-odd officers have been dropped from the rolls, leaving about 1,518. My colleague from Texas tells me that this revised list, if printed, would be very valuable to us all and to every American Legion post in the United States. The list would be very much smaller than the original House Document 802. I therefore ask unanimous consent to have printed as a House document the revised and corrected list up to date. I have spoken to both the majority leader and the minority leader about it.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, may I ask the gentleman from Texas whether the list will include all reserve officers or just those remaining on the list?

Mr. BLANTON. It will not show the ones who have been stricken off the list. It will be a revised list of all the remaining officers now on such list.

Mr. BROWN of Kentucky. Mr. Speaker, may I ask whether the list will show the names and addresses of the various officers by States?

Mr. BLANTON. Yes; all of the information about them that was in no. 802. In some cases the amount has been reduced, and the new House document will give the amount they are now drawing.

PERMISSION FOR COMMITTEE TO SIT DURING SESSIONS OF THE HOUSE

Mr. McSWAIN. Mr. Speaker, on behalf of the Committee on Military Affairs I ask permission of the House for that committee to sit during sessions of the House for the remainder of this week and all of next week.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

EXTENSION OF REMARKS

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent that all Members who have spoken today on the appropriation bill under consideration may have permission to revise and extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Goss, indefinitely, on account of illness.

To Mrs. NORTON, indefinitely, on account of illness in family.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p.m.) the House adjourned until tomorrow, Thursday, February 1, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE, RADIO, AND FISHERIES

(Thursday, Feb. 1, 10:30 a.m.)

H.R. 6614, to provide for requisitioning merchant marine ships in time of national emergency.

COMMITTEE ON THE PUBLIC LANDS

(Thursday, Feb. 1, 10:30 a.m.)

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, Feb. 1, 10 a.m.)

Continuation of the hearing on H.R. 6836, to regulate motor carriers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

324. A letter from the Secretary of War, transmitting copy of radiogram from the United Chambers of Commerce of the Philippine Islands, protesting against bill proposing an excise tax of 5 cents a pound on coconut oil; to the Committee on Ways and Means.

325. A letter from the president of the Washington Gas Light Co., transmitting a detailed statement of the business of the Washington Gas Light Co., together with a list of stockholders, for the year ended December 31, 1933; to the Committee on the District of Columbia.

326. A letter from the president of the Capital Transit Co. transmitting report of the Capital Transit Co. as of December 31, 1933; to the Committee on the District of Columbia.

327. A letter from the president of the Capital Traction Co., transmitting report of the Capital Traction Co. for the 11 months' period ending November 30, 1933; to the Committee on the District of Columbia.

328. A letter from the vice president of the Georgetown Gaslight Co., transmitting a detailed statement of the business of the Georgetown Gaslight Co., together with a list of stockholders, for the year ended December 31, 1933; to the Committee on the District of Columbia.

329. A letter from the president of the Washington Interurban Railroad Co., transmitting report of the Washington Interurban Railroad Co. for the year ended December 31, 1933; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 250. Joint resolution to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934; without amendment (Rept. No. 447). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Concurrent Resolution 26. Concurrent resolution for appointment of a special congressional committee to make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette; without amendment (Rept. No. 448). Referred to the House Calendar.

Mr. OLIVER of Alabama: Committee on Appropriations. H.R. 7513. A bill making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes; without amendment (Rept. No. 449). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWANK: Committee on the Public Lands. S. 284. An act authorizing the conveyance of certain lands to School District No. 28, Deschutes County, Oreg.; without amendment (Rept. No. 450). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWANK: Committee on the Public Lands. S. 285. An act to authorize the addition of certain lands to the Ochoco National Forest, Oreg.; without amendment (Rept. No. 451). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H.R. 5823. A bill to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218); without amendment (Rept. No. 452). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H.R. 7478. A bill to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes; without amendment (Rept. No. 453). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. S. 2465. An act to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia; without amendment (Rept. No. 454). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 177. A bill for the relief of Lottie Bryant Steel; with amendment (Rept. No. 417). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 232. A bill for the relief of Anna Marie Sanford; without amendment (Rept. No. 418). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3632. A bill for the relief of Mary S. Neel; without amendment (Rept. No. 419). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3791. A bill for the relief of Gustav Welhoelter; without amendment (Rept. No. 420). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3793. A bill for the relief of Anthony Hogue; without amendment (Rept. No. 421). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3860. A bill for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas; with amendment (Rept. No. 422). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3908. A bill for the relief of Joanna A. Sheehan; without amendment (Rept. No. 423). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4252. A bill to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Mary Elizabeth O'Brien, a former employee of the United States Veterans' Bureau; with amendment (Rept. No. 424). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4253. A bill for the relief of Laura Goldwater; with amendment (Rept. No. 425). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4268. A bill for the relief of Joe Setton; without amendment (Rept. No. 426). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4272. A bill for the relief of Annie Moran; with amendment (Rept. No. 427). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4542. A bill for the relief of Frank Wilkins; without amendment (Rept. No. 428). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4579. A bill for the relief of Dr. Charles T. Granger; without amendment (Rept. No. 429). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4609. A bill for the relief of Augustus Thompson; without amendment (Rept. No. 430). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4777. A bill for the relief of Mary A. Cox; without amendment (Rept. No. 431). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4779. A bill for the relief of the estate of Oscar F. Lackey; without amendment (Rept. No. 432). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4784. A bill to reimburse Gottleib Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents; without amendment (Rept. No. 433). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4790. A bill for the relief of Estelle M. Gardiner; with amendment (Rept. No. 434). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4792. A bill to authorize and direct the Comptroller General to settle and allow the claim of Harden F. Taylor for services rendered to the Bureau of Fisheries; without amendment (Rept. No. 435). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4828. A bill for the relief of Theresa M. Shea; with amendment (Rept. No. 436). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4831. A bill for the relief of Hedwig Grassman Stehn; without amendment (Rept. No. 437). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4959. A bill for the relief of Mary Josephine Lobert; with amendment (Rept. No. 438). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5007. A bill for the relief of Lissie Maud Green; without amendment (Rept. No. 439). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5636. A bill for the relief of Jose Ramon Cordova; with amendment (Rept. No. 440). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5709. A bill for the relief of Miles Thomas Barrett; without amendment (Rept. No. 441). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5936. A bill for the relief of Gale A. Lee; without amendment (Rept. No. 442). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6084. A bill for the relief of Lottie W. McCaskill; without amendment (Rept. No. 443). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6638. A bill for the relief of the Monumental Stevedore Co.; without amendment (Rept. No. 444). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6862. A bill for the relief of Martha Edwards; without amendment (Rept. No. 445). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7009. A bill for the relief of Blanche Knight; without amendment (Rept. No. 446). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OLIVER of Alabama: A bill (H.R. 7513) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes; to the Committee on Appropriations.

By Mr. HOEPPEL: A bill (H.R. 7514) to grant double-time credit for retirement purposes to enlisted men of the Army, Navy, Marine Corps, or Coast Guard for certain service during the World War; to the Committee on Military Affairs.

By Mr. McGRATH: A bill (H.R. 7515) to provide for the acquirement of additional land for the naval air station near Sunnyvale, Calif.; to the Committee on Naval Affairs.

By Mr. BLAND: A bill (H.R. 7516) for preliminary examination and survey of Onancock River, Accomac County, Va., and enlarging the harbor at Onancock, Va.; to the Committee on Rivers and Harbors.

By Mr. ROMJUE: A bill (H.R. 7517) providing for the establishment of the General John J. Pershing National Military Park near Laclede, in Linn County, Mo.; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H.R. 7518) to remove existing legal restrictions on the establishment of stations and branch post offices; to the Committee on the Post Office and Post Roads.

By Mr. RAMSPECK: A bill (H.R. 7519) to establish a national military park to commemorate the battles fought around Atlanta, in the State of Georgia; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 7520) to assist the public schools in maintaining full terms, and to reimburse unpaid school teachers and employees; to the Committee on Education.

By Mr. JONES: A bill (H.R. 7521) to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes; to the Committee on Agriculture.

By Mr. DIMOND: A bill (H.R. 7522) to extend the provisions of an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and acts amendatory thereof, to employees of the Alaska Railroad; to the Committee on the Civil Service.

Also, a bill of (H.R. 7523) to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes", approved June 6, 1924; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. LEHR: A bill (H.R. 7524) to provide for the appointment of an additional district judge in the United States District Court for the Eastern District of Michigan; to the Committee on the Judiciary.

By Mr. BROWN of Kentucky: A bill (H.R. 7525) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in public education; to the Committee on Education.

By Mr. DISNEY: A bill (H.R. 7526) declaring an emergency and requiring owners and holders of mortgages, deeds of trust, or liens against homes who refuse to accept bonds of the Home Owners' Loan Corporation or Federal farm-loan bonds in exchange for said instruments to obtain permission of court before bringing foreclosure or continuing foreclosure action, and for other purposes; to the Committee on the Judiciary.

By Mr. BUCHANAN: A bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the civil-works program, and for other purposes; to the Committee on Appropriations.

By Mr. CHAVEZ: Resolution (H.Res. 247) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico; to the Committee on Foreign Affairs.

By Mr. POWERS: Joint resolution (H.J.Res. 254) to limit profits of manufacturers of alcoholic beverages to 10 percent of costs; to the Committee on Ways and Means.

By Mr. WEIDEMAN: Joint resolution (H.J.Res. 255) to create a commission to formulate a permanent national policy with respect to benefits for veterans and dependents of veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. FISH: Concurrent resolution (H.Con.Res. 29) expressing the regret of the Congress of the United States for the persecution of Jews in Germany; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred to as follows:

By Mr. BECK: A bill (H.R. 7528) for the relief of Emanuel Bratses; to the Committee on Claims.

By Mr. CROWE: A bill (H.R. 7529) granting a pension to Alfred Tillery; to the Committee on Invalid Pensions.

By Mr. DICKSTEIN: A bill (H.R. 7530) for the relief of Mojo Schey Co., Inc.; to the Committee on Claims.

By Mr. KLOEB: A bill (H.R. 7531) for the relief of William H. Yockey; to the Committee on Claims.

By Mr. KRAMER: A bill (H.R. 7532) granting a pension to Charlotte M. Spaulding; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H.R. 7533) for the relief of John Kulaw; to the Committee on Naval Affairs.

By Mr. MUSSELWHITE: A bill (H.R. 7534) to remove the charge of desertion from the military record of William A. Tozer; to the Committee on Military Affairs.

By Mr. RAMSPECK: A bill (H.R. 7535) for the relief of Brooker T. Wilkins; to the Committee on Claims.

By Mr. SCHAEFER: A bill (H.R. 7536) granting a pension to Nettie E. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7537) granting a pension to Martha Jones; to the Committee on Pensions.

Also, a bill (H.R. 7538) for the relief of Malcolm William Bennett; to the Committee on Naval Affairs.

By Mr. SEGER: A bill (H.R. 7539) granting a pension to Agnes S. Doremus; to the Committee on Pensions.

By Mr. SWANK: A bill (H.R. 7540) granting an increase of pension to Alma H. Aultman; to the Committee on Pensions.

By Mr. TRAEGER: A bill (H.R. 7541) granting a pension to Justine Draa; to the Committee on Invalid Pensions.

By Mr. WEIDEMAN (by request): A bill (H.R. 7542) for the relief of Trifune Korac; to the Committee on Claims.

Also (by request), a bill (H.R. 7543) to compensate the heirs of James Taylor, a deceased Cherokee Indian, for all their title, interest, or claim to certain lands in the State of North Carolina, now held by the United States as a part of the forest reserve, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H.R. 7544) for the relief of Winfield Scott Hall; to the Committee on Naval Affairs.

By Mr. WILLIAMS: A bill (H.R. 7545) granting a pension to Annie C. Linthicum; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1979. By Mr. ARNOLD: Numerous petitions from citizens of the Twenty-third Congressional District of Illinois, protesting against present radio regulations; to the Committee on Merchant Marine, Radio, and Fisheries.

1980. By Mr. BURNHAM: Petition signed by 64 residents of San Diego County, Calif., urging the restoration of pensions, hospitalization, and care of veterans of the Spanish-American War as same existed prior to the enactment of Public, No. 2, Seventy-third Congress; to the Committee on Pensions.

1981. By Mr. COCHRAN of Pennsylvania: Petition of approximately 10,000 residents of the Twentieth Congressional District of Pennsylvania, that the Congress of the United States duly pass and enact into law such legislation as may be considered to advance freedom of radio broadcast, and affixing a heavy penalty upon any persons or corporations who may willfully influence or coerce the broadcasting companies and stations to refrain from certain broadcasts when such broadcasts are in nowise out of keeping with the Constitution and laws of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

1982. By Mr. HILDEBRANDT: Resolution of H. D. Eilers, of Dell Rapids, S.Dak., that the Congress of the United States of America establish a standard daily pay for services, rewarding merit in less hours service per day instead of more money as is now the practice; establish a standard price in relative service value of all essential products; that the Government and its subdivisions cease issuing interest-bearing bonds, and instead issue legal-tender currency, both payable and receivable for all debts, public or private, due to and from the Government, including duties on imports, to be exchangeable at par, but not redeemable in any other specific kind of money, to be paid into circulation for services rendered and/or material furnished to the Government, and also for paying off all interest-bearing debts when such become due or payable, to be redeemed in payment of services rendered and/or material furnished to the people at the set standard pay for services and/or materials, plus the pro rata cost of government, thus eliminating all property taxes. This would be a 100-percent dollar of controlled issue, and it would be acceptable at par by everyone, anywhere, as it would always buy a dollar's worth or pay a dollar debt in the United States of America; to the Committee on Ways and Means.

1983. Also, resolution of the Parent-Teacher Association of Arlington, S.Dak., that a law be enacted which will provide supervision of selection and treatment of subject material during the process of production, and regulation of trade practices used in distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

1984. Also, petition of a large number of residents in the central Northwest area of the United States, urging support of and passage of the Frazier bill; to the Committee on Banking and Currency.

1985. By Mr. KNUTE HILL: Petition of J. Albert Weber and approximately 5,000 others of the Fourth Congressional District of Washington, addressed to the Congress of the United States, protesting against the limitation placed or threatened against the radio broadcasts of Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

1986. By Mr. IMHOFF: Petition of N. A. Sutton Oil Co. and 20 others, advocating the retention of the percentage

depletion allowance in the Federal revenue act; to the Committee on Ways and Means.

1987. By Mr. JAMES: Petition of residents of the Twelfth District of Michigan, addressed to the Congress of the United States, protesting the limitation placed or threatened against the radio broadcasts of Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

1988. Also, petition of residents of the Twelfth District of Michigan, addressed to the Congress of the United States, protesting against attempts made to influence the Radio Commission to prevent the broadcasting of programs of Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

1989. Also, petition of residents of the Twelfth District of Michigan, protesting against interference of rights to use radio facilities by Judge Rutherford and International Bible Students; to the Committee on Merchant Marine, Radio, and Fisheries.

1990. Also, petition of residents of the Twelfth District of Michigan, to the Congress of the United States, protesting against the hearing of broadcasts of Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

1991. Also, petition of residents of the Twelfth District of Michigan, protesting against unjust censorship of radio broadcasting, and urging the safeguarding of the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

1992. Also, petition of residents of the Twelfth District of Michigan, addressed to the Congress of the United States, protesting against the limitation placed or threatened against the radio broadcasts of Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

1993. Also, petition of residents of the Twelfth District of Michigan, addressed to the Congress of the United States, protesting against the efforts of the major broadcasting stations to control all broadcasts by unfair and unethical methods; to the Committee on Merchant Marine, Radio, and Fisheries.

1994. Also, petition of residents of the Twelfth District of Michigan, addressed to the Congress of the United States, protesting against the limitation placed or threatened against the radio broadcasts of Judge Rutherford, and against radio censorship; to the Committee on Merchant Marine, Radio, and Fisheries.

1995. By Mr. KENNEY: Petition of Court Coronation No. 465, Catholic Daughters of America, Fort Lee, N.J., protesting against the passage of House bill 5978 relating to birth control, and Senate bill 1842; to the Committee on the Judiciary.

1996. By Mr. LINDSAY: Petition of Thirty-fourth Street-Midtown Association, New York City, concerning the St. Lawrence waterway; to the Committee on Foreign Affairs.

1997. Also, petition of military training camps of the United States, Second Corps Area headquarters, New York City, urging $2,500,000 appropriation in War Department bill; to the Committee on Appropriations.

1998. By Mr. LUNDEEN: Petition of the Progressive Labor Party of Minneapolis, Minn., urging the appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

1999. Also, petition of the Polish American Club, St. Paul, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

2000. Also, petition of the members of St. Paul Lodge, No. 112, International Association of Machinists, St. Paul, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

2001. Also, petition of a committee of the Stuntz Farmer-Labor Party, Hibbing, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

2002. Also, petition of the City Council of the City of St. Paul, Minn., to extend Public Works Administration by appropriating additional funds to supplement the $3,300,000,000 originally provided in the act, in order that needy citizens may be taken off of the public relief roll and given employment on useful public improvements; to the Committee on Appropriations.

2003. Also, petition of the Redwood Falls Commercial Club and the Lions Club, of Redwood Falls, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens, and opposing the cut in the working hours from 30 to 24 hours on account of lack of sufficient income to furnish necessities of life; to the Committee on Appropriations.

2004. Also, petition of Carpenters Union Local, No. 7, Minneapolis, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

2005. Also, petition of Hon. A. G. Bainbridge, mayor of Minneapolis, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

2006. Also, petition of Hon. S. F. Snively, mayor of Duluth, Minn., urging appropriation of additional funds to continue the Civil Works Administration activity until such time as private industry is in a position to furnish employment to the millions of idle and destitute American citizens; to the Committee on Appropriations.

2007. By Mr. MARTIN of Colorado: Petition of 6,000 residents and citizens of the Third Congressional District of Colorado, alleging denial of radio privileges; to the Committee on Merchant Marine, Radio, and Fisheries.

2008. By Mrs. ROGERS of Massachusetts: Petition of residents of the Fifth Massachusetts Congressional District, urging that radio stations be given the same privileges that are now enjoyed by the public press, and every radio station should be permitted, without interference, to broadcast any lawful programs that they may choose to broadcast; to the Committee on Merchant Marine, Radio, and Fisheries.

2009. By Mr. RUDD: Petition and protest against an alleged censorship on radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

2010. Also, petition of Thirty-fourth Street-Midtown Association, New York City, opposing the ratification of the St. Lawrence Waterway Treaty; to the Committee on Foreign Affairs.

2011. Also, petition of Military Training Camps Association of the United States, New York City, favoring $2,500,000 appropriation for the citizens' military training camps; to the Committee on Appropriations.

2012. By Mr. SEGER: Petition of Philip Bruins and 42 Clifton, N.J., Civil Works Administration workers, urging a continuance of Civil Works Administration work; to the Committee on Ways and Means.

2013. By Mr. SIMPSON: Petition signed by Frank H. Krebs, of Waukegan, and W. E. Little, of Niles Center, Ill., and approximately 3,000 other residents of the Tenth Congressional District of Illinois, urging that Congress act to safeguard the inherent rights of the American people in relation to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2014. By Mr. TRAEGER: Petition of Dr. George G. Ehrman and several hundred others, opposing radio discrimina-

tion; to the Committee on Merchant Marine, Radio, and Fisheries.

2015. By Mr. WALDRON: Petition of Thomas Taggart and approximately 6,000 other residents of the Third Congressional District of Pennsylvania and elsewhere, concerning the control and censorship of radio broadcasting, and urging the enactment of legislation providing heavy penalties against persons or corporations that attempt by coercion or other wrongful methods to prevent the broadcasting of programs that are of public interest, convenience, and necessity; to the Committee on Merchant Marine, Radio, and Fisheries.

2016. By Mr. WELCH: Petition of certain residents of the Fifth Congressional District with reference to radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

2017. By the SPEAKER: Petition of C. G. Colburn, State's attorney of Cass County, and 20 other citizens of Virginia, Ill., requesting extension of the Civil Works Administration; to the Committee on Ways and Means.

SENATE

THURSDAY, FEBRUARY 1, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Reed
Ashurst	Couzens	Keyes	Reynolds
Austin	Cutting	King	Robinson, Ark.
Bachman	Dickinson	La Follette	Robinson, Ind.
Bailey	Dieterich	Lewis	Russell
Bankhead	Dill	Logan	Schall
Barbour	Duffy	Lonergan	Sheppard
Barkley	Erickson	Long	Shipstead
Black	Fess	McAdoo	Smith
Bone	Fletcher	McCarran	Steiwer
Borah	Frazier	McGill	Stephens
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Goldsborough	Murphy	Townsend
Byrd	Gore	Neely	Trammell
Byrnes	Hale	Norris	Tydings
Capper	Harrison	Nye	Vandenberg
Caraway	Hastings	O'Mahoney	Van Nuys
Carey	Hatch	Overton	Wagner
Connally	Hatfield	Patterson	Walcott
Coolidge	Hayden	Pittman	Walsh
Copeland	Hebert	Pope	White

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. DAVIS], the Senator from New Jersey [Mr. KEAN], the senior Senator from Rhode Island [Mr. METCALF], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Senate.

Mr. LEWIS. I regret to announce that the Senator from Oklahoma [Mr. THOMAS] and the Senator from Virginia [Mr. GLASS] are detained from the Senate on account of illness.

I desire also to announce that the Senator from Missouri [Mr. CLARK] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. There is a quorum present.

SENATOR FROM VERMONT

Mr. AUSTIN. Mr. President, I send to the desk the certificate of election of my colleague the Honorable ERNEST W. GIBSON as a Senator from the State of Vermont. Mr. GIBSON is present, and I shall ask, after the certificate of election shall have been read, that he may take the oath of office.

The VICE PRESIDENT. The credentials will be read.

The legislative clerk read as follows:

STATE OF VERMONT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 16th day of January 1934 ERNEST W. GIBSON was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term ending January 3, 1939, to fill a vacancy caused by the death of Porter H. Dale.

Witness: His Excellency our Governor, Stanley C. Wilson, and our seal hereto affixed at Montpelier, this 29th day of January, A.D. 1934.

[SEAL] STANLEY C. WILSON, *Governor.*

By the Governor:

RAWSON C. MYRICK,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file. The Senator-elect will present himself at the desk and take the oath of office.

Mr. GIBSON, escorted by Mr. AUSTIN, advanced to the desk, and the oath of office was administered to him by the Vice President.

REPORTS OF GOVERNMENT OBLIGATIONS

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the Director of the Bureau of the Budget, transmitting, pursuant to Senate Resolution 126 (submitted by Mr. DICKINSON and agreed to Jan. 11, 1934), reports that have been received by the Bureau under the provisions of Executive Order No. 6550, dated January 6, 1934, relative to the allocation of emergency funds, and stating that regulations are being completed, and will be issued within a few days, to govern the manner and form in which the information required by the Executive order will be furnished, and that thereafter more informative and uniform reports will be submitted each week, which, with the accompanying papers, was ordered to lie on the table.

REPORT OF THE CAPITAL TRACTION CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Capital Traction Co., transmitting, pursuant to law, the report of the company for the 11 months' period ended November 30, 1933, and stating that the Capital Traction Co. ceased operations on December 1, 1933, and transferred all of its properties to the Capital Transit Co., which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF CAPITAL TRANSIT CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Capital Transit Co., transmitting, pursuant to law, the report of the company for the month of December 1933, and stating that the Capital Transit Co. on December 1, 1933, took over the properties of the Capital Traction Co. and the transit properties of the Washington Railway & Electric Co., which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF WASHINGTON INTERURBAN RAILROAD CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Washington Interurban Railroad Co., transmitting, pursuant to law, the report of the company for the year ended December 31, 1933, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF THE WASHINGTON RAILWAY & ELECTRIC CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Washington Railway & Electric Co., transmitting, pursuant to law, the report of the company for the year ended December 31, 1933, which, with the accompanying report, was referred to the Committee on the District of Columbia.

REPORT OF POTOMAC ELECTRIC POWER CO.

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the president of the Potomac Electric Power Co., transmitting, pursuant to law, the report of the company for the year ended December 31, 1933, which, with the

accompanying report, was referred to the Committee on the District of Columbia.

PETITIONS

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Mrs. William Wittenauer, of Louisville, Ky., praying for the passage of old-age pension legislation, which was referred to the Committee on Pensions.

Mr. CAPPER presented a petition numerously signed by sundry citizens of Greenwood and Woodson Counties, Kans., praying for the passage of the so-called "Frazier farm refinancing bill", which was referred to the Committee on Agriculture and Forestry.

THE GREAT LAKES-ST. LAWRENCE WATERWAY—PETITIONS

Mr. VANDENBERG. Mr. President, the people of Michigan are by no means a unit on the question of the St. Lawrence Waterway Treaty. In fairness to those individual citizens who are opposed to it in my State I desire to make this statement for the RECORD:

I received petitions today signed by 108,000 citizens of Michigan. These petitions were collected under the auspices of the Michigan Railroad Employees and Citizens' League. The petitions are addressed to my colleague the senior Senator from Michigan [Mr. COUZENS] and myself, and are in our possession. It is my view that the petitions are based upon a misconception of the seaway facts, and I shall discuss that matter later in the Senate, but without any prejudice to the petitions, and with this statement respecting the good faith of the signers, I state again that I have received individual petitions signed by 108,000 citizens of Michigan, and I ask that the form of the petition be printed in the RECORD so that the Senate may know in fairness this Michigan viewpoint different from that which I earnestly entertain.

There being no objection, the form of the petition was ordered to be printed in the RECORD, as follows:

MICHIGAN RAILROAD EMPLOYEES AND CITIZENS LEAGUE, LANSING, MICH.

A PETITION

To the Honorable JAMES COUZENS and the Honorable ARTHUR H. VANDENBERG,

Members from Michigan of the Senate of the United States:

As a resident of Michigan I hereby petition yourselves and the honorable Senate of the United States not to ratify the Great Lakes-St. Lawrence Deep Waterway Treaty for these reasons:

The waterway is not needed. We have currently a Lakes-to-the-sea waterway and other wholly efficient transportation facilities. We cannot afford it. The woeful condition of public finances and our already grievous tax burden warrant no such vast expenditure. It will divert traffic from the adequately equipped railroads, thereby increasing their insolvency and otherwise destroying the vested rights of American citizens. It will not benefit the wheat grower or furnish farm relief. American labor will be one of the most serious losers from it. It will not cure the depression nor is it desirable as unemployment relief. American ports will suffer. It is not necessary to our foreign trade. Our local markets will be at the mercy of cheaply produced foreign goods. Lastly, we must furnish the bulk of the money for a project (1) benefiting another nation more than our own and (2) lying more largely in foreign territory than in our own—doubly a source of more unwanted foreign debts and of delicate international situations.

Voluntarily I the undersigned, therefore, submit this my protest and earnestly urge that you vote against such ratification.

Mr. VANDENBERG. Mr. President, if I believed the basic facts to be as set out in this text, I should entirely concur in the conclusions reached by these petitioners. In other words, I think their attitude is logical on the premise submitted to them for signature. The trouble is that I must dissent from the premise. In every particular I disagree with the allegations of fact. Before the debate concludes I shall undertake to support this disagreement with a bill of particulars. Since I hold to this contrary view respecting the facts, it is natural that I come to a different conclusion. Therefore, I find myself in the painful necessity of disagreeing with this large group of my constituents. If the treaty is not ratified and the seaway project dies, none of us will ever know the right and the wrong of the matter. But if the treaty survives and the seaway starts to operate in 1942 or thereabouts, I know that all of these constituents will join me in the hope that their fears may prove groundless and that my confident expectations may be wholly realized.

I believe the seaway will be an incalculable boon to the Commonwealth which I have the honor in part to represent. I believe it will stimulate our industry and agriculture and provide more rather than less jobs for all our labor, including our railroad labor. I believe it is Michigan's greatest single opportunity for the future. If I were to write a petition in such language and ask for widespread signatures, they would be forthcoming in eloquent degree. In other words, the final importance of the signature depends upon the premise to which it is attached, and it is the premise upon which these constituents and myself are in disagreement.

No man can be justified in taking a dogmatic attitude in respect to such a matter. No one can say who is right and who is wrong with conclusive assurance. Each citizen and each Senator can only follow his own conscientious convictions. I repeat that I shall hope to discuss the text of these petitions in detail before the debate concludes. In the meantime I present the petitions, and I commend the industry with which this Michigan League has pursued its quick and highly organized campaign to such a spectacular conclusion. It is impossible for me to reply individually to each petitioner. I trust this acknowledgment may be considered as addressed to all.

BILLS INTRODUCED

As in legislative session,

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRD:

A bill (S. 2560) for the relief of Roscoe McKinley Meadows; to the Committee on Naval Affairs.

By Mr. LONERGAN:

A bill (S. 2561) for the relief of Robert R. Prann; to the Committee on Claims.

By Mr. REED:

A bill (S. 2562) for the relief of Lewis E. Green (with accompanying papers); and

A bill (S. 2563) for the relief of Katherine G. Taylor; to the Committee on Claims.

A bill (S. 2564) granting a pension to Martha Snyder; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2565) to amend section 5138 of the Revised Statutes, as amended, with respect to the required capital of national banks; to the Committee on Banking and Currency.

By Mr. THOMPSON:

A bill (S. 2566) authorizing the conveyance of certain lands to the State of Nebraska; to the Committee on Indian Affairs.

By Mr. CONNALLY:

A bill (S. 2567) to guarantee the principal of bonds issued by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. O'MAHONEY:

A bill (S. 2568) granting a leave of absence to settlers of homestead lands during the years of 1932, 1933, and 1934; to the Committee on Public Lands and Surveys.

By Mr. DICKINSON:

A bill (S. 2569) for the relief of Donald L. Bruner; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 2570) to amend section 213, act of March 4, 1909 (Criminal Code, title 18, sec. 336, U.S.C.), affixing penalties for use of mails in connection with fraudulent devices and lottery paraphernalia; to the Committee on Post Offices and Post Roads.

IMPROVEMENT AND DEVELOPMENT OF RIVERS

Mr. NORRIS. Mr. President, as in legislative session, I send to the desk a Senate resolution and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the resolution (S.Res. 164), as follows:

Resolved, That the President be, and he is hereby, requested to send to the Senate a comprehensive plan for the improvement and development of the rivers of the United States, with a view of giving to Congress information for its guidance in legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of hydroelectric power.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

IMPORTATION OF FISH AND FISHING GEAR

As in legislative session,

Mr. JOHNSON. Mr. President, day before yesterday a formal resolution in respect to tuna fish was adopted asking information of the Tariff Commission. I have been asked to amplify the resolution so that it may refer to other matters in related subjects. I therefore submit a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The clerk will read the resolution.

The legislative clerk read the resolution (S.Res. 165), as follows:

Resolved, That the United States Tariff Commission be, and hereby is, requested, in addition to the investigations requested by Senate Resolution 159, agreed to by the Senate January 30, 1934, to investigate the importation into the United States not only of fresh and frozen tuna fish, but also salmon and other fish, and also nets and netting and other gear employed by fishermen and fisheries imported into the United States, and the effect of such importations on their production in the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. COSTIGAN. Mr. President, reserving the right to object, may I ask the Senator from California whether the suggested investigation is under the Tariff Commission's general powers or under the flexible tariff provisions of the law?

Mr. JOHNSON. I rather think it is under the general powers of the Commission.

The VICE PRESIDENT. Is there objection to the request of the Senator from California? Without objection, the resolution is agreed to.

TREATY-MAKING POWERS OF THE SENATE—ADDRESS BY SENATOR THOMAS, OF UTAH

Mr. BACHMAN. Mr. President, I present an address delivered by Senator ELBERT D. THOMAS, of Utah, at the annual meeting of the American Political Science Association, held in Philadelphia on December 27, 1933, which I ask may be published in the RECORD.

There being no objection, the address was ordered to be published in the RECORD, and it is as follows:

If I were not talking to a learned group I would be backward in placing before you the very simple approach which I have to offer. Politically, my feelings and my attitude have been such that I can agree heartily in all that Professor Fleming has said, and I appreciate the constructive suggestions of Professor Dangerfield, but constitutionally I do not agree. To do away with the two-thirds rule or to set up an advisory council on foreign affairs and relations—both seem to me politically inexpedient and neither gives promise of ever becoming accomplished. I still see merit in the "by and with the advice and consent of the Senate * * * provided two thirds of the Senators present concur." I repeat, I say, that in spite of the fact that I have been disappointed over lost causes.

The Senate is definitely a creature of men who wanted a government by the people, but who, nevertheless, were afraid of democracy.

You are all familiar with Washington's answer to Jefferson when Jefferson asked Washington how it happened that they created such a thing as the United States Senate. Jefferson had just poured his tea out into a saucer. Washington answered Jefferson's question by asking Jefferson why he poured the tea into the saucer before he drank it, and Jefferson replied, "To cool it, of course." Washington said the Senate of the United States was brought into existence to create a cooling process.

The Senate was not only meant to aid in the check-and-balance scheme but it was also created as a continuing legislative institution with some executive functions. Being the result of one of the compromises in the Constitution, it must be considered one of the accidents.

The Senate's growth and development to power, I am sure, are contrary to the anticipation of the fathers. While to call it the greatest deliberative body in the world is merely to use words which, to me at least, are meaningless, yet the Senate is nevertheless something like that. I know of no other place under our constitutional scheme where opposition to a governmental policy can get a hearing so quickly, and that hearing be carried to the people, as in the Senate of the United States. In a democracy, opposition is essential, and the recognition of the Senate as a great deliberative body has partially come as a result of the two-thirds rule.

We lose sight of the fact that governments, regardless of their form, are always personal, and all connected with governments are merely men and women. In our constitutional scheme much that we do today is a result of the personality and the attitudes of our officials as the basic constitutional principles themselves.

Washington's reaction to the Senate when he sought its advice in regard to Indian treaties was typically Washington's. Another man, dealing with the Senate in the same way, may have given us quite a different precedent. Hay's and Theodore Roosevelt's feelings about the Senate, and their reactions to senatorial action, reflect the men. In spite of Hay's words about the Senate's treating everything which the President refers to it as a bull is treated in the arena, with his further statement that while no one could predict the time of the bull's fall, it was sure to be killed, is hardly, historically speaking, a proper conclusion. And to mention Hay again, it is conceivable, at least to me, that the Senate may at some day or other accept an important treaty.

I am just wondering if President Wilson's reactions to the Senate in his late years were not a result of a conclusion he came to years before, when he wrote in his "Constitutional Government" that whenever the President shall "rightly interpret the national thought and boldly insist upon it, he is irresistable." President Wilson wrote that. He believed it, and as a result he thought the people would sustain him.

It is true that the two-thirds rule in regard to the ratification of treaties permits the Senate to play politics. It allows many factors which have not to do with the real business at hand to enter in. That, of course, is a weakness, but it is the type of weakness that enters into practically every phase of government. There are solutions that might be suggested to overcome this situation if we want to overcome it. No one, of course, can predict in a contest between the Executive and the Senate which side is going to be considered right by the next generation. There are few absolute rights and wrongs in politics. We may amend the Constitution. We may let the whole of Congress legislate a policy which may have the force of a treaty; but when you consider that a treaty becomes the law of the land, and may even supplement or even supplant other law, probably the two-thirds requirement is not out of place.

But my suggestive solution is, as I said in the beginning, very simple. I would turn time back. I see no reason for assuming that the prepositions "by" and "with" and the words "advice" and "consent" and the concurring provision should all be considered as a single act, and have no relative time sequence. I have been told by some constitutional teacher at some time that every word in the Constitution is important. If that is the case, there must have been some reason for using the two prepositions "by" and "with" instead of just one. I do not see why, in other words, we should not assume that the act of getting advice should come before the act of obtaining consent.

In the matter of appointments, so far as the official act of the Senate is concerned, the advice and the consent are given at the same time. But I think it is common knowledge that the President of the United States nominates many people on the advice of individual Senators. I know now that you are going to say that I am merely suggesting that the Executive follow the scheme of making a Member of the Senate a party to the negotiation. To use a concrete example, to follow President Harding at the time of the Washington Conference. But that is not my idea; neither is it my idea that the Senate should in any sense become a privy council. But I see no reason at all why the Executive should not embrace all of the facilities which are at his command for bringing about his program. It may be of interest to you who have not followed Senate organization in all its details to call your attention to the fact that there are 23 Senators on the Committee on Foreign Relations. Of these 23 Members, 14 ordinarily belong to the party in power. It may also be interesting to call your attention to the fact that this committee generally contains the leaders of other very important committees. A proposition given the united support of the Executive and a committee of 23 Senators could hardly fail. Of course, if you figure it out by arithmetic, it can fail. Even if the Executive could not control any of the opposition members of the Foreign Relations Committee, he would still have the support of 14 members of his own party. Secret executive sessions of the Senate are things of the past. Committee sessions behind closed doors are still with us. Cannot the Executive use this committee as an advisory group in relation to treaties, since he has to receive from it its consent before the treaty can be ratified? The idea, I am sure, is not new. It is, though, a way out, and a way, too, which will contribute to our governmental processes.

I have been told that our Government is a government of checks and balances. I believe that liberty can be maintained quite as readily by a balance through cooperation as through a check by opposition. Surely the day must pass when it is easier for the Executive to get agreement with a foreign power than with a committee of his own Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed July 18, 1932.

[Mr. DIETERICH resumed and concluded the speech begun by him on yesterday. His speech entire is as follows:]

Wednesday, January 31, 1934

Mr. DIETERICH. Mr. President, in what I have to say concerning the ratification of this treaty I think I can approach the subject conscious of every obligation and duty that rests upon me as a United States Senator, and I hope the Senate will take the views I shall present with the same sincerity with which they are presented.

A lack of experience would dictate that I should not try to approach this subject in any manner except one of fairness and justice. I do represent in part a sovereign State whose citizens are intensely interested in this treaty by reason of the fact that they feel that if the treaty is ratified in its present form, an irreparable injury will be inflicted upon that State and its citizens.

I approach this discussion conscious of the fact that it is my duty to yield where sectional interests conflict with the public good; that in that event it is my duty, whatever I might suffer in popularity locally, to surrender those sectional interests for the public good. I also feel that, if a great good is to be accomplished, it is the duty of the Senate to try to accomplish that good without inflicting an injury; and without expressing any opinion as to the project which is the main object in this treaty—that is, the construction and the canalization of the International Rapids section of the St. Lawrence River so that a greater degree of commerce can pass over that particular traffic lane—I think that can be accomplished without injury to any sovereign State, or any interest in any sovereign State.

So I believe that I can approach this discussion, as the President of the United States well expressed the matter in his message transmitting this treaty to the Congress, on broad national grounds.

I believe that my fears as to what the effect of this treaty will be upon the interests of my State are not imaginary fears. They are not fears that have been conjured up by imaginary wrongs. They are fears based upon a conscientious belief that if the treaty is ratified in its present form an injustice will be done not only to the citizens of my State but to the citizenship and their property interests in a great portion of the central part of the Union.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. DIETERICH. I do.

Mr. LONG. If we decide to take several hundred million dollars and invest them in Canada, and give them a half ownership in Lake Michigan, has the Senator considered the question whether it would not be a good thing for States like Illinois and Louisiana to give Canada a half ownership of their States, so that we could come in on this money?

Mr. DIETERICH. Of course, I have not directed my inquiry along that line, and I am unable to answer the Senator's question. My inquiry has not been on visionary matters. It has been upon the substantial things that are presented by the treaty. I am going to try to divorce myself, as far as is humanly possible, from any prejudice that I might have gathered by reason of residence or by reason of research. With due respect to those who have opposed this treaty, I want to say that I am very fearful that they are so saturated with a prejudice that they fail to see any virtue or any justice in anyone who dares to think differently than they do.

I am opposed to this treaty because it gives away substantial sovereign rights that are a great deal more important to the citizenship of this country than the matter of improving some method of transportation; and in my opposition I do not want it said of me that I am surrendering one bit of loyalty to the President of the United States. I have loyally supported his entire program. I have no regrets and no apologies to offer. I expect to support the remainder of his program. I am not using the President in this particular interest because at this particular time he happened to give an expression that is favorable to something with which I am in sympathy.

I think the President of the United States has been misled. I think those who have given him advice upon the question of the treaty and the effect of the treaty and its various provisions have misled the Executive into believing that those things that might be harmful will not be harmful, and exaggerating, possibly, the good that might be derived from the treaty.

I do not say that that was done wrongfully, but it was done by reason of the fact that his advisers have dwelt on this proposition so long they are blind to their own prejudices. Prejudice is a peculiar thing. We have it, and we do not ourselves know it. It is a part of us. We measure that prejudice as something normal and everything that runs counter to it as abnormal, when the fact of the matter is that when we are once saturated with that prejudice you might as well attempt to wash the dirt out of a cloud as the prejudice out of a man's mind.

It is rather difficult to pick up from this maze of data and from the bewildering arguments the real things that should control the actions of the Senate in determining whether or not they shall ratify the treaty. The record is a bewildering maze of data. Every expression, every opinion for or against any provision of the treaty, has found its way into the record. Engineering figures, scientific opinions as to the effect, as to the costs, all have found their way into the record, until it is rather confusing, and that confusion sometimes obscures the real thing that should be taken into consideration by the Senate in determining whether or not they will ratify the treaty.

I am conscious of my duty to the particular political group which I represent. Perhaps my idea of a party platform is a little different from that of others; is a little different from that of some legislators. I regard my party platform as a sacred contract between myself and the electorate, which they have a right to expect that I will respect and carry out. It is the only method that the citizen has of translating his will into law and policies of government. So it is perfectly proper to search the platforms of the different political parties whose representatives now have seats in the Congress, to determine whether or not any obligation is raised from that particular source.

I will confess, Mr. President, that possibly I had not read my platform as closely as I should have done. Sometimes we take many things for granted. If someone should have asked me day before yesterday whether or not the question of the St. Lawrence waterway, together with the other waterways, was in my party platform, I would have answered "yes", and the reason I would have answered "yes" was because evidently at the time the committee on resolutions was ready to report, the advance publicists got out a little publication from an irresponsible source, publishing in parallel columns the two different platforms, and in that publication was the declaration that we were for waterways, including the St. Lawrence-Great Lakes seaway. The explanation of why it is not in the authentic platform is perfectly clear—that the convention refused to commit itself to the St. Lawrence waterway—and refused specifically to do that. That is the deduction I draw.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Illinois yield to the Senator from Nevada?

Mr. DIETERICH. I yield.

Mr. PITTMAN. A part of that history is obscure, I admit; but there is no obscurity as to the fact that the platform committee did not act on any such resolution whatever, nor was it ever presented to the convention.

Mr. DIETERICH. Mr. President, all I can do is to draw my deductions from what I have before me.

Mr. LONG. Mr. President, may I ask the Senator from Nevada a question? I understood the Senator from Nevada to say that there is no question that the platform committee and the convention did not act upon that question.

Mr. PITTMAN. Yes.

Mr. LONG. That is all right. That is what we want the Senator to say.

Mr. PITTMAN. That is right.

Mr. DIETERICH. However, that is not important, Mr. President. It matters not whether that language was in the platform or not. If we declared ourselves for waterways, we had a right to take into consideration that it meant the waterways that would be beneficial to our country. We had a right to take into consideration that it meant all of the waterways; and I am not making any point on that particular matter.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from Nevada?

Mr. DIETERICH. I yield.

Mr. PITTMAN. I do not think the Senator from Illinois was here this morning when the same platform question came up, and I stated exactly what the Senator has said—that from the beginning of our Government we have had treaties with regard to the use and development of the Great Lakes and the St. Lawrence.

Mr. DIETERICH. I thank the Senator; but I do not want to approach this question upon a technical ground. I do not think this is a place where we should try to outsmart each other. I think we should approach the question upon the grounds that we conscientiously feel from our investigations are correct grounds. As I said, if those investigations lead us to the place where we feel that the particular constituency which we represent should suffer an injury to accomplish a public good, it is our duty to vote for the public good; but it is further our duty to try to accomplish that public good without injuring any citizen, either in his person or in his property or in his happiness.

When the platforms of the two political parties were adopted in Chicago, the St. Lawrence Treaty was not in existence. There could have been no reference to this particular treaty. When those platforms were adopted in the city of Chicago, the Rivers and Harbors Act of 1930 was the law of the land, and it was binding upon the parties in those conventions and binding upon the citizenship; and it is reasonable to believe that when the two platforms were adopted, and when the Democratic platform declared for waterways generally, they had in mind this—the Illinois—particular waterway.

The Rivers and Harbors Act of July 3, 1930, provides—and I quote from it now—

> That as soon as practicable after the Illinois waterway shall have been completed in accordance with this act, the Secretary of War shall cause a study of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway as defined in said Senate document, and shall, on or before January 31, 1938, report to the Congress the results of such study with his recommendations as to the minimum amount of such flow that will be required annually to meet the needs of such waterway and that will not substantially injure the existing navigation on the Great Lakes to the end that Congress may take such action as it may deem advisable.

I say that was a part of the law of the land when the two conventions met and when the two platforms were adopted, and every citizen has a right to construe and interpret every provision and every expression in that platform in accordance with and in view of existing law and existing projects.

Further, the Rivers and Harbors Act of 1930 became a part of the Democratic platform by implication, because, when the reference was made to existing waterways—impliedly the Rivers and Harbors Act, which appropriated some $7,000,000 to complete the Illinois waterway project, and which provided that after the waterway had been completed a study of at least 5 years should be made to determine what quantity of water was necessary in order to meet the needs of navigation—it was a part of the party pledge, as it was a part of the law.

A serious question arises as to whether or not the treaty-making power has the right to repeal this law by a treaty; and that is what we are attempting to do at the present time. We are attempting to do it by a treaty which takes into consideration the opinion of the Supreme Court of the United States in a case where the question of the sufficiency of water for navigation purposes on the Illinois River and on the Lakes-to-the-Gulf canal was not in question and arbitrarily repeals the River and Harbor Act of 1930.

Furthermore, that waterway was not completed until 1933; and before that waterway was completed, and before any study could have been made as to the quantity of water that was necessary to supply the needs of navigation, the treaty was signed and submitted to Congress. I say that that treaty was signed and submitted to Congress in violation of the laws of this land, passed by the Congress.

Mr. PITTMAN rose.

Mr. DIETERICH. Does the Senator wish to ask me a question?

Mr. PITTMAN. Mr. President, I desire to know if the Senator has seen the report of the Board of Engineers in response to the paragraph of the Rivers and Harbors Act which he read.

Mr. DIETERICH. I have seen that report; and if the Senator from Nevada will be patient, I will read from it before I conclude my remarks.

Mr. PITTMAN. Very well. I shall not interrupt the Senator to read it, then.

Mr. DIETERICH. The query now arises in my mind: Was the President advised by those who were so anxious to have the treaty brought to the Senate and ratified as to the rights of the States that have been looking forward for over a century to the establishment of a waterway from the Lakes to the Gulf? Was he advised that their rights were being violated and that the waterway that had been the concern of Congress for more than a century was being strangled?

I do not think it is fair, in view of the record as it stands, to imply that someone is guilty of sectionalism, that someone has fallen below the standard that we have a right to expect of a Senator because he presents these matters to the Senate.

For a long while efforts had been made to construct a Lake-to-the-Gulf waterway. This development grew by regular steps and by regular improvements. It was not started as a sectional project, because when it was started there was no Chicago; there was no sanitary district.

This waterway was advocated by citizens of the eastern part of the United States for the reason that they wanted to develop those sections and those settlements that were building up on the Great Lakes and they wanted to give them an outlet to the sea. They had been unable to negotiate with Great Britain to obtain the use of the Niagara River.

I want now briefly to give a history of the development of the Lakes to the Gulf waterway project. I shall read from a brief which has been filed in this record, but which, perhaps, has not been brought to the attention of all the Senators. What I am stating here is not the result of my own research but is taken from a brief which was filed by an association known as the "Mississippi River Valley Association", comprising representatives of all the States that border on the Mississippi River and its tributaries. I think I can say that is so with very few exceptions.

Such a project became the concern of the United States Government early in the history of the country. In 1808 Albert Gallatin, Secretary of the Treasury, urged upon the Senate that a canal between Lake Michigan and the Illinois River be built (American State Papers, vol. 1). In 1810 Congress adopted a resolution, offered by Peter B. Porter, Congressman from New York, having the same purpose in view (Brown's History, p. 126). It was included in a bill in Congress in 1811, along with the Erie and other canals, and it was recommended in 1814 by President Madison. So

this waterway is not a recent project, and it is not one related to the sanitary district of Chicago.

In 1816, in a treaty between the Pottawatamie Indians and the United States, the Indians ceded to the United States a strip of land 20 miles wide from Lake Michigan to the mouth of the Fox River on the Illinois River for a small sum, upon a promise that a canal would be built connecting these two water systems (Brown's History, p. 138). In 1817 Congress adopted a resolution, offered by John Holmes, of Massachusetts, requiring an investigation of the expediency of this canal (Brown's History, p. 139).

The practicability of this route was covered by a report of Maj. Stephen H. Long, of the United States Army, in 1817, transmitted by John C. Calhoun, Secretary of War, to Henry Clay, Speaker of the House of Representatives, in 1819 (Ex. Doc. 17, of 16th Cong., 1st sess.). Graham and Phillips recommended the route in a report in 1819, and in 1821 Congress adopted a resolution directing the Committee on Public Lands to determine what was necessary to construct this canal through the public lands of the United States.

So the project of the Lakes-to-the-Gulf waterway and of the canal referred to, projects which have now been enlarged until they will carry increased commerce, has been a concern of the United States for more than a century. It has not been the concern of any particular locality; but the concern of the people of the United States represented in their Congress.

In 1822 the Congress of the United States passed an act authorizing the State of Illinois to open a canal—

> Through the public lands * * * connecting the Illinois River with the southern bend of Lake Michigan—

But the State of Illinois was unable to finance this construction at that time. Five years later, in 1827, Congress passed a second act authorizing the State of Illinois to open this canal, and granted to the State—

> for the purpose of aiding the said State in opening a canal to unite the waters of Illinois River with those of Lake Michigan, a quantity of land * * * subject to the disposal of the legislature of the said State, for the purpose aforesaid and no other.

This grant of land amounted to 284,000 acres (Annual Report Chief of Engineers, 1887, p. 2141).

The real moving cause for trying to find a waterway and an outlet from the Lakes and for adopting this project, as I have said, was the attitude of the British Government. I am not going back to fight any previous wars, but it remains plain that shortly after the Revolution and shortly after the War of 1812 the attitude of the British Government was not friendly.

As is plainly seen from the correspondence between Mr. Rush and Mr. Adams, the United States maintained that upon the soundest principles of public law American citizens were legally entitled to navigate the St. Lawrence River, and a further statement to the same effect is found in a letter from Henry Clay to Albert Gallatin, Envoy Extraordinary and Minister Plenipotentiary to Great Britain, dated June 19, 1826, which appears at page 23 of Document 43, State Executive Papers, first session, Twentieth Congress.

Notwithstanding the United States Government's perfectly justifiable position, the British Government, in the year 1827, refused to enter into any negotiations regarding the St. Lawrence River, as will be seen from the correspondence between Albert Gallatin and Henry Clay, dated September 21, 1827, to be found at page 31 of Document 43, State Executive Papers, Twentieth Congress, first session, in which the following appears:

> The British plenipotentiaries will not entertain any proposition respecting the navigation of the St. Lawrence River, founded on the right claimed by the United States to navigate that river to the sea.

The Illinois and Michigan Canal, pursuant to the acts of Congress, was opened in 1848. The original design was for a deep-cut canal fed by gravity flow from Lake Michigan, but it was built on the shallow-cut plan on account of lack of funds. The canal took 12 years to build and was completed in 1848 by the State of Illinois at a cost of $6,557,681.50. It was 6 feet deep and 40 feet wide, and was fed partially by gravity flow from the Calumet River through the Calumet feeder which connected with it at the village of Sag, Ill., and by water pumped from the Chicago River up into the canal at Ashland Avenue where its locks were located. It was a great aid to commerce in the Mississippi Valley and Great Lakes regions, despite the fact that frequently for months at a time the Illinois River was only 20 inches deep. (See Annual Report Chief of Engineers, 1887, p. 2143, and Brown's History, pp. 208 and 211; RECORD, p. 1087.)

So back as far as 1848, by authority and by the recommendation of the Government through the action of Congress, the Illinois and Michigan Canal was built and put in operation, and in 1866 the War Department recommended the canal's enlargement.

Pursuant to the Rivers and Harbors Act of June 23, 1866, General Wilson presented a report of a survey for the improvement of this waterway, and after stating the great necessity for the development and enlargement of the same, said:

> * * * The Illinois River seems to have been especially designed by nature as the line by which the waters of Lake Michigan are to be connected with those of the Mississippi. * * * A moment's consideration will show that at no remote period the waters of the lake must have been carried off by these streams, as well as by the St. Lawrence. * * * The data herein contained, together with the existence of a canal of limited capacity already in operation, demonstrate beyond a doubt that the waters of the lake may be carried into the Illinois River through a navigable channel of any required dimensions and at a cost which cannot be regarded as excessive when the objects to be obtained are duly considered. (See Annual Report Chief of Engineers, 1868, p. 438.)

In 1868, at the next session of Congress, we find more concerning the Illinois and Mississippi Canal. In the Annual Report of the Chief of Engineers, United States Army, in 1868, page 450, we find this statement:

> There are but two ways in which we can thoroughly protect our northern frontier in times of war and relieve ourselves of a continuous menace in times of peace. As a military measure, the construction of a canal will be effective, and, fortunately for this country, this can be done at an expense which must be regarded as insignificant when compared with the objects to be attained. But great as are the military reasons which favor the establishment of steamboat navigation between the Lakes and the Mississippi, they are vastly transcended by those of a commercial and political character.

Illinois and the Nation were committed to this project from an early date. The Government closely observed the operation of the Illinois and Michigan Canal, and during the period from 1848 to 1890 caused a number of surveys to be made of it and the entire Illinois River project, and a summary of the general tenor of these reports is as follows:

> The question of a through line of water communication from the Mississippi to Lake Michigan via the Illinois River has been before Congress since an early date. * * * The several surveys and reports made give so complete a description of the physical characteristics of the route and present the arguments in favor of its improvement so forcibly that it seems unnecessary to extend what has been so fully set forth before. (See A.R. Chief of Engineers, 1880, p. 1995. CONGRESSIONAL RECORD, pp. 1082–83.)

In 1884 we find in the annual report of the Chief of Engineers the following:

> The necessity of the improvement derives its importance from several considerations. The State has improved the river for ship navigation from La Salle to Copperas Creek, and the Government is now engaged in continuing the improvement thence to the mouth.

I am citing these in reply to the accusation that was hurled upon the floor that this is a sectional matter; that it is a matter in which there is only local interest. I am doing it to show the history of the development of the Lakes-to-the-Gulf waterway was a concern of the United States, was encouraged by the United States Government, even before there was such a place as the city of Chicago.

In the annual report of the Chief of Engineers of 1887, at pages 20–21, we find the following:

> The ultimate object of this improvement is to provide a channel way from the lower end of Lake Michigan to the Mississippi River of sufficient capacity to accommodate large-sized Mississippi River boats, so that the products of the country may be carried from the

lake to the Gulf without breaking bulk; also to enable vessels of war of considerable capacity to pass freely from the Gulf of Mexico into the defenseless waters of our northern lakes, should the exigencies of our foreign relations ever require this to be done.

There was considerable criticism from the senior Senator from Wisconsin [Mr. LA FOLLETTE] on account of the fact that my colleague [Mr. LEWIS] pointed out the dangers to this country in constructing a canal that would lead into that system of inland sea which was under the complete control of a foreign government. It seems that that fear expressed by my colleague, which I assume will be branded as an imaginary fear, was a fear expressed by the Government through its agents and that the necessity for this waterway was recognized not only for commercial but for military purposes.

Again in 1887, in the annual report of the Chief of Engineers, at pages 21–22, we find the following:

The United States and the State of Illinois have long been committed to the project of opening a water communication between the Mississippi River and the northern lakes of capacity sufficient for the wants of a commerce and for the exigencies of our national defense should these ever arise. * * *

Pushing this improvement through to the lake, the connecting link will be formed which will join the northern lakes with the vast network of navigable rivers whose waters flow into the Gulf of Mexico on a scale to a certain degree commensurate with the importance of the commerce that will be affected by it. The mere fact that such a route is available will serve as a wholesome regulator to the rates that would be exacted by other methods of transportation were this one not in existence. * * * The problem of connecting Lake Michigan with the Mississippi River by a commodious waterway that could be used for commercial, military, and naval purposes has received attention from our most thoughtful statesmen from the day of Albert Gallatin to the present. * * * The Board of Engineers, appointed under provisions of the River and Harbors Act approved August 5, 1886, to examine and report upon the Illinois and Michigan Canal and the proposed Hennepin Canal says in its report (H.Ex. Doc., No. 79, 49th Cong., 2d sess.) that "The waterway from Chicago to Grafton, on the Mississippi River, is a most important one, and when completed there is little doubt that it will richly pay for itself in the reduction and regulation of freights."

That was as far back as 1888, and that was before the sanitary district of Chicago was even in existence.

In 1889 a law was enacted in the State of Illinois which had for its purpose the furthering of this great waterway from the Lakes to the Gulf and incidentally embodied in its purpose the matter of improving the sanitary conditions of the harbor of Chicago and improving the health conditions of that particular locality. Pursuant to that act passed by the Illinois Legislature a municipal corporation was formed, an agency of the State of Illinois, to dig and improve canals from the Chicago River to Lockport. The law provided what the capacity of the canal should be and provided what the flow of water should be through the canal in case that sewage was turned into it. Pursuant to that statute this organization began the construction of improved links of this great waterway that had been the concern of the Federal Government for more than a century.

I read from the brief of the Mississippi River Association a history of the Chicago Sanitary Ship Canal:

The sanitary district of Chicago was organized under an act passed by the Illinois State Legislature in 1889. Its main outlet, the Chicago Sanitary and Ship Canal, from Chicago to Lockport, was constructed 1892 to 1900 and opened January 1900. This channel was extended to Joliet 1903 to 1907. The auxiliary North Shore Channel was constructed 1908 to 1910 and the supplementary Calumet-Sag Channel was constructed 1911 to 1922. The main channel was opened under a permit from the Secretary of War, granted May 8, 1899, authorizing a flow of water of 5,000 cubic feet per second from the Chicago River into this channel. This water was, of course, diverted from Lake Michigan. This order of the Secretary of War was amended April 9, 1901, and the flow restricted to 3,333 cubic feet per second; was again amended July 23, 1901, permitting a flow of 5,000 cubic feet per second during the hours from 4 p.m. till midnight of each day; and was again amended December 5, 1901, to permit a flow of 4,167 cubic feet of water "through the Chicago River" during the entire day. A temporary modification of this last order was made January 7, 1903, permitting an increase in the flow through the Chicago River to 5,833 cubic feet per second until March 31, 1903. With this exception the permit of the Secretary of War of December 5, 1901, remained in effect until March 3, 1925, when Secretary of War John W. Weeks authorized a diversion from Lake Michigan through the channels of the sanitary district of an amount of water not to exceed an annual average of 8,500 cubic feet per second. This permit expired by limitation on December 31, 1929, and on this same date Secretary of War Patrick J. Hurley granted a permit to the sanitary district of Chicago to divert water from Lake Michigan at such an annual average rate that the total flow at the Lockport end of the main drainage canal would not exceed 8,500 cubic feet per second, including domestic pumpage. This restriction applied until July 1, 1930. On June 26, 1930, the Secretary of War granted the sanitary district the permit for diversion of water from Lake Michigan which is now in force. This permit provides that the diversion shall not exceed the amounts specified in the decree of the Supreme Court of April 21, 1930, which are as follows:

On and after July 1, 1930, not in excess of 6,500 cubic feet per second in addition to domestic pumpage.

On and after December 31, 1935, not in excess of 5,000 cubic feet per second in addition to domestic pumpage.

On and after December 31, 1938, not in excess of 1,500 cubic feet per second in addition to domestic pumpage.

The main point at issue in the litigation between the United States and the sanitary district of Chicago, in the Federal courts from 1908 to 1924, was the question of the authority of the Secretary of War to regulate the diversion from Lake Michigan. This litigation was started as a friendly suit in 1908 to determine the extent of his authority. A second suit was filed by the Government in 1913 to restrain the sanitary district from diverting more water than had been authorized by the Secretary of War. The two suits were consolidated for trial and in the decision of the Supreme Court of January 5, 1925, the authority of the Secretary of War to regulate the diversion was upheld.

That is all there was to the litigation up to that particular time. Eventually, in 1922, the State of Wisconsin started a suit that had for its purpose the prohibiting of the withdrawal of any water. They afterward modified or amended their complaint in that particular suit and that was finally tried and a decree rendered. I shall take up the matter of that particular decree and give it my attention later.

The Rivers and Harbor Act of July 3, 1930, provided:

That as soon as practicable after the Illinois waterway shall have been completed in accordance with this act, the Secretary of War shall cause a study of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway, as defined in said Senate document, and shall, on or before January 31, 1938, report to the Congress the results of such study, with his recommendations as to the minimum amount of such flow that will be required annually to meet the needs of such waterway, and that will not substantially injure the existing navigation on the Great Lakes, to the end that Congress may take such action as it may deem advisable (Public, No. 520, 71st Cong., H.R. 11781).

Let it be remembered that this is the first time the Government of the United States did anything to give itself actual control of this particular canal. It encouraged the construction of the Illinois-Michigan Canal, it encouraged the improvement of it, but all the time the jurisdiction of the canal remained in the sovereign State of Illinois until the River and Harbor Act of 1930, when the Federal Government assumed control of the waterway. That was after the litigation had all been concluded. As I said, this was the law of the land at the time this treaty was signed by the former President of the United States and submitted to the Senate for ratification.

This Rivers and Harbors Act of July 3, 1930, provides that after the Illinois waterway shall have been completed, the Secretary of War shall cause a study of the amount of water that will be required to meet the needs of a commercially useful waterway, and shall, on or before January 31, 1938, report to Congress the results of such study with his recommendations, to the end that Congress may take such action as it may deem advisable.

Strange to say, while that law was in existence, and while that law was binding upon every official in the United States, a treaty was drawn up and signed, before the Illinois waterway was completed, and before there was any chance to make any observations and determine what amount of water was necessary to supply the needs of navigation.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Illinois yield to the Senator from Nevada?

Mr. DIETERICH. I do.

Mr. PITTMAN. Is the amount of water limited in the treaty in conflict with the report of the engineers made on December 1, 1933?

Mr. DIETERICH. Let me say again that the report of the engineers made December 1, 1933, expresses a doubt, and says that they are not able to determine what minimum amount of water is necessary. The division engineer so reports. The Chief of Engineers so reports. The board report that they are unable to determine.

Mr. PITTMAN. I do not want to take up the Senator's time, but I have here reports that do not seem to be in accord with the Senator's interpretation which I will read after he is through.

Mr. DIETERICH. I may say to the Senator that I had some difficulty in getting this report. It is supposed to be a House document, but it is not printed, and it is not available to the Senate. I know what is shown by the excerpts that I had copied from that report. If the report is finally printed, I do not know what it will show. I hope it will show what the original report is.

Mr. LONG. Mr. President, may I ask to what report the Senator refers?

Mr. DIETERICH. It is a report that was submitted with the President's message, but has not found its way into print, and is not yet available.

Mr. LONG. Why can we not get that report?

Mr. DIETERICH. Because it is in the hands of the Printer, and he cannot finish it for 2 or 3 weeks, I understand.

Mr. LONG. How many pages does the report contain, may I ask the Senator? Is it a very long one?

Mr. DIETERICH. No; it is not a very voluminous report.

Mr. LONG. I was wondering what is all the mystery about the document, and why we cannot get it.

Mr. PITTMAN. The Senator from Louisiana is always involved in mystery; but there is no mystery at all about this document. The proof of the report is out. The printers are working on it as hard as they can. They are working on it day and night; but it contains a number of graphs and curves and maps that they say are quite difficult to prepare. What I am trying to get them to do is to give us a temporary print of the report, if they can, without these highly finished maps and graphs, for the use of the Senate. I think possibly we will have the temporary print here in 2 or 3 days.

Mr. DIETERICH. I desire to say to the Senate that I am going to turn my attention to that particular report; and that particular report will show that Mr. Hoover, when he signed the treaty, could not have had any idea as to what was necessary to comply with the requirements of this law, because the waterway was not completed. The waterway was completed in July 1933 and the report was made in December 1933. He had 6 months' time in which to observe; and very craftily both the district engineer, the division engineer, and all the rest of them that had anything to do with the matter left a loophole so that if it does not do what they thought it would do, they can say, "Well, we expressed our doubt."

Mr. LONG. Mr. President, will the Senator yield for just one more question to get my own mind clear?

Mr. DIETERICH. I yield.

Mr. LONG. As a matter of fact, as I remember—I looked up the thing and put it in the record here—this so-called "treaty" was signed not a great while after we had the two national conventions in Chicago. It was signed ahead of the report, was it not?

Mr. DIETERICH. Oh, yes. There was no report in existence and no investigation had been made.

Mr. LONG. So they have a perfect alibi.

Mr. DIETERICH. Of course, the history of the treaty is so much involved in gossip that I do not like to say what my understanding is of the matter of the treaty finally being consummated. It was evident that some party was going to use it as a political asset and it was evident that a great deal of pressure was brought to bear upon the engineers. It is evident that our engineers were told that they must report out a treaty, and it is evident that our engineers have reversed their previous position on the matter, and it is evident that the President asked for a report to be made. That is in a part of the record here.

Mr. PITTMAN. Mr. President——

Mr. DIETERICH. How much that pressure was, no one knows. I am not talking about the present President of the United States. I am talking about the former President, who, the wag has said, was the best President of the United States that Great Britain ever had. [Laughter.]

Mr. PITTMAN. Mr. President, I rise simply to say that I think the Senator is rather hasty when he charges that the Board of Engineers of the United States, composed of the most distinguished engineers in the world, are subject to the coercion of any government whatever. I think the history of the Board of Engineers from the very beginning discloses the fact that no power has ever been able to crowd the making of a report by them, or induce them to make any report that was not based upon their scientific judgment as they individually saw the matter and without any influence whatever.

Mr. DIETERICH. Before the Senator finishes, does he say that the report transmitted with this waterway treaty does not show that the engineers were requested to make a report and that they were hurried by the Government in making it?

Mr. PITTMAN. Mr. President, there is quite a lot of difference between asking a board of engineers to expedite work and the insinuation which I interpreted the Senator's remarks to contain, that he was reflecting upon the judgment of these men.

Mr. DIETERICH. Mr. President, I resent the remarks of the Senator in interpreting what I said as reflecting upon the Army engineers. If I made any assertion that could be construed in that manner I want to correct it now, because I have just as high a regard for the Army engineers as the Senator has. I know that they are honorable men, and I also know that when they are directed to do something they do that particular thing. That does not say that they were directed to make a report that was improper.

Mr. PITTMAN. Mr. President, evidently the Senator did not intend to say what he did say, or else the Senator from Nevada misinterpreted his statement. I am very happy that we are in agreement in that particular.

Mr. DIETERICH. I desire to say to the Senator from Nevada that if I made any remark that may be so construed I assure him that it was not intended in that way. I am not here to cast any aspersions upon any officer of the Government or upon any Member of this body. I have a right to assume that they are acting from conscientious motives. I only ask the same right that they ask for themselves. We are a part of the treaty-making power, made so by the Constitution. It is our duty to differ from the President if we conscientiously think he has fallen into error, as much as it is our duty to uphold him when we think he is right in a particular thing.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Louisiana?

Mr. DIETERICH. I do.

Mr. LONG. Did I not understand the Senator to say that the engineers had changed their opinion as compared to some other report they had made?

Mr. DIETERICH. I understand that our engineers were in favor of a one-stage development of the St. Lawrence project at the International Rapids, and had held out for that for a long, long while; that the Canadian engineers were in favor of the two-stage development; and I understand that the wishes of the Canadian engineers were finally acceded to. That is not saying that anybody acted corruptly, improperly, or wrongfully.

Mr. LONG. No; and we do not act corruptly when we change our political ideas. We politicians are honest. So are the engineers honest; but this thing was a political matter. It got into two political party organizations, and

the next thing we knew they were taking Canada's idea of the thing instead of America's idea of the thing. Until this politics started we never heard of the Canadian idea.

Mr. DIETERICH. I do not think politics should have any place in the consideration of this treaty by the Senate. I think that is one place where we ought to forget partisanship.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIETERICH. I do.

Mr. SCHALL. The Senator just made the statement that the former President was the best President of the United States that Great Britain ever had.

Mr. DIETERICH. No; the Senator misquotes me. I said the wag had said that.

Mr. SCHALL. Oh, the wag?

Mr. DIETERICH. I said the wag had said he was the best President of the United States that Great Britain ever had.

Mr. SCHALL. Does not the Senator think the wag should include this administration, since they are both exactly on all fours on this treaty?

Mr. DIETERICH. Oh, I do not think there is any comparison between the two men. Because they happen to harmonize on this treaty, I do not think there is any comparison at all.

Mr. SCHALL. But was it not this treaty upon which the Senator was speaking, and from which he drew his conclusions as to what the wag had said?

Mr. DIETERICH. I think the present President has been misled by his advisers. I think he has been wrongfully advised. I do not think they have given him fair advice. As far as the two men are concerned, in my mind—of course, I just speak for myself as one individual here; I am not speaking as a Member of the Senate—I do not think there is any comparison at all.

Mr. SCHALL. Neither do I.

Mr. DIETERICH (continuing). Mr. President—

This is the present law of the land. Since the waterway is to be opened in the spring of 1933—

This treaty was written in 1932—

and the report as to the amount of water needed for its operation does not have to be presented before January 1938 there is a period of 5 years in which actual observations of operations can be made and the real needs can be determined under actual operating conditions.

That was a sensible, safe proposition, but that law was not complied with.

Nothing could be more fair or more reasonable than this procedure. Then since a report must be made to Congress by January 31, 1938, and since the diversion of water from Lake Michigan is not required to be reduced to its minimum of 1,500 feet per second until December 31, 1938, under the Supreme Court decree of April 21, 1930, and the permit of June 26, 1930, there is a period of 11 months in which Congress can take such action as it deems advisable.

Why was not that particular provision carried out? Why was not this treaty drawn in such a way that it took cognizance of the laws passed by Congress? Why was the will of Congress disregarded in the matter of the framing of this treaty? Why was it narrowed down and restricted to a decision of the court rendered in a matter in which the needs of navigation were not taken into consideration, and the only question taken into consideration was the question of its effect upon the Chicago River and as a part of the harbor of the city of Chicago?

Mr. LA FOLLETTE. Mr. President——

Mr. DIETERICH. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I cannot let that statement go unchallenged. I know that is the Senator's contention, but I think the decision which I read this morning, rendered no later than the spring of 1933, shows conclusively that not only the sanitary district but the State of Illinois have attempted from the beginning of this litigation to justify a diversion not only upon the ground of sanitation but also upon the ground of navigation. The Supreme Court of the United States, speaking through Chief Justice Hughes—who handed down the decision and who, by the way, was the first master to whom this controversy was submitted—held that the Court could not sustain the contention upon the part of the sanitary district that excessive diversion was required for navigation.

Mr. DIETERICH. If the Senator will pardon me, I am going to get to that; and possibly the Senator had better withhold his remarks on this subject until I have finished. I have very patiently listened to the Senator——

Mr. LA FOLLETTE. I have no desire to interrupt the Senator if he prefers to proceed with his argument.

Mr. DIETERICH. Yes; I prefer to proceed, but I do not want to deny the Senator the right to differ with me and to express his differences. I am just as anxious as is the Senator from Wisconsin to know what the issue in question is. There should not be any difference of opinion, however, with respect to a Supreme Court decision, as to what were the issues involved in that case. Of course, if it is the Senator's idea that that was presented or urged, and he is in error on that proposition, then perhaps the matter of urging this treaty is error.

Reverting to the question of determining the amount of water necessary to maintain navigation after 5 years' observation:

Perhaps no action by Congress will be necessary, but there certainly is no relation whatever between the Supreme Court decree of April 21, 1930, and the needs of navigation in the Illinois River. In the trial of the Great Lakes case before the Supreme Court, on rereference to the Special Master Charles Evans Hughes, any consideration of the Illinois River was specifically excluded from the case.

This has to do with the contention the Senator has said he could not let go by unchallenged.

On page 4 of the report of the special master on rereference the issues are stated to be:

"(1) What are the practical measures necessary for the disposition of the sewage of the sanitary district of Chicago through other means than the diversion of water from Lake Michigan?

"(2) Within what time can these sewage-disposal works be completed and put into operation?

"(3) What reductions in the diversion will be practicable immediately, and from time to time, pending the completion of the sewage-disposal plants?

"(4) What diversion, if any, of water from Lake Michigan will be necessary for the purpose of maintaining navigation in the Chicago River, as a part of the port of Chicago, after these sewage-disposal works are in full operation?"

Those were the issues. There was no issue in that case as to what will be the needs of a commercially useful waterway, or what is the amount of flow to be diverted through the sanitary district canal as a commercially useful waterway. The entire question was the question of the sanitation of the harbor of Chicago.

Mr. LA FOLLETTE. Mr. President, will the Senator permit an interruption?

Mr. DIETERICH. I yield.

Mr. LA FOLLETTE. The Senator is quoting from the special master's report and is referring to the issues involved at the time the case was first referred to the special master. I desire to quote from the opinion rendered by Mr. Hughes, sitting as Chief Justice in the same controversy.

Mr. DIETERICH. Mr. President, I wish the Senator would forbear doing that at the present time.

Mr. LA FOLLETTE. It is a very brief quotation, and it is quite in point.

Mr. DIETERICH. Very well.

Mr. LA FOLLETTE. This decision was rendered at the October term, 1932, long after the matter to which the Senator has referred. I simply desire to quote from the opinion, to be found in volume 289, United States Reports, 395, at page 401:

In this suit the State of Illinois has defended from the beginning upon the ground that diversion was essential with reference not only to the needs of sanitation but also for a continuous waterway from the lake to the Gulf.

Mr. DIETERICH. Yes.

Mr. LA FOLLETTE. The Court further said:

But the Court found this contention unavailing and that the existing diversion was unlawful.

That decision, may I say, if the Senator will permit me, was rendered after the Mississippi River States had endeavored to intervene upon the basis of the argument made in the brief from which the Senator is quoting.

Mr. LEWIS. Mr. President, may I be pardoned if I interrupt my colleague?

Mr. DIETERICH. I yield.

Mr. LEWIS. And may I take the liberty of correcting the able Senator from Wisconsin. I was counsel in the cause, participating in the arguments in the Supreme Court; and I do not find it at all gratifying to have to include in that also the statement truthfully that I was not victorious. The issue, however, was this: The Supreme Court in previous decisions, as the Senator from Wisconsin has previously correctly stated, had held that Chicago must take some steps to avoid diverting the amount of water which was being diverted and adopt some mechanical method to reach the conclusion necessary, as she felt, to the welfare of her people.

The question came before the court with a view of having an extension of time wherein to do this work, upon the further basis that the full limit of taxation had been reached in Chicago, and that it could go no further in obtaining funds with which to begin the construction.

A special master was appointed to look into this subject. He went to the city of Chicago, took testimony upon the question of the mechanical advance, the time necessary within which the construction should be had, and the amount of its cost. He made certain conclusions adverse to the contention of the sanitary district. It was that to which the able Senator from Wisconsin alluded. That was the basis of the appeal to the Supreme Court of the United States after that master's report on those particular phases to which the opinion he has just cited specifically relates. The other matter to which it alludes referred to contentions which were made in the previous case.

Mr. LA FOLLETTE. Will the Senator from Illinois, who has the floor, further yield?

Mr. DIETERICH. I yield further.

Mr. LA FOLLETTE. On the contrary, Mr. President, this decision was rendered after the case had been referred to another special master, namely, Mr. McClennen, and after the States of the lower Mississippi River had endeavored to intervene and have the reference to the master broadened to include the very points made by the junior Senator from Illinois. I appeal from the statement of the senior Senator from Illinois as to what the issue was to the exact language of the Chief Justice of the United States Supreme Court in the most recent decision, which, in my opinion, absolutely controverts the statement just made by the Senator from Illinois.

Mr. LEWIS. Will not the Senator from Wisconsin concede that this was the appeal from the special master, Mr. McClennen, and came up before the court purely upon the exceptions to that master's report?

Mr. LA FOLLETTE. I will not concede that this whole question of navigation has not from the beginning been one of the bases of an attempt to justify this diversion on the part of the sanitary district and the State of Illinois.

Mr. LEWIS. That is another question, which I leave between my colleague from Illinois and the Senator from Wisconsin.

Mr. LA FOLLETTE. I have further demonstrated that the States of the lower Mississippi endeavored to intervene in this matter, cited the statute which has been quoted, the Rivers and Harbors Act of 1930, which is also quoted in the brief from which the junior Senator from Illinois has been reading and that the petition on the part of these lower Mississippi River States to enlarge the questions referred to the master upon the basis of navigation was denied by the Supreme Court; and after this long controversy the Supreme Court, in the unanimous decision given by Mr. Chief Justice Hughes, said:

> In this suit, the State of Illinois has defended from the beginning upon the ground that diversion was essential with reference not only to the needs of sanitation, but also for a continuous waterway from the Lake to the Gulf. But the court found this contention unavailing and that the existing diversion was unlawful.

Mr. LEWIS. I again invite the attention of the Senator from Wisconsin, and I repeat that he will observe that the Chief Justice is alluding to a previous litigation when he said "the Court found", meaning in the past tense that in some previous instance the Court had found to be ill-founded the contentions which he claimed were made by the district. But I ask the Senator, am I not correct when I state that the present appeal to which he alludes was an appeal from the finding of that special master—not Master Hughes but the special master—who had been sent down to investigate the questions which the district raised in asking for further time and for further privileges? Is that not an opinion wholly in answer to the exceptions by the district to the report of that special master, Mr. McClennen, not to that of Master Hughes?

Mr. LA FOLLETTE. Why, certainly. That is just the point I have been making.

Mr. LEWIS. Then I think we are clear on that matter; and I shall no longer delay my colleague the junior Senator from Illinois.

Mr. LA FOLLETTE. The Senator from Illinois has been citing references to Master Hughes' findings. This opinion by Chief Justice Hughes states the facts which I submit upon the record cannot be successfully contradicted.

Mr. DIETERICH. Mr. President, I undersand the position of the Senator from Wisconsin very thoroughly. It is true that they said the sanitary district had urged, as an excuse for its request to be permitted to divert water, the needs of navigation. It said it had urged that from the beginning; and the question of navigation was never a question at issue. I will read it again, and the more we read it the more we find that the Supreme Court said that that was not a proper issue in the case.

Mr. LA FOLLETTE. Mr. President, I do not agree with the Senator. The testimony taken by the master is replete with evidence from witnesses introduced by the sanitary district and the State of Illinois, attempting to justify this diversion upon the ground that it was necessary for navigation.

Mr. DIETERICH. The court would not consider the question of what was necessary for navigation, because it was not involved.

Mr. LA FOLLETTE. Precisely. The court threw out the application of the lower Mississippi River States to intervene on the basis of the Rivers and Harbors Act of 1930, and upon the basis that diversion was necessary and justified for the purpose of navigation on the Lakes-to-the-Gulf waterway. The court denied their contentions.

[At this point Mr. DIETERICH yielded the floor for the day.]

Thursday, February 1, 1934

Mr. DIETERICH. Mr. President, just before the colloquy took place yesterday between the senior Senator from Wisconsin [Mr. LA FOLLETTE] and the senior Senator from Illinois [Mr. LEWIS] I had stated the points upon which the lake-level controversy was rereferred to the master. A reading of the report makes it very clear that any diversion from Lake Michigan considered in the trial of this case on reference had to do solely with maintaining navigation in the Chicago River as a part of the port of Chicago. Furthermore such consideration was in the interest of navigation on the Great Lakes and had no reference whatever to the Illinois River or the Lakes-to-Gulf waterway. The idea is preposterous that this waterway should be throttled because the court rendered a certain decree in a case in which the needs of the waterway were not even considered and in which the advocates of the waterway could not even be heard.

General Jadwin, Chief of Engineers, United States Army, was called as a witness by Special Master Hughes in the trial of the Great Lakes case on rereference in 1929. In a formal statement to the court on the question of controlling the work in the Chicago River he said:

The discussion does not modify in any respect the statement heretofore made that an average diversion of 5,000 cubic feet per second will be necessary to maintain navigation in the Illinois River as contemplated by existing authority of Congress and under the plans of improvement now under way.

That language can be found in the House report at page 109. In the same statement, discussing different locations for the suggested controlling works in the Chicago River, General Jadwin said:

With either of these statements navigation on the Illinois River as contemplated in the existing project will be impracticable unless the basic diversion is fixed at or above 5,000 cubic second-feet.

That statement can be found at page 111 of the Hughes report on rereference.

General Jadwin was a member of the Joint Board of Engineers on the St. Lawrence waterway project. The original trial of the Great Lakes case in 1926–27 before Charles Evans Hughes, special master appointed by the Supreme Court to take evidence in that Court and report the findings of fact and conclusions of law to be as to the effect of the diversion of water from Lake Michigan upon the Illinois River.

In this connection Judge Hughes reported the finding of fact to the Court as follows:

The lower Illinois River from Utica to Grafton on the Mississippi, 230 miles, is a shallow sluggish stream carrying from 500 to 1,000 cubic feet per second of natural low-water flow. In its natural state it is inadequate for modern river navigation. The Federal project depth has been 7 feet; but this could not have been maintained without at least 8,500 cubic feet per second from Lake Michigan, which gives in the lower Illinois about 4 feet of low-water depth of 7 feet. The Chicago diversion has increased the navigable capacity of the river.

Continuing further, he said:

Reference has already been made to the report of Colonel Judson of March 1921, and that of the Board of Engineers for Rivers and Harbors of October 1921 with respect to the effect of various amounts of diversion on the navigable capacity of the Illinois River and the plans for its improvement.

It will be observed that Colonel Judson stated that "for a 9-foot channel, with an increment of 4,167 second-feet, the cost, either with dams retained or removed, appears almost prohibitive", and his recommendation was for the adoption of the 8-foot project "based on 7,500 second-feet withdrawal for the purpose of estimate and with all dams removed." He added that with the withdrawal of 10,000 second-feet from Lake Michigan that increment would of itself have increased the depth to 9 feet.

Col. W. C. Weeks, United States district engineer at Chicago, in his report December 20, 1929, in discussing the Federal project in the Illinois River, stated:

"Dredging is now under contract throughout the length of the Federal project and will provide a minimum 9-foot depth for navigation, with a flow of 6,700 cubic feet per second at Utica and 7,200 cubic feet per second at Grafton. This flow, assumed as a basis for an estimate of dredging quantities, corresponds to a low-water flow of 6,000 second-feet at Lockport plus the increment of the average low-water flow of the Kankakee and Fox Rivers."

At the hearings before the Committee on Commerce of the United States Senate, Seventy-first Congress, second session, on H.R. 11781, for the construction of river and harbor works, on May 16, 1930, Gen. Lytle Brown, Chief of Engineers, United States Army, testified regarding the amount of water needed to make the Lakes-to-Gulf waterway commercially useful. At page 326 of the printed record of those hearings is the following question by Senator VANDENBERG:

What is your present judgment as to the smallest flow of water that is necessary to develop a commercially useful waterway of this kind?

General Brown's reply was:

The indications are, with everything in view, that something like 5,000 feet per second should be held available for that purpose.

On page 327 of the same record is the following statement by General Brown, and I should like to invite the particular attention of the Senator from Wisconsin [Mr. LA FOLLETTE] to this. I am quoting now from page 327 of the record of the hearings before the Committee on Commerce of the United States Senate of the Seventy-first Congress, where General Brown said:

Well, my idea of about what the Supreme Court took into consideration is based on the testimony that General Jadwin gave them, and General Jadwin's testimony, as I remember, was based on Chicago Harbor only, and that was 1,500 cubic feet per second. We have got an entirely different proposition now than Chicago Harbor only. We have got the waterway all the way from the Lakes to the Mississippi River.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER (Mr. GIBSON in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DIETERICH. I yield.

Mr. LA FOLLETTE. Am I to infer from that quotation from General Brown to which the Senator just referred that he contends that General Jadwin's testimony was the only testimony in the record of these long legal proceedings relating to the use of water for navigation?

Mr. DIETERICH. I do not contend that, but I contend, as General Brown does, that General Jadwin's testimony was considered the important testimony upon which the opinion of the Supreme Court was based.

Mr. LA FOLLETTE. I cannot concede the deduction made by the Senator, because the record is replete with testimony from other engineers and other experts upon the question of navigation. The record speaks for itself.

Mr. DIETERICH. The record speaks for itself, but there was no issue that raised the question of the navigability of the Illinois River or the Illinois-Mississippi waterway. I know the Senator and I differ on that point, and there is no use arguing about it. The Senator bases his entire contention upon some language contained in a later opinion of the Supreme Court in which it was desired to enlarge the decree or the order of the Court rendered in 1930. On that particular hearing, with that petition, that matter was not at issue. What the Senator bases his contention on was mere obiter dictum, had nothing to do with the case, and was not binding on anyone.

Mr. LA FOLLETTE. I contend that the statement of Chief Justice Hughes in the recent opinion, rendered only last spring, is more conclusive as to the question of whether or not navigation, and the use of water for that purpose, has been an issue in these cases. In that opinion the Chief Justice states in so many words that the State of Illinois and the sanitary district have endeavored to defend on the ground of the use of this water for navigation.

Mr. DIETERICH. I am quite familiar with the opinion. I read it last night. There was no issue before the Court that required any language of that kind to be used by the Court, or any determination of that kind by the Court. What the Senator has read is mere obiter dictum, not binding upon anybody, was not with relation to an issue presented to the Court, and was just said by way of passing.

Mr. LA FOLLETTE. Mr. President, I submit that the statement of Chief Justice Hughes in the most recent opinion which the Court has rendered—a man who sat as the master when this controversy between the Lake States and the sanitary district was first referred to him—is more conclusive upon the question of whether or not the State of Illinois and the sanitary district have attempted to defend this diversion on the basis of the need of water for navigation than the opinion of the Chief of Engineers on what he thought the Supreme Court had in mind when it rendered its decision.

Mr. DIETERICH. The Senator from Wisconsin is in error in his construction of what Chief Justice Hughes said. Chief Justice Hughes never used any language in that opinion, either in passing upon the issues involved in that case or by way of passing, that indicated that in the determination of this controversy the question of the sufficiency of the flow of water to provide for a commercially useful navigable waterway was involved.

On page 265 of the same printed record——

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from Wisconsin?

Mr. DIETERICH. I do.

Mr. LA FOLLETTE. It may be that I can not understand the English language; but upon the point which the Senator

is now attempting to inject into this discussion I submit this language of the Court:

In this suit the State of Illinois has defended from the beginning—

"Defense" means, of course, that testimony has been introduced; and if we were going to retry these cases entirely in the Senate of the United States, I could bring upon the floor hundreds upon hundreds of pages of testimony injected by the sanitary district——

Mr. DIETERICH. I do not care to interrupt the Senator from Wisconsin, but I think that is what we are doing now—retrying the case of Wisconsin against Illinois.

Mr. LA FOLLETTE. No; what the Senator from Illinois is doing is attempting to appeal from all of these decisions of the Supreme Court and to secure their reversal by reservation to this treaty; but, if the Senator will be so courteous, I should like just to read this language.

Mr. DIETERICH. I think the Senator has that language in the RECORD at least four times.

Mr. LA FOLLETTE. I should like to put it in again:

In this suit the State of Illinois has defended from the beginning upon the ground that diversion was essential with reference not only to the needs of sanitation but also for a continuous waterway from the lake to the Gulf.

Mr. DIETERICH. And I pointed out yesterday where the matter that was submitted to the commissioner appointed to take the testimony did not raise the question of the sufficiency of the waterway, and I do not care to reargue that matter. It was not an issue in that case. The only issue was the question of the amount of water necessary to be withdrawn in order to protect the harbor of Chicago, and the Chicago River as a part of that harbor, and no part of the necessity for a commercially useful waterway from the Lakes to the Gulf.

Mr. LA FOLLETTE. Mr. President, the testimony taken by the masters in this case will show hundreds of pages of testimony of witnesses called to testify on that very point.

Mr. DIETERICH. Mr. President, I may say by way of passing that I am somewhat fearful that the construction of this litigation by the Senator from Wisconsin, and his advice, are in some manner responsible for the President being misled into sending this message here.

Mr. PITTMAN. Mr. President——

Mr. LA FOLLETTE. I wish to absolve the President of the United States from inability to reach a conclusion without advice upon a matter which he has studied more thoroughly and to which he has given more time and consideration than any man in this body or outside of it.

Mr. DIETERICH. Mr. President, I expected the Senator from Wisconsin to rise nobly in defense of the President of the United States. He has no higher opinion of the President of the United States than I have, and could not have any higher opinion. I understand that the Senator has advised with him on this question. The Senator does not deny that, does he?

Mr. LA FOLLETTE. Mr. President, I will advise the Senator that I have never discussed with the President of the United States the details of the terms of this treaty.

Mr. DIETERICH. I do not know about the details of the terms of the treaty.

Mr. LA FOLLETTE. Nor any of the issues involved in diversion.

Mr. DIETERICH. Nor the treaty?

Mr. LA FOLLETTE. Of course, I have discussed the question——

Mr. DIETERICH. Of course the Senator has. He produced a letter from the President here at the special session last spring and improperly injected it into the RECORD here, because while that letter stated that it could be used for any purpose, it is a fixed and an ancient rule, as I understand, that no one has a right to quote the opinion of the President of the United States in a matter of this kind, or in a matter of pending legislation. If the President desires to make his wishes known, he submits a message, as he did in this case, and does not write a personal letter for a Senator to use in this representative Hall.

There is not any question but that the Senator from Wisconsin, with his ability and his influence, is in a great measure responsible for the President's attitude upon the present treaty; and the attitude that the President has assumed, as will be disclosed in this debate, is founded upon an erroneous attitude of the Senator from Wisconsin, who is still fighting the battle between Wisconsin and Illinois on broad national grounds.

Mr. LA FOLLETTE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DIETERICH. I will yield briefly.

Mr. LA FOLLETTE. Since the Senator from Illinois has attempted to place a misconstruction upon my conferences with the President of the United States concerning this matter, I think he should have the courtesy to yield to permit me to reply. If he does not care to do so, I will reply in my own time.

Mr. DIETERICH. That will be perfectly proper. I have no control whatever of the Senator's language or his actions in the Senate. I am responsible only for my own. What I said was no discourtesy and no reflection upon the Senator because it was perfectly proper for him to advise with the Chief Executive on any matter about which he had advice that he thought the Chief Executive should have or about which the Chief Executive requested advice. There is no reflection either on him or on the President of the United States.

Mr. LA FOLLETTE. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from Wisconsin?

Mr. DIETERICH. I yield.

Mr. LA FOLLETTE. The Senator stated that I had discussed this treaty with the President of the United States and had been largely responsible for his attitude upon it.

Mr. DIETERICH. I did not state that as a fact. I want to correct the Senator before he argues on that as a premise. I said I was fearful of that. I did not say that as a fact and I only gathered it from the circumstances.

Mr. LA FOLLETTE. I do not wish any misstatement of fact to be made or any misconstruction to be placed upon the situation. I state here and now that I have never discussed the terms of this treaty, or the issues involved in it, with the President of the United States. I have discussed with him the question of whether or not this treaty should be taken up for consideration. I urged upon him at the last session that he should ask the Senate to consider this treaty.

As to my use of the letter which appears in the CONGRESSIONAL RECORD of the last special session in relation to the joint resolution which had passed the House of Representatives, and which I offered as an amendment to the Industrial Recovery Act, I wish to say that I had the permission of the President of the United States to present that letter as I did to the Senate. I may say further that the question of whether or not the President of the United States has a right to communicate with a Member of Congress is a matter for his determination, and not that of the junior Senator from Illinois.

Mr. DIETERICH. I appreciate that very well. I assume that when a letter is written, it is written to be used wherever it is proper to be used; and anyone writing a letter in that capacity would not expect it to be used where it was not proper.

I do not care to take any more time on that matter.

Mr. PITTMAN rose.

Mr. DIETERICH. Does the Senator from Nevada desire to ask me a question?

Mr. PITTMAN. Mr. President, as Chairman of the Foreign Relations Committee, and in charge of this debate to a certain extent, I feel that there is a personal interest as well as a public interest in this matter on the part of both the States of Wisconsin and Illinois. We all recognize that; but I think there are about 15 States which by their legis-

lative action have endorsed this treaty. So it is not purely a fight between Wisconsin and Illinois.

Just one thing more, however, as to the President being influenced in this matter:

I should feel highly honored if I had been accused of influencing the President of the United States.

Mr. DIETERICH. I should, too.

Mr. PITTMAN. I think also that the Senator from Wisconsin should feel highly honored by the intimation that possibly he has done so. I think the Senator from Illinois may be highly honored if he intends to change the opinion of the President in this matter, because I am going to ask unanimous consent to clear up this whole question by placing in the RECORD the entire correspondence and statements of the President on this subject for the past several years. I think anyone who reads the correspondence and statements will find that the President knows more about this subject than I know.

Mr. DIETERICH. Mr. President, of course I do not know what that correspondence is. I do not know whether it is proper. The only trouble about it is that the proponents of this waterway are certainly stressing the fact that the President of the United States has sent a message here. We are not trying the question for or against the President of the United States. It is as much the duty of the Senators from Illinois to prevent the President of the United States from being led into error as it is their duty to sustain him when he is right.

Mr. PITTMAN. I have never raised that question.

Mr. DIETERICH. That question never has been raised; and continuing in relation to what the Senator from Nevada said, I certainly should feel honored if the President had called me to the White House and permitted me to express to him my views and my reasons why this treaty should not be ratified.

Mr. LEWIS. Mr. President, let me make a suggestion, if I may be pardoned by my colleague, to the Chairman of the Foreign Relations Committee.

I suggest that these documents, whatever they are, that the able chairman has in mind, be put in the RECORD, and that he also agree that we vote on this treaty, say, before Saturday, or before the close of the session on Saturday, after these documents are put in. Let us dispose of the subject upon the record that the President will make in the CONGRESSIONAL RECORD on the one hand, and that which is being made by the facts as presented by both sides on the other.

Mr. PITTMAN. Mr. President, I assume that the junior Senator from Illinois is yielding for this purpose?

Mr. DIETERICH. I am yielding for this purpose.

Mr. PITTMAN. I assure the Senator—and I can only speak for myself in this matter—that I am very anxious to have the matter determined as soon as practicable. I assume that that is the viewpoint of others interested in this treaty. However, in view of the fact that five or six reports have been sent up here from the Board of Engineers of the Army, from the Department of Commerce, and from other Departments, giving facts on this matter that have been requested, I feel that those documents should be at the disposal of each Senator before he is required to vote.

We have crowded the printing of the reports, so we may have them as quickly as possible, as I stated yesterday. I should be willing, however, if the Senator wants to ask for unanimous-consent agreement, to vote on this matter on, we will say——

Mr. LEWIS. A week from the present Saturday.

Mr. LONG. Oh, no.

Mr. PITTMAN. The Senator realizes, of course, that in the meantime there are a number of bills that are going to displace this bill.

Mr. NORRIS. Mr. President, in order to shorten the debate, I will say that I will not enter into any unanimous-consent agreement that we vote next Saturday or a week from next Saturday. In good faith, let me say that there are a good many Senators who, I think, want to debate this question in a modest way, but they are willing that both of the Senators from Illinois and the members of the committee who have the burden on their shoulders should first get through with what they want to say. It does not seem to me quite fair for those who have taken 2 or 3 weeks' time in debating this subject to say to those who have not debated the question at all, "We are going to vote tomorrow or next day."

Mr. LEWIS. Mr. President, I agree with the able Senator from Nebraska. Had there been any desire to speak indicated by the Senators on the other side of the question, nothing would gratify me any more than to aid in accommodating such desire, but I have heard of no such indication. The Senator from Wisconsin [Mr. LA FOLLETTE], who has so ably and thoroughly debated his side of the question, has from time to time made the accusation—he and my able friend from Michigan [Mr. VANDENBERG]—that there is obstruction and a length of time drawn out with the object of somehow or other avoiding coming to a conclusion, and I am meeting that accusation by offering to come to a conclusion at the very earliest date that can be agreed upon. That, Mr. President, was my purpose.

Mr. DIETERICH. Mr. President, it seems that a former Senator from Illinois desired some information as to what was the effect of the ruling of the Supreme Court in the much talked of Lakes level controversy, and Senator Deneen on May 10, 1930, addressed a letter to General Brown, I assume with the thought that General Brown had given the matter sufficient study so that he could give him intelligent information on the subject, and General Brown's reply was:

I am not at all sure that the decree of the Supreme Court recently handed down in the suit concerning the diversion between the Lake States and the Chicago Sanitary District, in which the ultimate diversion was placed at 1,500 cubic feet per second, had anything whatever to do with the requirements of navigation. My opinion—

This is General Brown's opinion, for whatever it is worth—

My opinion is that the decree of the Supreme Court was a limitation on the diversion as a means of sewage disposal, and was aimed at the authorities of the sanitary district of Chicago and not at the interests of navigation or the power of Congress in relation thereto.

Continuing further General Brown's letter:

I am of the opinion that at this time no definite figure of the amount of diversion necessary for navigation should be stated.

He certainly has a right to express his opinion on that.

Mr. NORRIS. Mr. President——

Mr. DIETERICH. I will yield to the Senator from Nebraska in just a moment. The general's letter continues:

And that further study of the completed waterway should be made to ascertain the quantity of water necessary for navigation. It is therefore recommended that any specified diversion be omitted from any authorizing legislation.

That is what we are contending for, that under the law this observation should be made as contemplated in the Rivers and Harbors Act of 1930, for 5 years, and that observation has not been made, and no engineer, no engineering skill, can determine whether or not the amount specified in the decree of the Supreme Court will answer the purposes required to make a commercially useful waterway.

I yield to the Senator from Nebraska.

Mr. NORRIS. I interrupted the Senator in order to correct what might be a misapprehension in what I said a few moments ago about the request of the Senator's colleague to vote a week from Saturday. I meant to say that at the present time I should object to a vote being taken a week from Saturday. At the present time I should object to fixing any time to vote. I do not mean to say, however, that as the debate goes on—and it is more or less exhausted on both sides—I should not consent to a date even before the time suggested by the Senator from Illinois.

Mr. DIETERICH. I am satisfied that my colleague has no disposition to deny any one interested in this question the right to take the time to thoroughly discuss it and give the Senate the benefit of whatever discussion he might make of the treaty.

Major General Brown, Chief of Engineers, the United States Army, in a report dated December 15, 1931, to the

Secretary of War, transmitting a report on the Illinois River by Col. W. C. Weeks, dated December 6, 1929, makes the following statement—quoting the statement of Major General Brown:

It is now apparent, however, that the improvement recommended and authorized for the Illinois River between Utica and the mouth, was based on an incomplete appreciation of the needs of modern barge transportation, and that better facilities than are provided in the existing project for this section, as limited by the authorized expenditure, must be afforded if this waterway is to fulfill adequately its intended purpose. The plans for a fully adequate improvement of the Illinois River from Utica to the mouth are dependent upon the diversion from Lake Michigan. The diversion authorized by law is specifically that authorized by the decree of the Supreme Court issued April 21, 1930. The diversion thus authorized by law until December 31, 1938, is regarded as sufficient to provide reasonably adequate navigation under the present plan of improvement for the commerce immediately anticipated pending the full development of this commerce and the construction of adequate terminals for its accommodation. The report to be submitted in accordance with the law will set forth the full improvement required to afford satisfactory navigation for the full commerce anticipated on this important waterway and the minimum amount of flow required for its operation.

That is what we are contending for, that the Senate should not ratify this treaty, which arbitrarily cuts down that flow without any reference as to whether or not it will meet the needs of navigation along the Illinois River on the Lakes-to-the-Gulf waterway, and the law provides that a study should be made thereof; and if the treaty is adopted, then the study cannot be confined to Illinois, because I am reading and I am gathering my facts from a brief submitted by the Mississippi River Association.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DIETERICH. I yield.

Mr. NORRIS. Directly on that point I should like to get the Senator's idea, and I am asking mainly for the purpose of information. Does the Senator contend that we have a right, both legal and moral, to take an unlimited supply of water out of Lake Michigan without the consent of the other States having harbors on the Great Lakes and without the consent of Canada?

Mr. DIETERICH. I claim we have the right to divert 10,000 cubic feet of water per second. We were given that right—and if the Senator will listen to me I will eventually get to that—by the treaty of 1909 in reference to the boundary waters, and we were charged with that amount. I claim that there will be no injury to the harbors of the States on the Great Lakes by reason of lowering the level of the Lakes; that compensating works can be constructed, and I think they are provided for in this very treaty, even to compensate for the little amount that is diverted; that they can be constructed in order to compensate the lake levels for the water that is taken.

I further believe that if the question is that of a power development, that the State of Illinois, and that part of the Union, has as much right to take this water and utilize it for power purposes as the State of New York has at the International Rapids. If the Senator from Nebraska, who, I know, is sincere in these matters, will bear with me, I will try to present to him my reasons why I think section 8 of this treaty should be eliminated.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIETERICH. I yield.

Mr. SHIPSTEAD. Did I understand the Senator to say that the diversion of 10,000 cubic feet per second was allowed under the treaty of 1909?

Mr. DIETERICH. Under the treaty of 1909 there was no mention made of the diversion of the waters of Lake Michigan, because it was taken as a matter of settled law that a nation had a right to divert whatever water was necessary; that under the law as it existed at that time a nation had the right to the full use and control of whatever waters were located wholly within its national boundaries, regardless of whether or not it would work injury to some other nation farther down. I am sorry the Senator from Minnesota was not here when the question of diversion was discussed. If he will take the time to read my address after it is printed, he will find that the low-water diversion of the Illinois River is—because that was given attention by the Army engineers—from 500 to 1,000 feet.

Mr. SHIPSTEAD. I will be glad to do so. The only reason I interrupted the Senator was because I understood him to say that the diversion of 10,000 feet was arranged for under the terms of the treaty of 1909.

Mr. DIETERICH. It was arranged for and taken into consideration in that treaty, and in the negotiations leading up to that treaty, that we should continuously divert 10,000 second-feet at Chicago, and for that reason a diversion of the water power at Niagara Falls was made, and Canada received some seven or eight thousand second-feet more of water than we did.

Mr. SHIPSTEAD. I should be very glad to have the Senator show that.

Mr. DIETERICH. I will reach that.

Mr. SHIPSTEAD. Then I shall not further interrupt the Senator.

Mr. DIETERICH. After the sanitary ship canal was constructed the Government of the United States recognizing this improvement caused three distinct surveys to be made of the Illinois Valley for the purpose of ascertaining the cost of a commercially useful waterway. The first survey was made by a board known as the "Barlow Board", which was created under the River and Harbor Act of 1899, which provided for a board of three engineers to make surveys and estimates of cost for improving the Des Plaines and Illinois Rivers with a view of extending navigation from the Illinois River to Lake Michigan, and asked for a report on a 7- and 8-foot channel. A preliminary report was made to the Committee on Rivers and Harbors at the first session of the Fifty-sixth Congress, and is to be found in Document No. 548.

This is known as the "report of the Barlow Board", and in part is as follows—I am reading from the final report as it was made to the Fifty-sixth Congress by that board:

The board finds the most economic route for waterways of 7 and 8 feet depth to be from Utica to Marseilles in the bed of the river, 11.4 miles; thence around the Marseilles Rapids by canal, 7.4 miles; thence in the bed of the river to near the mouth of the Kankakee River, 21.2 miles; thence by enlarging the Illinois and Michigan Canal to the Joliet Basin, 18.3 miles; thence by the canal through Joliet Basin and along the east bank of the Des Plaines River 4½ miles, connecting with the sanitary canal at Lockport, and thence through the sanitary canal and the Chicago River to Lake Michigan.

Showing that the Government engineers took into consideration this canal, and appreciative of its construction sought to extend a waterway on down to the Mississippi River from the outlet of that canal.

Further the report says:

The sanitary canal having been opened in accordance with the State law and under a provisional permit from the Secretary of War, the flow of the Des Plaines and Illinois Rivers has been increased by a discharge of 5,000 cubic feet per second, which will be raised to the maximum of 10,000 cubic feet per second under the provisions of the State law authorizing the construction of the sanitary canal.

After that, between 1901 and 1904, a board known as the "Ernst Board" made another survey. The Rivers and Harbors Act of June 13, 1902, appropriated $200,000 for the making of such surveys and investigations. They reported upon a waterway 14 feet in depth on a base flow of 10,000 cubic feet per second from that canal. I quote a portion of that report as follows:

In this connection the board states that it does not condemn the present plan of taking 10,000 cubic feet per second, believing as it does that some such amount will be needed to protect the lives and health of the people of a great city and of a populous valley, but it invites attention to the fact that if a much larger amount be taken it will be necessary to construct remedial works elsewhere.

After that the Bixby Board was appointed under the River and Harbor Act of June 25, 1910, which provided a

million dollars for a waterway from Lockport to the mouth of the Illinois River. The Bixby Board in its final report, to be found in House Document No. 762, made the following finding:

The special board finds that the diversion of 10,000 cubic feet of water per second through the Chicago Drainage Canal would lower the water surface at mean lake level 0.465 foot in Lake Huron and Lake Michigan, 0.448 foot in Lake Erie, and 0.431 foot in Lake Ontario. It proposes the construction of submerged weirs in Niagara River to hold up the level of Lake Erie and submerged weirs in St. Clair River to hold up the level of Lakes Michigan and Huron at a total estimated cost of $475,000 with $15,000 annually for maintenance. The influence on the volume of the Mississippi River due to any diversion from Lake Michigan will be an increase approximately equal to the amount diverted.

Mr. President, it takes a stretch of the imagination to see how a harbor will be damaged by lowering the level of the water some 0.4 foot. The yearly fluctuation of the lake is greater than that.

Between the years 1903 and 1907 the main channel of the canal was constructed and extended from Lockport to Joliet, and a power house was constructed at a total cost of $4,562,716.

In 1907 the sanitary district constructed at the southern terminus of its main channel near Lockport a power plant to develop power arising from the water passing through the channel and dropping approximately 34 feet at that point to the Des Plaines River. Prior to this time this energy was wasted.

Substantially all the electrical energy produced at this plant is now either consumed by the sanitary district itself in the operation of its various plants or is sold to the city of Chicago for lighting streets or to various park districts for lighting the parks and boulevards of the city, or to other towns and villages adjacent to Chicago, at substantially the cost of production. Very little power is sold to private consumers.

I may say, if it is a question of power, why is it desired to strangle this waterway? Why is it desired to prevent the development of power along the Illinois waterway? If power is useful to the State of New York, why is not that section of the Middle West entitled to the same consideration along these lines, especially when it can be provided without any injury to any one of the sister States?

The settled law of this land in reference to boundary waters at the time when the treaty of 1909 was being negotiated is set out in the report compiled by the International Waterways Commission, which was printed in Canada by order of the Canadian Parliament. I read, beginning at the bottom of page 363 of that report, which contains a reference to the views of former Attorney General Harmon, who, I want to say to the senior Senator from Wisconsin, is one Attorney General who did not concur with what he says. I now read from the report:

It can hardly be disputed that, in the absence of treaty stipulation, a country through which streams have their course, or in which lakes exist, can in the exercise of its sovereign powers rightfully divert or otherwise appropriate the waters within its territory for purposes of irrigation, the improvement of navigation, or for any other purpose which the Government may deem proper. The principle was lucidly stated by Mr. Harmon, Attorney General of the United States, on December 12, 1895, in a communication to the Secretary of State. The question submitted to the Attorney General by the Secretary of State involved the right to appropriate the waters of the upper Rio Grande for irrigation purposes, to the injury of the residents of Mexico, and in giving his opinion the Attorney General laid down the law as follows:

"The fundamental principle of international law is the absolute sovereignty of every nation as against all others within its own territory."

He then quoted from Chief Justice Marshall's opinion in *Schooner Exchange* v. *McFadden* (7 Cr., p. 136), the following excerpt:

"The jurisdiction of the nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. Any restriction upon it, deriving validity from an external source, would imply a diminution of its sovereignty to the extent of the restriction, and an investment of that sovereignty to the same extent in the power which could impose such restriction.

"All exceptions, therefore, to the full and complete power of a nation within its own territories must be traced up to the consent of the nation itself. They can flow from no other legitimate source."

Great Britain also has insisted upon the same principle in the matter of the navigation of the lower St. Lawrence River.

I am now quoting from the report of the International Waterways Commission, and not from the opinion of Attorney General Harmon:

Great Britain also has insisted upon the same principle in the matter of the navigation of the lower St. Lawrence. The history of the positions taken by the United States and Great Britain need not be recited, but it will be noted that Great Britain did not recede from her position, and simply conceded by treaty the right of navigation upon certain concessions being made by the United States. It would seem, therefore, to be settled international law, recognized in both countries, that the exercise of sovereign power over waters within the jurisdiction of a country cannot be questioned, and that notwithstanding such exercise may take a form that will be injurious to another country through which the waters of the same streams or lakes pass, it cannot be rightfully regarded as furnishing a cause of war.

I think that furnishes some of the information for which the Senator from Nebraska has asked.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. DIETERICH. I yield.

Mr. NORRIS. I concede that furnishes "some of the information", but the Senator will admit, will he not, that it is not a complete answer?

Mr. DIETERICH. I think it is a complete answer. I do not think there has been any change in the law governing the right of nations to control waters wholly within their own boundaries except, I might say to the Senator from Nebraska, insofar as we have regulated and changed that right by various treaties pertaining to navigation, and principally the treaty of 1909 in reference to the boundary waters.

Now I wish to give my attention to the boundary water treaty of 1909, and I again want to acknowledge my indebtedness to the Mississippi River Valley Association for gathering these data in their brief.

The Rivers and Harbors Act of June 13, 1902, authorized the President of the United States to invite the Government of Great Britain to join in the formation of an international commission, to be composed of 3 members from Canada, and 3 representing the United States, to investigate and report upon the conditions and uses of the boundary waters between the United States and Canada and to make such recommendations for improvements and regulations as best to serve the interests of navigation of said waters. On April 27, 1903, the Canadian Government recommended to the British Government the acceptance of the invitation. The three United States representatives were appointed October 16, 1903, and the Canadian representatives January 7, 1905, and this organization, known as the International Waterways Commission, began the negotiations which resulted in the boundary waters treaty of 1909. This treaty provided for the formation of an International Joint Commission which succeeded the International Waterways Commission.

The International Waterways Commission made extensive and detailed studies of the uses of the waters of the Great Lakes. Its printed reports cover more than 1,200 pages, besides many maps and plates. In 4 of its reports, 2 of which were signed by the whole Commission, 1 of which was signed only by the Canadian section, and 1 signed only by the American members, the allocations of the boundary waters between the two countries, as recommended by this Commission, were very clearly set forth. The allocations as finally written into the treaty were somewhat different from these recommendations but the reason for some of these differences have never been made public.

On March 19, 1906, the United States section of the International Waterways Commission reported to the Secretary of War of the United States:

REPORT OF THE AMERICAN MEMBERS OF THE INTERNATIONAL WATERWAYS COMMISSION REGARDING THE PRESERVATION OF NIAGARA FALLS

INTERNATIONAL WATERWAYS COMMISSION,
OFFICE OF CHAIRMAN AMERICAN SECTION,
Washington, D.C., March 19, 1906.

SIR: 1. The American members of the International Waterways Commission have the honor to submit for transmittal to Congress this report, * * *

* * * * * * *

23. The Dominion of Canada has granted charters to two corporations in addition to those already mentioned, organized to take water from the Niagara River for power purposes. It has chartered two other corporations, organized to take for power purposes water from Lake Erie, which would naturally be tributary to the Niagara River. These companies have not finally developed their plants, and it is believed that their franchises are therefore not perfected, although all but one are still in force. In one case the charter has expired by limitation. The charters fix no limit to the amount of water which may be used. A charter was granted in 1889 by the Province of Ontario to the Hamilton Cataract, Power, Light & Traction Co. This company is using water from the Lake Erie level of the Welland Canal, which water would otherwise be tributary to the Niagara River. The volume now being used is estimated at about 1,800 cubic feet per second, and is to be increased.

24. The Chicago Drainage Canal, constructed under the authority of the State of Illinois, was designed to divert about 10,000 cubic feet per second of water which would naturally flow over Niagara Falls. It has not been fully completed, but it now has a capacity of about 5,000 cubic feet per second. The amount which it is actually diverting has thus far been limited by the Secretary of War to about 4,200 cubic feet per second. In addition to the foregoing, about 333 cubic feet per second of Lake Erie water is now taken for power purposes from the Erie Canal at Lockport.

26. The total quantity of water to be taken from the river by works now authorized is:

	Cubic feet
Niagara Falls Hydraulic Power & Manufacturing Co	9,500
Niagara Falls Power Co	17,200
Canadian Niagara Power Co	9,500
Ontario Power Co., not including Welland River development	12,000
Electrical Development Co	11,200
Niagara Falls Park Railway Co	1,500
Total	60,900

* * * * * * *

32. If the Falls are to be preserved, it must be by mutual agreement between the two countries. As a step in that direction we recommend that legislation be enacted which shall contain the following provisions, viz:

(a) The Secretary of War to be authorized to grant permits for the diversion of 28,500 cubic feet per second, and no more, from the waters naturally tributary to Niagara Falls, distributed as follows:

	Cubic feet
Niagara Falls Hydraulic Power & Manufacturing Co	9,500
Niagara Falls Power Co	8,600
Erie Canal or its tenants (in addition to lock service)	400
Chicago Drainage Canal	10,000

(b) All other diversions of water which is naturally tributary to Niagara Falls to be prohibited, except such as may be required for domestic use or for the service of locks in navigation canals.

(c) Suitable penalties for violation of the law to be prescribed.

(d) The foregoing prohibition to remain in force 2 years, and then to become the permanent law of the land, if, in the meantime, the Canadian Government shall have enacted legislation prohibiting the diversion of water which is naturally tributary to Niagara Falls in excess of 26,000 cubic feet per second, not including the amounts required for domestic use or for the service of locks in navigation canals. It is assumed, however, that an understanding upon this subject would be reached by treaty.

33. The object of such legislation would be to put a stop to the further depletion of the Falls and at the same time inflict the least possible injury upon the important interests now dependent upon this water power. The amount to be diverted on the Canadian side has been fixed with a view to allowing to the companies on that side the amounts for which they now have works under construction, which are:

	Cubic feet
Canadian Niagara Power Co	9,500
Ontario Power Co	12,000
Electrical Development Co	11,200
Niagara Falls Park Railway Co	1,500
Welland Canal or its tenants (in addition to lock service)	1,800

* * * * * * *

35. The substance of this report was submitted to our Canadian colleagues before the passage of the joint resolution, with a view to uniting in a joint report under the general law providing for the Commission. There was a substantial agreement in the statement of facts, and such differences as developed with respect to the recommendations which ought to be made did not seem insuperable, but our colleagues desired time for further consideration. We have no doubt of their sympathetic interest in carrying out that part of the instructions contained in the resolution which requires us "to exert in conjunction with the members of said commission representing the Dominion of Canada, if practicable, all possible efforts for the preservation of Niagara Falls in their natural condition."

On April 25 the Canadian members of the International Waterways Commission reported to the Minister of Public Works of Canada, and I wish to call attention to a part of their report. After discussing the diversion of water they said:

At Chicago the Americans have built a drainage canal which, when in full operation, will use about 10,000 cubic feet of water per second.

The quantity of water required for the purposes of a ship canal is comparatively small, but the character of this drainage canal at Chicago is such as to involve a continuous flow of water which will have the effect of lowering Lake Michigan by over 6 inches and Lake Erie by 4½ inches. The nature of this work may be judged when we state that the expenditure will be over $40,000,000, and that power works are in course of construction on the canal which will generate some 30,000 horsepower.

As the diversion from Lake Michigan to the Mississippi River is of a much more serious character than the temporary diversions from the Niagara River, it is felt that the amount of water which is to be taken on the American side of the Niagara River should be limited to 18,500 cubic feet per second.

But, in the opinion of your Commission, the preservation of Niagara Falls is a minor matter as compared with the preservation of the interests of navigation on the Great Lakes.

Following that, the Canadian section of the board said:

If our proposal is carried out, the diversions will be about as follows:

Diversions of the American side

	Cu. ft. per sec.
Niagara Falls	18,500
Chicago Drainage Canal	10,000
Total	28,500

Diversions on the Canadian side

	Cu. ft. per sec.
Niagara Falls and on the Niagara Peninsula	36,000

In other words, they got some 8,000 cubic feet per second more power at Niagara Falls than we did, and they took that because they charged us with the diversion of 10,000 cubic feet per second to the Chicago River.

Therefore, this Commission recommends that a treaty be had between the United States and Great Britain, in framing which it should be recognized, that:

* * * * * * *

3. Permanent or complete diversions of such waters are wrong in principle and should hereafter be absolutely prohibited. The diversions by the Chicago Drainage Canal should be limited to the use of not more than 10,000 cubic feet per second.

I shall not read any further from that report. That was the recommendation upon which the treaty was finally concluded. All of the members of the International Waterways Commission joined in the report on May 3, 1906, to the Secretary of War of the United States and the Minister of Public Works of Canada. The joint report is as follows:

The International Waterways Commission has the honor to submit the following report upon the preservation of Niagara Falls:

The Commission has made a thorough investigation of the conditions existing at Niagara Falls, and the two sections have presented reports to their respective Governments setting forth these conditions, to which attention is invited. The following views and recommendations are based upon a careful study of the facts and conditions set forth in these reports:

1. In the opinion of the Commission, it would be a sacrilege to destroy the scenic effect of Niagara Falls.

2. While the Commission are not fully agreed as to the effect of diversions of water from Niagara Falls, all are of the opinion that more than 36,000 cubic feet per second on the Canadian side of the Niagara River or on the Niagara Peninsula and 18,500 cubic feet per second on the American side of the Niagara River, including diversions for power purposes on the Erie Canal, cannot be diverted without injury to Niagara Falls as a whole.

3. The Commission therefore recommend that such diversions, exclusive of water required for domestic use or the service of locks in navigation canals, be limited on the Canadian side to 36,000 cubic feet per second, and on the United States side to 18,500 cubic feet per second (and, in addition thereto, a diversion for sanitary purposes not to exceed 10,000 cubic feet per second be authorized for the Chicago Drainage Canal), and that a treaty or legislation be had limiting these diversions to the quantities mentioned.

That was the joint report of the board. In pursuance of that report, a treaty was entered into.

The last report of all the members of the joint board was made January 4, 1907, to the Secretary of War of the United States and the Minister of Public Works of Canada regarding the Chicago Drainage Canal. I read section 43 of that report—and this, let it be remembered, is the Joint Commission speaking—in which it was said:

43. A careful consideration of all the circumstances leads us to the conclusion that the diversion of 10,000 cubic feet per second through the Chicago River will, with proper treatment of the sewage from areas now sparsely occupied, provide for all the

population which will ever be tribuatary to that river, and that the amount named will, therefore, suffice for the sanitary purposes of the city for all time. Incidentally it will provide for the largest navigable waterway from Lake Michigan to the Mississippi River, which has been considered by Congress.

We, therefore, recommend that the Government of the United States prohibit the diversion of more than 10,000 cubic feet per second for the Chicago Drainage Canal.

When this treaty was finally signed by the two Governments and submitted to the Senate for ratification, there were some proceedings in the Senate that may be of interest and may throw some light upon the matter of the diversion at Chicago. In those proceedings Secretary of State Elihu Root gave testimony before the Committee on Foreign Relations. He was asked the following questions by Senator Carter:

On what theory is 36,000 allowed on the Canadian side and 20,000 cubic feet on ours?

Secretary Root replied:

Because the water can be taken out on the Canadian side without interfering. The great bulk of the water goes on the Canadian side, and the Waterways Commission that was appointed some time ago to deal with the question of the lake levels reports, I think, that 36,000 feet can be taken out on the Canadian side and 18,500 on the American side without injury to the Falls. I thought it wise to follow the report of the Commission, and I put in 1,500 feet in addition to get round numbers, so our limit is higher than we want.

Of course, I do not see how the matter of taking water from one side of the river or the other would make any difference, but Secretary Root seemed to think it was a good excuse to do it; but he goes on further, and this is the real reason for it:

There is this further fact why we could not object to this 36,000 provision on the Canadian side. We are now taking 10,000 cubic feet a second out of Lake Michigan at Chicago, and I refused to permit them to say anything in the treaty about it. I would not permit them to say anything about Lake Michigan. I would not have anything in the treaty about it, and under the circumstances I thought I better not kick about this 36,000.

So we are charged by the Canadian Government with 10,000 cubic feet per second taken from Lake Michigan, and we have been paying for it ever since this treaty was signed.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIETERICH. I yield.

Mr. SHIPSTEAD. The Senator has quoted the first part of the testimony of Secretary of State Root.

Mr. DIETERICH. Yes.

Mr. SHIPSTEAD. Will the Senator continue reading where he left off? The Secretary explains his reason for this division of water.

Mr. DIETERICH. He explains why Canada should get the better of it. His explanation that water is taken out of one side of the river because it can be taken out there easier than on the other side refutes the theory that water seeks its own level. If the river is accessible, the water can be taken out wherever it is desired to take it out; and it will not make an inch difference in the level of the river whichever side it is taken from. That was an excuse for giving Canada the better of it in the division of water power at Niagara Falls by the 1909 treaty to the extent of 36,000 second-feet as against 18,000 second-feet, and that in the face of the fact that practically two thirds of that water is supplied from United States watersheds.

Mr. SHIPSTEAD. If that is correct, then Mr. Root's testimony is incorrect.

Mr. DIETERICH. If that is correct, Mr. Root's testimony is a conclusion in which I do not concur.

In the proceedings in the United States Senate, it seems that Secretary Root was invited to appear before the Senate when the treaty was up for ratification; and on January 20, 1909, when the treaty was the subject of consideration, and Mr. Root was sitting in the Senate—I assume to advise—as article V of the treaty was read, Senator McCreary asked the following question of Mr. Root:

What is the reason that we are allowed to divert but 20,000 while Canada is allowed 36,000?

And Secretary Root said:

There are several reasons.

And then, among the reasons that he gave, he said:

In the third place they consented to leave out of this treaty any reference to the drainage canal, and we are now taking 10,000 cubic feet per second for the drainage canal which really comes out of this lake system.

Senator Bacon, of Georgia, then asked Secretary Root another question that is pertinent to this inquiry. He asked:

You think there can never be any international question as to whether the term "tributary waters" includes Lake Michigan? You think it perfectly sure that Lake Michigan is excluded?

This was before the Senate of the United States, remember; and Secretary Root said:

I am perfectly sure of it. Article II of the treaty makes it perfectly certain that Lake Michigan is not to be regarded as a boundary water.

It is all within the United States; and section 5 of the treaty of 1909, for which we are now trying to trade section 8, is as follows:

The high contracting parties agree that it is expedient to limit the diversion of waters from the Niagara River so that the level of Lake Erie and the flow of the stream shall not be appreciably affected. It is the desire of both parties to accomplish this object with the least possible injury to investments which have already been made in the construction of power plants on the United States side of the river under grants of authority from the State of New York, and on the Canadian side of the river under licenses authorized by the Dominion of Canada and the Province of Ontario. So long as this treaty shall remain in force, no diversion of the waters of the Niagara River above the Falls from the natural course and stream thereof shall be permitted except for the purposes and to the extent hereinafter provided.

Continuing further to quote from article V:

The United States may authorize and permit the diversion within the State of New York of the waters of said river above the Falls of Niagara, for power purposes, not exceeding in the aggregate a daily diversion at the rate of 20,000 cubic feet of water per second. The United Kingdom, by the Dominion of Canada, or the Province of Ontario, may authorize and permit the diversion within the Province of Ontario of the waters of said river above the Falls of Niagara, for power purposes, not exceeding in the aggregate a daily diversion at the rate of 36,000 cubic feet of water per second.

Now, mark this:

The prohibitions of this article shall not apply to the diversion of water for sanitary or domestic purposes, or for the service of canals for the purposes of navigation.

Mr. SHIPSTEAD. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIETERICH. I yield.

Mr. SHIPSTEAD. Does the Senator contend that the last paragraph of article V has anything at all to do with Lake Michigan?

Mr. DIETERICH. I do.

Mr. SHIPSTEAD. If the Senator will permit me, Lake Michigan was expressly left out of the boundary waters.

Mr. DIETERICH. The treaty lays down the general principle of diversion of boundary waters. It lays down the principle that any country can divert for sanitary and canal purposes whatever waters are necessary.

Mr. SHIPSTEAD. Boundary waters?

Mr. DIETERICH. Any boundary waters.

Mr. SHIPSTEAD. But Lake Michigan was not made part of the boundary waters.

Mr. DIETERICH. Lake Michigan was not made part of the boundary waters; no.

Mr. SHIPSTEAD. And Lake Michigan is not made a part of the boundary waters under this treaty.

Mr. DIETERICH. It is brought into the Great Lakes system by this treaty, ingeniously bringing it in and internationalizing that particular lake. In other words, we surrender our sovereignty over that lake, at least to the extent of permitting navigation of it, under this treaty.

Mr. SHIPSTEAD. If the Senator will permit me—I do not want to interrupt him if he prefers not to be interrupted——

Mr. DIETERICH. No; that is all right.

Mr. SHIPSTEAD. Does not the Senator distinguish between the terms "Great Lakes system" and "boundary waters"?

Mr. DIETERICH. Yes; I distinguish between the terms, but I must confess that I am also conscious of what my senior colleague [Mr. LEWIS] so well presented to the Senate—that ingeniously, step by step, they have invaded our sovereignty with a foresight that bespeaks the statesmanship of Great Britain. Little by little have they driven the wedge in. As this treaty of 1909 did not question our sovereignty and our right to the diversion of 10,000 second-feet of water, by this treaty they want to eradicate that without making one pound of compensation at Niagara Falls. They want to hold that for which they traded us 10,000 second-feet, but they do not want to give us another additional pound there. If that is the Senator's idea of protecting not only the interests of the State of Minnesota but the interests of the United States, then the Senator and I differ on what is proper protection of American interests.

Mr. SHIPSTEAD. Mr. President, I rose to call attention to the fact that the last paragraph of article V refers exclusively to boundary waters and does not refer to Lake Michigan at all.

Mr. DIETERICH. That is not important, as I view it.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Maryland?

Mr. DIETERICH. I yield.

Mr. TYDINGS. Has the Senator the figures showing what proportion or percentage of the waters of Lake Superior is in Canada?

Mr. DIETERICH. I have the percentage—and I will eventually get to it—of the waters of the Great Lakes watershed that find their outlet through the Niagara River.

Mr. TYDINGS. Aside from the watershed, I meant what part of Lake Superior, Lake Huron, Lake Erie, and Lake Ontario is within the Canadian boundaries and what part of those four Lakes is within the boundaries of the United States; and what part of the total water area of the five Lakes, including Lake Michigan, is within the United States boundaries and what part of the water area of the Lakes is in Canada; and what part of the watershed of the United States and Canada contributes to the five Lakes?

Mr. DIETERICH. I have that information, and I will reach it presently.

Now let me present another thing.

Suppose the present treaty is ratified, what will be the effect upon the power distribution at Niagara Falls between the United States and Great Britain, or Canada as representing Great Britain?

If diversions for navigation be omitted from consideration, the total Canadian diversion for power on the Niagara Peninsula is 38,000 cubic feet per second, and the diversion for power of the United States is 20,000 cubic feet per second, or an advantage of 18,000 cubic feet per second in favor of Canada. Although the advantage to Canada is great with the present diversion, the advantage will be even greater when the Welland Canal is opened after 1938, when the Chicago diversion has been reduced to 1,500 cubic feet per second. The volume will approximately be, on Canada's side of the boundary, diversion for power at Niagara 36,000 cubic feet. Welland Canal, 5,000 cubic feet. On the United States side, diversion for power at Niagara, 19,725 cubic feet. The New York Barge Canal, 1,200 cubic feet. So there will be a difference, or an excess of diversion permitted on the Canadian side, of over 20,000 cubic feet.

With the diversion at Chicago soon to be reduced to the ultimate volume of 1,500 cubic feet per second, and with Canada using more than 2,000 cubic feet per second through the Welland Canal for power purposes, it seems reasonable that the waters diverted from Niagara for power should be more nearly equally divided.

I now desire to give the information which the Senator from Maryland [Mr. TYDINGS] asked for. There can certainly be no geographical reason for this distribution, since 64 percent of the water surface of the Great Lakes is within the United States and 36 percent in Canada. The areas are: 60,950 square miles in the United States; 34,210 square miles in Canada. Most of the water originates in the United States, the drainage basin area being 178,050 square miles, or 59 percent, in the United States, as against 122,030 square miles, or 41 percent, in Canada.

Another item which gives even greater weight to the contribution of the United States to the water supply of the Great Lakes is the fact that the rainfall is heavier on the United States tributary area than on the Canadian side.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Maryland?

Mr. DIETERICH. I yield.

Mr. TYDINGS. Does the Senator mean by that remark to imply that the United States is wetter than Canada? [Laughter.]

Mr. DIETERICH. Well, at the present time, yes.

A great deal is said about the litigation affecting the Lakes level, but I prefer to go into that at a later time, except that I now desire to call the attention of the Senate to the decree of January 1925.

Upon appeal to the United States Supreme Court, the decree of Judge Carpenter of June 18, 1923, in favor of the United States in the consolidated suits of 1908 and 1913, was sustained and the decree was affirmed. That was an injunction, started as a friendly suit, to prohibit the withdrawal of a greater amount of water than was authorized or permitted by the Secretary of War, and the contention in that suit was that the Congress did not have the power to delegate to the Secretary of War the right to determine what the amount of withdrawal should be, and it was finally held that the Congress did have that authority and the Secretary had the right to make that determination.

In the decree of January 1925, it provides:

> That the defendant, the sanitary district of Chicago, its board of trustees, officers, agents, attorneys, representatives, employees, and servants, and all other persons acting or claiming, or assuming to act, under its authority, be, and they are hereby, each of them hereby is, enjoined from diverting more than the 4,167 second-feet of water.

And it provided that this decree should go into effect in 60 days without prejudice to any permit that may be issued by the Secretary of War according to law, and that within 60 days, on March 3, 1925, they appeared before the Secretary of War; and the Secretary of War, recognizing the necessity of the withdrawal of this water, issued his permit to divert 8,500 cubic feet per second. That permit continued until 1930.

In 1925 the Wisconsin suit against the State of Illinois was started, and the special master was appointed in 1926, and the final report of the master, November 23, 1927, finds that the permit of March 3, 1925, is valid and effective; that it should not be overridden by judicial action. That is the permit of 8,500 cubic feet per second.

The conclusions are:

> 1. That the complainants present a justiciable controversy.
> 2. That the State of Illinois and the sanitary district of Chicago have no authority to make or continue the diversion in question without the consent of the United States.
> 3. That Congress has power to regulate the diversion; that is, to determine whether and to what extent it should be permitted.
> 4. That Congress has not directly authorized the diversion in question.
> 5. That Congress has conferred authority upon the Secretary of War to regulate the diversion provided he acts in reasonable relation to the purpose of his delegated authority and not arbitrarily.
> 6. That the permit of March 3, 1925, is valid and effective according to its terms, and entire control of the diversion remaining with Congress.

That is all we are asking for, Mr. President.

Here were the recommendations of the decree:

> In the light of these conclusions the bill, in my opinion, should be dismissed. I think, however, that if a situation should develop in which the defendants were seeking to create or continue a

withdrawal of water from Lake Michigan without sanction of Congress or the administrative officers acting under its authority, the complainant States have such an interest as would entitle them to bring a bill to restrain such action.

That case was rereferred to the master by the Supreme Court, and in the order of rereference they stated that it was referred—

To determine what diversion, if any, of water from Lake Michigan is necessary for the purpose of maintaining navigation in the Chicago River as a part of the port of Chicago after the sewage disposal works are in full operation.

I did want to call the attention of the Senator from Wisconsin to that.

In his final report Judge Hughes said—I am quoting now from the opinion:

Under the opinion of this Court in the present suits, the question of the allowance for the diversion of water from Lake Michigan in the interests of the waterway to the Mississippi is not deemed to be open to consideration.

So the only question involved in that suit and determined in that suit was the question of the amount of the withdrawal of water in order to maintain navigation in the Chicago River as a part of the port of Chicago, and not as a part of the waterway.

On April 21, 1930, the Supreme Court rendered its final decision, and on July 3, 1930, the Congress passed the Rivers and Harbors Act of 1930, in which they appropriated $7,500,000 to complete the Lakes-to-Gulf waterway link from Lockport to Utica, and they did that in view of the litigation that had preceded, and the act of 1930, provided that as soon as practicable after the Illinois waterway shall have been completed, for which this appropriation was made—

In accordance with this act the Secretary of War shall cause a study to be made of the amount of water that will be required as an annual average flow to meet the needs of a commercially useful waterway as defined in said Senate document, and shall on or before July 31, 1938, report to Congress the results of such study.

That law, Mr. President, was in force, and that waterway was not complete when this treaty was signed by President Hoover and the British authorities, and that was a part of the law of the land at that time, and every officer of the Government was bound to observe it, and the Congress was bound to observe it, and that was absolutely and utterly disregarded, and a treaty consummated that fixed the amount of flow before the canal was even completed. And then, in order that there might be some compliance some 6 months or a year after the treaty has been signed and before its ratification, there is supplied a report purporting to be made under this section of the Rivers and Harbors Act of 1930. The completion of the Illinois Waterway was in June 1933; not until after the present treaty had been signed.

There has been a good deal said about this report that is supposed to be House Document No. 184. I desire to read some excerpts from this report. These are excerpts from a report of the Chief of Engineers to the Secretary of War, dated December 6, 1933, for transmission to Congress under the provisions of the act of July 3, 1930, requiring the Secretary of War to study the needs of diversion from Lake Michigan for a commercially useful Illinois waterway, and to report his findings to Congress on or before January 31, 1938.

And here some 5 years before that report is due, and the 5 years that were given to make a study of this project, in order to make a feigned compliance with the 1930 Rivers and Harbors Act, we find this report. He first comments on what the district engineer says in his report to his chief:

While the district engineer finds—

I am reading from the report now—

that an annual diversion of 15,000 cubic feet per second, increased by domestic pumpage, is ample to provide an adequate flow to meet all requirements of lockage, leakage, and evaporation of the waterway, he concludes that the determination whether this flow will provide a flow suitable from a sanitary standpoint for a commercially useful waterway can be made only by experience after the sewage-treatment plants at Chicago are completed.

So the district engineer is not going to let them get him into a ninehole, because anyone who has studied the lower Illinois River knows that such a flow of water will not render it sanitary; that the pools above the dam will become stagnant and unfit for navigation.

Let us see what the division engineer says; let us see whether he had studied the project sufficiently to advise how much water was necessary.

The division engineer concurs in general with the conclusions of the district engineer—

I am reading from a report now which is not in print and is not on the desks of Senators—

He recommends that the Chief of Engineers be granted authority to direct such additional temporary diversion—

Listen to this—

to direct such additional temporary diversion of the lake waters, not to be considered in the determination of the annual average, as may be necessary to flush the pools and to maintain the pool levels.

These reports have been referred, in accordance with law, to the Board of Engineers for Rivers and Harbors. Attention is invited to its report herewith concurring in general with the views and recommendations of the reporting officers.

This is the report of the Board of Engineers on this project. The Board states:

The indirect needs of such a waterway and the matter of securing satisfactory sanitary conditions by those aboard vessels or employed at terminals cannot be determined—

I emphasize "cannot be determined"—

until the waterway has been fully completed and the diversion limited to 1,500 cubic feet per second for a sufficient period of time to observe the conditions that may then exist.

Yet in the face of this and in the face of the advice of these engineers we are asked to ratify this treaty.

The report of the Board of Engineers states:

That the Chief of Engineers be granted authority to direct such additional temporary diversion of lake water, not to be considered in the determination of the annual average, as may be necessary to flush pools or to maintain pool levels as may not be inimical to lake navigation.

If this recommendation in the report is to be taken into consideration, why do we not find a reservation offered by the proponents of the treaty carrying out these views?

I quote further from the report:

After consideration of these reports, I concur in general with the view and recommendations of the Board. It does not appear possible to arrive at a conclusion determining whether this flow will afford suitable sanitary conditions on the waterway until after the sewage-purification plants in Chicago have been completed and placed in operation.

So much for the report of the engineers.

An interesting thing in this record is the controversy on lake levels. I have a hydrograph that gives the variation of the lake levels from year to year. It shows that they fluctuate from year to year and from period to period. The natural fluctuation of the lake levels on the Great Lakes, based on the monthly averages from 1860 to 1932, has been as follows:

Lake Superior, 3.98 feet; Lake Michigan, 6.22 feet; Lake Huron, 6.28 feet; Lake Erie, 4.62 feet; Lake Ontario, 5.54 feet.

The natural fluctuations from 1926 to 1929 were—

Lake Superior, 3.35 feet; Lake Michigan, 5.04 feet—that is the average fluctuation from 1926 to 1929, and yet complaint is being made about a project that will reduce the lake levels less than 6 inches—Lake Huron, 4.97 feet; Lake Erie, 4.37 feet; Lake Ontario, 4.44 feet.

The annual fluctuation of Lake Michigan—the difference between high and low water—is 1 foot. So it can be seen how one must draw upon his imagination to conclude that any damage could possibly be occasioned by a reduction of less than 6 inches in the lake levels when in a period of some 4 years Lake Michigan itself has varied in its levels over 4 feet.

Article VIII of the treaty should be eliminated. That article provides that:

The high contracting parties recognizing their common interest in the preservation of the levels of the Great Lakes system, agree:

(a) 1. That the diversion of water from the Great Lakes system, through the Chicago Drainage Canal, shall be reduced by December 31, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States—

Entirely ignoring the Congress and providing that the diversion of water for the purpose indicated shall be determined by a decree in which the question of navigation was not even in issue. Then this treaty provides that in case of an emergency the contracting parties agree to appoint a board of three, one by the United States, one by Canada, and the third selected by the other two, although everyone knows that no country, including Canada and the United States, will ever yield a right or ever consent that an emergency exists when the only question is whether or not there shall be constructed a waterway from the Lakes to the Gulf. The treaty further provides:

(b) That no diversion of water, other than the diversion referred to in paragraph (a) of this article, from the Great Lakes system or from the international section to another watershed shall hereafter be made except by authorization of the International Joint Commission.

That means that the New York waterway as well as the Illinois waterway must be strangled and held down.

That each Government in its own territory shall measure the quantities—

I want the Senate to pay particular attention to this provision:

(c) That each Government in its own territory shall measure the quantities of water which may at any point be diverted from or added to the Great Lakes system, and shall place the said measurements on record with the other Government semi-annually;

(d) That in the event of diversions being made into the Great Lakes system from watersheds lying wholly within the borders of either country, the exclusive rights to the use of waters equivalent in quantity to any waters so diverted shall, notwithstanding the provisions of article IV (a), be vested in the country diverting such waters, and the quantity of water so diverted shall be at all times available to that country for use for power below the point of diversion, so long as it constitutes a part of boundary waters.

Mr. LEWIS. Mr. President, will my colleague allow me to interrupt him?

The PRESIDING OFFICER. Does the junior Senator from Illinois yield to his colleague?

Mr. DIETERICH. I yield.

Mr. LEWIS. I beg to call my colleague's attention to the fact that the provision which he has just read is the only—and I regret my honorable friend the Chairman of the Committee on Foreign Relations [Mr. PITTMAN] is not now present—is the only instance to be found in treaties that have been negotiated during the last 50 years between the United States and any country of the world where in the treaty itself a provision is dared to be written that any further diversion of water shall not be had except only upon an understanding between three men representing, we will say, Canada and the United States, and by which the United States practically contracts to take away from the United States Senate the right even of considering a treaty, for if Canada succeeds in establishing in this document to her advantage, she can prevent the United States by treaty even to make any change in the diversion, she having gotten an agreement that the only kind of change that can be made in the future can only be made with the consent of the particular representative of her government.

Mr. DIETERICH. I thank my colleague for that suggestion. Furthermore, this is intended to cover another condition that will soon obtain in the Dominion of Canada. They have now, as I understand, practically completed the engineering data whereby a large dam is to be constructed in one of the rivers that flow into Hudson Bay; and, with that in view, they talk of diversion into watersheds. They want to protect themselves in the use of that power not only from the river into the Lakes, but after it reaches the Lakes; and they do that in spite of the fact that two thirds of the territory around the Lakes and their watersheds belong to the United States. When they give one drop of water they want it for themselves. They do not say after the volume of the watershed is equalized that an adjustment shall be made. Oh, no; their diplomats do not act in that way; they protect their own interests better than that.

Then the treaty further provides for the construction of works in the Niagara and St. Clair Rivers to compensate whatever diversion there may be through the Chicago Drainage Canal.

I say that they could very easily, without any interference to navigation, construct compensating works that would compensate for the diversion of 10,000 second-feet as well as for the 1,500 second-feet. There is no question but that Congress has authority to control the diversion of water from one watershed into another when it is done for the public good and for the public interest; there is no reason why we should not leave the Congress of the United States this authority; and if the Congress has not that authority, then the treaty-making power has not that authority.

Mr. President, I do not know that I care to occupy much longer the time of the Senate. About everything has been injected into this argument that ingenuity could suggest to arouse the prejudice of Members of this body. I say that advisedly. We have tried poor John P. Morgan here again. I am not personally acquainted with Mr. Morgan but he has been dragged in here and the argument has been made that we ought to vote to ratify the pending treaty because by so doing we will injure him. I do not know Morgan nor his investments. I assume he is no better and no worse and is entitled to no more rights and no less rights. God knows I am not in his class financially. The railroads have been dragged in here as a great public enemy. The railroads must be destroyed, of course, on the great broad national principle that a little cheaper transportation can be obtained for some commodities which can be raised in some of the Lake States. If that is not narrowing the question down to sectionalism, then I do not understand what sectionalism or prejudice is.

Mr. President, I believe I have presented to the Senate all that I care to submit at this time. I want to reiterate that I resent what was said on the floor of the Senate by the opposition in reference to the position of myself and my colleague being interpreted as against the administration. No Senator in this Chamber has been more faithful and loyal, no one has exercised a more sustained loyalty toward the administration in its great fight for recovery than my colleague the senior Senator from Illinois [Mr. LEWIS]. No one has worked harder to help bring about that accomplishment. When he is accused of saying something that reflects upon the President of the United States, it is an accusation that is wholly unjust and unfair.

I thank Senators for their attention.

Mr. LEWIS. Mr. President, at this juncture, just as the Senator concludes, I wish to say that any allusion made by him to my efforts and services in behalf of the administration must be added to by saying that his own efforts, his constant services, and his constant votes have been equal in every form of loyalty and service to anything I have contributed.

Mr. McKELLAR obtained the floor.

Mr. LEWIS. Mr. President, will the Senator from Tennessee yield to enable me to suggest the absence of a quorum and request a roll call?

Mr. McKELLAR. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Frazier	Lewis
Ashurst	Caraway	George	Logan
Austin	Carey	Gibson	Lonergan
Bachman	Connally	Goldsborough	Long
Bailey	Coolidge	Gore	McAdoo
Bankhead	Copeland	Hale	McCarran
Barbour	Costigan	Harrison	McGill
Barkley	Couzens	Hastings	McKellar
Black	Cutting	Hatch	McNary
Bone	Dickinson	Hatfield	Murphy
Borah	Dieterich	Hayden	Neely
Brown	Dill	Hebert	Norris
Bulkley	Duffy	Johnson	Nye
Bulow	Erickson	Keyes	O'Mahoney
Byrd	Fess	King	Overton
Byrnes	Fletcher	La Follette	Patterson

Pittman	Russell	Stephens	Vandenberg
Pope	Schall	Thomas, Utah	Van Nuys
Reed	Sheppard	Thompson	Wagner
Reynolds	Shipstead	Townsend	Walcott
Robinson, Ark.	Smith	Trammell	Walsh
Robinson, Ind.	Steiwer	Tydings	White

Mr. LEWIS. I desire to have the RECORD show that the Senator from Missouri [Mr. CLARK] and the Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate, and that the Senator from Virginia [Mr. GLASS] and the Senator from Oklahoma [Mr. THOMAS] are each detained by illness.

Mr. HEBERT. I wish to announce that the Senator from Pennsylvania [Mr. DAVIS], the Senator from New Jersey [Mr. KEAN], the Senator from Rhode Island [Mr. METCALF], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent from the Chamber.

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. PITTMAN. Mr. President, will the Senator from Tennessee yield to me for a brief statement?

Mr. McKELLAR. I yield.

Mr. PITTMAN. Earlier in the day the Senator from Illinois [Mr. LEWIS] made inquiry as to whether or not it would be agreeable to fix some hour to vote on the pending treaty with regard to the Great Lakes-St. Lawrence seaway.

Mr. LEWIS. That is a correct statement.

Mr. PITTMAN. At that time I suggested that personally I am very anxious to have the matter disposed of at the earliest practical time; that a number of reports have been submitted by the President from the various departments giving facts that bear on the questions involved, and that those reports are being printed as rapidly as possible for the benefit of Senators.

I also invited attention to the fact that the reports would contain maps and graphs which it will take time to print, but that I expect they will be ready in a few days; at least I hope that will prove to be the fact.

I also stated that it is evident there are measures of an emergency nature which will be reported to this body very soon, and that under the general custom they have precedence over such matters as the pending treaty. I suggested at that time that I personally would be willing, if the others who are interested in the matter would be willing, to have an agreement to vote on the treaty a week from next Saturday.

What is the viewpoint of the Senator from Illinois now?

Mr. LEWIS. Mr. President, my reply is that I would prefer an earlier vote; but I cannot overlook the suggestion of the Senator from Nebraska [Mr. NORRIS], who at the same moment intimated that there are Senators who desire to speak who have not let their desires yet be known, and because of such, knowing their desires, he could not consent to an agreement at this time to vote. Therefore I am compelled to state that until something can be understood as to who shall speak and the length of time they feel they desire, I do not know upon what date we can agree. I am for some date before a week from next Saturday, if it can be so agreed.

Mr. PITTMAN. Mr. President, the courtesy which the Senator from Illinois has shown not only toward the Senator from Nebraska but toward other Senators by desiring that everyone who desires to speak shall have a chance to do so seems rather inconsistent with his present request for an immediate vote.

Mr. LEWIS. It does if it is assumed that all who wish to speak desire to speak as long as those of us who have spoken.

Mr. PITTMAN. Can the Senator suggest any other date that he thinks might accommodate Senators in the circumstances?

Mr. LEWIS. I have not heard an expression of the wishes of other Senators, but I would suggest Wednesday of the following week. All the time between now and Wednesday could be assigned to those Senators, I assume; or, if they should desire something more than that, I take it they could express it in the meantime.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New York?

Mr. PITTMAN. I yield to the Senator.

Mr. WAGNER. I suggest that we fix 2 o'clock on next Wednesday as the time for voting upon the ratification of the treaty.

Mr. LEWIS. I have already suggested Wednesday, without regard to the hour; but I accept the suggestion of the Senator from New York.

Mr. PITTMAN. I think the Senators in charge of the opposition to this treaty and those of us who are for the treaty are very close together. We are certainly very close together in principle. That is, we do not desire to foreclose anyone in the Senate who desires to speak on the treaty. Also, we desire, of course, to let him have an opportunity to see for himself the reports that have been quoted from by the various speakers.

I send to the desk a proposed unanimous-consent agreement and ask to have it read so that we may consider it. I will say that the difference in time is very little.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The LEGISLATIVE CLERK. The Senator from Nevada proposes the following unanimous-consent agreement:

Ordered by unanimous consent, That after the hour of 12 o'clock on the calendar day of Friday, February 9, 1934, no Senator shall speak more than once nor longer than 20 minutes upon the pending Great Lakes-St. Lawrence Deep Waterway Treaty, nor more than once nor longer than 10 minutes upon any amendment that may be pending or that may be offered thereto, or upon any reservation that may be pending or that may be offered to the resolution of ratification; that no amendment or reservation shall be formally proposed which shall not have been presented on or before the calendar day of Friday, February 9, 1934; and that on the calendar day of Saturday, February 10, 1934, at not later than the hour of 6 o'clock p.m., the Senate shall proceed to vote without further debate upon all questions arising in the parliamentary disposition of said treaty.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. LEWIS. Mr. President, I suggest to the able chairman of the committee that we ought to send a message to the Senator from Nebraska [Mr. NORRIS] with regard to the contents of this proposal, as he has indicated his desire to object, unless Senators have some word to the contrary.

Mr. ROBINSON of Arkansas. Mr. President, may I say that my information is that the Senator from Nebraska is willing to agree to this proposal?

Mr. LEWIS. Then that would dispose of my only reservation.

Mr. WAGNER. I shall object unless the date is moved nearer than February 9.

Mr. PITTMAN. Mr. President, I hope the Senator from New York will not object. I desire to say that this morning the Senator from New York and other Senators were urging me to get an early vote on this matter. I have made every effort to get an early vote on it by reason of the fact that I am nominally in charge of the treaty as Chairman of the Foreign Relations Committee. I told the Senators that I would do what I could.

Now, we have come down to a difference of only a short time. The Senator from Nebraska [Mr. NORRIS] this morning objected for the reasons he stated, and which were repeated by the Senator from Illinois. Now, the Senator from Nebraska has waived his objection to voting on Saturday. In view of all the debate that has taken place, in view of what the Senator from Illinois has said with regard to affording an opportunity to every Senator to speak, and what the Senator from Nebraska has said with regard to affording an opportunity to every Senator to speak, it does not seem as if there is a real hearty effort to get a vote on this matter when we now find those who were so earnest in seeking a vote resorting to an objection over a difference of 3 days. The very reason of the delay in the matter was to give every Senator an opportunity to speak if he wanted to, and also to give Senators an opportunity to read the documents that

are now being printed, and that perhaps will not be here before Wednesday.

Mr. WAGNER. Mr. President, I am so earnest in my desire for a vote that I want to move the date nearer than next Saturday. When I discussed the matter with the Senator this morning, he knows that I suggested Monday as the date for a vote. There is quite a difference between Monday and next Saturday.

I do not want to be obdurate about the matter, but we have a good part of today left; we have all day Friday, Saturday, Monday, and Tuesday, which would be 4½ days for long speeches; and after that I think there might properly be a curtailment of the discussion. So I suggest to the Senator that he move the date back from Friday to Wednesday. That is a fair compromise between what I originally suggested and what the Senator proposes.

Mr. PITTMAN. Mr. President, the senior Senator from Illinois [Mr. LEWIS] has made a very able speech on this subject. It was essential for him to take several hours in which to do it.

Mr. WAGNER. The junior Senator from New York has not spoken on the treaty. He is going to do so.

Mr. PITTMAN. Several hours were necessary to enable the senior Senator from Illinois to present the case as he has presented it. His speech was against the treaty. The junior Senator from Illinois [Mr. DIETERICH] has occupied several hours in a very able speech on this subject. Not a minute was wasted. He has stated his case. On the other side of the case, the Senator from Nevada, in opening the debate, occupied only about an hour with his own remarks. While he held the floor for about 2 hours, the debate was general.

The Senator from Minnesota [Mr. SHIPSTEAD] made a comparatively short speech in favor of the treaty. The Senator from Wisconsin [Mr. LA FOLLETTE] has made an extensive speech on it.

Mr. LEWIS. The Senator from Michigan [Mr. VANDENBERG] gave us two very excellent expositions of the matter from his point of view.

Mr. PITTMAN. Excellent; but when it is recalled that 15 States by legislative action have endorsed this treaty, I think the Senators from those States are entitled to have a chance to speak, and probably will speak, on the subject.

I agree thoroughly with what the senior Senator from Illinois has said—that we do not desire to foreclose anyone. We desire also that Senators shall have an opportunity to study the question. Furthermore, I realize that we cannot afford to delay any of these emergency measures.

In view of all that, and the Senator from Nebraska having withdrawn his objection, it seems to me that if we are given until Saturday to vote on this matter, and then, commencing on Friday, limit the speeches of each Senator to 30 minutes on the treaty and 10 minutes on each proposed amendment or reservation, we will accomplish everything we desire, namely, the earliest possible disposition of the treaty without foreclosing any Senator from speaking.

In view of these circumstances, I certainly hope that the Senator from New York, who has been so anxious for a vote on this matter, will not quibble over the question of 3 days.

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement proposed by the Senator from Nevada?

Mr. WAGNER. There is. I object.

The VICE PRESIDENT. The Senator from New York objects.

Mr. ROBINSON of Arkansas. Mr. President, in addition to what the Senator from Nevada has said, may I point out to the Senator from New York that it probably will be necessary to consider some legislative matters in the early future, and unless some Senator wishes to speak on the treaty, the plan will be to take up certain legislative measures. For that reason it seems to me that the request of the Senator from Nevada should be acceded to.

I am going to ask my friend, the Senator from New York, to withdraw his objection. Necessarily we have to compromise on these arrangements.

Mr. WAGNER. I suggest, then, as a compromise, that the request be renewed on Monday of next week. In the meantime we can see how much more time is consumed in debate. I desire to address the Senate on this subject, and I am sure the Senator would not want to have me deprived of that opportunity.

Mr. ROBINSON of Arkansas. May I suggest, as a compromise, that we let the matter go over until tomorrow and then renew it?

Mr. WAGNER. Very well.

Mr. ROBINSON of Arkansas. Will that suit the Senator from Nevada?

Mr. PITTMAN. Yes.

The VICE PRESIDENT. The matter will go over until tomorrow.

Mr. PITTMAN subsequently said: Mr. President, I wish to place in the RECORD a synopsis of speeches, statements, messages, and letters of the President of the United States since 1921 to date, which I think will contradict successfully the charges made 3 days ago by the senior Senator from Illinois [Mr. LEWIS], and the charge made yesterday and today by the junior Senator from Illinois [Mr. DIETERICH], to the effect that the President had been misinformed as to the facts by his advisers in regard to the St. Lawrence waterway project. I said today in a colloquy with the junior Senator from Illinois that, in my opinion, the President of the United States knows more about this subject, from long personal study of it, than does any Senator in this body.

It was also charged by the senior Senator from Illinois in his speech about 3 days ago that the power question had been injected into this debate on the St. Lawrence Waterway Treaty for the purpose, as I gathered from his statement, of arousing prejudice. These statements, addresses, and messages of the President of the United States will disclose the fact that he had under consideration the power question, together with the navigation question, from 1929 on to the present time; and, as I have already said, has, in my opinion, given greater consideration and study to this subject and investigated it more thoroughly than has any Senator in this body.

I therefore ask to have printed in the RECORD, as a part of my remarks at this point, this synopsis containing the statements, addresses, and messages of the President of the United States bearing directly on the subject that has been debated by the two Senators from Illinois and by other Senators.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

GOV. FRANKLIN D. ROOSEVELT AND THE ST. LAWRENCE RIVER PROJECT FOR THE YEAR 1929

The improvement of the St. Lawrence River for navigation and the development of its immense hydroelectric power resources in the interest primarily of the small consumer were dominant concerns of Franklin D. Roosevelt during his 4 years as Governor of New York.

On the 1st day of January, at the hour of noon, 1929, in the assembly chamber of the State capitol at Albany, Governor Roosevelt was inducted into office. A few minutes later he was delivering his inaugural address, laying particular emphasis in it upon the problem of utilization of the State's natural water-power resources. In the presence of Alfred E. Smith, the retiring Governor, from whom he had inherited the responsibility for pressing this problem to an early solution, he said:

"In the brief time that I have been speaking to you there has run to waste on their paths toward the sea enough power from our rivers to have turned the wheels of a thousand factories, to have lit a million farmers' homes—power which nature has supplied us through the gift of God. It is intolerable that the utilization of this stupendous heritage should be longer delayed by petty squabbles and partisan dispute. Time will not solve the problem; it will be more difficult as time goes on to reach a fair conclusion. It must be solved now.

"I should like to state clearly the outstanding features of the problem itself. First, it is agreed, I think, that the water power of the State should belong to all the people. There was, perhaps, some excuse for careless legislative gift of power sites in the days when it was of no seemingly great importance. There can be no such excuse now. The title to this power must vest forever in the people of this State. No commission—no; not the legislature itself—has any right to give, for any consideration whatever, a single potential kilowatt in virtual perpetuity to any person or corporation whatsoever. The legislature in this matter is but the trustee of the people, and it is their solemn duty to administer

such heritage so as most greatly to benefit the whole people. On this point there can be no dispute.

"It is also the duty of our legislative bodies to see that this power, which belongs to all the people, is transformed into usable electrical energy and distributed to them at the lowest possible cost. It is our power; and no inordinate profits must be allowed to those who act as the people's agents in bringing this power to their homes and workshops. If we keep these two fundamental facts before us, half of the problem disappears.

"There remains the technical question as to which of several methods will bring this power to our doors with the least expense. Let me here make clear the three divisions of this technical side of the question.

"First, the construction of the dams, the erection of power houses, and the installation of the turbines necessary to convert the force of the falling water into electricity;

"Second, the construction of many thousands of miles of transmission lines to bring the current so produced to the smaller distributing centers throughout the State; and

"Third, the final distribution of this power into thousands of homes and factories.

"How much of this shall be undertaken by the State, how much of this carried out by properly regulated private enterprises, how much of this by some combination of the two is the practical question that we have before us. And in the consideration of the question I want to warn the people of this State against too hasty assumption that mere regulation by public-service commissions is, in itself, a sure guaranty of protection of the interest of the consumer."

Thus, in this address, Governor Roosevelt laid down the fundamentals of his policy. He was beginning to formulate the policy forecast in his speech of acceptance of the nomination for the governorship made on October 9, 1928, in which he said:

"The time has come for the definite establishment of the principle as a part of our fundamental law that the physical possession and development of State-owned water-power sites shall not pass from the hands of the people of the State."

After several weeks of careful study, Governor Roosevelt sent to the legislature, under date of March 12, 1929, a special message recommending the establishment of a commission to propose a plan of development of water-power resources on the St. Lawrence River. Accompanied by a proposed bill, the message stated concisely the nature of the problem and outlined his proposals for its solution. In this message he said:

"For a generation the need for power for industrial and domestic purposes has been steadily increasing, and during this period the ownership by the people of the State of New York of a vast potential source of energy in their portion of the waters of the St. Lawrence River has received increasing public attention.

"In the past the actual necessity for the development of this potential energy has not been wholly clear, but in more recent times the great preponderance of informed opinion recognizes the immediate need for action.

"The State owns or controls other much smaller water-power rights, but it seems to me best at this time to focus recommendations and public attention on the development of the St. Lawrence River.

"In making use of this potential energy on the St. Lawrence, owned by the people of the State, the objective of the problem is essentially this:

"1. The physical transforming of falling water into electrical current.

"2. The transmission and distribution of this current from the plant where it is developed to the industries and homes of the people of the State.

"As this St. Lawrence power source is the property of the people of the State, we can, I think, all agree to the principle that the actual energy therefrom should be, for all time, under the immediate control of the people of the State and should be transmitted and distributed to the people of the State at the lowest practical cost.

"Let me briefly develop these underlying principles. In the manner of the actual development of the St. Lawrence power, it is not enough that the ultimate title vest in the State. I hope there will be no difficulty in securing agreement that not only title but physical possession of the development should at all times vest in direct representatives of the people.

"At least of equal importance is the problem of transmission and distribution to the ultimate consumer. A mere development of power at a low production cost is insufficient unless at the same time we make certain that it is finally distributed to the ultimate consumer at a fair price, under which no individual or corporation involved in the business of transmitting or distributing will make more than a reasonable profit.

"Right there we are confronted with a double difficulty.

"First arises the question of who should do the transmitting and distributing of the power actually generated by representatives of the people of the State. I follow, I think, the opinion of my distinguished predecessor in saying that because of the complications involved the actual operation of a transmission or a distribution system in this field of activity should, if possible, with safety to the people, be undertaken by private enterprise, and that the State should undertake it only if private enterprise proves that it cannot, or will not, successfully carry out the task.

"In regard to the second point, involving the actual rates to be charged to consumers, we are confronted with what many believe to be ineffectiveness of the present rate-regulating powers of the public-service commission. When this commission was first created, about 25 years ago, the basic purpose was to provide fair rates based on fair return to private capital. It was recognized then that private capital entering the public-utility field would be distinguished from private capital entering wholly private fields of industry, in that the profit to a public-utility company would be limited, and sums earned over and above a fair return would be passed back to the consumer in the form of lower rates.

"Since that time a series of court decisions, especially in the Federal courts, have to a large extent nullified the protection originally intended for the consumer. Originally it was intended that fair earnings should be limited to the actual cash capital invested, but today it is notorious that because of court rulings involving replacement value, going value, so-called 'good-will', return on capital, and allowances for surplus, have made legally possible investment returns of as high as 50 percent or even 100 percent annually on the original investment.

"That is why in trying to treat this whole problem of development, transmission, and distribution of St. Lawrence power as a complete picture in the interests of the people of the State, I have sought a method by which we could avoid the rate regulating powers of the Public Service Commission, tied up as it is at the present time by Federal court rulings. I have, therefore, after consultation with many experts on the subject, come to the conclusion that the representatives or trustees who develop the power can enter into contract with transmitting and distributing companies, under which contracts a fair price to the consumer will be guaranteed, this price to make allowances only for a fair return to the companies on the actual capital invested in the transmitting and distributing of this particular power energy. It is a method which is frankly based on theory of contract rather than the theory of regulation.

"To meet this problem the Federal Power Commission has made special rules for setting up capital investment, limited wholly to actual cash, less property deduction for obsolescence depreciation, and the like. But in the Federal Government these rules are valuable in practice only in case the Government wishes to recapture a plant built under license from the Board. There is, however, no reason why the State of New York should not apply the principle of such rules for the purpose of making contracts for the transmission and distribution of its power. Those who have thoughtfully considered the matter see but one way to protect the consumer and to prevent the exploitation of our water power again; that is, by applying the principle of making the right to have power from the power station depend absolutely on a fixed maximum return on actual investment, with books kept in accordance with rules fixed and agreed upon in advance. This is one of the methods proposed in the House of Representatives for dealing with the Boulder Dam project. It is neither Republican nor Democratic in principle. It is just a sound business method used in the public interest.

"I want to reiterate that the St. Lawrence problem involves not only the actual development of the site or sites, but must be thought through to the legitimate end of guaranteeing to the consumer, after the power has been transmitted and is ready for distribution, a final price based only on a fair return on actual investment.

"Now, as to machinery. I have spent many hours and many days in a study of the mechanics of the problem. I am very certain that we have today in existence sufficient data and facts to justify the elimination of any further study as to mere physical feasibility. I have gone over volumes of carefully gathered information, including a comprehensive physical survey of the suggested site or sites on the St. Lawrence River made by the Frontier Power Co. Everything points to the practicability of building a dam. Furthermore, it is my judgment that no insuperable difficulty lies in the relationship between the State of New York on the one side and the United States Government or the Canadian Government on the other side. To appoint a mere commission to make inquiries would get us nowhere—unless we create a body with authority to make, subject to the approval of the legislature, definite agreements on the basis of a definite, carefully worked out plan.

"In the same way, a mere investigating body could get nowhere with conversations with the representatives of private capital in regard to transmission and distribution of power; whereas a body clothed with authority to negotiate with transmitters, distributors, and bankers, on the basis of a comprehensive and definite plan, stands an excellent chance of accomplishing results.

"I propose, therefore, the creation of a body of five representative citizens, regardless of political considerations, to be known as the "trustees of the water-power resources on the St. Lawrence River." It is my thought that these trustees should be composed of men in whom there is great public confidence, such as former Gov. Charles Evans Hughes and former Gov. Alfred E. Smith.

"In its inception these trustees would constitute a planning and negotiating commission, and would be charged with the duty of reporting a definite plan and a specific contract for the approval of the legislature on January 15, 1930. Before such a plan could go into effect it would require legislative approval. If and when approved by the legislature, the trustees would automatically be charged with the duty of carrying the plan into effect.

"These trustees would examine into the engineering phases of the problem and bring in figures as to the practicability and the cost, and would, of course, secure the aid of the best impartial experts available. They would confer with the various Federal authorities, with the International Joint Commission, and, through proper constitutional channels, with the Government of

Canada and its Provinces for the purpose of advising the legislature what definite steps should be taken by treaty, Federal legislation, or otherwise to secure complete cooperation. They would confer with representatives of existing or prospective distributors of electric power for the purpose of arranging by contract for the sale of St. Lawrence power to the ultimate consumer after allowing a fair and reasonable return on actual capital investment.

"In other words, I propose that the trustees should bring in a complete plan for the development of the State's water-power resources on the St. Lawrence and that this plan should conform to a definite statement of two basic principles which I believe to be the policy desired by a great majority of our citizens.

"These two basic principles are:

"(1) The natural water-power sites on the St. Lawrence now owned by the people of the State or hereafter to be recovered, shall remain forever inalienable to the people, and any dams or plants necessary to generate power shall be built, financed, owned, operated, and occupied by the trustees, as the duly constituted instrumentality of the State.

"(2) Power developed therefrom shall be transmitted and distributed, if possible, through the employment of private capital so as to secure adequate distribution throughout the State. This distribution, however, shall secure the lowest rates to consumers compatible with a fair and reasonable return on actual cash investment. The rates, in other words, shall be based on actual cash outlay; that is to say, operating expenses, capital outlay, representing money actually spent in plant investment and working capital, with reasonable allowance for obsolescence and depreciation, and a return on the investment not exceeding the interest actually paid on borrowed money and dividend rates not in excess of current rates on preferred stock, and not to exceed 8 percent on all other cash capital. In other words, the power generated by the agency of the State, called the trustees, shall be sold only on a contract basis which will take into definite consideration all the steps between the sale at the power house and the ultimate sale to the home owner or industrial establishment.

"I want to see something done. I want it done in accordance with sound public policy. I want hydroelectric power developed on the St. Lawrence, but I want the consumers to get the benefit of it when it is developed. They must not be left for their sole protection to existing methods of rate making by public service commissions. Are the business men of this State willing to transmit and distribute this latent water power on a fair return on their investment? If they are satisfied, here is their opportunity. If not, then the State may have to go into the transmission business itself. It cannot on the one hand let this power go to waste nor, on the other, be required to yield to anyone who would aim to exploit the State's resources for inordinate profit.

"We shall soon know whether or not such a contract can be made. If the trustees can make it, and it commends itself to the people of the State, then the legislature and I will approve of it, and we can go ahead. But if no such contract can be made, we shall know the reasons why and protect ourselves accordingly. I want to be in accord with sound business principles. I believe there are enough good business men in this State who see this problem as clearly as I do and will be glad to join with the State in this endeavor. I want to give to business this big opportunity to participate in a public service.

"If these proposals become law, we shall have the opportunity of ascertaining whether or not business and finance will accept this way of developing the State's resources for its industries, its commerce, and its homes. On the one hand is the policy of public ownership and control of our power sites, dams, and power plants, with private operation of transmission lines and distributing systems, allowing a fair return on actual cash capital investment. On the other side is one of two courses, either exploitation by private interests or else public ownership and operation not only of the site, the dam, and the power but of the transmission lines and distribution systems as well.

"Instead of asking an individual member of the senate or the assembly to introduce definite legislation in accordance with this message, I am appending hereto a suggested act carrying out the principles and the plan which I am advocating. I shall, of course, be glad to confer with any of the members or committees of your honorable bodies in regard to what I conceive to be a matter of the utmost importance to this State. I hope you will agree with me that this problem which has been so much discussed is now ripe for some form of definite action and that it is great enough to take it wholly away from the field of partisan politics."

The legislature, both houses of which were controlled by the opposite political party, failed to take action upon the proposed measure. Thereupon, on March 26, 1929, Governor Roosevelt sent a second special message calling for immediate action on his proposals. In this message he said:

"On March 12 last I transmitted to your honorable bodies a message on water power, with proposed legislation to carry out the recommendations of that message. I proposed therein the creation of a body of five representative citizens, regardless of political affiliations, to be known as the "trustees" of the water-power resources on the St. Lawrence River, and that these trustees should constitute a planning and negotiating committee charged with the duty of reporting a definite plan and specific contract for the approval of the legislature on January 15, 1930.

"Two weeks have now elapsed and there has been no action in regard to these recommendations by your honorable bodies. I must submit that some action should be taken for the development of these great water-power potentialities before the final adjournment of the legislature. I again urge upon your honorable bodies that you give consideration to my recommendations."

The 1929 session of the legislature ended without any action having been taken on this question. Although Governor Roosevelt had submitted the proposed legislation to carry out the plan, the Republican majority leaders of the legislature refused to introduce the bills and they were accordingly introduced by the Democratic minority leaders. The Republican leaders declined to permit the bills to be reported by the legislative committees for consideration by the legislature itself. Accordingly, Governor Roosevelt's party leaders moved to discharge the committees from further consideration so that the individual legislators might have an opportunity to express themselves on the matter. These motions were defeated by the Republican majority in both houses and the bills were thus allowed by them to die in committee.

Soon after the adjournment of the legislature, Governor Roosevelt in the first of a series of radio messages with which the people of New York, and later those of the entire Nation, were to become familiar, reported on the results of the legislative session. In this address, delivered on April 3, 1929, he discussed the St. Lawrence question in the following language:

"One of the major problems which is still confronting the State is the development of the valuable State-owned water-power resources. This issue has been in the forefront in several State campaigns. There have been differences of opinion as to the course which this development should take, but on one point nearly everyone is agreed, and that is that the ownership of these water-power sites should forever remain in the people of the State and that the electricity generated at these sites should be available for the use of all the people and for the development of our State industries at the lowest fair cost. The Republican platform declared for 'sound policies in the development of water power which will adequately protect the consumer.' Not a single move was made by the writers of the platform to put forward any program, sound or unsound, of water-power development, in this session of the legislature. The Republican majority seem to have lost all interest in this subject. In keeping with my pre-election promises, however, I submitted to the legislature a program which I believed to be a solution of this problem. The Republican leaders in the legislature put through a resolution for adjournment without even considering it."

Less than 2 weeks later Governor Roosevelt again reverted to the failure of his proposals for water-power development to pass the legislature. Speaking over the radio on April 10, 1929, he said:

"Having thanked the Republican leaders for their cooperation with me in my program and helping me achieve more for agriculture than has been done in the past 10 years, I am afraid I will have to lay on their doorstep the blame for the utter failure to do anything about the water power of our State, which has been one of the most important subjects demanding the attention of the legislature for years past. I will not go into the details of my vain attempt to get something done at this session, as I will speak about it many times in the future. Not only was the plan which I proposed, after many conferences with those best qualified to judge of what was a practical way to utilize our water-power resources and still retain the ownership and the control in the State and secure electricity at the lowest possible cost for our people, strangled in committee by the Republican leaders, but no attempt of any kind was made on their part to introduce any legislation on the subject whatever, and this in spite of their own platform.

"I trust before the legislature meets again the people of the State will have made their opinion of this cynical indifference to their demands for a constructive water-power development program so clear as to assure action in 1930."

During the summer of 1929 Governor Roosevelt made a detailed inspection of the St. Lawrence River, particularly in the international section, and conferred with Canadian and American authorities on the proper means of development of both power and navigation.

GOV. FRANKLIN D. ROOSEVELT AND THE ST. LAWRENCE RIVER PROJECT FOR THE YEAR 1930

On the 1st day of January 1930 Governor Roosevelt, beginning the second year of his term, delivered his annual message to the legislature, renewing his proposal for the development of the St. Lawrence in the following language:

"Last year after much study I made to the legislature a definite proposal for the long-delayed development of the State-owned water power of the St. Lawrence River. This was deliberately pigeonholed.

"I now renew my recommendation of last year. It was based on a simple declaration of principle—that the ownership, development, and operation of the St. Lawrence power resources remain forever in the actual possession of the people of the State or of an agency created by them, and that the electricity so generated be sold to distributors by contract upon a basis to insure a fair and reasonable rate to the consumer, especially the household user.

"At the same time I thought it advisable that the State agency should at least provide the financing of and retain the fee to any system of State-wide transmission of electricity made necessary by the new power development. As a mere matter of saving in interest rates alone this would reduce the cost of electricity many millions of dollars each year, for the consumer, of course, pays the interest and dividend charges on the project.

"Let us stop once and for all the silly talk that the electricity available by developing the St. Lawrence is not needed or not usable in a practical way. We know that private companies are only too eager to proceed if the State were to abandon its rights.

"Let us establish the policy, and ask the proposed trustees to submit to the next legislature a practical plan based on that policy. If they find a plan and it commends itself to the legislature, let them proceed full steam ahead.

"It is becoming more and more clear, that the families of this State, whether they live in the cities, in the villages, or on the farms, have been paying too much for their electricity, and are therefore not in a position to use to a proper degree the many labor-saving devices of modern invention. Furthermore, rates between different localities show much too great variance, and rural installations are in many cases prohibitive.

"Whether mere regulation of electric utilities in the future can be made more successful than it has proved in the past remains a serious question. In the meantime the development of the great State-owned natural resources offers a definite method of relief."

During the first few days of this session of the legislature the Republican majority leaders introduced bills, similar in intent and scope to those proposed in the preceding year by Governor Roosevelt, to declare the policy of the State with regard to the St. Lawrence resources and to set up a commission to propose a plan for development.

The following day Governor Roosevelt issued a statement hailing the opportunity for reaching a settlement on this contested question. In this statement, dated January 14, 1930, he said:

"I hope and believe that yesterday will go down into the history of our State as a red-letter day. The water power bill introduced in the legislature, while requiring certain changes to clarify it, is of such outstanding importance that every man, woman, and child in the State who uses electricity has cause to rejoice.

"The bill ends a controversy over a great principle which began more than 20 years ago and has been acutely argued during each 1 of the past 10 years.

"The bill introduced last night is of far greater importance than merely the removal of this great subject from the field of temporary politics, for it represents a definite approval of what the majority of people in this State have been striving for regardless of party lines—a sincere effort on the part of the State to develop, through a State agency, the great electric power of the St. Lawrence River.

"On the one side, a powerful group has insisted that the State-owned water power be developed by private corporations or leased to them for generations, relying for protection of the public consumers wholly on public-service commission regulation. On the other side, what is, I believe, an overwhelming public sentiment has insisted that the State retain constant control of its great electric-power resources, develop it, and sell the electricity by contract, in such a way that the consuming public will be assured of cheap lighting and power.

"The issue has been beclouded and befogged from time to time by efforts to magnify mere details and to take away public interest by the cry of 'politics', and the seeking of partisan advantage. In spite of this the big principle has remained the same and a deadlock has existed between what has been clearly and definitely two schools of thought.

"Now, at last, the deadlock is broken. Last night's bill is a definite recognition of the principle for which my school of thought has striven so long.

"I had asked for practical legislation, on broad lines, as follows:

"1. The creation of a board of trustees to bring in a plan. This is given by the bill with the change of the word 'trustees' to 'commissioners.'

"2. These trustees (or commissioners) to bring in a plan for development of the St. Lawrence by a State agency. This is directed by the bill.

"3. The sale of electricity for consumers' use by the contract method. This is directed by the bill.

"4. A report on this plan to the legislature for approval or rejection. This is directed by the bill.

"5. If accepted by the legislature, the creation of permanent trustees to carry out the plan. This is completely set up by the bill.

"I am feeling very happy that the great principles involved are recognized by this proposed legislation, and if it is passed by the legislature I shall, of course, do everything in my power to further the practical working out of a plan based on the principle.

"Let me repeat that the furtherance of the fundamental principle involved marks the greatest step forward which has been taken by any State in the Union in the solution of the much-controverted power problem. It will mark a wholly new phase of the providing of electricity to the homes of the people at low rates."

Governor Roosevelt, attending a dinner of the State Bar Association in New York City on January 18, 1930, devoted his entire address to a thorough discussion of the proposed legislation and a detailed recital of the conflict of principle which had prevented the formulation of a comprehensive water-power policy. He said:

"I want to outline to you tonight a subject which, on its face, is not confined to the interest of the legal profession. You, however, with the other citizens of the State, have read of the proposal made a few days ago by legislative leaders which makes possible the termination of a 10-year deadlock on the subject of the development of State-owned water power.

"That the future of the great public utility known as electricity must be of some interest to the legal profession may be illustrated by an experience I had last year in seeking to find an appointee to the public service commission from a certain district in this State.

"In evolving a list of names of approximately 50 lawyers of real standing in their profession in this district, I came, on investigation, to the discovery that every one of these gentlemen was in some shape, manner, or form the legal representative of some utility company or some utility interest. I do not mention this as being derogatory to the fitness of the lawyers as a whole to represent the public interest in this particular field, but merely as an illustration of the fact that the legal profession is very much concerned with the general problems of the development of utilities.

"It is interesting also that during the past 5 days I have discussed with at least 100 people the new proposal for the development of the St. Lawrence power and only one of these individuals had even read the proposed law. All of the other 99 had based their opinions either on the statements of political leaders or on the accounts which they had read in the public press.

"May I, therefore, present to you as a 'brief' a short account of just what has happened in the past and just what is proposed for the future?

"More than 20 years ago certain far-seeing gentlemen applied to the legislature for a State franchise to develop the water power on the St. Lawrence River in what is known as the 'international section' at the Long Sault Rapids. That these gentlemen asked for a legislative charter was proof conclusive that the State has a very definite interest in the property. This charter was granted by the legislature, but a few years later, with the growing knowledge of what the legislature had given away without compensation to the State, another legislature repealed the charter and every right that it conferred.

"For a number of years there was no open effort on the part of private companies or of the State to develop the latent water power of the St. Lawrence. Gradually, however, an issue was joined between two schools of economic and social thought, the one holding that the development of electricity should be undertaken wholly by private capital, the other holding that this great natural resource was of such tremendous importance to the future population of the State that its constant control should never pass from the hands of the State.

"The next step was the passage of a water power act by which certain State officials were given the right to lease the State power properties, and very soon an application was made by the Frontier Power Co. for a lease of the St. Lawrence rights for a term of 50 years. This in itself seemed to be in the nature of a compromise offer by those who had hitherto been willing to have the State actually sell its rights. This school was willing to admit that the ultimate fee of the title should remain in the State but at the same time insisted that the fee could be leased for long periods of time extending into the dim, distant future. As you all know, the effort to obtain this long-term lease was blocked by my predecessor not only on the technical ground that the lease actually proposed was illegal but on the broader ground that it was contrary to a sound public policy.

"For a number of years the two schools of thought remained at complete loggerheads. One, represented by the Republican Party and Republican platforms, was willing to grant leases for all of the State's rights and properties for long periods though admitting that the nominal ownership should rest in the State. The other school of thought, represented by the Democratic Party and its platforms, asked for the actual physical development of the electrical energy on the St. Lawrence through a State agency and the retaining of the physical manufacture of electricity, and possibly its transmission, in the hands of the State agency at all times. This was the situation when I took office a year ago.

"The next step, and the one which has brought the question finally to a head, was the definite proposal of a law which I submitted in March to the legislature of 1929.

"The principles of this plan can best be explained by comparing its purpose with the bill introduced last Monday in the legislature of 1930. By so doing we can arrive at a wholly fair estimate of what the new legislative offer actually is.

"1. The title of the new bill is in itself important, for it is called, 'An act to declare the policy of the State in respect to its water-power resources, and to provide for the appointment by the Governor of a commission.'

"Please note that the title itself sets up a policy.

"2. Section 1 of the bill is in very definite terms the enunciation of the policy called for by the title to the act, and because it uses the identical language, word for word, with the language of my bill of 1929, I hope that every citizen of this State will read it. It is as follows:

"The natural water-power sites in, upon, or adjacent to the St. Lawrence River, owned or controlled by the people, or which may hereafter be recovered by them or come within their ownership and control, shall remain inalienable to, and ownership and control shall remain always vested in the people."

"It is a simple fact that this key clause has been incorporated in identical language without the changing of a letter or a syllable taken directly from my bill of last year. In this fact lies the justification for the simple, unequivocal statement that this new bill of 1930 is a complete conversion to my policy on the part of the legislative leaders, and is an acceptance of the principle for which I have fought so long.

"3. The new bill in section 2 directs the Governor to appoint five commissioners to bring in a plan or plans. It calls these five gentlemen 'commissioners' instead of 'trustees' as I had suggested, and removes the requirement of the consent of the Senate to their appointment.

"4. The third section of the new bill covers the scope of the inquiry and is in purpose and language substantially similar to the corresponding part of last year's bill. This section has the addition of a new sentence which states that in the event that the commissioners determine that the development by the State, through a State agency, is not feasible or practicable, they shall determine whether an alternative for development or distribution of power would be more beneficial, and shall report such an alternative plan. It is, of course, obvious to any reasonable person that I could have no objection to this sentence, for, as a matter of fact, there was nothing to have prevented the commissioners suggested under my plan last year from stating perfectly frankly that they could not bring in a feasible State agency plan, or from suggesting an alternative plan or plans.

"5. The fourth section of the new bill relates to a technical superseding of prior provisions of law and is identical in language with last year's bill.

"6. The fifth section of the new bill is identical with my bill of last year, except that it appropriates $200,000 instead of $100,000.

"7. The next four sections of the new bill are of the utmost importance because they bear directly on the declaration of policy in the first section of the bill. These last four sections constitute a tentative setting up of an instrumentality of the State, a body corporate and politic to be known as the 'trustees of the water-power resources on the St. Lawrence River.'

"In my bill the language set up this State agency immediately, but my bill provided, of course, that any actual work of electrical development by this State agency should be dependent upon ratification by the following legislature of any plan proposed. In other words, I set up the agency but made it impossible for them to start any construction work until the legislature had given its approval. The new bill merely puts this in different language, saying:

"'If a development by a State authority is recommended in a plan which is approved by the legislature, it shall be a corporate municipal instrumentality of the State known as the trustees of the water-power resources on the St. Lawrence River.'

"From there on, the new bill is identical in principle and practically identical in language with the bill of last year, conferring upon the proposed trustees of the water-power resources the essential duty, rights, and legal authority to carry on their work of actual engineering, construction, financing, and sale of power.

"It is true that the new bill omits a number of sections of last year's bill which were intended to clarify and simplify the work of the proposed commissioners and make their task more simple. Most of the provisions which have been omitted relate to details, but I call your attention at this time to the omission of one declaration of purpose which I believe to be of importance and which I see no reason to leave out in any statement of policy. I refer to the following paragraph of last year's bill which has been omitted this year. It reads as follows:

"'The development of the said power sites and the generation, transmission, and distribution of power therefrom shall be made in such manner and on such terms as to assure fair and impartial treatment of all consumers at the lowest rates compatible with a fair and reasonable return on the actual cost thereof.'

"Let the people of this State read and reread that paragraph. I hope they will. Let them ask the simple question: Does that paragraph state fairly and clearly the purpose of the development of the State's electrical resources? Why it was omitted I do not know. I am certain that the people of this State will agree with me that this paragraph should be put back into the present bill, for it carries with it a simple truth, a simple expectation, and a clear direction to the commissioners that the power must be developed primarily for the good of the consumers and at fair and impartial rates. It will be difficult for any person to defend the omission of this simple statement from any bill.

"I shall be interested in knowing what valid reason can possibly be advanced for the omission of this important principle.

"Such is the summary of the language and the principles of the new bill which opens a new era for the industries and the homes of the people of the State of New York. Let me briefly recapitulate:

"First. The bill accepts, word for word, the same paragraph of State policy which I asked for last year.

"Second. The bill creates a body of five citizens whose primary duty shall be to bring in a workable plan based on that policy.

"Third. The bill sets up a permanent State agency which will begin to function in the actual work of the development of electrical power just as soon as a succeeding legislature has approved of the plan submitted.

"This does not differ in any essential of basic principle from what so many citizens of the State have demanded in the past.

"The important duty of every citizen of the State—lawyers, business men, the press, the agricultural interests, and the average 'man in the street'—is from now on to work whole-heartedly for the carrying out of the proposed policy and the plan which, I am confident, will result therefrom. This is not the time for us to pay heed to carping objections as to detail; to monkey wrenches which some people may try to throw into the machinery; to the magnifying of difficulties which can be surmounted if we have the will to surmount them. I am confident that the great majority of citizens of the State want to see something done, believe that it is practicable to work out a State agency method of development of our great natural electrical resources in such a way that the control of these resources will never pass from the ownership of the State itself."

In a radio address from Albany, delivered on February 3, 1930, Governor Roosevelt continued to arouse popular interest in the pending water power bill. In this speech he said:

"Since the legislature met on January 1, two very important matters which affect most of the homes of the State, whether they be in cities or in country districts, have developed. The first is the offer on the part of the Republican legislative leaders to pass a measure which I hope will prove the first step in the development of the State-owned potential electric power on the St. Lawrence River. The proposed bill authorizes me to appoint a commission of five members who will be charged with the duty of trying to bring in a plan based on the development of this electric power by a State agency or trustees. The bill provides for the setting up of public trustees to carry out the work, if and when a plan is brought in next winter and approved by the next legislature. The bill also recognizes the principle of selling the electricity when developed by contract rather than allowing it to be distributed by electric-light companies under the old system of mere regulation by the public service commission. I hope that this is the first step in obtaining a definite reduction of rates, especially for the householders of this State. The monthly electric-light bill in the average home is becoming a more and more important item in the household expenses and it is incumbent on all of us to see that the rates are kept down to the lowest possible level, in order that we may encourage the use in the average family of more and more electric labor-saving devices. We are, for instance, far behind our neighbors in Ontario in the use of household electricity for a multiplicity of purposes."

It will be of interest to note that Governor Roosevelt was fully aware during this entire period, of the necessity of making adequate provision for deeper navigation facilities in the river.

In letters to the sponsors of the bills in both houses of the legislature, dated February 11, 1930, Governor Roosevelt made what he termed "a personal suggestion" for clarifying the proposed legislation. He wrote:

"There is no clause in the bill relating to the broad objective of the development of the St. Lawrence resources. Last year one of the bills contained the following clause:

"'The development of the said power sites and the generation, transmission, and distribution of power therefrom shall be made in such manner and on such terms as to assure fair and impartial treatment of all consumers at the lowest rates compatible with a fair and reasonable return on the actual cost thereof.'

"It seems to me that something along this line would be a very good thing to add to the present bill.

"Furthermore, I am told that in taking up the question with the Federal authorities, the proposed commissioners would be greatly helped if there could be some clause in the bill stating that any plan for the power development on the St. Lawrence should provide for all present or future navigational uses of the river."

As a result of this suggestion, the bills were amended in such a way as to make certain that due consideration would be given to the navigation features in any improvement of the St. Lawrence.

Finally, after many exchanges of opinion and conferences between the Governor and the legislative leaders of both parties, and forthright appeals to public opinion on the part of the Governor, the legislature passed the St. Lawrence bill on March 25, 1930.

On the following night in a radio address from Albany, Governor Roosevelt made the following references to the passage of the bill:

"Yesterday, I am glad to say, that the bill which I consider may in the future be the outstanding accomplishment of this legislature, was passed. This is the bill to take the first step toward the development of the State-owned electric power resources of the St. Lawrence River. When the smoke and dust of partisan speeches clear away, the people of this State will realize a simple fact.

"This fact is that the legislature has after many years of delay, opposition, and muddying of the waters authorized the Governor to appoint five commissioners or trustees who are charged with the primary duty of trying to bring in a definite plan based on a definite policy. The policy is that a direct agency of the State, to be known as the 'Trustees of the St. Lawrence Water Power,' shall build a dam, generate the electricity, and see that it is sold to the consumer at the lowest possible rate. That is the plain English of the policy, and within the next few weeks I shall appoint the five commissioners. I certainly hope and am very confident that their efforts during this summer and autumn will result in a practical plan under this policy, so that at least the people will get cheaper electric light and power in their homes."

Governor Roosevelt signed the bills on March 29, 1930, 4 days after its passage, and on this occasion he again set forth in the most concise fashion the principles at stake, reviewing also the long struggle of the people to retain control of the great natural resources which belonged to them.

This statement and review, which immediately attracted widespread attention, was as follows:

"The power of public opinion once aroused was never better exemplified than by the final passage of the so-called 'Water Power Commission Act' which I have just had the pleasure and honor of signing. It is a milestone marking the end of a 20-year

struggle against great odds, for it takes the first step toward securing cheaper electric light and power. But like all milestones on the road to progress, it is a milestone only and not a terminal. Even greater vigilance will be required on the part of the public to make sure that this progress is not halted by those who have so long successfully blocked all attempts to give back to the people the water power which is theirs. In this bill we have started a right policy and a right outlook toward the use of the vast electrical resources of the St. Lawrence.

"So long as men used our waterfalls and streams only to grind their neighbors' corn or to turn the wheels of primitive manufactures, the public at large had no particular interest beyond seeing that the rights in the running water of one individual or one manufacturer were not interfered with by other individuals or other manufacturers. It was purely a question of the protection of individual rights in which the public generally had no immediate interest. With the sudden development of this new giant, electricity, however, the situation was entirely changed. It is no longer a case of mills along the river banks but of light and power which can be carried along a slender wire into the homes of every citizen. The creation and distribution of this new energy becomes a matter of vital importance to everyone of us. This change in conditions came about very swiftly, in fact, before we had time to think very clearly what to do about it, and we have been operating under laws and theories of ownership devised to meet the old grist mill on the creek conditions. Quick-witted people took advantage of this to secure a virtual monopoly of many of our great natural water-power resources and, except for the Niagara Gorge, the only single unit of major importance still awaiting development, lies in a single stretch of turbulent water along the St. Lawrence Rapids.

"The people of this State owe a debt of gratitude to Governor Smith as the first executive to see what had been quietly going on and to sound the first note of warning. An attempt to secure for their personal advantage this St. Lawrence power under a lease so long as almost to assure that eventually it would become perpetual, was defeated by him with courage and firmness after a struggle which aroused the entire State to the necessity of preventing similar attempts.

"It has been my good fortune to carry this fight one step further. My predecessor stopped the progress of water-power development for private gain. I hope I have been of some assistance in directing this progress along lines of perpetual public ownership and development of that electricity under conditions which will insure the cheapest possible light and power.

"The history of this long struggle is well known. Twenty years ago a State franchise was requested to develop water power on the St. Lawrence at the Long Sault Rapids. The applicants were astute enough to realize that this was, after all, the State's water power and that they must obtain a charter from the State before proceeding further. This charter was granted, but a sudden awakening on the part of the people to the fact that they had sold their birthright, or rather given it away, as no compensation whatever was offered, resulted in the charter being repealed a few years later. The growing belief on the part of the people that the constant control of this power should never pass from the hands of the State as opposed to those who insisted that the development of electricity was entirely a matter of private capital, blocked an attempt 20 years later to obtain the 50-year lease asked for by the Frontier Power Co. Under a Democratic Governor, the party which he represented became the champions for State control and eventually the actual physical development of State water power. A few powerful leaders in the Republican party lined up that organization, at least so far as the legislature was concerned, in favor of granting practically perpetual leases of the State's rights conceding only that nominal ownership should rest in the State. When I assumed office there was apparently a hopeless deadlock on this vital question which made all development progress impossible. Last year, I first submitted a policy which is practically embodied in the act which I have just signed. It remained, however, for this year's legislature to become finally convinced that public opinion demanded that this policy should be adopted. I am grateful, and the people of the entire State should be equally grateful, to the legislative majority leaders for thus finally acquiescing in the demands of the people of the State.

"What this bill actually does cannot be better summarized than in the title which is given in the act itself. This reads:

"'An act to declare the policy of the State in repect to its water-power resources, to provide for the appointment by the Governor of a commission to devise and report a plan or plans for the development of hydroelectric power on the St. Lawrence River and to effectuate such plan or plans when so reported and approved by the legislature and making an appropriation for the purposes of the act.'

"First of all, it declares a policy in respect of the water-power resources on the St. Lawrence still owned or controlled by the people, or which may be hereafter recovered by them. These sites, it is declared, 'shall remain inalienable to and ownership and control shall remain always vested in the people.' Five commissioners are next appointed to study and report plans for the developments and a form of contract for the sale of hydroelectric power developed at the St. Lawrence site. The broadest powers are given this board and the sum of $200,000 is appropriated in order that they may study with the aid of the best engineering advice possible the practical problems as well as financial and legal questions. They are to bring in before January 15 not only a comprehensive plan for the development and operation of the water-power resources of the State on the St. Lawrence by the trustees themselves, but also tentative forms of contracts containing the terms and conditions upon which they find it practical and feasible to sell the power, whether for machinery or for lighting, to be generated from such development. The plan is not to be a theory but a practical method of going about it, including financing and the cost not only of construction but the operation of State power houses. They must also include a plan by which this power is to be sold, and they are not limited as to whether this shall be sold to private companies, to municipalities, or directly to consumers. That is a question for them to determine. Only if after the fullest and fairest investigation they find such technical objections as to make the manufacture or distribution of power by the State not possible or practicable shall they then turn to the consideration of any other method of translating the State's water power into electrical energy. If they find—and I feel certain that they will find—a proper plan based on this policy, and if the legislature—and in selecting future legislatures this must never be forgotten—is in sympathy with the policy now declared to be the policy of the State and find their plan practicable, trustees, as a body corporate, perpetual in duration, under the title of trustees of the water-power resources of the St. Lawrence, are then to proceed at once with full authority to put the plan into effect. For this purpose they are given the broadest and fullest powers of construction, condemnation, and operation, not only of power houses but of any other instrumentalities or the things incidental to or connected with the development and sale of hydroelectric power at the site over which it has jurisdiction, and generally to make contracts and do such things as may be necessary and convenient to carry out the purposes of the act. But one restriction is laid upon them, and this is a most important one, because it declares the general policy of the State. This restriction reads as follows: 'Provided that the natural water-power resources of the State held or controlled by the trustees and the property incidental to the development and operation thereof held or controlled by them shall remain forever inalienable as property held in trust by the State to be owned and controlled solely by the State or a public agency thereof.'

"All this is now a law of the State of New York. We have started along the right way."

After the close of the legislative session of 1930, Governor Roosevelt, in a radio address on April 12, 1930, referred to the problem of water-power development as follows:

"Likewise, after many years of unceasing efforts the people have at last won assurance that the State-owned electric power resources on the St. Lawrence will be developed by the State in the interest of all the people. Here again, public development of water power was blocked by selfish interests which dominated the other party until the people as a whole became so insistent the legislature was forced to recognize their voice. As a result, I am shortly to appoint a commission which will prepare a plan for public development for submission to the next legislature."

On the same day Governor Roosevelt, reviewing the record of the legislative session, cited the following:

"The 20-year struggle for the development of the St. Lawrence, with the objective of cheap electricity for our homes, resulted in a complete victory for this great fundamental principle."

In another radio address from Albany on April 23, 1930, devoted to a discussion of public utilities, Governor Roosevelt said:

"When history is written the legislature of 1930 will always be remembered as having taken one great step and opened the door toward another great step.

"The first was the passage of the law authorizing me to appoint a commission to use every effort to bring in a plan for the development of our electrical resources on the St. Lawrence under a State agency, rather than by a private corporation. I have spoken several times before of the details of and reasons for this important State policy, and I refer to it tonight only because it has a somewhat close bearing on the general subject of cheaper electric light in our homes, and I hope that you will bear the fact of the St. Lawrence policy in mind when you discuss the even broader subject of the State's general policy toward what is known as public utilities."

In this same address Governor Roosevelt touched on the necessity for legislation giving municipalities the right to set up a yardstick in the electrical field through the medium of municipally owned and operated utility services. In this connection he said:

"There are two methods of restoring reasonable rates for electricity and telephones in this State, and I say advisedly that I consider the rates charged to householders for these commodities are today too high. Unless we act definitely and promptly they are going even higher. One of these methods is to allow and restore competition either by encouraging new companies to enter the field or by setting up at least as a yardstick more municipally operated companies, especially in the electrical field.

"I think it is an established fact that those municipalities in the United States which have their own municipally owned companies providing the light and power for their citizens give just as good service and much lower rates than in almost any of the privately owned companies. The yardstick of municipal operation is the question of success. Almost all of the municipally owned companies are successful today, and the yardstick which they have furnished us proves that the rates of most of the privately owned electric companies are too high."

In an address before the Democratic State committee in Albany on June 17, 1930, Governor Roosevelt said:

"First, on the subject of water power, an economic and political contest lasting 20 long years has terminated in a way which I

am confident will bring tangible benefits to every household throughout the State of New York in the years to come. The principal of State development of State-owned resources for the primary benefit of the consuming public has at last been acceded to by the legislature. There is no doubt in my mind that the people of this State understand and will continue to support this basic principle which will prevent private exploitation of public property. The soundness of the Democratic position maintained year after year at last has been accepted."

Governor Roosevelt was renominated in September 1930 and in his acceptance speech at the National Democratic Club in New York City on October 3, 1930, he referred to certain points in his speech of acceptance 2 years earlier, in the following language:

"I advocated a definite program for the development of the vast water-power resources of the State under constant governmental control and possession. The capitulation of the Republican leaders in response to public pressure is still fresh in our minds. One of the great issues this autumn is whether this great policy shall be maintained and carried through or whether the State will revert, either openly or by hidden means, to private ownership."

The campaign for re-election led Governor Roosevelt to many utterances with regard to the St. Lawrence water-power problem. In a radio address at Albany on October 13, 1930, he was discussing the record of the opposing candidate for the governorship and said:

"There is another subject on which that gentleman is also silent and apparently intends to remain so, even though last week he was speaking in the counties that adjoin the great water powers of the St. Lawrence River. I refer to that household necessity which is used by a great majority of people in the State—electricity in the home.

"People who are rich or moderately well off think of their monthly electric-light bill as a comparatively small item against their total income. People who pay ten or fifteen or twenty dollars a month for their electric light are not greatly concerned with the question of rates, but, on the other hand, people who have to think about the pennies are very much concerned as to whether their electric light costs a dollar a month or $5 a month, for the difference of $4 a month amounts to $48 a year. Let us not forget the fact that at least 90 percent of the people in this State have to think about the pennies. Remember it is less than 10 percent of our people who do not have to bother about the size of milk, electricity, and telephone bills. In which class do you belong?

"Therein lies the great fundamental question as to whether in the matter of electricity the 90 percent of users in this State are paying a reasonable rate.

"It is notorious that during the past 20 years, and especially during the past 10 years, many utility companies have doubled and quadrupled their capital and effected merger after merger, and that while this was done, supposedly in the interest of economy of operation, our telephone and electric-light bills were not coming down. As against this, it is a definite fact, for example, that electric-light bills have come down in many other places, both in the United States and in Canada.

"Here, for instance, are some comparisons of the actual electric-light bills in some cities of the State as compared with cities of the same size just across our own borders in Ontario. These are based on the householder who uses 50 kilowatt-hours a month, an amount slightly above that used by the average householder in our State. These 50 kilowatts will provide, for example, merely lights and an iron and a toaster. In Albany the monthly bill is $2.85, whereas in Ottawa with the same population it is 99 cents. In Auburn, N.Y., it is $4, whereas in Windsor, Ontario, with the same population it is $1.42. In Buffalo it is $2.03, but in Toronto, Ontario, it is 99 cents. In Binghamton it is $3.60, and in London, Ontario, with the same population it is $1.20. In Rochester it is $3.25, as against the Toronto rate of 99 cents. In Utica it is $3.25, whereas in Hamilton, Ontario, it is $1.20. In New York City the rate runs from $3.50 to $4, whereas the big-city rate in Toronto is only 99 cents.

"I could go on and give you the rates for every city in this State, but the general figures are absolutely on a par with the above, showing that the rates charged by the private utility companies in this State are double or three or four or five times as much as the citizens of Ontario pay. I wish to call your attention to the fact that the rates I have been speaking about are for the barest electrical necessities. It is my wish and ambition to see every housewife in New York State supplied with all the electrical appliances and devices which relieve the burdens of the household.

"I would like to see her have for her use an electric ice box, an electric range, an electric vacuum cleaner, an electric radio, a dish washer, clothes washer, fan, warming pan, waffle iron, and chafing dish, all run by electricity. In this way the housewives of this State will be able to have more leisure and be relieved from household drudgery. It is scientifically estimated that such a houshold would require 285 kilowatt-hours a month, and the Canadian housewife is able to purchase these 285 kilowatts for what our New York housewife has to pay for practically lights alone. In Canada the housewife pays about $3.32 a month for a complete electrical kitchen and household. In New York City such a household would cost about $19.95 a month. In New Rochelle or Mount Vernon the cost of this would be $25.63 per month; in Binghamton $11.15 per month; in Plattsburg $18.15 per month; in Albany $9.90 per month. What is the reason for this wide discrepancy in rates? It is very simple. There is nothing mysterious about it. In Ontario the government itself develops electricity from its water power and delivers it to its citizens at practically cost. Here in New York we have not been so sensible. We have permitted private corporations to monopolize the electrical industry and sell it at the highest rates they could obtain. Of course, they have tried to make as much profit as they could and the result has been this wide difference in rates. My predecessor and I have tried to get the State of New York to follow the example of Ontario. We have for years tried to get the legislature to agree to do this. Each year it was blocked by the Republican leaders at the insistence of the electrical companies. The Republican leaders not only were friendly to the electric corporations, but it is a matter of common knowledge that some of the most influential Republican leaders in this State are tremendous stockholders and directors in electric utilities. Finally, this year, I, with the assistance of public opinion, compelled the Republican legislature to authorize the study by a commission appointed by me of a plan to get electrical rates down near the Canadian rates by the development of our water-power resources. This commission is now at work. I personally have been to the St. Lawrence River with them and inspected those vast resources which I hope will ultimately permit the housewives of this State to have the benefit of cheap electricity in the homes.

"Do not let the political tactics of any political candidates deceive you as to what the paramount issues of this campaign are. Do not forget that this year is the crucial year in the determination of whether our water-power resources will be developed by a State agency for the benefit of the citizens of the State or by private corporations for their own benefit. The commission to bring in a definite plan is now at work. If the Republican candidate is elected, there can be no question in any sane person's mind as to what that determination by the legislature will be. All the Republican leaders who nominated the Republican candidate are committed to development by private corporations. Cheaper electricity in the home must of necessity depend upon development by a public agency under the plan advocated by Governor Smith and myself."

Opening his campaign tour in Binghamton, Governor Roosevelt referred to St. Lawrence power, in a speech given on October 18, 1930, in the following language:

"Later on in the campaign I shall speak more fully of the great question of water-power development and of cheaper electric light for the homes of the State. I mention this subject at this time only to emphasize that it is closely tied to the interests of the housewives of the State. Let me stress this thought. Electric power for the use of industries in almost every part of the State—in other words, the great factories and industrial establishments which use bulk power in great quantities—is being sold at a fairly reasonable rate, a rate in fact which compares favorably with the other parts of the country. The basic reason for this cheap power for industrial operations is the old fact of competition. In other words, if the electrical companies did not give cheap electric power, these great factories would generate their own power and might even try to sell the surplus. Therefore, we have the actual fact of potential competition, and the rates stay down.

"On the other hand, there is no competition when it comes to electric light for the home. It would be uneconomic for an individual householder to try to generate his own electricity. There is no competition in this service and in practically every locality there is an effective monopoly. That is why I am so keenly interested in the prospective development of the St. Lawrence. If this is done, in our State as in Canada at the present time, we shall have, I am confident, much cheaper electricity in the home. This means the release of women from the drudgery of housework. It means that they will have the benefit of electric lights, and of an electric refrigerator, an electric range, electric vacuum cleaner, electric radio, dish washer, clothes washer, and other household appliances all run by electricity. And it means that with this increase in use the cost of these household articles will decrease materially.

"Just in passing let me mention that the household electric light rate here for the average family in Binghamton for 35 kilowatt-hours is $3 per month; that a woman in Canada can have a complete electric kitchen for $3.40 a month, whereas here in Binghamton that same electrified kitchen for an average family would cost $11.15 a month.

"I ask you this very simple question: Do you honestly think that if a Republican governor and a Republican legislature control things in Albany during the next 2 years they will carry through this comprehensive plan which my administration has initiated, a plan looking definitely toward cheaper electricity in the home? I need not remind you that for 20 years the Republican Party has consistently fought for the leasing of the water-power resources of the State to private corporations. I need not point out to you that the leaders of the Republican Party, who dictated this policy of private exploitation, are still in the saddle. The situation is too obvious to deceive the voters of the State. These same leaders—many of them are interested personally and financially in the leading utility and power companies of the State—corporations which have almost a monopoly on the production and sale of electricity. If they could get possession of the water-power resources of the St. Lawrence River by any means, they would not hesitate to do so. The means they are now pursuing is to endeavor to befog this big issue of water power by uttering pious words about the inalienable rights of the people in their water powers. How does that agree with the willingness of these leaders

to keep the fee in the people of the State, perhaps, but to lease the water powers to private corporations for so many decades to come that you and I and our children and grandchildren will all be dead before the leases could ever come to an end? What good does it do to retain a mere legal title to the St. Lawrence if we lease out the benefits for 99 years?

"I am sure that the women of the State, particularly, will not be deceived. They are the ones chiefly interested in cheaper electricity in the home."

Perhaps the most important single speech of this campaign was the one delivered by Governor Roosevelt in Syracuse on October 22, 1930, which he devoted entirely to a cogent argument for development of the State's water-power resources by a public agency for the public benefit. This speech follows:

"I want to talk to you tonight on a subject which I deem of paramount importance to the State, but on which the Republican Party this fall cannot point to their record with great pride. It has been a matter of controversy for many years in this State. It has been discussed at length in practically every gubernatorial election in the last 10 years in this State. It has been referred to in this campaign as one of the dominant issues. Apparently, however, so far as possible, the strategy of the Republican campaign seems to be to talk as little as possible about the subject. I refer to the question of the development of the water-power resources of the State by a public agency for the public benefit.

"I am trying in this campaign to bring this subject as close to the homes of the voters as I can. I am trying to point out to our citizens how the development of electricity by the State will directly affect and benefit them in their daily lives.

"While it is true that industry, and particularly manufacturers, have for years enjoyed the benefits and advantages of electricity, it is equally true that the average small consumer in his home is just beginning to realize how important it is for him to obtain not just electricity but cheap electricity in his home. It was clearly brought out before the commission on revision of the public service commission law why the power companies were willing to sell cheap electricity to big industrial consumers. It was because a large manufacturing corporation could produce its own power very cheaply and the utility companies were compelled to sell electricity at low rates in order to prevent these large corporations from setting up their own plants and producing their own electric power. In other words, the competitive principle protects the corporations against exorbitant rates, whereas the private home owner is compelled to buy from a monopoly because he could not under any circumstances produce his own electricity.

"We all know that the great magic of electricity was originally used for lighting purposes only. It then spread to the factory for industrial uses. Now, however, the time has come when electricity should be carried right into our very homes so as to lighten the drudgery of housekeeping. You and I know that scores of electrically operated household appliances have been invented. Of course, the housewives of the State cannot enjoy these new inventions as long as the rates for current continue to run as high as they now do.

"We can observe at close hand the benefits of cheap electricity in the home. Across the St. Lawrence River is the Province of Ontario, Canada. There electricity is developed from water power by what is known as the "Hydroelectric Commission of Ontario" through a league of municipalities where service is rendered to each class of consumer on a strictly cost of service basis.

"It has been estimated by experts that for an average family of 4 people occupying 6 rooms, and about 1,000 square feet of space it would require about 285 kilowatt-hours to run a completely electrified household. This means the using of electricity for light, cooking, refrigeration, ironing, toasting, vacuum cleaning, radio operation, washing machine, fans, waffle irons, chafing dish, and other kitchen appliances. I need not dwell at length on the reduction in household labor which such electrical appliances could bring about. In Toronto and other large cities of Canada it would surprise you to know that all of these appliances can be operated for as little as $3.40 per month. I mean that a woman could have all the benefits of these household labor-saving devices for a month at the rate of $3.40.

"I am sure that that is a sharp contrast to what you people in Syracuse, in New York, in any city, or in any country district would pay for the same thing. As a matter of fact, you in Syracuse would pay almost three times as much, and at that you in Syracuse enjoy a rate which is at least cheaper than most other cities of the State. In New York City, for example, the housewife, for the same appliances, would pay almost six times as much per month, or $19.95. Down in Westchester, which pays almost the highest electricity rates of this State—Mount Vernon or White Plains, for example—the rate would be almost eight times as much, or $25.63. Close by here, in Auburn and in Rochester, the rate would be $13.40. In other words, whereas a woman in Ontario, Canada, in a city of the size of Syracuse, can enjoy a completely electrified household for about $3.40 per month, here in Syracuse you could only get your lights, electric refrigeration, and perhaps a toaster. The idea of cooking by electricity at the rates now prevailing in our State is out of the question, except for rich people.

"In New York City an amount of $3.40 a month would perhaps buy electric lights and maybe an electric iron and a toaster. In New Rochelle, down in Westchester, you would be lucky to get your lights alone for this amount; and in Geneva it would all be consumed in paying merely for electric lights.

"Now of course there are several reasons why there should be such wide difference in rates between the cities in Ontario and the cities in New York State. A kilowatt of electricity is the same whether it is used in Canada or in New York. It takes the same number of kilowatts to cook a beef stew in Toronto as it does in Syracuse. There are several reasons why there should be the wide difference in cost for these kilowatt-hours. Some of these reasons, such as our failure in the past to regulate effectively the public utility companies of the State, and more particularly, the electric light and power companies, and the absence in the State of the effective threat of competition by municipalities, I shall discuss in later speeches during this campaign.

"It is unquestionably true that the break-down in regulation has done much to keep our electrical rates high, and that we have been far behind other governments in permitting our municipalities to go into the business of selling its citizens electricity whenever its citizens wish to do so, and whenever they find that they are being charged unreasonable and exorbitant rates by their local utility companies; but I wish to concentrate on what is by far the more important and fundamental reason. In Canada, this league of municipalities develops electricity from their own water power. They develop it for the benefit of their own citizens. They sell it to their citizens at as near cost as possible. While, for decades, we have been permitting the millions of horsepower lying in the flow of the St. Lawrence River to go idly by on its way to the ocean, the Canadian municipalities have been taking advantage of their natural water-power resources so as to convert it into cheap electricity.

"Here in New York we have not been so wise. We have given franchises to private corporations to develop electricity from both water power and coal. After the electricity has been developed by these private corporations, they, of course, naturally want to sell it for as great a profit as they possibly can. They naturally are not interested in the consumer. They are interested only in their own profits. In Canada, electricity is more cheaply developed and is sold only with a view toward benefiting the consumer. In New York, we have electricity developed in a more expensive manner and sold primarily with a view toward benefiting the private corporation.

"Now, why haven't we been doing the same thing in New York? It is an old story, and those of you who have been interested in State campaigns are familiar with it. As far back as 1907 the question had become acute as to how the water power in the St. Lawrence and Niagara Rivers was going to be developed. Up to that time, and indeed as late as 5 years after, the State of New York had been granting franchises to private corporations permitting them to use the waters of the Niagara River for their own private profit.

"During the last two summers I have been up to the Niagara and St. Lawrence Rivers a number of times. On these visits I have seen power houses erected by private corporations which obtained franchises from the State practically for nothing. I could not but reflect on the short-sighted policy of those past legislatures which had so wantonly given away the heritage of the people of the State.

"I had long before that given the subject much consideration and had come definitely to the conclusion that that policy had been uneconomic and unsound; but as I stood on the banks of the St. Lawrence and Niagara Rivers and saw this rich possession, which should rightfully belong to the people of our State, going into the power houses of private corporations, I formed a firm resolve that so long as I am Governor, and so long as it is at all possible for a State agency to develop these resources, that no more would they be given or leased to private corporations.

"You all recall the violent struggle which Governor Smith carried on with a Republican legislature over this question since his very first election. He and our party had definitely alined themselves on the side of the principle that these water-power resources must be developed by an agency of the people for the benefit of the people themselves. The Republican Party, on the other hand, in its platform, in its public utterances, and in the speeches of its leaders, had definitely thrown down the gauntlet in favor of leasing these resources to private corporations for private exploitation. Four times we went to the polls on that predominant issue; four times the people of the State voted in favor of public development. The Republican legislative leaders refused to yield. You all remember the stirring days, at the end of the year 1926. Under the plan of reorganized government which was to go into effect on January 1, 1927, water-power leases were not to be effective unless approved by the Governor. But up to January 1, 1927, water-power leases could have been given out by the Republican-controlled water-power commission without the consent of the Governor. A few weeks remained of the year 1926. The Republican leaders of the State had come to the conclusion that now, if ever, was their opportunity to lease this water power to private companies. They publicly announced that they were going to do it, just 3 weeks before they were to go out of existence themselves, and just 3 weeks before the Governor was to be given the veto power over leases. The people of the State were startled at this daring. Public opinion was aroused. Protests began to come in from various parts of the State. Finally, Governor Smith, not being able to obtain the assistance of the Republican attorney general, Mr. Ottinger, whose signature was about to be affixed to the lease, was compelled to go out to obtain private counsel to prevent this wrong on the people. He issued a challenge, daring the Republican leaders to go through with it. The Republican leaders were afraid to do it. The lease was never signed.

"And since then the fight has been carried on. When I first came to Albany we were no nearer a solution than ever before.

The Republican leaders were still for private development. They had for years been engaged in an attempt to deceive the people of the State by such phrases as inalienable rights of the people in the fee of their water-power resources. They used these high-sounding expressions and at the same time recommended that the development be by means of leases for long terms. Now, you and I know, that if we own a piece of property and lease it away for 99 years, it doesn't do us very much good to talk about our inalienable rights in the fee of that piece of property. If the State is going to lease away to private corporations for a period of 99 years, the benefits of its water power, it won't do you or me any good to reflect upon our inalienable rights in the fee of that water power. The point is that for 99 years we have no control over the uses to which our property is put. The fact will still remain, and I am sure will be impressed upon us with each monthly electric-light bill, that although the people might have the inalienable right to the power, the private electric corporations will continue to have their inalienable right to their inordinate profits.

"In my speech of acceptance, as the Democratic candidate for Governor, I stated that the time had come for the definite establishment of the principles as a part of our fundamental law, that the physical possession and development of our State-owned water-power sites shall not pass from the hands of the people of the State. In my very first annual message to the legislature, I asked them to take up the question of the development of our water-power resources so that the title and constant control of the power generated at the sources shall remain vested in the people and shall not be alienated by long-term leases. I asked the Republican leaders of the legislature to introduce these bills themselves, so that it could be made a nonpartisan measure. They refused to do it. I then asked the Democratic leaders to introduce it, and they not only introduced it, but made motions to discharge the Republican committees from consideration of the bills, so that each individual legislator might have an opportunity to express himself on the matter. The Republican leaders would not even permit the bills to get out of the committee and they were smothered. During the last days of the 1929 session, I again urged the legislature to pass this legislation, and again they refused.

"In the meantime, public opinion had become more and more aroused. It was becoming more and more felt. Finally the next year, 1930, after I had again requested the legislature to take steps toward this development, and when they could no longer withstand the force of public opinion, they introduced and passed a bill providing for a commission to be appointed by me to set up a plan whereby the water-power resources of the State on the St. Lawrence River could be developed by a State agency for the benefit of the consumers themselves so as to provide the cheapest rates and best service for the people of the State.

"That commission has been appointed by me and is now at work formulating a plan by which I hope the people will ultimately obtain the real advantages in cheap electricity which their natural resources contain.

"I do not, of course, claim the credit for this final victory. For years the fight had been carried on by Democratic statesmen, and particularly by Governor Smith. I merely took up the battle where he had left off, but neither he or I nor both of us could have made any headway had it not been for that ever-growing, ever-insistent public opinion which had expressed itself so overwhelmingly time and again at the polls throughout the State and which was demanding its right and due in the form of cheaper electricity. And although the claim has been made by the Republican Party that it was they who started this commission on its way, I can but quote from an editorial of the New York Times of September 24, 1930, which says, 'The truth is that the Republicans, their protestations to the contrary notwithstanding, surrendered to the Governor on this issue last winter.'

"But still the surrender was only a half-hearted one. I was indeed surprised to read this in the 1930 platform of the Republican Party: 'We promise a speedy solution of the problem of development of water-power resources of the State which shall be based on sound and economic principles rather than on political expediency.' Those words have a familiar air. I used to read words like those in the Republican platform which had definitely declared for the policy of private leases. Frankly, I do not like that language. I much prefer, and I am sure the voters of the State will much prefer, the language of the Democratic platform, which says on this subject, 'Electric energy should be developed by the State from its water-power resources in order to insure low-priced electricity.' Now, in this campaign let us face the obvious facts. You and I know who the leaders of the Republican Party are. You and I know that these leaders, or at least a great many of them, are definitely and publicly alined with the great electric-utility companies of the State. They are officers and they are large stockholders in electric and power companies which, in combination, have almost a monopoly of electricity and power in this State. Do they want the State to develop this water power or would they like to have their own companies do it? Are they interested in providing cheap electricity for you or are they interested in providing large profits for themselves? You and I know that these leaders of the Republican Party, so closely tied up with the great electric utility companies of the State, are the ones who dictate to the party, not only their policies, but also, in many cases, their candidates.

"You must remember that when this commission which I appointed brings in its report the work is only half done. I know that that commission will do its full duty. I, myself, personally, went up to the St. Lawrence River with them and personally inspected the sites on which we all hope the State will soon erect its huge power structures.

"But when that work is done by the Commission, before anything further can be done, the Legislature of the State of New York and the Governor must approve. I cannot believe and I am sure that the voters of the State will not believe that a Republican legislature and a Republican Governor will look so kindly upon this plan of public development against which they have for so many years and through so many administrations fought and protested. I cannot believe, especially in view of the language of the Republican platform this year, that they will not do all in their power to hamper and prevent and delay any form of public development for the benefit of the people.

"It would be only common sense on the part of the people to intrust the development of that plan and the carrying out of those policies to the party which, for so many years, has struggled and fought for its initiation. You can, each one of you, do your share on election day toward the realization of that theory of development which has so long actuated and formed intelligent public opinion in the State.

"Some Republican statesmen and party leaders are still renewing the old objection that this plan is putting the State into business. Nothing could be further from the truth. Suppose the Republican Party had had its way and had given a franchise to a private corporation to develop this power, what would have happened? It would have gone out and would have hired engineers and would have proceeded to construct a dam across the St. Lawrence River. It would, of course, have first obtained by negotiation the cooperation of the authorities of the Province of Ontario and the Dominion of Canada and of the Federal authorities in Washington. The State can do the same thing. It can get the same engineers and can by contract build the same kind of dam, and I for one am unwilling to say that the State, through its agency, cannot do this job just as efficiently as a private corporation. In fact, by virtue of its powers as to tax exemption, and eminent domain, it could do it much more cheaply and efficiently.

"Once the power is developed, and is ready for sale, then the State is in a position to dictate the price at which it can be delivered to the ultimate consumer. We have no desire to infringe upon the legitimate reasonable profits of any investor in public-utility stocks. He is entitled to a fair return on his investment.

"That is the whole story, and let us once and for all stop talking about whether the State should be put into business or not.

"The important duty of every citizen of the State—lawyer, business men, the press, the agricultural interests, and the average 'man in the street'—is from now on to work whole-heartedly for the carrying out of the proposed policy and the plan which, I am confident, will result therefrom. I am confident that the great majority of citizens of the State want to see something done—believe that we must work out a State-agency method of development of our great natural electrical resources in such a way that the control of these resources will never pass from the actual possession of the State itself."

In another campaign address in the Borough of the Bronx, New York City, on October 27, 1930, Governor Roosevelt referred to the St. Lawrence as follows:

"Take the battle over water power, for instance. Ever since Governor Smith went to Albany, each and every year he tried to get the legislature to start a plan for the development of the water-power resources of the State by a State agency. Year after year the Republican leaders refused to do it. Year after year the demand from the people of the State became more insistent—year after year the Republican leaders ignored it. In 1929, when I first became Governor, I renewed the demand on behalf of the people that their water-power resources be preserved and developed for their benefit. Again in 1929 the leaders of obstruction refused to do it. Finally, in 1930, they yielded. The commission is now at work. And so the idea of public development of water power is marching on. It still has a long way to go before it can reach a successful conclusion. The next legislature and Governor must first approve any plan brought in by the commission. You and I know that a Republican legislature and a Republican Governor will never look kindly upon a plan of public development. For years they have been openly committed to the theory of turning over the water-power resources of the State to private corporations under a lease for a long term of years. We have only to look at the Republican platforms of the last 8 years to see how definitely they have been committed to development by private companies; and even this year, even after the appointment of the commission, they still refuse to come out definitely for development by a State agency. Even their candidates, who have said practically nothing on this great subject of water power when they do speak of its development, use indefinite and insincere language. Not a single one of them has come out for public development. Not a single one of them is interested in cheaper electricity for our homes. The idea of public development will certainly get no sympathy from them.

"The Democratic policy toward the great water power of this State does not contemplate the State's going into the business of selling electricity to the homes, nor does it seek to deprive any legitimate investor of his legitimate return; but it does seek first to regulate public utilities so that they will make a fair return and secondly to provide a great volume of cheap water-made

power to make lower rates possible—and it proposes to control that water power continually and perpetually so that there can be no question that that plan can be carried out."

In a campaign address in Yonkers, Westchester County, on October 28, 1930, where there had been much public discussion of utility rates alleged to be exorbitant, Governor Roosevelt said:

"There are several angles to this fight, but they all point toward the same result—cheaper rates and better service. First, there is the development of cheap electricity from our water power. The Republican Party has always been committed to the policy of giving this power to private corporations for private profit by lease for a long term of years. On the other hand, Governor Smith and I, and indeed the entire Democratic Party, have been pledged to development of our water power by a State agency with only one object in view, namely, to get electricity as cheaply as possible for the citizens of our State. I am sure that no community in our State has suffered and is suffering so much from the greed of private electric-light companies as this county of Westchester. Your household rates are not only on the whole higher than in almost any other place in the State, but they have been arranged and prescribed in so complicated a manner that the householder must get a headache every time he tries to figure out his bill.

"We in New York State, and most particularly in Westchester County, can very well take our lesson from our neighbors in Ontario, Canada, who are now enjoying benefits of cheaper electricity through their foresightedness in having their electricity developed by a State agency from its own water power. Do you know that the housewives in Canada are able to run a completely electrified household for an average family for as little as $3.40 per month? And when I say a completely electrified household I mean just that; I mean electric lights and electric cooking; I mean electric icebox, electric flatiron, toaster, vacuum cleaner, sewing machine, fan, curling iron, chafing dish, ironer, and warming pan, and mixer and waffle iron. All of these things for $3.40 a month. How much would that buy here in Yonkers or in New Rochelle or any other city in Westchester? Any woman in this audience will tell you that she is lucky to get her electric lights alone for that amount. It has been scientifically figured that a complete electric household such as I have detailed to you, consumes 285 kilowatt-hours per month. Here in Yonkers that would cost you $21.45 per month. Just compare that with the Canadian rate of $3.40. In New Rochelle or in Mount Vernon it would cost even more. It would cost $25.63, almost eight times as much as it costs in Toronto. Why? The reason is as I have stated: Canada develops its electricity from its water power and sells it at cost to its citizens. Here in Westchester privately owned utility companies, interested only in making as much money as they can dictate the prices. Your rates here in Westchester must necessarily continue to be many times higher than what your neighbors in Ontario pay until the State of New York begins to convert the vast water-power resources of its rivers into cheap electricity which can come into your iceboxes and ranges and light bulbs.

"I want to repeat here the warning which I have given the voters in every part of this State. Do not trust the development of this electricity to the Republican Party, which has for a generation fought to turn this water power over to private corporations, and which even this year in its platform refuses to commit either itself or its candidates to the development of that water power by a public agency. You have read in the newspapers only very rare statements of the Republican leaders on this question, and whenever they have been made they have been vague and indefinite. The nearest thing to commitment was the expression of a faint hope that the Governor's commission would make a report so economically sound that it could be supported by them. That kind of language is the same kind that has been used for years in Republican platforms. Of course, what is 'economically sound, from the point of view of Mr. Machold or the public utility corporations, may not be 'economically sound' from the point of view of the people of this State, and vice versa. A great deal depends upon the viewpoint from which the 'economic soundness' is looked at. By 'economically sound' everyone knows the Republican leaders mean rates that meet with the full approval and approbation of Mr. Machold and his friends. I pledge myself and my party, on the contrary, to a development by a State agency for the benefit of our citizens, if any feasible plan for such development can possibly be worked out.

"I also am equally anxious that this plan be economically sound, but my definition of 'economically sound' is rates which will give the citizens of our State electricity at the lowest possible cost without exorbitant profits on the part of the companies."

Governor Roosevelt spoke in Jamaica, in the Borough of Queens, October 29, 1930, and in the course of his campaign speech there said, with reference to the Republican State party platform:

"Then comes that priceless statement in the Republican platform about water power. First, they say:

"'We promise a speedy solution of the problem of developing the water-power resources of the State, which shall be based on sound economic principles.' I sometimes wonder if my old friend Mr. Edmund Machold, the directing genius of the leading power combines in this State, and at the same time the owner of the Republican State organization, seriously thinks that he is fooling the electorate of this State, either up-State or down-State, when he hands out a joyous line like that. We all know that development on what he calls 'sound economic principles' means to him and his fellow leader just one thing—development by his company. He and his party have both been committed to that principle for the last 12 years.

"Compare the Republican statement that they are in favor of development on 'sound economic principles', which means exactly zero, with the consistent Democratic principle that the State-owned water powers must and shall be developed by the State itself and retained for all time in the actual physical possession of the State and developed solely in order to insure low-priced electricity for the people of the State, without any inordinate or unreasonable profits to any corporation.

"Then the Republican platform goes on with what is almost the last straw. It says: 'At the last session of the legislature the Republican majority on its own initiative did what it could to take this vexatious question out of politics by authorizing the Governor to appoint a commission, etc., etc.'

"Let me ask you this simple question: If a horse balks and simply declines for hour after hour to go where its driver wants him to go and finally under spur and lash makes up his mind to go where the driver wants him to go, does that horse do so on his own initiative? Perhaps I should have—I know I should have said elephant instead of horse.

"Every school child in the State knows that the Republican majority in the last legislature finally yielded after Governor Smith and I, backed up by the whip and spur of public indignation and by public insistence, forced those leaders to give in."

Nearing the close of his campaign Governor Roosevelt said in Brooklyn on October 31, 1930:

"In times when everybody has plenty of work and wages are high the average individual, whether it be the man who works or the woman who runs the home, will do little figuring on his electric-light bills. That is one reason, perhaps, why in this year of depression there is so much evidence of interest in the problem of water-power development and the regulation of public utilities. I do not have to say much about the St. Lawrence development. You and I are fully aware that the last legislature finally surrendered after fighting Governor Smith and me over a period of 12 long years. It is my hope that from now on the development by a direct agency of the State will go forward, thus giving assurance that this water power will never for a single moment be taken away from the possession of the people and that it will be developed primarily for the benefit of lower rates to the people. Republican control of the executive branch of the government in Albany means very clearly and very definitely, and without any 'ifs' or 'buts', that the present plan for public development of the St. Lawrence will be scrapped and the Republican plan for private development will be substituted."

The fact that Governor Roosevelt was reelected by an overwhelming majority, a majority which exceeded any other given to a Governor of New York up to that time, and that his campaign was fought with the water-power development on the St. Lawrence as a dominant issue, indicates that the people of New York thoroughly understand and approved his leadership on this great public question.

GOV. FRANKLIN D. ROOSEVELT AND THE ST. LAWRENCE RIVER PROJECT FOR THE YEAR 1931

While the St. Lawrence Power Development Commission, created to study proposals for utilizing the State's resources and to report a plan of development, was still engaged in its task, the legislature of 1931 convened. The only reference to water power, therefore, in Governor Roosevelt's annual message to the legislature, delivered on January 7, 1931, was a statement that a report was to be made shortly. This reference was:

"After generations of discussion of the development of the water-power resources of the State, the legislature last year created a commission for a comprehensive study of a method of development by a public authority. This commission will transmit its report to your honorable bodies within a very short time, and I trust that action will be taken at this session providing for water-power development by a public agency for the purpose of producing cheaper electricity for the people of the State."

The report of the commission was submitted to the Governor and the legislature on January 15, 1931. Its comprehensive scope, including engineering, marketing, and legal findings, required intensive study; and Governor Roosevelt, therefore, took the opportunity to send a special message to the legislature dated January 19, 1931, in which he presented a résumé of the majority and minority reports of the commission. This message was as follows:

"In order to clarify and simplify the questions involved in the voluminous and necessarily technical reports of the St. Lawrence Power Commission, I have studied and summarized the problems and the recommendations. Here is the background.

"On March 12, 1929, I sent a special message to the legislature in which I laid down these general principles:

"In making use of this potential energy on the St. Lawrence owned by the people of the State, the objective of the problem is essentially this:

"1. The physical transforming of falling water into electrical current.

"2. The transmission and distribution of this current from the plant where it is developed to the industries and homes of the people of the State.

"The first objective was seriously opposed by many people who insisted for varying motives that the physical building of a dam was fraught with danger, that the cost would be prohibitive, and that generation by steam had become as cheap as by water-power."

"The commission unanimously finds:

"(a) The dam can be built with 100 percent of safety, actual construction being on dry land by the method of diverting the river first on one side of an island and then on the other side.

"(b) The cost would be about $70,000,000 less than any previous estimate.

"(c) The cost of generation per horsepower would be $10, as against a $25 cost for steam power.

"This is an outstanding vindication for those of us who have supported the project against insidious propaganda for private development. It should foreclose for all time to come further discussion of public development of the St. Lawrence site.

"Next is the question, 'Who shall get the power?'

"In 1929 and 1930 I have consistently held that the power should be developed for the primary benefit of the consumer at the lowest possible rates compatible with a fair return on the investment; and, furthermore, I have stressed the fact that the home user is the one to be given first consideration, because today the small-home owners and storekeepers are carrying a relatively far greater burden than the industrial user. That is the primary objective of transmission and distribution, and both the majority and minority reports point out that the entire policy of development should be to provide the maximum benefits for domestic consumers, farmers, and small users of power. This coincides with my views expressed not only in my message to the legislature but a great many times thereafter. I emphasized the fact that my interest in water-power development was primarily to get it into the homes of the women of the State and in the small shops and stores, and that only secondarily was it to be used for the huge manufacturing industries."

"The majority report says in this connection:

"'All effort should be made to secure the maximum possible reduction in rates to domestic and to small commercial users. In other words, we believe that the principle of "selling on a commercial basis" should be applied to industrial consumers of power, and that the resulting profits on this business should be applied to the reduction of rates of other consumers. * * * Not being in a position to protect themselves by an exercise of their bargaining power, they require the protection of their Government in the enjoyment of service at the lowest possible rates. * * * and since the transmission and distribution costs of the industrial power supplied near the site will be very small, a profit may be expected on this part of the business—a profit which should be applied to the reduction of rates to the small customer. * * * It must always be borne in mind that as a practical matter the large consumer of power is able to protect himself much more effectively than the small consumer. For example, he can usually install his own generating plant. Indeed, this possibility has actually resulted in the establishment of comparatively low rates to large industrial users. It is the small consumer who is unable to cope with the situation. It is he who stands in great need of help from the State. In the judgment of the commissioners the accent should be put upon his needs.'

"Thus the entire commission, both the majority and the minority, as well as I myself, are interested chiefly not so much in the disposition of this power to industries which might locate near the St. Lawrence River, but in its cheap sale and transmission to household consumers. Of course, by reason of the fact that the flow of the river is practically constant, the power will be generated during the entire day all the year round at a nearly constant load. Only large industrial plants can use peak power 24 hours a day, and it is therefore practicable and feasible to encourage certain types of industry to locate near the site of the power house for the use of this constant load.

"Next comes the matter of the price which consumers, away from the site itself, principally the small consumers, will have to pay for electricity.

"Hitherto we have relied wholly on public service commission regulation of rates. We all know the long story of how court decisions, valuations, rate bases, complicated accountings, newly invented methods of finance, and unsatisfactory leadership in the public service commission itself have made impossible the fulfillment of the original purposes of regulation.

"Something new had to be done. I said to the legislature in 1929:

"'That is why in trying to treat this whole problem of development, transmission, and distribution of St. Lawrence power as a complete picture in the interests of the people of the State, I have sought a method by which we could avoid the rate-regulating powers of the public service commission, tied up as it is at the present time by Federal court rulings. I have, therefore, after consultation with many experts on the subject, come to the conclusion that the representatives or trustees who develop the power can enter into contract with transmitting and distributing companies, under which contracts a fair price to the consumer will be guaranteed, this price to make allowances only for a fair return to the companies on the actual capital invested in the transmitting and distributing of this particular power energy. It is a method which is frankly based on theory of contract rather than the theory of regulation.'

"The majority and the minority of the commission both agree with that statement made by me—that the rates should not be subject to the control of the public service commission, but should be fixed by contract based on a definite method of accounting and valuation, which would insure fair rates for all time to come.

"The majority of the commission states it this way: 'There can be no question but that the existence of litigation in rate cases is a waste which should be avoided by the utility companies as well as by the State. If it is found practicable through a process of negotiation to establish a system of rate control by contract which will adequately safeguard the consumer, a great step forward will have been taken.'

"The minority of the commission says the same thing in another way in recommendation F—'That the trustees seek to negotiate with the utility companies a contract for the transmission and distribution of the power, which contract by its terms should bind the utility companies to transmit and distribute to consumers all of the power generated at rates or prices to consumers to be fixed in the contract, on the basis of charges, the lowest consistent with a fair return to the power authority on the investment.'

"The next question is, how to transmit the power; i.e., the question of the main transmission lines to carry the power to point of distribution.

"I foresaw, of course, as everyone does, the possibility that existing private companies might refuse to treat with the State on fair terms for the transmission of this electricity under a contractual relationship fixing their rates and profits. It was for that reason that I viewed with such alarm the merger of the three largest holding companies of power corporations into the joint merger of the Niagara-Hudson Power Co. The creation of this superutility deprived the State of its right to bargain with several companies and compelled it to bargain with this company alone.

"I want everybody to reread the following clear statement in my 1929 message, for it is just as true now as it was then:

"'Are the business men of this State willing to transmit and distribute this latent water power on a fair return on their investment? If they are satisfied, here is their opportunity. If not, then the State may have to go into the transmission business itself. It cannot, on the one hand, let this power go to waste, nor on the other, be required to yield to anyone who would aim to exploit the State's resources for inordinate profit.

"'We shall soon know whether or not such a contract can be made. If the trustees can make it and it commends itself to the people of the State, then the legislature and I will approve of it, and we can go ahead. But if no such contract can be made, we shall know the reasons why, and protect ourselves accordingly. I want to be in accord with sound business principles. I believe there are enough good business men in this State who see this problem as clearly as I do and will be glad to join with the State in this endeavor. I want to give to business this big opportunity to participate in a public service.

"'If these proposals become law, we shall have the opportunity of ascertaining whether or not business and finance will accept this way of developing the State's resources for its industries, its commerce, and its homes. On the one hand is the policy of public ownership and control of our power sites, dams, and power plants with private operation of transmission lines and distributing systems, allowing a fair return on actual cash capital investment. On the other side is one of two courses, either exploitation by private interests or else public ownership and operation, not only of the site, the dam, and the power but of the transmission lines and distribution systems as well.'

"What does the commission say? The chief divergence between the majority and minority reports is as follows:

"Both favor a contract with a private utility company by which in effect such company can collect only for the actual cost of actual services rendered plus a reasonable profit. That is the objective of the proposed contract form of delivering the power. The minority, however, recommends that if such a contract for transmission cannot be made on a fair basis with an existing utility company the authority should try to get some other private company, existing or to be organized, to carry the power; and that it is wholly possible to interest private investment in such a company, because the earnings would in effect be based on a firm contract with the power authority.

"As an alternative to this, if such private transmission cannot be contracted for, the minority report recommends that the power authority itself build transmission lines in order to bring the cheap power into the homes and shops of small consumers. In this connection both the majority and minority of the commission fully realize that municipalities or lighting districts could purchase this cheap power for distribution to their citizens if, because of existing poor service or exorbitant rates, it became necessary.

"The majority says: 'Your commission is aware that a considerable number of municipal distributing systems are already in existence in New York State, and that they are charging rates which compare very favorably with the rates charged by private companies operating under similar conditions. These municipal systems should be given full opportunity to purchase a reasonable share of the St. Lawrence River power at such prices as may be necessary to cover the cost of generation and of transmission. Moreover, any municipal or other political subdivision of the State that chooses in the future to engage in the distribution of electrical current, should be given the opportunity to purchase St. Lawrence power on conditions at least as favorable as those which are offered to private distributing systems. In the event that all of the water power shall be sold to private transmission and distribution companies at the generating station, this sale should not be made except under a contractual agreement whereby these companies will transmit a reasonable share of the power to municipal plants at prices representing no more than a fair spread to cover the cost of transmission.'

"These two alternatives which the power authority would have in determining the method of transmitting electricity are, of course, the only bargaining club in its possession in its negotiations with the present utility monopoly. If it did not have these alternatives, the State would be at the complete mercy of

the Niagara-Hudson Power Co. I believe that these alternatives form the very foundation of the plan, which will have its ultimate attainment only when the homes of the State get cheap electricity. I believe that these two alternatives provide the whip hand, the trump card, with which the State can treat with the Power Trust, and I believe that they should be emphasized to the utmost.

"The majority of the commission does not lose sight of this alternative. In fact, it points out in its report, though not in so specific a manner, the efficacy of these alternatives as a bargaining weapon.

"The majority report states: 'Can satisfactory arrangements be made between the power authority and privately owned transmission and distribution companies? * * * We hope that it will be feasible to make an acceptable contract. A genuine effort should be made to secure such a contract before consideration is given to a plan for State transmission and distribution. * * * In the event of the inability of the trustees to make such a contract, they shall have such authority as is necessary to make other disposition of the power.' Of course, the phrase 'to make other disposition of the power' would necessarily include the two alternatives about which I have spoken, and it must be clear to anyone reading the report that the majority of the commission is desirous of retaining in the hands of the power authority these bargaining weapons with which the State should enter into negotiations with the power companies. The minority report stresses the importance of being specific and clear about the two alternatives—putting them in plain language into the law creating the power authority.

"I desire to repeat, however, that both reports should be a source of gratification to those of us who have been interested in cheaper electricity in the homes. They show, first, that the power can be developed cheaply; second, that the rates at which it is to be sold to the ultimate consumer should be fixed by contract in the interest of the consumer; third, that if the contract is impossible to obtain, alternative methods should be pursued which would ultimately place this power in the homes of our citizens at low rates; fourth, that the authorities of the United States and Canada have so far evidenced an attitude of friendly cooperation; fifth, that the time is ripe for the creation by the legislature of a power authority with legislative sanction to proceed to carry to completion its negotiations, as well as such further necessary studies as need be made of the building of transmission lines by the State, or the possibility of the creation of a new corporation to undertake to contract with the State for the transmission of this cheap electricity.

"I trust your honorable bodies will study and act on these most vital reports."

Numerous conferences were held by Governor Roosevelt with members of the commission. Finally, on March 4, 1931, a proposed bill to carry out its recommendations was submitted by the commission and introduced in the legislature by the Republican leaders.

On this occasion Governor Roosevelt issued the following statement:

"I believe that the submission of this bill should be hailed by proponents of public, governmental, water-power development as a remarkable step toward the attainment of their ultimate goal. If you had told the most ardent and enthusiastic 3 years ago that such a bill would be possible today, they would have laughed at you. And yet, here we are with a definite, concrete proposal, submitted after a careful survey by a commission authorized by the legislature and equipped with expert legal and engineering assistance, which embodies every sound principle and policy which reasonable progressive opinion advocates.

"The bill is in principle acceptable to me. There are a number of amendments which I should like to see made, and on which I propose to invite the legislative leaders into conference. I sincerely hope that this bill will pass, with the amendments I have in mind.

"The bill conforms with the principles which I laid down in my messages of March 12, 1929, and January 19, 1931, to the legislature on this subject, in practically all of its fundamentals:

"1. It definitely establishes the policy and principle of constant inalienable public ownership and control for all time to come.

"2. It sets up a public agency, to be appointed by the Governor with the advice and consent of the senate, to build the necessary dam and power houses by the issuance of bonds.

"3. It declares that the primary purpose for the development of this electricity is the benefit of the people of the State as a whole, and particularly the domestic and rural consumers of the State so that the homes and farms of the State may receive cheap electricity; and that only the secondary purpose is the furnishing of cheaper electricity to factories and industrial establishments.

"4. The people of the State can be fully and adequately protected from every angle in the sale of this power, right down to and including the time when it actually comes into their homes and farms, for the following reasons:

"A. The rates to be charged for electricity shall be definitely fixed by a contract or contracts. In this way, all of the troubles which now exist in fixing rates of utilities will be avoided, in that all the judge-made law concerning goodwill, reproduction cost, going value, franchise value, etc., will be avoided. Rates will be based only on actual costs, under accounting methods which will avoid all of the present ingenious methods of devious financing used by some of our utility companies. The public-service commission will not be able to grant any increase in rates under any circumstances.

"B. The power authority is given power to enter into one or more contracts with any corporation or corporations, whether now existing or to be formed in the future, for the transmission of this electricity from the power house to the various localities in the State, and with any corporation, old or new, for its distribution into the individual homes and farms. Under the very terms of the bill, the details of these contracts are so laid out that the rates to be paid by the people, as before stated, will be fixed on an actual cost basis at the lowest possible figure. There is absolutely no limit as to which company or how many companies the power authority can contract with. Under the provisions of the bill, it can contract with an existing utility company or with several; if it wishes it can contract with any other kind of a corporation, or several; if it wishes it can contract with a new corporation, or corporations, to be organized for the purpose; and if it wishes it can be instrumental in forming a new corporation for the purpose of making this contract, or contracts.

"C. Any contract or contracts which it desires to enter into shall be subjected to public inspection and public hearings beforehand, after due public notice. The contract or contracts will be subject to the approval of the Governor, who will be given sufficient time and a sufficient appropriation to enable him to enter into an extended investigation of the contract and all that it means for the people of the State, and to permit him to entertain any objections made by various municipalities or groups of consumers, and so protect in every way the interests of the people.

"D. In the event that the power authority decides that it cannot make a contract or contracts which are advantageous to the people of the State, or in the event that the Governor disapproves of the proposed contracts on the ground that they are not advantageous to the State, the power authority is then directed to get up a plan whereby the State can build its own transmission lines and distributing systems so as to do the whole job itself. Before, however, actually building the lines, the plan will have to be approved by the legislature and the Governor.

"E. Every municipality or municipal lighting district that has its own distribution system, or every municipality or municipal lighting district which establishes one, is to have a preference in the purchase of this electricity from the power authority for distribution among its citizens.

"Therefore, the bill provides the two bargaining clubs which I have always insisted were necessary for the full protection of the people. The fact that these bargaining clubs clearly appear in this bill, proposed by the majority of the commission, shows plainly that the commission at all times, as I set forth in my message of January 19, 1931, to the legislature, had in mind the necessity of these alternate methods in dealing with any existing utility company or companies which might refuse to enter into a contract which the Governor ultimately would deem advisable for the best interest of the people of the State. These alternatives are, of course, as above set forth: (1) The power to disregard any existing utility company or companies in making contracts for the transmission or distribution of the power; and (2) the definately stated proposal for the State to enter into a plan of transmission by itself through its own transmission lines and distributing systems, built and maintained by itself.

"I hope that I may be pardoned the expression of considerable pride and gratification that the legislature and I have been able, during my short tenure in the executive chamber at Albany, to arrive thus far toward fulfilling what I know to be the universal desire in this State to develop the tremendous electrical energy in the St. Lawrence River by a State agency with the sole consideration in mind of providing cheap electricity to the people of the State. I hope that the principle enunciated in this bill will be the forerunner of similar legislation for the development of other water power in this State, as well as in other States. I consider it an outstanding triumph in the battle of the people for the retention for themselves of the benefits of their natural water-power resources instead of turning them over to private corporations for selfish exploitation. The safeguards in this bill, whereby every proposed contract is not only wholly open to public inspection but also to approval by the Governor after careful investigation could only be circumvented in the future by a combination of complete lack of public interest plus a set of faithless public officials. There is no doubt in my mind that if contracts that are honestly in the public interest and that provide really reasonable rates for electricity cannot be made, then the legislature and the Governor will take the next economically sound step for publicly owned transmission lines and some new form of public or quasi-public distribution."

The conferences with legislative leaders continued, particularly over the question of amendments to the proposed bill. An important conference was held on March 23, 1931, and on March 25, 1931. Two days later, Governor Roosevelt made public a communication directed to the majority leaders of the senate and assembly in which he set forth his suggestions for certain changes in the pending bill. (For text of this communication, see copy of mimeographed release issued from the Governor's office on March 25, 1931, which is appended to this memorandum.)

These differences appeared to be adjusted and the bill was passed by the lower house of the legislature. It was pending in the senate, scheduled for passage. Suddenly Senator John Knight, majority leader, introduced an amendment which named the five members of the development commission as the trustees of the proposed power authority, instead of leaving the appointments to the Governor, the form in which the bill passed the assembly. A situation was created which immediately led Gover-

nor Roosevelt to issue a strong statement of explanation. The statement, dated April 2, 1931, follows:

"Word has just come to me that the St. Lawrence power development bill, introduced by Mr. Cornaire, and passed by the assembly in substantially the same form as it was prepared by the St. Lawrence commission, has been suddenly and unexpectedly amended in the senate in a way which I cannot accept. The amendment deliberately strikes out the power of the Governor to appoint the members of the power authority. Instead, it substitutes therefor five individuals by name.

"On Monday, March 23, in a conference with the leaders of the legislature I specifically and in very definite terms told the president pro tempore of the senate and the speaker of the assembly that I could not accept any amendment taking the appointive power away from the Governor and gave my reasons therefor—reasons which were apparently acceptable to the assembly, as no change of this character was made by that body. In view of this clear understanding by the president pro tempore of the senate, I am forced to the conclusion that this amendment is deliberately made for the purpose of making certain my veto of the bill, and thereby creating an excuse for postponing any action for another year. It is in line with the long policy of obstruction, objection, and refusal even to consider any legislation which looked to conserving for the people their rights in this water power which has marked the attitude of the Republican leaders in the legislature for many years past—a policy which public opinion forced them to abandon last year and which this year has made it impossible for them to delay in any legitimate way the final step toward the creation of the power authority.

"I have conceded much in order to get action on power development, and each concession has been followed by the raising of some new objection.

"Last year, after a continued campaign of opposition and delay, the Republican leaders finally consented to my appointment of a commission of five men to study and report plans for developing power on the St. Lawrence. This bill not only provided that these five men should be appointed by the Governor but further specifically and definitely provided that, in the event of a favorable report on a plan by this commission, the proposed power authority itself should 'consist of five trustees * * * to be named by the Governor, by and with the advice and consent of the Senate.' This winter the report of the investigating commission itself provided that the power authority should consist of five trustees to be appointed by the Governor, by and with the advice and consent of the Senate. The bills as introduced in the assembly by a Republican legislator provided that the power authority should be appointed by the Governor in exactly the same way. And, finally, the bill as passed by the assembly, provided exactly the same thing. And now for the time on no revealed recommendation and without any responsible authority to back it up, the Senate has arbitrarily struck this provision from the bill and has amended it by actually naming five individuals.

"The action of the senate is in direct contravention of the law of 1930, is directly opposed to the report of the commissioners, and is directly opposed to the action of the assembly which accepted the appointing power of the Governor.

"Furthermore, I want to make it perfectly plain that this great project for the power development of the St. Lawrence falls very distinctly and definitely within the executive power. A principle is involved which I hoped was settled forever in this State by the constitutional convention, that executive responsibility must be armed with executive authority. The Governor is an important and integral part of the whole plan. No contract can be awarded without his approval; no project, no financing can even be started until the Governor has so approved. In addition the Governor must at all times be in close touch and sympathy with the trustees, not only in facilitating their work in connection with the drawing up of proposed contracts but also in assisting them in their relations with the Federal Government, the Canadian Government, and the government of the Province of Ontario.

"I am convinced that this action is dictated by forces which have prevented the development of water power on the St. Lawrence for the last generation. I am convinced that Republican leaders in and outside the legislature have realized that this movement toward the public development of water power is, from their viewpoint, dangerously near to achievement. They knew that I would refuse to accept an amendment to the bill taking the power of appointment out and naming the individuals, even if it necessitated a veto. The conclusion is irresistible that this action was taken purely to hamstring, hinder, and stop the power development.

"I must decline to divest either the present Governor or any future Governor of his executive authority and responsibility toward this great project. I am confident that sober second thought will persuade the legislature to restore the bill to the original form of the law of 1930, to the original form of the report of the commission, and to the original form in which it passed the assembly."

A hopeless deadlock seemed in prospect when Governor Roosevelt, after a sharp public exchange with the majority leader of the senate, immediately announced his intention of going on the radio to appeal directly to the people in his fight against "the decision of the senate Republican leadership to attempt to dictate the membership" of the proposed power authority.

The Governor's announcement that he would speak over the radio on April 7, 1931, was given out 4 days before that date. During those 4 days messages, telegrams, and letters poured in upon members of the senate and senate leaders in support of the Governor's position. As a result a move to press the bill in the form unsatisfactory to Mr. Roosevelt was defeated in the senate a few hours before he was scheduled to speak.

Notwithstanding this settlement of the controversy, Governor Roosevelt kept his radio engagement and spoke as follows:

"I want to talk to you very briefly tonight about the influence of public opinion on great questions of State policy, and I will use as an illustration an episode that has occurred in Albany during the past 10 days.

"Since last Thursday, when I decided to make a frank appeal to the people of our State to help me save the St. Lawrence water power project, the crisis itself seems to have been averted. This afternoon I am happy to say that the State senate has refused to pass the restrictive amendment proposed by Senator Knight, and there now seems no good reason why the power authority bill should not become law within a very short time. I feel very strongly that this result is due in large part to the wave of protest which swept over the State from north to south and from east to west immediately following the announcement by the Republican senate leaders last Thursday that they had amended the power bill in a way which they knew definitely would of necessity compel its veto by the Governor. The great majority of the newspapers of the State, regardless of party, understood not only that the attempt to deprive the Governor of the power of appointing the trustees for the St. Lawrence development was merely another of a long series of political tricks, but also that it was contrary to the law passed last year, contrary to the recommendation of the investigating commission, and contrary to the bill as it passed the assembly a week ago. Will you let me for a few minutes describe very briefly the existing situation in regard to the St. Lawrence power development?

"You are all familiar with the fact that over 20 years ago the legislature literally gave away for nothing to the Aluminum Co. of America the title of the State in the bed and waters of the St. Lawrence River; that this action was rescinded and annulled by a subsequent legislature on the ground that the Aluminum Co. had done nothing to use their special franchise. At about that time, 20 years ago, a growing body of public opinion began to oppose any private development of a tremendously valuable property right owned by the people of the State. In the early years of Governor Smith's term a desperate effort was made by the power companies and the Aluminum Co. to get the State to turn the St. Lawrence sites over to them on a so-called "50-year lease." Governor Smith made it perfectly clear at that time that a 50-year lease was in practical effect an outright gift, and that the State would never in all human probability get its own property back again. He tried in vain for many years to get the legislature to approve of the development of the site through what is known as an 'authority'—in other words, a quasi-public corporation created by the State to build a dam and a power house, and with the right to finance the project by selling bonds, thus avoiding any direct cost to the taxpayers or the State treasury.

"During my first year in office I begged the legislature for the same thing, plus the policy of assuring cheaper power and electric light to consumers by having the State authority sell the power under what is known as the 'contract method'—in other words, a system of transmission and distribution guaranteeing fair rates to the consumer; together with the further proviso that if no satisfactory contracts could be made with existing power companies, the State ought to evolve some other plan for transmission and distribution to the consumer.

"Last year toward the close of the 1930 session the Republican leaders turned a complete somersault. Public opinion had made itself felt in no uncertain terms and the real reason for the somersault was the fear on the part of the Republican leaders that they would be placed at a very definite disadvantage in the forthcoming governorship campaign. They passed a bill giving me the authority to name an investigating commission to study the whole project and that commission made its favorable report in February of this year.

"That report proved the engineering feasibility of the project at a cost much below the estimate and recommended in favor of creating the power authority for the purpose of building the dam and the power house and, further, to try to make contracts for the transmission and distribution of the power on the basis of the lowest possible rates to the consumer compatible with a fair return on the actual investment of the private distributing companies. No contract could go into effect until after public hearings and until after it had been approved by the Governor. Thus a double safeguard for the public was created.

"The responsibility of the Governor was twofold: First, as the head of the executive department, for the naming of the power trustees, and secondly, his veto or approval of any proposed contracts.

"In this form the assembly a week ago passed the bill creating the power authority and everything looked like smooth sailing until it was reported out by the senate committee with a surprising amendment taking the appointing power away from the Governor and naming five individuals as trustees. The only reason for this amendment was the fact that they knew I would veto the whole bill in its altered form, and they thus hoped to pigeonhole and obstruct this whole project for another year. Of course it goes without saying that the question of the personality of the trustees has not entered and does not enter into the discussion at all. I shall give no consideration to who should be trustees until after the bill has been signed and becomes law. It is, of course, well to bear in mind the fact that the functions of the power trustees are very different from those of the investigation com-

mission, which studied the plans and reported during the past year.

"With the passage of this bill and its signature by me, the State of New York enters into the definite first phase for the development of the St. Lawrence through a governmental agency.

"Three tasks will confront the new trustees: First, to complete and perfect the engineering plans; secondly, to try to make contracts for transmission and distribution with existing or new private companies; third, to negotiate with the Federal Government and with the Canadian authorities. On this latter point I can only say that I hope that there will be no political or administrative obstruction in Washington; and the State of New York must very properly make its plans so as to interfere in no possible way with the present or future navigation of the St. Lawrence River. The State of New York has no desire selfishly to block either our Federal Government or the Canadian Government in any development of the St. Lawrence which they may mutually agree on. There is, therefore, no real reason for obstruction in Washington.

"The bill further distinctly provides that if the power trustees are unable to bring about a contract or contracts satisfactory to them and to the Governor, with private companies, for transmission and distribution, then the trustees must report to the legislature some other plan, if practicable, for either transmission or distribution, or both, which may involve the erection of transmission lines by the authority itself. To my mind the other great keynote which is struck by the present bill is the solemn declaration of principle that the primary purpose of this St. Lawrence development is not merely for big industrial purposes but is essentially for the providing of cheaper electricity and better facilities for distribution of electricity to the householders and small users as broadly as possible through the State.

"From the very beginning I have held to a consistent course and a consistent objective. I have fought all along for development of this power by an agency of the State itself and not by any private corporation. Furthermore, I have fought from the very beginning for the use and distribution of this power for the great purposes of bringing more and cheaper electricity into the homes of the State, into the small shops and small industries, into the farms and into the flats. I am grateful for the fact that there has been such a splendid response from every corner of the State to this policy, for without that response it is clear that it would not have had a chance of going through the legislature. The influence of a handful of political leaders is strong and so is the influence of private corporations when they see an opportunity to get something for nothing; but stronger than all of these put together is the influence of Mr. and Mrs. Average Voter. It may take a good many years to translate this influence of the people of the State into terms of law, but public opinion when it understands a policy and supports it is bound to win in the long run."

Shortly thereafter, as one of the last actions of this session, the senate passed the power authority bill unanimously. It became law with the signature of Governor Roosevelt, affixed on April 27, 1931.

Announcement of the appointment of the five trustees was made on May 6, 1931. They proceeded to organize immediately, with Frank P. Walsh, of New York City, as chairman.

The power authority had been functioning only a month when Governor Roosevelt, informed that negotiations between the Federal Government and Canada were about to be resumed with the objective of negotiating a St. Lawrence treaty, addressed a communication to the President of the United States. The letter follows:

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, June 11, 1931.

The PRESIDENT,
The White House, Washington, D.C.

MY DEAR MR. PRESIDENT: While I have no official advices, I hear that soon you are to appoint the American Plenipotentiaries to negotiate with Canada a St. Lawrence Waterways Treaty.

As you know, the State of New York has undertaken the power development of the New York State side of the international section of the St. Lawrence River through a power authority. In accordance with the act of the legislature, I have appointed the trustees of this authority as follows: Hon. Frank P. Walsh, Prof. James C. Bonbright, Mr. Fred Freestone, Mr. Morris Llewellyn Cooke, and Mr. Delos M. Cosgrove.

With the unanimous approval of the members of the authority, I am making the suggestion that it would be fitting if you would appoint Mr. Delos M. Cosgrove as a member of the treaty commission. I am informed that you have already given favorable consideration to the representation of the State of New York on the commission.

Mr. Cosgrove is a leading citizen of Watertown, N.Y., is intimately acquainted with northern New York and Ontario, and is familiar with the history and the problems of the St. Lawrence River, both in its navigational and power aspects.

I am certain that there are no problems relating to the development of this great project in the interest of commerce and domestic welfare which cannot easily be solved by the mutual cooperation of the Governments of the United States and the State of New York working in conjunction with our Canadian neighbors.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

The power authority entered upon a series of informal conferences and negotiations with representatives of the State Department in Washington looking to agreement as to the share of cost New York should assume in the St. Lawrence development and to the safeguarding of its power resources in the river. As a result of these preliminary conferences, Chairman Walsh of the power authority communicated certain information to Governor Roosevelt who in turn wrote to President Hoover, under date of August 11, 1931, as follows:

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, August 11, 1931.

The PRESIDENT,
The White House, Washington, D.C.

MY DEAR MR. PRESIDENT: Referring to my letter to you on June 11, 1931, which was acknowledged by the Secretary to the President under date of June 20, 1931, I beg to advise you that I have received the following letter from the Power Authority of the State of New York:

"HON. FRANKLIN D. ROOSEVELT,
"Governor, Executive Chamber, Albany, N.Y.

"SIR: In your letter to the President under date of June 11, 1931, you requested him to appoint as a member of the proposed treaty commission with Canada Mr. Delos M. Cosgrove, vice chairman of the Power Authority of the State of New York.

"This letter we understand was acknowledged by the secretary to the President under date of June 20, 1931.

"Since that date members of the power authority have held informal conversations in Canada looking to the furthering of plans for a dam in the international section of the St. Lawrence River.

"In these conversations it was made apparent that the Governments of the United States and the Dominion of Canada are considering the abandonment of the appointment of treaty commissioners and the substitution therefor of direct negotiations through diplomatic channels alone between the Federal Governments of the two countries looking to the drafting of a treaty.

"These advices seem borne out by statements in the Canadian and American press.

"May we again call your attention to the vital importance that the State of New York be represented in the negotiations with Canada and that this right is recognized in the fourth conclusion of the report of the United States-St. Lawrence Commission upon the development of shipway from the Great Lakes to the sea, submitted by President Hoover, at that time Secretary of Commerce and chairman of the Commission, of December 27, 1926, which reads as follows:

"'That negotiations should be entered into with Canada in an endeavor to arrive at agreements on all these subjects. In such negotiations the United States should recognize the proper relations of New York to the power development in the international section.'

"This principle was reiterated on other occasions by Chairman Hoover. Therefore, may we request that, as this whole question involves relationships between the State of New York and the United States Government, you obtain for us, if possible, direct and early information regarding the negotiations between Washington and Ottawa.

"We must repeat with definite emphasis that we adhere to the belief that a representative of New York should take part in the negotiations in view of the fact that State-owned power development is equally involved with the navigation plans of the Federal Government.

"Very respectfully,

"FRANK P. WALSH, *Chairman.*"

In view of this whole matter, in which I concur, I would greatly appreciate it if you would be good enough to advise me of the status of the negotiations between the United States and Canada relating to drafting of a treaty covering the development of the St. Lawrence River in the international section for navigation and power purposes.

I am, my dear Mr. President, faithfully yours,

FRANKLIN D. ROOSEVELT, *Governor.*

The conferences and negotiations between the State Department and other representatives of the Federal Government and the power authority continued to the end of 1931. During this period Governor Roosevelt was kept informed of developments, although no overt action was taken by him.

On the last day of this year the power authority made an interim report to the Governor, in which it was stated that progress was being made toward an understanding with Federal authorities. In this report certain recommendations were made to the Governor, including a proposal for legislation to permit municipalities in New York to purchase and distribute St. Lawrence power, after referendum of their citizens.

It may also be noted that in the late summer of this year Governor Roosevelt joined with the trustees of the power authority in an inspection trip of sections of the St. Lawrence River, in which the proposed development would be made.

GOVERNOR FRANKLIN D. ROOSEVELT AND THE ST. LAWRENCE RIVER PROJECT FOR THE YEAR 1932

Entering upon his fourth year in office, Governor Roosevelt informed the legislature, in his annual message, dated January 6, 1932, that the trustees of the power authority were making progress toward development of the St. Lawrence power resources. He

again pointed out the necessity for enactment of legislation permitting municipalities to generate and distribute electricity, being supported by recommendations of the power authority. His references in this message were as follows:

"The power authority, created last year, has made definite progress in the performance of the duties imposed upon it by law, not only in working out the respective rights and interests of the four parties principally concerned, namely, United States, Canada, Province of Ontario, and the State of New York, but also in a further study of the economic and engineering problems and in negotiation of contracts for power distribution.

"In conjunction with the mandate placed upon it by section 5 of chapter 772 of the Laws of 1931, directing it to provide a reasonable share of the power to be generated on the St. Lawrence for the use of municipalities and other political subdivisions of the State now or hereafter authorized by law to engage in the distribution of electricity, I desire to recommend to your honorable bodies the adoption of a statute similar to the one which was proposed by me last year, but which failed of adoption, authorizing municipalities of the State to form public utility districts, with the consent of their voters, for the purpose of generating, distributing, and selling electricity."

Governor Roosevelt followed this request with a special message to the legislature, dated February 15, 1932, in which he again emphasized the necessity for legislation enabling municipalities which might desire to do so, to buy St. Lawrence power when it was ready for marketing. In this message he said:

"The intermediate report of the power authority points out the necessity of early adoption of legislation which will permit municipalities to buy the cheap electrical power to be developed from the St. Lawrence. In connection with this, one or more municipalities should also be enabled by law to combine into a utility district for this purpose. It is equally important that municipalities, acting either for themselves or in conjunction with other municipalities or parts thereof, should have the right, on the approval of a majority of the voters in the region affected, to manufacture, transmit and distribute electrical energy.

"Last year there were introduced in the legislature two bills to carry out this purpose. They were not passed. Nor indeed were they given any adequate consideration. I am causing legislation to this end again to be introduced and trust that your honorable bodies will adopt it so as to permit municipalities to help reduce rates for electricity for their inhabitants. A number of municipalities in the State now have this right; and it is common knowledge that the rates for electrical energy are much cheaper in those localities than elsewhere.

"There can be no valid objection to this legislation, except from those utility corporations which seek to maintain as exorbitant rates as possible. If there are details of the proposed legislation which do not meet with the views of your honorable bodies, I shall be glad to confer with you relative to amendments, providing only they do not change the general principle of the program. I believe that it is particularly important that this policy be written now into the statute law of our State in order more adequately and more quickly to obtain all of the benefits of the development of the St. Lawrence water power toward which the power authority has made marked progress."

The legislature adjourned without having taken action on the Governor's proposals.

Subsequently, early in July, Mr. Roosevelt became the Democratic nominee for the Presidency. During this immediate period it became apparent that the negotiations for a treaty with Canada were rapidly approaching a conclusion. Inasmuch as an agreement between Federal authorities and the power authority had not been reached, Governor Roosevelt, after a conference with the trustees of the power authority at his Hyde Park home, sent the following telegram to President Hoover under date of July 9, 1932:

The PRESIDENT,

The White House, Washington, D.C.:

The Power Authority of the State of New York has officially reported to me the status of its negotiations with the State Department in the matter of effecting an agreement between the Federal administration and the State of New York in connection with the development of the St. Lawrence River for navigation and power.

According to this report, after many protracted conferences between the State Department and the New York State Power Authority over a period of many months, the Secretary of State has referred the issues to you for final determination.

The question, failure to agree upon which has prevented complete accord, is the proportion of the cost to be borne by the State of New York.

I am sure that you agree with me that prompt and speedy settlement of this only question remaining unsettled is a matter of vital necessity. It is a vital necessity for the simple fact that this great project involves two objectives of equal importance and cannot in public justice accomplish one without the other.

I am deeply interested in the immediate construction of the deep waterway as well as in the development of abundant and cheap power.

The State of New York not only owns this potential power but seeks, through a State agency, to make it available to millions of people at reasonable cost.

That is why the determination of the share of the total cost of construction to be paid for by this State is a present factor which should not be relegated to later negotiations between us.

Four sovereignties are involved: The Dominion of Canada and the Province of Ontario, the United States and the State of New York.

In Canada the Premier of Canada and the Premier of Ontario have directly conducted negotiations on this very subject.

In international matters affecting the joint rights and interests of the United States Government and one or more of its sovereign States, an understanding should be reached between the Federal and State Governments as a condition precedent to the conclusion of negotiations with a foreign nation.

In view of this, therefore, it is my belief that through a personal conference between us this could be promptly solved.

With such an agreement between the Federal administration and the State of New York, it would be my hope that it would be possible to submit a treaty to the Senate for immediate and, I hope, favorable action as soon as signed.

May I respectfully point out that such action would hasten greatly the initiation of this vast project—one which means cheap transportation by deep waterway for the agricultural and other products of the West; cheap electricity from the State-owned and controlled resource, to be developed for the primary interest of homes, farms, and industries; and, of immediate importance, employment for thousands of workers.

If, by thus cutting red tape and eliminating formalities, we could work together to secure early and final action on this great public work, it would be greatly to the public interest. It has already been too long delayed.

I hold myself subject to your call and am ready to go to Washington on 48 hours' notice at your convenience.

I shall be on a cruise between New York and Cape Cod this week, but will be in port each night. Word to Albany will be forwarded promptly.

FRANKLIN D. ROOSEVELT,
Governor of New York.

Shortly thereafter, on July 18, 1932, the St. Lawrence Treaty with Canada was signed in Washington.

During the presidential campaign, Governor Roosevelt touched on the St. Lawrence project in the course of his address on public utilities in Portland, Oreg., on September 21, 1932, as follows:

"Let me repeat the position which I took in my first inaugural address as Governor of New York, January 1, 1929, and which I have maintained ever since. I said then and I say now:

"'The water power of the State should belong to all the people. The title to this power must rest forever in the people. No commission—not the legislature itself—has any right to give, for any consideration whatever, a single potential kilowatt in vital perpetuity to any person or corporation whatever. It is the duty of our representative bodies to see that this power is transferred into usable electrical energy and distributed at the lowest possible cost. It is our power, and no inordinate profits must be allowed to those who act as the people's agent in bringing this power to their homes and workshops.'"

In the same address, speaking of the development of the water power of the Columbia River in the Northwest, he added:

"This vast water power can be of incalculable value to this whole section of the country. It means cheap manufacturing production, economy, and comfort on the farm and in the household. Your problem with regard to this great power is similar to our problem in the State of New York with regard to the power development of the St. Lawrence River.

"Here you have the clear picture of four great Government power developments in the United States—the St. Lawrence River in the Northeast, Muscle Shoals in the Southeast, the Boulder Dam project in the Southwest, and, finally, but by no means the least of them, the Columbia River in the Northwest. Each one of these will be forever a national yardstick to prevent extortion against the public and to encourage the wider use of that servant of the people—electricity."

After the legislature had adjourned, Governor Roosevelt visited St. Paul, Minn., to address a large gathering on the occasion of a Jefferson Day dinner. Speaking on April 18, 1932, he made the following reference to the St. Lawrence project:

"Let me illustrate by telling you simply and briefly the story of the long fight which I have had in the State of New York for making available for the use of the public of the State a million and one fourth horsepower provided by nature and capable of development at an exceedingly low price on the St. Lawrence River.

"There is no doubt that because the people of the State have always owned the bed of the St. Lawrence River out to the international boundary, the people of the State and no private corporations have the definite right to build the necessary dam or dams to develop the power. Twenty-five years ago, when the people of the State were little aware of their great heritage, a legislature attempted to alienate this great possession to the Aluminum Co. of America. This was happily frustrated and then began a 20-year struggle to prevent a new alienation of this great possession under the guise of a lease running for 50 years or more. In this contest my distinguished predecessor, Governor Smith, was happily able to prevent the control from passing out of the hands of the State. When I took office I undertook at once a definite plan for the development of this great power and I laid down a very definite application of the principle to which I have alluded. In order to be absolutely certain that the actual possession of the power itself should

never be alienated from the people I insisted that the actual dam or dams and the actual power houses should be constructed by a public authority and always remain in the physical possession of that public authority. Then came the question of how and under what terms this power should be distributed to the actual consuming public. I laid down the principle that this task of transmission and of distribution should be offered in the first instance to private capital and private management, but under very definite terms. These terms were intended to carry out the purpose of getting the electricity into the homes of the people at the lowest reasonable price. This price would be made up of the following items: First, a payment to the State at the power house of an amount necessary to pay the interest and amortization on the cost of the plant; secondly, an item representing the actual cost of transmission and a reasonable return on the actual money wisely and necessarily invested in transmission lines; and third, the cost of distribution plus a reasonable return on the amount wisely and necessarily invested in the properties engaged in distribution. The sum of these three items would represent the actual cost of electricity to the home owner, and we have believed that this cost would be far below the average price now charged to the home owners of the State. The very definite plan has been to invite private capital to contract with the State to do this transmitting and distribution on these entirely proper and reasonable terms. But at that point it became necessary to provide an alternative in the event that private capital was unwilling to undertake transmission and distribution on terms involving only a reasonable profit to that private capital. I said in my message to the legislature at that time, 'Are the business men of this State willing to transmit and distribute this latent water power on a fair return on their investment? If they are satisfied, here is their opportunity. If not, then the State may have to go into the transmission business itself.' That is the obvious development of any sound government control over private utilities—that government itself should not engage in the utility business if it can find private initiative and private capital willing to undertake the business for a reasonable and fair return on the capital which it is necessary and wise to invest in the project—and on the other hand, if government is not able to find private individuals or corporations willing to do this, then government must step in and do it itself."

Referring to the interest of the West in the navigation features of the development and the interest of New York in the development of cheap power, Governor Roosevelt labeled these projects "twin sisters."

FRANKLIN D. ROOSEVELT AND THE ST. LAWRENCE RIVER PROJECT, 1933–34

Throughout the year 1933 President Roosevelt continued his advocacy of the development of the St. Lawrence River under the pending treaty with Canada to insure the benefits of this project to the American people for power and navigation purposes.

On June 8, 1933, the President made public a statement urging adoption of the resolution which had passed the House providing for allocation of Federal and State costs under the treaty to insure public development of St. Lawrence power, as follows:

THE WHITE HOUSE,
Washington, June 8, 1933.

Hon. ROBERT M. LA FOLLETTE, Jr.,
Senate Office Building, Washington, D.C.

MY DEAR SENATOR: I do not hesitate to tell you—and I do so with complete consistency—that I favor the resolution relating to the St. Lawrence power development passed by the House. I also favor the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty.

The joint resolution protects the people of the State of New York who own the land under water in the St. Lawrence River as far out as the international boundary. The resolution means, in effect, that the Congress will see to it that the State of New York, in paying for the power part of the development, will pay only for that part and will thus be able to insure cheap electricity for the consuming public.

The treaty itself has been endorsed by both major political parties. The beginning of the work of construction at an early date can be made an essential part of the national Public Works program and will furnish employment to thousands of people.

The above are simple facts and I have no objection to your use of this letter if you so desire.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

On September 16, 1933, Secretary of War Dern, at the request of the President, addressed the St. Lawrence Seaway Conference, at Superior, Wis. Secretary Dern stated in this address:

"The President favors ratification of the treaty in its existing form. He has made this public in several conferences with Senators and notably in a letter to Senator La Follette. He has authorized me to repeat to you today that he hopes the Great Lakes-St. Lawrence Deep Waterway Treaty will be ratified, and that the project will be constructed."

Following a conference at the White House with Chairman Frank P. Walsh of the power authority of the State of New York, on September 14, 1933, the President announced the formation of an interdepartmental board to make an economic study of the Great Lakes-St. Lawrence project, in all its aspects, including both navigation and power development.

On January 10, 1934, the President submitted his message to the Senate, asking ratification of the pending treaty and submitting a summary of the interdepartmental reports on the project. (The message is printed in the CONGRESSIONAL RECORD of January 10, and the accompanying summary in the RECORD of January 11.)

Mr. LEWIS subsequently said: Mr. President, while I was called out of the Chamber for a few minutes, the able Senator from Nevada, Chairman of the Foreign Relations Committee [Mr. PITTMAN], brought to the attention of the Senate some documentary matter which he feels makes some reply to some of the positions I took in my opening speech against the treaty. I will not allude now in detail to the presentation of the Senator from Nevada, in view of the fact that the leader of the majority desires to have the Senate proceed with the consideration of the executive calendar, but I merely give notice that I will, on tomorrow, refer to the matter alluded to by the chairman of the Foreign Relations Committee and which he presented to the Senate touching what is known as the St. Lawrence Waterway Treaty.

CORPORATION INCOME-TAX LAWS

Mr. McKELLAR. Mr. President, I am going to occupy briefly the time of the Senate this afternoon to discuss the corporation income-tax laws that we now have, and some proposed amendments to them.

Our income taxes started, as we know, the last time about 1913. Our income-tax laws were largely framed by the present Secretary of State, the Honorable Cordell Hull, from my State. They were ably framed; they were carefully framed; and, as long as they were adhered to, they brought in very excellent returns to the American Government. Secretary Hull, then Congressman Hull, was a great student of taxation, and a student of government generally, and he molded a system of income taxation which did him and his country great credit.

Those laws in the last 12 years, however, have been so emasculated, they have been so changed, there have been so many amendments thereto permitting so many deductions and allowances and credits to favored classes that now I am quite sure Secretary Hull would not recognize his own income tax laws.

The Ways and Means Committee of the House of Representatives has before it now, I believe, some additional proposed changes in the income-tax laws. The Finance Committee of the Senate will soon have to pass upon those changes. At this time I desire to call the especial attention of the members of those two committees—and all other House Members and the Senate Members as well—to some of the peculiar amendments that have been offered to this law in the past 12 years.

The income-tax laws—both the corporation income-tax laws and the individual income-tax laws—worked well for many years. Then in 1921, when our Republican friends came into control of the Government, one of the first things they undertook to do was to secure an amelioration of those laws. Not only that, they have tried to destroy those laws. The Republican Party, as a party, was never in favor of income-tax laws. It sought to break them down and bring them in disrepute from the very beginning. It would infinitely prefer a sales tax, taking the tax burdens off of those best able to bear them and placing them on those less able to bear them.

Mr. President, I have here a table that I ask at this time to have made a part of my remarks. It is a table comparing the deductions made by Republican administrations during their last tenure of power.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Without objection, it is so ordered.

The table is as follows:

TABLE No. 1.—*Table comparing certain deductions of corporations (all corporations) for the years 1921 to 1930, inclusive, showing increased amounts allowed in computing taxable net income under the Revenue Acts of 1921, 1924, 1926, 1928*

[Source: Treasury Department Statistics of Income, except as otherwise indicated]

Year	Compensation of officers	Depreciation, etc.	Depletion	Prior-year net loss	Tax-exempt dividends and interest	Miscellaneous deductions	Total of preceding deductions	Increase in items specified over 1921	Net income of corporations reporting net income	Income tax paid
1921	$2,258,902,237	[1] $2,073,236,957	[2] $500,000,000	None	$697,906,387	$24,496,192,919	$30,026,238,500		$4,336,047,813	$701,575,432
1922	2,409,843,120	[1] 2,389,067,298	[2] 500,000,000	$501,780,287	1,197,164,557	23,633,858,898	30,631,714,160	$605,475,660	6,963,811,143	775,310,154
1923	2,575,875,186	[1] 2,616,244,428	[2] 500,000,000	578,307,088	1,326,289,296	27,075,621,458	34,672,337,456	4,646,098,956	8,321,529,134	937,106,798
1924	2,635,743,949	[1] 2,686,833,154	[2] 500,000,000	219,727,166	1,432,425,446	26,123,971,555	33,598,701,270	3,572,462,770	7,586,652,292	881,549,546
1925	[3] 2,700,000,000	2,857,710,739	472,061,777	243,078,565	1,695,327,174	[4] 31,101,337,359	39,069,515,614	9,043,277,114	9,583,683,697	1,170,331,206
1926	[3] 2,850,000,000	3,270,429,583	570,908,764	235,851,912	2,005,746,410	[4] 38,077,092,220	47,010,028,889	16,983,990,389	9,673,402,889	1,229,797,243
1927	[3] 3,000,000,000	3,346,379,298	501,755,947	244,293,375	2,158,901,469	[4] 38,692,086,683	47,943,416,772	17,917,178,272	8,981,884,261	1,130,674,128
1928	[3] 3,150,000,000	3,596,916,546	515,456,618	301,146,176	2,510,128,822	[4] 41,796,392,512	51,870,040,674	21,843,802,174	10,617,741,157	1,184,142,142
1929	3,336,799,340	3,870,924,234	558,648,558	392,177,216	3,129,749,328	42,357,443,136	53,645,741,812	23,619,503,312	11,653,886,002	1,193,435,832
1930	3,138,845,973	3,986,208,883	463,015,786	157,880,249	3,107,491,324	39,897,670,077	50,751,112,292	20,724,873,792	6,428,812,710	711,703,900
Total by items	28,056,009,805	30,693,951,120	5,081,847,450	2,874,242,034	19,261,130,213	333,251,666,817	419,218,847,239	118,956,662,439	84,047,451,098	9,915,626,381

[1] Amount shown by Statistics of Income after deducting $500,000,000 estimated depletion.
[2] Estimated depletion based on experience of subsequent years; no exact figures are available.
[3] Estimated on basis of experience of prior years; exact figures not available.
[4] Amount shown after subtracting estimated compensation of officers (see footnote 3).

Mr. McKELLAR. This table shows a very remarkable situation, and explains very fully why the amounts that the American Government gets from corporation income taxes is the pitifully small sum that we now secure from that source.

It has been made to appear by the newspapers of the land, and by other propaganda going out, that our income-tax laws are a failure, and that we must resort to some other method of taxation. I say that if there is any trouble with the income-tax laws it is the trouble that has been brought about by the Congress of the United States while in Republican hands in constantly changing the income-tax laws in favor of the big corporations, which should pay those taxes.

I have called attention to this table which I have already submitted, and I am going to take just one of the years as an example of all. This table is a table of the taxes for the 10 years beginning in 1921 and ending in 1930. I will take the year 1930, and I desire to call attention especially to the deductions that are now allowed to be made.

Compensation of officers, $3,138,845,973.

Depreciation, $3,986,208,883.

Depletion, $463,015,786.

Prior year net loss, $157,880,249.

Tax-exempt dividends and interest, $3,107,491,324.

Miscellaneous deductions, $39,897,670,077.

Total of the deductions, $50,751,112,292.

But, Mr. President, after all those deductions are made, the Congress in 1921 passed a law permitting very material additions to these deductions. These additions brought about by amendments by 1930 had reached the enormous total of $118,956,662,439.

It may be said that these figures are tiresome; that they do not indicate what the true facts are; but they do, while they are tiresome to listen to, demonstrate the facts, Mr. President. Let us see what they indicate. We tax corporations, as shown by these figures, only on an infinitesimal amount of their net earnings. The deductions I have just read come after all the costs and all the other allowances are made; but the allowances to which I call particular attention are additional allowances that have been made by the Congress between 1921 and 1930. So the result is that during the 10-year period of which I speak there were taxes imposed on $81,047,451,098, while the deductions alone that have been added by the Republican Party during the same period amounted to the enormous sum of $118,956,662,439.

In other words, Mr. President, due to acts of Congress of 1921, 1924, 1926, and 1928 our Republican friends have more than cut in two the net taxable income of corporations. They have deprived the American people of any tax on $118,000,000,000 of net income of corporations alone. If they had not added all the deductions and allowances in the interest of the favored classes there would not be much need of our borrowing so much money now, and no need at all of raising additional taxes from those less able to pay them.

Mr. President, can we wonder that the income taxes actually received from corporations during all that time have gone down? We did not have to wait for a depression. The favored interests got theirs by deduction, by allowances. And how did they get it? Let me call the attention of the Senate to how it has been done. It has been done principally through lobbyists.

I desire to call the attention of the Senate and the attention of the country to the cumbersome method of assessing and collecting these taxes, the cumbersome language that is employed by which these taxes are assessed and collected. Does the act provide plain language? Not at all. I call the attention of the Senate to some of the language that the Senate has endorsed in the imposition of these taxes. I quote from the act of 1928, page 822, section 115 of the Revenue Statutes, under the subtitle of—

Distribution by corporations—(a) Definition of dividend: The term "dividend" when used in this title (except in sec. 203 (a) (4) and sec. 208 (c) (1), relating to insurance companies) means any distribution made by a corporation to its shareholders, whether in money or in other property, out of its earnings or profits accumulated after February 28, 1913.

If that is not as clear as mud, then there is no way in the world for mental ingenuity to confuse language. I do not mean to say it has not a meaning. It has. Those interested in the use of that language knew exactly what they were doing when they put that language in the bill. It meant deductions; it meant allowances; it meant gratuities to favored interests. That is what it meant. We all know it. None will dispute it.

I call the attention of the Senate to another quotation. I quote probably the most cunningly devised and remarkable piece of language in all our law. I quote from subsection (c) of the same section, on the same page:

Distribution in liquidation: Amounts distributed in complete liquidation of a corporation shall be treated as in full payment in exchange for the stock, and amounts distributed in partial liquidation of a corporation shall be treated as in part or full payment in exchange for stock.

I stop long enough to ask what possible sense could be made out of such language? Just think of legislators passing such language as that in any bill.

But I continue:

The gain or loss to the distributee resulting from such exchange shall be determined under section 111, but shall be recognized only to the extent provided in section 112. In the case of amounts distributed in partial liquidation (other than a distribution within the provisions of sec. 112 (h) of stock or securities in connection with a reorganization), the part of such distribution which is properly chargeable to capital account shall not be considered a distribution of earnings or profits within the meaning of subsection (b) of this section for the purpose of determining the taxability of subsequent distributions by the corporation.

Mr. President, after reading this language, which is just one of the subsections of this most involved law, can any

one wonder that there are 241,616 corporations paying a billion and a half dollars of dividends to their stockholders, and yet not paying one cent of taxes to their Government?

I ask Senators who are listening to me to think of this for a moment. There are something over 500,000 corporations in this country. In the year 1930, which I will give as an illustration, 221,000 made returns showing that they owed some taxes, each one of them. Two hundred and forty-one thousand, in round numbers, showed deficiencies; and those 241,000 corporations showing nearly $4,000,000,000 of deficiencies declared one and a half billion dollars of dividends to their stockholders. By the peculiar machinations of language which exist in this bill, not only the billion and a half dollars did not pay any income tax, but the dividends which the corporations declared were not taxable in the hands of the individuals that received them.

Not only that, Mr. President, but many, many people of wealth, instead of paying individual income taxes, where the surtaxes were estimated to be large, formed more or less dummy corporations, transferred their properties to such corporations, and then, by way of deductions and allowances, escaped large sums of taxation by reason of the smaller corporation rate. I am informed that many of these dummy tax corporations are still in existence. Their only purpose is to escape and evade taxation. The Congress should amend the corporation tax law so as to prevent these people from evading and setting at naught the individual income tax law.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. McKELLAR. I yield.

Mr. KING. For information, I inquire of the Senator whether those dividends or any part of them were paid out of earnings for the year or years in which they were declared; or were they paid from reserves growing out of prior activities of the companies?

May I further observe that, as the Senator knows, many of the corporations—I think unwisely, and certainly unjustly, and in part for the purpose of evading taxes—maintained very large reserves, and then at the psychological moment they would declare dividends, perhaps in some year when they had losses or had very small profits, and thus escape paying taxes; and for that reason the Senator may recall that the late Senator Jones and I offered a bill to compel distribution of the larger part of those reserves, or subject them to taxation.

Mr. McKELLAR. I call the Senator's especial attention to table 2, which I shall now ask to be made a part of my remarks; and I will ask him to give it his careful attention when reading the RECORD tomorrow morning, if he will. I think this table will answer his question fully. I am going to answer it in a moment, after the Chair permits it to be placed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

TABLE 2.—*Statistics of income—1930*

CORPORATION RETURNS FOR 1916 TO 1930 SHOWING TOTAL NUMBER, NUMBER WITH NET INCOME AND NO NET INCOME, GROSS INCOME, NET INCOME, DEFICIT, AND TAX

Year	Number of returns				Gross income		Net income returns showing net income	Deficit returns showing no net income	Total tax
	Total	Showing net income	Showing no net income	Showing no income data—Inactive corporations	Returns showing net income	Returns showing no net income			
1916	341,253	206,984	134,269		$32,531,096,969	$2,796,534,046	$8,766,000,000	$657,000,000	$171,805,150
1917	351,426	232,079	119,347		79,540,004,891	5,153,234,312	10,730,000,000	630,000,000	2,142,445,769
1918	317,579	202,061	115,518		79,706,659,148	6,757,622,164	8,363,000,000	690,000,000	3,158,764,422
1919	320,198	209,634	110,564		88,261,006,052	11,657,742,792	9,412,000,000	995,000,000	2,175,341,578
1920	345,595	203,233	142,362		93,824,224,704	24,381,337,545	7,903,000,000	2,029,000,000	1,625,234,643
1921	356,397	171,239	185,158		60,051,123,329	31,198,150,203	4,336,000,000	3,878,000,000	701,575,432
1922	382,883	212,535	170,348		80,331,679,917	20,588,834,597	6,964,000,000	2,194,000,000	783,776,268
1923	398,933	233,339	165,594		97,457,479,446	21,106,184,230	8,322,000,000	2,014,000,000	937,106,798
1924	417,421	236,389	181,032		97,158,996,625	22,070,497,262	7,587,000,000	2,224,000,000	881,549,545
1925	430,072	252,334	177,738		113,692,083,216	20,568,067,504	9,584,000,000	1,963,000,000	1,170,331,206
1926	455,320	258,134	197,186		118,022,117,287	24,107,735,570	9,673,000,000	2,169,000,000	1,229,797,243
1927	475,031	259,849	165,826	49,356	115,324,339,717	29,074,011,729	8,982,000,000	2,472,000,000	1,130,674,128
1928	495,892	268,783	174,828	52,281	127,369,525,029	25,411,989,446	10,600,000,000	2,400,000,000	1,184,142,142
1929	509,436	269,430	186,591	53,415	129,633,791,720	30,987,717,461	11,654,000,000	2,914,000,000	1,193,435,832
1930	518,736	221,420	241,616	55,700	91,811,495,003	46,500,564,065	6,429,000,000	4,878,000,000	711,703,900

Mr. McKELLAR. I will take the year 1930 for the purpose of answering the Senator's question. In that year we had 518,736 corporations in America. Two hundred and twenty-one thousand four hundred and twenty of those corporations showed net taxable income. Two hundred and forty-one thousand six hundred and sixteen showed no net taxable income.

Returns showing net income amounted to $91,811,495,003.

Returns showing no net income amounted to $46,500,564,065.

Returns showing taxable income were $6,420,000,000.

The other 241,000 corporations, instead of showing incomes, showed $4,878,000,000 which they called deficits; but the same 241,616 corporations which showed a total deficit of nearly $5,000,000,000 actually paid out as dividends to their stockholders the enormous sum of $1,500,000,000! And mostly in cash.

How do they do it? It is the plainest thing in the world. All one has to do is to read the act of 1921, which amended the previous corporation revenue act. That act did not go into effect in time to show the additional deductions for 1921, but the next year it showed additional deductions of $605,000,000; the next year, 1923, it showed additional deductions and allowances made largely to this class of corporations of $4,646,098,956; the next year the amount was $3,572,462,770; and the next year the additional deductions amounted to $9,043,277,114.

Mr. LONG. Million dollars?

Mr. McKELLAR. No; $9,000,000,000 of additional deductions. The table I am now reading from shows only the deductions. The next year the amount was $16,983,990,389; the next year it was $17,917,178,272; the next year it was $21,843,802,174; the next year it was $23,619,503,312; and the next year, 1930, it was $20,724,873,792. In all, the gigantic sum of $84,047,451,098, which escaped all taxation by reason of the increased deductions and allowances given after our Republican friends secured control of the Government in 1921.

Mr. LONG. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. LONG. How much did they start with? They seem to have been able to get up to $20,000,000,000 a year.

Mr. McKELLAR. I have not the exact figures, but the gross income of corporations during that period amounted approximately to well over $100,000,000,000 a year; the cost of doing business was 50 percent, and that was deducted; then all these other deductions were added by law; and then all these other superdeductions were added by the Republi-

can Party when they came in, with the result that, because of amendments made to the revenue law during the Harding, the Coolidge, and the Hoover administrations, the provisions requiring a fair and just income tax, both of corporations and of individuals have been absolutely emasculated. That is why we see published in the newspapers items to the effect that the income tax law has fallen down. That is not true. What has been done is, we have yielded to the emissaries of the favored interests, to the lobbyists, if you please, who come here every year, who, I am informed, are here now, seeking to change the income-tax provisions in favor of the great interests which they represent.

The purpose of my making these remarks this afternoon, Mr. President, is to urge the Ways and Means Committee of the House and the Finance Committee of the Senate not to let these "jokers" made for the favored interests creep into the law. We could allow all proper deductions in the income tax law, and yet from the two sources, the corporation income tax and the individual income tax, there could be derived ample revenue to run the Government, without injustice to anyone, and without undue burden upon those who are able to pay and who ought to pay.

Mr. President, I have been talking about two features of the law; one is the exemption of a billion and a half dollars paid out in dividends by corporations which had made so much money that they could pay such dividends in 1 year, every dollar of which escaped taxation under the laws which I have mentioned. The other thing to which I have called attention is the fact, well known to us all, that corporations have secured these deductions through frequent amendments of the law. Every 2 years we have such amendments offered, and the corporations as a result get off with the payment of less and less taxes. Mr. President, it is not fair to that class of corporations that pay taxes for another vast body of corporations that make money not to pay taxes. That is not the way for a government to tax its people. It is not right that certain corporations can send representatives here and secure "jokers" put in bills by reference to other bills and other sections and other laws and thus obtain great gratuities from the Government, while the great body of self-respecting corporations pay their taxes. It is not fair to the other corporations; it is not fair to the individual taxpayer; it is not fair to the Government and it is not fair to the country as a whole to have such tax laws; and I am here this afternoon to ask the Finance Committee of the Senate to take into consideration this vast amount of net income—net income after making the most generous allowances and deductions that any government ever gave—and to require corporations which earned dividends and paid them out to pay their just proportion of the taxes.

Mr. President, I come to another feature of the method and practice of the favored interests in escaping taxation and that is what is known as "depletions." I read in the newspapers several days ago that the House committee was going to require that depletions be to some degree taxed, and that depletion allowances be no longer granted to the full extent they have been allowed in the past.

I wish to refer to the history of the depletion allowance to corporations, and when I refer to depletion I am talking specifically about the oil and gas companies. When the income tax law was first enacted it provided that corporations should be exempted on the actual cost of mines or oil wells. Then there was added the provision with regard to discovery value of the mine or well, putting a limitation on the amount of capital drawn from that mine or well. Let us see how it worked. Substantially that worked so as to excuse the great oil companies from paying any corporation income taxes at all until about 1926, when the law was again amended to bring about and did bring about a peculiar result. I am going to take a specific case. Let us suppose a man bought an oil property in 1913—because March 1, 1913, was the date when income taxation started—and that he paid $100,000 in cash for that oil well. Experts fixed the life of that well for, let us say, 5 years, there being a rule by which that is determined. Therefore, under that rule, of course, the well would have gone out in 1918, and $20,000 would be deducted each year, and by that time the capital account would have been exhausted.

A little later on there was added the discovery element. Let us assume that the discovery value was a million dollars. The owner still has the well. It has lasted 5 years. There was first exempted $20,000 a year for 5 years. That worked fine so long as it represented the fixed life of the well; but in 1925 it was found that innumerable oil wells—and the provision applies to other minerals—were still producing oil and that the 5-year limit had passed. They had been escaping taxes all that time, but the 5-year period had passed and the allowance for depletion ended. Then, let us see what our oil friends did. They appeared here and said they wanted an increase in taxes on oil. Mind you, Mr. President, they had gotten all the exemptions to which they were entitled. Suppose an oil company had already produced for the period of 5 years; it was tax free during that time by reason of depletion allowances; but when the 5 years elapsed it would have to pay taxes on its income, because all its capital allowances had been exhausted. So the representatives of the oil companies came here and said, "We want to have our taxes on oil increased; we will do this; we ask that 27½-percent gross and 50-percent net be granted as an allowance hereafter." In other words, that gave the well 2 more years, and they were willing to pay on half, not, like other people who paid on all, but the oil companies, which had virtually escaped taxation all these years, had their life extended indefinitely, and they paid on a 50-percent basis while everybody else paid on a 100-percent basis.

Mr. LONG. Mr. President——

Mr. McKELLAR. I will yield in a moment. It is absolutely inexcusable; it is a "joker" in the law. The oil companies have representatives here all the time; and, by the way, they did not have to have representatives all the time because for about 11 years the Secretary of the Treasury, Andrew W. Mellon, seems to have been on guard; and, of course, we all know it was because of his generosity that after the capital allowances had been exhausted entirely, he was willing they should pay on a 50-percent basis on the oil. To my mind, it is one of the most damnable laws that was ever enacted. Why should oil companies be free from taxation? Why should any particular company, because it has representatives to serve it here at the Capital, be exempted from taxation? I do not believe it ought to be exempted, and I hope the members of the Finance Committee will see to it that the law is properly amended. I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I have not looked at the first revenue law recently, but I understand it allowed a reduction of 20 percent a year. That was along about 1921 or 1922.

Mr. McKELLAR. Oh, no; it was before that; it was in 1913.

Mr. LONG. And the law allowed them to deduct 20 percent a year, did it not?

Mr. McKELLAR. Twenty percent a year.

Mr. LONG. After they had deducted five 20's that made a hundred percent; then they come back and deducted 50 percent more; so 150 percent has already been deducted.

Mr. McKELLAR. The Senator is wholly mistaken. By 1926 they had deducted, under the 20 percent law, 100 percent; in 1926 and 1927 another 100 percent; in 1928 and 1929 another 100 percent; in 1930 and 1931 another 100 percent; and in 1932 and 1933 another 100 percent. That makes 500 percent. In other words, these corporations that have their agents here keeping close around the Finance Committee and the Ways and Means Committee know exactly how to dovetail in some section, as I pointed out a while ago, that refers to another section, and that, in turn, to another subsection, and that, in turn, to another page, and that, in turn, to another book, and that, in turn, to another law, going in and coming out. The ordinary man never knows what it is all about. It is so complicated it is unintelligible to the

ordinary man, but when the oil men get down there, they know how to get the exemptions fixed up. They have shown this by results. The present law on depletions amply rewards their ability.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. I yield.

Mr. FESS. The Senator stated that they deduct 100 percent. What does he mean?

Mr. McKELLAR. It means they have deducted their capital time and time again.

Mr. FESS. One hundred percent?

Mr. McKELLAR. Yes.

Mr. FESS. That would be deducting all of it.

Mr. McKELLAR. I do not know whether they have got to the end yet.

Mr. FESS. One hundred percent would be all of it.

Mr. McKELLAR. The depletion allowances had been made to the full extent of their capital and were to expire in 1926, but the law was then amended so it would never expire. We ought to repeal this depletion allowance now. Why should we allow a deduction of 50 percent of the net profits of the oil companies unless we make similar allowance for all other companies? What is there in an oil company except that Mr. Rockefeller is the head of one of the biggest, Mr. Mellon is the head of another one of the biggest, Mr. Sinclair is the head of another one, Mr. Doherty the head of another, and innumerable other captains of industry are heads of others? Why give them an exemption of 50 percent of the net profits of the capital account that has already been deducted time and again?

Mr. FESS. What I want to understand is whether the Senator meant that they have deducted all of it.

Mr. McKELLAR. Yes; several times over.

Mr. FESS. The Senator said 100 percent this year and 100 percent another year. That would be all of it each year.

Mr. McKELLAR. The Senator from Ohio is such an intelligent man that I know that he wants to get it straight. Let me repeat it. Let us suppose a company that had a discovery value in 1918, we will say, of $1,000,000. They were entitled to deduct $200,000 under the law that then existed as a depletion allowance, $200,000 a year for 5 years, that being the average life of an oil well. In 1923 that deduction right ceased under the law as it then existed. Then the Republicans came along and amended the law in 1925 or 1926, and it was applied to the year 1926 so as to continue the deductions for capital, and a change was made providing that they might deduct 27½-percent or 50-percent net thereafter.

Mr. FESS. That would be $270,000 on a $1,000,000 property.

Mr. McKELLAR. Oh, no; it has all been deducted up to that time. After that, the well, still producing, was exempted by law to the extent of 50 percent of the net earnings of the well. In 2 years that was 100 percent. In 2 more years it was another 100 percent. In another 2 years it was still another 100 percent, and so on down to the present date.

Mr. FESS. I do not understand that.

Mr. McKELLAR. I am sorry the Senator does not understand it. I have explained it fully.

Mr. LONG. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. Very well.

Mr. LONG. Inasmuch as both of my colleagues are so much better educated than I am, I think I can put it in sawmill language that the Senator from Ohio will understand.

Mr. McKELLAR. I did not know the Senator from Ohio is a sawmill expert. I am glad to know it.

Mr. LONG. In 1913 we had a law that permitted the oil companies to deduct from their earnings 20 percent of the capital as depletion. They deducted that in 1913, 1914, 1915, 1916, and 1917, until five 20-percent deductions meant that they had deducted 100 percent of the total of the capital. There was not anything else to deduct from capital depletion, because the entire capital had all been deducted. Then they came back and amended the law a few years later, under which they deducted 50 percent per year for 2 years, and thus deducted another 100 percent. In 2 more years they did the same thing, and deducted another 100 percent, and so on every 2 years, until my calculation shows that they have actually deducted between 500 and 600 percent of the net capital for depletion and are still deducting.

Mr. FESS. I understand the Senator. It took 5 years to make 100 percent. It would have covered 15 years if they deducted 300 percent.

Mr. LONG. From 1913 to 1917 they took it all off the books. Then they got the law fixed up and deducted another 100 percent in the next 2 years. Then in the following 2 years they deducted another 100 percent, and so on until they deducted 500 percent on those oil properties and are still deducting on capital depletion.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Oklahoma?

Mr. McKELLAR. I yield.

Mr. GORE. I think the Senator from Tennessee and the Senator from Louisiana are both under a misapprehension as to what took place under the revenue act in respect to oil properties prior to the act of 1918 and subsequent to that act under the act of 1925.

Prior to the act of 1918 oil companies were permitted to deplete and were required to deplete their capital on the basis of cost. If an oil lease cost $1 per acre, that would be $160 in Oklahoma for an oil lease on 160 acres; or if it cost $5 an acre, it would be $800 for 160-acre lease in Oklahoma.

An oil company brought in a producing well on that property, and the oil company, under the law prior to 1918, was permitted and required to deplete on the basis of $800 cost. Depletion was based on cost. Many of the most valuable leases cost a mere nominal sum. In the act of 1918 the basis of depletion was shifted from cost to value.

Mr. McKELLAR. Only discovery value.

Mr. GORE. In respect to discovery value and in respect to discovery property. The Senator from Tennessee should bear in mind that that provision was limited to discovery properties which are very rare and unusual and would be only one property allowed to one concern in one field. That was not a general law applicable to oil-producing properties in a new field.

It was limited to the one company that brought in the discovery well and was limited to the lease upon which the discovery well was located.

Here is the reason back of the law. It was in the interest of the independent companies; it was against the interests of the Standard companies; it was in the interest of the "wildcatter", as he is known in the oil field. A wildcatter goes out and obtains a lease, raises money perhaps to drill a well, and brings in a well on the lease. Under the old law, if the lease cost him $160, his depletion allowance was limited to $160. Under the new law, the act of 1918, he was allowed to have that property valued within 30 days after the discovery and a reasonable valuation placed upon the property, say $500,000 or, if the Senator please, $1,000,000.

Mr. McKELLAR. Or $5,000,000 or $10,000,000.

Mr. GORE. Yes; whatever it was. He was then allowed depletion on the basis of value instead of cost, and this is the reason why. Perhaps a given wildcatter had drilled half a dozen dry wells which amounted to a total loss which could never be recovered. In order to enable the wildcatter and the pioneer to proceed, he was allowed to deplete on the basis of discovery value instead of cost.

I want to give a classic instance in the State of Oklahoma. Mr. MARLAND, who organized the Marland Oil Co. and who is now a prominent Member of the other House of this Congress, obtained a number of leases from the State of Oklahoma, leases of school land belonging to the State. He con-

tracted to drill 20 test wells on 20 different properties. As a matter of fact, he drilled 19 dry holes on 19 different tracts under his leases from the State, which cost him in the aggregate $500,000. The twentieth well produced. At that time, as I remember it, he was still limited to depletion on the basis of cost, and his lease probably cost him $50 and his return of capital was limited to $50, because that was all the capital he had advanced on that particular property.

The philosophy of the new law was that when he brought in the twentieth well, the discovery well, he was allowed to have that property revalued and was allowed to deplete on the basis of value, so that he could recover some compensation or recompense for the $500,000 he had expended on the dry wells. I will say to the Senator from Tennessee that the Standard Oil companies do not drill discovery wells. They do not wildcat. They do not pioneer. When a man like MARLAND and other wildcatters go to and fro exploring for oil, spending their capital on dry wells, and when they finally bring in a well, the Standard buys that well in proven territory and continues to operate, assuming practically no risk, but allowing the wildcatter to take the risk. I will say to the Senator that in the State of Oklahoma that one provision saved the lives of half the independent oil companies in the depression of 1920–21. They would have gone to the wall, those having discovery properties, if they had not been allowed to deplete on the basis of value instead of cost. That was of no concern to the Standard Co. because they do not explore and they do not wildcat.

As to subsequent legislation, I am not familiar with that and could not speak without rechecking the enactment; but so far as the original enactment was concerned, it was passed deliberately and of a purpose in behalf of wildcatters and independent concerns. There was no law then and never has been any law providing that one must deplete for 5 years at the rate of 20 percent a year. There is no such law as that.

Mr. McKELLAR. Well, it is about that. The Department fixes the life of the property, and the depletions are allowed accordingly. There are some parts of the country—I think Oklahoma is one of them—where there are very rich fields, and they are allowed a little longer; but the average is from 5 to 7 years. These depletion allowances on the discovery value, as the Senator says, were enacted in 1918. When 1923 and 1924 came along, the oil people were here in Washington. They were not discovery wells they were trying to get out of taxation, because having exhausted their capital, and not only their capital but the discovery value of their wells under the law, they came along and said, "Well, hereafter we will just allow ourselves to be taxed on 50 percent of our net income"; and that is the way it has been working ever since. Every 2 years they exhaust their capital again, fixed in this remarkable way.

Mr. GORE. But, Mr. President, it is only the capital produced in a given year. The Senator thinks it is the capital for the whole time.

Mr. McKELLAR. That is the only thing anybody is taxed on—what he produces in a given year. What I produce in a given year, and what the Senator from Oklahoma produces in a given year, we are taxed on. Why should not the oil companies be taxed in exactly the same way?

Mr. GORE. They are.

Mr. McKELLAR. Oh, no; they are not. I have yielded quite a while to my good friend from Oklahoma. I do not blame him for being interested in this matter. He comes from an oil State, and it is perfectly proper for him to be interested in it.

Mr. GORE. One more observation, Mr. President.

Mr. McKELLAR. I yield to the Senator for an observation.

Mr. GORE. The point is this: If the Senator from Tennessee had an oil lease and brought in a discovery well, he would have been allowed under the old law to deplete on the basis of value instead of cost, as I think he should; but if I had a lease adjoining his, and I brought in a well subsequent to his well, I would not be allowed to deplete on the basis of discovery value, but on the basis of cost.

Mr. McKELLAR. Mr. President, this subject of depletion has not only been before the Congress but it has been before the Department ever since the income tax on corporations was started. I want to say to the gentlemen on the other side of the aisle that one of the most injurious of all their policies was the policy which they enacted for the big oil operators in this country, for the benefit of men like Mr. Rockefeller, Harry F. Sinclair, H. L. Doherty, and Andrew W. Mellon. In my judgment, a policy was initiated and carried through by Mr. Mellon for his own interest and the interest of his oil associates. It is one of the most indefensible policies that any government every stood for; and I am here to ask the administration of which I am a member not to stand for a continued exemption from taxation of 50 percent of all the net income of the oil companies of the land. It is not fair or right; it is unjust to all the other taxpayers, and it ought not to be permitted by the Senate.

I saw in the paper a day or two ago that some of the lobbyists who are here now have said that they have this depletion allowance fixed just as they want it, and that it is going to continue just as it is. I hope the Finance Committee of the Senate will not permit these men who are lobbying for those who have had their capital exhausted time and again under present law to continue to have an exemption of 50 percent.

Mr. GORE. At this time, as the Senator knows, it is 27½ percent.

Mr. McKELLAR. It is 27½ percent of the gross profits. It is not less than 50 percent of the net profits.

Mr. GORE. No; not to exceed 50 percent of the net profits.

Mr. McKELLAR. The Senator is not making a point on that sort of language, is he—"not to exceed"? They actually get, in practice, an exemption of 50 percent. For instance, some of us get salaries of $8,500. Suppose we have a net income of $7,000. We pay on that. Not so these oil companies that are favored by the Congress. Under similar circumstances they pay only on $3,500. It is not fair or just to the other taxpayers of the country.

But let me proceed.

In 1921, when our Republican friends came into power, they not only enlarged the depletion allowances for oil and gas, but they appointed a "tax simplification board." I will yield to anybody who will rise to his feet in the Senate and stand for the tax simplification board. No one seems to rise. Some of us probably are not very familiar with that board. It was not long before that board, by the action of Mr. Mellon, appointed William M. Davis, of Oklahoma, president of the Mid-Continental Gas and Oil Association, as a member of the board, and I believe he is still "simplifying." A man does a good deal of "simplifying" to get an exemption of 50 percent on the great oil industry of our land, or to secure its exemption from any taxation at all. The Republican Party reduced taxes all along the line on these great concerns that were able to pay taxes, but I believe they have given more bounties and gratuities to the oil companies than to any other class of favored Americans, except the sea-going vessels and the air mail proprietors. Of course, these last are first.

I am informed Mr. Davis is still active here. I am informed that he is in Washington, and is now engaged in the same business of "simplifying", and now is willing to let well enough alone and to accept the present law extending the 50-percent exemption forever; but I hope the Congress will not permit this subsidy by way of exemption any longer.

What did he do about depletion? I am informed that in 1926 he was the man who perpetuated the oil-depletion allowances. The capital account was all gone by that time. The years of the life of the oil field had passed, and the capital account had all been taken up in exemptions; and thereupon the law was changed so as to provide that thereafter the oil companies should be taxed on but one half of their net income.

In 1921 the Republican Party, then in control of the Government, arranged that the depletion allowance should be 100 percent of the net income. That meant that the oil

people, at that time probably the richest class in the country, paid little or no income tax.

In 1924 the Senator from Michigan [Mr. COUZENS]—and I am sorry he is not here this afternoon—was the chairman of a committee appointed to investigate this very depletion allowance. The depletion allowance had been denounced on this floor time and again. I think I denounced it a number of times. The committee was appointed, and Senator COUZENS was made chairman. That committee spent $200,000 to get the facts, and they got the facts. Is there any Senator here who has read them—any Senator who has looked into them? There was a report that cost $200,000 of the people's money—a valuable report. I wonder how much attention the Finance Committee has given to it. I see two members of that committee here right now. I will ask the Senator from Utah [Mr. KING] and the Senator from Georgia [Mr. GEORGE] if they have ever done anything at all with the Couzens report on depletion allowances. As I understand, it has just been pigeonholed and shelved. I hope this administration will not shelve that report but will use it to mete out justice to the taxpayers of this country and to require oil companies making dividends to pay their fair share of taxes.

Mr. KING. Mr. President, the Senator mentioned my name as a member of the Finance Committee.

Mr. McKELLAR. I yield.

Mr. KING. I do not know the context of the observation which the Senator made. I heard the words "Couzens report on the question of depletion."

May I say that one of the most troublesome questions that has been before the Finance Committee for years was the question of depletion, particularly with respect to oil fields and gas and mineral deposits. If the Senator will pardon me further——

Mr. McKELLAR. I yield to the Senator.

Mr. KING. Obviously, every pound of ore taken from a mine is an attack upon capital and diminishes the value of the property; and every gallon of oil that is taken from the ground is likewise a depletion or reduction of capital. How to allow a proper compensation, so to speak, for taxes imposed by reason of the depletion or reduction of capital, is a very difficult thing.

Mr. McKELLAR. Will the Senator permit me to ask him a question right there? Suppose an oil company's fields were given a discovery value, say, in 1918 of $5,000,000, and were given a depletion allowance of $1,000,000 a year for 5 years. After that period was over, does the Senator believe that thereafter for all time, as long as the fields continue to produce, they ought to be allowed annually a 50-percent depletion when the full allowance had been made in the first 5 years?

Mr. KING. Mr. President, I cannot answer that question categorically. I will say that I was not satisfied with the provisions found in a number of our laws with respect to oil depletion. As I state, it has been a very troublesome question. Experts were employed—men who were not engaged in the oil business or in the mining business—and they made very searching investigations with a view to submitting a formula which would be fair and just, allow proper depletion, and yet at the same time not exempt the mining companies or the oil companies from a proper tax.

With respect to the depletion allowance for coal and for minerals, I think a rather fair adjustment was made. I will say to the Senator that I never was satisfied with the provisions with respect to oil and gas; and yet I do not want that broad statement of mine to remain in the RECORD without some modification and some explanation, which I shall not take the trouble to make now in the time of the Senator. I will say to the Senator, however, that the Senator from Michigan [Mr. COUZENS] and I conducted a very searching examination a number of years ago which resulted, I think, in some improvement. It resulted in the establishment of a court in the Treasury Department for the purpose of passing upon many of the controverted and litigated questions. I think some reforms were effectuated as a result of that investigation.

That all of the evasions of taxation that have characterized many individuals and many corporations were prevented of course it is obvious was not the case. Notwithstanding the very earnest efforts made by the Department, as well as by Senators and Representatives in the various committees and upon the floor of the House and the Senate, to prevent these evasions and to avoid these loopholes by legitimate and proper legislation, we have been unsuccessful. Recent revelations show that some individuals have formed corporations in Canada and in Newfoundland, have transferred—theoretically, at least—their assets and their holdings to these foreign corporations, and by so doing they have evaded just taxes which ought to have been imposed upon them.

Congressman HILL and a subcommittee of the Committee on Ways and Means of the House during the summer have been trying to find out these loopholes and to plug them up, to use the language of the street; and I am sure the Finance Committee will give serious attention to the measure when it comes up for their consideration with a view to supplementing, if possible, the corrective proposals that have been submitted by the Committee on Ways and Means.

I think there have been many evasions. Many corporations and many individuals and many partnerships have escaped paying taxes which were justly due to the Government.

Mr. McKELLAR. Mr. President, I am glad to have this contribution from the Senator from Utah and his assurance that corrections of the present unjust and unfair system of depletion allowances will be made. He is uniformly fair in attempting to deal with the country's business. He is on the Finance Committee. I invite his attention especially to the three important matters that I have brought up; and I am sure the committee will give these questions the attention that in my judgment they deserve.

Mr. GEORGE. Mr. President——

Mr. McKELLAR. I will yield to the Senator from Georgia in just one moment.

I have no doubt in the world but that upon an examination of the Couzens report, which I recommend to every Senator here before he votes on the revenue bill, he will find that it is his duty not any longer to continue these great subsidies by tax exemption to these several classes of corporations.

I now yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, the Senator from Tennessee used my name with reference to the Couzens report. That is, he called attention to the fact that I was a member of the Finance Committee.

I should like to say to the Senator from Tennessee that my recollection now is that we utilized the Couzens report as the basis of certain of the provisions that we inserted in the last tax act, or in the tax act that was passed immediately after that report was made public. I am quite sure that the report has not been pigeonholed.

Mr. McKELLAR. May I say to the Senator right there that if they were used, they were used to perpetuate the 50-percent exemption to oil companies after the period had expired in which all their capital exemption had already been allowed.

Mr. GEORGE. I think if the Senator will examine what actually was done, he will find that that is not an altogether accurate statement. I know we did utilize much of the data that had been gathered together in that report; and the Senator from Utah [Mr. KING] was himself a member of the committee that made the report, and served along with the Senator from Michigan [Mr. COUZENS] in the submission of the report.

Mr. McKELLAR. I do not think the Senator from Utah signed the report, if I remember aright. I think the report was signed by only one member of the committee, but I am not sure about that.

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

Mr. McKELLAR. Yes.

Mr. KING. One of the difficulties with respect to depletion growing out of oil wells, as well as of mineral deposits,

results from the fact that new discoveries are made. An oil well will be sunk, and there will be considerable flow. There may be, by additional work, a new discovery. A mine may be opened up. They will value it and determine that there are so many hundred thousand or million tons of oil. Later on, by sinking the shaft deeper or by following some little lead into contiguous territory, a new deposit of oil may be opened up; and the difficulty has been to adopt some formula that would be just to allow proper credits for discoveries and depletion by reason of the new discoveries.

I may say to the Senator from Tennessee that I think this is one of the most complicated questions that has ever been brought to the attention of the Committee on Finance; and as a member of that committee I can assure my able friend from Tennessee that if he can shed any light upon the question and can aid the committee in drafting measures that will be just and fair to all, particularly to the Government and to the taxpayers, we shall welcome any suggestions.

Mr. McKELLAR. I call the Senator's particular attention to the remarkable array of figures in the two tables I have already placed in the RECORD. I hope he will look at them tomorrow, and he will find there how unjust and unfair the present law is.

I shall conclude my remarks in a few more moments.

The committee was appointed and the Senator from Michigan [Mr. COUZENS] was made chairman, and there was spent $200,000 of the people's money in showing how infamous and how outrageous these depletion allowances to the oil people were. The result was, not the repeal of the law, but the passage of an amendment changing the law so as to allow about 27½ percent of gross income, or 50 percent of net income, as depletion, and this after all of the capital allowances had already been made.

Why the great oil corporations and the great oil operators should be given this species of gratuity by the Government seems never to have been explained. Under the rule of the Republican administration, sums amounting to billions of dollars were spent; but I never heard anything about economy then, when we were turning the tax exemption by way of subsidy over to this great class of our citizens.

In 1932, under the act which was passed in that year, these depletion allowances were made perpetual for mines as well as oil; and the result is that we have lost probably in the neighborhood of $5,000,000,000 from depletion allowances alone.

In other words, our friends on the other side of the aisle complain because our present big-hearted, great-minded American President has recommended and carried out a just act giving about $4,000,000,000 to help those whom they have ruined by their policies; and yet during the 12 years that the Republican Party was in power there were squandered at least $5,000,000,000 in depletion allowances alone, and more than three times that amount in commissions and allowances and credits given to favored corporations.

Mr. President, the plain facts are that for years our income-tax laws have been manipulated by the great interests involved through lobbyists at the Capitol, and perhaps, Mr. President, in part through some of the officials of the departments who ought not to have lent aid and comfort to the lobbyists. It is fair to say that many of them may not have intentionally done so, but nevertheless they did it.

I know very little about lobbyists, Mr. President. They made a mark on my door many years ago, and they come to see me but seldom. I do know, however, that they are here, and they are plying their trade in the interest of those who pay them to be here.

The great trouble with our income tax laws is, first, the mystery and secrecy about their enforcement, and, second, their intricacies and the abstruseness of methods of using words and phrases—the exceptions, the deductions, the references to other sections and to other pages and parts of the law. This makes them so complicated that the proverbial Philadelphia lawyer could not understand them. But all of these intricacies, all of these evasive words, all of these complicated sentences, all of these references to other pages and parts of the same law, all have a meaning all their own, and that meaning is to excuse some great concern from the payment of just taxes to the Government.

Mr. President, I have brought these matters to the attention of the Senate at this time because the two committees—one in the House and one in the Senate—are now considering amendments to the tax laws. I ask the House and I ask the Senate to give these three questions, namely, the question of depletion allowances, the unjustifiable deductions now in force, and, lastly, the question of that class of corporations which are escaping taxes entirely, while paying out to their stockholders enormous dividends, their careful and prayful attention so that our tax laws may be equally administered and so adjusted as to be absolutely fair and just to every taxpayer. Equal and exact justice to every taxpayer, no subsidies and no exemptions to any class, should be the aim of every tax bill.

COCONUT-OIL IMPORTATIONS

Mr. SCHALL. Mr. President, I ask leave to insert in the CONGRESSIONAL RECORD a clipping from the Minneapolis Tribune in the form of a statement by Professor Gramlich, of the University of Nebraska, as to coconut-oil importations into the United States.

Professor Gramlich says:

> In other words, the coconut oil imported during the 5 months amounted to the fat produced by 4,500,000 steers or the fat from 15,000,000 head of 200-pound hogs, or 90 times as much butterfat in pounds as Nebraska cows produced in the same 5-month period.

This administration has asked for and was granted power to place tariffs and embargoes on imports in competition with farm products.

Why is this power still dormant in face of such compelling figures of imports and in face of such a tragic fall in prices of fats and oils raised on the American farm?

I ask permission to have the entire article printed in the RECORD.

The PRESIDING OFFICER (Mr. HATCH in the chair). Without objection, it is so ordered.

The article referred to is as follows:

[From the Minneapolis Tribune, Jan. 13, 1934]

COCONUT-OIL IMPORTS GAIN—LEADER IN EMBARGO MOVEMENT GIVES FIGURES SHOWING RAPID INCREASE

LINCOLN, NEBR., January 12.—Prof. H. J. Gramlich, of the University of Nebraska College of Agriculture, Thursday night released figures he compiled which show coconut-oil importations into the United States are increasing at a rapid rate.

Gramlich is a leader in a Nebraska farm movement to have Congress put an embargo on the importation of such products. He was informed by Congressman E. R. BURKE, of Omaha, that such legislation is progressing favorably.

During the 5 months ending December 1, 1933, Gramlich's statistics show, importations of coconut oil amount to approximately 450,000,000 pounds. During the same period of 1932 the importations totaled 224,000,000 pounds. If continued at this rate, Gramlich said, importations would reach 1,035,284,000 pounds for the present fiscal year.

"In other words", Gramlich's report said, "the coconut oil imported during the 5 months amounted to the fat produced by 4,500,000 steers or the fat from 15,000,000 head of 200-pound hogs, or 90 times as much butterfat in pounds as Nebraska cows produced in the same 5-month period."

THE GREAT INTERNATIONAL POKER GAME

Mr. SCHALL. Mr. President, I wish to make a few observations concerning the great international poker game that started in this morning with the American dollar at 59, and tomorrow perhaps at 55, with Mr. Morgenthau sitting at the table with $2,000,000,000 as chips that were taken from the Federal Reserve bank, of which I fear there will be nothing left if the able Senator from Virginia [Mr. GLASS] is correct that the Secretary of the Treasury has no experience in that line, and, in the vernacular, would not know the difference between a full house and a royal flush.

Mr. President, one of the outstanding achievements of President Andrew Jackson, the hero of Democracy, was the abolition of the old United States Bank. It had been tried and found wanting. Its principal contribution to finance was the precipitation of panic. It did not aid, but undermined, public confidence.

The President, in his message to this Congress, announced the policy of abjuring the "old civilization." The outstanding object of this policy is to revive the United States Bank, which Jackson abolished, and raise it to the *n*th degree as the world's greatest central bank. Jackson did away with the old United States Bank for the very reasons that the present Democratic administration advances in favor of its present policy. It is now doing the very thing that President Jackson undid 100 years ago.

The Senate Banking and Currency Committee, on the advice of leading financiers, reported in favor of a board of five, including the Comptroller of the Currency and the chairman of the Federal Reserve Board, as the board of bank directors charged with administration of the stabilization fund of $2,000,000,000 instead of the one-man board suggested by the White House.

In the hearings before the Senate committee Owen D. Young and other authorities pointed out that a one-man board would give the Secretary of the Treasury the financial powers now vested in the Federal Reserve System. But what are the views of financiers worth, and what are the recommendations of the Senate Banking and Currency Committee worth, against a telephone call from the White House? It seems all that is necessary to pass any measure in the present Congress, with or without debate—mostly without—is for the majority floor manager to rise and say, "The President wants it this way."

That settles all debate and all roll calls. We are told to banish "old civilizations"; but the present Government seems to have just one article in its Constitution, and that article is about 5,000 years of age. It reads now as it read then:

The ox knoweth his master's crib.

Unless a bill is made to read as the White House dictates what becomes of the patronage pork, what becomes of the doles from the alphabetical bureaus, and what becomes of the sinews of war in the next congressional elections?

So the "old civilization" is with us still, and raised to the *n*th degree. The oxen and the cribs are here, Even the old United States bank of a century ago has come back.

There are something over 6,000 national banks in the United States, but only one of them has a one-man board, and that is the revived United States Bank.

All of our banks have bankers on their boards except one, and that is the United States Bank just created.

In listening to the hearings before the Senate Banking and Currency Committee we notice that the testimony is punctuated with the comments of a former Secretary of the Treasury, the honorable senior Senator from Virginia [Mr. GLASS]. As each clause of the bill creating the world's greatest central bank is read, and the power of Secretary Morgenthau thereunder is defined, we hear the Senator from Virginia announce, "And he is not a banker." Again and again he says, "He is not a banker."

So this United States Bank has a one-man board of directors, and he is not a banker, though he announces that he "is open for business" in operating a central bank greater than the Bank of England. The only precedent for such a condition is the N.R.A. administration, which places the control of all American industry and all domestic commerce in the hands of a brigadier general whose qualifications for business appear to consist in putting over the Military Draft Act of 1917.

What of the standing and what of the resources of the revived United States Bank, with its one-man board of directors?

The known banking resources of our 6,000 national banks, as exhibited by the Comptroller of the Currency, are upward of twenty billions.

What are the resources of this United States Bank with its one-man director? The President has told us in his Budget message. The resources comprise, first, a public debt of thirty-two billions, and, second, a prospective Budget deficit of seven billions.

That is to say, this United States Bank, with its one-man board, starts in with an insolvency of such huge proportions that the human mind can with difficulty visualize its height and depth. We seem to have embarked in an international poker game in which "the sky is the limit."

Among the functions of this central bank are:

First. To seize and withdraw from public use all gold in the United States, namely, to convert one third of the world's gold into "frozen assets."

Second. To issue a new class of gold certificates that, first, are not redeemable in gold; and, second, are not to go into circulation.

The time taken for disposition of this vast measure in the House seems to have been 15 minutes. There was no debate and no roll call. In the Senate there was a roll call, a brief debate on a few amendments killed, but as correctly stated by the press, no debate on the wisdom of the bill.

The Senator from Oklahoma [Mr. GORE] stated on the floor that the committee were unable even to locate the author of the bill which the administration demanded to be passed without the dotting of an "i" or the crossing of a "t."

All that anyone seems to know about the wisdom of the bill is boiled down to this: There is a telephone call from the White House to put it through P.D.Q. Beyond that, all that it is necessary to know is the old Biblical theme of a civilization in the time of Moses—

The ox knoweth his master's crib.

Result—we revive in expanded form the United States Bank which Andrew Jackson abolished 100 years ago.

If on the testimony of Andrew Jackson the United States Bank of olden time undermined public confidence and was a detriment to public business, will another United States Bank with a one-man director—and he not a banker—bring back public confidence and inaugurate recovery? Only the brain trust knows.

In all the declarations that have come to us from the administration, we have received not a hint of the stewardship of the last 10 months, but all through them rings the words: "Power! More power! Give me more power!" No explanation is made of what is done. We have only glittering generalities, a cracker-barrel philosophy which the Postmaster General says, "is thoroughly adequate to meet the Nation's problems in these times of economic stress." "We'll try it; and if it doesn't work, we'll try something else by cracky! If the patient dies, he would have died anyway. If he lives, it is due to our doctoring." A small boy parading as a physician in his father's silk hat! Much dramatized acting with high-sounding phrases and great pretense of fierce attack!

I am inclined to say with Shakespeare, "Words, words, words"; and, as he says, "Words without thoughts never to heaven go."

A subservient Congress has given the administration the powers of a dictator to use the taxpayers' money to close all possible avenues of actual information to the people, but in the words of our immortal Lincoln, "You can fool some of the people all of the time, and all of the people some of the time, but you cannot fool all of the people all the time."

CONSIDERATION OF ROUTINE EXECUTIVE BUSINESS

Mr. ROBINSON of Arkansas. I suggest that the Senate proceed to the consideration of routine executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate messages from the President of the United States, submitting nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on Commerce, reported favorably the nomination of Ewing Y. Mitchell, of Missouri, to be Assistant Secretary of Commerce.

Mr. WAGNER, from the Committee on Public Lands and Surveys, reported favorably the nomination of George J. Love, of Alaska, to be register of the land office at Anchor-

age, Alaska, vice J. Lindley Green, and also the nominations of sundry registers of land offices.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following treaties and convention:

Executive AA, Sixty-eighth Congress, first session, a treaty of extradition with Turkey, signed at Lausanne, Switzerland, on August 6, 1923;

Executive A, Seventy-third Congress, first session, a treaty between the United States of America and Albania, signed at Tirana on March 1, 1933, providing for the extradition of fugitives from justice; and

Executive A, Seventy-third Congress, second session, a convention signed between the United States and Canada on December 9, 1933, by which vessels of the United States and of Canada operating solely on certain specified sheltered waters of the west coast of North America will be exempted from load-line requirements as contemplated in article 2, section 2, of the International Load Line Convention signed at London, July 5, 1930.

The PRESIDING OFFICER. The reports will be placed on the calendar.

THE CALENDAR

Mr. ROBINSON of Arkansas. I suggest that the calendar be called, and that the first nomination on the calendar be passed over for the day.

The PRESIDING OFFICER. The calendar is in order, and, at the request of the Senator from Arkansas, and without objection, the first nomination on the calendar will be passed over. The clerk will state the next nomination.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Cyril L. F. Thiel to be secretary, Diplomatic Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Patrick J. Keohane to be register of the land office at Phoenix, Ariz.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of all postmasters on the calendar may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the post-office nominations will be confirmed en bloc.

That completes the calendar.

FINANCIAL TRANSACTIONS WITH DEFAULTING GOVERNMENTS—MOTION TO RECONSIDER

Mr. ROBINSON of Arkansas. Mr. President, I had an understanding with the Senator from California [Mr. JOHNSON] that if it was agreeable to the Senate we should proceed at this time to the consideration of the motion to reconsider the vote by which Senate bill 682, relating to the sale of foreign securities, was passed by the Senate. I understand, however, that the Senator from Kansas [Mr. CAPPER] desires to address the Senate on the treaty, and I announce that, with the approval of the Senator from Oregon, I shall move to take up the motion to reconsider tomorrow following the remarks of the Senator from Kansas.

Mr. McNARY. If that arrangement is wholly agreeable to the Senator from California, it meets with my approval.

Mr. ROBINSON of Arkansas. It is agreeable to the Senator from California.

Mr. McNARY. Very well.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 8 minutes p.m.) the Senate, in executive session, took a recess until tomorrow, Friday, February 2, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 1 (legislative day of Jan. 23), 1934

MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

Leo T. Crowley, of Wisconsin, to be a member of the board of directors of the Federal Deposit Insurance Corporation for the unexpired term of 6 years from September 6, 1933, vice Walter J. Cummings, resigned.

GENERAL COUNSEL FOR THE BUREAU OF INTERNAL REVENUE

Robert H. Jackson, of Jamestown, N.Y., to be general counsel for the Bureau of Internal Revenue, in place of E. Barrett Prettyman.

PROMOTIONS IN THE NAVY

Commander Claudius R. Hyatt to be a captain in the Navy, from the 13th day of November 1933.

Lt. Comdr. Richard H. Knight to be a commander in the Navy, from the 1st day of October 1933.

Lt. Comdr. Hugh L. White to be a commander in the Navy, from the 19th day of October 1933.

Lt. Comdr. Herbert K. Fenn to be a commander in the Navy, from the 12th day of November 1933.

Lt. Comdr. Paul Hendren to be a commander in the Navy, from the 1st day of December 1933.

Lt. Dixie Kiefer to be a lieutenant commander in the Navy, from the 1st day of July 1933.

Lt. Palmer M. Gunnell to be a lieutenant commander in the Navy, from the 1st day of September 1933.

Lt. Frank E. Vensel, Jr., to be a lieutenant commander in the Navy, from the 1st day of October 1933.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, from the 1st day of December 1932:

Ezra M. Ellis
William J. Mitchell

Lt. (Jr. Gr.) John A. Marsh to be a lieutenant in the Navy from the 1st day of June 1933.

Lt. (Jr. Gr.) Sherman E. Burroughs, Jr., to be a lieutenant in the Navy from the 30th day of June 1933.

Lt. (Jr. Gr.) Louis D. Sharp, Jr., to be a lieutenant in the Navy from the 16th day of July 1933.

Lt. (Jr. Gr.) William E. Verge to be a lieutenant in the Navy from the 1st day of August 1933.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of September 1933:

Neill Phillips
Roy W. Lajeunesse

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of October 1933:

Archibald G. W. McFadden
Charles W. Oexle

Lt. (Jr. Gr.) Edwin J. Taylor, Jr., to be a lieutenant in the Navy from the 2d day of October 1933.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of November 1933:

Charles C. McDonald
Edgar T. Neale
Erskine A. Seay

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 5th day of June 1933:

John M. Lewis	Edward E. Colestock
William M. Drane	William W. Lowrey
James E. Kyes	Douglas B. Brokenshire
Paul P. Blackburn, Jr.	William E. Ellis
Everett O. Rigsbee, Jr.	Charles L. Westhofen
Edmund S. L. Marshall	Hugh C. Haynsworth, Jr.
James G. Lang	Frederick M. Reeder

Dental Surgeon Thomas L. Sampsell to be a dental surgeon in the Navy, with the rank of commander, from the 1st day of August 1933.

Assistant Paymaster Malcolm A. Norcross to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 1st day of September 1933.

The following-named gunners to be chief gunners in the Navy, to rank with but after ensign, from the 4th day of October 1933:

George A. Ney
William A. Shields
Jesse L. Holloway
John W. Hutchinson

Carpenter Lloyd V. Scott to be a chief carpenter in the Navy, to rank with but after ensign, from the 19th day of March 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 1 (legislative day of Jan. 23), 1934

SECRETARY IN THE DIPLOMATIC SERVICE

Cyril L. F. Thiel to be secretary in the Diplomatic Service.

REGISTER OF THE LAND OFFICE

Patrick J. Keohane to be register of the land office, Phoenix, Ariz.

POSTMASTERS

ALABAMA

James L. Day, Hartselle.

ARIZONA

George H. Todd, Phoenix.

COLORADO

Roy Staley, Arvada.
William B. Sutley, Center.
Julio C. Averill, Cragmor.
Joseph B. Sella, Estes Park.
Michael J. Brennan, Erie.
Arthur J. Elmgreen, Evergreen.
Thomas H. Hargreaves, Holyoke.
Robert E. McCunniff, La Jara.
Grace M. Crouse, La Veta.
Frank Brady, Manassa.
Edna A. Kennedy, Peetz.
Grace E. O'Neill, Platteville.
Lulu C. Marold, Saguache.
William B. Giacomini, Sterling.
Ben B. Beshoar, Trinidad.
Matthew W. Huber, Victor.
James G. Evans, Wray.

CONNECTICUT

William S. Scranton, East River.

GEORGIA

John W. McCallum, Broxton.
Pierce E. Cody, Collins.
Leighton W. McPherson, Columbus.
George W. Cornwell, Monticello.
Dewey G. Burnette, Rockmart.
Victor L. Howe, Tallapoosa.
B. Clayton Blanton, Thomasville.
Cameron U. Young, Valdosta.

MONTANA

Hugh H. Waldron, Froid.
Jean W. Albers, Redstone.
Flossie A. Marsh, Sheridan.
Thelma F. Holst, Westby.

NORTH CAROLINA

Clinton E. Bolick, Conover.
Vivian T. Davis, Forest City.
Clarence W. Boshamer, Gastonia.
John W. Coleman, Greensboro.
Frederick R. Jones, Hayesville.
May Calvert, Jackson.
James C. Reins, North Wilkesboro.
Columbus L. Biggerstaff, Rutherfordton.
Thomas D. Boswell, Yanceyville.

OHIO

Herman A. Schafer, Bridgeport.
Sam F. Dickerson, Cadiz.
Harry D. Arnold, Leetonia.
James A. Anderson, Millersburg.
Ruth H. Brinkman, Minster.
Clarence J. Bartel, Piqua.
Albert E. Beardmore, Salem.
Algy R. Murphy, Troy.
Mrs. Dale Kessel, Wellsville.
Charles R. Treon, West Carrollton.

PENNSYLVANIA

Samuel M. Rathman, Adamstown.
Clyde A. Plank, Aspers.
Marvin F. Birely, Blue Ridge Summit.
Beatrice M. Sanchez, Canadensis.
Marion S. Macomber, Delta.
Chester P. McCoy, Elmora.
Charles A. Williams, Gettysburg.
Stanley C. Croop, Hunlock Creek.
James P. King, Kittanning.
Louise S. Cartright, Lackawaxen.
Edith M. Phelps, Ludlow.
George B. Wilcox, Portland.
Eva Leedom, Primos.
John L. Gates, Quincy.
Byron E. Smith, St. Marys.
Alameda S. Keesy, Schenley.
Frank G. Ketner, Shillington.
Rose C. Pierson, Villa Maria.

SOUTH CAROLINA

Thomas B. Hallman, Aiken.
Dana T. Crosland, Bennettsville.
John B. O'Neal, Fairfax.
Luther C. Davis, Georgetown.
George N. Burnett, Greenwood.
John W. Willis, Lynchburg.
James M. Muirhead, Mount Pleasant.
Paul H. Norris, Parris Island.
Lindsay C. McFadden, Rock Hill.
Palmer A. Matthews, Winnsboro.

WYOMING

James J. McDermott, Arvada.
Edward N. Greff, Chugwater.
John F. Cook, Cody.
Myra E. Geer, Cokeville.
Minnie C. Corum, Encampment.
Frederick W. Chamberlain, Greybull.
Andrew Morrow, Kemmerer.
Henry J. Wendt, Lander.
Allen T. Frans, Meeteetse.
Lilian M. Blackwell, Shoshoni.
Dorsey T. Shoemaker, Torrington.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 1, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

I delight to do Thy will, O my God.

Such was the language and the spirit of Him who was earth's sublimest teacher. Father in Heaven, may we not be satisfied until we have attained something of the same conscious surrender to duty. We pray that difficulty of task may be forgotten in the joy that it gives. Inspire us with fortitude and determination that our hours may be steeped in the atmosphere of patriotic zeal and service. Let visions and expectations be the forces urging us on to splendid achievements. Thy kingdom, O Lord, may it come. It is the very core of all things glorious, the secret of our national progress, and the goal of the ages. Be Thou a restraining, a renewing, a harmonizing, and a softening influence among us. Give us a deep realization that whenever purity of thought and uprightness of conduct are maintained all things of beauty, love, and joy shall follow. So may it be, our Father, in Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J.Res. 250. Joint resolution to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934.

The message also announced that the Vice President had appointed Mr. STEPHENS and Mr. MCNARY members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the Commerce Department.

CONTINUATION OF C.W.A. A NECESSITY

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the C.W.A. program.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the order recently issued by Federal Relief Administrator Hopkins to shorten hours, reduce pay, and gradually abandon the C.W.A. entirely after February 15, if carried into effect, would create a condition of indescribable distress.

It would be a crime against humanity to take any such action at this time. There is no justification to do so.

The C.W.A. form of work relief has done more to help the man at the bottom than any other form yet offered. It has substituted work for charity. It has kindled anew the spirit of pride that was rapidly vanishing under the necessity of accepting a dole or a food order. It has placed men in work lines instead of bread lines. Despair has been displaced and hope and cheer substituted.

It was expected that the C.W.A. program of work for the unemployed would continue until such time as public-works projects and revived industry would be able to provide employment. But the public-works program has failed to do so. Governmental red tape has delayed approval of plans for these projects to such an extent that this means of providing work for the unemployed has, up to this time, proved a failure. And, unfortunately, industry has not sufficiently revived as yet to give employment to the millions still without work. Thus the need for the continuation of the C.W.A. is just as great today as when it was first started. Instead of cutting down or discontinuing its activities, it should be widened and extended. It should include single men with dependents and many others who are now by its regulations prevented from obtaining such employment.

What reason is given for the order to shorten hours and cut wages? It has been said that the appropriation for relief previously made has been exhausted. Others have said there is a limit to the money that can be raised and expended. What a travesty on the financial standing and ability of this, the richest Nation in the world.

If our Nation could loan or give $10,000,000,000 of money to European countries, and spend twenty billions more to win a war for someone else, then we can and should spend at this time the necessary few hundred millions of dollars to provide work for the unemployed by means of the C.W.A., the C.C.C., and other agencies, and be ready and willing to do so in such amounts as may be necessary as long as the need shall exist.

When the Civil Works Administration program was inaugurated on November 9 last it was said by the President:

> I am very confident that the mere fact of giving real wages to 4,000,000 Americans who today are not getting wages is going to do more to relieve suffering and to lift the morale of the Nation than anything undertaken before.

Subsequent results have justified that opinion. But the need is just as great today as it was on November 9, and from present indications will continue to be for sometime to come. Suffering must be relieved after as well as before February 15. It must be relieved whenever and wherever it exists. There must be no let up in providing relief as long as the need continues, and I shall so vote.

The orders should be changed from "stop" to "go ahead."

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1935

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7513) making appropriations for the Departments of State and Justice and for the Judiciary and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes; and pending that I would like to ask the gentleman from New York if we cannot agree that general debate shall not extend beyond 3 o'clock and 15 minutes, and any debate after that be confined to the bill, the time to be equally divided between us.

Mr. BACON. That is entirely satisfactory.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SNELL. Mr. Speaker, I would like to ask the gentleman from Alabama a question. Is it intended to finish the bill today?

Mr. OLIVER of Alabama. I do not think it is possible.

The motion of Mr. OLIVER of Alabama was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LOZIER in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the title of the bill.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. I was not in the Chamber yesterday——

Mr. BLANTON. Will the gentleman yield?

I am wondering whether my colleague would like to have the gentleman from Illinois [Mr. BRITTEN] present?

Mr. PATMAN. I certainly would. I was not present when he referred to me on yesterday.

Mr. FISH. Will the gentleman yield? Was the gentleman from Texas present when the gentleman from Illinois made his speech yesterday?

Mr. PATMAN. I was only present during the last part of it. I was not here when he referred to me. On the question of paying the adjusted-service certificates I am as much interested in it today as I ever was—as much interested in trying to get a law passed that will provide for the full and immediate cash payment of the remainder due on those certificates.

NOT A BONUS

I do not like to hear any Member, not even the gentleman from Illinois, call it a bonus certificate. It is not a bonus; it does not represent a bonus; it is a debt. The smartest thing our former Secretary of the Treasury, Mr. Mellon, ever did was to name it a bonus, so that every time a veteran used the word "bonus" he would condemn his own cause that he was speaking for.

So I do not think any Member ought to refer to it as a bonus. I want to see the certificates paid. I think it will do the country more good than any plan that has been suggested to put money into circulation. It will go into every nook and corner of the country and it can be paid without a bond issue, without an increase in taxes, without increasing our national debt, and actually save the taxpayers $112,000,000 annually for 12 years.

There are many reasons why it should be paid but I will not enter into a discussion of them because I have, on many occasions, given them. I am as heartily in favor of the bill today as I ever was. In the CONGRESSIONAL RECORD for Feb-

ruary 18, 1932, commencing at page 4291, is disclosed how much money each county in the United States will get if certificates are paid now.

HISTORY OF LEGISLATION TO PAY CERTIFICATES

I have been criticized because I did not sign a petition to force the House to lay everything else aside and give consideration to House bill No. 1, which provides for such payment.

Let me review the history of this legislation. In 1930 the gentleman from Massachusetts [Mr. CONNERY] and I took it on ourselves to try and get a bill through the committee. We were not successful, but we were later successful in getting a bill reported to pay 50 percent of the face value of those certificates to the holders of those certificates. They were paid in credit—not new money—and therefore, did not do the maximum amount of good as a relief measure. No one, except ourselves, knows the punishment we had to take from House Members, and especially the Republican members of the Ways and Means Committee. for persistently demanding consideration of this legislation. I know we made ourselves obnoxious when we many times visited each committee member, personally insisting upon their help. The members also accused us of arousing the veterans in their districts against them. The bill became law. If the full amount had been paid at that time, in new money, the deflation would have been arrested and our country started back on the way to recovery.

Later on, in 1932, another bill was insisted upon which provided for the full and immediate cash payment very similar to the one pending today. We presented a motion that was signed by 145 Members, which forced consideration of the bill, and on June 15, 1932, that bill was passed by the House of Representatives and went to another body.

DO NOT OVERLOOK THE SENATE

Remember, that Congress is composed of two Houses, the House of Representatives and the Senate. The Members of the House cannot make laws and send them to the White House for approval. The House not only must pass the bill but the other body must also pass the bill. When that bill went to the other body it was very quickly and promptly killed by an overwhelming vote. The other body gave us to understand that they were opposed to that legislation. Very well. Since that time, and only last Saturday, January 27, 1934, the same proposal to pay the adjusted-service certificates was presented in that other body in a very favorable light as an amendment to the gold bill. In other words, a Member of that body presented an amendment to the gold bill which provided that the adjusted-service certificates should be paid out of the increased profits on the gold. You cannot conceive of a more favorable light in which to present the proposition to that body, and that body quickly and promptly killed it again. I wonder why a record vote was not asked. I wonder if it was to protect certain Members of that body who are now candidates for reelection and are posing as great friends of the veterans.

WE WANT RESULTS, NOT IDLE GESTURES

We want to do what is in the interest of the passage of this legislation and its enactment into law. Would we be doing the veterans a service or a disservice if we forced consideration of the bill in the House at this time when there is no more favorable outlook for it in the other body than there is today? It is the other body blocking the legislation, not this one.

Just one Member of that body under its rules can present the question today or tomorrow, or any other day, as an amendment to another bill and get it voted on. If that body should pass that bill or a similar bill, or do anything to indicate a more favorable attitude toward the legislation, I would be the first to sign the petition here to force consideration of the bill in the House. Why should we make a futile attempt? Should we create false hopes in the minds of the veterans that they are going to get this money and let them anticipate a way to spend it? Would we be doing them a service with the present unfavorable outlook if it could possibly excite them to the extent of spending money for telegrams and getting up petitions and coming to Washington and doing many other things by reason of the hope thus created? Would we be doing them a service if we had no more hope of enacting the bill into law than we have at the present time with the determined and stubborn opposition of the other half of this Congress?

WHEN OPPORTUNE TIME ARRIVES

We would probably be doing them a disservice, and let it be understood, my friends, the very moment that the time is opportune, that I believe that bill can be enacted into law, that moment I shall do what is necessary to get or force consideration or anything else that will cause it to be considered and passed in this body.

DISABLED TO BE CONSIDERED

The Disabled American Veterans, a national organization of World War veterans, feel that it would interfere with their program if brought up in the House now. They are all service-connected veterans and should be given consideration. They passed a resolution that the disabled should come first in this Congress and that the payment of the adjusted certificate should come second. They say they do not want to interfere with restoring the benefits to their disabled comrades and to their dependents. The American Legion has taken a similar attitude. They are the two exclusively World War veterans' organizations that have been recognized by Congress. Should we in the face of that determination lightly throw it aside and say that we are going to do it anyway, although legislation is pending with some hope of success of getting it passed to relieve many inequalities and injustices of the Economy Act and for the general relief of disabled veterans and their dependents? I say that it will not be right for the Government to charge the veterans one penny of interest on their certificate loans since October 1, 1931, and I expect to oppose with every ouce of energy that I possess the collection or charging of such interest. Do you think, under the circumstances, that it would be the right thing for the House to do at this time? Who are the veterans that want this bill passed? Many of them do; they have a right to request it. I want the bill passed myself. But very few veterans would have us make a futile attempt to pass it. They want results. They do not want idle gestures made. They want the bill actually passed.

NOT AS IT WAS IN 1932

A different situation prevails now from the situation that prevailed in 1932. In 1932 we had no program for national recovery. The man in the White House was offering nothing constructive. The only thing he offered was to build a few aluminum buildings throughout the country to restore prosperity. It was a field day for everybody; it was an open season for plans. Anybody had a right to present a plan here because no plan was offered by the administration that would bring this country back. They were sitting down there twiddling their thumbs doing nothing toward bringing us out of the depression. Our bill would have caused a long step to be made in that direction and, I believe, would have done the work.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

NO-PROGRAM HOOVER

Mr. SNELL. Did not President Hoover in the beginning of the last session of the Seventy-second Congress present some definite program to Congress, and did not the gentleman's own committee throw it out of the window without consideration, and some of the suggestions that he made were afterward taken up by your own Democratic President?

Mr. PATMAN. Oh, this depression started long before the Democrats got charge of this House. It started in September 1929. The Democrats did not control Congress until December 1931.

Mr. SNELL. But the gentleman said that there was no plan presented here.

REPUBLICAN CAUCUS THEN AND NOW

Mr. PATMAN. Let me say to the gentleman that he had plenty of time before the Democrats took charge. When I came here the Republicans had to have this whole House to meet in when they held a caucus; hardly any Democrats here.

Mr. SNELL. And that time will come again soon.

Mr. PATMAN. And now you can almost have your caucus in telephone booth no. 1. Mr. Hoover made no constructive attempt to bring this country back; he was no more than a hired hand of Mr. Mellon. He was the elected head of a party of thumb twiddlers, doing nothing to help suffering humanity, for fear the toes of Wall Street would be stepped on.

ATTEMPTED EXCUSE—NOT A REASON

Mr. SNELL. I think the gentleman is making a misstatement, and it is not fair to Mr. Hoover, regardless of what he may think of him. He made some concrete, definite suggestions to this House, and the Democratic majority would not help, would not cooperate with him. They never cooperated a particle during the whole Seventy-second Congress, and the gentleman knows it.

Mr. PATMAN. Oh, the gentleman is just giving an excuse, not a reason. This panic started 6 months after Mr. Hoover was inaugurated, when he had a Republican House and Senate; 18 months of it continued during the Seventy-first Congress. He did not need Democratic help at that time.

Mr. SNELL. I am stating the facts.

SCROOGE, SECRETARY OF TREASURY

Mr. PATMAN. I think I should exonerate Mr. Hoover, and I submit the gentleman is possibly right, because he was not in a way responsible. You had Ebenezer Scrooge as Secretary of the Treasury, who had charge of this country. He was running it, and Mr. Hoover was no more than a puppet. He was doing just exactly what Mr. Mellon, the present-day Ebenezer Scrooge, said he should do, and the Republican side did just exactly what Mr. Mellon said do, through the man in the White House at that time.

Mr. SNELL. Will the gentleman yield?

Mr. PATMAN. Yes; I yield.

Mr. SNELL. I should be very glad to compare the intelligence of the Treasury Department during that time with the intelligence of the Treasury Department since March 1933.

Mr. PATMAN. Certainly, if we let the gentleman be the judge.

Mr. SNELL. I will let the country be the judge.

Mr. PATMAN. Because the gentleman from New York thinks Mr. Mellon was about the best man in the world. You worshipped him on that side. It is noticeable, however, that you never refer to him, as you used to, as the greatest Secretary of the Treasury since Alexander Hamilton.

"MELONITIS" AND "INSULLITIS"

Yesterday the gentleman from Illinois [Mr. BRITTEN] attacked me about not signing the petition. Of course, he is the self-appointed Eddie Cantor of the Republican side. [Laughter.] In other words, the gentleman is very much disturbed because the Republicans are losing out. The gentleman is sorry because Mr. Insull had to go over to Greece. He is sorry that Mr. Mellon had to leave this country between sun down one evening and sun up the next morning. The gentleman is sorry about all that. In other words, practically all the Republicans that were on this side when I came here are now afflicted with two diseases which may be called "Mellonitis" and "Insullitis." [Laughter.] It causes them to have a disposition to want to yap and nag. The other day the Washington Post, in an article, as presented to the House a few days ago by our distinguished majority leader [Mr. BYRNS] said that the gentleman from Illinois [Mr. BRITTEN] had appointed himself to come on the floor to just nag and tease the Democrats and not to offer anything constructive, not to try to do anything that would help the country, but just to nag, obstruct, and throw monkey wrenches at their program. I do not think this is the time to do that.

I know the gentleman is a very fine man. I have nothing against him personally. He is now and always has been since I have known him a very playful sort of a gentleman. He was playful here in Congress when people were starving in Chicago. He was playful when starvation was stalking all over this land. He was playful then and he is playful now. He was having a good time then and he is having a good time now. I do not think he has changed, but the country has changed, which renders his playfulness less inappropriate.

Mr. BRITTEN. Will the gentleman yield?

A REAL CONSTRUCTIVE PROGRAM

Mr. PATMAN. Just a moment now. Although we had a man then in the White House who was not trying to feed the starving in Chicago and not trying to give people jobs, he did permit eighty or ninety million dollars to be loaned to one man in Chicago, but he was not doing anything for the starving people of Chicago in the way of giving them a job or something to eat. Now we have a man in the White House who is really giving people jobs all over the country [applause], giving direct relief where necessary, restoring the buying power of the farmers and wage earners, refinancing and saving the homes and farms of the people, and restoring an honest dollar, and the gentleman from Illinois really has something to be glad about and to be playful about. I am glad to see him in that good humor, playful attitude all the time. I yield to the gentleman, although he did not show me the courtesy of letting me know he was going to attack me on yesterday in order that I might be present.

WHAT VETERANS DISPLEASED?

Mr. BRITTEN. I did not attack the gentleman yesterday. [Laughter and applause.] The gentleman refers to my playfulness. It is true that I try to be playful; I try to be kindly with every Member on the floor of this House, but the gentleman himself was playful for 5 years prior to the advent of Mr. Roosevelt, when he was playing with the veterans of the country; he was continually tickling them under the chin all the time.

Mr. PATMAN. That is absolutely not true; not one word of it. I have sincerely and earnestly tried to see that they get justice in every way and the gentleman knows it.

Mr. BRITTEN. And he is doing nothing for them today.

Mr. PATMAN. That is absolutely untrue. I am doing everything I can, and I expect to continue. Now, which veterans are displeased with my acts? Let us analyze that. Now, let us see what veterans are displeased with me. Are the service connected displeased? Not one vote have I cast or act have I done that would displease them. Have the dependents of the service-connected veterans expressed any displeasure? Not one of them. Have the Spanish-American War veterans expressed any displeasure? As a member of the compromise committee last session, I stood out that they must go back on the rolls or there would be no compromise. So they are not displeased. Although they could not get as much as they would like to have gotten, they remained on the pension rolls.

ARE ILLINOIS VETERANS AGAINST ME 100 PERCENT?

The gentleman from Illinois stated that the World War veterans in Illinois are against me. I know that statement is not true. However, I will admit that quite a few veterans in the United States are very much opposed to my actions, and I think the House would be interested in knowing who they are.

First. All veterans who have service-connected cases and dependents of such veterans are very much pleased with my vote and acts. Not one has been contrary to their interests. According to regulations issued after the passage of the Economy Act, many of these veterans were reduced from 75 to 90 percent. In the compromise at the end of the last session of Congress I assisted in getting them a substantial increase with a limitation on reductions.

Second. The 36,325 widows and orphans of presumptively service-connected veterans that were stricken off the pension rolls as of July 1, 1933, by the regulations issued under the

so-called "Economy Act" are pleased with my vote and acts, because I assisted in getting them every one reinstated without one penny's reduction at the end of last session of Congress in the compromise committee of which I was a member.

Third. The 105,000 Spanish-American War veterans that were stricken from the pension rolls by reason of regulations under the so-called "Economy Act" are not displeased with my vote and acts, because I assisted in getting them restored in the compromise at the end of last session. Although the amounts to be received by them are small, yet they are pleased that they were put back on the pension rolls.

Fourth. The permanently and totally disabled Spanish-American and World War veterans are not displeased with my vote and acts. By reason of the regulations under the Economy Act they were reduced to $20 a month. In the compromise at the end of last session of Congress I assisted in getting them partly restored and they will receive $30 a month.

Fifth. The regulations under the Economy Act caused 154,000 presumptive cases to be striken from the pension rolls as presumptives. The compromise committee caused these veterans to get a day in court by setting up special boards to pass on their cases, with the burden of proof on the Government to prove beyond a reasonable doubt that their cases were not service connected. Instead of being eliminated entirely from the pension rolls July 1, 1933, all of them remained on until their cases were decided or until October 31, 1933. I am sure that the ones in this class are not displeased with the assistance rendered by me in their behalf.

DISPLEASED VETERANS

I will admit that there are classes of veterans that are very much opposed to what I have done. First, there were some William Wolfe Smiths drawing $200, $300, and $400 a month under the guise of being retired emergency officers. They were also holding positions paying them thousands of dollars a year with the Veterans' Bureau. The regulations under the Economy Act caused 4,500 retired emergency officers to be stricken from the pension rolls. I did not do anything before the compromise committee to try to get them restored. In fact, I am against their restoration. In this group will be found many leaders of veterans' organizations. They have managed to work their way to the front in veterans' organizations that they belong to. They are now very much displeased with what I have done and the way I feel about their legislation and will, of course, make every effort to convince the veterans that I have betrayed them.

Second. Many veterans enlisted for service after November 11, 1918. The war was officially over July 2, 1921. For disabilities, these veterans received compensation at battle-casualty rates. The regulations under the Economy Act changed that and permits them to draw the same rates as a peace-time soldier. I approve of what was done in that regard and have done nothing to assist this class get their battle-casualty benefits restored, because they did not enter the service until the war was over.

Third. Prior to the passage of the Economy Act, March 20, 1933, veterans who were suffering from willful misconduct diseases were drawing battle-casualty compensation. Although I sympathize with a large number of these veterans, and would be in favor of giving many of them increased benefits, yet the principle of giving them battle-casualty pay was wrong. They do not agree with me, and, of course, are criticizing me very much, which they have a right to do. They are entitled to receive hospitalization at Government expense.

Fourth. There were many rich veterans who, prior to the passage of the Economy Act, were drawing large amounts from the Government each month for nonservice-connected disabilities and also receiving hospitalization for nonservice-connected disabilities at Government expense. The regulations under the Economy Act changed this, and I did nothing before the compromise committee to assist them in getting any such benefits restored. Many in this group are also opposed to what I have done and what I am doing.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McMILLAN. Mr. Chairman, I yield the gentleman from Texas 10 additional minutes.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield right there?

Mr. PATMAN. I yield.

CORRECTION

Mr. BRITTEN. I want to be entirely frank and fair with the gentleman. When on yesterday I made the remark which was provoked by the distinguished gentleman from Texas [Mr. BLANTON] when he said that 100 percent of the veterans in the gentleman's district were for the gentleman [Mr. PATMAN]——

Mr. BLANTON. And they are.

Mr. BRITTEN. I am willing to agree to that.

Mr. PATMAN. I have not had one complaint about my vote on the so-called "gag rule", but the gentlemen seem to indicate that they complained pretty generally throughout my district about my vote on it. I have not had one complaint.

Mr. BRITTEN. I wish to correct what I said yesterday—that 100 percent of the veterans in my district were opposed to the gentleman. That was an error and I am sorry I said it. I should have said that 100 percent of the Federal employees of my district were against the gentleman and those other Members who voted for that unpopular gag rule.

Mr. PATMAN. I appreciate the gentleman making this correction. I have always thought he was fair. I believe he will correct more of his erroneous statements after deliberation. I am sorry to lose the good will of the Federal employees in the gentleman's district or any other place. I have always voted for good wages. They possibly do not know my record.

Mr. KELLER. Come to Illinois and we will elect you.

Mr. PATMAN. But whether it is veterans or Federal employees, so long as I am honest and conscientious in my beliefs no one should impugn my motives on any vote or act.

Mr. BRITTEN. The gentleman is right, and I hope he will realize that in my remarks yesterday I said nothing about the gentleman's insincerity. What I do complain about, however, is the gentleman's inactivity on veterans' legislation this year as compared with his activity under the Hoover administration.

HOOVER EMBARRASSED

Mr. PATMAN. Yes. The gentleman said I embarrassed the Hoover administration, the Mellon administration.

Mr. BRITTEN. I did not say anything about Mellon.

Mr. PATMAN. But I protest I was not the one responsible for Hoover's humiliation and embarrassment. The people of this Nation embarrassed him in 1932 by overwhelming defeat. There is where he got the greatest humiliation and embarrassment, and I do not think the gentleman should give me credit for all of it. He said I caused the embarrassment of the Hoover administration. He is giving me a lot of credit; I am not entitled to it and I do not accept it.

SELF-APPOINTED LEADER OF VETERANS

Furthermore, he says that I am the self-appointed leader of the veterans.

Mr. BRITTEN. Oh, no, no.

Mr. PATMAN. That is what I understood the gentleman said. I do not know if anyone else entertains that opinion. The only thing I have done is to fight for legislation that I believed was right. I could name many Members of this House who have contributed several times more to the welfare of the veterans than I have. Their names and records are well known. In my feeble efforts to help them I have been handicapped by lack of experience, lack of knowledge, and not having the distinguished military record held by any of them. Being a member of the Veterans' Committee, just like the gentleman from Illinois is a member of the Naval Affairs Committee, the welfare of the veterans takes a great deal of my time. I am no more the self-appointed

leader of the veterans on this side than the gentleman from Illinois is the self-appointed leader on all naval affairs.

Mr. BRITTEN. I have never said the gentleman was self-appointed. He had been a natural leader for the veterans while Hoover was President.

HOT GREASE TO COLD GREECE

Mr. PATMAN. And I am going to ask the gentleman a question. One of his distinguished fellow townsmen after robbing everybody in that city practically, possibly the gentleman himself, runs off from hot grease over here to cold Greece over there and now they are putting him out of cold Greece. Is the gentleman from Illinois willing to help bring Samuel Insull back to the United States?

Mr. BRITTEN. The gentleman expects the question to be answered. Of course, I have nothing whatever to do with Samuel Insull.

Mr. PATMAN. Is the gentleman in favor of bringing him back?

Mr. BRITTEN. Yes; I am willing to bring him back.

Mr. PATMAN. Is the gentleman willing to support a bill or resolution seeking to influence his return?

Mr. BRITTEN. Samuell Insull contributed $10,000 to my Democratic opponent some years ago. That is a matter of record. That is how far his friendship went for me, as has been shown.

Mr. PATMAN. It is also a matter of record that he contributed to both sides because he wanted to stand in with the winner.

Mr. BRITTEN. He never contributed to my side.

Mr. PATMAN. Well, I do not know anything about that; but I know that in the Frank L. Smith senatorial campaign it is a matter of record that it was his policy to contribute to both sides.

ANOTHER MISTAKE

The gentleman from Illinois [Mr. BRITTEN] on yesterday made the following statement in his speech:

> There was not a day during the past 5 years hardly when the distinguished leader of that side of the aisle on veterans' legislation, Mr. PATMAN, was not around here circulating petitions for bonuses.

As I have often done before, I disclaim leadership of the veterans in this body or any other place. In truth and in fact, I never circulated a petition in the House for bonuses, payment of adjusted-service certificates, or anything else. Not only do I deny his statement that I was around the House practically every day circulating such a petition, but I say that I never did circulate a petition in the House, as charged by him. I did cause to be placed on the Clerk's desk one time a motion to discharge a committee, which is sometimes referred to as a petition, but I did not circulate it, and I hope the gentleman will correct his extravagant and erroneous statement. I am sure he made it in the heat of debate and should not be held accountable for it any more than for many other statements he made during the same speech.

NATIONAL TRIBUNE MISREPRESENTATION

Although I did not have one complaint from a constituent protesting against my vote on the so-called "gag rule" immediately preceding consideration of the independent offices appropriation bill a few days ago, I took exceptions to what the National Tribune printed, which left the impression that the adoption of the so-called "gag rule" prevented consideration of amendments in regard to veterans of the World War, Spanish-American War, and their dependents. On yesterday the gentleman from Illinois [Mr. BRITTEN] made the following statement in regard to the rule:

> It affected war veterans and it prevented you gentlemen, as well as Members on this side of the aisle, from offering amendments that would have straightened out many of the quirks and injustices that occurred after the enactment of the economy bill.

He also said:

> Any compensation taken from veterans or Federal employees could not be returned once that "gag rule" was adopted.

FACTS, PROOF, OR POLITICS

I say that the gentleman from Illinois is absolutely wrong. I ask him now to insert in the CONGRESSIONAL RECORD a copy of the rule and his explanatory reference, which discloses that the adoption of the rule prevented the House from considering any amendment in regard to Spanish-American War veterans or World War veterans or the dependents of either. I know now that he will not comply with this request, because he cannot produce the proof that his statements are correct. Of course, if he made the statements just for political effect, he will not endeavor to comply with my request but will let the matter drop.

I repeat that the adoption of that so-called "gag rule" did not prevent any Member of the House of Representatives from offering any amendment to the independent offices appropriation bill that would have been in order had the rule not been adopted.

WILL WORK FOR FULL PAYMENT

Now, then, Mr. Chairman, in conclusion let me say that I expect to continue to work for the successful passage of the payment of the adjusted-service certificates. I believe it is the finest plan on earth to get money all over this Nation. I am not going to create any false hopes in the minds of three and a half million veterans. When I see the time is opportune to do it—I do not know whether it will be tomorrow or next week or next month—but if there is a development that makes that bill timely in the House with a possibility of success, you may rest assured, my dear sir, you will see my name on a petition and you will see me taking any other action that will cause the enactment of it into law. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. BACON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am always very much interested in listening to the veterans and the alleged friends of the veterans on the Democratic side who fought so valiantly in behalf of the bonus legislation years ago under Republican administrations. Now that you have finally achieved a Democratic administration we find those Members very lax in coming forward to fight the political battles, when necessary, in behalf of the World War veterans; and I would call attention to this fact that the bonus bill was passed twice over the veto of Republican Presidents, largely by Republican votes. But today when any veterans' legislation is brought up which President Roosevelt is against we find few or any friends of the veterans on the Democratic side standing up and fighting their battles as they fought them a number of years ago when they voted to override the veto messages of Republican Presidents or supported veterans relief legislation, much of which has been undone by a Democratic administration.

Mr. PALMISANO. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. PALMISANO. The Republican Party, of course, claims credit for passing the bonus bill. Is this correct? I wish to follow it up with another question.

Mr. FISH. The Bonus Act was passed under a Republican administration.

Mr. PALMISANO. Yes; and if the Members were sincere at that time why did they not issue bonds to cover the 20-year certificates so the question would not be left on the doorstep of the Capitol for the past 10 years.

Mr. FISH. A Republican administration also provided for 50-percent loans on the adjusted-service certificates, you will remember, when the emergency arose, and the World War veterans have generally collected this 50-percent loan. I should like to see the Democratic majority reduce the rate of interest on these loans immediately, so that the balance of the adjusted-service certificates will not be consumed and exhausted before the 20-year period expires. This could be passed immediately, if the Democrats really wanted to help the veterans through deeds and not lip service.

Mr. PALMISANO. In that connection let me say to the gentleman from New York that when they passed the 50-percent payment they also charged an interest rate which will eat up the balance of the 50 percent.

Mr. FISH. That is precisely what I am talking about. The rate of interest was reduced, as the gentleman should know, to 3½ percent by a Republican administration, and it ought to be reduced more; but you gentlemen who are now in the majority, an overwhelming majority in this House, have not done a thing in this Congress to help any World War or Spanish War veteran. Up to this very moment there has not even been a meeting of the World War Veterans' Legislation Committee. Unless legislation is introduced, hearings held, naturally there cannot even be any consideration of veterans' relief measures. The gentleman cannot expect us over here on the minority side to legislate for him.

Mr. PATMAN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman vote to eliminate all interest?

Mr. FISH. I will vote to reduce the interest rate, and maybe to eliminate it, if such a bill is brought in.

Mr. PATMAN. Will you vote to pay the adjusted-service compensation?

Mr. FISH. No; I am against that. I opposed it at the last session, and will continue to oppose it until our Budget is balanced and our unemployed provided for.

Mr. PATMAN. Is it not a fact that the minority during the Republican administration forced the majority to pass practically all the veteran legislation?

Mr. FISH. Oh, not at all. I am very thankful for the help of the gentleman and other veterans on your side in passing some veteran-relief legislation; but what I am saying now is a fact, that you are in power today and you have the authority to act, yet have done nothing except to stand up here and apologize for not acting.

Mr. PATMAN. Is it not a fact that when the Rankin bill was presented that would have put all border-line cases on the roll this forced the President to submit another law which granted the disability allowance to the veterans in the World War?

Mr. FISH. I thought the gentleman just disclaimed being able to force President Hoover to act. I cannot keep up with the gentleman from Texas.

Mr. BROWNING. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Tennessee.

Mr. BROWNING. May I ask the gentleman if his statement is broad enough to include all of the ex-service men on this side?

Mr. FISH. I know there are some very sincere service men who would go to bat on the gentleman's side as well as on our side when the opportunity presents itself for constructive action.

Mr. BROWNING. The gentleman knows the situation which some of us were placed in at that time.

Mr. FISH. I do not know of a more courageous Member of the House than the gentleman from Tennessee, or a Member who is more sincere in his actions.

Mr. BROWNING. The gentleman disarms me. Yet the fact remains that a majority in the House could have kept part of the catastrophe from happening if they had defeated the Economy Act, whereas now it would take two thirds to override a veto.

Mr. FISH. And the gentleman knows what happened under the vicious rule the Democratic Rules Committee brought in the other day so far as the economy bill is concerned.

Mr. BROWNING. This did not apply to service men's legislation.

Mr. FISH. It dealt with the whole economy bill.

The gentlewoman from Arizona made a very beautiful and forceful speech here yesterday afternoon on behalf of the presumptive cases of those disabled veterans who have been deprived of hospitalization, although suffering from tuberculosis. I do not know that I can speak for every Republican on this side of the House, but I believe I can speak for nearly all of them when I say that if you will follow her advice and the guaranty she stated was given to her before she voted for that iniquitous gag rule, and bring in legislation restoring compensation to all veterans with service-connected disabilities that were done away with by the economy bill and the President's Executive orders, and provide for the restoration of hospitalization to all veterans who are insane or tubercular, that you will probably receive a unanimous vote on the Republican side of the House. As a veteran I challenge you to take up this legislation. As far as we could find out yesterday, you have not even had a hearing on veterans' relief legislation. If you are sincere, and if those guaranties given the lady from Arizona mean anything, you should not delay any longer the consideration of legislation to wipe out the injustices of the President's Executive order to actually disabled veterans and Spanish War veterans. I assure you that every Republican on this side will vote to restore the disability compensation to those veterans with war service-connected disabilities, and I believe they will vote to restore compensation to the Spanish War veterans as well.

This is the program of our side of the House, as far as veterans' relief legislation is concerned. There are three proposals: Restoration of the disability compensation to all veterans with service-connected disability that was being paid prior to March 20, 1933; restoration of benefits to Spanish War veterans; and hospitalization of all war veterans suffering from tuberculosis or insanity. If I have overstated the facts, I want any Republican on this side who disagrees with me to set me right.

Mrs. KAHN. Will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from California.

Mrs. KAHN. I trust that this includes the benefits to all widows and orphans of veterans of the Spanish-American War?

Mr. FISH. Yes; but it does not include that part of the Legion bill that provides for pensions to widows and orphans of nonservice veterans.

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. McFARLANE. Is the gentleman in favor of the Legion's four-point program?

Mr. FISH. All except that part which provides for pensions to be paid to widows and orphans of the non-service-connected cases.

Mr. McFARLANE. Is the gentleman not in favor of the World War Veterans' Committee having a meeting in order to give us an opportunity to report out this legislation?

Mr. FISH. That is exactly what I have been talking about. Where are the Democratic veterans who previously advocated this legislation? What are they doing? Nothing that I know of except voting for "gag" rules.

Mr. McFARLANE. I will tell you.

Mr. FISH. The committee is not having any hearings.

Mr. McFARLANE. They have reported to me that they are not going to hold hearings until after they see what the Senate is going to do.

Mr. FISH. Why should they do that? Is there any reason? Since when have we waited upon the Senate to act on veteran legislation?

Mr. SWICK. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Pennsylvania.

Mr. SWICK. Who is Chairman of the World War Veterans' Committee?

Mr. FISH. I know who he is but not what he is doing.

Mr. RANKIN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Mississippi.

Mr. RANKIN. I may say to the gentleman from New York that we were prepared to hold hearings beginning last Tuesday on this four-point program. A bill has been introduced by me in the House. It was taken up before the Senate committee. Hearings were held. I understand that they are going on further with it.

I conferred with Members of the House in whom I had confidence and on whose judgment I could rely——

Mr. FISH. I cannot yield further to the gentleman.

Mr. RANKIN. The gentleman attacked me on the floor here and the gentleman should yield. I can get the gentleman more time.

Mr. FISH. All right; I yield to the gentleman.

Mr. RANKIN. We decided, under the circumstances, it would be best to hold up on these hearings until the matter was disposed of in the Senate.

Mr. FISH. Can the gentleman give the House any assurance as to when his committee will meet to take up this proposed legislation?

Mr. RANKIN. Is the gentleman going to give me enough time to answer that question?

Mr. FISH. I just asked the gentleman a short question.

Mr. RANKIN. I understand the subcommittee in the Senate voted down this measure. It will now come to the full committee and when the entire committee has acted it will be taken up in the Senate, either this week or next. If the proposed measure becomes a law, it will not be necessary to hold hearings on it. If it is not adopted, we expect to hold hearings as soon as the matter is disposed of over there, and I shall give the gentleman from New York [Mr. FISH] and the gentleman from Illinois [Mr. BRITTEN] ample opportunity to come and tell the committee why they voted to take these benefits away from the veterans.

Mr. FISH. I do not know what the gentleman refers to. How long will the gentleman withhold his hearings, if the Senate does not act in the next week or so?

Mr. RANKIN. The Senate will act in the matter because it is on the independent offices appropriation bill.

Mr. FISH. Will the gentleman wait a week or 2 weeks or a month?

Mr. RANKIN. No; I do not expect to wait an unnecessary length of time. I hope to give the gentleman an opportunity to dig himself a storm cellar in the records of the Veterans' Committee because he needs it very badly.

Mr. BRITTEN and Mr. DITTER rose.

Mr. FISH. But not half so badly as the gentleman himself. I yield, first, to the gentleman from Illinois.

Mr. BRITTEN. Mr. Chairman, I would like to call to the attention of the House at this moment, because of what the gentleman from New York has just said about the Democratic side refusing to do anything at the present moment for the veterans, to an issue of the Veterans' Patrol, a newspaper printed in California, under date of February 1934, in which it is stated:

> History is again repeating itself. The Democrats have never favored the veteran and never will. While the present administration was elected by the veteran vote, because of the antagonistic attitude of the Hoover administration, it now is necessary for the veteran to repudiate the Democratic administration and start work towards electing men to Congress who are friendly to the veteran cause. Get busy—don't accept the false promises of the present incumbents—form your opinion from past records and don't support a single politician who says he will favor the veteran if his past record shows otherwise. Elect a new Congress and forget the present occupants; they have failed to make good. What friends we have in Congress are not strong enough to give us help. Let us substitute some real friends to Congress in November.
>
> Tie a can to the tail of the Democratic Party, especially those politicians who show by their votes that they are being subsidized by Wall Street.
>
> It means that the veteran must get busy and defeat every Congressman who voted for the gag rule. It means that the veteran can expect nothing under a Democratic administration.

This does not say anything about Mr. Insull. [Laughter.]

Mr. FISH. The gentleman from Texas, in speaking to the House a while ago——

Mr. RANKIN. Will the gentleman yield?

Mr. FISH. I am sorry, but I cannot yield further, because I want to talk on another matter.

The gentleman from Texas referred to his pet hobby, criticizing the former Secretary of the Treasury, Mr. Mellon, and the gentleman stated Mr. Mellon was the Government, and that President Hoover was not responsible because Mr. Mellon acted for him.

I am led therefore to ask certain questions about the present administration. Only a little while ago we passed the gold devaluation bill, almost without any committee hearings and with very little debate upon the floor of the House of Representatives. Then it was rushed through the other body and came back here without further consideration, was passed, and signed by the President.

I think the public would be interested to know who is the author of that bill and who sponsored it. Some newspapers stated that Professor Warren was the originator of the idea and immediately he denied it and said he had not seen it until 24 hours before it appeared in the newspapers. Up to this very moment no one seems to know where this devaluation bill came from; this bill which has reduced the pay of the wage earners of America 40 percent; this bill that has reduced the war debt 40 percent; this bill that has confiscated the wealth of the masses of America by 40 percent. It is a capital levy amounting to 40 percent, and yet we do not know who is the sponsor of the bill. Nobody will claim paternity or maternity of the measure. Whence did it emanate, out of whose fertile brain did this attack on American wage earners, consumers, and men and women of moderate and small incomes originate. What member of the "brain trust" is its father, and who is its unnamed mother.

Inasmuch as the gentleman from Texas [Mr. PATMAN] has stated that the Secretary of the Treasury in the last administration was the government, I think we would like to know just who is the government now and what part of the "brain trust" is responsible for this legislation that was rushed through Congress without consideration.

Mr. TRUAX. Will the gentleman yield?

Mr. FISH. Yes.

Mr. TRUAX. Is it not a fact that the gold and currency bill of the President, instead of reducing the earnings of wage earners 40 percent reduced the swollen fortunes of New York 40 percent?

Mr. FISH. I am very pleased the gentleman has asked that question.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FISH. I honestly believe that back home, because of misunderstanding and lack of debate on this measure, the people really believe what the gentleman has stated.

Mr. TRUAX. Is it not a fact?

Mr. FISH. Certainly not. They believe that the devaluation bill reduced the wealth of the rich by 40 percent, and if that were so, as a capital levy on wealth, it might be a very popular bill and would continue to be a popular bill, but as a matter of fact, while it is a capital levy, it is likewise confiscation of the wealth of the masses.

Mr. TRUAX. It is the best measure ever passed in this House.

Mr. FISH. The gentleman is entitled to his opinion. I consider it ruinous to our wage earners and consumers and their standard of living. It is true it may hit one rich man, but wherever it does it hits 99 of the middle class and those with small incomes. It hits the wage earners, the consumers, the insurance policyholders, and the men and women who have a little money in the savings banks or own a few Government bonds or other securities. The compensation of the veterans, civil-service employees, and widows and orphans are likewise cut 40 percent. Yes; the gentleman is right—one rich man in Wall Street may be hit but 10,000 other poor people are equally hit 40 percent by this legalized confiscation. [Applause.]

It is time the public knew what this measure does. The debasing of the dollar will cheat and rob labor of its just hire. The public does not know about it today, but they will know it when the cost of living goes up and they attempt to buy with a 60-cent dollar when there has been a 50-percent increase in the cost of living. Then, when the American laborer, white-collar class, and consumer find out the reduced purchasing power of the 60-cent dollar, there will be an outcry that will be heard from one end of the country to the other, and many deserving Democrats will be looking for storm cellars and wondering what hit them. Then, perhaps, they will begin to ask each other what member of the "brain trust" wished the devaluation bill on them and from what unholy union was it born.

Mr. FORD. When the gentleman pays his income tax after the 15th of March——

Mr. FISH. You flatter me. [Laughter.]

Mr. FORD. Will the Government say to you, "We can take this check for only 59 cents on the dollar" or will they take it for its full value?

Mr. FISH. I lost all interest in the income taxes some time ago. [Laughter.] I am telling you that it is just as hard to earn the 60-cent dollar as it is the 100-cent dollar, and you will have to pay the increased cost of living besides. [Applause.] The gentleman does not know it now, but he will know more about it next November.

Mr. TRUAX. Will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. TRUAX. If what the gentleman says is true, it would seem rather strange that there was no complaint from the wage earners over all the country, but the complaints come from Wall Street men.

Mr. FISH. That is true; the wage earners did not know it. Mr. Green knows it, and the American Federation of Labor knows it. They have stood against inflation all along; so has the American Legion; and by November all the American wage earners and consumers will know about it, and so will some Democrats who have been taking orders from the "brain trust."

Mr. HOEPPEL. Will the gentleman yield?

Mr. FISH. I yield.

Mr. HOEPPEL. If the gentleman will give me time, I will explain in reference to the veterans.

Mr. FISH. His compensation has been scrapped 40 percent.

Mr. HOEPPEL. Permit me to explain by one single instance. A man served over 20 years in the Navy. He is now past 70. He wants to go back home to die among his friends. The Economy Act reduced his pay of $50 a month to $15, and the gold devaluation bill has reduced it to eight or nine dollars.

Mr. FISH. Did the gentleman vote for the bill?

Mr. HOEPPEL. I voted for the gold bill, but I voted against the economy bill.

Mr. FISH. I cannot yield further. Now, nobody seems to know who sponsored the gold devaluation bill. If anybody on that side knows who was the author of the bill, I will yield to him. If anybody knows who originated the legislation, I think the public is entitled to that much information. Why the secrecy? Is the paternity of this bill already denied? Is the gold devaluation bill to go down in history shrouded in mystery, without mother or father having ever made any claim to their offspring?

Mr. O'MALLEY. Will the gentleman yield?

Mr. FISH. Yes.

Mr. O'MALLEY. I know that no Republican wrote the bill.

Mr. FISH. I am quite sure of that, but that does not help me. I am trying to find out who was the author of the bill and who and what was behind it. The only people in the United States it really helps are the speculators and Wall Street stock-exchange gamblers and manipulators.

Mr. BROWNING. Will the gentleman yield?

Mr. FISH. I will yield to the gentleman.

Mr. BROWNING. We are under the impression that the President of the United States had something to do with it.

Mr. FISH. That is what I wanted to know. This is then a bill that the President of the United States is not only responsible for but evidently had a great deal to do in drawing it up. That is what the gentleman wants me to believe.

Now, I hold in my hand an Associated Press report dated Washington, January 30, 1934. Although it is a newspaper report from the Philadelphia Evening Bulletin, a conservative paper, after all, those of us who have been in politics for many years have become accustomed to rely on the Associated Press for accurate reports. Here is what it says in regard to the recent signing of the gold devaluation bill:

After signing the bill the President turned to Secretary Morgenthau, who will be in charge of the administering of the new monetary policy, and asked, "Now, that I have signed the bill, is it all right, Henry?" "No", quickly replied the Secretary of the Treasury, who must carry the load. "Have you read it?" asked Mr. Roosevelt with a laugh. "No", replied Morgenthau. "Neither have I", said Mr. Roosevelt, "but the experts say it is all right."

That is all I care to say on the paternity of the bill. [Laughter and applause.]

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, we have heard a great deal these last few days about you Democrats and then again about you Republicans. I want to state that, so far as the Cherokee strip is concerned, we do not care very much about the ancient history of either side. One side gassed the veterans and the other has taken the hospitalization away from them; so I say to you Members of this Congress who are sincere and do not care to exploit the soldiers further: Come up here and sign the petition for the Patman bonus bill. There is not a veteran in the United States who does not want that bill passed. Sign this petition and then you will be doing something for the veterans. I do not care whether you are on the Republican or the Democratic side, just so you sign the petition.

I say further to you that in place of exploiting the farmers and passing make-believe farm legislation, the farmers of the United States want the Frazier-Lemke bill passed; and the petition for the Frazier-Lemke bill is up here at the Speaker's desk. Sign the petition for the Frazier-Lemke bill and the petition for the Patman bonus bill discharging the committees having those bills in charge, and you will have satisfied the farmers and the veterans of the Nation; and then you need not exploit them by telling them what you did not do to them in the past or what you are going to do for them in the future. You will have done the things the American people want you to do, regardless of party. Let us forget about Republicans and Democrats.

Oh, I know how some of you reactionary Republicans voted on the economy bill, the same as I know how some of you reactionary Democrats voted on it. I know how you voted in the special session of Congress when I made the motion to amend and raise the veterans' appropriation $150,000,000 in the independent offices appropriation bill, so that we could give free hospitalization to the soldiers and reasonable disability compensation for our injured veterans. Then some of you Republicans who are now complaining came here and voted with some of the Democrats to defeat that amendment. You could have saved the amendment, because that was a close vote, but you did not do it.

So let us forget about your ancient history. We new Members do not care about that at all; we are concerned with today and tomorrow and not with yesterday. We are not concerned with how or what you did in the past. I am afraid you protest too much on both sides of the aisle and that your consciences tell you you acted as you ought not to have acted, so let us forget it, let the past rest and sign the petition for the Frazier-Lemke bill and for the Patman bill.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. Yes.

Mr. DIES. I gather from the gentleman's remarks that he believes both sides are wrong and he is the only one who is right.

Mr. LEMKE. Oh, no; I say the veterans are right when they ask you to pass the Patman bonus bill, and I say to you that the farmers of this Nation are right when they ask you to pass the Frazier-Lemke bill, when 20 State legislatures have asked you to do it. In fact, one of your States in the South passed two resolutions asking Congress to pass the Frazier-Lemke bill, one in the regular session and one in the special session, and yet not a single Member from that State has signed the petition to discharge the committee and assist us to bring the bill onto the floor for discussion and passage.

A MEMBER. What is that State?

Mr. LEMKE. South Carolina.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. HOEPPEL. According to an article in the newspaper a great many of my colleagues are on record as wanting to

restore the pay to the Federal employees. Those who are sincere in their expressions, if they will go to the Speaker's desk and sign the petition to bring my bill out on the floor to repeal that provision of the Economy Act which takes from the Federal employees their pay; and if they will let me know who they are, and give me their names, I will have them broadcasted and then it will not be necessary for them to deceive their constituents and their record will protect them.

Mr. LEMKE. I may say that I favor whole-heartedly the restoration of the pay cut to the Federal employees—not part but all. We will be asked shortly to make an emergency appropriation of $7,125,000 to aid diplomatic and consular officers because of the depreciation of the dollar abroad. I am opposed to this appropriation until we first restore the pay cut for all Federal employees—until we do justice to all veterans. I am willing to allow this additional appropriation to those in our Foreign Service when justice has been done to those who are here at home who have been hit hardest by the increased cost of living. Many of our consular officers are in other business as well as in the Foreign Service.

Our ambassadors are already getting $17,000 a year and living in embassies—palaces—furnished by the Government and maintained at the expense of the Government. Not only that, but I know from my own personal knowledge that the living expenses in most of these foreign countries is about half of what it is in this country.

We are now asked to raise the salaries of the diplomatic and consular officers indirectly and make an extra allowance for them because of the cheapened dollar. Why not begin with the underpaid employees of the Government? Why always so solicitous of those who least need it? Why take care of the diplomatic boys first and forget all about the protectors of this Nation's honor on foreign battlefields—the veterans? Why forget the hand that feeds the Nation—the farmers?

I know that the gentleman from Texas over there is progressive, and I welcome him to come clean over here to the Cherokee strip. I know that there are some real progressives on both sides of the aisle, so let us all get together for the good of the Nation and forget politics and party affiliations. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I want to bring your thoughts back for a moment to the remarks of the gentleman from New York [Mr. FISH] on the gold and currency bill. He wished to learn the identity of the author of that bill, and he referred to a newspaper article which gave a picture of President Roosevelt signing the bill and of his jocular question to the Secretary of the Treasury, Mr. Morgenthau. He is alleged to have said, "What do you think of the bill, Henry?" or something to that effect. I can see no difference between that and three former Presidents signing bills and then saying, "What do you think of that bill, Andy?" Personally, I prefer the name Henry to that of Andy, but I think we all agree that this bill was the bill of the President of the United States. I think the vast majority of this House, Republicans as well as Democrats, voted for the bill not only because it was the bill of the President of the United States but because each and every one of us knew that 95 percent at least of the people of this country wanted that bill passed, and that if we did not vote for that bill we would jeopardize each and every one of the Member's chances of returning to this body.

I want to recall to your minds that a year ago the great crusader of this country, perhaps the greatest crusader that we know today, that fighting radio priest, Father Charles E. Coughlin, over the air to millions of listeners, advocated practically the very plan that was adopted and the very bill that was written and passed in this Congress.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. CARPENTER of Kansas. Is it not a fact that since that bill passed this House that the price of hogs and agricultural products has increased?

Mr. TRUAX. I think they have.

Mr. BRITTEN. Will the gentleman yield for what I think is a correction?

Mr. TRUAX. I yield.

Mr. BRITTEN. My impression is that Father Coughlin in his talks over the radio requested and recommended a 44-cent dollar and not a 59-cent gold dollar, as determined by the President.

Mr. TRUAX. I will say to the gentleman that it has often been stated on the floor of this House, and it was stated yesterday, that major pieces of legislation are always compromises; that each side must give and take; otherwise we would not have major legislation.

I think the great popularity of the President of the United States among most of the common people, among the 96 percent who only own 4 percent of the Nation's wealth, and those are the people I am talking about, is because of the fact that he is the only President in my recollection who has had the courage and the will to tackle the monetary problem at its very base, the gold standard—the gold pagan god of Wall Street.

Mr. MOTT. Will the gentleman yield?

Mr. TRUAX. I yield for a question.

Mr. MOTT. I want to ask the gentleman seriously whether he believes that the rise in the price of hogs during the last day was on account of the President's signing the gold bill on the day before yesterday?

Mr. TRUAX. In answer to the gentleman's query, I would say that the price was not affected adversely by the signing of the gold bill. I think it was affected favorably, as all other commodities and stocks and bonds were.

This President of ours had the courage to topple this pagan god of the money kings from its throne, we hope, once and for all time. The pagan gods of Buddhism and Brahmanism and Islamism are good gods compared to this Wall Street god of gold. They were immutable gods. They could inflict no harm in themselves. This gold god is a mutable god, and in times of distress, panic, and depression it strikes out with lightninglike rapidity. It uncoils its ugly head from its golden shell. It strikes at the unemployed laborer. It flashes its wicked eyes at the bankrupted farmer and confiscates his property. Certainly the Wall Street pirates, the money kings, wanted to retain this god on its throne. They wanted the gold dollar continued. The gold dollar is the rich man's dollar. It is the only dollar that he can collect usurious interest on. It is the only dollar he can hoard. It is the only dollar he can ship to England for safe-keeping, as many of our millionaires have done.

My friends, when the melancholy note that rises from the harp of time shall hark back to the day when this bill was passed overwhelmingly in this House, it shall be written in letters as unerasable as they are enduring that a second declaration of independence was declared when President Roosevelt signed the gold and currency bill and asked Henry how he thought it would work. The signing of that bill means freedom for 96 percent of the people of this country from the greed and selfishness and larceny and burglary of the 4 percent of the Wall Street crowd who are bleeding to death daily the farmers, the unemployed home owners, and the stricken war veterans. I want to impress upon the Members on the minority side that, as the gentleman from North Dakota [Mr. LEMKE] said, all of this terrible slaughter and bloody butchering of war veterans could have been averted had the minority side not stood up practically solidly for the passage of the Economy Act in the first session of this Congress.

Mr. MOTT. Will the gentleman yield?

Mr. TRUAX. I yield for a question.

Mr. MOTT. Did the gentleman say the Republicans stood up solidly for the economy bill?

Mr. TRUAX. I said practically solidly.

Mr. MOTT. Does the gentleman contend that more than half of the Republicans voted for the economy bill?

Mr. TRUAX. The gentleman contends that a far greater proportion on the minority side voted for the bill than did on the majority side.

Mr. MOTT. I voted against the bill; and my impression is that a majority of the Republicans voted against it and that a great majority of Democrats voted for it, and I think the RECORD will bear that out.

Mr. TRUAX. The gentleman is wrong, and I refuse to yield further.

Now, we heard a wonderful address yesterday by the gentlewoman from Arizona [Mrs. GREENWAY]. She pleaded with you as she pleaded with me and with both sides to forget partisanship, to join hands, and not talk, talk, talk; and to correct and rectify this great mistake that was made in this House in March 1933. We may talk for days, until this session closes; but during the time we are talking, war veterans are dying by the score every day. They are dying from tuberculosis.

Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. Not just now. They are dying from other presumptive ailments. They were thrown out of hospitals, as we were told yesterday.

My friends, I want to refer to the so-called "bonus question." I am proud to state that my name is on the petition to bring out the Patman bill. I am not interested in the controversy between the gentleman on my side of the House and the gentleman on the minority side of the House.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. TRUAX. I am interested in the war veterans who are not only entitled to the full restoration of compensation, but who are entitled to the payment of the so-called "bonus" now.

No one yet has authority to state that the time is not opportune. To those who make such statements I ask, Where is their authority for making the statement that the time is inopportune? I say we should not wait for somebody else to say, or for some other body to say, "When we say so, you can pass the bonus legislation and not until then."

I am proud to say that my name is on the petition mentioned by the gentleman from North Dakota, the Frazier bill. Mr. Chairman, we are not getting anywhere under the Federal Farm Loan Act. We are only scratching the surface. Loans are being turned down on farms that today are worth $75 an acre because the appraisals are only $25 an acre. It is high time we in this House took action to relieve these distressed war veterans who upheld the honor and glory of their country in its hour of need. [Applause.]

[Here the gavel fell.]

Mr. TRUAX. Mr. Chairman, the hour has arrived when this Congress must save the American farmer from the plundering confiscation of the money lenders. This Congress must save him from the hyprocrisy, the inefficiency of certain officials in the appraisal division of the Federal land banks. The time has come when Congress must save both farmer and war veteran from further raids by the aristocracy of wealth.

The concentration of wealth and money in the hands of the few has risen to new and shocking peaks during the depression years of 1930–32. A survey of all banking deposits by the Federal Reserve Board discloses that 44 percent of all the money deposited in the banks is owned by one fiftieth of 1 percent of the people. In other words, 25,000 people own nearly one half of all the money, while 120,000,000 own the other half.

Those who vainly endeavor to solve this 12-year-old riddle, What is wrong with the country? will find the answer in the foregoing figures.

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates, and men decay.

The future of the country rests in the hands of the man whom the common people elected by a tremendous majority. They have faith in him. They know that if he fails to bring order out of chaos, no other President will.

It must be Roosevelt or revolution. It will be the new deal or a dictatorship.

Six million farmers, ten million unemployed, and additional millions of distressed professional and business men are fighting for existence. They are fighting for their homes, their posterity.

The vested interests and their paid mouthpieces are already crying about "Government interference with business", knowing full well that the present crisis was precipitated by Government wet-nursing the money kings, industrial barons, and money lenders.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman and members of the Committee, it is my belief that the Members on this side of the House, as well as those on the other side of the House, who voted for the gold bill did so because they believed it to be right. I would not vote for any bill I believed was going to work a hardship on the citizens of the United States, or any other country in the world.

Now, if it is true that Mr. Green, the president of the American Federation of Labor, opposed that bill, those who were interested in labor legislation did not obtain that information. Therefore, I wish to go on record, Mr. Chairman, as saying that I voted for the gold bill because I believed it was going to take the masses out of the rut. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I wish to direct my remarks at this time to the subject of taxation, looking to the cause of the tax burden, a solution of the problem, and a remedy for the greater evil of direct as well as indirect taxes.

In justice and fairness to State legislatures, struggling with the tax problem and for the proper information of the people, it must be realized and understood that the crushing tax burden includes more than the amount of taxes, assessed and collected from the people, measured in money, dollars and cents, more than appropriations and expenditures from the tax funds for the payment of governmental costs and expenses in the administration of State affairs; that the cause of the tax burden involves an economic or industrial problem, a failure of earnings and income, the inability of the people to pay taxes, high taxes, low taxes, or any taxes; that a greater part of the tax burden results from the failure or destruction of the taxpaying power of the people, the same as the failure of the interest-, debt-, and mortgage-paying power, the same as the failure of the buying and consuming power of the people.

And it must be further realized and understood that under our dual form of government, that is, our division and separation of jurisdictions, with certain powers exercised only by Congress and other powers exclusively reserved to the States, State legislatures are without power to act, without power to mitigate the evils, to eradicate the wrongs, to remedy the cause, State legislatures are without power to relieve from the tax burden, from the burden of direct taxes assessed and levied upon the people.

The people have long suffered from unequal and unjust taxes, from burdensome and oppressive taxes. But today we are facing a different tax condition, an unusual, an extraordinary tax condition. Under these present-day tax conditions the people of the country, to meet the tax demands upon them, are being drained of their income. They are being exhausted of their earnings. They are surrendering up the whole of the fruits of their toil and labor. And after exhausting their present income and earnings they are giving up their savings of former years to pay and satisfy the tax demands upon them. They are borrowing money to pay taxes. They are mortgaging their property to pay taxes. They are selling their property at sacrifice sales to meet and pay the taxes assessed upon them.

But this is not all of the tax problem. This is only a part of the tax burden. Even with the complete exhaustion of the people in sacrificing their property, earnings, and

income to pay, satisfy, and discharge the taxes against them; even with the people giving up their all, the last cent and farthing of their savings, all they can raise from loans and mortgages and from sacrifice sale of their property, the taxes collected are not enough, not enough to pay and satisfy the tax demands upon the people. With these amounts the people are sacrificing to pay, the taxes are not sufficient to meet the costs of Government. New forms of taxes are being devised. New sources of taxes are being planned or invented to reach further tax resources, to take and exact even more taxes, even still greater taxes, from the people.

It is true that there has been waste and extravagance in the administration of State affairs. It is true that there has been useless duplication and overlapping service in the State. It is true that salaries have been in disproportion to the earnings and income of the people and their means and ability to pay. It is true that the burden of taxation has not been evenly laid upon the people; that intangible wealth and property has not been made to bear its just portion of taxes; that the principle of ability to pay has not been observed and adhered to in the levy and assessment of taxes upon the property of the people.

But while all these many tax abuses and evils complained of today are in a measure, part, and in portion true, yet they have long been true, true long before this tax crisis, and, if remedied and relieved today, this tax burden would remain tomorrow; and while there can be no full adequate tax relief until these tax evils and abuses are remedied and lifted from the people, yet no one of these evils or abuses separately, nor all of them operating together, have brought this sudden intolerable tax burden to fall in crushing weight upon the people of the country like a withering blight in the nighttime, or coming like a grim tax monster devouring and swallowing up the earnings, income, and substance of the people, still unsatisfied and grasping for more. There is something more than the amount of taxes involved here; there is something more than waste and extravagance; there is something more than useless duplication of service; there is something more than salaries of public officials; there is something more than the pay roll of public employees; there is something more than increasing governmental costs involved in this impossible intolerable tax burden. We must look further and deeper for the cause, for the remedy, for the relief from the burden of exhausting taxes.

While these evils and abuses of public waste and extravagance and increasing governmental costs and expenses are responsible for some part of this rising, crushing, multiplying tax burden, the greater part of the tax burden results from the fall of values, the price level, and the wage scale, from the failure of earnings and income, from the destruction of the taxpaying power of the people.

Under these economic and industrial conditions with the tax rate remaining the same, with the tax valuations remaining the same, with the tax levy remaining unchanged, the burden of tax payments, measured in labor and the products of labor, in farm crops, stock, and farm products, in which and from which taxes are paid, taxes have been doubled and tripled upon the people, have been raised, increased, and multiplied upon the people of the country; and today call for double and triple and fivefold the amount of labor and labor products to pay and satisfy the same taxes for double, triple, and fivefold the amount of farm crops, stock, and farm products to pay and satisfy the same taxes. Taxes are not paid in money but, in fact, are paid in labor and the products of labor, in farm crops, stock, and farm products and only measured in money. The money measure for the payment of taxes has been changed, increased, and enlarged, doubling, tripling, and multiplying the burden of taxes required to pay.

Under these abnormal tax conditions, the evils and abuses of waste and extravagance, of increasing governmental costs and expenses are a mere incident of the tax burden and fade away as trifling, as the little things, as the small things, as the trivial things, as the inconsequential things in creating and maintaining the tax burden upon the people, and as compared with the far greater cause of falling values and the price level, of diminishing earnings and income over which State legislatures are without jurisdiction and are powerless to remedy and relieve.

To realize and understand the cause of this oppressive tax burden we must read the story of cruel, frenzied finance, of a deep-laid, premeditated plot; the story of a secret gentleman's agreement entered into with deliberate intent, in wanton disregard to human welfare, to contract and withdraw from circulation the money and credits of the country, the object and purpose of which was to double, triple, and multiply the value of World War obligations, World War debts and bonds, owned, held, or controlled by certain international financiers and manipulating bankers.

I refer to the secret bankers' meeting held May 18, 1920, in Washington, D.C., under the very shadows of the Capitol, and the secret resolution passed in the name and style of "The Orderly Deflation Committee of the American Bankers' Association", calling upon the Federal Reserve Board to contract and withdraw from circulation the money and credits of the country, and to the servient action taken following this secret bankers' meeting by the Federal Reserve officers, led as puppets, dupes, and tools, to raise the discount rate and sell bonds and securities under the open-market operations, all to withdraw money and credits from circulation, contracting the volume and supply of money, forcing down values and the price level, destroying the taxpaying power, as well as the interest-, debt-, and mortgage-paying power and the buying and consuming power of the people, and creating an economic and industrial condition which, for want of understanding, or to prevent an understanding, is called a panic or depression.

The people, struggling, writhing, gasping under the multiplied tax burdens and the failure and destruction of the taxpaying power, and mistaking the abuse of money, forcing down values and the price level, for public waste and extravagance in the administration of state affairs, have been driving State legislatures back to convene in special session and, smarting under the lash of criticism, denunciation, and complaint, members are slashing to reduce their own salaries, which, as compared with the tax burden and the fall of values and the price level, is a mere grain of sand to the weary wastes of the seashore.

And further mistaking the cause of the greater part of the tax burden as resulting from the abuses of the taxing power under the laws and constitution of the State, and laboring under the erroneous impression that all can be remedied and the burden relieved by reducing the amount of taxes measured in money and cutting down appropriations to a bare, scant tax minimum, many public charities of the State, many worthy services performed, many public enterprises contributing to the welfare, happiness, and the progress and advancement of the people will be dwarfed, impoverished, and suspended, will be discontinued, retarded, and thrown back, but all in vain and without relief to people from the tax burden.

State legislatures may call a halt to the building, upkeep, and maintenance of our good road system which has come with the automobile to revolutionize travel and transportation. State legislatures may dwarf and impoverish the sacred common-school system, the pride of the State and the hope of the future. State legislatures may withhold appropriations from our charitable and benevolent institutions, serving to alleviate suffering or to make up for the uneven race of life. State legislatures may withhold funds for the support of the penal and reformatory institutions struggling with the abnormal, the perverted, and criminal insane. State legislatures may carry the strain of economy to stifle all the services of the State and to dwarf all the charities that soothe, heal, and bless and which go hand in hand with the higher considerations of humanity and with human progress and advancement.

But all will be futile and in vain. The sacrifice and denial will be of no avail. The humiliation and retreat will not relieve and the crushing tax burden will remain; because without a rise of values and the price level, taxes will still exhaust the people of their earnings, income, and property

and leave them without means with which to provide themselves with the necessaries and comforts to live.

But we need our system of good roads for travel and transportation, which has come to be a vital necessity and as a part of production in our economic and industrial life. We need our advanced school system to prepare and qualify the youth of the land to meet and solve the greater problems of the future, to discharge the higher duties, and assume the greater responsibilities coming to and devolving upon the human race and the generations as they come. We need our benevolent institutions to meet the higher conceptions of humanity and considerations for those left groping in the shadows of a blighted life. We need our reformatories and penal institutions to deal with the abnormal, the perverted, and criminal mind to assure greater safety for property and life and as means and measures for reform. We need all these services and institutions of the State which have come to be indispensable as a part of our lives and being and to keep pace in the march of progress to the planes of a higher and more exalted civilization.

And the people can realize and enjoy all these improved facilities, and all these worthy services of the State, and all these benign institutions dispensing charity and benevolence, providing for relief and reformation, and safeguarding property and human life, and which can only be provided and maintained by the people acting as a collective body organized and cooperating under the forms by means and through the agencies of the State. All these can be realized and enjoyed without strain or burden upon the taxpayers when there is a restoration of values and the price level, of earnings and income, and the taxpaying power. And the people will bear these burdens cheerfully, grateful for the opportunity to pay, and will claim credit and will take just pride in the glory and renown of State achievements, when there is a restoration of the taxpaying power.

Under the fall of values and the price level, the failure of earnings and income and the destruction of the taxpaying power, we are facing an emergency and crisis in the alternative to be met promptly, without hesitation or delay. Under the failure of earnings and income the people cannot pay taxes and live. If they use their earnings and income to provide the necessaries to live, they are left without means or money to pay taxes. If they use their earnings and income with which to pay and satisfy taxes, they are left without means to live. Facing this emergency and crisis, it must be realized and understood that the impulse of men to live and provide for those who by nature are dependent upon them, is higher and more controlling than the obligation to pay taxes; that, under the natural impulse to live, the law of peace, order, and property must give way to the higher law of life, and will give way to the higher law of life when men are forced to choose between the right to live and the obligation to pay taxes.

But unmindful of this crisis and disregarding the higher impulse to live, with the strong arm of the law, under the taxing power, in the collection of taxes, we are taking bread and meat from the hungry, we are taking clothing and fuel from the cold and shivering, we are driving men, women, and children out from the walls and roofs of shelter and protection into the cold, storm, and exposure, we are coercing men to choose between the impulse to live and the obligation to pay taxes. And when men are compelled to choose under the higher law of life they will choose the right to live, they will renounce the tax obligation, they will resist the tax demands upon them, and if pressed and goaded further, they will challenge the sovereignty of the State. This imperative alternate is that the power to pay taxes over earnings and income to live must either be restored back to the people, or the assessment and collection of taxes must be reduced, stopped, or suspended until the power to pay taxes over earnings and income to live is recovered and restored back to them.

Facing this tax crisis and the right of men to live, it is the duty of every legislative assembly and every individual member, under the oath and obligations of office, to enter at once, without hesitation or delay, upon a strenuous and drastic policy of tax economy and retrenchment, first, to eliminate waste and extravagance and every service of the State which can be reduced or temporarily discontinued without irreparable loss or damage, suspending highway and all new construction, and even, to prevent a greater tragedy, the institutions of higher education must be touched with the hand of strenuous, drastic economy, leaving only the primary and common grades and the benevolent and penal institutions last to be reached and reduced in the course of tax reduction. This should not be a permanent policy of taxation, but as a temporary expedient to continue until, and only until, there is a restoration of the taxpaying power over earnings and income to live.

And in the meantime, without waiting, State legislatures should take the initiative to demand of and memorialize Congress to lift the blight of money contraction, to bring a rise of values and the price level and restore the power to pay taxes over earnings and income to live, and should charge the responsibility, and fix the responsibility, and leave the responsibility for this crushing tax burden where it rightfully belongs, on the steps of the National Capitol, at the door of the Federal Congress, alone vested with jurisdiction and power to remedy and relieve, and on a refusal or failure to realize the responsibility and relieve from the tax burden, leave the Federal Congress to face the wrath and indignation of a wronged and outraged people, instead of helpless and dependent State legislatures. [Applause.]

This tax crisis has come upon the people as one of the evils and burdens of this panic. It will continue with the panic. It will be prolonged with the panic. It is a part of the evils and burdens of the panic. And relief from the crushing burdens of taxation can only come with relief from the panic, can only come with the rise of values and the price level, can only come with the restoration of farm earnings and income, with a restoration of the farmer's taxpaying power, as well as his interest-paying power, as well as his debt- and mortgage-paying power, his buying, purchasing, and consuming power.

There can be no relief from this tax burden until there is a restoration of farm values and the price level, until there is a restoration of farm earnings and income, until there is a restoration of the taxpaying power of the people. And there can be no restoration of values and the price levels until there is a restoration of money and credit, of the volume and supply of money in circulation, of the money secretly withdrawn from circulation by the international financiers and manipulating bankers. There can be no relief from this tax burden continuing, existing, and remaining under this panic, while farm values and the price level remain at the present low value and price stage, under which the farmers are compelled to sell, surrender, and give up all, or the most of their crops and stock to pay taxes and interest, leaving them without surplus earnings and income with which to pay debts and mortgages, with which to buy, take, and consume what industrial labor produces.

State legislatures cannot alone deal with the problem to relieve the people of the tax burden. After the legislature has reduced taxes to a bare scant tax minimum, the tax burden will still remain for want of the taxpaying power. For only Congress and the Federal Government can provide complete relief from the tax burden by a restoration of the taxpaying power by a general rise of values and the price level under the control of the volume and supply of money and credit maintained in circulation.

If there was a restoration in values and the price level, a restoration of earnings and income to meet normal prosperity requirements, a restoration of the taxpaying power, as well as the interest- and debt-paying power, and the buying and consuming power of the people, the people would fail to take notice or forget the tax burden, and tax-reform advocates would fail of a hearing for consideration of tax reduction, and agriculture would resume the even tenor of its ways without notice or complaint, and the abuses of

the taxing power would fail of consideration so great would be the remedy and so complete would be the relief. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that all Members who speak today may have the right to revise and extend their own remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BACON. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, when I was out of the room the gentleman from California [Mr. FORD] stated that the article from which I read was not an Associated Press dispatch. I wish to correct the gentleman. I understand he is not present, but I understand also, I may say in fairness to him, that he will withdraw his remark. In order, however, to keep the record straight, may I state that I read from the Evening Bulletin, of Philadelphia, with a date line of Washington, D.C., January 30, with the conventional A.P. letters, which stands for an Associated Press report. There is no question about it. The gentleman was wrong. He has agreed to withdraw his remarks before they can be printed in the CONGRESSIONAL RECORD; but I thought it was only fair to make this statement, because it was an Associated Press report from which I read, and there never was any reason for anyone to contradict it, no matter how extraordinary it may sound unless denied from the White House or the Associated Press itself.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BURKE].

Mr. BURKE of California. Mr. Chairman, I have been here almost a full term, and I have hesitated to stand here and even attempt to make any sort of talk, much less a speech to my friends in the House, and it is with reluctance and modesty that I do so now. As I listened to the critical remarks emanating from first one side of the House and then the other, and then down the middle aisle, indicating that the Republicans did this, or that the Democrats did that, blaming the Republicans for this or the Democrats for that, I have wondered sometime, and I wonder now, whether or not we are American Congressmen sitting as a branch of the Congress of the United States or whether Republicans and Democrats are something different and apart from American citizens representing American people.

I am under the impression—and I believe you will all eventually come to a full realization of the truth of what I am about to say—that constituents expect us to vote our honest convictions in what we believe to be for the best interests of the American people rather than to follow blindly so-called "party leadership." Incidentally, some of you men may have noted the other day that the Democratic delegation from California, with two exceptions, endorsed for reelection from our State a Republican Senator. And in that connection we endorsed him because we know that he votes his honest convictions in the interest of the people, and therefore we endorsed HIRAM JOHNSON the man—not the Republican—and are proud of the fact that we did. I am likewise under the impression that the people not only in California but also in the whole United States have arrived at the place where they are not interested primarily in either Democrats or Republicans, but are interested in good men to represent them here, irrespective of what party label they may bear. The day is fast disappearing when professional politicians are able to divide our people into two camps and safely say that they will vote as they are registered. As evidence of that fact, let me direct your attention to the fact that Franklin D. Roosevelt defeated Herbert Hoover in his (Hoover's) home State, California, by nearly one half million votes, although the registration showed a clear majority of Republicans over Democrats of nearly one half million. My people voted for Franklin D. Roosevelt the American, not Franklin D. Roosevelt the Democrat.

Mr. SHOEMAKER. Mr. Chairman, will the gentleman yield?

Mr. BURKE of California. I yield.

Mr. SHOEMAKER. It seems that California keeps her good men in jail.

Mr. BURKE of California. To whom do you refer?

Mr. SHOEMAKER. Mooney and Billings.

Mr. BURKE of California. Well, I am not in accord with keeping Mr. Mooney in jail, and I never have been. I have thoroughly studied the records of that case. The dissenting opinion of one judge, whose name I cannot recall at this minute, written in the Billings case upon his application for pardon, absolutely coincides with my views. I may say to the gentleman that a review of the facts of the Billings case by the Supreme Court of California was substantially a review of the Mooney case, and with one exception, as I have heretofore stated, the court indicated that the principal ground for denying pardon was that he had a record at one time or other of having been more or less a dynamiter, and even though there was not any evidence in this case, or at best, slight evidence, and that by admitted or proved perjurers to keep him in jail, he ought to be kept there on general principles or his past reputation. It is most significant that all living members of the jury who convicted Mooney and Billings, and Judge Griffin, who presided at their trial, have without exception expressed the opinion that they are innocent and should be pardoned.

Mr. SHOEMAKER. I am glad to hear that and especially glad to have it go into the RECORD.

Mr. BURKE of California. We had a great deal of talk a few minutes since by the gentleman from New York [Mr. FISH] concerning a statement supposed or alleged to have been made by the President at the time he signed the gold bill. Perhaps the President said what the Associated Press report said he did, but you must bear in mind, Mr. Chairman, that the present occupant of the White House has a keen sense of humor, something that was most lacking in my distinguished fellow citizen from California, Herbert Hoover. [Applause.]

I do not mean to be unkind in my criticism of Mr. Hoover when I say that he lacks a sense of humor, for I believe this shortcoming in him is readily understandable because of the fact that Mr. Hoover lived in England so long that if he ever had a sense of humor he lost it long before he returned to the United States. [Applause.]

We have an American down there at the end of the Avenue in the White House with a sense of humor which is keen and alive to every situation in which it may be brought into play; a sense of humor the fullness of which has neither been dulled nor diminished by residence in any foreign country; and with that sense of humor he also has in his heart a tremendous spark of human kindness. In other words, he is a man of deep sympathetic feeling for our people, and it is easy for me to appreciate, as it should be for all of you, that our good President may have made the remarks attributed to him in much the same vein as you or I may have made similar remarks. Put yourself in his position, if you please. See if you cannot imagine the feeling of joy that would have overcome you under similar circumstances. I am appealing especially to the members of this committee who are possessed of the same keen sense of humor that he has. The profound joy that must have filled his heart in the realization that he had brought to fruition a movement which he believed was to go so far to ameliorate the suffering of our people, would of necessity in this great man cause him to express the happiness which he felt, and his bantering with Secretary Morgenthau was undoubtedly nothing more or less than the spontaneous expression of the feeling of joy which was then emanating from his heart.

I regret exceedingly that my friend, the very distinguished and able Mr. FISH, is neither unable to appreciate or comprehend the feelings that must have been in the breast of the President at the moment he signed this bill. But since he was neither sympathetic with the bill or possessed of a sense of humor, it is easy for me, who is sympathetic with the bill and as an Irishman, possessed of a keen sense of humor, to appreciate the dialog that took place between the President and the Secretary of the Treasury. I have often said, and I now believe, that the one talent which God

could deny a man which was useful to him in making his life more happy, was that talent which enabled him to appreciate and understand the humor of a situation. I hope, therefore, that my good friend from New York, and all who think as he thinks, will not be so foolish as to attempt to use this incident as campaign propaganda hereafter. We all know there is no boomerang that is so disastrous to us as that one which returns and knocks us down. In that connection, let me point out that a man who is of sufficient intelligence and education to make Phi Beta Kappa, is far too intelligent to have made, seriously, the statement that he did not know that which was contained in a bill of so far-reaching importance as this gold bill.

To illustrate further what I have just indicated, let me recount to you an incident which happened years ago in a court room in Los Angeles at a time when I was only a student in law school. I happened to be present in the court room of old Charles Monroe, department 13 of our superior court, which, unlike in the State of New York, is our trial court.

Judge Monroe presided over the divorce court, and he had the idiosyncrasy of taking out of the hands of lawyers the actual trial of uncontested divorce cases. He took the witnesses in hand and examined them in much the same fashion as would a lawyer have examined them had he been appearing for the defendant. But he had the added advantage of both the plaintiff and her attorney, or his attorney, in that he did not allow counsel for plaintiff to examine either the plaintiff or his or her witnesses in any respect. Upon this occasion he was giving a woman client of an old friend of mine a real grilling; and as he pursued his course, the client, by reason of the fact that she was fearful of the judge, arrived at the point where she was getting more or less in deep water. My good friend—by name, Bob Adcock—an old lawyer who stuttered considerably, realizing the fact that his client under the grilling of Judge Monroe was about to talk herself out of court, came to his feet and said: "Judge, I ob-ob-ob-object to this line of examination." Monroe turned to him and in a very high-pitched voice said, "Mr. Adcock, who is trying this case; you or I?" Mr. Adcock answered, "You are, J-j-j-judge; and I hope you don't l-l-l-lose it." [Laughter.] The point I am attempting to make is that this remark by old Bob Adcock was not meant to offend the court but was said purely in a spirit of bantering and good will, and Judge Monroe well understood that to be the case; and if he had not, he would have then and there committed my good friend for contempt of court. And therefore, I say to you, if our good President uttered the remarks attributed to him at the time he signed the gold bill, none of you should get the idea that by reason of such utterance, expressed in a spirit of jocularity and good fun, that he did not and does not understand what the bill was about and what the consequences of its enactment will be.

Discussing the gold bill itself, our good friend from New York [Mr. FISH] said a few minutes ago that the laboring man was going to be the fellow who was going to get the figurative "kick in the pants" as a result of its enactment, and that where the Wall Street money changer to the number of 1 would be seriously affected, 10,000 laborers would be more seriously affected. Since he uttered that bold statement with no argument or reason to support it, let us examine in the light of reason whether or not there is, in fact, any reason to believe that it is true. Let me say to you that such statements as he has made have lead some people to believe—and I have talked to them here in Washington—that if they should go into a store to make a purchase after the gold bill becomes effective that in the event they give the storekeeper a dollar bill that the storekeeper is going to give them change from the dollar on the basis of 59 cents plus, after deducting the price of their purchase. We know this is not true, but some of the opponents of the gold bill are trying to make people think it is true. The laboring man is not going to be injured by this bill. Many of our laborers who had purchased or were purchasing homes or property on the installment plan at property values of 1928 or before had given mortgages or trust deeds for a part of the purchase price. Many had contracted to pay high installments on the mortgage or trust deed and found or are finding that under the appreciated value of the dollar and depreciated value of property under our present economic set-up that they owe more than the present market value of the property itself. In the last 3 or 4 years wages have decreased so much that the ability of the laboring man to pay debts contracted with cheap dollars and credit has disappeared. Those who are fortunate enough to have retained their homes or their farms upon which they have encumbrances are and should be most happy to see the value of the dollar depreciated, thereby appreciating the value of their property and increasing in numerical dollars and daily wage.

It is a well-known fact that in 1928 and prior thereto under inflation that the public and private debt of the United States was no more than it is now, approximately $210,000,000 to $225,000,000. It is also well known that from about 1924 to 1928 the annual income of our people was approximately $90,000,000,000 a year. It is likewise well known that the estimated wealth of this country in the value of the dollar of 1924 to 1928 exceeded $400,000,000,000, and that now by reason of the appreciation in purchasing power of the dollar not only has income depreciated or decreased, if you please, but likewise have the assets of our American people depreciated or decreased to the end that we now find ourselves owing more money in appreciated currency or dollars than our assets are worth measured in such dollars. In other words, we, as a people, are bankrupt, and unless something be done to enable us to pay and discharge depreciated dollar debts with depreciated dollars we will never get out of the woods.

The gentleman from New York will say that this is unfair to the creditor class and to the man who has been prudent and saved his money, and that it is unfair to the man who holds an insurance policy. It is quite evident that the gentleman himself has not, nor has anyone who thinks like him, given the matter serious thought. There is no question in my mind but that the creditor class will get less in purchasing power than they would have received prior to the passage of this bill.

Likewise, I doubt not that he who has hoarded his dollars in banks or strong boxes for the last several years will find that he is unable to purchase as much with his dollars today as he was prior to the passage of this bill. But my friend must realize that dollars numerically mean nothing and represent nothing and that in order to appreciate the real significance of the so-called "gold bill" we must deal in and talk about purchasing power rather than in numerical dollars.

Would the gentleman say that if I borrowed in 1928 a sum—for sake of argument, say, $80—sufficient to purchase a good suit of clothes, that I should repay in 1932 a sum equivalent in purchasing power to that which would purchase two suits of clothes of the same quality and texture and workmanship. Would that be fair to me, the borrower? Or, to reverse the process, if we had depression in 1928 and prosperity in 1932, then, I ask, would it be fair to the lender to borrow $40, a sum necessary to purchase a good suit of clothes and repay in 1932 the same sum, which would only be half the purchase price of the same suit of clothes in quality, texture, and workmanship. Surely it must be apparent to him and to anyone else that this type of monetary structure is deficient in some respects, and it likewise must be apparent to him that this very thing was the cause of many thousands of bank failures in the Middle West during the regime of Herbert Hoover. The banker took deposits of $100,000, loaned the money out upon security then valued as ample security. Over a period of 4 years the security diminished in value solely by the appreciation of the purchasing power of the dollar, with the resultant decline in the value of the security. The depositor demanded a return of depreciated dollars in an equal number of appreciated dollars and had a right so to do. The true economic

situation we attempted to remedy by the passage of the controlled money bill must be evident under this state of facts.

This may not be the remedy. Ultimately we may have to go strictly to the commodity dollar—and I am not so sure that we shall not; but at least it is a forward step in an honest attempt to prevent further speculation in money and to give protection at all times both to creditor and debtor.

If I may be pardoned for a personal reference, I never campaigned for office in my life until I became a candidate for the one I now hold, and I probably never will campaign for another one. In my campaign I urged and advocated the enactment of this very principle into law. My people out there are not afraid of it. They would rather have a 50-cent dollar than no dollar at all. They have had neither 50-cent dollars nor any other kind for the last 3 or 4 years. One fellow said to me that he would not care if it took a bushel basket of dollar bills to get a suit of clothes if he only could get some kind to put into the basket.

I am not a great student of economics, but it is my impression that the gold bill should have been the first bill to be passed back in March last, instead of waiting until now. I think if it had been passed, the economy bill and many other bills passed by us in the meantime would have been unnecessary. I believe we put the cart before the horse in failing to enact this measure before any others; but since we failed, then I am happy we have now corrected our error, even at this late date.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BURKE of California. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. Congress passed a bill that would permit the devaluation and revaluation of the dollar, did they not?

Mr. BURKE of California. I appreciate that; but it was not used, and it was not in this form.

Mr. AYERS of Montana. Will the gentleman yield?

Mr. BURKE of California. I yield to the gentleman from Montana.

Mr. AYERS of Montana. Does the gentleman not think there should have been added the silver program?

Mr. BURKE of California. I agree with the gentleman, but since I am just one of the new Members of the House, and this is the first time I have felt that as such I should express myself on the floor, I cannot get the silver bill in, but let me say this: The American people are watching the Members of Congress as they have never watched them before. They are not watching to see what we do by reason of the fact that we are elected as Republicans, Democrats, Farmer-Laborites, Socialists, or whatever else we may be, but they are watching us, and they will vote for or against us, not on our party records nor on our records as party men, but on our records as individuals.

We have 11 Democrats and 9 Republicans from the State of California. This is the first time we have ever had that many Democrats. Our people are looking to the 20 Representatives to be 20 representatives of the people—not to be 11 Democrats and 9 Republicans. There is my good old friend, BILL TRAEGER. Bill is a Republican, but I doubt that anyone can defeat him, because he is BILL TRAEGER. The people of his district know that he is honest and faithful, and they vote for him for that reason. He did not win because he was labeled a Republican, nor would he have lost as a Democrat.

I have another man in mind elected from California, elected on the Republican ticket, SAM COLLINS, a personal friend of mine. He is one of the type that would have won on any ticket, because as they believe in BILL TRAEGER the people who had to vote for SAM COLLINS believed in him. His record will indicate that he has voted as a good American Congressman, voting for the good of all the people as he saw it and not as a partisan.

The point I am trying to stress is that you will find that the American people are thoroughly awakened to the fact that they have long been fooled into voting for men because the candidate had a particular party label. Franklin D. Roosevelt would have been President at this hour on any ticket or under any label. The people elected Franklin D. Roosevelt, not the Democratic ticket. I once said that if the leadership of the two big parties should get into unscrupulous hands they could both nominate a figurative pig for which to vote on one side and a similar candidate for which to vote on the other side, and when you voted for either you would elect only a figurative pig. The people of this country have awakened to the fact that men are men, and tickets, labels, nor anything else cannot change them. We will continue to serve here only so long as we are faithful to our obligations; only so long as we exercise our free will and vote our convictions. Our people will not return us to this body because we are able to secure the Democratic nomination in a strong Democratic district or the Republican nomination in a strong Republican district. We are forever to exercise our best judgment and to have the courage to follow that judgment even though we be not in accord with the leaders of our party. We should not, and I am sure no Member here would, ever cast a vote contrary to his honest convictions with the thought that a contrary vote might affect his chances of reelection or might lose to him the support of his party leaders. We are elected for 2 years; let us always feel that we are beaten for reelection before we assume that term or, on the contrary, that we will never seek reelection, and in that spirit go about our official acts. In that event even our subconscious minds will not, unknown to our conscious minds, influence our acts. We will continue here by reason of personal integrity and will fail to continue even though we may choose to do so for want of that integrity irrespective of party affiliations. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I asked the distinguished gentleman from Alabama [Mr. OLIVER] for this time in order to state that when we reach the Department of Labor provisions in this bill I am going to offer an amendment raising the amount from $1,590,000 to $3,700,000, which the President and Miss Perkins, the Secretary of Labor, asked through the Budget to be appropriated for the Employment Service throughout the country.

You will remember last session we passed the Wagner-Peyser bill, which provided for cooperation with the States in connection with these employment offices. They have not had enough money to run these offices right. In many of your States, unless this appropriation is raised, where you have no State employment service you will be put in the position of obtaining nothing for your State from the Government, because the object of the bill primarily is to cooperate with those States which have a State employment service and to encourage the setting up of such services.

I talked with Mr. Persons, the Director of unemployment in the Department of Labor, and he informs me that the amount needed for the District of Columbia alone is $700,000. They only received $400,000 last year. This takes care of the entire Employment Service in the District of Columbia, including the farm-placement service.

The appropriation in this bill is $1,500,000 for the entire service all over the country. The Budget asked for $3,700,000; the President wanted this $3,700,000, as did the Secretary of Labor. This is the least that should be expended in order to give proper employment service to all the States in the country. When you cut it down to a million and a half, the first thing you do is to stop the States which have no State employment service from getting anything out of the fund.

The second thing you do is to impair the value of your employment offices in the States which are cooperating, and the third thing you do is wipe out absolutely and completely your veterans' service which is tied up with this employment bill. I may say that I asked Mr. Persons about this today and he states that it leaves the veterans in a pitiful position. In Massachusetts, for instance, we have

a State employment service. We are to have offices in Lawrence, Lynn, Boston, Springfield, Lowell, and other places. For that whole district and for any other employment that may be set up, you will have straight employment offices, but you will have just two veterans to cover all of the veterans of the State of Massachusetts.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Will the gentleman from Massachusetts yield?

Mr. CONNERY. I yield to the gentleman from Alabama.

Mr. OLIVER of Alabama. The gentleman has quoted Mr. Persons, the Director of this service. Mr. Persons' statement appears in the record and he there submitted expense tables. The committee assumed that Mr. Persons, at the time he was before the committee, at least knew what he was discussing, and if he has submitted to the gentleman information such as the gentleman has understood and which he has interpreted in dollars and cents, it is entirely at variance with the director's statements before the committee; I think in justice to Mr. Persons, as well as to the gentleman who is now undertaking to quote him, he should ask Mr. Persons to now submit to him a statement showing how he expects to spend $400,000 additional in the District of Columbia over and above what the committee has recommended.

Mr. CONNERY. All right; I shall do that.

Mr. OLIVER of Alabama. Likewise, I would like the gentleman to secure from Mr. Persons a statement as to whether the committee has not allowed every dollar which he stated to the committee would be necessary to establish and carry forward the veterans' placement service. I know the gentleman from Massachusetts would not, under any circumstances, misrepresent any facts——

Mr. CONNERY. No.

Mr. OLIVER of Alabama. And the gentleman is quoting the director of the service whose statement appears in the record in writing and who appeared as many as three or four times before the committee and was permitted to extend his statements as fully as he might desire. I only ask that the gentleman, in connection with his statement, furnish a definite statement in writing from Mr. Persons, the director of this service, as to the several matters communicated to him by Mr. Persons.

Mr. CONNERY. I shall ask him for that this afternoon and read it into the RECORD tomorrow.

I know from my own knowledge, as I have stated, in Massachusetts we have two veterans in this service for the entire State. There should be a veteran separate establishment every place where there is an employment office. The law calls for that specifically.

When we brought out this bill we stressed particularly the matter of a service for the veteran, not because we wanted the veteran taken care of any more than any other unemployed man, but we figured that the disabled veteran is at a great disadvantage in trying to get a position, because the employer, first of all, because of the very fact he is disabled, does not want to employ him. We, therefore, figured we ought to have a veteran in each office whose job would be to secure work for veterans, a man who could go to the employer and explain conditions and get a job for his buddy or comrade, otherwise you would have these veterans going into the regular employment offices and being turned down because they are disabled, or when they would send such men over to a factory or try to secure any kind of job for them they would not pick such men because they are disabled.

Mr. KELLER. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KELLER. Does the gentleman know of any new agencies that have been established under this law which I took so much pleasure in assisting to formulate and pass?

Mr. CONNERY. No; I do not know of any.

Mr. KELLER. I do not know either.

Mr. CONNERY. We have now the same service we had before this law went through but there will be plenty of offices as the States pick up and enter into agreements with the Federal Government.

Mr. KELLER. Yes; and I had one more in my district than I have now. They took one office out and refused to give it back to me. If we are not going to get anything more in the way of service out of it, why should we vote for an increased amount?

Mr. CONNERY. I agree with the gentleman's logic, but I believe the reason given in most of these cases is that they do not have enough money to set up these services.

I shall offer the amendment to which I have referred and will ask Mr. PARSONS for the statement requested by my friend, the gentleman from Alabama.

Mr. BACON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, I have decided to take the floor at this time, because there have been so many misleading statements, statements that are not founded on fact, but try to create the impression throughout the country that President Hoover and his administration did not present to the country any constructive program for the relief of the depression that existed here for some time; and, especially, in reply to some statements made by the gentleman from Texas [Mr. PATMAN] this morning, relative to the work of the Republican administration.

As you gentlemen will remember, President Hoover, in his first message to the Seventy-second Congress, presented the most complete, constructive program concerning the conditions that existed in this country at that time, and his recommendations for the improvement of such conditions were the most complete and comprehensive that have ever been presented to any American Congress during my service here.

In order that we may have this Republican program definitely before the House, I want to sum up the recommendations that were made by President Hoover at that time and given to the press in a definite statement by the President himself on December 11, 1931, and then I shall leave it to the country to decide whether this was a comprehensive, constructive program or not; and also call your attention to the fact that these recommendations were the basis and suggestion for some of the best features of the recovery program of the present administration.

1. Provision for distress among the unemployed by voluntary organization and united action of local authorities in cooperation with the President's Unemployment Relief Organization, whose appeal for organization and funds has met with a response unparalleled since the war. Almost every locality in the country has reported that it "will take care of its own." In order to assure that there will be no failure to meet problems as they arise, the organization will continue through the winter.

2. Our employers are organized and will continue to give part-time work instead of discharging a portion of their employees. This plan is affording help to several million people who otherwise would have no resources. The Government will continue to aid unemployment over the winter through the large program of Federal construction now in progress. This program represents an expenditure at the rate of over $60,000,000 a month.

3. The strengthening of the Federal Land Bank System in the interest of the farmer.

There was a definite recommendation made by President Hoover over 2½ years ago to strengthen and improve our land bank law, and if the Democratic majority in Congress had given him the support that you are asking us to give President Roosevelt, you would have had the relief to the farmers of the country that you are trying to give now, 2½ years after, and their relief would have been received in time to do them some good, and their recovery would now be well under way.

Mr. COCHRAN of Missouri. When was this program given out?

Mr. SNELL. At the beginning of the Seventy-second Congress, December 1931, nearly 3 years ago.

Mr. COCHRAN of Missouri. Why did not you and Mr. Hoover do something in the Seventy-first Congress?

Mr. SNELL. Because conditions calling for this remedy did not then exist. Now, let me proceed, and then I will answer any question you want to ask after I finish my statement.

4. Assistance to home owners, both agricultural and urban, who are in difficulties in securing renewals of mortgages by strengthening the country banks, savings banks, and building-and-loan associations through the creation of a system of home-loan discount banks. By restoring these institutions to normal functioning we will see a revival in employment in new construction.

Two and a half years in advance President Hoover made that recommendation to Congress, and now you claim it is a great achievement of the present administration and brag about what you have done. The only reason that it was not done then was because the Democratic majority would not consider the recommendations. If you had had less interest in politics and more in the welfare of the country, we would have had this benefit long ago.

6. The enlargement under full safeguards of the discount facilities of the Federal Reserve banks in the interest of a more adequate credit system.

7. The creation for the period of the emergency of a Reconstruction Finance Corporation to furnish necessary credit otherwise unobtainable under existing circumstances, and so give confidence to agriculture, to industry, and to labor against further paralyzing influences and shocks, but more especially by the reopening of credit channels which will assure the maintenance and normal working of the commercial fabric.

My friends, the best one of all these commissions that has been set up is the Reconstruction Finance Corporation, and that is the only one that this administration claims has not made at least a partial failure in administration. It is the best relief organization that has been set up by any administration at any time, and has given more satisfactory relief to the situation in the whole country than any other. And it is a Republican organization, and everyone knows it. It is the best system that has been set up during the entire period of the depression, and on the whole will cost the country less, and that was Mr. Hoover's suggestion.

8. Assistance to all railroads by protection from unregulated competition, and to the weaker ones by the formation of a credit pool, as authorized by the Interstate Commerce Commission, and by other measures, thus affording security to the bonds held by our insurance companies, our savings banks, and other benevolent trusts, thereby protecting the interest of every family and promoting the recuperation of the railways.

9. The revision of our banking laws so as better to safeguard the depositors.

There is the basis of the banking legislation that was put through in the last session of Congress. Mr. Hoover made that recommendation over 2 years ago. If there is credit for it, it should go to President Hoover and his administration. Did you give that any consideration during his administration when he wanted you to support it? I do not think you did. I never heard anything about it. If it is sound now, it was sound then; but you refused consideration for political reasons.

10. The safeguarding and support of banks through the National Credit Association, which has already given great confidence to bankers and extended their ability to make loans to commerce and industry.

11. The maintenance of the public finance on a sound basis. (a) By drastic economy. (b) Resolute opposition to the enlargement of Federal expenditures until recovery. (c) A temporary increase in taxation, so distributed that the burden may be borne in proportion to ability to pay amongst all groups and in such a fashion as not to retard recovery.

12. The maintenance of the American system of individual initiative and individual and community responsibility.

I want to say to the Members of the House and the country that that is the most constructive, complete-recovery program that has ever been presented during my service by any President to the American Congress. I want further to say that the basis of the great proportion of your recovery acts came from Republican President Hoover, whom you are trying to condemn in the eyes of the people at the present time. There were definite recommendations and he asked for cooperation of a Democratic Congress and did not get it. The depression was on then and I want someone to tell me where was your great interest in the people at that time? I know—you were absolutely unwilling for political reasons to give the chance to a Republican President you are now asking for a Democratic President. Except so far as the Reconstruction Finance Corporation is concerned, he never received a particle of cooperation. If you gentlemen had been as patriotic then as you are asking us to be patriotic now, the recovery would have begun a long time ago, and the delay in that is entirely up to you, because you were absolutely responsible for the legislation in this House at that time. [Applause on the Republican side.] I now yield to the gentleman from Illinois.

Mr. KELLER. The gentleman has very largely answered what I wanted to get at and that is what he was driving at.

Mr. SNELL. I tried to make it plain that Mr. Hoover presented the most constructive program ever presented by any President to this House and that you Democrats turned it down without consideration.

Mr. KELLER. Oh, I do not agree to that.

Mr. SNELL. You did not pass any of it, did you? The record speaks for itself. It is not a matter of conjecture, it is a matter of fact.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. PATMAN. Mr. Hoover was inaugurated on March 4, 1929, and I believe the gentleman will admit that the panic commenced in about 6 months. The Republican Party was in power in both House and Senate for 18 months after that, during the hardest time of the panic. I want the gentleman to name one thing that Mr. Hoover did at that time to arrest deflation except to pour in more money at the top where it was not needed.

Mr. SNELL. In the first place, the gentleman's statement is not correct. That was not the hardest time of the panic. The hardest time of the panic has been during the last 3 years, and the gentleman knows it, as does every other man in the House, and if the Democrats had followed out the program as presented by the President, or if he had received any support whatever from the Democratic majority in this House, a part of that program would have been carried out, and the country today would have been further advanced in the general situation and in relief of conditions than it is at the present time.

Mr. PATMAN. I believe the gentleman will admit that the time to arrest a panic is when it commences.

Mr. SNELL. That is a very good general statement to make, but let me tell the gentleman another thing. In the first place, the President never had control of the other body during the time that he was President of the United States, and the gentleman knows it.

Mr. PATMAN. What about 1929?

Mr. SNELL. He never had it.

Mr. PATMAN. What about 1930?

Mr. SNELL. He never had it at any time during his Presidency.

Mr. PATMAN. Members of his party were in control of the Senate.

Mr. SNELL. What does the gentleman mean? Does he mean a man who runs on the Republican ticket and votes with and supports the Democrats? I do not call them members of the President's organization, and he never received any support from them.

Mr. PATMAN. Let us take the House. Name one bill that the House passed at the President's request. He had an overwhelming majority here between the day the panic started and for 18 months thereafter, and he did nothing except to pour in more money at the top.

Mr. SNELL. I am certainly surprised at a Democrat finding fault with pouring money into the country. What are you doing now? You are pouring more money into the country than anyone ever dreamed of before, and a great deal of it is wasted, and everyone knows that. As a matter of fact, as soon as the panic developed, and we saw what was doing, he made definite recommendations for changing the situation, and you people absolutely blocked him every step of the way, all of the time, and the RECORD will prove that statement.

Mr. PATMAN. But he did not need our help for 18 months after the panic started, and the gentleman cannot cite one constructive act that this House passed that would have a tendency to arrest the panic.

Mr. SNELL. Just as soon as it got started he gave constructive suggestions, but you would not and never did cooperate.

Mr. BURKE of California. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BURKE of California. The gentleman has outlined the program of what the President proposed to do. What concrete legislation did the President propose to Congress, as President Roosevelt has proposed to carry out his program?

Mr. SNELL. Oh, he sent up any number of bills that were never even considered by committees. The economy measure program, I will say to the gentleman, was one of the most important ones, and you have all boasted about it and called it one of your great achievements and he sent it up here and Democrats threw it out of the window without even considering it. The Reconstruction Finance Corporation is the best reconstruction agency yet set up, and Mr. Hoover was responsible for it.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. GILLESPIE. Is it not a fact that in the last year of Mr. Hoover's administration this Congress—the House and the Senate—passed an act to relieve the farmer, to lend money to the farmers who were being foreclosed by the hundreds of thousands, and that President Hoover vetoed that relief legislation upon the ground that it was turning the Government into a pawnbroker's shop to lend directly to the farmer?

Mr. SNELL. I cannot answer that directly, so far as that legislation is concerned, because I have forgotten exactly about that, but I know that he made recommendations to extend further credit to the farmer and the home owners of the country, and your own Democratic majority refused to consider it.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. COCHRAN of Missouri. The President sent down the home-loan bank bill and Congress passed that, and it was an absolute fraud on the public.

Mr. SNELL. That is what the gentleman says, but I do not know whether it was or not.

Mr. COCHRAN of Missouri. For instance, I have a report over in my office which I received yesterday from the home-loan bank showing that 14,000 applications in my district and State were made, and only a few over 1,000 were granted.

Mr. SNELL. The gentleman's party has absolute control of that at the present time, and you certainly cannot lay the blame to President Hoover for your own poor administration of the act, and one reason why it has been changed is because you wanted to put out men he appointed and put Democratic administrators in their place, and now you complain of poor administration.

Mr. COCHRAN of Missouri. I was not thinking at all about who was in the office. I was thinking about serving the people who are losing their life savings and their homes, which is just as important and more important, I feel, than saving the great corporations of this country. I said on the floor, and the gentleman heard me not once but many times, that the Home Loan Bank Corporation was a fraud upon the public and would remain so until we guaranteed the bonds; and if we do not guarantee the bonds, it will be practically useless except to a few. The many will get no relief, as the mortgagee will not accept the bonds where only the interest is guaranteed.

Mr. SNELL. When you first presented that legislation to the House, why did you not guarantee the bonds, if you knew it?

Mr. COCHRAN of Missouri. You had control at that time.

Mr. SNELL. No; we did not. You passed that.

Mr. COCHRAN of Missouri. The President sent the bill down here. Read the RECORD and see how Mr. LUCE, of Massachusetts, and other Republicans opposed my amendments.

Mr. SNELL. Let me tell you one thing more. The gentleman from Missouri is one of the gentlemen in charge of the committee that had to do with the economy program.

Mr. COCHRAN of Missouri. Absolutely.

Mr. SNELL. And you turned it down without even a hearing. You turned it down because it came from a Republican President, and you know it. If you had acted on it when you should, you would have saved the country hundreds of millions of dollars.

Mr. COCHRAN of Missouri. Oh, no, no; we had a hearing. We had a hearing.

Mr. SNELL. You never had any hearing that amounted to anything, because you did not intend to act on it.

Mr. COCHRAN of Missouri. I will bring the hearings over here and show you. They are printed.

Mr. SNELL. You turned it down and threw it out of the window, without any consideration, and I suppose you were acting under party orders.

Mr. COCHRAN of Missouri. We did bring it to the floor and gave you a chance to vote on a resolution. When did Mr. Hoover send it down?

Mr. SNELL. You never gave us any chance for consideration. You are culpable on it, and you know it, and everybody else knows it.

Mr. COCHRAN of Missouri. Mr. Hoover sent it to the Congress after he was defeated for office.

Mr. SNELL. That does not make any difference. He sent it here, and you now admit it was in the interest of the American people. That was reason enough for consideration, and you turned it down for political reasons and by so doing denied the benefit accruing to the people from the measure for nearly a year.

Mr. COCHRAN of Missouri. He sent it to the Congress after he was defeated. We thought best to let the man who was elected by the people do the reorganizing. He has done a good job and is not through.

Mr. SNELL. If it was a good law for the people, you ought to have given them the benefit of it a year in advance.

Mr. MILLARD. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. MILLARD. Is it not a fact that the home-loan bank bill was sent by President Hoover on the first day of the session and it was not passed until the very last day?

Mr. SNELL. Surely. They never gave him any chance whatever. They intended from the very beginning not to allow one of his constructive propositions to be enacted into law, because they were afraid he would get the benefit of it. That is the real truth.

Mr. COCHRAN of Missouri. Does the gentleman say that I ever once voted in this House with the thought of my political future? I voted with the Republican majority when you were in power more times than I voted with the Democratic minority, and the gentleman knows it.

Mr. SNELL. Well, there is nothing personal about this, but my friend was in charge of the committee and refused to report out the bill.

Mr. COCHRAN of Missouri. And that was sound judgment. We brought a resolution and presented it to the House and the House passed it, which set aside Mr. Hoover's recommendation.

Mr. SNELL. The record speaks for itself. You refused to give any consideration to his recommendation.

Mr. KLEBERG. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. KLEBERG. The gentleman's memory is probably better about the things that transpired in those days than mine is, but I should like to ask the gentleman if he does not recall numbers of amendments that were suggested to the measures that he refers to, to more or less deliver the goods at the place where the hurt was, rather than at the top. The gentleman mentioned the home-loan-bank proposition. It seemed to me in that connection that the trend was to arrange to take care of the mortgage companies and those

that had extended credit, to put them in a condition where they might thrive, and we apparently objected on this side because it did not go to the folks who were really interested?

Mr. SNELL. Now, in reply to the gentleman from Texas, why did you not give us an opportunity to take it up and discuss it on the floor, and if it needed amending, put in the amendments here?

Mr. KLEBERG. We had made available, if my friend recalls——

Mr. SNELL. No, no; you did not bring that in here at all.

Mr. McGUGIN. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. McGUGIN. The gentleman from Missouri [Mr. COCHRAN] recently made the remark that Mr. Hoover never sent the reorganization bill to Congress until after he was defeated. Are not these the facts, that the Democratic House, under control of Mr. Garner, refused to give him authority to reorganize the Government until the very close of the previous Congress, and that he sent it to the Congress at the very first opportunity when Congress was in session?

Mr. SNELL. That is certainly a correct statement of facts. As a matter of fact, they never gave him a chance to put into force one of his constructive recommendations.

Mr. KLEBERG. Will the gentleman yield to me again, please?

Mr. SNELL. I yield to the gentleman.

Mr. KLEBERG. I want the gentleman to go back to the record and go into a few of the measures that were adopted, measures sent up by President Hoover, and he will find that in ninety-nine cases out of one hundred in matters that came up with reference to various phases involved, the argument was against the so-called "constructive program", as the gentleman proudly calls it; that he was pouring money in at the top of the funnel rather than beginning at the bottom, where it should go?

Mr. SNELL. Oh, no; we could not do it, because you controlled every committee, and you would not report a single resolution to this House.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BACON. I yield the gentleman 5 additional minutes.

Mr. BURKE of California. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. BURKE of California. The home owners bill that was passed at the session before this last Congress was the President's own bill, the way it was passed, was it?

Mr. SNELL. I cannot answer that question. It was passed just the night we adjourned. No one knew very much about it. We did not have an opportunity to study it. If the committee had reported it out early in the session, as it should have done, it would have been discussed on the floor of the House and we would have known what we were doing. Everyone of you would have had an opportunity to put in amendments, because we never refused an opportunity to the Members of the House to offer amendments on general legislation.

Mr. BURKE of California. I was not here, but the bill was undoubtedly sent down by the President. You said these measures were sent down to carry out his program, so I assume that was sent down by the President.

Mr. SNELL. Now, during the Republican administration, not all bills were written in the White House, and they did not all come down here with the definite instructions, "You pass them without crossing a 't' or dotting an 'i'", as they do under the present program.

We allowed Congress to think and act for itself occasionally.

Mr. BURKE of California. In any event, can the gentleman tell me one single home loan that was made under the bill passed in that Congress?

Mr. SNELL. No; and I cannot tell the gentleman of one that has been made under the present law either.

Mr. BURKE of California. Well, I can tell the gentleman a lot that have been made under the new law.

Mr. SNELL. I may say to the gentleman that I made application for a friend of mine on one of the best properties upon which an application could possibly be made last July, and up to the 1st of January he had not received his loan. This is under your Democratic administration.

Mr. COCHRAN of Missouri. That confirms my statement that the law is faulty. I suggest the gentleman act through Jim Strong and Walter Newton, two former Republican Members of this House with whom he is well acquainted.

Mr. SNELL. I think Jim Strong was forced out by the Democrats, was he not?

Mr. COCHRAN of Missouri. No; he is still a member but no longer treasurer.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. COLMER. Does not the gentleman think that the man in the White House now is doing a pretty good job of it?

Mr. SNELL. It may be pretty good, but I do not approve of everything the gentleman now in the White House is doing, if that is of any use to the gentleman.

Mr. COLMER. Does the gentleman have any reason to believe that former President Hoover would have done a better job than our present President?

Mr. SNELL. I am absolutely sure he would have made a better job of it if he were there. There is no doubt about it.

Mr. COLMER. In any event, does the gentleman from New York think the people of the country are going to believe Hoover could have made a better job of it?

Mr. SNELL. Before they get through with it, they will be entirely satisfied with the recommendations made by President Hoover; and they will be mighty sick about a lot that has taken place under the present administration.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. McFARLANE. Can the gentleman point to anything in the Hoover administration as a basis for his statement a moment ago that it was a success while he had control of power in the House and the Senate? Did he do a thing?

Mr. SNELL. I point to the statement I have read and put in the RECORD. If the gentleman can dispute these statements, I should like to have him do so.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield to me once again?

Mr. SNELL. I yield.

Mr. KLEBERG. I have listened with a great deal of interest to the able presentation of what might be termed "a lost cause."

Mr. SNELL. It may be a lost cause at present, but not forgotten, and will come back.

Mr. KLEBERG. I am wondering if the gentleman does not realize that that is one of the reasons his is a minority party? Now, as a matter of fact, when these things are studied it will be found that most of these proposals were insufficient because they attended to the top part of the plant only, with no reference whatever to the root system.

Mr. SNELL. That is the same old speech you people have continually made time and time again, and there is absolutely no basis for it. It is a political excuse. That is all.

The best part of the program of the gentleman's party was taken from the program presented right here at the recommendation of President Hoover 2 years ago; and the gentleman knows it. But you laid down on it then.

Mr. KLEBERG. Does the gentleman recognize any improvements that have been made in the Reconstruction Finance Act under the present administration?

Mr. SNELL. Yes; there have been several of them.

Mr. KLEBERG. It was finally made useful.

Mr. SNELL. The Democrats found it so useful they were glad to take it over. The fundamental principle of the R.F.C. came from President Hoover, and do not forget it.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. GIFFORD. The gentleman doubtless recalls the scathing arraignment of the R.F.C. made when it was

brought up on the floor by Mr. Garner and others because it began at the top instead of at the bottom.

Mr. SNELL. I certainly do; they have made those speeches so many times some of them think it is so.

Mr. GIFFORD. But since the Democratic Party has come into power and has sensed the fact that the responsibility is upon them, they have not advocated any more of these bottom loans, so-called "pawnshop loans", directly to the individual, have they?

Mr. SNELL. It was an entirely different story when the responsibility became theirs.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. KELLER. Was not the entire R.F.C. program, almost letter for letter and word for word, copied from the War Finance Corporation of the Wilson administration?

Mr. SNELL. I think there is some truth in that. There is something in that to a certain extent.

Mr. KELLER. It is every bit true.

Mr. SNELL. It was Mr. Hoover, however, who made the suggestion to Congress, and at his suggestion it was carried out. It is the best program that has been presented, and the gentleman knows it.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield the gentleman from New York 3 additional minutes.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. ADAMS. The gentleman admits, does he not, that the Republicans were in control of the Senate?

Mr. SNELL. No; I do not, not at any time during the Hoover administration; and they never supported his recommendations. [Applause.] I am glad the gentleman asked me that question. If there is any doubt in his mind, there is none in mine.

Mr. ADAMS. If the program of President Hoover was so salutary and beneficial and would have brought us out of this depression so soon, why would not those Republicans who are now supporting President Roosevelt have supported President Hoover?

Mr. SNELL. I am just telling why. The same situation existed in the House. From the very beginning the majority in the House tried to do things to prevent Hoover from carrying out his program. They did not want him reelected. The same influences controlled the other body, and they never gave him the support to which he was entitled. It is all right for gentlemen to talk to us about patriotism; but I want to know where the patriotism of the Democratic Party was during the last 2 years of the Hoover administration. [Applause.]

Mr. COCHRAN of Missouri. We were chasing prosperity around the corner.

Mr. SNELL. Well, it is still around the corner.

Mr. COCHRAN of Missouri. Yes. We chased it, but we never could catch up with it, but we are closer now to it than we have been since the depression started.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. KNUTSON. It is a significant fact that after having a Democratic administration it took the country almost 20 years to forget it.

Mr. SNELL. Surely as long as that. It will take them longer than 20 years to forget this one.

Mr. KNUTSON. They will die of starvation before they forget it.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. OLIVER of Alabama. The gentleman seems to be complaining that some Members of the House who were affiliated with his party did not vote with his party. That is the complaint of the gentleman, is it not?

Mr. SNELL. Just to make myself plain, the gentleman said the Republicans had control of the Senate. I say they never had control of the Senate during any time Hoover was President, or at least never gave him any unified support.

Mr. OLIVER of Alabama. We are now speaking of the House because the gentleman's remarks a few minutes ago had reference to the House. Those Members the gentleman is now referring to as having been affiliated with his party and who did not always vote with his party included in their number Mr. LaGuardia, of New York, did they not?

Mr. SNELL. I do not care to go into personalities in this discussion. I never made any personal allusion to any man or to his individual vote. Anything I say is against the Democratic Party as a whole and not against individuals.

Mr. OLIVER of Alabama. The gentleman would include, however, the gentleman from New York, Mr. LaGuardia, in the number that he brings his indictment against?

Mr. SNELL. It is the Democratic Party I am trying to indict, not the gentleman from Alabama or anyone else. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

I was interested in the speech of the gentleman from New York [Mr. SNELL] because we are all cognizant of just what happened. In the first place, the recommendations which the gentleman so strongly stressed were long delayed and not submitted to the House until after the November election of 1932.

Mr. SNELL. I read the recommendations that he gave to Congress the first day that he came before the Seventy-second Congress. This was over a year before he was defeated, and the gentleman will bear that in mind.

Mr. OLIVER of Alabama. I was interested in the very diplomatic and soft language the gentleman used in bringing the indictment against his own party that they did not support Mr. Hoover, and I know he must have included and had in mind the distinguished gentleman from New York, Mr. LaGuardia. But, after the session closed, I recall that those standpat Republicans who were quite bitter in their criticism of Mr. LaGuardia and his votes while in the House endorsed him very strongly for mayor of New York on the Republican ticket.

Mr. SNELL. As long as the gentleman has brought that up, may I say that I endorsed Mr. LaGuardia for mayor of New York?

Mr. OLIVER of Alabama. I wanted to bring it out that the gentleman did.

Mr. SNELL. It has been public information for a long time. I was glad of it, too, and I think he will make a good mayor.

Mr. OLIVER of Alabama. However, today the gentleman is complaining of what Mr. LaGuardia did as a Member of this House.

Mr. SNELL. I have not made a single reference to Mr. LaGuardia's action in the House. Let me say to the gentleman that I endorsed Mr. LaGuardia, among other reasons because I wanted to defeat Tammany Hall in New York City, which has been the foundation of the Democratic Party in the North ever since I can remember. We did drive a wedge into Tammany Hall, and I was right in believing LaGuardia was the best man to do it.

Mr. OLIVER of Alabama. And the only way in which the gentleman could get the popular vote anywhere was to take from that side one who had often voted with the Democrats and against the gentleman's party; one from that group called "progressive Republicans." LaGuardia's views were usually in accord with the views of the progressive Republican Senators in the last Congress, of whom the gentleman from New York complains.

Mr. SNELL. No; that did not have anything to do with it at all and was entirely beside any question I have discussed here today.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I desire to talk to this body about railroad pensions, because many of my colleagues during the past month have asked me about the progress being made along this line.

In the Seventy-second Congress I had the honor of presenting the first railroad man's pension bill ever presented to this Congress, so far as I know. It was known as the "rank and file bill", written by the Railroad Men's Pension Association. Shortly after this, another bill was introduced by the executives of labor organizations.

Last spring a Senate subcommittee under the leadership of Senator WAGNER granted a hearing on the subject. At that time the railroads were represented, the railroads and the rank-and-file organization were represented, as well as the executives. I was invited to participate and did participate in that hearing, and I recommend these hearings to my colleagues who desire to become well informed on the subject, because the matter was well presented to the committee and has been printed in good shape for your consideration.

After the hearings were over, Senator WAGNER made this suggestion, that the attorney for the rank and file bill, known as the "Hatfield-Keller bill", Mr. Herman Ekern, of Wisconsin, and the attorney for the executives' bill, known as the "Wagner-Crosser bill", Mr. Donald Richberg, should get together and write a new bill, including the best points of both the old bills and new points that were brought out and shown to be necessary at the hearing. Mr. Ekern waited some weeks for a conference with Mr. Richberg. But in the meantime Mr. Richberg had become so busily occupied with other governmental matters as not to be able to work with Mr. Ekern; so Mr. Ekern took the two bills and the hearings and rewrote the original bill into a new bill, which I introduced on March 27, 1933, the special session. The number of that bill is H.R. 4321.

On December 12 I conferred with Senator WAGNER and Mr. Eastman, Coordinator of Railroads, on this subject. At that time it was decided to employ a number of railroad workers, almost entirely men out of jobs, to gather information along certain lines which we found not to have in hand at the time of the hearings. This work has been proceeding from that day to this.

The idea was and is that by gathering further information we can largely perfect the present bill. I may suggest that there will not be a great many changes, because, fundamentally, there is, I believe, entire agreement between what were originally the warring interests over this subject. I hope that when this bill is perfected in committee it may come out as a committee bill with no one man's name attached to it. I shall be more than delighted to have this happen, as well as my colleagues, the gentleman from Ohio [Mr. CROSSER], as well as Senator WAGNER and Senator HATFIELD. There is no desire on the part of any of the protagonists of this measure to have any man's name attached to it, but to make it a railroad man's bill for the benefit of the old men who have spent their lifetime in the service of the railroads of this country.

I talked to Mr. Eastman this morning and he hopes to have this information ready about the middle of February. It will then be brought before the committee and a hearing asked. We are very hopeful that the Committee on Interstate and Foreign Commerce, of which the gentleman from Texas [Mr. RAYBURN] is chairman, will not only give hearings, but will hold these hearings as rapidly as possible so as to get action at this session of the Congress because I believe that most of the men and women in this body, at least, are anxious that as a part of the work of the new deal we may retire to peaceful life the old men to the number of 120,000 who have worked all these years on the railroads of the country. This, I am sure, will meet the hearty approval of the administration, which is doing so much to meet just these conditions. It will result in presenting 120,000 younger men with jobs, which we very much need at the present time.

I am hopeful, therefore, this measure will not only come up and be heard, but that it will be passed at this session, become a law, and be put into operation. It is not, I trust, a vain hope at all, but one that we will all be glad to join in putting forward and putting over as the law of this land of ours.

It will be done without any cost to the people of this country, because I call your attention to the fact that most of the railroads already have pension systems, although a few have not. The necessity of the case, however, to be met by this law is this: The railroad companies which have these laws already in force and effect, will not at all be affected one way or the other, only the Government will take charge and see that the thing is done for everybody alike all the way down the line, and there is no reason why this should not be done. We want to make it permanent; we want to make it so that when a man starts in he knows what is going to be the result, and not be subject to the will or the caprice of any railroad official or anybody else.

Mr. THOMASON. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Texas.

Mr. THOMASON. Is the gentleman's bill the Royster bill, or the bill sponsored by the brotherhoods?

Mr. KELLER. The bill I have introduced at this session of the Congress is the rewritten bill, taking the good points out of both the original rank and file bill and the executives' bill.

Mr. THOMASON. Does Mr. Royster, as well as the brotherhoods, now approve the bill as introduced?

Mr. KELLER. Yes; I am sure they do. The reason I think so is because I know Mr. Royster does, and I believe the brotherhoods do because they have not presented any other bill to replace this rewritten one.

Mr. THOMASON. Is not the gentleman convinced that unless they do come to an agreement there is not much chance of passing the bill?

Mr. KELLER. I do not believe that at all.

Mr. THOMASON. It would at least facilitate the passage of the bill if you could get an agreement between the contending factions.

Mr. KELLER. I think this Congress can make that agreement because we are gathering the information just for that purpose.

Mr. THOMASON. I am friendly to the right kind of bill, but I think it is highly important that the two factions get together.

Mr. KELLER. I think the factions are together. I believe the executives, every one of them, want a railroad man's pension bill and will cooperate with us.

Mr. DUNN. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Did I understand the gentleman to say that the railroad employees are in favor of the bill he has mentioned?

Mr. KELLER. Oh, yes; 99 percent of them, and I think the other 1 percent——

Mr. DUNN. What is the minimum pension under the bill?

Mr. KELLER. I do not want to take up the provisions of the bill itself, because I have not the time to do that. I have just asked for enough time to show the position of the bill at the present time.

Mr. DUNN. If the railroad employees want the bill, I am in favor of it.

Mr. KELLER. I thank the gentleman.

Mr. FLETCHER. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Ohio.

Mr. FLETCHER. May I ask the gentleman from what sources objections to the passage of this bill are coming?

Mr. KELLER. I do not believe there are going to be any objections at all. I do not believe the railroad executives will want to veto it or to stand in the way of its passage. Since the best parts of their bill have been put into this one, I think they will be found in favor of it. I would be astounded if they were not.

Mr. Chairman, I yield back the remainder of my time.

Mrs. KAHN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, I have asked for a few moments in order to notify the House that during the reading of the Department of Justice appropriation bill I shall offer the following amendment:

On page 37, line 14, after the figures "744f" strike out the period, insert a comma and the following:
"*Provided*, That no part of this appropriation shall be used for the procurement and/or installation in any Federal correctional or penal institution of machinery for the manufacture of metal furniture and/or metal office equipment."

Some of the older Members of the House will recall the fight we had here in the last Congress on this amendment. I might explain that the Director of Federal Prisons would like to install in the Lewisburg Federal Penitentiary, located in the State of Pennsylvania, machinery for the express purpose of manufacturing metal furniture and metal office equipment. This is one of the most highly technical and skilled industries we have in our country. More than 90 percent of it is machine made and there is very little hand labor involved. We fought this out in the last Congress, and on February 25, and on a record roll-call vote, the House by a vote of 262 to 46 voted against installing machinery in the Lewisburg prison for the manufacture of metal office equipment.

A few days ago this House took the position that they were opposed to the Federal Government's manufacturing articles in the new building that is going to be constructed at Reedsville, W.Va., for the manufacture of equipment for our post offices and Federal buildings. I believe they did right when they took this position, and the difference between the proposition I am speaking about now and the one in West Virginia is this: The work of the industry in West Virginia would be performed by free labor, while the work following the installation of machinery in the Lewisburg Penitentiary in Pennsylvania would be performed by prison labor. If it was important that Congress take the position that they should not manufacture any articles in the factory that is going to be constructed at Reedsville, W.Va., with free labor, to go into competition with private industry and private labor, how much more important it is that we take the position that such competition shall not come from prison labor in our Federal penal institutions.

Mr. SHANNON. Will the gentleman yield?

Mr. COOPER of Ohio. I yield.

Mr. SHANNON. The gentleman refers to a vote taken on this question a few months ago.

Mr. COOPER of Ohio. That vote was taken in the last Congress.

Mr. SHANNON. Is the gentleman so gullible as to think that any bureau or board would take a rebuff like that and that it would be final with it? This is really a piece of new legislation, is it not?

Mr. COOPER of Ohio. It is.

Mr. SHANNON. It does not belong in this bill?

Mr. COOPER of Ohio. This fund will come out of the prisons industry revolving fund, and the law provides that the Director of Federal Prisons can use that money for any purpose he sees fit.

Mr. SHANNON. Does the gentleman not believe it should be brought out into the open and that we should tell just what it is?

Mr. COOPER of Ohio. I believe it should be, and for that reason I asked for these few minutes this afternoon to notify the House that when we reach that part of the bill I shall offer that amendment, which is the same identical amendment that I offered in the last Congress.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. COCHRAN of Missouri. The gentleman well remembers the investigation made by the Committee on the Judiciary to try to enact some kind of legislation to keep the prisoners busy? We all realize that something must be done to keep the prisoners busy. As I recall it, the law was passed with a view to having diversified industries in the prisons. I have in my pocket a letter from the superintendent of prisons with reference to the shoe industry. Suppose they do not equip this place with machinery to manufacture metal furniture. Are they going to operate it for some other industry?

Mr. COOPER of Ohio. I do not know. Because the Federal Government might try it along other lines of industry is no reason why we should permit them to install machinery at Lewisburg Prison.

Mr. COCHRAN of Missouri. Was it not the voice of Congress that said that we must have diversified industry in the prisons?

Mr. COOPER of Ohio. Yes; but I believe Congress can see its mistakes.

Mr. COCHRAN of Missouri I do not think that they should open up a shoe factory.

Mr. COOPER of Ohio. I agree with the gentleman.

Mr. COCHRAN of Missouri. If they do not use the money for that purpose, if they do not put the men to work doing something, you would have riots.

Mr. COOPER of Ohio. No one wants to see the prisoners work any more than I do, but at the same time our country is passing through an economic depression such as we have never witnessed in the history of our country before.

Mr. COCHRAN of Missouri. I fully agree with the gentleman. My views and his are in accord.

Mr. COOPER of Ohio. The gentleman will agree with me that for every institution we establish in our Federal prisons that is coming into direct competition with private industry, we are going to take that much away from free labor and private industry, and, furthermore, as I see it, if I have to take my choice between the law-abiding American citizen who has a family to support and cannot pay his taxes, who is willing to go to work on the C.W.A. and work for a small pittance to keep his family living, and the man in the Federal prison working, I am going to be on the side of the law-abiding American citizen.

Mr. COCHRAN of Missouri. Oh, so am I, but I want to say that the gentleman's amendment is faulty because it protects only one industry. He still leaves it open for the revolving fund to be used to buy machinery to go into any other kind of business.

Mr. COOPER of Ohio. However, if an attempt is made to install manufacturing machinery in our Federal prisons, to produce goods in competition with free labor and private industry, I will join with the gentleman and fight against it. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield now to the gentleman from Oregon [Mr. MARTIN].

Mr. MARTIN of Oregon. Mr. Chairman, I have no doubt that a great majority of the Members of this House are, like myself, fed up with this criticism and these doleful prophecies about the President's failure in his program for the recovery of our country. To begin with, it is not the proper attitude to assume with reference to his measures, and I am going to confine my few remarks to facts about which I know something, and not general speculation. I know that his program is succeeding brilliantly in my State of Oregon and in the Pacific Northwest. My State is a great lumbering and agricultural State. I know that the lumber industry is 50 percent better off today than it was when he was inaugurated. Coming to agriculture, the second great industry, in the matter of wool, the wool growers are getting for their wool more than double what they got a year ago. So far as our wheat industry is concerned, a year ago there was piled up in our State over 40,000,000 bushels of wheat which the farmers could not sell. It would not pay the freight charges into the docks of the city of Portland. Today that wheat is being worked off very rapidly at a price of 77 cents a bushel. A year ago you could not get more than 30 cents for it.

I bring to your attention the enhanced wealth that the Agriculture Adjustment Act has brought to the fruit industry of the Northwest, and what I quote here is not from Government sources. It is from the people themselves who are in charge of the tree-fruit industry. This statement speaks volumes for what the Agricultural Adjustment Act is doing for my constituents. At least $10,000,000 has been

earned in enhanced fruit values this season by the control committee of the Northwest fruit industry, of which Mr. Paul A. Scherer, of Medford, Oreg., is president. This large sum represents a conservative comparison of this season's apple, pear, and other tree-fruit prices with last year's, when no marketing control was in effect. The enhanced price of at least 30 cents per box of fruit clearly attributed to the activities of the control committee, when multiplied by 30,000,000 packages of fruit produced in the Pacific Northwest, will show a gain of at least $10,000,000 in better prices for the fruit growers.

I wanted simply to bring this information to the attention of the House and to the country, to see if in some small way we may not silence the croakers. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon [Mr. MARTIN] has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, the gentleman from Ohio [Mr. COOPER] has a lofty purpose in preparing the amendment that he says he will offer to this bill. However, his amendment affects only one industry, and that happens to be in his own district, that of the manufacture of metal furniture. The revolving fund can still be used for the purchase of machinery to engage in any other industry. The amendment will not stop that.

I want to speak now with reference to the shoe factory at Leavenworth. I come from a city which is the greatest shoe-manufacturing center in the world. I have always been in touch with Mr. Bates, Superintendent of Prisons, in reference to the operation of the shoe factory at Leavenworth. Mr. Bates has been most kind, although he goes so far at times I feel he is right on the verge of violating the law in his effort to help private industry. However, this is what happened with reference to the shoe manufacturing at Leavenworth in the last year. He sent me this letter not long ago:

MY DEAR MR. COCHRAN: I am writing you about our shoe-manufacturing operations during the past year.

We continued to operate our shoe factory during the last year in a most conservative manner and have not expanded our production despite the fact that the Government requirements for the type of shoes we manufacture have increased considerably in the past year. We manufactured this year 264,588 pairs of shoes and cleared for purchase in the open market 1,775,935 pairs. In other words, six times as many Government shoes were supplied by outside shoe factories as were furnished by our institutional shoe shop at Leavenworth. We followed this policy despite the fact that only about 20 percent of our inmates at Leavenworth are productively employed and despite the fact also that commercial concerns able to manufacture this type of shoe have been hard pressed to supply the needs of the Government.

You might like to know also that this department is signatory to the prison-labor compact of fair competition which has been approved by the National Recovery Administration and which makes effective in our shops the same restrictions as apply to private manufactures and also prohibits the sale of prison-made goods at less than fair market prices. I am asking the secretary to send you a copy of the compact for your information, as I believe it to be a most significant step forward in the solution of the baffling problems of prison employment.

Sincerely yours,

SANDFORD BATES, *Director.*

Under the law he could have made 1,775,935 pairs of shoes if he desired but to help private industry he released this work, with the exception of 264,588 pairs.

That shows that the Superintendent of Prisons is playing the game fairly. He has hardened prisoners that he must put to work. If he does not put them to work they will either go crazy or they will start riots. You cannot keep those men unemployed all the time and still expect them to be quiet. As he says, it is a baffling problem.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COCHRAN] has expired.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. SHOEMAKER].

Mr. SHOEMAKER. Mr. Chairman, I wish to call to your attention at this time to some opinions that have been handed down by Assistant District Attorney David A. Hart with regard to the new liquor control bill of the District of Columbia.

Personally, I do not like to see a lot of men go to jail, and I do not like to see men made ex-convicts. There have been just four men arrested who happened to be found with a little liquor on them, and they claim that this liquor came from a bootlegger. The intent of this law and the intent of Congress was that if a man bought liquor from a bootlegger for resale purposes, without a stamp, he would be guilty of a felony. The penalty for that is $1,000 fine or up to 5 years in the penitentiary.

We are filling the jails with men who happen to have a bottle on them. Under the new law it is legal for a man to have liquor on him in the District of Columbia if he buys it somewhere else. Congress did not intend that an innocent purchaser should be held responsible if he happened to buy liquor from someone who had violated the law in selling it to him, or who sold him liquor that was not properly labeled or the proper tax having been paid therefor. The legitimate dealer might sell to a customer a bottle of liquor, and if it was proven that the tax had not been paid or that it was bootleg whisky, the man who bought it would be held responsible and could be punished up to 5 years in the penitentiary.

Yesterday there were four of those men arrested, and I think the district attorney has gone outside of his jurisdiction by putting those men in jail and saying that he is going to try them under this new law, and he has interpreted the new law to the effect that they should have from 1 to 5 years in the penitentiary. I think it is time we quit making criminals and ex-convicts in this country, and try to empty some of the penitentiaries that are loaded down with men who happened to be caught with a little whisky on them.

I wanted to call this to the attention of Congress because if we are going to let this thing go on, and if there is not some correction made, we will soon have the jails filled with people who might have bought a drink or two or who might put a couple of drinks in a little flask and have it in their pockets and take it along with them; whisky that was legitimately bought. I do not want to see this go on, and that is why I have called it to the attention of the House.

Mr. FLETCHER. Will the gentleman yield?

Mr. SHOEMAKER. I yield.

Mr. FLETCHER. Did those men buy bootleg liquor to resell it, or just for their own use?

Mr. SHOEMAKER. Just for their own use. They happened to be caught with a little liquor on them. I am not speaking on behalf of the fellow who buys it for resale. I am after the bootlegger too, but when an innocent man comes along and buys some liquor and he is subject to this ruling of the assistant district attorney that he can be fined $1,000 or spend from 1 to 5 years in the penitentiary or both, I think it is going a little too far.

At the time this bill was under discussion on this floor the gentleman from Illinois [Mr. BRITTEN] and the gentleman from New York [Mr. MCCORMACK] both discussed this proposition, and through their efforts the words "for sale" were placed in there as an amendment to protect the innocent.

Mr. BRITTEN. Will the gentleman yield right there?

Mr. SHOEMAKER. I yield.

Mr. BRITTEN. I recall distinctly what the gentleman says, and it was the deliberate intention and desire of the Congress at that time that the innocent purchaser of liquor should not be arrested, should not be called into court, should not be apprehended by the district attorney or by other officials in the District, unless that so-called "innocent purchaser" had purchased bootleg liquor or bought the liquor for resale purposes.

If he were going to make of himself a distributor or a seller of that commodity or that kind of goods he would, of course, be put into an entirely different class. But Congress expressed itself deliberately and distinctly in that direction; and if the newspaper story is correct—and I am inclined to believe it is—that assistant district attorney is going out of his way and doing something he is not authorized to do. I hope the gentleman's remarks will be called to his attention.

Mr. SHOEMAKER. That was my thought in bringing this up at this time.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. ROGERS].

Mr. ROGERS of Oklahoma. Mr. Chairman, I ask unanimous consent to have the Clerk read out of my time a resolution, which I send to the desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read as follows:

RESOLUTION ADOPTED BY THE CARTER COUNTY DEMOCRATIC CENTRAL COMMITTEE, ASSEMBLED IN ARDMORE, OKLA., ON JANUARY 20, 1934

Submitted by Mr. ROGERS of Oklahoma

Few times in the history of this Republic have her people and the Democratic Party as much choice for rejoicing and self-praise in a national administration as now. Possessed of that courage and fortitude which carried him forward in a successful fight against dreaded disease; armed with the overwhelming mandate of a hundred and twenty million people; equipped by training, education, and experience, on March 4, 1933, Franklin Delano Roosevelt, the militant Democrat, in a moment of intensity and despair, took the helm of our ship of state. Immediately plunging into the mighty tasks of reconstruction, and economic revolution staring him in the face, with courage and vision such as that possessed by the men whose names are now immortal in our history, he set his face to the east and his mind and heart to the task of dispelling the clouds of gloom, want, hunger, and disaster facing these United States and her people and in a period of time, outstanding for its shortness, he has changed the outlook of life and the hope for the future not only of millions of American men and women who know and have known nothing but the sweat of their brows for their daily bread but likewise of millions of captains of industry, business men in every walk of life, and those whose existence depends upon the return from that which they have been able to accumulate during their lives.

Salvaging the wreck of what remained of a vaunted form of government—the ideal of the civilized world—after 12 years of Republican misrule, misconception, and mismanagement, the present Democratic national administration, under the leadership and following the leadership of President Roosevelt and Vice President Garner, has returned this Government to the people to whom it belongs; has banished greed and selfishness, mistrust and distrust, special privilege and favoritism. All stand alike now and on the same equal footing before the bar of government; the farmer and the laborer has come into his own, likewise the small business man. A broad program of national planning, based upon national needs, already put into operation is slowly but surely making this a government "of the people, by the people, for the people." In a spirit of gratitude, therefore, be it

Resolved, That the Carter County Democratic Central Committee, in the convention assembled on this the 20th day of January 1934, heartily endorse, approve, and commend the present national administration and President Roosevelt and Vice President Garner for their outstanding, unselfish, far-sighted, and comprehensive service to their people; be it further

Resolved, That it is the sense of this body that the Members of Congress from Oklahoma should, and that it is their patriotic duty to, render full, unselfish, and unstinted cooperation to the President and the national administration in these hours of trial and in the battle which is being successfully waged against the depression brought upon our people by the selfish greed and favoritism of the Republican Party; be it further

Resolved, That a copy of these resolutions be furnished the President and Vice President, the press, and each Member of Congress from this State.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I was interested in the statement of the gentleman from Mississippi [Mr. RANKIN], Chairman of the Committee on World War Veterans' Legislation, that hearings would begin soon looking toward a correction of the injustices now being done to a certain class of our veterans.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question?

Mr. THOMASON. I yield.

Mr. McFARLANE. I failed to hear the gentleman from Mississippi [Mr. RANKIN] make that statement on the floor this afternoon. I have tried without success to get a satisfactory answer out of the gentleman from Mississippi as to when he was going to hold a committee meeting, if ever.

Mr. THOMASON. As I understood him, just as soon as the Senate acts on the independent offices bill, if some action is not taken on that bill when it is sent over to the House, then he will begin an independent hearing permitting those of us interested in the matter to appear before his committee. I hope to point out to that committee where some grave injustices are being done.

May I make just this brief statement: I was very much interested in the fine speech made by the gentlewoman from Arizona about a situation we have in the Southwest that many of you people are not acquainted with. There is a high, dry, desert health-giving section in extreme west Texas around El Paso, where I live, as well as the State of New Mexico represented by the gentleman from New Mexico, [Mr. CHAVEZ] and also the State of Arizona represented by the gentlewoman from Arizona [Mrs. GREENWAY], where several thousand tuberculars from every State in the Union have come with the hope that they are going to be cured. El Paso, Albuquerque, Tuscon, and Phoenix are honored to have many of these men among their best citizens.

Now, I have supported the President from the day he was inaugurated; and I remember very well the next to the last paragraph of the message which was sent to Congress on the 10th day of last March. This is the statement to which I refer:

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

I am sure our great President has tried to do this, and I am sure, too, he will continue to when injustices are called to his attention.

Later, when the independent offices bill was up for discussion on the floor of the House, the distinguished chairman of the subcommittee, the gentleman from Virginia [Mr. WOODRUM], made this significant statement:

I know it is the determination and purpose of the President and his associates in charge of the administration of these laws to do a full measure of sympathetic justice to relieve veterans injured in the service of their country or who are suffering from diseases contracted in the service of their country.

Now, I speak with personal knowledge, Mr. Chairman, when it comes to a very pitiful situation that exists around El Paso, Tex., all over the State of New Mexico, and all over the State of Arizona involving many hundred veterans suffering with tuberculosis. Some of us know what the situation is in a way that others do not. A large percent of the good citizens of the Southwest left other sections of the country to go to that wonderful climate in the hope of regaining health. There are some of us who know what it is to lie for weeks and even months in tuberculosis hospitals. Some of us went there early and have been fortunate in regaining health. That is not true, however, of several thousand who contracted the disease during the war.

In my home city of El Paso, the Government has its great William Beaumont Hospital. Until recently that hospital was full. Today it contains many vacant beds, yet there are many tubercular veterans in my city and district who cannot get in that hospital unless it be a great emergency. It is necessary for them to go to Albuquerque, N.Mex., in the district represented by the gentleman from New Mexico [Mr. CHAVEZ]. That is 250 miles away and expensive to get there.

Why not let the William Beaumont Hospital be put to full use? There are many local veterans who need hospitalization and would be near their families. I personally know many of them and I know their plight.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. McFADDEN. I am much in sympathy with what the gentleman says. I have men from my own district who are in that territory now trying to get hospitalization. What is it that is holding it up? Should it not be done?

Mr. THOMASON. There is no reason on earth why it should not be done, and I have been trying to get it done. I have men in my city, friends and constituents of mine, veterans with wonderful records of war service, who cannot

go to Albuquerque, N.Mex., and the border-line cases could not get in if they should try.

When men get sick and need hospitalization they find themselves without the money to get to the veterans' hospitals because it is far distant, and yet there is a Government hospital in their own that is about half full.

Mr. McFADDEN. Does it require legislation to meet this situation?

Mr. THOMASON. I do not think so, but, somehow or other, regulations to that effect have not been issued.

When the first regulations came out after the economy bill was passed, I contended an injustice was being done Spanish War veterans and also presumptive tubercular veterans. As a result of this, you will recall that a committee from this House was appointed to confer with the President and liberalize the regulations, and I was active in that effort. Later on I was one of the few who supported the Steiwer-Cutting amendment, because that would have given the deserving veterans fairer treatment. There are many presumptive cases in my country to whom an injustice is being done. You cannot figure out this tuberculosis business. The doctors in the East, the doctors throughout the South and elsewhere have done their best, but they do not know. This is an insidious disease that works along through the months and the years until finally there is a serious infection before you know it.

Mr. BLANCHARD. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. I note from what the gentleman says that he is in favor of correcting this situation. May I ask if the gentleman does not believe that Congress should correct this situation if it is not corrected by regulation?

Mr. THOMASON. Yes. These regulations ought to be corrected as to the truly sick and disabled veterans. If they are not corrected by Executive order, then legislation should be enacted. I know, as everyone else knows, that there were some terrible abuses in the law as it heretofore existed. There were many undeserving men on the rolls and this resulted in an injustice to many sick and disabled veterans.

There is another injustice being done many of these men. These people should not at the time they are very sick or having a hemorrhage have to go through a whole bunch of red tape in order to get into a hospital promptly. Not only that, but when it has been developed by competent medical authority that a man has tuberculosis he should get a permanent rating and not be subjected to the worry, wear, and tear of an examination every 3 or 4 months.

Mr. CONNERY. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Massachusetts.

Mr. CONNERY. The gentleman remarked about the many injustices that were done. I asked representatives of the Veterans' Bureau, who I think should know something about this matter, how high the average would be of the so-called "gold-bricker", the man who was getting compensation but should not be getting it. He said 5 percent would be high. Has the gentleman considered that there are thousands and thousands of veterans in the United States who are absolutely and positively disabled today and who would not go near the Veterans' Bureau to ask for anything?

Mr. THOMASON. Perhaps that is so. Every one of us knows men who had no business being on the rolls. Every one of us knows that fraud was practiced in some cases and that some were on the rolls for big sums that should have not been there. I know men who drew many thousand dollars and are in better health than I am. These were the ones that were hurting the cause of the deserving veteran. But this is no reason for punishing the meritorious man.

But when it comes to the sick and disabled tubercular patient in the Southwest, and there are many of them, he is not being treated fairly and justly when they cut his compensation down to the point where he and his family cannot live, and I say the doubt should be resolved in his favor. The burden of proof should be on the Government. Not only that, but this character of cases should be restored to the status they had before the enocomy bill was passed. I expect to vote to amend the law in this regard and also do justice by the Spanish War veterans who have been grossly mistreated. [Applause.]

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 7 minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, we have had all kinds of discussions here today, and one memorial service conducted by the gentleman from New York [Mr. SNELL] on our late lamented President, Mr. Hoover. There are a lot of other things that could be said about him, but I do not care to disturb the dead. I want to talk to you about something else that I think will be more helpful to some of those now living.

We have heard discussion after discussion with reference to the soldiers' bonus and how we can right the wrongs that have been done to the soldiers of our country. We have had the Patman bill before us. We have had agitation and speech after speech in reference to it. I have done my part in trying to help pass this bill. I want relief to come to these soldiers who should receive money for their adjusted-service certificates. I have devised a plan and introduced a bill that is fair both to the Government and to the soldiers.

We owe the soldiers who were in active service an obligation for bringing about peace to this world of $2,300,000,000. We are forcing these men now to borrow back from that fund by legislation in this Congress, which belongs to them, and compelling them to pay interest on it.

I have introduced a bill—H.R. 3512. This is a very short bill, and is a bill to amend the World War Veterans' Act of 1924, making the adjusted-service certificates issued to World War veterans negotiable, and for other purposes. This bill will cure the whole thing and will give relief to the soldiers, giving them their compensation, and will not require the Government to pay anything at all except the interest until 1945. The bill is short, containing just two or three sections; and in order that you may get the meaning of what I am proposing to do, I will read the bill, so it may go into the RECORD.

The bill reads as follows:

That from and after the passage of this act the adjusted-service certificates issued to the veterans of the World War, under the act of 1924, due and payable in 1945, shall bear interest at the rate of 3½ percent, payable annually by the Treasurer of the United States Government, out of any funds not otherwise appropriated.

SEC. 2. Said adjusted-service certificates are by this act made negotiable and may be negotiated as any other negotiable paper, but shall not be sold for less than their face value.

SEC. 3. Any sale or exchange of said certificate for less than face value is hereby declared void.

SEC. 4. All laws and parts of laws in conflict with this act are hereby repealed, and this act shall take effect from and after its passage.

Now, as we have it today, here are men who were brave enough and had intelligence enough to go out and fight a world war and win a world victory, and yet they cannot handle that which belongs to them, by selling their bonus certificate. They cannot take that which the Government owes them and sell it. They can borrow on it, but they are required to borrow out of a fund that actually belongs to them.

This bill simply says that these certificates are to be paid in 1945, and they are to bear 3½-percent interest and are made negotiable. They become just like any other Government paper and the soldiers owning them can take them to the bank and get the cash on them because the Government is responsible. It is a debt of the Government, so declared by the Congress, and the soldier ought to get both principal and interest from the National Government.

The bill is now before the Ways and Means Committee. I have gone before that committee and have complied with

the rules of the House in asking for consideration of the measure. They say that if it is favored by the administration they will take it up. I went over that committee and went to the President and asked him to consider it in the last Congress.

I received a courteous response.

I hope the measure can be passed by this Congress. We ought to take care of these soldier boys. I may say to you that if you have another conflict and you have to call our men to arms, what are they going to think about the way the Congress has treated them with reference to that which already belongs to them? Would they be willing to go into such a conflict? They gave us service and we should give them their pay.

Mr. ALLGOOD. Will the gentleman yield for a question?

Mr. GLOVER. I yield.

Mr. ALLGOOD. What rate of interest do the soldiers pay on the money they have borrowed? Is it not 4 percent?

Mr. GLOVER. I think so. It is a higher rate than proposed here. This simply reverses it and lets the Government be responsible for the interest instead of the soldier having to pay it.

Mr. ALLGOOD. Why not make it 4 percent?

Mr. GLOVER. I would make it 3 percent if I could, because it ought to be as low as possible in order to take care of both the soldier and the Government.

Mr. GREEN. Will the gentleman yield?

Mr. GLOVER. I yield to the gentleman from Florida.

Mr. GREEN. I voted with the gentleman and with other gentlemen of the majority for the payment of the bonus, and it is not my opinion now that the soldiers will ever have to pay this interest, and, as I understand it, the gentleman's bill would cause these bonus certificates to become a Government bond, the same as other Government obligations.

Mr. GLOVER. Yes; and it would not cost the soldier a cent to cash it. He would get the money in cash now and the Government would pay the obligation in 1945 and would only pay 3½-percent interest until that time. This should be done. The Government cannot be hurt. The soldier would be paid his bonus and everybody would be pleased with this soultion of this question.

[Here the gavel fell.]

The CHAIRMAN. The hour of 3:15 having arrived, the debate hereafter will be confined to the bill.

Mr. BACON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the hour of 3:15 having arrived, I propose to discuss the appropriation bill for the Departments of State, Justice, Commerce, and Labor; but before doing so, may I express my deep appreciation to the chairman of my subcommittee for the courteous and able way in which he has conducted the hearings on this bill? We on the Appropriations Committee pride ourselves that it is the one committee of the House where partisanship does not enter at all, and the gentleman from Alabama [Mr. OLIVER] has conducted the hearings on this bill in a nonpartisan, courteous, splendid way, and as the ranking minority member I here and now wish to express my appreciation.

This bill carries appropriations for four Departments, and the total savings for the four Departments is a little over $11,000,000 under the estimate of the Budget. However, due to allotments of Civil Works Administration and Public Works Administration, a considerable sum of money has been allocated to these four Departments which does not come under the ordinary Budget or the regular appropriation bill which is now before you.

Some of the appropriations that have been allocated by P.W.A. and C.W.A. have to do with items that probably would have been carried in this bill had they not been allocated from these outside sources. For example, we find that the State Department has been allocated $4,761,000 for the purpose of carrying out the work of the Mexican Boundary Commission. This work has been necessitated by a treaty made with Mexico. We are obligated to go through with it, whether it is allocated from P.W.A. or not, and had P.W.A. not allocated this sum we would have carried it in this bill. Therefore the total savings of some $11,000,000 may not necessarily reflect what this bill might have been had it not been for the allocations from these outside sources.

The Bureau of Prisons in the Department of Justice has received over $1,000,000, and they had been allotted some $800,000 more, and I want to express my appreciation for the splendid spirit of cooperation by the Attorney General and Mr. Sanford Bates, the Director of the Bureau of Prisons, with our committee.

We suggested to Mr. Bates that the $800,000 that had been allocated for some unnecessary work in the Bureau of Prisons had better be saved to the Federal Treasury. He agreed and stated before our committee that he had not insisted upon it, but that it had been allocated to him rather against his best judgment.

And so the matter was taken up with Secretary Ickes, and that amount has been withdrawn from the Public Works allotment. That simply goes to show that a wasteful expenditure has been saved the Treasury by reason of the fact that Congress was in session and the Appropriations Committee was holding hearings. Had we not been in session and had we not been holding hearings, wasteful money that the Bureau of Prisons did not want would have been spent.

Now, I believe it is wise in carrying out the Civil Works Administration that they should not allocate funds from civil works to bureaus of the Government when these bureaus have been denied the activity by Congress. In other words, if departments ask Congress for money and Congress denies them, they should not go through the back door and get the money from the C.W.A.; and the same thing applies to the Public Works program.

Many of the items here are extraordinary and would not have been granted by us in an appropriation bill. Nevertheless they are important and useful, and in view of the emergency we have not interposed objections.

The Coast and Geodetic Survey received quite a large allocation of money to speed up the work of making charts and maps for the Atlantic seaboard. That had been authorized by Congress and the allocation speeded up necessary work and our committee could not take exception to it.

The Bureau of the Census received a sum of money to carry on studies which the Census Bureau had not asked to be made, and we suggested to Mr. Hopkins that these studies were not wanted by the bureau chief and that the funds had better be used for a useful purpose, and so they have been withdrawn. Other studies seemed useful and our committee did not criticize them.

So we must take into consideration the allocation from the Civil Works Administration and the Public Works Administration. You will find them set forth clearly and briefly on pages 2 and 3 of the report by the subcommittee.

Coming to the different Departments, the first Department is the State Department. The work of this Department has been growing at a very considerable rate. The amount carried in this bill is less than the appropriation in 1934 and less than the Bureau of the Budget estimates.

On the other hand, due to the depression throughout the entire world, the work of this Department has enormously increased and yet we have reduced the appropriation of 1934. There has been a reduction of 94 in the personnel in Washington and 65 in the personnel in the Foreign Service. This has been made possible by overtime work and the loyalty on the part of those in the Foreign Service.

There are those who do not appreciate what the Foreign Service of the United States means to the United States. There are 710 men who represent us throughout the world. They are out of touch with Members of Congress; they are out of touch with public opinion back home; their work is done in silence, without glory or publicity, and too often we do not give them the credit that is their due.

And this brings me to a very serious situation in connection with the Service. Due to the depreciation of the dollar, the men in the Foreign Service today are not receiving the salaries, in actual buying power, that the Congress decreed they should have.

They are receiving from 25 to 62 percent less than their salaries would be if paid in this country, due to the depression of the dollar.

This has caused a very serious situation. It was recognized by the President, who asked the Director of the Budget to make a study of it. The result was that the President sent up a supplemental estimate and suggestion that we carry an additional amount in the bill, not only for the State Department but for men in the Foreign Service of the Departments of Commerce, Justice, and Labor, the Agricultural Department, the War Department, and the Navy Department, and for all men in the Foreign Service.

Your Committee on Appropriations decided that this involved new legislation and therefore should not properly go on an appropriation bill. It requires legislative action. Therefore we on the Appropriations Committee have been unable to take care of this very serious situation, but we have called it to the attention of the Committee on Foreign Affairs, and I understand that committee will hold hearings immediately with a view to bringing in some legislation to remedy this distressful situation.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. BACON. Yes.

Mr. CHRISTIANSON. At what time were the present salary schedules fixed?

Mr. BACON. They were fixed in 1929 by the bill known as the "Moses-Linthicum bill", which was an amendment to the Rogers bill, passed in 1924.

Mr. CHRISTIANSON. Does the gentleman know whether any effort has been made to discover what the difference was in the cost of living in terms of gold in foreign countries during the period intervening?

Mr. BACON. I think I can answer the gentleman's question. I was coming to that. First, let me describe the present situation and then I shall answer the gentleman's question. As I said, the salary check of the Foreign Service people has been reduced from 25 percent to 62 percent, depending upon the country in which they are serving. The average is about 40 percent. That, of course, includes the 15-percent cut in their salary. When the 15-percent cut in salary was put through for all Government employees it was put through upon the basis that the cost of living in this country had decreased by at least 15 percent, and I believe the President stated it was somewhere around 20 percent. As a matter of fact, those conditions did not prevail in European countries. We have evidence that in practically every country the cost of living had increased, so that when our Foreign Service was forced to take a 15-percent cut in their salaries upon the basis that the cost of living in the United States had gone down, the cost of living in most of the foreign countries had increased from 2 to 5 percent. Therefore, they were at a great disadvantage as compared to the employees of the Government in our own territorial United States. This condition in the Foreign Service has resulted in great disorganization and distress.

In the testimony before the committee—and I hope the Members will read the testimony—are to be found many letters from chiefs of missions, consuls, and so forth, describing in particular the distressful situation that they are in. I do not believe that the Foreign Service should have taken the 15-percent cut, in view of the fact that it was based entirely upon the reduction of the cost of living in the United States, and I might say here that I have not been in favor of that 15-percent cut in the United States, and that if it had not been for the passage of the famous gag rule the other day I would have gladly voted to restore the 15-percent cut to the entire Government service; but that is neither here nor there.

Mr. HENNEY. Mr. Chairman, will the gentleman yield?

Mr. BACON. Yes.

Mr. HENNEY. Is it not true that immediately following the deflation of the English pound sterling they increased the salaries of their attachés so as to be comparable to the depreciation of the English pound sterling?

Mr. BACON. That was true for a short period in a few countries. I am talking now of the broad general principle of the entire service, which takes in the Far East, Africa, South America, Australia, and so forth. It is true that for a period those of our service who were in England may have benefited for a short time.

Mr. HENNEY. Oh, the gentleman has misunderstood me. I am speaking of the English foreign service—their own diplomatic service in various countries. As soon as England depreciated the pound sterling she increased the salary of her foreign service to make up for that depreciation in the pound.

Mr. BACON. Oh, that is quite true. It has been said there have been times in our history when, due to the exchange going the other way, some of our people may have gotten a greater sum than the salary given them. That may have been true for certain periods of time in some countries. In 1929 there was a distressful situation throughout the service, and that was before the dollar had gone off, and it was before the depression had really begun. Congress instituted an inquiry and decided that the Foreign Service were underpaid, and due to the Linthicum-Moses bill, there was a certain readjustment made in 1929. As a matter of fact, over a period of years our Foreign Service have been underpaid to the extent that they have been forced, most of them, to go into their own pockets to carry on the work of the United States in foreign parts. I claim that that is un-American, because I think we ought to build up a Foreign Service to attract the able young men of the country who can join it by reason of ability rather than by reason of personal wealth, and I believe that that was the spirit with which the Foreign Service was originated in 1909 under the administration of President Theodore Roosevelt. The Rogers bill was enacted in 1924, and in 1929 the principle therein set out was further recognized by Congress in the Moses-Linthicum bill, and I believe that we ought adequately to pay our men who represent us abroad because the eyes of the world are upon our representatives in foreign parts. We ought to pay them sufficient to represent us so that they do not have to go into their own pockets to keep body and soul alive. Many of them have been doing that, but their own personal incomes, whatever they may have been, have been wiped out by the depression and they are no longer able to call on their private resources to represent the United States Government. The result is that great distress has occurred in the last year. For instance, it has been testified there have been two suicides.

In the testimony are two or three cases of complete mental break-down, leading to insanity, as a result of these conditions. One was the case of a consul who was so worried at his inability to support himself and an invalid mother, who lived with him, that he had such a complete mental break-down he was sent to an asylum.

Mr. McFARLANE. Will the gentleman yield?

Mr. BACON. I yield.

Mr. McFARLANE. I wonder if the gentleman has any statistics or any information as to how many war veterans of the different wars have committed suicide since the passage of the Economy Act?

Mr. BACON. Of course, the gentleman and I may agree on that, too; but that is not what I am discussing at the moment.

Mr. McFARLANE. On the question the gentleman is discussing, of Foreign Service, does the gentleman not believe that according to the figures of the State Department they have great long waiting lines, and none of those gentlemen are being forced to accept this service; if they do not want it, they can resign.

Mr. BACON. That is true; but, of course, the whole intent and spirit of Congress has been to offer a career to able Americans because of their ability and not because of their wealth. That is the kind we want to represent us abroad. We want Americans to represent us abroad because they have the ability, and not because they have private means.

There have been many cases where a consul and members of the foreign service have to send their wives and children home at the expense of their fathers-in-law, because they could not afford to keep them in foreign parts, under those conditions. Many cases of separation of families have occurred. There have been other cases where children have been taken out of school. I recall one place in Spain where the consul had not only to send his wife and children back home to America, but he was forced, by reason of the 60-percent cut in his salary by reason of the depreciated dollar, to take a single room in the slums of the city. It does not make me proud as an American to realize that we are represented in that way.

The hearings are full of testimony like this. When I was in Paris, as I was for 4 days last year on my way through, Ambassador Strauss told me that that morning or the day before a very valued woman, an American clerk and stenographer, had fallen over in the office in a faint. The doctor was called and the doctor said it was a pure and simple case of starvation. The woman was starving herself to get food for her child. She had been in the employ of our Foreign Service for a great many years.

Mr. MOTT. Will the gentleman yield?

Mr. BACON. I yield.

Mr. MOTT. What salary did that particular person get; do you know?

Mr. BACON. I could not tell the gentleman.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. BACON. I yield.

Mr. CARPENTER of Kansas. I was impressed with what the gentleman said, that these positions could be such that they could be filled by young men of ability rather than young men of wealth. After spending most of yesterday trying to get a young man of that kind into the Foreign Service, I am wondering if it is not a sort of a closed corporation, in which the sons and relatives of those who are on the inside are fostered, so that they will be able to take the examinations, and the examinations are made strict to keep out of the service the boys in the Middle West and the ordinary boys.

Mr. BACON. I think the gentleman is entirely mistaken. I think if the gentleman will read the testimony he will find that the men in the Foreign Service come from every one of the 48 States in the Union. He will find that since 1909 everybody who has joined the Foreign Service has joined as the result of a competitive examination. You will find also that there are very few men in the service who have relatives in the service. The list is set forth in the RECORD, and you will be surprised to see how small it is. Of the 710 in the Foreign Service, I believe it is well less than a dozen.

I am bringing this to the attention of the House simply because I hope the Committee on Foreign Affairs would act with promptitude in correcting this situation. We have been unable to correct it ourselves, although the President suggested we should try to, but it would have involved a point of order against our bill, and therefore we did not feel we should bring to this House an appropriation bill that carried legislation.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BACON. I yield.

Mr. CHRISTIANSON. I do not know whether the gentleman stated what additional appropriation would be required to bring about this increase?

Mr. BACON. The additional appropriation required would have been about $1,300,000 or $1,400,000. The amount allocated would have varied in each country, because the difference in exchange would be different as far as each country is concerned. Of course, a part of that sum would have gone to make up the difference in rent that our Government sometimes has to pay, because we have to pay our rent not in American dollars, but in the currency of the country in which we rent the building.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BACON. I yield.

Mr. BLANCHARD. Of course, this necessary money is not carried in this bill?

Mr. BACON. That money is not carried in this bill. I am taking this opportunity to explain to the Membership of the House the problem, in order that it might speed up the work of the Foreign Affairs Committee in making a study of this problem. It was brought to our attention.

The CHAIRMAN. The time of the gentleman from New York [Mr. BACON] has again expired.

Mr. BACON. Mr. Chairman, I yield myself 10 additional minutes.

Mrs. KAHN. Will the gentleman yield?

Mr. BACON. I gladly yield to the gentlewoman from California.

Mrs. KAHN. Is it not true that not only is the State Department affected, but the Department of Agriculture, the Department of Commerce, the War Department, and the Navy Department?

Mr. BACON. And the Departments of Labor and Justice.

Mrs. KAHN. All have employees who are affected by this depreciation of the currency.

Mr. BACON. The gentlewoman is quite right. Practically every Department has some representative somewhere representing our country. What applies to the State Department applies equally to the others. That is one of the reasons why we could not carry anything in this bill. It would be subject to a point of order.

Mr. McFADDEN. Will the gentleman yield?

Mr. BACON. I yield.

Mr. McFADDEN. It occurs to me in connection with attempt to remedy the situation caused by the revaluing of the gold dollar, there is still an uncertainty that exists there, and if we fix it on a 59-cent basis then we might have to adjust it 9 or 10 percent.

Mr. BACON. Of course the gentleman's statement would be correct if we were going to adjust for a year's basis or a 6 months' basis. In this case, however, the salary checks would be adjusted each month. The fundamental, of course, is that we want to give to each individual in foreign ports what we promised when we fixed his salary rate. We want to give them the same purchasing power wherever they may be that they would have had in this country.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. OLIVER of Alabama. In order to meet the very situation the gentleman from Pennsylvania apprehends may occur, the estimate submitted to the committee by the President was for a lump sum. This the committee tentatively approved because it understood that perhaps the legislative committee preferred looking into this matter. To take care of the situation the President is shipping gold abroad to meet these varying exchange prices and likewise to meet any unusual conditions that may arise in the future which we cannot now anticipate.

Mr. BACON. The gentleman is quite correct. The President, recognizing the emergency, shipped gold abroad to pay our men in gold in foreign countries during the past summer. But the Treasury does not wish him to continue this policy. They do not wish to ship gold abroad, and this is one reason why we want prompt action; the Treasury wants it.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. McFADDEN. The gentleman has presented a very practical experience of the effect of the disadvantage of the gold bill; that is, it will cost the United States more money to maintain its equipment abroad than it did previously. Now, aside from that I should like to ask the gentleman a question.

The administration has recognized Russia and incident to that are the arrangements necessary to establish our relations in Russia. I notice in this connection the present Ambassador is taking with him seven marines to act as chauffeurs who come from a branch of the Government other

than the State Department, and also that the Navy Department is furnishing the automobiles to be operated by these marine chauffeurs in connection with the establishing of our relations there. Is this the usual situation abroad or is it unusual?

Mr. BACON. This situation does not exist anywhere else in the service. I may say to the gentleman that I saw the newspaper account, too. When the representatives of the State Department appeared before the subcommittee, however, they stated that they had made no plans and were not ready to submit a plan for the representation of this country in Russia. So, we have no information about it, nor does this bill carry any sum for that representation.

So much for the State Department. I did not mean to dwell so long upon it. It is the great department of peace and international good will. In these troubled times we must build it up, not tear it down.

I wish just briefly to call your attention to one or two other items. I hope the Members will read in the hearings the very excellent and able statement made by Mr. Edgar Hoover, head of the Bureau of Investigation, Department of Justice, in which he tells of the splendid things this Bureau has been doing in suppressing racketeers, crimes, kidnaping, and so forth, particularly in the field of kidnaping. If it had not been for the Bureau of Investigation I doubt if many of these kidnaping cases would have been solved; as it is they have solved practically every one, although all of the people who have been apprehended have not yet been convicted.

I was much interested this morning to find that it was a Bureau of Investigation man in Chicago who arrested that kidnaper they have been after for so long. In other words, since the Bureau of Investigation has come into the picture as a result of the kidnaping bill passed by Congress there have been practically 100 percent arrests and convictions. I therefore, want to pay a real tribute to that very able man who has built up and is at the head of the Bureau of Investigation and the splendid force under him. The entire force have to be either lawyers or certified public accountants and are chosen as a result of competitive examinations.

The Bureau of Prisons is in charge of another exceedingly able governmental servant, Mr. Sanford Bates. He it was who cooperated with us in cutting $800,000 off of the Public Works Administration allocated to his Bureau. Due to the elimination of prohibition there has been a considerable saving in the Bureau of Prisons, because the estimates for next year show a very reduced population for the Federal jails, due to the fact that 65 percent of them heretofore have been prohibition cases, and they do not anticipate they will have such cases in the future. In fact, I estimate throughout this bill that some $12,000,000 plus has been saved from the Department of Justice appropriations due to the repeal of the eighteenth amendment. This was reflected in the reduced appropriations for district attorneys, reduced appropriations for marshals and bailiffs, reduced appropriations for clerical forces throughout the Federal courts, and so forth, as well as the reduction in the Prohibition Unit itself and in the Bureau of Prisons. I think the country will be interested in this figure. Perhaps the chairman of the subcommittee can give us the amount more accurately, but as nearly as I can estimate it by the different items in the bill I make the saving due to prohibition some $13,800,000.

I want also to mention just for a minute the consolidation of the Immigration Service and the Naturalization Service under an exceedingly able man by the name of Colonel MacCormick. Colonel MacCormick has done a great job in saving the Government money by the amalgamation of these two Services; and I want to say here and now that, although he is a Democratic appointee, he has kept politics out of his Department and has refused to appoint in his Department for political reasons, insisting that the Immigration and Naturalization Service shall be strictly under the civil service. This has not been true of some of the other Departments. For example, there were transferred from the Veterans' Bureau some 67 lawyers to defend the Government in veterans' insurance cases. These men had been under the civil service for some 10 years. They were transferred to the Department of Justice, with the result they lost their civil-service status under an Executive order and many of them have been dismissed from the service and others have been appointed from the outside without civil-service examination to take their places. I draw this contrast because the men who were transferred from the Veterans' Bureau to the Department of Justice were told by General Hines that the President had no intention of having them dismissed; that they would be protected in spite of the transfer. But many have been dismissed in spite of a moral right to be protected by their civil-service status.

Just one word about the division that takes care of the antitrust cases in the Department of Justice. There has been an increase in the appropriation for the division that tries antitrust cases, and I think rightly so.

Under the N.R.A. there has been, as you know, a suspension, if you are pleased to call it that, of antitrust laws. There is great danger, however, that the little fellow may be driven to the wall by the big fellow as a result of the N.R.A. and I am glad that this Bureau of the Department of Justice has received an increased appropriation to take care of that situation. I hope the little business man may be protected if his rights are hurt under the antitrust laws by reason of the N.R.A. codes. I am delighted that we have been able to grant the increase in this item that the President asked for.

I have one more item, and this has to do with the Bureau of Fisheries in the Department of Justice. The Bureau of Fisheries appropriations have been greatly cut, both on the Pacific and the Atlantic, and also throughout the country; but they have received a large allotment of P.W.A. money for fish hatcheries throughout the country and, therefore, perhaps the cut is not as significant as would appear on the face of this bill.

Mr. FOSS. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from Massachusetts.

Mr. FOSS. I have had some experience with the hatcheries in New Hampshire and I note their appropriation was greatly cut.

Mr. BACON. Their appropriation was not greatly cut, but the Director of the Budget impounded a lot of their money and they were seriously handicapped. I agree with the gentleman.

Mr. FOSS. It has cost money to do that on account of the loss they sustained in suspending operations in the hatchery.

Mr. BACON. The same complaint has come from all over the country, but due to the allotment of P.W.A. funds this condition should not prevail in 1935.

Mr. CARPENTER of Kansas. Will the gentleman yield for a question?

Mr. BACON. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. I did not catch what the gentleman said as to the total amount appropriated in this bill. What is the total amount appropriated in this bill for each department? Will the gentleman give this in a general way?

Mr. BACON. I think perhaps the chairman of the committee will go into those things in detail and will give the figures as to each department when he addresses the committee. I will finish with the Bureau of Fisheries and then if I have time I will give the figures, which may be found on page 2 of the report.

The Bureau of Fisheries did get a small item restored or increased. In the North Atlantic territory—and some of my friends from Massachusetts and the New England States will be interested in this—there has been a service in the Bureau of Fisheries to send out men with the fishing fleets to take the eggs from the fish, bring them back to the hatcheries, then finally release the small fish into the ocean. These are all food fish, such as haddock, cod, and fish like that, and it may interest the committee to know that they release and put back into the ocean by this method, which

only costs $26,000 to maintain, over a billion fish a year. This means a future food supply for our people. This $26,000 was cut out and we thought the service was so excellent that we took the liberty of restoring it, particularly as the Bureau of Fisheries received such hearty cooperation from the fishermen of the North Atlantic.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield to the gentlemen from Oregon.

Mr. MOTT. Does the gentleman know how large those fish are when they are released?

Mr. BACON. I cannot tell the gentlemen offhand, but it appears in the hearings.

Mr. MOTT. Was any statement made in the hearings in regard to the proportion of fish thus released into the ocean that live?

Mr. BACON. Except this, since they have been carrying on this work the food fishes in the North Atlantic have been increasing, and they attribute it directly to this conservation work. This is real conservation work. The fish are not released when they are very small. They are kept in hatcheries at Woods Hole, Gloucester, and Booth Bay in Maine. These three stations have been closed but by reason of this appropriation they will be reopened.

Mr. MOTT. May I ask the gentleman another question, which is a rather incidental one. The gentleman mentioned the fact that the appropriations for fisheries had been cut, but the cut really does not amount to a great deal on account of the fact that they have received P.W.A. money.

Mr. BACON. I may say to the gentleman that we restored a sum for the Pacific coast fisheries as well as the North Atlantic fisheries.

Mr. OLIVER of Alabama. And also for the Mississippi Valley?

Mr. BACON. And also for the Mississippi Valley; for the recovery of food fish due to the overflowing of the rivers in the Mississippi River Valley.

Mr. MOTT. The question I want to ask is whether the gentleman knows the reason for giving P.W.A. or C.W.A. money to these activities, and then curtailing the regular appropriations?

Mr. BACON. I stated at the opening of my remarks that I did not approve of the P.W.A. or C.W.A. giving money to the different departments without a hearing before the Appropriations Committee of the House. The departments have been coming before the House Appropriations Committee for years. We hold exhaustive hearings. This year our hearings began on December 4 and concluded only last week.

Mr. MOTT. I agree with the gentleman.

Mr. BACON. We go into these things very carefully. If we deny the departments certain money in an effort to make a saving, I do not think they should go through the back door and get money from the C.W.A. or P.W.A. to do what Congress has denied them the opportunity of doing.

Mr. MOTT. I agree with the gentleman.

Mr. BACON. We have run into a lot of waste in this bill as a result of that procedure, and I for one want to protest against it.

Mr. MOTT. I think from now on whatever money is given to the P.W.A. or the C.W.A. should be properly earmarked so that we know where it goes.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. The gentleman spoke of an allotment by the public works to the Bureau of Fisheries. Did the gentleman take that into account in making up the Budget for the Bureau of Fisheries?

Mr. BACON. No. We did not. That is all extra.

Mr. BLANCHARD. Let me ask the gentleman this: Just what use was made of the money allotted to the Bureau of Fisheries by the P.W.A.? Did it go for construction work?

Mr. BACON. It went for construction, I will say to the gentleman.

I do not want to take up too much of the time of the committee now and I thank the members for their attention. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 7513, the State and Justice Departments, the judiciary, Commerce and Labor Departments appropriation bill, had come to no resolution thereon.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J.Res. 250. Joint resolution to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934.

ADJOURNMENT

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p.m.) the House adjourned until tomorrow, Friday, February 2, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, Feb. 2, 10 a.m.)

Continuation of the hearing on H.R. 6836, to regulate motor carriers.

COMMITTEE ON NAVAL AFFAIRS

(Friday, Feb. 2, 10:30 a.m.)

Hearings on naval aviation.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

330. A letter from the Assistant Deputy Administrator, Bituminous Coal Section, National Recovery Administration, transmitting a petition from local unions nos. 6531, 5493, and 5147, United Mine Workers of America, concerning a tax on natural gas and oil; to the Committee on the District of Columbia.

331. A letter from the president of the Chesapeake & Potomac Telephone Cos., transmitting, pursuant to law, a comparative general balance sheet of the Chesapeake & Potomac Telephone Co. for the year 1933; to the Committee on the District of Columbia.

332. A letter from the president of the Chesapeake & Potomac Telephone Cos., transmitting, pursuant to law, a report of the Chesapeake & Potomac Telephone Co. for the year 1933; to the Committee on the District of Columbia.

333. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture for the fiscal year 1935 for the control of predatory animals and rodents, amounting to $328,540, of which sum $20,901 is to be available for investigations in connection with such control work (H.Doc. No. 234); to the Committee on Appropriations and ordered to be printed.

334. A letter from the president of the Washington Railway & Electric Co., transmitting, pursuant to law, the report of the Washington Railway & Electric Co. for the year ended December 31, 1933; to the Committee on the District of Columbia.

335. A letter from the president of the Potomac Electric Power Co., transmitting, pursuant to law, the report of the Potomac Electric Power Co. for the year ended December 31, 1933; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. H.R. 5745. A bill granting abandoned public buildings and grounds at Sitka, Alaska, to the Territory of Alaska, and for other purposes; with amendment (Rept. No. 486). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H.R. 6173. A bill to authorize the conveyance by the United States to the city of Nome, Alaska, of certain land situated therein; with amendment (Rept. No. 487). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. H.R. 6525. A bill to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930; without amendment (Rept. No. 489). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 233. A bill for the relief of Florence Hudgins Lindsay and Elizabeth Lindsay; without amendment (Rept. No. 455). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 264. A bill for the relief of Marguerite Ciscoe; with amendment (Rept. No. 456). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 323. A bill for the relief of Harvey M. Hunter; without amendment (Rept. No. 457). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 328. A bill for the relief of E. W. Gillespie; without amendment (Rept. No. 458). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 434. A bill for the relief of Bernard McShane; with amendment (Rept. No. 459). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 470. A bill for the relief of the city of Glendale, Calif.; with amendment (Rept. No. 460). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 518. A bill for the relief of T. Perry Higgins; without amendment (Rept. No. 461). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 520. A bill for the relief of Ward A. Jefferson; without amendment (Rept. No. 462). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 523. A bill for the relief of John Kelley; with amendment (Rept. No. 463). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 719. A bill for the relief of Willard B. Hall; without amendment (Rept. No. 464). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 740. A bill for the relief of Wade Dean; without amendment (Rept. No. 465). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 768. A bill for the relief of William E. Bosworth; with amendment (Rept. No. 466). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 879. A bill for the relief of John H. Mehrle; with amendment (Rept. No. 467). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 880. A bill for the relief of Daisy M. Avery; with amendment (Rept. No. 468). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 916. A bill for the relief of C. A. Dickson; without amendment (Rept. No. 469). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 939. A bill for the relief of James T. Webster and Mary A. Webster; without amendment (Rept. No. 470). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 998. A bill for the relief of Manuel Merritt; without amendment (Rept. No. 471). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1158. A bill for the relief of Annie I. Hissey; without amendment (Rept. No. 472). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1197. A bill for the relief of Glenna F. Kelley; without amendment (Rept. No. 473). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1207. A bill for the relief of Robert Turner; with amendment (Rept. No. 474). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1208. A bill for the relief of Frederick W. Peter; with amendment (Rept. No. 475). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1209. A bill for the relief of Nellie Reay; with amendment, Rept. No. 476). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1210. A bill for the relief of Mrs. Agnes M. Allsop; without amendment (Rept. No. 477). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1211. A bill for the relief of R. Gilbertsen; without amendment (Rept. No. 478). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1212. A bill for the relief of Marie Toenberg; without amendment (Rept. No. 479). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6390. A bill for the relief of Minnie D. Hines; without amendment (Rept. No. 480). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6626. A bill for the relief of John Evans; without amendment (Rept. No. 481). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7230. A bill for the relief of J. B. Hudson; without amendment (Rept. No. 482). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7279. A bill for the relief of Porter Bros. & Biffle and certain other citizens; without amendment (Rept. No. 483). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7292. A bill for the relief of the Boston Store Co., a corporation, Chicago, Ill.; with amendment (Rept. No. 484). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7387. A bill for the relief of Royce Wells; with amendment (Report No. 485). Referred to the Committee of the Whole House.

Mr. LANHAM: Committee on Public Buildings and Grounds. H.R. 3900. A bill authorizing the Secretary of the Treasury to pay certain subcontractors for material and labor furnished in the construction of the post office at Las Vegas, Nev.; with amendment (Rept. No. 488). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TERRY of Arkansas: A bill (H.R. 7546) authorizing loans by the Reconstruction Finance Corporation to aid in refinancing obligations of school districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. EVANS: A bill (H.R. 7547) to amend an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933; to the Committee on Expenditures in the Executive Departments.

By Mr. DISNEY: A bill (H.R. 7548) to provide for the control of flood waters in the State of Oklahoma in the watershed of the Arkansas River and its tributaries and the watershed of the Red River and its tributaries, and for the use of such waters for irrigation, agricultural development, and for the economic and social well-being of the people living in such watersheds in the State of Oklahoma; to the Committee on Flood Control.

By Mr. KNUTSON: A bill (H.R. 7549) to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota; to the Committee on Indian Affairs.

By Mr. MITCHELL: A bill (H.R. 7550) to provide for exempting hog producers from the processing tax under the Agricultural Adjustment Act in certain cases; to the Committee on Agriculture.

By Mr. FERNANDEZ: A bill (H.R. 7551) authorizing the Secretary of Commerce to dispose of the Pass A'Loutre Lighthouse Reservation, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. HOPE: A bill (H.R. 7552) granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine insurrection, or the China relief expedition, and their widows and dependents, and for other purposes; to the Committee on Pensions.

By Mr. McSWAIN (by request): A bill (H.R. 7553) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States; to the Committee on Military Affairs.

By Mr. WEARIN: A bill (H.R. 7554) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. FIESINGER: A bill (H.R. 7555) to impose double tariffs on intoxicating liquors imported from countries in default on war debts to the United States; to the Committee on Ways and Means.

By Mr. HASTINGS: A bill (H.R. 7556) to protect labor in its old age; to the Committee on Labor.

By Mr. SCRUGHAM: A bill (H.R. 7557) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

By Mr. BRUNNER: Joint resolution (H.J.Res. 256) making June 14, commonly known as "Flag Day", a legal national holiday; to the Committee on the Judiciary.

By Mr. O'MALLEY: Joint resolution (H.J.Res. 257) authorizing the Secretary of the Interior to arrange with the several States for the education, medical attention, relief of distress, and social welfare of the Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. CARTWRIGHT: Joint resolution (H.J.Res. 258) to provide for the allocation of funds for the construction of roads, bridges, and grade separation projects in the State of Oklahoma; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CROWE: A bill (H.R. 7558) granting a pension to Edwin Wade Buford; to the Committee on Pensions.

Also, a bill (H.R. 7559) granting a pension to Jesse Cotton; to the Committee on Invalid Pensions.

By Mr. DISNEY: A bill (H.R. 7560) for the relief of Charles E. Dagenett; to the Committee on Indian Affairs.

By Mr. EVANS: A bill (H.R. 7561) for the relief of R. S. Howard Co.; to the Committee on War Claims.

By Mr. FERNANDEZ: A bill (H.R. 7562) for the relief of Waldo L. Robichaux; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H.R. 7563) for the relief of Florence L. Sheppard; to the Committee on Claims.

By Mr. HAMILTON: A bill (H.R. 7564) for the relief of Marcus M. Ginsberg; to the Committee on Military Affairs.

Also, a bill (H.R. 7565) granting a pension to Mumzell Wooldridge; to the Committee on Invalid Pensions.

By Mr. JENKINS of Ohio: A bill (H.R. 7566) granting an increase of pension to Effie C. Greene; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7567) for the relief of William Martin; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland: A bill (H.R. 7568) for the relief of John L. Alcock; to the Committee on Claims.

By Mr. MARSHALL: A bill (H.R. 7569) granting a pension to Nellie Mae South; to the Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H.R. 7570) granting a pension to Lillie M. Tompkins; to the Committee on Pensions.

By Mr. BRUNNER: A bill (H.R. 7571) for the relief of Francis L. Gould; to the Committee on Naval Affairs.

By Mr. RAMSAY: A bill (H.R. 7572) granting an increase of pension to Elizabeth Lockhart; to the Committee on Invalid Pensions.

Also, a bill (H.R. 7573) granting a pension to Henry Baker; to the Committee on Invalid Pensions.

By Mr. SCHAEFER: A bill (H.R. 7574) granting a pension to Sarah E. Linder; to the Committee on Invalid Pensions.

By Mr. STOKES: A bill (H.R. 7575) granting a pension to Elizabeth M. Barr; to the Committee on Pensions.

By Mr. THOMASON: A bill (H.R. 7576) for the relief of E. G. Briseno; to the Committee on Claims.

By Mr. TINKHAM: A bill (H.R. 7577) for the relief of James P. Nettles; to the Committee on Naval Affairs.

By Mr. WILLIAMS: A bill (H.R. 7578) granting a pension to Nancy Ann Whitehead; to the Committee on Pensions.

Also, a bill (H.R. 7579) granting a pension on Ona Gross; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2018. By Mr. AYERS of Montana: Petition of Butte Miners' Union, No. 1, of Butte, Mont., urging unemployment insurance and old-age-pension legislation; to the Committee on Labor.

2019. By Mr. CROWTHER: Petition of residents of Fulton, Montgomery, and Schenectady Counties, in New York State, requesting Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2020. By Mr. CULLEN: Petition of the conference of national and international unions and brotherhoods of the National Federation of Post Office Clerks, vigorously condemning the continuation of wage cuts in the Government service as an illogical and unjust discrimination against Government workers and, by offering an excuse to chiseling employers, a distinct handicap to effort to increase consumer buying power through higher wages which is the cornerstone of the recovery program; to the Committee on Appropriations.

2021. Also, petition of the associated office and professional emergency employees of New York City, protesting against the continuation of pay reductions and dismissals; to the Committee on Appropriations.

2022. By Mr. BLANCHARD: Petition of George V. Breidenbach and 200 other voters and citizens of Burlington, Wis., urging support of President Roosevelt's monetary policies; to the Committee on Coinage, Weights, and Measures.

2023. By Mr. HANCOCK of New York: Petition of residents of the Thirty-fifth Congressional District, to the Congress of the United States, protesting against certain discriminations in radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

2024. By Mr. HOOPER: Petition of residents, members, and friends of Fisher Methodist Episcopal Church, of Quincy, Mich., to promote the cause of peace, and to prevent war and the building of armaments; to the Committee on Appropriations.

2025. By Mr. JENKINS of Ohio: Petition signed by 10,000 citizens of the Tenth Congressional District of Ohio, protesting against the efforts of the major broadcasting stations to control all broadcasts by unfair and unethical methods; to the Committee on Merchant Marine, Radio, and Fisheries.

2026. By Mr. LEHR: Petition of board of directors of the Allied Construction Industries of Ann Arbor, Mich., favoring continuation of the Civil Works Administration, and urging that the organization be revised so that the work be

done under the direction and supervision of established architects and engineers, and the work be awarded by contract to qualified contractors; to the Committee on Ways and Means.

2027. By Mr. PERKINS: Letter from John C. Stevens, vice president and cashier, Glen Rock National Bank, Glen Rock, N.J., suggesting certain changes in the 1933 Banking Act; to the Committee on Banking and Currency.

2028. By Mr. LEHR: Petition of the City Commission of the City of Jackson, Mich., urging the President and Congress to authorize the continuance of the Civil Works Administration to May 1, 1934, and longer if possible; to the Committee on Ways and Means.

2029. By Mr. LINDSAY: Petition of the Van Iderstine Co., Long Island City, N.Y., concerning excise tax on imported oils; to the Committee on Ways and Means.

2030. By Mr. RUDD: Petition of Joseph G. Dubin & Sons, Inc., Brooklyn, N.Y., manufacturing confectioners, opposing the excise tax on candy; to the Committee on Ways and Means.

2031. By Mr. SANDERS: Petition of sundry citizens of Gregg County, Tex., protesting against certain interference through censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

2032. Also, petition of sundry citizens of Van Zandt County, Tex., protesting against certain interference through censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

2033. Also, petition of sundry citizens of Rusk County, Tex., protesting against certain interference through censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

2034. By Mr. SEGER: Petition of New Jersey Hospital Association, E. J. Zillessen, J. J. Hart, Edward Balles, and Rocco Nazzaro, of Paterson, N.J., opposing proposed 5-cent excise tax on coconut oil; to the Committee on Ways and Means.

2035. By Mr. STRONG of Pennsylvania: Petition of 170 citizens of Armstrong County, Pa., petitioning the Congress to make adequate appropriations for the support of the National Guard; to the Committee on Appropriations.

2036. By Mr. SWEENEY (by request): Petition of the Twentieth Ohio District, protesting against radio censorship; to the Committee on Merchant Marine, Radio, and Fisheries.

2037. Also, memorial, in the nature of resolutions, of the United States Legion of Veterans, Cleveland, Ohio, pertaining to tariff increase on imported products, immediate cash payment of adjusted-compensation certificates to the unemployed veterans, the Economy Act, and complete reorganization of the financial system; to the Committee on Appropriations.

2038. By Mr. WELCH: Resolution of the City Council of Long Beach, Calif., with reference to the proposed removal of the United States Navy Fleet from the West coast area; to the Committee on Naval Affairs.

SENATE

FRIDAY, FEBRUARY 2, 1934

(Legislative day of Tuesday, Jan. 23, 1934)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Upon motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of January 31 and February 1 was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J.Res. 250) to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	King	Robinson, Ark.
Ashurst	Cutting	La Follette	Robinson, Ind.
Austin	Dickinson	Lewis	Russell
Bachman	Dieterich	Logan	Schall
Bailey	Dill	Lonergan	Sheppard
Bankhead	Duffy	Long	Shipstead
Barbour	Erickson	McAdoo	Smith
Barkley	Fess	McCarran	Steiwer
Black	Fletcher	McGill	Stephens
Bone	Frazier	McKellar	Thomas, Utah
Borah	George	McNary	Thompson
Bulkley	Gibson	Murphy	Townsend
Bulow	Goldsborough	Neely	Trammell
Byrd	Gore	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	O'Mahoney	Van Nuys
Caraway	Hatch	Overton	Wagner
Carey	Hatfield	Patterson	Walcott
Connally	Hayden	Pittman	Walsh
Coolidge	Hebert	Pope	White
Copeland	Johnson	Reed	
Costigan	Keyes	Reynolds	

Mr. HEBERT. I desire to announce the necessary absence of the following Senators: The senior Senator from Rhode Island [Mr. METCALF], the Senator from Pennsylvania [Mr. DAVIS], the Senator from Delaware [Mr. HASTINGS], and the Senator from South Dakota [Mr. NORBECK].

Mr. LEWIS. I announce the absence of the Senator from Oklahoma [Mr. THOMAS] and the Senator from Virginia [Mr. GLASS], both being ill and confined to their homes. I also announce the absence of the Senator from New Hampshire [Mr. BROWN], who has been called out of the city, and the absence of the Senator from Missouri [Mr. CLARK] and the Senator from Montana [Mr. WHEELER], who are detained from the Senate by official business.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

REPORT OF THE AMERICAN WAR MOTHERS

As in legislative session,

The VICE PRESIDENT laid before the Senate a letter from the national president of the American War Mothers, transmitting, pursuant to law, her final report as national president of the organization for the years 1931–33, being supplemental to report filed covering the period from October 1931 to October 1932, which, with the accompanying papers, was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

As in legislative session,

The VICE PRESIDENT laid before the Senate a resolution adopted by the Socialist Party of Mount Vernon, N.Y., favoring the making of adequate appropriation to carry on Civil Works projects so as to aid the unemployed, which was referred to the Committee on Appropriations.

He also laid before the Senate the petition of the Polish Chamber of Labor of United States, Chicago, Ill., favoring the passage of legislation making certain changes in the industrial codes relative to the employment of persons over 40 years of age, the choosing of physicians to pass upon physical qualifications of workers, and also the establishment of old-age pensions for all persons over 55 years of age, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the Locust Manor Association, of Locust Manor, and endorsed by the Central Queens Allied Civic Council, both of Jamaica, N.Y., favoring the passage of the pending naval construction bill, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Thirty-fourth Street-Midtown Association, of New York

City, N.Y., opposing the ratification of the pending Great Lakes-St. Lawrence Deep Waterway Treaty, which was ordered to lie on the table.

Mr. LA FOLLETTE presented a joint resolution of the Legislature of the State of Wisconsin, requesting the Agricultural Adjustment Administration to make all farmers in Wisconsin who raise two litters of pigs eligible to sign a contract under the corn-hog program, thereby making it possible for all Wisconsin hog raisers to receive benefit payments on hogs, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on Jan. 30, 1934, p. 1542, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, urging the national administration to include in the agricultural relief program prompt and effective relief for the potato-growing industry to the end that the potato farmers may secure a price equal to at least the cost of production plus a reasonable return on investment and labor, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. DUFFY on Jan. 30, 1934, p. 1543, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, requesting the Secretary of Agriculture to proceed immediately under the Packers and Stockyards Act, or any other existing legislation, to place direct-buying and terminal markets on a basis of fairness and equality, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented by Mr. DUFFY on Jan. 30, 1934, p. 1543, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, favoring the passage of legislation for the relief and rehabilitation of the dairy industry, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on Jan. 26, 1934, p. 1379, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, favoring an amendment to the income tax law so as to provide that all amounts paid for income tax under any State income tax law shall for the same year be deducted from amounts due the Federal Government under its income tax act, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. DUFFY on Jan. 25, 1934, p. 1305, CONGRESSIONAL RECORD.)

Mr. COSTIGAN presented the following joint resolution of the Legislature of the State of Colorado, which was referred to the Committee on Appropriations:

House Memorial No. 5 (by Representatives Bishop, Aspinall, Brownlow, Prather, Calkins, Constantine, Newman, Day, Dameron, Kavanagh, and Palmer)

Whereas at the American Legion convention, held in Chicago last October, a four-point program was adopted, which was a minimum legislation asked of the Congress of the United States in behalf of the ex-service men of the World War; and

Whereas many of the ex-service men are now in serious financial trouble and need of the necessities of life because of lack of employment, and many of them are in need of hospitalization; and

Whereas the present laws are inadequate to properly take care of the ex-service men and the regulations provided under the present laws are forcing many ex-service men to seek charity from the counties, from the State, and from their Government: Now, therefore, be it

Resolved by the Twenty-ninth General Assembly of the State of Colorado in extraordinary session assembled, That it ratify and approve the principle of the American Legion's four-point program, to wit—

1. That no war veteran disabled in line of duty suffers any reduction of those benefits granted such veterans in the World War veterans' act as in effect prior to March 20, 1933.

2. That hospitalization under Federal Government auspices be afforded all veterans not dishonorably discharged who require hospital treatment and who are not able to reasonably pay for their own treatment.

3. That perpetuation of service connection for all veterans properly granted such service connection, under laws in existence prior to March 20, 1933, be recommended as an item of Legion policy.

4. That the benefits provided for dependents of veterans, as established in the World War veterans' act, be resumed and maintained as the Government's policy and that in no event shall widows and/or dependent children of deceased World War veterans be without Government protection; and be it further

Resolved, That the Senators and Representatives of the State of Colorado to the United States Congress be requested to work for the passage of such a measure; and be it further

Resolved, That a copy of this memorial be transmitted to the President of the United States and to the Senators and Representatives of the State of Colorado to the United States Congress.

W. H. TWINING,
Speaker of the House of Representatives.
RAY H. TALBOT,
President of the Senate.

Mr. COSTIGAN also presented the following joint resolution of the Legislature of the State of Colorado, which was referred to the Committee on Agriculture and Forestry:

House Joint Resolution No. 6 (by Representative White)

Whereas it is reported that the Federal Budget for the ensuing year fails to make any provision for the support and maintenance of the United States agricultural field station in Washington County, Colo.; and

Whereas the United States agricultural field station is a most valuable, cooperative adjunct to the national recovery program in helping the farmers to make a living on the farm and thereby relieve the demands on State and national relief agencies, Red Cross, and other forms of charitable relief; and

Whereas the need of the farmers of eastern Colorado is the expansion of the facilities of the United States agricultural field station in order to help to make the farmers more prosperous and self-supporting and less objects of charity, and it is to the best interests of the people of eastern Colorado and the Federal Government to maintain this station on the former basis and to give it full support and cooperation: Be it therefore

Resolved by the House of Representatives of the Twenty-ninth General Assembly of the State of Colorado (the senate concurring herein), That a protest against the abandonment of any part of the United States Federal field station in Washington County, Colo., be registered and that Hon. Franklin D. Roosevelt, President of the United States, Hon. Henry Wallace, Secretary of Agriculture, and the Members of the Colorado delegation of Congress be requested to use there utmost influence and endeavors to secure the continuation of the Federal support of the United States field station and that no part of said station be discontinued and instead thereof said station should be given more financial support and cooperation in order that it may render a still greater service and usefulness to the farmers of eastern Colorado and adjoining States; be it further

Resolved, That a certified copy of this resolution be forwarded to Hon. Franklin D. Roosevelt, the Honorable Henry Wallace, and to each Member of the Colorado delegation of Congress.

W. H. TWINING,
Speaker of the House of Representatives.
OLLIE E. BANNISTER,
President of the Senate pro tempore ad interim.

REPORTS OF COMMITTEES

As in legislative session,

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, reported it with amendments and submitted a report (No. 248) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 866) to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia and for the releasing thereof, and for other purposes, reported it without amendment and submitted a report (No. 249) thereon.

He also (for Mr. DAVIS), from the same committee, to which was referred the bill (S. 194) to change the name of B Street SW. in the District of Columbia, reported it without amendment and submitted a report (No. 250) thereon.

He also (for Mr. CAPPER), from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 193. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929 (Rept. No. 251);

S. 2006. An act for the relief of Della D. Ledendecker (Rept. No. 252); and

S. 2057. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia (Rept. No. 253).

BILLS AND JOINT RESOLUTION INTRODUCED

As in legislative session,

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 2571) authorizing the Secretary of the Interior to arrange with States for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. KING:

A bill (S. 2572) for the relief of Ralph E. Woolley; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 2573) for the relief of Kendrick Welles Diller; to the Committee on Claims.

A bill (S. 2574) for the relief of certain officers of the Dental Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. ASHURST (by request):

A bill (S. 2575) to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 2576) to amend chapter 17, title 28, of the Code of Laws of the United States of America; to the Committee on the Judiciary.

By Mr. BYRD:

A bill (S. 2577) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Mrs. F. Lee Bartlett; to the Committee on Claims.

A bill (S. 2578) for the relief of James River Bridge Corporation; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2579) amending the Civil Service Retirement Act; to the Committee on Civil Service.

A bill (S. 2580) to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 2581) for the relief of Charles H. Willett; to the Committee on Military Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 2582) granting a pension to Willard Hyser (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 2583) for the relief of Oscar J. Conners; to the Committee on Claims.

By Mr. NYE (for Mr. NORBECK):

A bill (S. 2584) for the relief of Elmer Kettering; to the Committee on Claims.

A bill (S. 2585) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge; to the Committee on Indian Affairs.

A bill (S. 2586) granting a pension to Harriet V. Carson (with accompanying papers);

A bill (S. 2587) granting a pension to William H. Holt (with accompanying papers);

A bill (S. 2588) granting a pension to Beulah M. Kiser (with accompanying papers);

A bill (S. 2589) granting a pension to Margaret E. Lackey (with accompanying papers);

A bill (S. 2590) granting a pension to Henry Pratt (with accompanying papers); and

A bill (S. 2591) granting an increase of pension to Annie Remmert (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 2592) granting the consent of Congress to the State of Minnesota and Scott County and Carver County, in the State of Minnesota, to construct, maintain, and operate a bridge across the Minnesota River at or near Jordan, Minn.;

A bill (S. 2593) granting the consent of Congress to the Highway Department of the State of Minnesota to construct, maintain, and operate a free highway bridge across the St. Louis River at or near Cloquet, Minn.; and

A bill (S. 2594) granting the consent of Congress to the Highway Department of the State of Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the lower end of Lake Bemidji, Minn.; to the Committee on Commerce.

A bill (S. 2595) relating to the payment of compensation for the death or disability of women citizens of the United States who served in base hospitals overseas; to the Committee on Finance.

A bill (S. 2596) to establish the boundary lines of the Chippewa Indian territory in the State of Minnesota; to the Committee on Indian Affairs.

By Mr. WHITE:

A bill (S. 2598) relating to the carriage of goods by sea; to the Committee on Commerce.

By Mr. ADAMS:

A bill (S. 2599) for the relief of Francis A. Parry; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 2600) providing for certain payments from the Treasury to the Federal Deposit Insurance Corporation; and

A bill (S. 2601) to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System; to the Committee on Banking and Currency.

By Mr. LEWIS:

A bill (S. 2602) to amend the act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including therein the name of Gustaf E. Lambert; to the Committee on Military Affairs.

By Mr. CUTTING and Mr. HATCH:

A joint resolution (S.J.Res. 81) to provide for defraying the expenses of the American Section, International Boundary Commission, United States and Mexico; to the Committee on Foreign Relations.

FARM BORROWERS' COUNSEL IN LAND BANK DISTRICTS

As in legislative session,

Mr. THOMPSON. Mr. President, I ask unanimous consent to introduce a bill.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. THOMPSON. I may say that the reason for the bill is this:

Under the law governing each Federal land bank district loan, the mortgagor whose application for a loan has been denied is bewildered and left without redress except to appeal to the Department at Washington, about which he knows little, if anything. This bill would provide him an attorney for the district, to act for him the same as an attorney appointed by the court for a defendant in a criminal case. Thus, we would avoid the discontent now quite universal, by providing the disappointed farmer with a just, speedy, and effieient means of furnishing additional evidence of the value of his lands, and an opportunity for a re-presentation of his application to the local department.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2597) to establish a farm borrowers' counsel for each Federal land bank district was read twice by its title and referred to the Committee on Banking and Currency.

AMENDMENT TO NAVAL CONSTRUCTION BILL

As in legislative session,

Mr. DILL submitted an amendment intended to be proposed by him to the bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington,

February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

As in legislative session,

Mr. WHEELER and Mr. FRAZIER submitted an amendment proposing to strike out in the Interior Department appropriation bill the matter commencing with line 2 on page 10, down to and including line 10, on page 45, and to insert in lieu thereof an amended substitute covering appropriations for the Bureau of Indian Affairs, intended to be proposed by them to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. FRAZIER submitted an amendment intended to be proposed by him to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 39, line 5, after the figures "$39,405", to insert the following: "Consolidated Chippewa, $5,000, to be used for establishing a system of cooperative marketing for Indian crops, including wild rice, berries, fish, and furs; in all, $44,405."

Line 21, change the figures "$346,835" to "$351,835."

ADDITIONAL CLERICAL ASSISTANCE FOR SENATORS

As in legislative session,

Mr. ROBINSON of Arkansas. At the request of a large number of Senators who have repeatedly stated to me that they are simply overwhelmed with mail coming to their offices and that they require additional clerical assistance, I am submitting a resolution, to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, providing that each Senator, except Senators who are chairmen of committees, and who have more than four clerks, and so forth, be authorized to appoint an additional clerk, the theory of the resolution being that those of us who are committee chairmen, and have an additional clerk on account of that fact, would not be affected by this resolution.

I ask leave to submit the resolution and have it referred as I have stated.

There being no objection, the resolution (S.Res. 167) was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That each Senator, except Senators who are chairmen of committees and who have more than four clerks, including committee clerks, is authorized to appoint one additional clerk to serve until the expiration of the present session of the Congress, and to be paid a salary at the rate of $—— per annum out of the contingent fund of the Senate.

THE ALASKA RAILROAD

As in legislative session,

Mr. BONE submitted the following resolution (S.Res. 170), which was referred to the Committee on Territories and Insular Affairs:

Resolved, That a special select committee of 3 Senators, to be appointed by the President of the Senate, 2 from the majority political party and 1 from the minority political party, is authorized and directed to investigate the operations, economic situation, and prospects of the Alaska Railroad, and to report to Congress as soon as practicable the results of such investigation, together with its recommendations for legislation in connection therewith.

For the purposes of this resolution such committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places (in the continental United States and in Alaska) during the sessions and recesses of the Senate until January 1, 1935, to employ such experts and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $7,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

STUDIES OF THE GREAT LAKES-ST. LAWRENCE SEAWAY

On motion of Mr. PITTMAN, and by unanimous consent, it was

Ordered, That 100 copies of Senate Document No. 116, parts 1, 2, 3, and 4, relating to the Great Lakes-St. Lawrence deep waterway be printed, without illustrations, for the use of the Senate.

PROPOSED INVESTIGATION OF LOUISIANA PROPAGANDA

As in legislative session,

Mr. BYRNES. Mr. President, Senate Resolution 158 was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. Under the rules of the Senate that committee has no jurisdiction over the question of the appointment of a committee to conduct an investigation until the proper standing committee of the Senate shall have passed upon and approved the resolution. The resolution was improperly referred first to the Committee to Audit and Control the Contingent Expenses of the Senate. It should be, in my opinion, referred to the Committee on Privileges and Elections. I, therefore, move that the Committee to Audit and Control the Contingent Expenses of the Senate be discharged from the further consideration of Senate Resolution 158, and that it be referred to the Committee on Privileges and Elections.

The motion was agreed to.

INTERNATIONAL PETROLEUM EXPOSITION AT TULSA, OKLA.

As in legislative session,

Mr. GORE. Mr. President, I ask unanimous consent to call from the table Senate Joint Resolution No. 80. I will say to the Senate that it simply authorizes the President of the United States to invite foreign nations to send delegates to the Internaional Petroleum Exposition which takes place in Tulsa, Okla., in the month of May. It involves no appropriation and is word for word identical with a resolution passed in the last Congress, Public Resolution, No. 71. A similar joint resolution has been passed from year to year preliminary to the holding of the exposition.

There being no objection, the joint resolution (S.J.Res. 80) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 12 to May 19, 1934, inclusive, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and all foreign countries to participate in the proposed International Petroleum Exposition, to be held at Tulsa, Okla., from May 12 to May 19, 1934, inclusive, for the purpose of exhibiting samples of fabricated and raw products of all countries used in the petroleum industry and bringing together buyers and sellers for promotion of trade and commerce in such products.

SEC. 2. All articles that shall be imported from foreign countries for the sole purpose of exhibition at the International Petroleum Exposition upon which there shall be a tariff or customs duty shall be admitted free of the payment of duty, customs, fees, or charges, under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during the exhibition to sell any goods or property imported for and actually on exhibition, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury may prescribe: *Provided*, That all such articles when sold or withdrawn for consumption or use in the United States shall be subject to the duty, if any, imposed upon such articles by the revenue laws in force at the date of withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling and necessary exposure, the duty, if paid, shall be assessed according to the appraised value at the time of withdrawal for consumption or use, and the penalties prescribed by law shall be enforced against any person guilty of any illegal sale, use, or withdrawal.

SEC. 3. That the Government of the United States is not by this resolution obligated to any expense in connection with the holding of such exposition and is not hereafter to be obligated other than for suitable representation thereat.

RENTAL CONDITIONS IN THE DISTRICT OF COLUMBIA (S.DOC. NO. 125)

As in legislative session,

Mr. KING. Mr. President, the Commissioners of the District of Columbia were authorized to have a survey made of rent conditions, and so forth, and the matter was referred to the Public Utilities Commission of the District of Columbia. That commission has submitted a report of investigation of facts relating to the cost and character of housing in rented premises in the District of Columbia, and complaints in relation thereto, as directed by Senate Resolution 86, dated June 6, calendar day June 7, 1933, Seventy-third Con-

gress. It seems to me, Mr. President, the report is of such importance and value that it should be printed.

The VICE PRESIDENT. Without objection, the report will be printed as a Senate document.

PROPOSED ANTILYNCHING LEGISLATION

As in legislative session,

Mr. COSTIGAN. Mr. President, on January 4 of this year, the first day of the present session for the introduction of measures, the Senator from New York [Mr. WAGNER] and I, as cosponsors, presented for the consideration of the Senate an antilynching measure. A similar bill has since been introduced in the House of Representatives by a prominent Member of that body, Representative FORD, of California.

Members of the Senate are doubtless aware that it is the intention of those who here support this measure to press for its passage during the present session. Certainly, no hour in our history has been so favorable to such an enactment or so conscious of its commanding justice and wisdom. The President of the United States within recent months has twice publicly and eloquently drawn attention to the critical issues involved, including the threat against civilization latent in the unbridled lawlessness which contemptuously defies society and enthrones limitless cruelty and brutality.

It is not my intention at this time to address the Senate on the subject, but it will doubtless be useful to draw attention, in advance of the public hearings soon to be held, to some evidences of public judgment in favor of the enactment of Federal antilynching legislation.

The press of the country has already revealed an impressive volume of public opinion calling for action in this long-neglected legislative field. As samples of the supporting sentiment in America, I send to the desk, and ask to have read by the clerk, a resolution recently adopted by the City Council of Cleveland, Ohio, which does honor to that community long known for its progressive leadership.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

The following resolution was adopted by the Council of the City of Cleveland, December 11, 1933:

Resolution requesting the President of the United States to recommend the enactment of a Federal antilynching law and petitioning Congress to enact an antilynching law.

Whereas more than 27 citizens of the United States in widely scattered sections of the country have been lynched thus far this year, being a great increase over last year, causing public expression of condemnation thereof to be made throughout the land; and

Whereas lynching is an unlawful deprivation of the rights of citizens to the protection of article VI of the amendments to the Constitution of the United States, which reads as follows:

"In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the States and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense."

Article XIV of the amendments to the Constitution of the United States of America, which reads, in part, as follows:

"Nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."; and

Whereas lynching and mob violence tend to promote a general disregard for law and order and to undermine the very purpose and stability of government, and has a deteriorative effect both upon the people participating therein and the community wherein same occurs; and

Whereas this resolution constitutes an emergency in that the same provides for the usual daily operation of a municipal department: Now, therefore, be it

Resolved by the Council of the City of Cleveland, Ohio, That the President of the United States be, and is hereby, requested to include a plea and recommendation for enactment of a Federal antilynching law in his first message to the next session of Congress; and be it further

Resolved, That the Congress of the United States be, and is hereby, petitioned to enact an antilynching law at its next session; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Congress of the United States, and the Senators and Congressmen from the State of Ohio, who are hereby respectfully requested to aid in carrying out the purposes of this resolution.

That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two thirds of all the members elected to council, it shall take effect and be in force immediately upon its passage and its approval by the mayor; otherwise it shall take effect and be in force at the earliest time allowed by law.

Adopted December 11, 1933.

HERMAN H. FINKLE,
President of Council pro tempore.
F. W. THOMAS,
Clerk of Council.

Effective December 19, 1933.
Approved by the mayor, December 19, 1933.

Mr. COSTIGAN. Mr. President, in connection with the resolution which has just been read, and following it, as part of my remarks, I further ask leave to have incorporated in the RECORD, in the order in which they are named, an able and suggestive article by the noted journalist, H. L. Mencken, on the proposed legislation which appeared in the Baltimore Evening Sun of January 15, 1934; an Associated Press dispatch from Atlanta, Ga., of January 9, 1934, entitled "White Women Demand Stop to Lynching"; and an editorial from the New York World-Telegram of January 18, 1934, incisively commenting on the action and statement of the southern women mentioned in the dispatch of January 9, 1934.

Mr. President, I further request that, following these published expressions, a copy of the antilynching bill (S. 1978) be also inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Baltimore (Md.) Evening Sun of Jan. 15, 1934]

THE COSTIGAN-WAGNER BILL

By H. L. Mencken

I

The essence of the antilynching bill introduced in the Senate on January 4 by Senator COSTIGAN, of Colorado, and Senator WAGNER, of New York, lies in its transfer of jurisdiction from the State courts to the Federal courts. That transfer does not follow a lynching automatically; it follows only in case the State authorities show an incapacity or unwillingness to track down and punish the lynchers. If they are not apprehended or indicted within 30 days, or there is indication otherwise of a failure diligently to prosecute them, the nearest Federal district court may assume that there is prima facie evidence of failure, neglect, or refusal, and proceed to issue warrants for the lynchers and try them in accordance with the laws of the State.

It will be noted that lynching itself is not made a Federal offense. It is defined as the act of any "mob or riotous assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of depriving any person of his life, or doing him physical injury"; but the butchery of the victim, if he is butchered, remains ordinary murder under the State law, and his manhandling, if he is not killed, remains ordinary assault and battery. Thus lynching is left in the category of common crime, where it manifestly belongs. Every person concerned may be prosecuted separately and as if he had done the crime alone. He gains nothing by being in a mob.

But the failure, neglect, or refusal of the law officers concerned is made a Federal offense, and defined as a denial of that equal protection of the laws which is guaranteed by the fourteenth amendment. Any State officer who fails to make all diligent efforts to protect an individual against lynchers, or who fails, neglects, or refuses to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment all persons participating in a lynching is guilty of a felony and may be fined not more than $5,000 or sent to prison for not more than 5 years, or both. If it appears that he actually conspired, combined, and confederated with the lynchers, he may be imprisoned for life.

II

Obviously, this bill has teeth in it. It lays no blame and no penalty on the honest officer who tries to do his duty but is overcome by the mob, but it fetches the fraud who offers only a formal defense, or who turns over his prisoner without any defense at all. Moreover, it is wide enough to take in district attorneys as well as sheriffs and jailers, and is even, I suspect, wide enough to take in judges. Any functionary, high or low, who is charged with the duty of apprehending, keeping in custody, or prosecuting any person concerned in a lynching may be brought to book, and if it appears that he failed in, neglected, or refused that duty, he may be sent to prison.

There is further provision for damages for the heirs of the victim, collectable by a proceeding in the nearest Federal court against the offending county, or, if two counties be concerned, against them jointly and severally. The amount fixed is $10,000, and it is payable to the victim's wife and children, if he has any, or to his dependent parents. If he has no relatives, the money is to be paid into the United States Treasury. In any event, the

suit for it shall be brought and prosecuted by the district attorney of the United States, and in case there is a judgment and it is not met, the Federal marshal may levy upon any property of the county, or the appropriate county officers may be haled before the Federal judge and jailed for contempt.

There is nothing in the bill about damages for persons who are manhandled by a mob but not killed. This seems to have been an oversight, and I assume that Senators COSTIGAN and WAGNER will remedy it when their attention is called to it. Certainly a man who survives an attempt to lynch him, as sometimes happens, should have damages, and equally certainly there should be damages for the man who is merely roughed. Such assaults, like actual lynchings, are seldom possible without the connivance of the county officers. Finally, the bill makes a Federal offense of any act in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country, but only to the extent that the act is punishable under the laws of the State in which it is committed.

III

The merits of this proposed law are plain enough. It avoids the error, so often made in State antilynching statutes, of erecting lynching into a special crime, distinct from ordinary homicide. That device, obviously, can only work in favor of the lynchers. Under the Costigan-Wagner bill they are put on all fours with common murderers, and are liable to capital punishment in States where it is inflicted, and to life imprisonment in the rest. These heavy penalties will not only tend to dissuade the village bullies and morons who perpetrate nearly all lynchings; they will also make it crystal clear that lynching is not to be defended any more as a mere aberration of public spirit, but is murder plain and unadulterated.

Another excellent provision is that which throws responsibility directly on the local enforcement officers, including especially the district attorney, and punishes them severely for neglect of duty. If, as I have suggested, the net is wide enough to take in judges also, so much the better. In at least four cases out of five the criminals who carry off a lynching are known to every man, woman, and child within 20 miles of the scene. The local sheriff, if he wanted to, could easily jail them, and the local district attorney could bring them to trial. Unfortunately, both officers, with their eyes on the next election, usually evade their duty, and it is seldom that the local judge urges them to it, for he is commonly a timorous professional job holder just as they are.

When he is anything better the lynchers are quickly brought to justice. I point, for example, to the case of Judge Neill A. Sinclair of North Carolina. In Judge Sinclair's circuit, during the Ku Klux pestilence of 6 or 8 years ago, there were many atrocities upon helpless persons, and the local officers commonly failed to proceed against the criminals, making the usual excuse that convictions would be impossible. But Judge Sinclair refused to tolerate any such mockery of justice. Instead, he ordered the local sheriffs, on pain of summary jailing for contempt, to bring in the culprits, the local grand juries to indict them, and the local State's attorneys to prosecute them vigorously. With his honor's steely eye upon the jury box and witness stand, the accused were convicted by the carload and sent to prison for long terms, and Ku Kluxry promptly adjourned.

IV

What an honest and competent State judge thus achieved might be done just as well, and no doubt much easier, by Federal judges. They sit ordinarily in large cities, and have at their disposal grand and petit juries made up, not of village loafers but of city men of the better class, not many of whom have any sympathy with assassins. The prosecuting attorney who works with them is not a neighborhood Buzfuz itching for higher office, as in so many of the county courts, but a lawyer of some ability and dignity. And this prosecuting attorney has at his disposal, for searching out evidence, the whole detective force of the Department of Justice, composed of men who are not afraid of criminals and do not hesitate to shoot when they are molested.

To be sure, it is the custom for a Federal court, in trying local cases, to move into some convenient county town, mainly for the purpose of saving the traveling expenses of witnesses. But it commonly keeps to its home grounds for the trial of cases of any magnitude, and so far as I know it is not required to go on circuit at any time if it prefers not. In any event, its prosecuting officer remains the same, and it uses the same city grand jury and has the aid of the same Federal police. Even the rustic petit juries, facing it, know that the judge on the bench is something far different from the local Dogberry, who is probably known to most of the jurymen by his first name, and has in his time solicited the votes of all the rest. Federal judges sometimes know less law than they ought to know, and show other lamentable defects, but they are at least out of politics, and it is rare for one of them to be lacking in either personal assurance or professional zeal.

Thus the Costigan-Wagner bill had better be taken seriously in the Bible Belt. It was drawn by two of the best lawyers in the Senate, and has long teeth, some of them ground to a razor edge. That President Roosevelt is behind it is very likely, for he has twice denounced lynching in plain terms. Unless the friends of the great evangelical sacrament get busy promptly it may very well slip through the Senate and House. I advise the boosters of Moronia Felix, both clerical and lay, to call meetings of moral protest at once. If they dally they may be damned.

[From the Rocky Mountain News of Jan. 10, 1934]

WHITE WOMEN DEMAND STOP TO LYNCHINGS—CALL ON ROOSEVELT TO HELP ERADICATE EVIL RAMPANT IN SOUTH

ATLANTA, January 9.—Aroused by the lynching spirit, a conference of Southern white women adopted a resolution today requesting President Roosevelt and their Governors and Congressmen to work out a cooperative plan between the Federal and State Governments in eradicating this evil.

This action was taken after the conference formally asserted that "Past experience has demonstrated that State and local authorities and public opinion, on which they depend, have failed to bring to justice members of lynching mobs, in spite of the fact that their identity was well known."

RESENT COERCION

The women made it plain they did not want to shift responsibility for stamping out lynching from the State government entirely to the Federal Government. Some voiced the opinion that the proposed Federal antilynching law now before the Senate appeared to coerce the States. The thought was expressed that it would be better for cooperation between Federal and State Governments in fighting lynching.

The bill by Senators COSTIGAN (D.), Colorado, and WAGNER (D.), New York, contains a clause which would forfeit in each county where lynching occurred $10,000 to the family of the victim.

BARRIER TO ENFORCEMENT

It was this which some thought would prove a barrier to enforcement of the law, even were it adopted, especially should the Federal Government undertake to levy upon the property of the county, were the forfeit not paid.

The resolution also condemned lack of equal educational opportunity for the races and expressed as the sense of the meeting that the crime of lynching is a logical result in a community that arbitrarily segregates a race in unsanitary sections; that exploits and intimidates the weaker element for economic gain; and denies an equal voice in control of government to any fit and proper citizens because of race.

[From the New York World-Telegram of Jan. 18, 1934]

SOUTHERN WOMEN SPEAK

In Atlanta recently the Conference of Southern White Women for the Prevention of Lynching passed resolutions calling on President Roosevelt to work with Governors and Congressmen to eradicate this evil. It was this conference that 4 years ago served notice on men that they hold no commission to protect the honor and virtue of southern women by means of mob murders.

With a membership of some 1,000,000 white women in 11 Southern States, the conference can be said to speak for southern women rather generally.

The conference did not specifically endorse the pending Wagner-Costigan bill providing for Federal intervention to halt lynchings. But there is argument for such a measure in the conference's statement that—

"Past experience has demonstrated that State and local authorities and the public opinion behind them have failed to bring to justice members of lynching mobs, although their identities have been known."

The Federal antilynching bill does not deprive localities of an opportunity to preserve constitutional rights to their citizens. It merely arms the Federal Government with the right to step in and punish lynchers and cowardly officials when localities have failed.

The attitude of President Roosevelt toward this problem was indicated in his message to Congress on January 3. In his list of crimes that call on the strong arm of the Government for their immediate suppression and on the country for an aroused public opinion, the President cataloged lynching along with organized banditry, cold-blooded shooting, and kidnaping.

False local pride should not be allowed to kill the Wagner-Costigan bill.

S. 1978

A bill to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching

Be it enacted, etc., That the phrase "mob or riotous assemblage", when used in this act, shall mean an assemblage composed of three or more persons acting in concert, without authority of law, for the purpose of depriving any person of his life, or doing him physical injury.

SEC. 2. If any State or governmental subdivision thereof fails, neglects, or refuses to provide and maintain protection to the life or person of any individual within its jurisdiction against a mob or riotous assemblage, whether by way of preventing or punishing the acts thereof, such State shall by reason of such failure, neglect, or refusal be deemed to have denied to such person the equal protection of the laws of the State, and to the end that the protection guaranteed to persons within the jurisdictions of the several States, or to citizens of the United States, by the Constitution of the United States, may be secured, the provisions of this act are enacted.

SEC. 3. (a) Any officer or employee of any State or governmental subdivision who is charged with the duty or who possesses the power or authority as such officer or employee to protect the

life or person of any individual injured or put to death by any mob or riotous assemblage or any officer or employee of any State or governmental subdivision having any such individual in his charge as a prisoner, who fails, neglects, or refuses to make all diligent efforts to protect such individual from being so injured or being put to death, or any officer or employee of any State or governmental subdivision charged with the duty of apprehending, keeping in custody, or prosecuting any person participating in such mob or riotous assemblage who fails, neglects, or refuses to make all diligent efforts to perform his duty in apprehending, keeping in custody, or prosecuting to final judgment under the laws of such State all persons so participating, shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding 5 years, or by both such fine and imprisonment.

(b) Any officer or employee of any State or governmental subdivision, acting as such officer or employee under authority of State law, having in his custody or control a prisoner, who shall conspire, combine, or confederate with any person to injure or put such prisoner to death without authority of law, or who shall conspire, combine, or confederate with any person to suffer such prisoner to be taken or obtained from his custody or control for the purpose of being injured or put to death without authority of law, shall be guilty of a felony, and those who so conspire, combine, or confederate with such officer or employee shall likewise be guilty of a felony. On conviction, the parties participating therein shall be punished by imprisonment of not less than 5 years or for life.

SEC. 4. The district court of the judicial district wherein the person is injured or put to death by a mob or riotous assemblage shall have jurisdiction to try and to punish, in accordance with the laws of the State where the injury is inflicted or the homicide is committed, any and all persons who participate therein: *Provided*, That it is first made to appear to such court (1) that the officers of the State charged with the duty of apprehending, prosecuting, and punishing such offenders under the laws of the State shall have failed, neglected, or refused to apprehend, prosecute, or punish such offenders; or (2) that the jurors obtainable for service in the State court having jurisdiction of the offense are so strongly opposed to such punishment that there is no probability that those guilty of the effense can be punished in such State court. A failure for more than 30 days after the commission of such an offense to apprehend or to indict the persons guilty thereof, or a failure diligently to prosecute such persons, shall be sufficient to constitute prima facie evidence of the failure, neglect, or refusal described in the above proviso.

SEC. 5. Any county in which a person is put to death by a mob or riotous assemblage shall forfeit $10,000, which sum may be recovered by suit therefor in the name of the United States against such county for the use of the family, if any, of the person so put to death; if he had no family, then of his dependent parents, if any; otherwise for the use of the United States. Such action shall be brought and prosecuted by the district attorney of the United States of the district in the United States district court for such district. If such forfeiture be not paid upon recovery of a judgment therefor, such court shall have jurisdiction to enforce payment thereof by levy of execution upon any property of the county, or may otherwise compel payment thereof by mandamus or other appropriate process; and any officer of such county or other person who disobeys or fails to comply with any lawful order of the court in the premises shall be liable to punishment as for contempt and to any other penalty provided by law therefor.

SEC. 6. In the event that any person so put to death shall have been transported by such mob or riotous assemblage from one county to another country during the time intervening between his seizure and putting to death, the county in which he is seized and the county in which he is put to death shall be jointly and severally liable to pay the forfeiture herein provided.

SEC. 7. Any act committed in any State or Territory of the United States in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country, which act constitutes a crime under the laws of such State or Territory, shall constitute a like crime against the peace and dignity of the United States, punishable in like manner in its courts as in the courts of said State or Territory, and within the period limited by the laws of such State or Territory, and may be prosecuted in the courts of the United States, and upon conviction the sentence executed in like manner as sentences upon convictions for crimes under the laws of the United States.

SEC. 8. If any provision of this act or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed July 18, 1932.

Mr. CAPPER. Mr. President, it always has been my position that a United States Senator owes a dual allegiance, one to the State which he represents in the Senate, one to the United States as a whole.

Which is the higher allegiance it is not necessary for me to discuss nor even to consider in the matter of the St. Lawrence Waterway Treaty. Because, to my mind, broad national interest and the long-time interest of the people of Kansas—in fact, of all the Middle Western and Western States whose products might in the future be handled through the Great Lakes-St. Lawrence route—this long-time local and sectional interest as well as the broad national interest swings the balance in favor of the St. Lawrence waterway project.

Therefore, I intend to vote to ratify the treaty. I also expect to vote for one or two of the reservations proposed by the junior Senator from Missouri [Mr. CLARK]. But my vote for the treaty itself does not depend upon the adoption of all or any of these reservations. I believe that the ultimate advantages to the Nation, and particularly to the people of Kansas and neighboring States, justify that vote, and I will cast my vote accordingly.

It is not my intention to detain the Senate today by entering into a long discussion of the details of the proposed treaty, nor of the points for and against its ratification. Others on the committee, and Senators not on the committee who have made a special study of this question, are better fitted for that task, and undoubtedly will undertake it.

But it does seem to me that there are several broad questions of general policy which should receive major consideration by every Senator in deciding how to vote on ratification of this treaty with our sister nation to the north. That decision should not be based upon what might be termed the depression psychology of today; nor upon whether or not the power possibilities in the treaty meet the approval or disapproval of great power interests; nor upon the local interests of certain cities which believe that commerce might be increased to the advantage of interior point cities.

Mr. President, I am not one of those who believe that the present continuing world-wide depression has permanently ended world trade and commerce. Neither do I believe that present conditions, brought about by war, by misunderstandings of the fundamentals of world trade and commerce, by unwise tariff barriers and unwise foreign-trade policies, by a monetary system and policy which has sacrificed foreign commerce, domestic trade, industry, agriculture, labor, and transportation to financial manipulations for the supposed benefit of those who deal in money—I cannot conceive and will not admit, Mr. President, that this great Nation is going to build a Chinese wall around its borders, and for all time shut itself off from commerce and intercourse with the rest of the world. Nor can I conceive, nor bring myself to admit, that the rest of the world is going to build for all time to come a Chinese wall against this Nation of ours, and shut us off from the rest of the world.

If I believed that were going to happen, if I could conceive of it as a remote probability, then I would be forced also to believe that the end of this civilization is at hand. I would say further that under such conditions, the quicker this civilization reached its end, and gave way to a new and more virile civilization, the better for mankind.

Mr. President, our generation faces a most difficult situation. Artificial trade barriers, international misunderstandings, national political and economic blunders, sectional jealousies, personal greeds and selfishness, plus ignorance of the fact that war destroys and does not build, have for the time being paralyzed trade and commerce, and have forced us for the time being to adopt measures and policies from necessity that, if adopted as permanent measures and policies, must bring more misery and suffering to the human race than it is possible for me to conceive of.

Under conditions as they exist in this country and throughout the world today, I will admit that it seems necessary, in the interest of self-preservation, for us in this country to curtail production to meet consumptive market demands.

I am going along with a program which calls for reduced production of wheat, of corn, of hogs, and cattle and dairy

products—in fact, for reduced production of all the necessities and luxuries of life.

But I want to say, Mr. President, that to consider this as a permanent national policy, to make all our plans for the future of this Nation, for the future of the human race, on such a short-sighted policy would seem to me to amount to suicidal mania.

You cannot tell me, and make me believe it, that with millions of persons in this world suffering from hunger the way to improve this world and its peoples is to grow less wheat, less corn, less of all foodstuffs.

You cannot tell me, and make me believe it, that the way to human happiness is to deprive people of the necessities of life. What I am saying does not apply merely to foodstuffs. It applies to those things from which we make and provide clothing, shelter, communications, all the things that contribute to human welfare and well-being, that contribute to the pleasure and happiness and contentment and advancement of the human race.

Mr. President, the way to happiness for the people and prosperity for the Nation does not lie, in the long run, along the road of restriction, curtailment, destruction of things, and paralysis of trade.

The way to solve this so-called "overproduction", in the long run, is to attack the problems of distribution. We should adopt a long-time program which will call for more production of all the things that man desires and can use to his own advantage and better being.

Overproduction should be a blessing to mankind, not a curse, Mr. President.

It is not true overproduction that has brought us to our present sorry plight. In great part it is faulty distribution which says to the producer, "You have done such a good job that to punish you we will prevent others from using the good things you have produced."

We have so mismanaged the distribution of the wealth we have learned to produce that we say to those who have, "You cannot get rid of what you have except by becoming bankrupt." And we say to those who have not, "You cannot have any of those surpluses the producer has produced, except a meager portion handed you as one of a great world bread line."

Mr. President, the answer to this riddle we face today is not to cease production, but to start distribution. As a temporary economic expedient, I have accepted the program of the new deal calling for curtailment of production. But I want it understood I regard that as a temporary plan adopted to meet an emergency, not a permanent program to strangle future generations.

What I have just said, Mr. President, has an important bearing on the St. Lawrence Waterway Treaty.

There are those who for various reasons, some of them sincere, some of them insincere, many of them fallacious and really economically unsound—there are those who have been telling the people of my section of this Nation, the great agricultural Middle West, that we never more will produce farm products for export to the rest of the world.

I refuse to believe that. I cannot believe that. I will not believe that. It is true we do not at present have a profitable market for our products, either at home or abroad. But that is due to dislocations in international relations, and even more to the misunderstanding that conceives of merchandising as a sale, instead of as an exchange of commodities and services.

Those dislocations, Mr. President, in time will be reduced, many of them removed. Then we will see commerce resumed, factories running full tilt, our people employed, our farmers producing foodstuffs and exchanging them for the products of the factories. Then will prosperity return, and with it, I hope, we will acquire those measures of value and human relationships which will enable us to use and enjoy that prosperity.

Now, Mr. President, anything that reduces the load of transportation costs upon commodities will in the long run inure to the benefit of those who produce, and of those who consume that which they produced.

Transportation is the bridge between producer and consumer. We build bridges for the benefit, primarily, of those who must use the bridge. The bridge itself is only the means to an end. And if two bridges across a stream will handle the traffic better, we build the two bridges—we may build one for express traffic, one for slow freight traffic.

To my mind, something like this is the deciding factor in regard to the St. Lawrence waterway.

It will reduce transportation costs between much of the Middle West and the Northwest, on the one hand, and the nations of Europe, at least, on the other.

We are going to trade again with Europe, Mr. President, if this civilization is to continue to exist. No other future seems possible to me.

Also this project should cheapen transportation costs between the Middle West and sections of the East. It will tend to promote the commerce in goods between these sections.

The farmers of the agricultural Middle West cannot prosper by consuming their own products alone. They must exchange those products for manufactured products. Otherwise the industrial centers will be smothered, buried alive, under the surplus of manufactured products. Just as the farmers will be smothered, buried alive, under their own surplus production.

Whatever facilitates the exchange of these commodities is economically sound, to revive an expression that has been more or less discarded in the last few years. Believing the St. Lawrence waterway will expedite and increase the flow of commerce, I am for the treaty.

There is another reason, Mr. President, why I believe Senators from the Middle Western States will render a service to their States and the people of their States by supporting this treaty.

There is another point to which I wish to call attention, and this, frankly, is from a sectional rather than a national viewpoint.

When the Panama Canal was thrown open to navigation, Mr. President, it moved the Atlantic coast closer to the Pacific coast in terms of trade and commerce. Measured on unit costs of transportation, San Francisco became only 1,680 cents removed from New York, where it had been 1,904 cents away.

But the Middle West, measured in transportation costs, was moved farther away from both New York and San Francisco. Chicago moved 336 cents farther away from the Pacific coast; it moved 504 cents farther away from the Atlantic seaboard and South America. The same applies to Kansas City, and to Kansas and and adjoining and nearby States.

It is my hope and my belief, Mr. President, that the construction of the St. Lawrence Waterway, through reducing freight costs on what we have to sell and what we have to buy, will tend to right that situation. Then all parts of the country will share in the lower transportation costs.

I am not going into the question of power. It is highly important to other sections of the country. I am willing they should have cheaper power, because resultant cheaper production costs, again, should facilitate exchange of goods inside this Nation. And that will be an aid to trade and commerce.

As a Senator of the United States, and as a Senator from Kansas, it seems plainly my duty to support the St. Lawrence waterway project, and I shall vote to ratify the treaty.

FINANCIAL TRANSACTIONS WITH DEFAULTING GOVERNMENTS

Mr. JOHNSON. Mr. President, I ask as in legislative session that the Senate proceed to the consideration of Senate bill 682.

Mr. ROBINSON of Arkansas. The motion would be first to proceed to the consideration of the motion to reconsider.

Mr. JOHNSON. Yes.

Mr. ROBINSON of Arkansas. I understand that the Senator from California concedes the motion.

Mr. JOHNSON. I do. We have to go into legislative session first, I suppose.

Mr. ROBINSON of Arkansas. Yes.

Mr. JOHNSON. That was the reason why I made the request as I did.

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of legislative business.

The PRESIDING OFFICER (Mr. COSTIGAN in the chair). The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of legislative business.

Mr. JOHNSON. Now, I ask that we proceed to the consideration of the motion to reconsider which was entered January 11, 1934, in relation to Senate bill 682.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. JOHNSON. As the author of the bill, and the one responsible for its presentation to the Senate at the time it was presented, I consent, so far as I can, to the reconsideration of the action of the Senate in passing the bill.

The PRESIDING OFFICER. Without objection, the votes whereby the bill was ordered to be engrossed for a third reading and passed will be reconsidered.

Mr. JOHNSON. Mr. President, I am not going to attempt to make any speech whatsoever upon this subject, save to recall to the Senate what now is before it.

The bill is Senate bill 682. It was introduced March 22, 1933. It was favorably reported to the Senate by the Judiciary Committee, by the Senator from Arizona [Mr. ASHURST], on April 6, 1933.

On January 8, 1934, I asked and was given permission to have the bill reprinted with certain amendments that then were contemplated.

On the 11th day of January 1934 the bill was passed regularly here upon the calling of the calendar. Subsequently the Senator from Arkansas [Mr. ROBINSON] made the motion to reconsider which has just been granted.

Since that time I have been in consultation with the Senator from Arkansas and with the State Department and others who are interested in the bill, and since the time of the introduction of the measure, March 22, 1933, certain events have transpired in relation to the debts that are due to the United States from foreign governments that accentuate the necessity for the measure that is pending here.

The one great desideratum of the measure was that something should be done, even in small degree, concerning the defaults that had occurred in the debts due by other governments to the Government of the United States. The amendments that have been presented are amendments that have been written by those who thought the bill ought to be clarified and who thought, as well, that the measure should relate solely to governmental obligations—obligations due from other governments to the Government of our country.

In order that there may be immediate action if it be possible, and in order that the first desideratum of the bill may be accomplished, I have been very glad to consent—whether I was in whole-hearted accord with some of the amendment or not is immaterial—to the amendments thus presented by the different departments and the administration, and have this bill go upon record by vote of the Congress of the United States as the expression of the view of the Congress upon this subject.

So, Mr. President, I present the amendments that thus have been prepared by the various Departments, and ask that they be adopted.

We are now, I take it, at the stage of the bill at the time the amendments had been agreed to by the Senate just prior to its passage.

The VICE PRESIDENT. Will the Senator permit the Chair to state the parliamentary situation? The bill has been reconsidered.

Mr. JOHNSON. Yes, sir.

The VICE PRESIDENT. And, without objection, the amendments will be reconsidered.

Mr. JOHNSON. No; if the President will pardon me, if you please, the amendments are agreed to, and there is no question upon those amendments.

The VICE PRESIDENT. The amendments about to be proposed do not include any amendments that have already been adopted?

Mr. JOHNSON. Certain amendments were adopted that appear in the bill as ultimately engrossed.

The VICE PRESIDENT. And the Senator's proposed amendments do not interfere with those amendments?

Mr. JOHNSON. No, sir; they are entirely new.

The VICE PRESIDENT. Then the parliamentary status is as it should be.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator will pardon me, the Chair's suggestion in that particular is well worthy of consideration in connection with the amendment on line 7 of page 1 of the bill. The question is purely technical.

Mr. JOHNSON. That is one of the new amendments, if the Senator will pardon me. That is not an amendment that we adopted in the bill when it was passed. I was going to call off these amendments; and if the Senator will follow me, he will see that that is the case.

Mr. ROBINSON of Arkansas. I think the Senator will see that the amendment in question really is a modification of one of the amendments heretofore agreed to.

Mr. JOHNSON. That may be true.

The first amendment that I suggest, and to which I have acceded, is, after the word "government", in line 7, page 1, to insert the words:

Or political subdivision thereof, or any organization or association acting for or on behalf of a government or political subdivision thereof.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. In order that the clerk may have before him the amendments that have thus been suggested, I hand him a copy of the bill with the amendments inserted.

The VICE PRESIDENT. Are there other amendments?

Mr. JOHNSON. Yes, sir.

The next amendment that has been suggested is, on page 2 of the bill, to strike out, in line 1, the two words "including any."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. The next one is, after the word "subdivision", in line 2, page 2, to insert:

Organization, or association, except a renewal or adjustment of existing indebtedness.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. In line 2, page 2, strike out the word "or."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. The next amendment is, in line 3, page 2, after the word "division", to insert "organization or association."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. In line 4, after the word "Government", insert "of the United States."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. Beginning with the word "and", in line 4, page 2, strike out down to and including the designation "United States", in line 6, page 2.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. After line 11, page 2, insert the following:

Other than a public corporation created by or pursuant to special authorization of Congress, or a corporation in which the Government of the United States has or exercises a controlling interest, through stock ownership or otherwise.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JOHNSON. Those are the amendments.

Mr. ROBINSON of Arkansas. Mr. President, I call the Senator's attention to a transposition of a sentence on page 1.

Mr. JOHNSON. I am unable to see that it makes any difference in the text, and I suggest to the Senator from Arkansas that he present it.

Mr. ROBINSON of Arkansas. Very well. I move to transpose the following language:

Within the United States or any place subject to the jurisdiction of the United States—

So as to have it follow the word "unlawful" in line 3.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. ROBINSON of Arkansas. May I say that in my judgment the amendment does not change the meaning and effect of the bill; but the suggestion has been made by a prominent attorney that it does involve a question of the substance, and, as I understand, it is in harmony with the purpose of the bill.

Mr. HEBERT. Mr. President, I am in sympathy with what is sought to be accomplished by the provisions of this bill. I have not studied it up to this time. It occurred to me that undoubtedly the Senator from California has, and that he could inform me whether or not, in his opinion, this measure will in any way impinge upon the rights of nations with whom we have treaty relations. Those treaties, of course, are the supreme law of the land, and we are bound by their provisions. It occurred to me that possibly the Senator has studied that matter.

Mr. JOHNSON. I think I can answer the Senator that the bill will not have that effect; and I may say to him that it is the State Department itself that has prepared these amendments.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter it shall be unlawful within the United States or any place subject to the jurisdiction of the United States for any person to purchase or sell the bonds, securities, or other obligations of any foreign government or political subdivision thereof or any organization or association acting for or on behalf of a foreign government or political subdivision thereof, issued after the passage of this act, or to make any loan to such foreign government, political subdivision, organization, or association, except a renewal or adjustment of existing indebtedness while such government, political subdivision, organization, or association is in default in the payment of its obligations, or any part thereof, to the Government of the United States. Any person violating the provisions of this act shall upon conviction thereof be fined not more than $10,000 or imprisoned for not more than 5 years, or both.

SEC. 2. As used in this act the term "person" includes individual, partnership, corporation, or association other than a public corporation created by or pursuant to special authorization of Congress, or a corporation in which the Government of the United States has or exercises a controlling interest through stock ownership or otherwise.

PRICE FIXING UNDER STEEL CODE—PRICE OF GASOLINE

Mr. BORAH. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S.Res. 166) was read, as follows:

Resolved, That the Federal Trade Commission be, and the same is hereby, directed to make an investigation and study of the steel code and report the result thereof to the Senate as soon as practicable, showing:

First, the practice of the steel industry under the code with reference to price fixing, the increase of price of steel products, and such other matters as would give a full presentation of facts touching the industry since it went under the N.R.A. code.

Second, that said Federal Trade Commission report to the Senate the increase in the price of gasoline during the last 6 months and what the increase of price means to the users of gasoline throughout the country in the way of additional cost.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Mr. President, I ask the Senator from Idaho to explain the resolution.

Mr. BORAH. The resolution calls for a report by the Federal Trade Commission, first, upon the steel code, as to whether or not, under the code, the steel industry has been engaged in price fixing. Secondly, it calls for a report as to the increase in the price of gasoline during the last 6 months.

Mr. ROBINSON of Arkansas. I have no objection to the consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none.

The resolution was considered by the Senate and agreed to.

CROP-PRODUCTION AND HARVESTING LOANS

Mr. SMITH. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1975, the crop-production bill.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1975) to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 2, line 4, after the word "agency", to insert "or agencies", so as to make the bill read:

Be it enacted, etc., That the Governor of the Farm Credit Administration is authorized to make loans to farmers during the year 1934 of the same character and for the same purposes as the loans provided for by the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes", approved February 4, 1933. All loans made pusuant to this act shall be subject, so far as practicable, to the same terms and conditions (including penalties) as the loans made pursuant to such act of February 4, 1933.

SEC. 2. The Governor of the Farm Credit Administration is authorized and directed to establish an agency or agencies in each State with full authority to approve loans to persons in such State pursuant to this act and to make payments and take such action as may be necessary in connection with such loans. The Governor is further authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000, or so much thereof as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from South Carolina should take the time to explain the amendments that are being made to the bill.

Mr. SMITH. Mr. President, those interested in the pending bill had a meeting with the Governor of the Farm Credit Association, at which meeting certain amendments were agreed to. Those amendments will now be offered by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the first amendment I offer is on page 2, line 13, to strike out "$100,000,000" and insert in lieu thereof "$45,000,000."

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 13, it is proposed to strike out "$100,000,000" and insert "$45,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. FRAZIER. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from North Dakota?

Mr. McKELLAR. I yield.

Mr. FRAZIER. I attended the conference held last Monday with Governor Myers and some of the others from the Farm Credit Administration, and heard the discussion referred to by the Senator from South Carolina. I protested at that time and stated that, in my opinion, $45,000,000 was not enough to take care of the feed and seed loans to be made this spring. It is true that in the 1933 loan only $57,000,000 was used, but in some of the hard spring wheat States—North Dakota, South Dakota, Montana, and a part of Minnesota, at least—the farmers are positive they will need more loans than they received or applied for a year ago. The language of the bill provides for the lending of the amount included in the bill or as much thereof as may be necessary. Last year there was $90,000,000 provided, out of which $57,000,000 was used, and the balance, of course,

was returned to the Treasury as unexpended. It seems to me, Mr. President, that the amendment should provide a larger amount than the $45,000,000 proposed. I wish the Senator from Tennessee would substitute "$75,000,000" in place of "$45,000,000."

Mr. McKELLAR. Mr. President, it will be impossible to do so for a number of reasons. It will be recalled that Dr. Myers, Governor of the Farm Credit Administration, stated that the most they could hope to secure at that time was $30,000,000. The Senator from South Carolina [Mr. SMITH] has since seen the President and has made an arrangement whereby $45,000,000 will be satisfactory.

It seems to me, in view of the fact that the crop production bank will be put in operation and will thereby take at least a quarter of the loans, that $45,000,000 is tantamount to the $57,000,000 used last year. It is in the discretion of the Secretary of Agriculture to use more of the money or to have the money used or allotted as he sees fit. I have no doubt that the territory in the Northwest, to which the Senator from North Dakota refers, will be amply protected by the use of the $45,000,000, and I hope the Senator will not offer an amendment to the proposed amendment.

The Senator from North Dakota will recall that several days ago all the friends of this movement met together and the matter was thrashed out thoroughly by everybody. Governor Myer was present and was exceedingly agreeable about it; he wanted to carry out the proposal, was perfectly willing that it should be carried out, and, after everyone was heard, a compromise arrangement was entered into.

I hope the Senator from North Dakota will let the amendment be adopted as it was agreed upon at that time.

Mr. FRAZIER. Mr. President, will the Senator from Tennessee further yield?

Mr. McKELLAR. I yield.

Mr. FRAZIER. I feel quite sure in my own mind if the amendment carrying $45,000,000 shall be adopted that we will have to have a further appropriation later on in the session in order to take care of the situation, unless the money shall come from some other fund. The regional credit associations to which the Senator refers are for the purpose of making loans to farmers, but can only make loans to farmers who have adequate security. The farmers in the drought-stricken areas, who had no crops last year, and some of whom had very little of crops the previous year, have, as a result of that condition, coupled with the low prices, no purchasing power, no credit, and no security to offer at this time for a loan.

Mr. McKELLAR. Mr. President, my judgment is that we had better accept the figures that were agreed upon by the conference. I will say to the Senator from North Dakota that I have the greatest consideration and sympathy for the situation that he has described in his section of the country, and I shall be glad to join him in any way I can to help arrange the matter.

Mr. SMITH. Mr. President, will the Senator from Tennessee allow me to make a statement at this point?

Mr. McKELLAR. Certainly.

Mr. SMITH. An effort is now being made, with great success up to the present time, for the Government to rent certain acreage from the producers of stable crops. It has been provided that the rental shall be paid half at planting time and half at gathering time, and in addition to the rental of the acreage there is to be an allotment according to the 5-year average. It is thought that such an arrangement will go largely toward aiding in financing the present crop. So it is my opinion that the amount now proposed will come nearer meeting the situation than the $57,000,000 flat did last year. It is estimated that there will be $125,000,000 distributed on the acreage rental plan. There will be an additional allotment, perhaps, amounting to $50,000,000 or $60,000,000. So the farmers of the country, in addition to the proposed $45,000,000, will have allocated to them something like $200,000,000 in the form of acreage rentals and allotments.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from South Carolina permit an interruption?

Mr. SMITH. Certainly.

Mr. ROBINSON of Arkansas. Is it not a fact that the Farm Credit Administration estimated that a less sum than is carried in the proposed amendment, namely, $30,000,000 would be adequate for the purposes of this provision?

Mr. SMITH. Yes.

Mr. FRAZIER. Mr. President, I ask the Senator from Tennessee to yield further.

Mr. McKELLAR. I yield.

Mr. FRAZIER. I know that the allotment plan and the rental of acreage are helping somewhat, but in the drought-stricken sections the allotments the farmers are receiving for their wheat will to only a small extent assist them in getting groceries throughout the winter and that is all. In view, however, of what the Senator from Tennessee and the Senator from South Carolina have said, I will not offer an amendment to the bill at this time, but I do want it distinctly understood, if the farmers of the drought-stricken territories and the spring-wheat territory shall need more money, that another bill will have to be introduced later on.

Mr. SHIPSTEAD. Mr. President, will the Senator from Tennessee yield for a question?

Mr. McKELLAR. I yield.

Mr. SHIPSTEAD. If it should develop that the proposed fund will not be sufficient to take care of the seed loans, and Congress should adjourn prior to the time of the spring planting—I do not know whether it will or not, but there are rumors that we may adjourn in April—does the Senator know of any other fund from which seed loans could be taken?

Mr. McKELLAR. I know of none, except from the crop production bank. There will be a crop production bank organized in every State of the Union.

Mr. SHIPSTEAD. It will require security, however, before the farmer may make a loan?

Mr. McKELLAR. It will require security satisfactory to the operators of that bank.

Mr. SHIPSTEAD. The trouble with that is that in many of the drought-stricken areas the farmers do not have any security.

Mr. McKELLAR. The Senator knows how much trouble we have had in getting as far as we have with this matter, and I hope that he will now not offer an amendment after the bill has been so thoroughly gone over.

Mr. SHIPSTEAD. I merely wanted the Senator to let us know if there will be any other fund available in case Congress shall not be in session at the time of the spring planting.

Mr. McKELLAR. None, except the crop production bank.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR].

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 4, beginning with the word "and", it is proposed to strike out through the word "State" in line 5, and to insert in lieu thereof the following:

In his discretion to establish such agencies in any State as he may deem necessary to carry out the purposes of this act.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer a further amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 14, it is proposed to insert the following:

SEC. 4. The interest on loans made by the Governor pursuant to this act shall be at a rate not to exceed 5½ percent per annum, and the amount charged to any borrower as a recording fee in connection with any such loan shall not exceed 50 cents. The amount which may be loaned to any borrower pursuant to this act shall not exceed $250, unless in the opinion of the Governor the circumstances surrounding the loan are such as to warrant a larger amount; but in no event shall any borrower be entitled to loan hereunder in excess of $400.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. SMITH. Mr. President, if the Senator from Tennessee [Mr. McKELLAR] will allow me, I desire to make a statement concerning that 50-cent recording fee.

Governor Myers stated that it was a tremendous expense to the Government to pay the recording fees, and he thought that the borrower should at least be required to pay a part thereof. He at first insisted that the borrower should pay it all, but some of us called his attention to the fact that it is all they can do to pay the loan with the last possible expense.

The point I desire to make, however, is that the Governor claimed that the Government paid the entire recording fee and that it amounted to perhaps $100,000 or more. The Senator from Georgia [Mr. RUSSELL] was there and heard the Governor's statement that these recording-fee expenses were greater than the interest charged on the money. We agreed then that the borrower should not pay more than 50 cents flat as the recording fee.

Mr. McKELLAR. And, may I say, Mr. President, that is just half what it was proposed by the Governor they should pay.

Mr. SMITH. That is right.

Mr. RUSSELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Georgia?

Mr. McKELLAR. I yield.

Mr. RUSSELL. The question of recording fees has been a constant bone of contention in my State, and I know in other States, ever since the seed-loan policy was inaugurated, and in order to obviate any possible misunderstanding I hope that the Senator from Tennessee will agree to a modification of his amendment by adding in line 5, after the 50-cent limitation on the borrower, the following language:

And the remainder, if any, of any legal fees incurred in making such loans shall be paid by the Farm Credit Administration.

Mr. McKELLAR. I accept the amendment, Mr. President, so far as I am concerned. I see no objection to it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the Senator from Tennessee [Mr. McKELLAR].

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McKELLAR. Mr. President, I offer a further amendment to carry out the same understanding and agreement.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 9, it is proposed to strike out the word "all" and to insert in lieu thereof the words "except as hereinafter provided, all."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Are there further amendments to be proposed? If not, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The bill as passed is as follows:

Be it enacted, etc., That the Governor of the Farm Credit Administration is authorized to make loans to farmers during the year 1934 of the same character and for the same purposes as the loans provided for by the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes", approved February 4, 1933. Except as hereinafter provided, all loans made pursuant to this act shall be subject, so far as practicable, to the same terms and conditions (including penalties) as the loans made pursuant to such act of February 4, 1933.

SEC. 2. The Governor of the Farm Credit Administration is authorized, in his discretion, to establish such agencies in any State as he may deem necessary to carry out the purposes of this act, with full authority to approve loans to persons in such State pursuant to this act and to make payments and take such action as may be necessary in connection with such loans. The Governor is further authorized to make such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury and not otherwise appropriated, the sum of $45,000,000, or so much thereof as may be necessary to carry out the provisions of this act.

SEC. 4. The interest on loans made by the Governor pursuant to this act shall be at a rate not to exceed 5½ percent per annum and the amount charged to any borrower as a recording fee in connection with any such loan shall not exceed 50 cents, and the remainder, if any, of any legal fees incurred in making said loan shall be paid by the Farm Credit Administration. The amount which may be loaned to any borrower pursuant to this act shall not exceed $250 unless, in the opinion of the Governor, the circumstances surrounding the loan are such as to warrant a larger amount; but in no event shall any borrower be entitled to a loan hereunder in excess of $400.

AMENDMENT TO INLAND WATERWAYS CORPORATION ACT

Mr. BORAH. Mr. President, I ask unanimous consent for the present consideration of Order of Business No. 258, being Senate bill 2347. It is a measure almost entirely of local concern and provides for an amendment to the Inland Waterways Corporation Act.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2347) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, which was read, as follows:

Be it enacted, etc., That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the transportation act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out after the word "Warrior" the words "River or the Mississippi River", and inserting in lieu thereof a comma and the words "Mississippi, Columbia, or Snake Rivers,".

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from Idaho should explain the effect of the bill.

Mr. BORAH. Mr. President, the Senate will recall that the Inland Waterways Corporation Act provides that anyone, including the Inland Waterways Corporation, engaged or about to engage in conducting a common-carrier service upon the Warrior River or the Mississippi River, or any tributaries thereof, may apply to the Interstate Commerce Commission for what is called a "public convenience or necessity permit", and the Interstate Commerce Commission, if it grants it, may then adjust the rates on the rivers in connection with the railroads, and so forth. The effect of this bill is simply to include the Columbia and Snake Rivers along with the Warrior River and the Mississippi River and its tributaries.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BORAH. Yes.

Mr. SHIPSTEAD. Is the bill for the purpose of giving these rivers the benefit of the law passed by Congress a few years ago in the matter of joint rates?

Mr. BORAH. The act was passed in 1926. I will read a portion of the act to the Senator:

Any person, firm, or corporation, including the Inland Waterways Corporation, engaged or about to engage in conducting a common-carrier service upon the Warrior River or the Mississippi River, or any tributaries thereof, may apply to the Interstate Commerce Commission and obtain a certificate of public convenience and necessity in accordance with the provisions of section 1 of the Interstate Commerce Act, as amended, and the Interstate Commerce Commission shall thereupon, by order, direct all connecting common carriers and their connections to join with such water carrier in through routes and joint rates with reasonable rules, regulations, and practices—

And so forth.

This bill simply includes the Columbia and Snake Rivers in connection with the Warrior River and the Mississippi River and its tributaries.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BORAH. I ask unanimous consent to insert in the RECORD in connection with the bill an editorial from the Lewiston (Idaho) Morning Tribune.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Lewiston Morning Tribune]

LINKING RAILWAYS WITH THE OPEN RIVER

Passage of the bill which was introduced in Congress this week by Senator BORAH, extending the rate provisions of the Inland Waterways Corporation Act to the Snake and Columbia Rivers, will be an essential step in assuring profitable use of the great Northwest waterway upon its completion. It also emphasizes a point which sometimes is overlooked in consideration of the project—that its benefits will go not alone to the communities situated along the rivers, but will extend to producers and shippers throughout the whole inland empire.

In ordering the railroads to establish joint rates with the Inland Waterways Corporation lines along the Mississippi River system, Congress stipulated that these rates should be made between points not materially more distant from each other by rail and water than by rail alone, the evident purpose being to prevent unnecessary movement and to restrict use of the waterways to economic limitations. In other words, when a shipment can reach its destination by rail and water at substantially the same mileage that it would have to travel by rail alone, or less, it would be entitled to the lower joint charges of carriage.

The Interstate Commerce Commission is required by law to adjust rates so that both rail and water transportation shall be fostered; to establish minimum rates on rail lines competing with water lines and to make these rates as much above those of water lines as cost of operation by rail is above that by water. The rates are not prescribed in the Commission's order; that is made the task of those to whom the order is issued. It has prescribed on the Mississippi that the joint rates shall be approximately 80 percent of the existing all-rail charges between the same points. It is likely that a similar basis would be adopted for the Columbia-Snake River Waterway.

While the general provisions of the act would apply to the local waterway, joint routes and rates could not become operative until a full hearing was held by the Interstate Commerce Commission, with intricate legal procedure, appeals, and other complications which could long delay securing the benefits of the cheaper carriage by water. What Senator Borah's bill asks is that this "red tape" be clipped and that joint rail and water rates be automatically established upon opening of the Snake-Columbia Waterway, as has been done on the Mississippi, subject, of course, to revision upon protest of the railways, but in effect during the period of litigation. As Capt. Arthur Ward pointed out in submitting the request on behalf of the local open-river interests, "Inasmuch as we are asking for equal treatment and in no sense are proposing a new precedent, we see no reason why prompt and favorable action should not be had in this instance."

And what about the railroads and their relationship to the waterway in its general phases? That is a point about which there has been much misunderstanding and specious reasoning.

The past antagonism of the railways to any competitive river development, open and underhanded, is a rather unpleasant matter of record. There are some who have harbored honest doubts regarding the claim sometimes advanced that restoring boats on the river would ruin the rail carriers. If this were true, if establishment of waterway service would merely milk the railroads while helping the inland empire to a degree, the entire project would be a disappointment.

Available facts and experience elsewhere, however, do not indicate any such conclusions. The tragic truth is that agriculture and industry in this vast empire are perishing slowly under the burden of high rail rates which permit no margin of profit, and the railways profess that these rates are as low as operation costs will permit. These conditions would indicate that both the producers and the railways are going down into bankruptcy together and that the carriers can offer no hope of relief. Surely, then, they can have no reasonable objection to any development which will bring back even a degree of prosperity to the region they serve, and which they will continue to serve after the rivers are opened.

The experience with waterways in the Middle West and elsewhere has been that both the river and rail carriers have shared the beneficial effects. River transportation under any circumstances cannot compete with the new development of fast rail transportation of class freight. The rivers cannot cut in on the railroads' passenger business. But the rivers can, jointly with the railroads, make it possible to move bulk freight at lower rates and therefore in greater quantities. The rivers can bring back an income to the people which will make it possible for them to purchase those manufactured and other products which the railroads alone can carry. The rivers, when properly used, can strengthen the whole economic and industrial structure of the Northwest States. The flow of goods as well as the flow of produce can be stimulated and resources which are dependent on cheap transportation can be developed. As business multiplies and the interior prospers, the railroads will prosper also and be able to give better service in their field.

Lewiston, in its long battle to secure river transportation, has no quarrel with the railroads. Its only concern is whether this great region shall live and prosper or decline into decay. The railroads cannot afford to take the same obstructive stand toward this proposal that they have taken in the past. The railroads are not going to be destroyed when this project goes through. They can, if they cooperate, make the inevitable development of great advantage to themselves in the long run.

Mr. SHIPSTEAD. Mr. President, in connection with the remarks of the Senator from Idaho, and following his remarks, I ask unanimous consent to have printed in the RECORD a message sent to the Congress of the United States by President Theodore Roosevelt on the question of inland waterways.

The discussion on the St. Lawrence Seaway Treaty having had so much to do with transportation on water, I think this message of President Theodore Roosevelt, dated February 26, 1908, transmitting to the Congress the preliminary report of the Inland Waterways Commission, previously appointed by President Roosevelt, will be of interest, and I ask that the message may be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

[S. Doc. No. 325, 60th Cong., 1st sess.]

PRELIMINARY REPORT OF THE INLAND WATERWAYS COMMISSION

To the Senate and House of Representatives:

I transmit herewith a preliminary report from the Inland Water-Ways Commission, which was appointed by me last March in response to a widespread interest and demand from the people. The basis of this demand lay in the general and admitted inability of the railroads to handle promptly the traffic of the country, and especially the crops of the previous fall.

This report is well worth your attention. It is thorough, conservative, sane, and just. It represents the mature judgment of a body of men exceptionally qualified, by personal experience and knowledge of conditions throughout the United States, to understand and discuss the great problem of how best to use our waterways in the interest of all the people. Unusual care has been taken to secure accuracy and balance of statement. If the report errs at all, it is by overconservatism. It contains findings or statements of fact, a number of specific recommendations, and an account of inquiries still in progress, and it is based in part on statistics and other information contained in a voluminous appendix. The subject with which it deals is of critical importance both to the present and the future of our country.

Our river systems are better adapted to the needs of the people than those of any other country. In extent, distribution, navigability, and ease of use they stand first. Yet the rivers of no other civilized country are so poorly developed, so little used, or play so small a part in the industrial life of the Nation as those of the United States. In view of the use made of rivers elsewhere, the failure to use our own is astonishing, and no thoughtful man can believe that it will last. The accompanying report indicates clearly the reasons for it and the way to end it.

The Commission finds that it was unregulated railroad competition which prevented or destroyed the development of commerce on our inland waterways. The Mississippi, our greatest natural highway, is a case in point. At one time the traffic upon it was without a rival in any country. The report shows that commerce was driven from the Mississippi by the railroads. While production was limited, the railways, with their convenient terminals, gave quicker and more satisfactory service than the waterways. Later they prevented the restoration of river traffic by keeping down their rates along the rivers, recouping themselves by higher charges elsewhere. They also acquired water fronts and terminals to an extent which made water competition impossible. Throughout the country the railways have secured such control of canals and steamboat lines that today inland waterway transportation is largely in their hands. This was natural and doubtless inevitable under the circumstances, but it should not be allowed to continue unless under careful Government regulation.

Comparatively little inland freight is carried by boat which is not carried a part of its journey by rail also. As the report shows, the successful development and use of our interstate waterways will require intelligent regulation of the relations between rail and water traffic. When this is done the railways and waterways will assist instead of injuring each other. Both will benefit, but the chief benefit will accrue to the people in general through quicker and cheaper transportation.

The report rests throughout on the fundamental conception that every waterway should be made to serve the people as largely and in as many different ways as possible. It is poor business to develop a river for navigation in such a way as to prevent its use for power, when by a little foresight it could be made to serve both purposes. We cannot afford needlessly to sacrifice power to irrigation, or irrigation to domestic water supply, when by taking thought we may have all three. Every stream should be used to the utmost. No stream can be so used unless such use is planned for in advance. When such plans are made we shall find that, instead of interfering, one use can often be made to assist another. Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such. Navigation of the lower reaches of a stream cannot be fully developed without the control of floods and low waters by storage and drainage. Navigable channels are directly concerned with the protection of source waters and with soil erosion, which takes the materials for bars and shoals from the richest portions of our farms. The uses of a stream for domestic and municipal water supply, for power, and in many cases for irrigation, must also be taken into full account.

The development of our inland waterways will have results far beyond the immediate gain to commerce. Deep channels along the Atlantic and Gulf coasts and from the Gulf to the Great Lakes will have high value for the national defense. The use of water power will measurably relieve the drain upon our diminishing supplies of coal, and transportation by water instead of rail only will tend to conserve our iron. Forest protection, without which river improvement cannot be permanent, will at the same time help to postpone the threatened timber famine, and will secure us against a total dearth of timber by providing for the perpetuation of the remaining woodlands. Irrigation will create the means of livelihood for millions of people, and supplies of pure water will powerfully promote the public health. If the policy of waterway improvement here recommended is carried out, it will affect for good every citizen of the Republic. The National Government must play the leading part in securing the largest possible use of our waterways; other agencies can assist and should assist, but the work is essentially national in its scope.

The various uses of waterways are now dealt with by bureaus scattered through four Federal departments. At present, therefore, it is not possible to deal with a river system as a single problem. But the Commission here recommends a policy under which all the commercial and industrial uses of the waterways may be developed at the same time. To that end, Congress should provide some administrative machinery for coordinating the work of the various departments so far as it relates to waterways. Otherwise there will not only be delay, but the people as a whole will fail to get from our streams the benefits to which they are justly entitled.

The Commission recognizes that the cost of improving our inland waterways will be large, but far less than would be required to relieve the congestion of traffic by railway extension. The benefits of such improvement will be large also, and they will touch the daily life of our people at every point, uniting the interests of all the States and sections of our country. The cost and the benefits should be equitably distributed, by cooperation with the States and the communities, corporations, and individuals beneficially affected. I heartily concur in the Commission's recommendation to this end. Such cooperation should result in united effort in carrying out the great duty of improving our inland waterways. While we delay our rivers remain unused, our traffic is periodically congested, and the material wealth and natural resources of the country related to waterways are being steadily absorbed by great monopolies.

Among these monopolies, as the report of the Commission points out, there is no other which threatens, or has ever threatened, such intolerable interference with the daily life of the people as the consolidation of companies controlling water power. I call your special attention to the attempt of the power corporations, through bills introduced at the present session, to escape from the possibility of Government regulation in the interests of the people. These bills are intended to enable the corporations to take possession in perpetuity of national forest lands for the purposes of their business, where and as they please, wholly without compensation to the public. Yet the effect of granting such privileges, taken together with rights already acquired under State laws, would be to give away properties of enormous value. Through lack of foresight we have formed the habit of granting without compensation extremely valuable rights amounting to monopolies on navigable streams and on the public domain. The repurchase at great expense of water rights thus carelessly given away without return has already begun in the East, and before long will be necessary in the West also. No rights involving water power should be granted to any corporations in perpetuity, but only for a length of time sufficient to allow them to conduct their business profitably. A reasonable charge should of course be made for valuable rights and privileges which they obtain from the National Government. The values for which this charge is made will ultimately, through the natural growth and orderly development of our population and industries, reach enormous amounts. A fair share of the increase should be safeguarded for the benefit of the people, from whose labor it springs. The proceeds thus secured, after the cost of administration and improvement has been met, should naturally be devoted to the development of our inland waterways.

The report justly calls attention to the fact that hitherto our national policy has been one of almost unrestricted disposition and waste of natural resources, and emphasizes the fundamental necessity for conserving these resources upon which our present and future success as a Nation primarily rests. Running water is a most valuable natural asset of the people, and there is urgent need for conserving it for navigation, for power, for irrigation, and for domestic and municipal supply.

The Commission was appointed to obtain information concerning our waterways as related to the general welfare. Much work was done, but more remains to be done before a plan for their development can be prepared in detail. We need additional information on the flow of our streams, the condition of channels, the amount and cost of water traffic, the requirements for terminals, the area in each watershed which should be kept under forest, and the means of preventing soil waste and the consequent damage to our rivers. But it is neither necessary nor desirable to postpone the beginning of the work until all the facts are obtained. We have suffered heavily in the past from the lack of adequate transportation facilities, and unless a beginning is made promptly we shall suffer still more heavily in the future.

Being without funds or an expert staff, the Commission has confined itself to principles affecting the whole problem and the entire country. Its report is a plea, in the light of actual facts, for simplicity and directness in dealing with the great problem of our inland waterways in the interest of the people. It submits no specific plans or recommendations concerning even the most important projects. The first of these of course concerns the Mississippi and its tributaries, whose commercial development will directly affect half our people. The Mississippi should be made a loop of the sea and work upon it should be begun at the earliest possible moment. Only less important is the Atlantic inner passage, parts of which are already under way. The inner passages along the Gulf coast should be extended and connected with the Atlantic waters. The need for the developing of the Pacific coast rivers is not less pressing. Our people are united in support of the immediate adoption of a progressive policy of inland waterway development.

Hitherto our national policy of inland waterway development has been largely negative. No single agency has been responsible under the Congress for making the best use of our rivers, or for exercising foresight in their development. In the absence of a comprehensive plan, the only safe policy was one of repression and procrastination. Frequent changes of plan and piecemeal execution of projects have still further hampered improvement. A channel is no deeper than its shallowest reach, and to improve a river short of the point of effective navigability is a sheer waste of all it costs. In spite of large appropriations for their improvement, our rivers are less serviceable for interstate commerce today than they were half a century ago and in spite of the vast increase in our population and commerce they are on the whole less used.

The first condition of successful development of our waterways is a definite and progressive policy. The second is a concrete general plan, prepared by the best experts available, covering every use to which our streams can be put. We shall not succeed until the responsibility for administering the policy and executing and extending the plan is definitely laid on one man or group of men who can be held accountable. Every portion of the general plan should consider and, so far as practicable, secure to the people the use of water for power, irrigation, and domestic supply as well as for navigation. No project should be begun until the funds necessary to complete it promptly are provided, and no plan once under way should be changed except for grave reasons. Work once begun should be prosecuted steadily and vigorously to completion. We must make sure that projects are not undertaken except for sound business reasons, and that the best modern business methods are applied in executing them. The decision to undertake any project should rest on actual need, ascertained by investigation and judgment of experts and on its relation to great river systems or to the general plan, and never on mere clamor.

The improvement of our inland waterways can and should be made to pay for itself so far as practicable from the incidental proceeds from water power and other uses. Navigation should, of course, be free. But the greatest return will come from the increased commerce, growth, and prosperity of our people. For this we have already waited too long. Adequate funds should be provided, by bond issue, if necessary, and the work should be delayed no longer. The development of our waterways and the conservation of our forests are the two most pressing physical needs of the country. They are interdependent, and they should be met vigorously, together, and at once. The questions of organization, powers, and appropriations are now before the Congress. There is urgent need for prompt and decisive action.

THEODORE ROOSEVELT.

THE WHITE HOUSE, *February 26, 1908.*

LIMITATION OF JURISDICTION OF UNITED STATES DISTRICT COURTS

Mr. JOHNSON. I move that the Senate proceed to the consideration of Order of Business No. 140, being Senate bill 752.

The PRESIDENT pro tempore. The question is on the motion of the Senator from California.

Mr. KING. Mr. President, will the Senator indicate the character of the bill?

Mr. JOHNSON. Mr. President, the bill is one limiting the jurisdiction of the Federal courts in the matter of public utility rate fixing. I can state in a sentence the purpose of the bill.

Mr. KING. I am familiar with it. I did not know that was the bill for which the Senator desired consideration.

Mr. JOHNSON. If the bill shall be taken up I intend to call for a quorum, as the Senator from Vermont [Mr. AUSTIN] desires to be heard upon the subject.

Mr. KING. Mr. President, does the Senator from California intend to have a vote on the bill today? A number of us would like to be present, and I am compelled to be absent for a couple of hours, my absence being imperative on account of a prior engagement in connection with public matters. I have no objection to the consideration of the bill if a vote is not had today.

Mr. JOHNSON. I will say that I took this opportunity because the business of the Senate is practically at an impasse for the moment, and I thought that we might

utilize the time upon a bill which is of very extraordinary importance to every State that has a public-service commission and that endeavors to regulate the public utilities within its borders.

Mr. KING. I have no objection to the consideration of the bill. The only question I had in mind, a number of Senators being absent in committees and otherwise, was whether the Senator wanted a vote on the bill this afternoon or when we finish its consideration today take a further moment on Monday to act upon it. I have no objection to its consideration at this time.

Mr. ROBINSON of Arkansas. Mr. President, some days ago the Senator from California suggested to me that he should like at an opportune time to proceed to the consideration of this bill. I looked into the subject matter of the bill, read the report on it, and advised him that I thought probably today would be an opportune time to take it up. The Senator stated to me that he had no disposition to hasten unduly action on the bill; that it had been here for a long time and had been reported upon over and over again by the Judiciary Committee; and that he would like to secure action on it during the present session. I reaffirm the statement already made to him that I thought perhaps today would be an opportune time to take up the bill.

A great many Senators have approached me regarding a recess over tomorrow, and I have in mind when the Senate concludes its labors today moving a recess until Monday.

Mr. JOHNSON. I may suggest to the Senator from Arkansas that I will be perfectly willing if there is any disposition to postpone this bill until Monday to take it up on Monday afternoon, if we may do so.

Mr. KING. Let the bill be debated today, and let a vote be taken on Monday.

Mr. JOHNSON. I am very anxious to accommodate every Senator in relation to the measure.

Mr. ROBINSON of Arkansas. My suggestion is that we proceed with the consideration of the bill, and, then, if it appears that there is necessity for deferring action on it, that we adopt the course now suggested by the Senator from California.

Mr. JOHNSON. Very well.

The PRESIDING OFFICER (Mr. LOGAN in the chair). The question is on the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

Mr. ROBINSON of Arkansas. Now, Mr. President, I will suggest the absence of a quorum.

Mr. VANDENBERG. Before the Senator does that, may I say to the Senator that I am going to speak to this motion in respect to a phase of the St. Lawrence Seaway Treaty problem? No quorum is necessary for that purpose, and perhaps I may proceed ahead of the call for a quorum.

Mr. ROBINSON of Arkansas. Very well.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. LEWIS. Mr. President, will the Senator from Michigan yield to me?

Mr. VANDENBERG. I yield.

Mr. LEWIS. May I ask the leader of the majority, the distinguished Senator from Arkansas [Mr. ROBINSON], if there has been reached such an understanding, as yesterday we understood was to be taken up, concerning a vote on the St. Lawrence Waterway Treaty, as there are a number of Senators who desire to speak, and I should like to be able to let them know when they may proceed?

Mr. ROBINSON of Arkansas. No, Mr. President; a request was made yesterday for a unanimous-consent agreement to vote on the treaty, but that request was objected to. There has as yet been no unanimous-consent agreement entered into.

Mr. VANDENBERG. Mr. President, on that point I should like to say to the Senator from Illinois that I trust he will remain in the Chamber, and I hope that, before the day is over, we may yet agree upon a time to vote, for I share his anxiety in that respect.

Mr. President, on yesterday I submitted to the Senate a very large number of petitions, which were placed in my hands from citizens of Michigan who are in opposition to the pending St. Lawrence Seaway Treaty. I undertook to make it perfectly plain, in connection with that presentation, that I wanted to be completely fair in giving this Michigan minority its full opportunity to register its full opposition and I had the full petition printed in yesterday's RECORD. But I stated, Mr. President, that I wanted, at a subsequent time, to analyze the basis of this action which has been taken by the thousands of citizens who have signed these petitions and the nature of the textual appeal which won their signatures, and that is what I now propose to do. I do it with the greatest respect for the attitudes of these 108,000 men and women who have signed these individual petitions; and for the purpose of assuring them that I would not stand in opposition to their views except for a deep-seated and profound conviction that they are mistaken in their facts.

This great number of petitions have been procured through the activity of a highly organized and aggressive association known as the Michigan Railroad Employees and Citizens' League. May I say that if I thought the facts respecting the seaway situation were as set forth in the text of the petition which these constituents of mine have signed in such great numbers, I should most cordially agree with their conclusions. But, Mr. President, I think, upon the other hand, if I were to write a petition setting forth the facts as I understand them to be and as they are certified by all the official information before the Senate, these same citizens who in such large numbers have signed this particular petition would just as cheerfully and enthusiastically agree with me that the treaty should be ratified. It all depends upon understanding of the facts.

Naturally, it is not a pleasant thing to be in disagreement with a large group of one's constituents. But I am profoundly of the opinion that these good men and women have signed the petitions under a misapprehension respecting the facts. I am profoundly of the opinion that many of the familiar misconceptions which have been exploded here upon the floor of the Senate under the whip and pressure of debate are the precise misconceptions which have unwittingly led to the erroneous conclusions that are contained in these petitions.

I want to make it perfectly plain that I do not criticize the motives in any degree of those who have undertaken this highly organized campaign in my State against the seaway treaty. I am perfectly sure that the men and women who have signed these petitions have done so in absolute good faith. I accept their expressions in this spirit, and I am confident they will accept my rejoinder in the same spirit. We all want to arrive at the wisest decision for both Michigan and the Republic. I beg of them, and of the Senate, to hear me in open-minded judgment.

Inasmuch as I must continue my disagreement with these petitioners, the thing I must point out is that the premise upon which the signatures are obtained is a premise which, in my humble judgment, has no foundation in fact. That is the controlling thesis to which I address myself.

The first sentence in these petitions reads as follows:

The waterway is not needed.

Mr. President, this statement is directly contrary to the findings in the official economic surveys made by the International Joint Commission in 1920, and I refer to Document No. 114 of the Sixty-seventh Congress, second session. It is equally contrary to the United States Department of Commerce study published as Senate Document No. 183, Sixty-ninth Congress, second session. It is also directly contrary to the findings submitted to the Senate by the President of the United States contemporaneously and sustained by him through down-to-date proof collected by his interdepartment surveyors who have canvassed the whole problem anew

within the last 6 months, and in the light of the latest available information.

To say that the waterway is not needed seems to me runs squarely counter to the officially demonstrated fact. I do not intend to thresh old straw. I do not intend to cover the argument which has been submitted time and time again to the Senate. I want simply to call the attention of these people—and they live not only in my State but throughout the Union, people who are reading hostile propaganda and depending upon it as a basis for their opinion—I want to call their attention to a contrary state of facts which, if true, would cause them to endorse this project, just as now, under a set of adverse facts, they proceed to criticize it.

They say the waterway is not needed. Just contemplate the physical facts involved. If there were a great highway across this country 1,500 miles long developed superbly at both ends for hundreds and hundreds of miles, and if the utility of that great highway was impaired and rendered relatively impotent by a single 40-mile section in the heart of it which was relatively impassable, would any sane man say that it was not necessary and advisable and desirable to develop that intervening 40-mile link so as to get the full advantage of the 1,500-mile highway?

I submit as an axiom that any such construction would proceed as a matter of elementary necessity and common sense. This analogy exists absolutely in respect to the St. Lawrence project. It is the precise St. Lawrence status in terms of a water highway.

Here is this great waterway already substantially built, built first by God himself, developed subsequently by the engineering genius of mankind. Here is a waterway already built at both ends and needing only this central link to complete the utility of the whole great undertaking.

"The waterway is not needed"? Mr. President, it is needed on the sheer basis of the physical aspect and challenge of the situation.

Certainly no one in the midcontinent should say that we of Michigan and the midcontinent do not need relief from the differential that runs against us in freight rates as the result of the existence of the Panama Canal. Ever since the Panama Canal was completed—and we of the Middle West cheerfully contributed our share of its cost without any respect as to whether we would be beneficiaries or not—the great midcontinent has been under a handicap as respects competition with the Atlantic and Pacific seaboards. I state unequivocally and without reservation that the waterway is needed in order to overcome this differential. It is particularly needed for this purpose by such States as Michigan.

Nor is that all. This great midcontinent has been at a handicap in reaching its own domestic markets along its own Atlantic seaboard. I assert that the waterway is needed in order to connect our current agriculture in our section of the United States with the great markets along the Atlantic seaboard, and they can be effectively reached in no other fashion.

I say that we are under an export handicap which no man who studies the facts can deny. My State of Michigan is the fourth largest exporting State in the Union in spite of the fact that it is a thousand miles from any sea. The men who have been able to build up an export trade of that magnitude under such handicaps are entitled to be listened to as expert witnesses. It is those men who have made the State of Michigan the fourth largest exporter in the Union despite this handicap. It is those men who say to us that the continued assurance of our existing export trade and the hope and promise of its perpetuation and expansion are served fundamentally and primarily by deep-sea water connections at the docks of the city of Detroit and related ports. They do not guess about this matter. They submit authenticated data.

The waterway is not needed? The waterway is needed under every theory of reason, speaking generally; and, from a Michigan standpoint, it is needed a little more than any other single governmental undertaking of which I know. It is my sincere belief that it will stimulate a new and accentuated industrial activity in Michigan and the other Midwestern manufacturing States, which will contribute to sustained prosperity for this whole section. The waterway is needed because it personifies our belated birthright.

Let me proceed with the reasons which have actuated these good citizens, these fine constituents of mine, in asking me to vote against the treaty. What is the next reason?—

We have currently a Lakes-to-the-sea waterway and other wholly efficient transportation facilities.

Mr. President, what is this Lakes-to-the-sea waterway which we currently possess? If we are considering the St. Lawrence outlet, the present facility which we possess is limited to a 14-foot channel in the great international section of the St. Lawrence River. Our commerce is developing amazingly in spite of this handicap. I freely concede that it is developing. Indeed, that gives substance to our hopes for the future. If it develops in the face of such a handicap which virtually requires this interoceanic trade to be confined to the casual tramp steamer of less than 14 feet draft; if we develop under that handicap, what is calculated to be the development when 80 percent of the cargo ships on all the oceans of the world can enter the Great Lakes at tidewater? Despite existing handicaps we already have on the Great Lakes 35 percent of all the water-borne commerce traveling under the American flag. What would we have without the handicap?

If we are figuring upon existing facilities via the Erie Canal and down to the harbor of New York, I submit that the facility is not even to be mentioned in a seaway argument. That canal is a barge canal. The use of that canal requires transshipment of cargo, requires breaking of cargo, requires the double cost of two reloadings. There is nothing whatever in the barge canal to be mentioned in the same calculation with a seaway undertaking such as that we now address ourselves to. It is utterly remote from these calculations.

Let us see what is the next reason which has moved these citizens of Michigan, and a great number of them, to subscribe themselves to this protest:

We cannot afford it. The woeful condition of public finances and our already grievous tax burdens warrant no such vast expenditure.

Mr. President, when we inquire whether or not we can afford this undertaking, the first necessity is to find out what it is we are asked to afford. If we are asking these people whether we can afford to spend $1,500,000,000 upon this project, that is one thing, and a prejudicial and unwarranted form of inquiry. If we are asking them whether we can afford to spend $9,000,000 a year upon it, that is a totally different thing. What facts have been presented upon the countryside to make men and women believe that we cannot afford this undertaking? I will tell you what some of the facts are. I have literally a basketful of this propaganda, and I am not speaking of the propaganda from this Michigan league alone. I am speaking of propaganda from all the various sections of the country which have entrenched in an embattled purpose to prevent the approval of the treaty, usually from motives of sectional selfishness.

What is it that has caused this feeling of fear of expense? It is just such a story as the one that we have heard time and time again that Col. Hugh Cooper, the great international engineer, says it is going to cost $1,500,000,000 to do this job, when Colonel Cooper himself notifies the Senate of the United States that when he was talking about a $1,500,000,000 project, he was talking about a totally different project than that which impends.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. VANDENBERG. I yield.

Mr. SHIPSTEAD. The Senator has mentioned what he calls the "Michigan League". I should like to know what that means. What kind of a league is it? Is it a taxpayers' league?

Mr. VANDENBERG. I am unable to identify the Michigan League in detail. It is operated in perfectly good faith,

I am confident, chiefly, I believe, by representatives of the railroad brotherhoods. Nor do I blame them for demanding searching scrutiny of any allegedly competitive transportation facility. Gathered with them undoubtedly are men and women who were interested in railroad securities, and I do not complain of their tender vigilance. They need to protect themselves. Gathered further with them are men and women, no doubt, who have a genuine belief that we should cease to subsidize with Government money the competition which is afforded the railroads in respect to the traffic of the country. There is much to be said abstractly for that attitude. Undoubtedly there are many different groups similarly minded.

As I said in the beginning, I have no interest in probing for any underlying sinister motive in respect to this matter. I am perfectly willing to take this petition in good faith upon its face. I am simply undertaking to demonstrate that the facts upon which these good citizens are asked to assign themselves in hostility to the treaty are facts which cannot be sustained as facts. I am simply undertaking to demonstrate my profound belief that these earnest petitioners are misguided unwittingly.

Mr. LEWIS rose.

Mr. VANDENBERG. Does the Senator from Illinois desire to interrupt me?

Mr. LEWIS. If the Senator will be kind enough to yield.

Mr. VANDENBERG. Certainly.

Mr. LEWIS. It is no purpose of mine to allude at all to those petitions or signers as to whom the Senator is speaking. As to the subject dwelt on by him I have no knowledge. But I ask the Senator now to consider this telegram he produced relating to what he regards as the confession of mistaken estimate of Colonel Cooper, as engineer, testifying as to cost of power. The able Senator from Michigan says he thinks it is that mistake of figures that forms the basis of this protest he is receiving. The other day the Senator from Michigan, the competent Senator from Washington [Mr. BONE], and the Senator from Wisconsin [Mr. LA FOLLETTE], who has been so alert, claimed, if I am not mistaken, that the cost of power is $80 per horsepower. Therefore, I ask the Senator from Michigan if Colonel Cooper in his telegram claims that the $1,350,000,000 was intended to cover the development of 5,000,000 horsepower and not the 2,000,000 in the intersection. Still I ask the Senator from Michigan if he will not now see that even if Colonel Cooper's estimate shall be said to refer but to the 2,000,000, America must pay over $1,000,000,000 for power in this treaty.

We illustrate. Take the 3,000,000 horsepower to be developed entirely on the Canadian side, and say it is done at Canadian expense. Since the cost is $80 a horsepower, that would mean that Canada develops 3,000,000 horsepower of the 5,000,000, or $240,000,000. Subtract that from the estimate of $1,350,000,000, which my able friend from Michigan insists was based on 5,000,000 horsepower. Still we have an estimate of Colonel Cooper for 2,000,000 on the basis of the $80 conceded by the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Washington [Mr. BONE]. Measure that by the 2,000,000 horsepower that the Senator says is the only amount to be considered in intersection. Then we still have, upon Colonel Cooper's basis and the construction of my able friend from Michigan, $1,110,000,000 from America, under the name of power, to be paid for by the United States under this treaty obligation.

Mr. VANDENBERG. Has the Senator concluded?

Mr. LEWIS. I have concluded. I bring these figures to the attention of the Senator.

Mr. VANDENBERG. Mr. President, I find the calculations of my able friend most interesting. I submit, however, that neither a colloquy between the Senator from Washington and the junior Senator from Michigan nor a colloquy between the Senator from Illinois and the junior Senator from Michigan can undertake to arrive at a dependable engineering estimate.

I know nothing about the unit costs of engineering. I suspect that my able friend from Illinois knows no more about them than I do.

Mr. LEWIS. This is power, may I say to my friend.

Mr. VANDENBERG. I am speaking about the unit cost of power or the unit cost of anything else.

Mr. LEWIS. I am referring to Colonel Cooper's testimony, as shown by the telegram to my able friend, which he has read to the Senate as explaining Colonel Cooper's position.

Mr. VANDENBERG. I am dealing solely with the fundamental fact that the opponents of this treaty have repeatedly quoted the total estimate from Colonel Cooper at a figure which, no matter how much higher, nevertheless is confessedly higher than it would have been if the estimate had been made upon the project which we are considering; and that is the point I am submitting. Colonel Cooper estimated a project involving three times as much power development as the pending St. Lawrence project.

The same thing has been true in respect to information regarding the Panama Canal.

What were these people out upon the countryside told respecting our experience with the Panama Canal and its cost? They were often told that the estimates of the rivers and harbors engineers, the engineers of the War Department, were utterly unreliable; that they demonstrated, in the case of the Panama Canal, that they could not be trusted in respect to the figures that they make regarding the St. Lawrence adventure. Yet what is the cold, hard, indisputable fact when we get down into the record which no man can deny? The fact is that the estimate of the engineers upon the complete project was $3,000,000 more than it cost to build the Panama Canal.

In other words, in the greatest single undertaking comparable with that which we now have at the bar of the Senate, with the greatest single engineering responsibility in the history of the New World, the same engineers who are now claimed to be so utterly unreliable in this propaganda that circulates the countryside came within $3,000,000 of estimating the final completed construction cost of the $375,000,000 Panama Canal, and that $3,000,000 was on the safe side. Do they or do they not deserve our confidence when they figure the St. Lawrence project?

I repeat, going back to the language of the petition to which I am addressing myself, it is impossible to say whether we can afford this undertaking until it is first demonstrated what price it is that we are asked whether we can afford.

Certainly if we ask these good people whether we can afford a billion and a half dollars, the answer is calculated to be "No." But suppose we ask them this, which is the truth, Mr. President, suppose we point out to them that our half of this verified and dependable estimate is $272,000,000, and then suppose we point out to them that we have an offset of $90,000,000 from New York State by way of reimbursement for power, and then suppose we point out to them that we have a further offset of twenty or thirty million dollars for existing works for which we already have paid in the connected chain that represents this completed seaway. Then what is the net result? Then the net result is that we are talking about a project in terms of United States expenditure, not of a billion and a half dollars, but of about $150,000,000. And then, when we go into the plans that are officially submitted to us for the handling of this enterprise, we find a document upon the bar of the Senate, under the responsibility of the President of the United States, which says that this whole undertaking shall be amortized under a plan which, counting maintenance, amortization, principal and interest of debt, everything, will cost $9,000,000 a year on the contemplated long-range basis.

Mr. President, let these good men and women confront that question. Can we afford $9,000,000 a year to unlock the Midwest and give it the advantage of interoceanic connections with all the ports of the world? Can we afford

$9,000,000 a year? I submit that every man and woman who has signed one of these petitions to me would just as quickly sign a petition saying that we can afford $9,000,000 a year for a purpose of that character.

I interpolate another consideration. It is stated to us in plain language by the President that Canada can build an all-Canadian seaway of her own if we decline this partnership affair. It is a fact. I beg of the treaty's opponents to look that fact in the eye. Can we afford to let our great international neighbor thus monopolize a midcontinental route to the markets of the world? Can we afford to precipitate a situation in which our industries must move across the line in order to take advantage of this prime facility? Can we afford to give competitive Canadian agriculture this severe advantage over American agriculture? Can we afford in such an event the probable denial of our navigation privileges in the all-Canadian Welland Canal, which our neighbor has constructed at a cost of $130,000,000, all Canadian dollars? When we face this alternative, I submit that we cannot afford not to proceed upon a common enterprise as projected in the pending treaty.

I could understand why Atlantic-seaboard ports might think they cannot afford to let our midwestern ports control their own export and import trade, why they might want to continue to take tolls of our trade. I could understand it, although I should regret any such provincial attitude after we have paid our full and uncomplaining share of the cost to develop these Atlantic ports. But for the life of me I cannot understand why anybody in the Midwest, and least of all in Michigan, should suggest that we cannot afford to accept this priceless boon.

Now, let us see: What is the next reason assigned to their opposition by these petitioners? While I am speaking primarily to them, the argument addresses itself to the whole Senate opposition.

The next reason is that the seaway will divert traffic from the adequately equipped railroads, thereby increasing their insolvency and otherwise destroying the vested rights of American citizens.

I may say to the Senator from Minnesota [Mr. SHIPSTEAD] parenthetically that, having stumbled on the words "vested rights" in this language, he may for himself find one of the interesting keys to this opposition; but even this comment is not intended to be invidious. But how about this diversion of traffic which is so earnestly feared?

Let me say, as I have said before, Mr. President, that if I were a railroad worker in the State of Michigan at the present time, and I looked about me and saw half of my fellow railroad workers out of a job, and I saw half of our normal railroad traffic in suspension, I should be particularly suspicious of any kind of suggestion of any competitive transportation factor which might be injected into the situation at this subnormal and depressed point; and that is the thing that has been urged upon them. They have been asked to look about them and see the difficulties surrounding their traffic and their trade, and they have been asked whether, in the midst of such depression as this, they can afford to take a chance on any hazard whatsoever by way of additional competition; and, of course, they have said, "No; we cannot afford to take the chance." If I were in their position, and were confronted with the same premise, and asked to answer the same hypothesis, I should say, "No, sir; we cannot afford to take the chance."

But what is the actual fact that is confronting us?

The actual fact is that it will take at least 8 years to complete this seaway. The actual fact is that not until 1942 could this seaway ever take a single job away from a single railroad man, if ever. The answer is that not until 1942 could this seaway divert a single ton of traffic, a single pound of freight, from the existing railroad facilities, if ever. Does that not immediately create a totally different question?

We must deal with this prospectus in terms of 1942, and not in terms of 1934; and what is going to happen between now and 1942?

Where do we go for information if we want that question answered authentically in respect to transportation? We go to the Interstate Commerce Commission. At any rate, if we cannot go there for the best available information on that subject, we had better get a new Interstate Commerce Commission. What does the Interstate Commerce Commission tell us when we go there with that question? The Interstate Commerce Commission tells us that between now and 1950 the new transportation needs of this Nation will be 30 times the maximum contemplated traffic upon this seaway route! In other words, by 1942, proportionately and relatively, there is to be a need for 15 times as much transportation facility as the maximum load which is contemplated and anticipated for this seaway. Put differently, the seaway, by the time it opens, will take up just one fifteenth of what? Of the existing traffic? No; just one fifteenth of the new traffic to be developed between now and 1942!

Now let us confront that picture. Who now says to the railroad men that they need fear any immediate disaster as a result of this competition? The fear goes out of the window; and that is not all.

The preponderance of testimony before our committee upon this phase of the subject was that the collateral feeder traffic which will be induced as a result of the increased industrial and agricultural activity and markets to be produced by this seaway will infinitely more than offset any casual diversion as a result of the construction of the seaway.

So far as the State of Michigan is concerned, I am as sure as I stand upon this floor that this seaway has in it more business rather than less for Michigan; more jobs rather than less for Michigan labor; more jobs for Michigan railroad labor itself rather than less jobs; and if that prospectus were submitted with a request for the signatures of these good men and women, they would sign the petition just as quickly the other way around. It all depends what question is submitted.

Mr. SHIPSTEAD. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I simply desire to state that the Senator's concluding remarks are substantiated by the transportation history of every country in the world—that waterway transportation has inceased rail transportation.

Mr. VANDENBERG. I thank the Senator, and I know his statement is correct.

Before proceeding to the next sentence in this petition, I simply add this further observation in respect to possible diversion of traffic:

If the seaway will divert any traffic, it will divert only that traffic which may more economically move by ocean transportation. The traffic that belongs to the railroads because of economic efficiency will remain theirs. It is entirely predictable that the uplift given by this ocean transportation to the midcontinent will give to the very railroads now protesting—the mideastern carrier lines—and their employees an added burden of compensatory traffic that will more than replace any loss of ocean-seeking traffic that they may sustain by reason of the construction of the seaway.

Now, let us see what is the next reason which has moved these good men and women to sign these petitions and send them to me in such numbers.

The next reason is that the seaway will not benefit the wheat grower or furnish farm relief.

Mr. President, I do not propose to go into any calculations undertaking to demonstrate just how much the midwestern farmer is going to save on his wheat. I do not know what he will save; but I do know that it has been the well-nigh universal opinion of those best equipped to know the welfare of the American farmer that he does have an everlasting stake in this new outlet to the markets of the world; and if it be contended as a primary theory that the agricultural problem is a problem of exportable surpluses, then the problem in terms of transportation inevitably reduces itself to a problem of interoceanic transportation, and no other kind of transportation.

So far as the attitude of agriculture is concerned, Mr. President, I think I am within the fact when I state that almost every representative farm organization in this land has supported the seaway prospectus and asks today for its passage. Agriculture has spoken in no uncertain terms in favor of the pending project.

This very morning, as offsetting the other petitions to which I am referring, I am in receipt of a telegram from the master of the Michigan State Grange, Mr. C. H. Bramble, reading as follows:

The Michigan State Grange, representing its 500 local organizations, at its last annual meeting unanimously endorsed the St. Lawrence waterway project. We respectfully petition you to use your utmost endeavor for its passage and vote for the same.

Mr. President, I think that is pretty universally the voice of agriculture at the present time, in respect to this project.

I was particularly interested from the viewpoint of my own State of Michigan the other day, Mr. President, in noting that the cherry packers of northern Michigan have discovered the advantage of water transportation as a major means to answer their surplus problem, and that—

The Michigan Cherry Growers, Inc., of Traverse City, successfully loaded 20 carloads of the luscious fruit aboard a small ocean-going vessel which docked at the cherry capital last fall. This is simply a typical incident in passing.

I read from an article in the Muskegon Chronicle of January 25, 1934, as follows:

These shipments were distributed in such Atlantic-seaboard markets as New York, Boston, Philadelphia, Baltimore, and Washington. Substantial savings in transportation charges were made by using the waterway.

The trial shipments are expected to be followed by larger cargoes of Michigan fresh and canned fruits this year. Leaders of the horticultural industry believe foreign as well as domestic business in such commodities could be developed. Pacific-coast and eastern orchardists annually market huge quantities of boxed and barreled apples in Europe, it was pointed out, but Michigan growers and shippers never have attempted to share in this foreign trade—

Why?—

on account of the rail-transportation costs to seaports.

Yet, Mr. President, it is said that this great undertaking can afford no possible advantage to agriculture in the Middle West. All of the responsible spokesmen for agriculture whom I have heard testify upon the subject testify without one single dissenting voice that their studies justify the conclusion that this is a major factor in farm relief for the American agriculturist.

Did American agriculture ever have a better friend in this body, Mr. President, than the late senior Senator from Montana, Mr. Walsh, who sat yonder in his honored seat and enjoyed the deserved devotion of every man in the Chamber and the deserved confidence of the whole American people? The late Senator from Montana never had a project nearer to his heart than the St. Lawrence seaway. The seaway never had a champion equal to him in eloquence and persuasion. The seaway lost its greatest advocate when he passed to the great beyond. Yet time and time again he has said without reservation and without successful contradiction that so far as his section of America is concerned he wants no farm relief better than the farm relief that comes to him through the completion of this great St. Lawrence outlet for exportable surpluses to the markets of the world.

Let us now see what is the next thing in the petition which is submitted to me.

It is said that American labor will be one of the most serious losers from it.

Mr. President, I think I have already discussed the relationship of American labor. I am perfectly sure that American labor has a great stake in the stimulated industry of this country, and nothing can stimulate industry like successful water-borne commerce connecting our ports and our industrial centers with the great markets of the world. And as for any hazard from competitive projects coming back in, we are protected in the midcontinent by the same tariffs that protect the Atlantic and Pacific seaboards, and if they are insufficient they can be increased.

What is the next thing that is offered to me as a persuasive reason for opposing this seaway? That it is not necessary to our foreign trade.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. ERICKSON in the chair). Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. I yield.

Mr. LONG. Did the Senator from Michigan say that some reason was offered to him for voting against this treaty? If anyone wasted his time that way, I do not know who it could be.

Mr. VANDENBERG. Mr. President, there is nothing at all facetious about the presentation I am making. I will say to the Senator from Louisiana that a large group of my constituents have, I think, been misled into not believing in the St. Lawrence seaway. I dislike to disagree with great groups of my constituents except as I demonstrate to them that I have a profound and conscientious reason for disagreeing. I continue to disagree in spite of the arrival of the petitions, and I am undertaking to demonstrate the reasons.

Mr. LONG. Mr. President, I want to thank the Senator for having confessed that his constituents were against it. I have always known that the Michigan people were highly intellectual.

Mr. VANDENBERG. I desire to say, Mr. President, again that I am not facetious. The citizenship of my State, in my judgment, is 90 percent in favor of this great undertaking, and the citizens of Michigan are sufficiently intellectually honest, I will say to the Senator from Louisiana, so that I know that if they get the true facts, instead of the kind of facts circulated by the Senator from Louisiana, I would not have had any of these petitions at all.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Washington?

Mr. VANDENBERG. I yield.

Mr. BONE. I came into the Chamber, Mr. President, only a moment ago, and I heard some discussion of proposed or possible water power on the St. Lawrence in which some reference was made to the Senator from Washington, and because that has been brought into the argument several times, I desire to ask both the Senator from Michigan [Mr. VANDENBERG] and the Senator from Illinois [Mr. LEWIS] if this statement which I am about to read is correct. It is a part of a statement by the Federal Power Commission of the United States bearing date January 10, 1934, appearing on page 16, as follows:

The Great Lakes-St. Lawrence seaway project does not involve the United States in any expenditure for power development in those sections of the river which are entirely Canadian. The power in the most important Canadian section, i.e., the Soulanges Rapids section, is already being developed by Canadian private interests. This is no concern of the United States under the Great Lakes-St. Lawrence project, but it does afford a cogent economic reason for the early development of power in the International Rapids section if the United States is to keep pace in providing cheap current for its rural and domestic consumers and for industry.

In other words, this is a statement and avowal of the Federal Trade Commission that any development of power in the purely Canadian sections of the river will neither be at the expense of the United States nor will it be any concern of the United States, except as we might, for purely academic reasons, or otherwise, be interested in what Canada does in the way of power production.

I desire to ask the Senator from Michigan and the Senator from Illinois if that statement is correct.

Mr. VANDENBERG. It is my understanding, Mr. President, that the statement is unequivocally correct.

Mr. LEWIS. Mr. President, on this important point I am compelled to state upon the RECORD that it is wholly wrong. I should be glad, may I say to my able friend from Michigan, to have him show where this error or this inconsistency of conflict arises.

The able Senator from Michigan read a telegram to the Senate from Colonel Cooper in which Colonel Cooper con-

fessed, as the telegram would indicate, that when he put his estimate of $1,350,000,000 cost of power it was upon the basis of but five million, which I said Canada said would have to be raised. The Senator from Michigan insists that that cannot be correct, because three million of the five million is to be done in Canada; therefore there would be no expense upon the United States as to this. It is that to which my able friend from Washington, if he will pause a minute and reflect, alludes. It is the allusion by the Federal Trade Commission of the portion that is allotted to Canada that that will not be chargeable to us.

But I call attention to the fact that even if it be true, say, that Canada develops 3,000,000 of the 5,000,000 horsepower, and that 2,000,000 horsepower in the section described by the Senator from Washington is for we Americans, on the basis which the Senator from Washington will recognize of $80 per horsepower the result will be that 2,000,000 horsepower at $80 per horsepower amounts to $1,600,000,000 to be paid by the United States. The 3,000,000 horsepower is the amount that is alluded to as the separate matter for Canada if she ever desires to do it.

Mr. VANDENBERG. Mr. President, I think the Senator from Illinois and I are at least in agreement on something, if I heard his final statement correctly, namely, that the answer to the Senator from Washington is that the final 3,000,000 horsepower is exclusively a Canadian concern. It is good to have that settled. Perhaps one bogie will now stay dead.

Mr. President, I have now gone through all of the other reasons which have been submitted in connection with these petitions, except the final one. The final reason is this:

We must furnish the bulk of the money for a project, first, benefiting another nation more than our own, and second, lying more largely in foreign territory than in our own, doubly a source of more unwanted foreign debt and of delicate international situations.

Mr. President, let me take one phrase out of that attenuated sentence to demonstrate beyond any possible opportunity of contravention that many of these positions are taken on a misconception of the facts. Will someone point out to me how there can be any foreign debts, unwanted or otherwise, connected with this enterprise in any possible way? I pause for a reply.

The obvious intent—I do not mean purposely, but unwittingly—the obvious intent of that language is to indicate that somehow or other we are paying for this enterprise through the extension of a Canadian credit, which in turn is to become part of international debts, which in turn are to be uncollectible, and therefore once more poor old Uncle Sam is holding the bag.

Of course, there is no relationship of that character whatsoever, directly or indirectly, or by any remote stretch of the imagination, involved in these contacts between the two countries. Nor is it true, except in technical contemporary terms, that we furnish the bulk of the money. We furnish the bulk of the money in respect to present construction because Canada heretofore has paid more than her share of the related seaway works; but this enterprise, Mr. President, summed as a whole represents $542,000,000 worth of undertaking under two flags. Part of it is under our flag. Part of it is under their flag. And when the mathematics are brought to their final conclusion, we pay half and Canada pays half.

I cannot for a moment concede that the undertaking is of greater benefit to another nation than to our own, but I readily concede that that is a matter of argument, and I am not undertaking to present an argument in connection with these petitions. I am undertaking solely to show that they have invited an expression of public opinion on the basis of a statement of facts that I believe to be erroneous. I am undertaking to show that if the facts had been set down as I believe them to be true, the signatures of these good men and women of my Commonwealth undoubtedly would have attached themselves more readily to my thesis than to the adverse petitions which I discuss.

On the question that the joint enterprise lies more largely in foreign territory, let this be said: Two thirds of the international section lies in our own American territory, and therefore the development in the international section inures primarily to our own benefit; and the international development is the major portion of the remaining work.

But suppose the other view be weighed. Suppose the larger Canadian sector, in respect to the entire waterway, be assessed. Is it not a far more logical thing to argue that it is distinctly to our advantage thus to get the full and untrammeled and perpetual navigation use of these waters in the control of a foreign sovereignty? What is it that we lose by thus acquiring these rights? I confess I do not understand.

The argument that it might involve us in international difficulties is too captious for real consideration. We have lived in amity with Canada ever since the Rush-Bagot agreement was signed in 1818, and without a single fort along the 3,000 miles of boundary. Canada gave us the perpetual right of navigation in the mouth of the St. Lawrence River in 1871. Ever since the treaty of 1909, we have had free navigation rights in the Welland Canal, and Canada has had reciprocal rights in all the Great Lakes, including Lake Michigan. Has it ever occurred to anybody heretofore that these relationships involve any hazard to our peace? Of course not. On the contrary, these relationships have contributed immeasurably to the perpetuation of our pacific relations. Are we or are we not to continue as good neighbors? I decline to vote that these relationships are at an end.

Mr. President, that is all I desire to say on this particular phase of the treaty argument. I do at this point, however, wish to introduce and ask to have printed in the RECORD resolutions adopted by the Port of Detroit Authority. They are typical of scores of similar resolutions from public bodies all over the commonwealth.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is printed in the RECORD, as follows:

Resolution proposed by unanimous vote at meeting of the commissioners of the Port of Detroit Authority on January 17, there being present all five commissioners, who were as follows: William P. Bradley, chairman; Arthur P. Zirkaloso, vice chairman; Alvan Macauley, Jr.; John C. Cahalan, and George R. Fink. Resolution adopted at meeting on January 29, 1934

Whereas there was created by act of the Legislature of the State of Michigan, being Act No. 234, Public Acts of 1925, as amended by Public Acts of 1933, provisions for the establishment of port districts; and

Whereas the electorate of Wayne County at the general election on November 7, 1933, by a majority vote approved the creation of the Detroit Port District, which embraces all of Wayne County, containing approximately 40 miles of water frontage along the Detroit River, to be administered by the board of five commissioners named above, appointed by the Governor, William A. Comstock; and

Whereas this commission, under the acts named above, is charged with the power and duty, among other things, to develop and regulate a system of harbor improvements; and

Whereas it is believed that the development of the Great Lakes-St. Lawrence waterway project, now before the United States Senate in the form of ratification of a treaty with Canada, holds great possibilities for the further economic development of the State of Michigan and particularly for the industrial area centered around Detroit. This conclusion being based on facts that are so well known as to make repetition here unnecessary; and

Whereas it is known that forces are at work seeking to prevent favorable action by the Senate based on selfish objectives and designed to prevent the State of Michigan, and particularly the Detroit industrial area, obtaining the economic benefits that it was so clearly shown will result from this improvement, by the facts and arguments requesting favorable action on the treaty ratification in President Roosevelt's message to the Senate: Therefore be it

Resolved, That the commissioners of the Detroit Port District respectfully urge the Honorable JAMES COUZENS and the Honorable ARTHUR H. VANDENBERG, United States Senators representing the State of Michigan, to use all influence in their power to have ratification of the treaty favorably acted upon by the Senate, to assure for their constituents the economic benefits which it is believed will be realized from the Great Lakes-St. Lawrence development; be it further

Resolved, That a copy of this resolution be transmitted by the secretary to President Roosevelt and Senators COUZENS and VANDENBERG.

Mr. VANDENBERG. Mr. President, before I take my seat I desire to allude in conclusion to one other phase of

the argument which is rather inconsequential in reality, and yet which has apparently attracted considerable attention. That is the phase which deals with the commitment of the Republican Party as such and the Democratic Party as such in respect to this treaty, and the roll call which shortly will determine this vital issue.

My good friend the eminent Senator from Illinois [Mr. LEWIS] states that the President of the United States had no authority to include in his Albany broadcast of July 30, 1932, a statement that the Democratic national platform included a specific endorsement of the St. Lawrence Seaway Treaty. I think the Senator is correct in that statement insofar as the available record shows. I have been unable to find any copy of the Democratic national platform which states anything more than that the party is committed to waterways as indicated by the Senator from Illinois. But, Mr. President, that still leaves the mystery as to what happened to a plank which many members of the Democratic convention at Chicago seem to think was intended to have been included within it when the platform was adopted; and that does not alter the fact either that the President of the United States who became the spokesman for his party in a far greater degree than the platform ever spoke for the party, identified the St. Lawrence project as specifically included within the commitments of the Democratic Party.

Mr. LONG. Mr. President——

Mr. VANDENBERG. I yield to the Senator briefly, but I do not want to be diverted.

Mr. LONG. I merely wanted to know if the Senator is meaning to write our platform now?

Mr. VANDENBERG. No; and I am going to have just as much to say about the Republican platform, Mr. President, as the Senator will see if he will remain in the Chamber.

Mr. President, the Democratic nominee committed his party to this undertaking in his Albany address, and, except as members of his party specifically dissented from that commitment, the members of his party are bound by the contract under which they sought the votes of the people of the United States. I shall never forget the campaign the late Senator Walsh, of Montana, made upon this particular proposition. I shall never forget that the Republican National Committee sent me a telegram, one hard-pressed hour, asking me to go into the Northwest to follow Senator Walsh and to indicate to the people of that great section that they could depend upon the Republican Party to build this seaway quite as much as upon the Democratic Party. I remember so well one great mass meeting in the city of Duluth. Senator Walsh had appeared the night before and had made the solemn statement to the people of this great area that Mr. Roosevelt and his Democratic associates would secure the enactment of legislation for the building of the St. Lawrence seaway if they got the chance. I was there the following night, and pointed out that there was no commitment in the Democratic platform, and that the only reliance was the word of the President himself.

Mr. President, the President of the United States has kept his word to the last period at the end of the sentence. The President of the United States has been as faithful and loyal to the St. Lawrence seaway project and to this specific St. Lawrence Seaway Treaty as any man in this world could be. The President of the United States is the chief proponent for the pending treaty at this moment, and if the President of the United States is followed by those of his partisans whom he at least undertook to commit to this project in his Albany speech of July 30, 1932, there will be no question about the outcome.

What is the situation on this side of the aisle, Mr. President? I have no right to censor the political consciences of the Senators yonder; but I do have a right to censor the political consciences of my own colleagues upon this side of the aisle in this particular circumstance. What is it that the Republican Party has said upon this subject as related to the pending treaty? This is what they said—and I am going to suspend until I can have the attention of all my Republican colleagues before I read it.

Mr. SHIPSTEAD. Mr. President, will the Senator permit me to suggest the absence of a quorum?

Mr. VANDENBERG. No, Mr. President; but I should like the attention of my Republican colleagues.

Mr. LEWIS. Mr. President, I make a point of order. I ask for order in order that the Republicans may obtain the information, intelligence, and guidance the able Senator from Michigan now offers to give them, for I have long seen the necessity both of intelligence and guidance on their part.

Mr. VANDENBERG. I thank the Senator for his point of order. If he will be half as faithful to the leadership of his own party's President in this emergency as I undertake to be to the Republican platform and to the President, we shall ratify this treaty very shortly.

Now I will read the Republican commitment. There cannot be any equivocation about this language; there is no mystery about it. This plank of the platform did not disappear one day between the report of the committee on resolutions and the published announcement of the contents of the platform, as was the case with the Democrats at Chicago. There is no question about this commitment. It means what it says. Furthermore, I know of no Republican Senator who ever rose to say that he dissented from this commitment at the time it was made. What does the platform say?

ST. LAWRENCE SEAWAY

The Republican Party stands committed to the development of the Great Lakes-St. Lawrence seaway. Under the direction of President Hoover, negotiations of a treaty with Canada for this development is now at a favorable point. Recognizing the inestimable benefits which will accrue to the Nation from placing the ports of the Great Lakes on an ocean base, the party reaffirms allegiance to this great project and pledges its best efforts to secure its early completion.

Our best efforts upon this side of the aisle are pledged to the early completion of the St. Lawrence seaway; and so far as my estimate of the binding quality of a national platform is concerned, that commitment binds the Senators upon this side of the aisle, except as they may have indicated for themselves in advance that they did not intend to be bound.

Mr. President, I speak feelingly upon this subject for a very good reason. The Republican National Committee, through its headquarters at Chicago, asked me to campaign the great Middle Northwest. For what purpose? To prove that Republicans could be trusted to build the seaway. I responded to that call, and I told the citizens of that great area that they could depend upon Republicans to enact legislation to build the seaway. If Republicans will not help to build the seaway, I do not want to have to go back and explain to the people in those great centers of this Nation why it is that a solemn, unequivocal commitment of the Republican Party could not be depended upon in this aspect.

So, Mr. President, I care not whether we deal with the economics of the question or whether we deal with the international relationships involved or whether we deal with the power question or whether we deal with the political commitments, I can see no logical conclusion to this debate save the ratification of the pending treaty. I believe the best welfare of the Middle West hangs upon its ratification. I believe that if these hostile petitioners from Michigan could see the facts as I believe them incontrovertably to exist, they would approve the course which I shall take. If the seaway is rejected, no one will ever know the right or the wrong of this controversy. But if it is built, time and events will umpire the dispute; and my good Michigan friends will join me in hoping that the outcome will bring the boon of all these conjured advantages which I most profoundly believe to be involved. I speak intimately of Michigan, but what I say applies to the whole Nation and is addressed to the conscience of every Senator.

Mr. LEWIS. Mr. President, as the Senator from Louisiana [Mr. LONG] desires to address the Senate, and not anticipating any of his remarks, I should like to refer for a brief moment, by way of interpolation, to something said by the able Senator from Michigan.

I cannot say that I know exactly what transpired as to the platform in the Democratic National Convention touching the question of the St. Lawrence seaway. As there is nothing in the platform to give us information, I can only gather here and there, from those who were present, their viewpoint; but I want to say to the Senator from Michigan that whereas one platform, as he says, did advocate the waterway which he describes, as the Democratic platform has given forth reference to waterways, which we contemplate were the waterways under consideration through New York and from Illinois down by way of New Orleans to the Gulf, we must take into consideration that the reference meant waterways which were then under discussion in America. Mr. President, the fact that the Democratic platform does not say a word concerning the pending treaty, and does not refer to it at all, brings the able lawyers who sit around me to the thought that we lawyers have a maxim of construction that comes to us from our ancient profession—"Expressio unius est exclusio alterius."

In other words, that the expression of the one is the exclusion of the other; and therefore, since we expressed one and excluded the other, we literally denounced the other by refusing to mention it.

Mr. DIETERICH. Mr. President, will the Senator yield for just a moment?

The PRESIDING OFFICER. Does the senior Senator from Illinois yield to his colleague?

Mr. LEWIS. I yield first to my colleague, and then I will yield to the Senator from Louisiana, who desires to address the Senate.

Mr. DIETERICH. May I call my colleague's attention to the fact that not very many Senators sitting in this Chamber were elected on this particular platform which the Republican convention adopted in 1932.

Mr. LEWIS. That is a suggestion not unworthy to be considered.

PERSONAL EXPLANATION

Mr. LONG. Mr. President, before speaking on the question before the Senate, I wish to send a statement to the desk and ask to have it read, and I am going to ask my colleagues to give a little more than usual attention to the reading of this document.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

FEBRUARY 2, 1934.

I have been in the city of Washington pursuant to a call of the Secretary of Labor, Miss Frances Perkins, and further in connection with the work of the C.W.A. and E.R.A. in the State of Louisiana, with which I am connected as an officer of both organizations. I am further under appointment of the State Federation of Labor, and, while in the city of Washington on Thursday night, accepted and filled an appointment to speak at a function in the National City Christian Church at Thomas Circle. My regular vocation is a minister at King's Highway Church in the city of Shreveport, La., prior to which I was pastor at one of the largest churches in the State of Indiana, the University Church at Indianapolis.

In connection with my several duties while in the city of New Orleans, after having conferred with Mr. Harry L. Hopkins, head of the C.W.A., Mr. Roberts, attorney for the American Federation of Labor, and Congressmen and Senators, particularly from the State of Louisiana, I called to see United States Senator HUEY P. LONG at his room, 454, Mayflower Hotel, on Wednesday night. Upon being informed by the Senator that he would have to see me at a later hour in the evening, I was leaving his quarters when I was stopped and photographed; and, to my surprise, on the next morning, my picture appeared in a newspaper in the city of Washington as a bodyguard of United States Senator HUEY P. LONG. On the next morning I saw the picture and called upon Senator LONG in his room to ask if he understood the reason and purpose of such conduct, and, after some few words, he informed me that he was going to his office in the Senate Office Building and invited me to come along to the Capitol with him, which I did. Snow had just begun to fall, and the Senator and myself, accompanied by Congressman JOSEPH O. FERNANDEZ, left the hotel together and took an automobile, which I understand is owned by a friend of Mr. LONG'S and was waiting to carry him to the Capitol. As the Senator, Congressman FERNANDEZ, and myself entered the automobile, some reporters asked the Senator some questions, whereupon Senator LONG asked them to stand out of the way of the automobile door and allow him to close it, and that if they wished to ask any questions to visit him at the Senate Office Building. No motion of anyone to strike anyone else in any manner or particular was made, and there was no snow on the ground at the time, as it had just begun to fall. On yesterday afternoon, last night, and this morning I read the reports in the newspapers and heard them over the radio to the effect that Senator LONG and his companions, before boarding the automobile, had swung their fists at newspaper reporters, and that Senator LONG had struck one of them with a loaded cane, shoving one of them into a snow bank; all of which was about in keeping with the previous kind of news reports that I have read about Senator LONG, which, prior to my experience, I had no better understanding than to believe, at least in part.

In my calls on the other Congressmen and Senators of Louisiana and other States I have not received any such caricaturing as has been done in my call upon Senator LONG.

I am not a LONG partisan in the State of Louisiana; but, on the contrary, the church which I serve is in the more or less exclusive neighborhood of the city, and its membership is composed of the wealthier class of citizens, generally known to be political opponents of Senator LONG. Included in my membership is the mayor of the city of Shreveport, an elder of my church, who is the leader of the Long opposition in that city; as well as Mr. Val H. Murrell, the president of the Commercial National Bank, the largest bank of the city of Shreveport; and the president of the Continental American Bank, against whom Senator LONG, when a practicing attorney, engaged in a series of litigations well known to the State, and as to whom there is at least no political friendliness toward the Senator. There is also among this membership Mr. A. H. Tarver, president of the Chamber of Commerce of the city of Shreveport. I am on friendly terms with all political factions in interest in Louisiana. I have never made a political speech or run for public office in my life; and if this character of conduct can be permitted even as to those calling upon a United States Senator in connection with their official work, then it has become dangerous for one from the State of Louisiana to pursue his philanthropic missions in the city of Washington.

GERALD K. SMITH,
Pastor King's Highway Church, Shreveport, La.; Chaplain, Louisiana State Federation of Labor; Member of the C.W.A. and E.R.A. Committees; Member of the Advisory Committee called by the Secretary of Labor for Correlation of State and National Labor Problems; Member of the Louisiana State Association for Social Advancement, a thoroughly nonpolitical and nonpartisan organization.

FEBRUARY 2, 1934.

I, J. O. FERNANDEZ, Congressman from the State of Louisiana, state that I was present on the morning of Thursday, February 1, at the time related by Dr. Gerald K. Smith in the signed foregoing statement, and I certify that the facts as stated by him are true. This however, is not my first experience in such reports and condemnation. In most of my recent efforts to be with the Senator in connection with the work I have in Congress and in Louisiana I have likewise been heralded as one of his bodyguards.

J. O. FERNANDEZ.

Mr. LONG. Mr. President, in connection with that matter I wish to read two or three paragraphs which appeared in the Washington Herald of February 2, 1934, in substantiation of my previous proof submitted to this body that a publicity organization has been set up here in this and in other cities with the purpose in view of preventing the advocacy of certain legislation inimical to certain interests. In connection with the fact that the Senate Privileges and Elections Committee had held that the kind of documents filed here against myself and my colleague were not valid or sufficient to warrant any consideration of them, there is printed on page 3 of this morning's Washington Herald the following:

Testimony given before a Senate committee is privileged. That is, it may be published in newspapers without fear of libel suits.

The anti-LONG people, knowing the Senate is a good sounding board, hope their charges, appearing in the newspapers of the country, will bring about such a revulsion to HUEY LONG that Louisiana will refuse to reelect him when his present term expires.

In other words, I not only have submitted to you the kind of evidence to which I have previously called your attention and the kind of evidence I gave the Senate the other day, but here is the document itself in the press which very philanthropically informs us that the sewage and filth of this gang can be spread through the Senate under privilege, and that the United States Senate is a sounding board.

I have offered a resolution to the Senate, which has been referred to the Committee to Audit and Control the Contingent Expenses of the Senate, asking for an investigation. I have been assured by the Chairman of the Committee to Audit and Control that he would give a hearing on the matter not later than tomorrow, and I expect in due time to bring the matter back to this body.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. I yield.

Mr. BYRNES. I want to state to the Senator that this morning, while the Senator was absent from the Chamber, I believe, because I inquired as to his presence, I reported to the Senate, as Chairman of the Committee to Audit and Control, the fact that the committee, under the rule of the Senate having no jurisdiction to consider the question as to whether or not an investigation should be ordered and having only the power to provide funds for an investigation when a standing committee orders such investigation, was reporting to the Senate the fact that the resolution should be referred and must be referred first to a standing committee before the Committee to Audit and Control can provide the funds. The rule to that effect was adopted in the last Congress, being introduced by the Senator from Ohio [Mr. FESS]. Under that rule of the Senate the Committee to Audit and Control cannot yet act upon the Senator's resolution. Therefore the Senator from Louisiana should ask that his resolution be acted on by the Senate itself or that it be referred to the committee having jurisdiction.

Mr. LONG. I proposed, in the first place, that it should be done that way—that it should be acted on by the Senate. That is what I first proposed. I did not care for it to go to any committee at all. It was suggested that it ought to go to the Committee to Audit and Control on account of the fact that it would require some expenditure. I was willing for it to go to the Committee to Audit and Control on account of that feature. Otherwise I insisted and urged that it could be considered and should be considered by the Senate after laying over under the rule for 24 hours. That was my first purpose, and that is all I am asking now, to have it first acted on by the Senate. I do not want to get it into another morgue where it cannot be considered.

Mr. BYRNES. As I have stated to the Senate, under the rule the Committee to Audit and Control can act upon such a resolution only after one of the standing committees has considered and reported the resolution recommending an investigation. Then it is referred to the Committee to Audit and Control. Therefore I was simply suggesting to the Senator that there are but two ways for him to proceed, either by having the resolution referred to the Committee on Privileges and Elections or by action on the floor of the Senate. The resolution has been referred to the Committee on Privileges and Elections, and I suggest to the Senator that the only way——

Mr. LONG. I did not know the Senator had had it referred to the Privileges and Elections Committee in my absence this morning.

Mr. BYRNES. That is why I was advising the Senator that I inquired as to whether he was present this morning. I then reported to the Senate the facts as I have stated them, and I am advising the Senator now, so he can take up the matter as he sees fit.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. I yield.

Mr. FESS. I desire to correct an error into which I think my friend from South Carolina has fallen. The resolution cannot be acted upon by the Senate merely by referring it to the Committee to Audit and Control. There is a statute relating to the matter and not a rule of the Senate. It is a statutory law. Therefore we will have to have the resolution sent to a standing committee, and if that committee recommends the investigation, then the Committee to Audit and Control can act. The Senator from South Carolina said it can be done in one of two ways, either by sending the resolution to a standing committee and having it act, or by having the Senate itself act. The latter is not possible, because the requirement is a statutory requirement and not a rule of the Senate.

Mr. ROBINSON of Arkansas. Mr. President, it is my recollection that the resolution was referred this morning to a standing committee.

Mr. FESS. That is the only way it can be disposed of.

Mr. LONG. Very well. I am submitting to the Committee on Privileges and Elections not only what has been adduced before the Senate, but I am submitting further facts which show that in consort with the officials of the Electric Bond & Share Co., which is over the New Orleans area, an official of that city has come up here into this area undertaking to avoid a campaign pledge which they made to reduce the highest rates in the whole of civilized America. He is up here today in consort with publicity being directed from a fountain head located in New York and located in Washington, D.C., in connection with the general publicity which they have been carrying on.

Further, Mr. President, there has never been heard of as low-down and licentious practices ever indulged in publicly by this convicted set of swindlers, as they have undertaken, from one end of the country to the other to employ in this particular instance. Nothing of its kind, no such combination, no such effort to use the Senate of the United States as a sewer for the paid-for vile publicity of this bunch of criminal culprits that comprise Electric Bond & Share combination of this country. If the Senate allows this kind of process to be used openly, such publicly alleged and published prostitution as they say they are making of the processes of the United States Senate that I have read here out of their own columns, then the Senate will have to protect itself and determine whether it is to be a legislative body or to be a target for the kind of filth and the kind of propaganda, even to the extent of filling their columns with statements that Senators and Members of the Senate do not even dare walk on the streets. The columns of the papers of yesterday and today are covered with pictures and headlines stating that a Member of the Senate does not even dare to walk the streets. In connection with the publicity that I have alleged in this resolution, I am in a position to offer records of proof.

Mr. President, I desire to say for the benefit of the Senate that there is nothing in the columns of the papers that is interfering with or depriving me of any of my rights in this city; and if that kind of calumny is to be indulged in against any other Senator I hope he will be no more affected by it than I am.

I desire to say further, Mr. President, in concluding my remarks on that question, that I believe that the Senate Committee on Privileges and Elections will speedily report this resolution. It has been suggested to me by my friends here on the floor that the resolution could be simplified; but the resolution is purposely drawn so as to confer upon the Senate committee the right and power to compel the production of books and papers, and we shall need to have the resolution so drawn that there will be no question about the authority of the Senate committee. We shall need to have the right to examine into certain books and records of certain concerns to ascertain for what purpose they have made certain contributions, as well as to investigate the expenditures that have been made before by those agencies. I promise the Senate that I will produce before it witnesses who will testify as to the truth of everything I have said on this floor, and that much of it will be produced in documentary form. Those witnesses will testify to the abuse of the process of the Senate and of all interstate facilities, including the radio, including agents of the Senate and other agents of the Government who have been hired and have been prostituted either directly or indirectly, either by favors received or otherwise. Some of those agents have even stood up before a committee of the Senate and called its members yellow cowards, and called other members rats, and accused them of every vile thing that can be done. It will be shown that as a result of concentrated, organized publicity, financed by selfish and sinister interests, those characters have been extolled and held up as fitting examples, and the assertion has been made that through the fact that these agents have denounced members of Senate committees as rats and cowards, and every other name they could call them, they have been driven from their positions by such names that have been applied to them in public, and it has been heralded to the world through the newspapers that that has been

the means by which they have been made to adopt an honorable attitude which otherwise they could not have been induced to do.

That has gone to this country over every leased wire and over every radio facility that we know about, and that fact will not be questioned. It will not be denied that they have extolled these agents, employed through the process of the Senate, who stood before the Senate committees day after day—not just 1 day, not just 2 days, but day after day—and denounced Members of the Senate, denounced members of the committee, called them yellow cowards, called them rats, called them everything they could be called. Their conduct has been extolled, and they have been praised as having compelled Members of the Senate who had in their minds sinister motives and purposes to disavow such purposes and to turn honest. In other words, according to their own statements, they have made the committees of the Senate turn and become honest through denouncing them publicly before the committees themselves and through the publications that have been sent out to the country they have made them turn from ill motives into good motives as a result of it. That is among the things this resolution covers as matters for investigation.

If the Senate will permit that to be done, if it will permit its own agents, to whom it has paid its money for services that ought to have been loyally rendered, to do a thing of that kind and never summon one of them before it for contempt, then the Senate has no process. If the Senate, with all of its lore of honor, the Senate in which have served the Clays and the Websters and the Calhouns, has now descended to the point where it can send out its own committee, hiring its own employees, to be denounced before the committee in every vile term that can be applied to them, and then have those vile terms praised and the utterers of them lauded to the skies, and have its own Members condemned by the assertion that through such condemnation they have been made to turn and become at least half honest—if that can be done, where is the dignity and the process of the Senate of the United States of America?

That is what this resolution purports to bring before the Senate.

Now, Mr. President, I desire to address myself to the St. Lawrence Waterway Treaty.

The VICE PRESIDENT. The Senator will proceed.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. LONG. Mr. President, I thought we wrote the Democratic national campaign platform in Chicago, and I thought the Democrats wrote that platform; but apparently that was not true. I was one of the members of that convention, and I may state that I had the distinguished honor of designating one of the members who sat on the resolutions committee to adopt a platform for the party. When we had adopted the platform I thought that ended the matter; but if there were to be any amendments to the platform, I thought at least they would have called in the members of the convention, or at least Democrats, to amend it. But the Senator from Michigan [Mr. VANDENBERG] and the Senator from Wisconsin [Mr. LA FOLLETTE], sitting upon the other side of this Chamber, have been writing the platform for the Democratic Party ever since the Chicago convention adjourned. They have written it to embrace what the Republican platform embraced, upon which the Republican Party went before the people and was ingloriously defeated. I may say to you, Mr. President, that if the Democratic Party had adopted the same kind of a platform that was adopted by the Republican Party, although according to one of the delegates to the Republican convention it was rather hard to understand just what it meant, it is very doubtful that the kind of majority that the party had would have ever been given to it in the campaign last fall.

I have heard the defenses that are made for this treaty. We started out making treaties with England by trying to give England something from the day we whipped England in the War of 1776. What was the first gift that we made to England? How many Members of the Senate have ever read in the schoolbooks that we tried to give England the Louisiana Purchase and that Andrew Jackson would not let us do it? We started out negotiating with them in 1815 at Ghent. We started out to end the War of 1812, which the school histories have gone over all this country telling the people that America won, and America did not win—we started out in 1815 with our plenipotentiaries over at Ghent to negotiate a treaty with the King of Great Britain, just as we are trying to negotiate a treaty here for the St. Lawrence waterway with the King of Great Britain, as a result of which there was written into the minutes of the conference of Ghent that England declined to recognize any law of nations by which America was deeded the Louisiana Territory by Napoleon.

The United States was not in possession of the territory sufficiently to hold it at the time Pakenham's army had landed at New Orleans for the distinct purpose of taking possession of the Louisiana Purchase territory when the Treaty of Ghent arrived on American shores. When the Treaty of Ghent arrived here, had it not been for the greatest military upset that we know anything about since this country was founded, England would have remained in possession of the Louisiana Purchase territory. But the result of the battle of New Orleans was such that Jackson won a military victory. Pakenham's army evacuated the New Orleans territory. It went back to continental Europe; and, as a result of it, America has held the Louisiana Purchase territory ever since. What England could not win with arms, even though she had traded us out of it in a treaty, she immediately started out to try to get with treaties,

England negotiated a treaty in the great controversy known as "54–40 or fight", I believe. She alleged that there had to be war unless there was a negotiation based upon the 54–40 basis. Even with our great statesmen, men of learned intellect and training, representing America, England wound up with everything that she claimed in the way of a physical boundary. In that treaty England was granted everything on the top-side face of the globe that she ever laid anything like a claim to, as a result of which the British have gerrymandered the map that we now see hanging on the wall so as to cut it from the east down to the southwest, and then they had to turn the map back up some other kind of a way, gerrymandering the area so that Great Britain would hold the ownership of certain parts of the Great Lakes that never ought to have been granted to her in the first place.

Then the British came along with treaty after treaty, and treaty after treaty, gradually preempting the waterways and the water rights of the United States. They made the Niagara Treaty, in which the United States surrendered a great part of the water facilities to Canada, and then they made various and sundry other concessions and interpretations of those treaties; and, as a final result of it, England has laid claim to the waterways of the United States.

This treaty does not mean that England has just laid claim to the waterways of the Great Lakes. I desire to inform my friend the Senator from Illinois [Mr. LEWIS], whose great speech I read—it was made in my absence—that this treaty does not stop with the Great Lakes. This treaty does not stop with the water that is in Illinois. This treaty stops only with the waterways of the United States, and it affects the Missouri River, by reason of the fact that when we have internationalized Lake Michigan and traded with them for the control of our own domestic lake that is within the boundaries and the borders of the United States, we have actually given them the control over the Great Lakes-to-the-Gulf waterway lying wholly within the United States of America.

Have I just my word for that, Mr. President? Is that merely my statement, that by this treaty we are ceding our waterways to England?—and I say "England" advisedly. This treaty is not made with Canada. This treaty is made by His Britannic Majesty with the President of the United States, Mr. Herbert Hoover, to be ratified by the United States Senate. According to the news articles that have appeared in Canada—and I read them on the floor of

the Senate—according to the news articles that have appeared in Canada and have appeared in England, according to their own news articles that have been published, this treaty had as one of its cardinal points, one of its cornerstones, the purpose that they were going to have the waterways on the western hemisphere, serving the commerce of continental America, not controlled by the Congress of the United States; they were not going to have our commerce carried on the waterways of the United States; but they were going to deal a deathblow to the Mississippi and Missouri River waterway system, including the Ohio River, by giving to Great Britain a partnership in control of the waters of Lake Michigan.

One great trouble about the men sitting in the United States Senate, all of us, is that we know so little about one another's own particular business; that is, our own sectional business. What affects the country generally we know more or less about; but here is something that a large number of the Members of the Senate have never yet taken the slightest amount of time to consider.

The Mississippi River is not navigable the year around. It is not navigable now. The Mississippi River is not navigable even today. It is going to take still further work in impounding the waters of Lake Michigan during certain seasons of the year for the Mississippi River ever to be made navigable. I do not have to go to anybody else to find that out. I tell you, gentlemen of the Senate, on authority that no one can contradict—the authority of the Mississippi Valley Association, the authority of the State Board of Engineers of the State of Louisiana, which is probably the greatest authority we have, even upon the authority of the information that has been furnished by the War Department itself, as to some of which there is now a claim that they have rescinded their opinion to some extent—I tell you that on their own authority there is not now, and cannot be under this treaty, a possibility of the Lakes-to-the-Gulf waterway ever being completed in its full stage, or ever being maintained after it is completed.

My friend the Senator from Michigan [Mr. VANDENBERG], when we were debating this matter, had an opportunity to learn something that apparently he never had investigated prior to that time. He asked me to explain why I had said in a speech on the floor of the Senate that we were inundated by the surplus waters of the Mississippi River, and why I had said in another breath that there was not sufficient water in the Mississippi River to carry on commerce and navigation. Living up in Michigan, he has not learned about it. He had not been down there to Louisiana to see.

The facts are, Mr. President, that in the spring of the year the great melting process begins in the North. The rains begin in the North, and they begin in the South as well, and when that occurs there is a surplus of water through the months of April, May, and June, and sometimes even up into the month of July, so much water that it is impossible for the channel of the Mississippi River and its tributaries to carry it.

Louisiana is not overflowed by the water of Louisiana. Arkansas is not overflowed by the water of Arkansas. Mississippi is not overflowed by the water of the State of Mississippi. They are overflowed, Mr. President, by the water of Michigan, of Indiana, of Illinois, and some of it probably from Canada. They are overflowed by the water that comes from the Northwest through the Missouri River. They are overflowed by the waters of the Northeast that come through the Ohio River. They are overflowed by the snow that melts in the North during the season of melting, during the spring season—the dumping ground of the waters of the world, so far as America is concerned.

I have seen the city of Memphis overflowed—not entirely. I have seen the waters come up in the Mississippi River to where the city of Memphis was almost inundated. I have seen city after city, town after town, farm after farm entirely obliterated and wiped out as the result of the flood waters with which Congress is familiar, certainly, because it has dealt therewith.

Now, as the result of that, Mr. President, what was the trouble? There was a way to have taken care of that situation. Congress would not do it. There was a brilliant Member of Congress leading a fight in the lower House of Congress for flood control, and we had developed a program for flood control. It meant that we would establish gigantic reservoirs so that we would impound the big stocks of water in the springtime, so that when the summer season and the fall season arrived those waters could be gradually released for the purpose of supplying sufficient water for navigation and for the purpose of supplying power to this country.

We had that plan developed, Mr. President. It is known as the "Jacobs plan", which was made under my supervision. It received favorable consideration even up at the War Department.

A brilliant Congressman from the North came to me and told me, "I am sorry, I am not going to be able to advocate your plan any more." Why? Was it because he did not believe in the soundness of the plan? No. I found out, through a Congressman from the State of Arkansas, who is in Congress yet, that it was because the power interests had told them that they were not going to stand for the reservoirs and development of the power that this thing purported to do because it laid the properties of Insull at the mercy of the regulation of the power produced through the Mississippi River.

I have the Jacobs plan now. It has never been attacked from the standpoint of its engineering soundness. Had that plan been adopted, we would not be here today talking about this little beaver-board proposition running up through Canada. There would have been more power; there would have been more water; there would have been more navigation of every kind than could be told about. That plan had to go glimmering. Yet it has not gone glimmering. It is still before the War Department today. But when the spring season is over the water is gone. It has not been impounded. The silt has been allowed to collect and to gather in the bottom of the Mississippi River, where it gets heavier and heavier the nearer you get to the jetties and the nearer you get to the Gulf. When the season is over then there are no more snows to melt in the North, there are no more rivers to overflow up there, there are no more lakes to empty into the Missouri, the Ohio, or the Mississippi Rivers; and, as a result thereof, throughout the great portion of the year there is no navigation possible on the Mississippi River.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield.

Mr. SHIPSTEAD. I agree with what the Senator from Louisiana has said about the control of the flood waters on the lower Mississippi. I desire to say to the Senator that the President appointed a committee last summer which is now working on such a plan as I understand the Senator to favor, investigating the possibility of it, with the idea of coming forth later with a program to control the waters of the upper Mississippi and its tributaries through the building of reservoirs to keep that flood water back in the spring, to protect the lower Mississippi Valley, and to conserve the waters for later seasons when there is not so much rain, and then let it come down the Mississippi.

Mr. LONG. We are to have that plan? I am glad to hear that the President assented to it. I had received some information to that effect here yesterday. I am glad to know that the President is interested in that plan.

That, Mr. President, is the first thing to consider; that is the first thing to do. The Father of Waters, the greatest system of waterways known either to the civilized or uncivilized world, the Father of Waters, with these marvelous tributaries leading practically into every nook and corner of the United States, should be properly developed. There is the Missouri River which goes clear up to Montana. There is the Ohio River which can be used for the transportation of steel that is made in Pittsburgh. There is every facility from the standpoint of waterway transportation, for the development of power that can be even desired in the United

States, through the waterways of America, and today, instead of talking about making a trade by which we are going to give to Canada a partnership control over a lake that we in all probability must have in order that this waterway system may be made perpetual the year around, we ought not to be starting here with the cart before the horse. We ought to first survey and investigate and give to America such waters as this system is going to need, and then if there is anything left over, talk with Great Britain about giving them some of ours.

It is not time to do a thing like that, and I do not think when we have developed our own system that we will ever have in our mind giving any such control. And when we do, Mr. President, let us say for the sake of the argument—I do not admit it for a minute—let us say for the sake of the argument that we are going to want to make a better outlet from the Great Lakes to the Atlantic Ocean. Why do we have to go to Montreal to do it? Why do we have to deed any of Lake Michigan to Great Britain to do it? And we are not deeding it to Canada. It makes me tired when I hear talk about our treaty with Canada. We are not making a treaty with Canada. We are making a treaty with his Britannic Majesty.

Why should we have to put the cart before the horse and give Lake Michigan into a partnership control with Great Britain and spend—I do not know how much money it is. Figures vary. The Senator from New York claims it is going to be over $500,000,000. I am informed by my engineers in Louisiana that I used to run with down there, men that I appointed to office, that were carried on by the present Governor, that it will cost more than $500,000,000.

Why should we be talking about spending $500,000,000 on what is at best less than a secondary waterway route, when probably double that amount at the most would complete the entire waterway system that would give transportation and power and everything that could be had in America, through America, with American money, employing American labor for American commerce?

Let us say that after we get through with this we are going to define in our own minds, then that we will have completed, then that we will have protected a sufficient water supply to feed the main stem of the Mississippi River and the tributaries of the Mississippi River the year round, then that we will have held unto ourselves sufficient water for all the power needs of this country, then that we will have done that, let us say that after that has been worked out and thoroughly developed that we find out that we have enough water left that we can afford to open up a clear route to the Atlantic Ocean.

Then what are we going to do? My friend from Montana will say, "We want commerce." We will say to him, "You have got it. We have developed the Missouri River. We have made you a river route right up into the State of Montana. And are you going to go 1,000 miles to get to water, to go through Canada, when we have the Missouri River up to your door, and not spent as much capital for it?"

What will we do then if we are going to get this narrow strip from the Great Lakes over to the Atlantic Ocean? It is not necessary to go through Canada, Mr. President. It has been developed to my mind and satisfaction, and I cannot see why it has not been to the satisfaction of everyone else, that instead of having a route through Canada that at best is not good for more than 6½ months out of the year—and then very limited at that—that with less than half the expenditure America can stretch that waterway route from the Great Lakes through the State of New York, as shown by the red line on that map; they can dig it just as deep as the circumstances may require—I understand it is already 18 feet deep; it can be made 30 feet deep—they can develop the same water route that they claim they want to have from the Great Lakes to the Atlantic Ocean by connecting up with such water routes as already exist, and by deepening such water routes as already exist, right from the Great Lakes to the Atlantic seaboard, right through the State of New York, giving America its own waterway 100 percent in America, with American water, for American tonnage, with American money, to employ American labor, rather than giving American water to develop a Canadian port, and American money to hire Canadian labor, and American money to develop a Canadian seaboard.

That, Mr. President, is what we can do; and we can do it at the very lowest estimation at less than half the cost of developing the Canadian waterway system which the pending treaty provides for.

I have been unable to understand the kind of reasoning that my friends employ who are in favor of the bill. The mention of the word "power" is like a red flag in a bull's face to them. But this is not the way to do it. This is not the way to get it. I do not want to have power up there in Canada to be expended through the United States at a cost of $500,000,000 of American money, because it is too far away to ever do very many people much good. It is limited in its possibilities at the best. But if the main stem of the Mississippi River, the Missouri River, and the Ohio River were developed, it is all-sufficient. There is not a nook or corner in the United States, Mr. President, to which every power facility cannot be given as the result of our own power controls held in America.

I now desire to speak, Mr. President, about the platform in Chicago that our good friends have been writing for us. I wish to speak relative to this provision of the Democratic Party, that never was written into it, that my friends from Michigan and Wisconsin on the Republican side are helping us write into it now.

Of course I know that the President made some kind of a statement. It is argued by my learned friend from Illinois that that statement could well have been intended under the rule of reason to have meant one thing and have meant another thing. I have never given particular attention to what was the statement that the President made; but, of course, the President has a right to do what he wants to do; but I was in Chicago, Mr. President, when this question came up; I was at least in on the naming of one man who sat on the resolutions committee; I know that that same individual came to me about the St. Lawrence waterway matter; I was given to understand that it was not going into the platform to go on the floor, and that it did not go into the platform to go on the floor; that it was never read on the floor—not one line of it, not a word of it—and, much as I was interested in the nomination of Mr. Roosevelt at Chicago, and hard as I fought for it there, if they had ever come on that floor with a proposition that they were going to vote to ratify a treaty, which at that time had not been made, by which they were going to internationalize Lake Michigan, give away the water of Lake Michigan and use American money for Canadian labor, and use American money for Canadian materials and American money to build a Canadian port, taking away money that America needed in order to do its own work, taking away money that America needed in order to develop its own waterways, and taking away money that America needed to employ its own labor that was then idle—I can tell you, Mr. President, if that kind of proposition had ever been brought to the floor of the Democratic National Convention in Chicago, it would have torn that convention all to pieces, and it never could have been put through there. It was not in the cards that such a proposal could have been written into the national Democratic platform in Chicago.

I say it could not have been written into it. Why could it not have been written into it? I can take that map on the wall there [indicating] and show the Senate by the cards that it was not possible to get a majority of the members of the resolutions committee at the Democratic National Convention ever to stand for writing into the platform a plank giving American money and American water to Canada at the sacrifice of the waterway system of the United States. It could not have been done; it was not done; and was never intended to have been done. Some Senator has said that Mr. Hitchcock made some kind of an affidavit that they meant to do it. That might have been what Mr. Hitchcock meant to do, but that was not what other members of the resolutions committee meant to do,

for had it been that plank in the platform could not have come out as it did.

Our friends of the Middle West have been very generous to us, Mr. President, and we are very much grieved to have to oppose anything for which they ask. A Senator said to me this morning, "We ought to be generous to the Middle West." So we ought to be and we are willing to be; we are willing to do anything that we can to build up the Middle West; we are willing to do anything we can to build up the waterways of the Middle West; we are willing to do anything we can to preserve the sovereignty of the Middle West, but we love the Middle West too well to have to start out ceding its rights to Great Britain at this stage of the game.

We fought to have secession in the South, but the Constitution later forbade it. What did General Sherman say when he left the Louisiana State University? General William Tecumseh Sherman, when the Civil War was almost ready to be declared, was the president of the Louisiana State University. What did he say when he left? He said, "There can be no division of this country because the source of the Mississippi River cannot allow the mouth of the Mississippi River to be in the control of anyone except a part of the Federal Government."

The one ground upon which he based his position that secession inevitably meant war was that a division of the source of the water of the Mississippi could not be allowed, for the country that controlled the route to the Gulf would be in control of its navigation and commerce. Yet, today we are proposing to make the Middle West, according to their own argument, servile to Canada for its own waterways and commerce. We are now proposing, Mr. President, not to help the Middle West, but we are proposing to take Lake Michigan, a body of water that, if we are going to say it belongs to any section, certainly belongs to the Middle West as much as it belongs to anybody else—we are going to take the source of all the power and waterway possibilities of that territory and, to a large extent, vest it in the international control jointly of Great Britain and the United States. We might just as well go one step further. The Canadians are not going to stop with this treaty; they do not have to stop with it. They have come on down until they have preempted such a control over the Great Lakes that we have not got anything much left there except Lake Michigan that is not under international control—there is very little of it that is not—and then, when they shall have preempted Lake Michigan, along with the other lakes; when they shall have taken, in a benevolent and patriotic manner, from $500,000,000 to $600,000,000 of American money to develop the greatest port on the Western Hemisphere for the benefit of Canada, with perhaps such little accretions here and there as are going to be given to the Middle West, then they will negotiate a treaty the next time to internationalize the Mississippi River.

If, after having negotiated this treaty to internationalize Lake Michigan, we ratify it, the next thing the Canadians will do will be to negotiate a treaty to internationalize the Mississippi River. Why? Because they will control the water that is necessary, according to their own statements and estimates, to navigate the Mississippi River. It is now proposed to do just exactly the opposite of what General Sherman counseled. We are going to commit the very act that General Sherman said would bring on a civil war, and which did bring on a civil war. We are going now to give them the control of the water that is just as necessary to navigate the Mississippi River as is a steamboat itself; and then we are going to have to go bend ourselves on our knees and say to the great Canadian provincial ruler, who is his Britannic Majesty, George the—what is his number?

Mr. LEWIS. I hope the Senator will "get his number", if necessary.

Mr. LONG. George the V! We always have our trouble with the Georges. This one is slicker than the others, although he is a good man, I understand; but when we get ready to say here we have decided that we want power in the United States on the main stem of the Mississippi River, we have decided that we want power not only in the month of April, May, June, and July, but we have decided that we want power the year around; we have decided that we want navigation on the Mississippi River the year around; we want navigation on the Missouri River from Montana into the Mississippi and the Gulf or from the Mississippi to Chicago and the Great Lakes, and when we say to his Britannic Majesty we want navigation from Pittsburgh to Memphis, what will his Brittanic Majesty say? His response will be, "In order to do that, you have got to have a grant from me allowing you to draw water from Lake Michigan for 7 months out of the year; you cannot run the Mississippi River as a navigable stream unless you have got the right to draw water from Lake Michigan, and I will not let you draw the water from Lake Michigan for American commerce unless I am given some part of the ownership of that commerce."

Mr. President, we have already internationalized the Niagara River; we have internationalized the other Lakes, and now we are going to internationalize Lake Michigan; Lake Michigan waters being just as necessary in order that the commerce may float from Pittsburgh to New Orleans or Pittsburgh to Chicago or through the Missouri River on to Chicago and New Orleans as is the water that is now in the river. It is going to mean that Great Britain will in time be just as much in control of the commerce that sails on the Mississippi River, if it is allowed to sail—and they will not allow it to sail—just as much as it is in control of the commerce that today goes from Montreal to Winnipeg.

I cannot understand why my friends cannot see that. It is so plain to me that I cannot see why, with all their learning and skill, Senators in this body have—my friend from the State of Minnesota [Mr. SHIPSTEAD], who has studied this waterway problem, and my friend from Michigan [Mr. VANDENBERG], and my friend from Wisconsin [Mr. LA FOLLETTE], who sat on the Commerce Committee when we were appropriating hundreds of millions of dollars for the Mississippi, its main stem and its tributaries—I cannot understand, for the life of me, how any living man can fail to see that if we go another step further and internationalize Lake Michigan and place the waters that are needed by the Mississippi River under the control of Great Britain as a joint partner with America we can never expect to escape internationalizing the balance of the waterways of the United States. I cannot see why they cannot see it.

If they want it, if anybody says it is going to be a great help to them to have joined the Great Lakes and the Atlantic seaboard, we are willing to start that work tomorrow. We are willing to start out, Mr. President, digging right in America with American labor and using American materials to build up an American port and to provide an American waterway. We are willing to start at a good spot any day, although it is not the first thing that ought to be done, for we ought first to develop the Mississippi River. However, we are willing to start tomorrow morning with whatever dredging is necessary, if it will do any good, and build whatever is necessary to join the waters of the Great Lakes to the waters of the Atlantic seaboard in the State of New York. It can be done for less than half the expense of the St. Lawrence waterway; it can be done with the labor of American people, and they need the labor; it can be done with the materials produced by the American people, and they need to sell them; it can be done for the benefit of American commerce, and it may need it; and it can be done for the glorification of the continent of America, not, Mr. President, to place under the charge of Great Britain the water facilities not only what they now own, but the water facilities that are owned at present by the United States.

I do not pretend to be so familiar with this question as are others on this floor, but I do think I understand it well enough to answer any question that has been presented by the opposition. I do not pretend to understand it nearly so well, in its infinite details, as do others who have studied

it later than have I. At one time I was much better informed upon this question than I now am, because I studied it considerably before I formed any opinion on it, and I had the advantage of splendid engineers and splendid consultants who were working on not only a flood-relief program but a power-relief program, if I may so designate it. I had the reports, I had the statistics, I had all the information obtainable by the work of these men, and I studied the question with them through several nights and several days, and, I might say, through several months and probably over a period extending for 3, 4, 5, or 6 years.

I could not at that time, I cannot now, and I do not think I can at any time see the possibility or probability of any opinion ever being formed by me or by anyone understanding this situation as I think I understand it such as would induce an agreement to internationalize Lake Michigan and deprive the waterways of the Mississippi and its main stem of the water that is necessary in order to use American money to build up a port for Americans.

I am not one of the British haters; I am not one of those who abuse Great Britain and the King of England; but I want to say one thing, that the British are about the smoothest set that we have ever had anything to do with in our lives. I at one time said that I never did want to see another American mission go over to England to negotiate another treaty; that I never wanted to let them leave here to negotiate another one, for I thought it was too bad to let American diplomatic commissioners go across the Atlantic Ocean, 3,000 miles away from home, to negotiate a treaty with Great Britain, because I was afraid that they would take what the Americans had with them; but, lo and behold, when this gang came to America this time they not only took what the commissioners had with them over there but they came pretty near taking all we had left in the way of waterways in the United States. I do not want them ever to come back to America. If we ever have to meet with them to negotiate a treaty, I do not want to ever have them come here again, because they will not see as many things and know as many things that they will get their hands on as apparently they saw this time unless they come here. They seemed to have second sight. Who on the living earth ever thought they would come here for anything like this? Do you take my word for that? You do not have to; you can take the word of a Canadian newspaper read on the floor of the Senate.

One of those newspaper editorials said, "We had no idea that they were going to get any such thing out of America as they came back with." It said, "They exceeded their instructions in what they received." It said, "They have brought home the bacon." Those are the exact words they used. They said, "Think of it. Think what his Britannic Majesty has got through this treaty. He has not only got the Port of Montreal, he has not only got business from the United States that is to go through that port, but he has actually got the money of the United States with which to build up the Port of Montreal; he actually got the money from the United States with which to hire Canadian labor; he actually got the money from the United States with which to buy Canadian material; and lo and behold, they were not satisfied with that, but they took away America's own water to keep them from using it to build up a waterway to the Gulf of Mexico."

They said, "He brought home the bacon." He not only brought home the bacon, but he brought home the whole hog. [Laughter.] He could not have obtained any more; it would not have been possible to get more than he got that time. He got the United States of America into what might be called a diplomatic conference, and he said, "You are wanting a waterway. We are going to build it through Canada."

If they had stopped and said, "You are going to build it in America and Canada is going to build it in Canada" that would have been one thing. But no, they did not say that. They said, "America is going to build it in America and America is going to build it in Canada." If they had said "America is going to build it in Canada with American labor", that would have been one thing; but no, they said "America is going to build it in Canada and Canada will build it with American money and Canadian labor."

They were not satisfied with that, but they fixed it up to the point where America is not only going to build up the Port of Montreal and a waterway to the Atlantic Ocean to take away the commerce that ought to flow through American waters, but they are going to take the water of the people of the United States that they need to promote their own commerce and build up the States of the Union, and use that to build up Canada and keep the United States from having anything.

This editorial went on to say that the great thing about it is that they killed the one great enemy of the development of Canadian commerce that has always menaced them, and that is the Great Lakes-to-the-Gulf waterway. "That is one great thing we have done", they said. They said, "We have succeeded in killing the hopes and possibilities of freight being diverted from Canada that America might float upon her own waterways to the Gulf of Mexico through New Orleans."

What is the use of keeping up the Mississippi River after that? There is no use. Congress will not do it. The reason why they kept up the Mississippi River as they had is that every time we wanted to build a little bridge across the Mississippi River we had to come up here and go through every one of the departments with a spirit level and compass to get any authority, and it is difficult to get authority to build even in that way. If we want to span a little stream down there with a bridge, we find that it is a navigable stream under control of the United States, and that we have to get a bill through Congress and get the signature of the President of the United States before we can do it. Then we have to build that bridge with our own money in the final analysis.

When the flood waters come down into that country through the same system over which they exercise such supreme sovereignty, and that has been the case for over 100 years under the United States Government, the Federal Government did not for many years contribute anything to take care of the people of America who were injured and wiped out and harmed by the flood waters that came down upon them from the North and from other territory than their own.

The only way we have been able to get any relief from the Congress is on the theory that it is a matter of navigation; that for the protection and development of the navigable facilities of these rivers the Federal Government takes a hand. It has been done on the theory that protection and development of the navigation facilities of the Mississippi River and its tributaries and the Missouri River and its tributaries are interwoven with the flood-control program. That is how we manage to get anything done.

But now we do not propose to have it done in that manner. We propose to center our activities, so far as investigation is concerned, up through Canada. We propose to take $600,000,000 that is needed today to build up our ports and use it for the inland waterways of another country. Oh, I am not greedy about it. There ought to be some money spent at the port of Savannah and at the ports in Texas. There are to be moneys spent on the ports in California. There ought to be moneys spent on the ports farther up along the Pacific coast. There is considerable work to be done on all the ports on the ocean, and there is need of plenty of work being done on the main stem of the Mississippi River and its tributaries and the Missouri River.

For that reason, and for other reasons, we certainly hope the treaty will be defeated. We hope, further, not only that will the treaty be defeated, but insofar as concerns that particular project that the President will keep in mind the development of a Mississippi River waterway and a Missouri River waterway. If he has that in mind, we will give

him every assistance and help in every way we can. I thank the Senate.

The PRESIDING OFFICER. The question is on the ratification of the treaty.

Mr. LEWIS. Mr. President, I must inform the Chair that in the general interest of debate we have overlooked the fact that we are in legislative session; that there is a bill pending in charge of the Senator from California [Mr. JOHNSON]; and that we are not really in executive session.

At this point I feel that I owe it to Senators who expect to speak on this question or desire to do so, thinking that time will possibly be shortened by presentation of an agreement for a vote, to say to them that we who sought to negotiate a vote at a certain time have failed. In the last few minutes information has come to us that those interested in the addresses they desire to deliver, or for whatever reason they have, cannot agree to any vote this week. Consequently the question of agreement for a vote will have to go over until Monday, and therefore I inform Senators so they may be free either to resume this afternoon, if that is their purpose, or to wait until Monday.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. Is the Senate in legislative or in executive session?

The PRESIDING OFFICER. The Senate is in legislative session.

INVESTIGATION OF DISTRIBUTION OF MILK AND DAIRY PRODUCTS

Mr. McCARRAN. Mr. President, during the special session of Congress, by authority of the Senate, the Committee on the District of Columbia was authorized to make certain investigations bearing on the subject of milk distribution and dairy-products distribution. That inquiry was carried on during the summer months with the Senator from Utah [Mr. KING] and myself present. The inquiry developed some very interesting matters, so much so that within the last few days the inquiry and evidence adduced therein, together with other evidence, has brought forth certain public statements from the Secretary of Agriculture, most interesting in themselves, in which he states that a Nation-wide inquiry should prevail upon this subject.

With that in mind, and having in mind the disclosures made before the Committee on the District of Columbia, I now send to the desk and offer a resolution calling for the appointment of a special committee of this body to make the Nation-wide investigation on the subject of milk and dairy products and the distribution thereof.

The PRESIDING OFFICER. What disposition does the Senator desire made of the resolution?

Mr. McCARRAN. I think possibly it might well be referred to the Committee on the District of Columbia.

Mr. KING. Mr. President, I was about to suggest, in view of the fact that the functions of the Committee on the District of Columbia are limited and this transcends the duties and responsibilities of that committee, the resolution ought to go to the Committee on Agriculture and Forestry.

The resolution (S.Res. 168) was referred to the Committee on Agriculture and Forestry, as follows:

Whereas on the 15th day of May 1933, Senate Resolution 76, Seventy-third Congress, first session, was agreed to, authorizing and directing the Committee on the District of Columbia, or any duly authorized subcommittee thereof, to investigate conditions with respect to the sale and distribution of milk, cream, ice cream, and other dairy products within the District of Columbia with a view to determining particularly whether any individual, partnership, or corporation, residing in the District of Columbia or elsewhere was operating in restraint of trade or commerce, or was in any way monopolizing the dairy industry within the District of Columbia; and

Whereas, pursuant to said resolution, an investigation was held by a duly authorized subcommittee of the Committee on the District of Columbia and many witnesses were heard, including representatives of both producers and distributors; and

Whereas the testimony adduced at the hearings held in pursuance to the resolution aforesaid abundantly sustains the contention that over a period of years the producers of milk in the District of Columbia milk shed have been receiving far less than the cost of production, due to attempts by large distributors to monopolize the milk market within the District of Columbia; and

Whereas the testimony so adduced further tends to prove that this condition is not confined to the District of Columbia milk shed, but likewise exists in all the principal milk sheds in the United States; and

Whereas such testimony tends to substantiate complaints received from other localities to the effect that competition in trade in dairy products has likewise been stifled and that the cost to the consumer of such dairy products exceeds the cost to the producer by more than a fair margin of profit to the producer; and

Whereas such testimony tends also to establish that the sale of dairy products in the District of Columbia milk shed and the milk sheds of the principal cities of the country has been monopolized by large holding companies; and

Whereas such testimony tends also to show that the said holding companies are continuing to merge and consolidate in order further to monopolize and control the milk markets of this country; and

Whereas the continuation of the practices now engaged in by these large milk holding companies will in the end destroy the already sorely pressed agrarian populace: Therefore be it

Resolved, That a special committee consisting of five Senators, to be appointed by the President of the Senate, is authorized and directed to investigate conditions with respect to the sale and distribution of milk, cream, ice cream, and other dairy products within the Territorial limits of the United States by any individual, partnership, association, or corporation with a view to determining particularly whether any such individual, partnership, association, or corporation is operating within any milk shed of the United States in such a manner as to substantially lessen competition or tend to create a monopoly in the sale or distribution of such dairy products, or is a party to any conspiracy in restraint of trade or commerce in any such dairy products, or is in any way monopolizing or attempting to monopolize such trade or commerce within the United States or any part thereof, or is using any unfair method of competition in connection with the sale or distribution of any such dairy products. The committee shall report to the Senate as soon as practicable the result of its investigations, together with its recommendations, if any, for necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress and succeeding Congresses until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ALCOHOLIC BEVERAGE CONTROL IN THE DISTRICT

Mr. KING. Mr. President, a few days ago the so-called "District liquor bill" passed both bodies and was sent to the President for his approval. He signed the bill, but in announcing his approval he transmitted statements submitted by the Attorney General and Mr. Choate, head of the Federal Alcohol Control Administration. The statements to which I have referred, as well as the message from the President, suggested supplemental legislation to correct alleged ambiguities or uncertainties and certain policies carried in the law. I desire to submit a few observations by way of reply to the statements of the Attorney General and Mr. Choate.

Recommendations or suggestions made by the President are entitled to serious consideration, and should be treated with the utmost respect.

The views of the Attorney General upon matters coming within the sphere of his activities are also to be given serious consideration by Congress, and the same may be said of the views of Mr. Choate regarding questions arising in the performance of his duties.

First, may I say that questions of policy concerning District legislation are primarily dealt with by Congress. Of course, the President's approval is essential to give validity to legislative measures. He may make recommendations to Congress regarding the District of Columbia, but the responsibility rests upon Congress to legislate for the District and to determine legislative policies. If measures passed by the Congress are not in harmony with the views of the President they may be vetoed by him. Policies adopted by Congress may be unwise, but, if enacted into law, they must prevail. The President and the Attorney General, with respect to the law under discussion, were within their rights in sug-

gesting changes in the bill passed by Congress and, if the suggestions submitted possessed merit or were necessary to improve the law, Congress should promptly act upon the same.

In my opinion, the questions raised by the Attorney General and Mr. Choate were fully considered, both by the House and Senate Committees on the District of Columbia, and upon such consideration the provisions of the law discussed by them were written into the law.

I respectfully dissent from the positions taken by the Attorney General and Mr. Choate, and therefore do not believe additional legislation is required to supplement the act to which they refer. The following comment is made by the Attorney General:

> The bill contains a number of provisions which would seem to require clarification and correction.

The report then proceeds to enumerate the several provisions referred to, which I shall briefly discuss. The Attorney General states:

> (1) The bill contains no saving clause subordinating its provisions to codes of fair competition where there is an inconsistency between them. Such a safeguarding provision seems desirable in view of the fact that codes of fair competition for various branches of the alcoholic-beverage industry have already been adopted.

Mr. President, with respect to this suggestion, it involves primarily a question of policy, and in this respect it is suggested that perhaps codes of fair competition for all branches of the alcoholic-beverage industry have not been adopted. That seems very clear.

Because such codes may be modified and changed, there is no certainty that the codes dealing with alcoholic beverages have canvassed the whole situation and are so comprehensive as to meet all present and future conditions. The control of the sale of alcoholic beverages is now a local matter; it is for the States and their political subdivisions to determine whether alcoholic liquors shall be manufactured or sold and what regulations shall be devised and enforced. What will meet the views of one State may not be approved by the people of other States. The District of Columbia has the responsibility of dealing with this important question, and codes now existing dealing with the liquor question, if there be any, or codes hereafter proposed, may not meet the wishes of the people of the District of Columbia. Whether or not Congress would want to subordinate the provisions of a bill regularly enacted into law to any provision that might hereafter be adopted in a code of fair competition raises a serious question.

Suppose that after the passage of the so-called "liquor bill" a code should be adopted by the N.R.A., or by some other organization, Nation-wide in character; is it proper for Congress to now bond the District by its unknown provisions? It might conflict with the views of the people of the District or of Congress. They might be unwilling to submit to a code of the character to which I have referred. If a code shall be formulated by the N.R.A. which deals with the liquor question, and its provisions are such as to meet the views of the residents of the District and Congress, and legislation is essential to bring the District within its terms—then legislation may be sought for that purpose.

In any event, the codes are subject to change. Moreover, I respectfully submit the provision suggested by the Attorney General is of doubtful constitutionality. On its face it is a delegation of power by the Congress. The Congress solemnly enacts a provision and in the same breath declares it subject to the provisions of certain codes of fair competition, some of which may not even have been adopted and, if and when adopted, are subject to change.

To permit the provisions of the code of fair competition to modify the Liquor Control Act would in effect permit modification of provisions of the act fixing tax rates, among others, thus perhaps even removing the tax altogether on certain articles or subjecting articles to tax which are not taxable under the act. This could be brought about by means of definition of the various beverages in the codes, at variance with the act, certainly a far-reaching delegation of power by the Congress and to an uncertain agency at best; it being a fair assumption that codes, which must of necessity be flexible, are not given the same rigidity from a legal standpoint with which acts of Congress are endowed.

In other words, it is suggested, as understand, that the act of Congress dealing with alcoholic beverages within the District, should be subject to codes whether in existence or not in existence, regardless of whether they are appropriate to the District of Columbia. The second point made by the Attorney General is as follows:

> (2) Section 9, subsection (b), paragraph 3, of the bill, if literally construed, would seem to require that every purchaser and consumer of liquor should obtain a license. Clearly that is not the intention of the bill.

Of course the Attorney General is right when he says that is not the intention of the bill. In suggesting that the bill might be so construed, I believe a number of considerations have been overlooked:

First, the provision in question appears in a subdivision devoted exclusively to solicitors. Senators will recall that a provision of the act deals with persons who obtain licenses to solicit the purchase of beverages from corporations or companies represented by them; and the section referred to by the Attorney General deals exclusively with solicitors.

Second, it is couched in substantially the same language as the first paragraph of the subsection, which refers specifically to the holder of a solicitor's license.

Third, the second paragraph in the subsection, immediately preceding the paragraph in question, provides specifically that nothing in the subsection shall apply to any offer for sale or solicitation made upon the premises designated in the license of the vendor.

Fourth, there is no provision in the act for the issuance of a license to a purchaser or consumer suggested by the Attorney General.

Fifth, disregarding all the foregoing considerations, the adoption of the possible—or impossible—construction placed upon the language by the Attorney General produces the result that "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia" has failed utterly of its purpose, inasmuch as it would require a license by purchaser and consumer and makes no provision for those persons to obtain a license. To strain the language and context of a provision to attain such a result can scarcely be said to be a justifiable treatment of a legislative enactment.

The next criticism—if I may use that word—of the act is as follows:

> (3) Section 14 (c) provides that except for certain limited types of retail licenses no place shall be deemed appropriate for a license "if the owners of a majority of the real property" within a radius of 600 feet shall object to the granting of the license. It is not clear whether the phrase "owners of a majority of the real property" is intended to mean a majority of the owners of real property within the prescribed radius or the owners of the major portion of the area within the prescribed radius. This is an ambiguity that is likely to give rise to litigation.

By what process of reasoning the words "owners of a majority" might be construed to mean "majority of the owners" does not appear from the report of the Attorney General, and apparently the suggested ambiguity is, Do the words mean what they plainly say, or shall they be construed to mean something else?

The fourth comment in the Attorney General's report is as follows:

> (4) The provision in section 5 prohibiting members and employees of the board from having any indirect interest in the liquor business is too broad in that, as framed, it might be construed as preventing them from owning any stock in railroad companies, warehousing companies, etc.

In all fairness there might be adduced here a technical argument such as the Attorney General offers. It is submitted, however, that the provision would not be construed as suggested. The language obviously is designed to prevent

the members and employees of the board being interested in the liquor business as such.

The next comment made by the Attorney General is as follows:

(5) Section 12 prevents chain stores from selling beverages, as no person is permitted to have more than one retail license, while every license appears to be limited to a single place.

Undoubtedly section 12 means exactly what the Attorney General declares it means, and apparently what the Congress intended when the bill was passed. Wherein lies the need for clarification is not pointed out. Apparently the objection is to the policy of the provision.

The committees having the bill in charge gave due consideration to this question and determined that the number of licenses to be issued should be limited. There was no misunderstanding of the terms of the measure or the object to be attained. Some persons may not approve this policy, but Congress did and wrote it into the law.

Speaking for myself, the fewer licenses issued the better. I should be glad to see a limited number of licenses, and strict regulations, to the end that temperance might be promoted. But at any rate, whether we quarrel with the policy announced in the bill or not, that policy was declared; and, so far as I am concerned, I do not feel like amending the bill in order to change that provision.

The next comment made by the distinguished Attorney General is as follows:

(6) Section 15 excludes stores and restaurants in residential districts, unless located within a hotel, apartment house, or club, from obtaining any retail licenses.

Making the same comment as above, the construction placed upon the provision by the Attorney General is correct. He has not enlarged upon the bare statement of what the provision means, and apparently his objection must be to the policy.

Undoubtedly the President had the right to veto the bill because policies were expressed in the bill with which he was not in sympathy. He had the right to submit objections for the consideration of the Senate and the House, if he felt that there were objections to policies announced, with a view to having the bill amended. Speaking for myself, and I think for the committee, the policy announced in the provision to which attention has been challenged by the Attorney General was one which was reached after considerable discussion by the committee. I see no reason, at least for the present, to adopt a different policy from that announced in the act after consideration by the committees of both the House and the Senate.

The Attorney General makes further comment as follows:

(7) I have conferred with the Secretary of the Treasury and with the Federal Alcoholic Control Administration. The Secretary has authorized me to say that he concurs with the views expressed in this communication. In addition to the matters presented here, Mr. Choate has pointed out that the provisions of section 36 of this bill, relative to labeling, may not be in accord with the policy of the Federal Alcoholic Control Administration. This involves an important matter of policy. I am enclosing Mr. Choate's letter.

The Attorney General admits that the question presented in the above paragraph is a question of policy. Doubtless the Congress differed with the Alcohol Control Administration with respect to the desirability of having such a labeling provision in the act. I may add that that question was considered by the Committee on the District of Columbia of the Senate and, I am sure, by the Committee on the District of Columbia of the House. There was evidence before the committees that some of the alcoholic beverages that were being sold, particularly distilled spirits, were, shall I say, misrepresentations. Liquor was being sold as whisky that was largely alcohol and a variety of juices and compounds.

The committee believed that distilled spirits offered for sale should be labeled so that the persons purchasing the same would know what they were purchasing. They believed that it was necessary in order to protect the public.

Mr. President, we have enacted measures dealing with food and food products. We have a very important act, known as "the Pure Food and Drugs Act", and, may I say, that act has been found inadequate to meet the evasions of many people who have palmed off upon the public deleterious and, in some instances, poisonous substances.

The committee, as a matter of policy, believed that certain of the products described in the bill should be labeled; that the bottles in which they were sold should be labeled, should accurately state their contents for the protection of the public.

That is a question of policy. If Mr. Choate, or anybody else in some other jurisdiction, believes a different policy should be pursued, that is for them to determine, but so far as the District of Columbia is concerned, the District Committee believed in the policy to which I have referred, and therefore inserted in the bill the provisions to require an honest labeling.

I have gone over the suggestions made by the able Attorney General and by Mr. Choate, with a view to determining whether or not they were of such compelling force as to require additional legislation. Up to the present, after giving to these communications the most respectful and serious consideration, I have been unable to conclude that supplemental legislation is required in the particulars suggested by the two distinguished officials of the United States.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, may I inquire if the Senator from California [Mr. JOHNSON] wishes to proceed now?

Mr. JOHNSON. I dislike exceedingly to proceed at this late hour, Mr. President. I can do so if desired.

Mr. ROBINSON of Arkansas. Very well.

Mr. President, if the Senator from California does not care to go on at this time, in view of the lateness of the hour, I move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Samuel McRoberts, Auxiliary Reserve, for reappointment in the Officers' Reserve Corps of the Army, under the provisions of law, from September 27, 1933.

He also, from the same committee, reported favorably the nomination of Brig. Gen. Harold Benjamin Fiske, United States Army, to be a major general from August 1, 1933, vice Maj. Gen. Campbell King, United States Army, retired July 31, 1933; and also the nominations of several general and bureau officers and sundry other officers of the Regular Army and the Philippine Scouts.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported favorably the nomination of Joseph B. Poindexter, of Hawaii, to be Governor of the Territory of Hawaii, vice Lawrence M. Judd.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. McKELLAR also (for Mr. BLACK), from the Committee on the Judiciary, reported favorably the following nominations:

James R. Worley, of Tennessee, to be United States marshal, eastern district of Tennessee, to succeed Inslee C. King, resigned;

Horace Frierson, Jr., of Tennessee, to be United States attorney, middle district of Tennessee, to succeed A. V. McLane, resigned; and

James R. Jetton, of Tennessee, to be United States marshal, middle district of Tennessee, to succeed R. Q. Lillard, resigned.

The VICE PRESIDENT. The reports will be placed on the calendar.

THE CALENDAR

DIPLOMATIC AND FOREIGN SERVICE

The PRESIDING OFFICER. The calendar is in order.

The Chief Clerk read the nomination of Jefferson Caffery, of Louisiana, to be Ambassador Extraordinary and Plenipotentiary to Cuba.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the first nomination on the Calendar be passed over for the day.

The PRESIDING OFFICER. Without objection, it will be passed over.

DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Ewing Y. Mitchell, of Missouri, to be Assistant Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of George J. Love to be register of the land office at Anchorage, Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Arthur J. Ewing to be register of the land office at Coeur d'Alene, Idaho.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ira H. Masters to be register of the land office at Blackfoot, Idaho.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Thomas F. Corbally to be register of the land office at Great Falls, Mont.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mrs. Mary G. Rose to be register of the land office at Carson City, Nev.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William H. Canon to be register of the land office at Roseburg, Oreg.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George E. Stone to be register of the land office at Spokane, Wash.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Theodore Wanerus to be register of the land office at Buffalo, Wyo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William G. Johnson to be register of the land office at Cheyenne, Wyo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Loraine Rollins to be register of the land office at Evanston, Wyo.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters will be confirmed en bloc.

TREATY OF EXTRADITION WITH TURKEY

Mr. PITTMAN. Mr. President, I ask unanimous consent that the Senate now consider Executive AA (68th Cong., 1st sess.), a treaty of extradition with Turkey, signed at Lausanne, Switzerland, on August 6, 1923.

Mr. KING. Mr. President, may I ask the Senator from Nevada if the treaty in question has any relation to the treaty which the Senate rejected a number of years ago when Senator Swanson was in the Senate and led the fight against it? If it traverses ground that was covered in that treaty, I shall ask the Senator to let it go over until Monday, so that an opportunity may be afforded for its examination.

Mr. PITTMAN. Certainly, if the Senator wishes that done.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Nevada yield?

Mr. PITTMAN. I yield.

Mr. ROBINSON of Arkansas. It is my understanding that this treaty and the one on the calendar following it are entirely limited to the subject matter of extradition.

Mr. PITTMAN. Entirely so.

Mr. ROBINSON of Arkansas. And they are in the usual form.

Mr. PITTMAN. If the Senator is referring to the Lausanne Treaty, it is not the same as the treaty to which former Senator Swanson objected in the sense that that treaty dealt with extraterritorial rights or any of those questions. The treaty now under consideration is purely and simply an extradition treaty in the usual form, with one exception, that it allows 2 months after ratification to take effect, so notification can be given to all countries.

Mr. KING. Mr. President, the Senator will recall that the Lausanne Treaty was general in terms. It was not only a commercial treaty but, as I recall, it dealt with substantially all matters that are usually covered by treaties between sovereign nations. After a long and protracted struggle the Lausanne Treaty was defeated. Subsequently the Department of State, by protocols, communications, and various methods, attempted, as I believe and as many others believe, to evade and disregard the action of the Senate, and put into effect some, if not all, of the provisions of the treaty which had been rejected.

I concede that very much water has run under the bridge since then; and in view of what I have denominated—and I do not say it in any disrespectful way—the evasions made by previous State Department administrations of the action of the Senate in defeating the Lausanne Treaty, it may be that the relations between the two Governments should be fully regularized by the ratification of this treaty.

I beg of my distinguished friend, however, to let the Turkish Treaty go over until Monday, and I shall offer no objection then to its being considered.

Mr. COPELAND. Mr. President, may I ask a question of the Senator from Nevada? Would the proposed treaty with Turkey, if ratified, permit the return of Mr. Insull if he should go from Greece into Turkey?

Mr. PITTMAN. I am so advised by the legal division of the State Department.

Mr. COPELAND. Is it that fact, Mr. President, that has made the confirmation of the treaty urgent?

Mr. PITTMAN. No; it is not that fact.

Mr. KING. If that were the only object, Mr. President, I should be glad to have the treaty ratified.

Mr. PITTMAN. We have received advice from our State Department that the treaty has been favorably reported to the Council of Turkey, which is acting on the treaty; and we felt that we should not delay action upon it.

Mr. ROBINSON of Arkansas. Mr. President, may I add to what has been said by the Senator from Nevada, and also to what I said a few moments ago, that the treaty is limited to the subject of extradition? As is common in such cases, it defines the crimes for which extradition may be obtained, and is in the usual form of extradition treaties. It has no relation to the subject matter of the treaty which I think the Senator from Utah has in mind.

Mr. KING. Mr. President, will the Senator from Nevada permit an interruption?

Mr. PITTMAN. Certainly.

Mr. KING. The Senator knows that a number of European countries still maintain the system of dual citizenship. Under this policy aliens who have come to the United States and have taken out their naturalization papers are still regarded as citizens and nationals of the countries from which they came, and when they visit such countries, not infrequently they have been arrested. During the war a

number of naturalized citizens who were visiting the countries of their birth were arrested and forced into military service.

We have in the United States a large number of people who came to this country from Turkey and who have obtained their naturalization papers. They were Turkish nationals, though they may belong to the Greek or the Armenian races. It has been claimed some naturalized American citizens who visited Turkey were arrested or subjected to harsh and cruel treatment.

I desire to inquire into the question to determine as to whether or not persons who were born in Turkey of Greek or Armenian descent, or, for that matter, Turkish descent, and who came to the United States and obtained their naturalization papers, may, if they shall return to Turkey, be arrested, or their egress and ingress to and from that country impeded, by reason of the fact that it may be claimed they are still Turkish nationals. I desire to look into that phase of the question, and I ask the Senator from Nevada to let the matter go over until Monday.

Mr. COPELAND and Mr. BONE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nevada yield; and if so, to whom?

Mr. PITTMAN. I yield first to the Senator from New York.

Mr. COPELAND. I observe that the date of the treaty is August 6, 1923. May I inquire why it has been pending for 11 years?

Mr. PITTMAN. It has been pending for 11 years because of inaction, I take it, on the part——

Mr. COPELAND. Of the Republican Party?

Mr. PITTMAN. No; I would not say that, but inaction possibly on the part of the diplomats of the two countries.

Mr. COPELAND. Is it properly a matter of concern now? Is Turkey anxious to have the treaty ratified?

Mr. PITTMAN. Yes; the situation is this: The question involved has been under diplomatic consideration for a long time. There have been changes made which meet with the approval of both Governments as a result of discussions which have been going on since 1923. We are informed now that the council of Turkey, which has jurisdiction of such matters, is ready to ratify the treaty, that it is before the council for final ratification; and it has been so long delayed that we felt it ought to be acted upon promptly by our Government, considering the fact that Turkey is acting on it promptly.

Mr. KING. Mr. President, I want to acquit the State Department, at least in part, of any lack of diligence. This treaty was negotiated in 1923 and was presented from time to time to the Senate. A number of Senators upon this side of the Chamber and some upon the other side of the Chamber believed that the Lausanne Treaty contained provisions which were unfair and unjust, and—after repeated efforts to have it ratified, efforts that were renewed from time to time for a number of years—in 1926, as I recall, the treaty was defeated. The State Department then attempted to put into effect the terms of the treaty that had been defeated, by methods which I think were improper and unfair.

If this is a part of that old treaty, which was defeated, and it would seem that it is, although I supposed from what the Senator said when he arose this afternoon that it was a new treaty, dealing exclusively with the question of extradition, that inclines me more than ever, Mr. President, to ask that this treaty go over until Monday, so as to give us a chance to examine it and to understand exactly its scope and its relation to the treaty which was defeated, and just what implications may arise from it if it shall be ratified.

Mr. PITTMAN. Mr. President, there are several governments that still maintain what we term "dual citizenship", that is, citizens or subjects born under a foreign government, although naturalized in another country, such as the United States, and becoming citizens of the other country, are claimed by some governments still to be citizens of the country of their birth. That creates confusion.

Mr. KING. Is Turkey one of those countries?

Mr. PITTMAN. Turkey is one of them. In most instances separate treaties have been negotiated with regard to that subject. All the treaties have not been exactly the same, but they all deal with that question.

It would seem to be very difficult in a purely extradition treaty dealing with the crimes which will subject a defendant to extradition to try to work that subject out with any government. It is a matter that should be settled, and we are all trying to settle it, but I think it would be unfortunate if criminals were allowed to escape prosecution by reason of the failure of an extradition treaty.

I may say here that, while the urging of action on this treaty has not for its motive the Insull case, the treaty has been dragging along through diplomatic channels so long that now that Turkey, which has become such a progressive Government, as we know it to be, has substantially ratified this treaty—at least the steps looking to its approval have been taken—our State Department felt that after all this delay we should not ourselves add to the delay but should ratify the treaty as quickly as possible.

Mr. BONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. I yield.

Mr. BONE. Can the Chairman of the Foreign Relations Committee advise us what the present passport status of Samuel Insull is? I note by the newspapers that the State Department has renewed his passport. It may be a mistaken statement on the part of the newspapers, but I am wondering if the chairman can enlighten us as to that?

Mr. PITTMAN. I have no authoritative information on that subject, but I can say to the Senator that I have advices from the State Department that these treaties of extradition are, in a sense, retroactive in their effect, and if this treaty, for instance, should go into effect 2 months from now and Mr. Insull should be in Turkey and subject to extradition at that time, this treaty would affect him, although he had entered Turkey before its ratification. That is the construction given all extradition treaties except where it is expressly provided to the contrary.

Mr. BONE. Is it customary for the State Department to renew the passport of a fugitive from justice?

Mr. PITTMAN. I cannot speak as to the custom of the State Department, but I suppose that, out of courtesy to Greece having passported him into Greece, we would passport him out of Greece. I do not know about that, but I may say that, even if such action has been taken, whether or not he may enter another country depends upon a visa.

Mr. KING. Mr. President, the able Senator from Nevada knows that for a century or more the United States has been hospitable to political refugees. Some of the noblest citizens who have come to our shores were nationals from Germany and——

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. ROBINSON of Arkansas. There is an express provision in article III of this treaty, as follows:

> Extradition shall not take place for political crimes or offenses nor for acts connected with such crimes or offenses.

Mr. KING. I assumed that there would, of course, be that rather curative provision. We know, Mr. President, as I was about to observe, that not only persons from Germany but from other countries have been indicted in their respectice countries for alleged crimes and that the indictments were improperly, if not fraudulently, procured for the purpose of getting control of them to punish them for alleged political offenses. We know that in a neighboring country—and I do not wish to mention names unless I am compelled to do so—persons who were political refugees fled because of their political views rather than by reason of the commission of any criminal act.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. KING. I will ask the Senator to allow me to complete the sentence, and then I will be happy to yield.

Mr. ROBINSON of Arkansas. It is on that point that I wish to interrupt the Senator. Not only is there a clause in this treaty expressly providing that extradition shall not take place for political crimes but in the same article there is also a provision that—

No person surrendered by one of the high contracting parties to the other party shall be prosecuted or punished for an offense committed before the demand of extradition other than that for which the extradition has been granted.

I think if the Senator will examine the treaty closely, he will find that it is pretty well safeguarded.

Mr. KING. I was observing, Mr. President, that there are examples, not a few, where persons have been indicted for some alleged breach of municipal law but whose offense, if there were any offense, was a protest against tyranny and oppressive laws and policies when they were extradited, as I am advised, for alleged offenses they were tried and punished for political views and activities.

I have no doubt the State Department has attempted to protect, so far as it could, American citizens who were formerly nationals of the Ottoman Empire, but I am informed that naturalized American citizens who have property in Turkey have been afraid to return there; some who have gone there have been arrested or their egress has been impeded, and their efforts to secure their property have proven abortive.

This treaty has been slumbering since 1923, and obviously was a part of another treaty more comprehensive in terms. I see no particular reason for now lifting it out from that treaty and rushing it through without giving us an opportunity to examine it. I ask the Senator to let it go over until Monday.

The VICE PRESIDENT. Is there objection to the treaty going over until Monday?

Mr. PITTMAN. Mr. President, of course, I could not be so discourteous as to object if the Senator insists upon it, but I will say that while the treaty does not contain a definition as to what constitutes a man a national of a particular country, it does expressly provide that each government may decline to surrender under extradition its own nationals, which means that we may refuse to surrender under extradition a naturalized native of Turkey, and, on the other hand, Turkey may refuse to surrender a naturalized American in Turkey. So that condition is protected for the time being, at any rate.

Mr. KING. I make no further comment, in view of the consideration extended to me by the able Senator from Nevada.

The VICE PRESIDENT. Is there objection to the treaty going over until Monday? The Chair hears none, and the treaty will be passed over until Monday.

EXTRADITION TREATY WITH ALBANIA

Mr. PITTMAN. I now ask the Senate to consider Executive A, being a treaty of extradition with Albania.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive A, a treaty between the United States of America and Albania, signed at Tirana on March 1, 1933, providing for the extradition of fugitives from justice, which was read, as follows:

TREATY OF EXTRADITION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF ALBANIA

The United States of America and Albania, desiring to promote the cause of justice, have resolved to conclude a treaty for the extradition of fugitives from justice between the two countries and have appointed for that purpose the following Plenipotentiaries:

The President of the United States of America: Herman Bernstein, Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Albania;

His Majesty the King of Albanians: His Excellency M. Djafer Vila, Minister for Foreign Affairs;

Who, after having communicated to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE 1

It is agreed that the Government of the United States and the Government of Albania shall, upon requisition duly made as herein provided, deliver up to justice any person who may be charged with or may have been convicted of, any of the crimes or offenses specified in Article 2 of the present Treaty committed within the jurisdiction of one of the High Contracting Parties, and who shall seek an asylum or shall be found within the territories of the other; provided that such surrender shall take place only upon such evidence of criminality, as according to the laws of the place where the fugitive or person so charged shall be found, would justify his apprehension and commitment for trial if the crime or offense had been there committed.

ARTICLE 2

Persons shall be delivered up according to the provisions of the present Treaty, who shall have been charged with or convicted of any of the following crimes or offenses:

1. Murder, including crimes designated by the terms parricide, poisoning, and infanticide; manslaughter, when voluntary.

2. Malicious wounding or inflicting grievous bodily harm with premeditation.

3. Rape, abortion, carnal knowledge of children under the age of 15 years.

4. Abduction or detention of women or girls for immoral purposes.

5. Bigamy.

6. Arson.

7. Willful and unlawful destruction or obstruction of railroads, which endangers human life.

8. Crimes committed at sea:

(a) Piracy, as commonly known and defined by the law of nations, or by statutes;

(b) Wrongfully sinking or destroying a vessel at sea or attempting to do so;

(c) Mutiny or conspiracy by two or more members of the crew or other persons on board of a vessel on the high seas, for the purpose of rebelling against the authority of the Captain or Commander of such vessel, or by fraud or violence taking possession of such vessel;

(d) Assault on board ship upon the high seas with intent to do bodily harm.

9. Burglary; housebreaking.

10. The act of breaking into and entering the offices of the Government or public authorities, or other buildings not dwellings with intent to commit a felony therein.

11. Robbery.

12. Forgery or the utterance of forged papers.

13. The forgery or falsification of the official acts of the Government or public authorities, including Courts of Justice, or the uttering or fraudulent use of any of the same.

14. The fabrication of counterfeit money, whether coin or paper, counterfeit titles or coupons of public debt, created by National, State, Provincial, Territorial, Local or Municipal Governments, bank notes or other instruments of public credit, counterfeit seals, stamps, dies and marks of State or public administrations, and the utterance, circulation or fraudulent use of the above-mentioned objects.

15. Embezzlement.

16. Kidnaping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them, their families or any other person or persons, or for any other unlawful end.

17. Larceny, defined to be the theft of effects, personal property, or money, of the value of twenty-five dollars or more, or Albanian equivalent.

18. Obtaining money, valuable securities or other property by false pretenses, or receiving any money, valuable securities or other property knowing the same to have been unlawfully obtained, where the amount of money or the value of

the property so obtained or received exceeds two hundred dollars, or Albanian equivalent.

19. Perjury.

20. Fraud or breach of trust by a bailee, banker, agent, factor, trustee, executor, administrator, guardian, director or officer of any company or corporation, or by any one in any fiduciary position, where the amount of money or the value of the property misappropriated exceeds two hundred dollars, or Albanian equivalent.

21. Crimes and offenses against the laws of both countries for the suppression of slavery and slave trading.

22. Willful desertion or willful nonsupport of minor or dependent children, or of other dependent persons, provided that the crime or offense is punishable by the laws of both countries.

23. Bribery.

24. Crimes or offenses against the bankruptcy laws.

25. Crimes or offenses against the laws for the suppression of traffic in narcotics.

26. Extradition shall also take place for participation in any of the crimes or offenses before mentioned as an accessory before or after the fact, or in any attempt to commit any of the aforesaid crimes or offenses.

ARTICLE 3

The provisions of the present Treaty shall not import a claim of extradition for any crime or offense of a political character, nor for acts connected with such crimes or offenses; and no person surrendered by or to either of the High Contracting Parties in virtue of this Treaty shall be tried or punished for a political crime or offense committed before his extradition. The State applied to, or courts of such State, shall decide whether the crime or offense is of a political character. When the offense charged comprises the act either of murder or assassination or of poisoning, either consummated or attempted, the fact that the offense was committed or attempted against the life of the Sovereign or Head of the State of one of the High Contracting Parties, or against the Sovereign or Head of a foreign State, or against the life of any member of his family, shall not be deemed sufficient to sustain that such crime or offense was of a political character, or was an act connected with crimes or offenses of a political character.

ARTICLE 4

No person shall be tried for any crime or offense, committed prior to his extradition, other than that for which he was surrendered, unless he has been at liberty for one month after having been tried, to leave the country, or, in case of conviction, for one month after having suffered his punishment or having been pardoned.

ARTICLE 5

A fugitive criminal shall not be surrendered under the provisions hereof, when, from lapse of time or other lawful cause, according to the laws of the demanding country, the criminal is exempt from prosecution or punishment for the offense for which the surrender is asked.

ARTICLE 6

If a fugitive criminal whose surrender may be claimed pursuant to the stipulations hereof, be actually under prosecution, out on bail or in custody, for a crime or offense committed in the country where he has sought asylum, or shall have been convicted thereof, his extradition may be deferred until such proceedings be determined, and until he shall have been set at liberty in due course of law.

ARTICLE 7

If a fugitive criminal claimed by one of the two parties hereto, shall be also claimed by one or more powers pursuant to treaty provisions, on account of crimes or offenses committed within their jurisdiction, such criminal shall be delivered to that State whose demand is first received unless the demand is waived.

This article shall not affect such treaties as have previously been concluded by one of the contracting parties with other States.

ARTICLE 8

Under the stipulations of this Treaty, neither of the High Contracting Parties shall be bound to deliver up its own citizens, except in cases where such citizenship has been obtained after the perpetuation of the crime for which extradition is sought. The State appealed to shall decide whether the person claimed is its own citizen.

ARTICLE 9

The expense of transportation of the fugitive shall be borne by the government which has preferred the demand for extradition. The appropriate legal officers of the country where the proceedings of extradition are had, shall assist the officers of the government demanding the extradition before the respective judges and magistrates, by every legal means within their power; and no claim other than for the board and lodging of a fugitive prior to his surrender, arising out of the arrest, detention, examination and surrender of fugitives under this treaty, shall be made against the government demanding the extradition; provided, however, that any officer or officers of the surrendering government giving assistance, who shall, in the usual course of their duty receive no salary or compensation other than specific fees for services performed, shall be entitled to receive from the government demanding the extradition the customary fees for the acts or services performed by them in the same manner and to the same amount as though such acts or services had been performed in ordinary criminal proceedings under the laws of the country of which they are officers.

ARTICLE 10

Everything found in the possession of the fugitive criminal at the time of his arrest, whether being the proceeds of the crime or offense, or which may be material as evidence in making proof of the crime, shall so far as practicable, according to the laws of either of the High Contracting Parties, be delivered up with his person at the time of surrender. Nevertheless, the rights of a third party with regard to the articles referred to, shall be duly respected.

ARTICLE 11

The stipulations of the present Treaty shall be applicable to all territory wherever situated, belonging to either of the High Contracting Parties or in the occupancy and under the control of either of them, during such occupancy or control.

Requisitions for the surrender of fugitives from justice shall be made by the respective diplomatic agents of the High Contracting Parties. In the event of the absence of such agents from the country or where extradition is sought from territory included in the preceding paragraphs, other than the United States or Albania, requisitions may be made by superior consular officers.

The arrest of the fugitive shall be brought about in accordance with the laws of the respective countries, and if, after an examination, it shall be decided, according to the law and the evidence, that extradition is due pursuant to this treaty, the fugitive shall be surrendered in conformity to the forms of law prescribed in such cases.

The person provisionally arrested, shall be released, unless within two months from the date of arrest in Albania, or from the date of commitment in the United States, the formal requisition for surrender with the documentary proofs hereinafter prescribed be made as aforesaid by the diplomatic agent of the demanding Government, or, in his absence, by a consular officer thereof.

If the fugitive criminal shall have been convicted of the crime or offense for which his surrender is asked, a copy of the sentence of the court before which such conviction took place, duly authenticated, shall be produced. If, however, the fugitive is merely charged with crime, a duly authenticated copy of the warrant of arrest in the country where the crime was committed shall be produced, together with the evidence of criminality mentioned in Article 1 hereof.

ARTICLE 12

The present Treaty, of which the English and Albanian texts are equally authentic, shall be ratified by the High Contracting Parties in accordance with their respective con-

stitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Washington as soon as possible.

ARTICLE 13

The present Treaty shall remain in force for a period of five years, and in case neither of the High Contracting Parties shall have given notice one year before the expiration of that period of its intention to terminate the Treaty, it shall continue in force until the expiration of one year from the date on which such notice of termination shall be given by either of the High Contracting Parties.

In witness whereof the above-named Plenipotentiaries have signed the present Treaty and have hereunto affixed their seals.

Done in duplicate at Tirana this first day of March, nineteen hundred and thirty-three.

HERMAN BERNSTEIN [SEAL]
DJAFER VILA [SEAL]

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Seventy-third Congress, first session, a treaty between the United States of America and Albania, signed at Tirana on March 1, 1933, providing for the extradition of fugitives from justice.

The VICE PRESIDENT. The treaty, with the resolution of ratification, is in the Senate, and the question is, Shall the treaty be read the third time?

The treaty was read the third time.

The VICE PRESIDENT. The treaty having been read the third time, the question is upon agreeing to the resolution of ratification. [Putting the question.] Two thirds of the Senators present concurring therein, the resolution is adopted and the treaty is ratified.

LOAD LINE CONVENTION WITH CANADA

Mr. PITTMAN. I now ask the Senate to consider Executive A, a convention with Canada proposing certain exemptions from provisions in the International Industrial Load Line Convention, signed at London July 5, 1930.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive A, a convention with Canada proposing certain exemptions from the provisions of the International Load Line Convention, signed at London July 5, 1930, which was read, as follows:

ARTICLE 1

The Government of the United States of America, being satisfied that the waters of Puget Sound, the waters lying between Vancouver Island and the mainland, and east of a line from a point one nautical mile west of the city limits of Port Angeles in the State of Washington to Race Rocks on Vancouver Island, and of a line from Hope Island, British Columbia, to Cape Calvert, Calvert Island, British Columbia, the waters east of a line from Cape Calvert to Duke Point on Duke Island, and the waters north of Duke Island and east of Prince of Wales Island, Baranof Island, and Chicagof Island, the water of Peril, Neva, and Olga Straits to Sitka, and the waters east of a line from Port Althorp on Chicagof Island to Cape Spencer, Alaska, are sheltered waters of the nature contemplated in Article 2, Section 2 of the International Load Line Convention, 1930, agrees to exempt from the provisions of the International Load Line Convention, and existing load line statutes of the United States, Canadian vessels, and vessels of the United States, when engaged on international voyages originating on, wholly confined to, and terminating on the above-defined waters.

ARTICLE 2

The Government of the Dominion of Canada, also being satisfied of the sheltered nature of the waters defined in Article 1 agrees likewise to exempt vessels of the United States and Canadian vessels from the requirements of the aforesaid convention and existing load-line statutes of Canada, when engaged on international voyages originating on, wholly confined to, and terminating on the said waters.

ARTICLE 3

The present convention shall be ratified in accordance with the constitutional methods of the High Contracting Parties. It shall take effect on the day of the exchange of ratification, which shall take place at Washington as soon as possible, and it shall remain in force thereafter, until six months from the date on which one of the High Contracting Parties shall have given to the other notice of an intention to terminate it.

In faith whereof the above-named Plenipotentiaries have signed the present convention and affixed thereto their respective seals.

Done in duplicate at Washington, the ninth day of December, one thousand nine hundred and thirty-three.

WILLIAM PHILLIPS. [SEAL]
W D HERRIDGE. [SEAL]

Mr. COPELAND. Mr. President, I have no particular objection to this treaty if it is carefully worded so as to make certain that the requirements regarding load lines shall be limited, as stated in the calendar, to certain specified sheltered waters of the west coast of North America. Of course, the load-line arrangement is a very necessary one with respect to safety at sea.

Mr. PITTMAN. I will say that the only modification of or other exemption from the load-line treaty is in Puget Sound and in certain inland passages of Alaska.

Mr. COPELAND. Which are protected from rough waters.

Mr. PITTMAN. Which are protected from rough waters and which are defined very accurately by metes and bounds. The treaty was submitted to both Senators from Washington, who are particularly interested in it, and they had no objection to it.

Mr. COPELAND. Mr. President, may I ask what is the intention of the chairman of the committee or of the committee regarding the safety-at-sea treaty which has been pending so long in the committee?

Mr. PITTMAN. That treaty has not as yet been brought before the committee at this session. It is on the calendar of the committee, and any member of the committee may ask to take it up at any meeting.

Mr. COPELAND. I urge the Senator to secure early action on the treaty, because it has to do with the welfare of those who sail the seas. I know that in the past certain objections have been interposed to it, but I think, in the interest of humanity, the treaty should be considered and brought before us at an early date. I hope it may have action at this session of the Senate.

Mr. PITTMAN. I will say to the Senator that there were certain legal questions raised as to the construction of the treaty, which were informally submitted to the Solicitor of the State Department. They had reference to construction of the language and its legal effect.

Mr. COPELAND. Has no reply been made as yet?

Mr. PITTMAN. No; no reply has as yet been received.

Mr. COPELAND. May I urge the Senator to ask the State Department to hurry the matter, because it would be unfortunate for us to let the treaty go over a longer time if we can find any way to secure action this year.

Mr. LEWIS. Mr. President, may I interrupt the Senator to say that I was a delegate at the London Conference which dealt with this particular matter. There has from time to time since then arisen, as the chairman of the committee well said, a question as to whether the obligation of the treaty that imposes on the United States certain duties was within the jurisdiction of the conference and whether in attempting to impose those duties upon the United States they were within their proper jurisdiction. It is that which has caused the long delay.

As the Senator from Nevada has intimated, the question has gone to the legal branch of the State Department. I think our next move if we desire to expedite the matter

would be to have the legal branch of the Department make its reply as to wherein the United States would be affected and whether the provisions or obligations could be enforced, or whether we should seek amendment of the treaty or some subsequent treaty omitting those legally objectionable provisions.

Mr. COPELAND. The Senator from Illinois, I am sure, joins with me in the belief that we ought to have such a treaty. If there are insurmountable legal difficulties relative to certain minor provisions of the treaty, as the Senator has suggested, they might be corrected by amendment here. At any rate, I do feel there should be action upon the treaty. It ought not to be delayed longer.

Mr. PITTMAN. I will, on behalf of the committee and with their approval, submit a formal request for an opinion.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The resolution of ratification was read, as follows:

Resolved (two thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Seventy-third Congress, second session, a convention signed between the United States and Canada, on December 9, 1933, by which vessels of the United States and of Canada operating solely on certain specified sheltered waters of the west coast of North America will be exempted from load-line requirements as contemplated in article 2, section 2, of the International Load Line Convention signed at London, July 5, 1930.

Mr. LONG. Mr. President, I suppose I should have been giving better attention, but may I inquire what this is?

Mr. PITTMAN. We now have a convention or treaty between various governments, adopted at London in 1930, with regard to what is called the load line of ships, and the Senate is now considering a convention with Canada making certain exemptions from the provisions of that treaty.

Mr. LONG. It has nothing to do with the St. Lawrence waterway?

Mr. PITTMAN. Not at all.

Mr. LONG. I beg the Senator's pardon.

The VICE PRESIDENT. The treaty with the resolution of ratification is in the Senate, and the question is, Shall the treaty be read the third time?

The treaty was read the third time.

The VICE PRESIDENT. The treaty having been read the third time, the question is upon agreeing to the resolution of ratification. [Putting the question.] Two thirds of the Senators present concurring therein, the resolution is adopted and the treaty is ratified.

ORDER OF BUSINESS

Mr. TRAMMELL. Mr. President, I inquire of the Senator from Arkansas if we are going to resume legislative session this afternoon?

Mr. ROBINSON of Arkansas. Mr. President, I understand that the Senator from Alabama [Mr. BLACK] has a privileged matter which he desires to present in legislative session, and it is my intention, when the opportunity affords, to move that the Senate resume legislative session.

Mr. TRAMMELL. The object of my inquiry is to ask unanimous consent that on next Monday, upon the convening of the Senate, the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the naval construction bill. The bill was reported to the Senate this afternoon with certain suggested amendments on the part of the Committee on Naval Affairs. Unless some prior commitment may prevent, I should like very much to have the privilege of having the bill laid before the Senate for consideration on next Monday. I am going to ask unanimous consent to that end in legislative session this afternoon.

Mr. ROBINSON of Arkansas. I think the request ought to be submitted and considered in legislative session. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to, and the Senate resumed legislative session.

CONSTRUCTION OF NAVAL VESSELS

Mr. TRAMMELL. Mr. President, a House bill relating to the building of the Navy to treaty strength reached the Senate 3 days ago. Two important amendments were placed upon the bill on the floor of the House changing very materially the House text in those particulars from the text of the Senate bill which had previously been reported favorably by the Senate Committee on Naval Affairs.

The Senate committee deemed it advisable that those particular features should be given some consideration and that the bill should not be reported immediately to the Senate without giving any thought or consideration whatever to them or to amendments which had been inserted on the floor of the House. Consequently the Senate committee met day before yesterday. We did not reach any agreement then, but met again yesterday and thought we had reached an agreement as to amendments which we wished to suggest, but had to adjourn over until today when we did, after a session of some 2 hours or more, agree upon the amendments which we desired to submit.

The hearing was necessitated not only because certain Members of the Senate felt that the questions involved were of such importance that they should not be passed over with little or no consideration, but it was also requested of the chairman of the committee that the Navy Department be heard upon those particular features of the bill. We accorded the Department that courtesy. We tried to give some deliberate thought to those important features, one of which was to make a first step toward trying to eliminate the excessive profits which are made out of shipbuilding, and another of which was to endeavor to submit a provision which would require that construction of the vessels to be authorized under this bill shall be apportioned as much as 50 percent to the Government navy yards and 50 percent to the private shipyards of the country. Those are the problems with which we dealt. For that reason we took several days to report back to the Senate this very important measure and these very important features.

Mr. President, I desire to ask unanimous consent, if that is required, that on Monday, upon the convening of the Senate, the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of House bill 6604, being the bill providing for the building of the Navy to treaty strength.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida?

Mr. McNARY. Mr. President, I do not object to the consideration of the bill in its proper course. However, I am not going to consent to make it a matter of special privilege on Monday. The program has been arranged for Monday. The able Senator from Arkansas [Mr. ROBINSON] has announced that we will adjourn this evening so that we may have a morning hour on Monday and probably a call of the calendar. The unfinished business of the Senate at this time is in charge of the Senator from California [Mr. JOHNSON]. If the opportunity occurs on Monday or Tuesday the Senator from Florida may move to proceed to the consideration of his bill.

For these reasons I object at this time to his request.

The VICE PRESIDENT. Objection is heard.

Mr. TRAMMELL. I renew the request for Tuesday.

The VICE PRESIDENT. The Senator from Florida asks unanimous consent for the consideration of the bill on Tuesday. Is there objection?

Mr. McNARY. Mr. President, there is no reason why we should start at this time to ask unanimous consent for bills to be considered at some time in the future. The Senator can pursue the course which should be pursued and with which he is familiar. I shall object constantly to the request.

The VICE PRESIDENT. The Senator from Oregon objects.

WILLIAM P. M'CRACKEN

Mr. BLACK. Mr. President, I send to the desk a report from the special committee of the Senate acting under Senate Resolution 349 and ask that it may be read.

The VICE PRESIDENT. The clerk will read the report, as requested.

The Chief Clerk read the report (No. 254), as follows:

President of the Senate and the Senate of the United States, Seventy-third Congress:

Your committee, appointed and selected by the Senate under Senate Resolution No. 349, Seventy-second Congress, second session, reports as follows:

(1) The committee has been engaged in public hearings, and did on the 31st day of January 1934 cause to be served on William P. MacCracken, of Washington, D.C., a summons, a copy of which is hereto attached, marked "Exhibit A", and which exhibit is made a part of this report.

(2) The said William P. MacCracken has appeared before this special committee, but has failed, refused, and declined to bring with him to the committee, or to make available for inspection, his correspondence and memorandums relating to air mail contracts.

(3) The said William P. MacCracken has not only failed, declined, and refused to bring such correspondence and memorandums to the committee, or to make it available for the committee's use, but has declined in an open session of the Senate committee, room 318, Senate Office Building, held on January 31, 1934, and has again declined at a public session of the committee, held on February 2, 1934, to bring said papers and correspondence to the committee; and the said Mr. MacCracken admitted in open session of the special committee hearing on February 2, 1934, that between the date of the serving of the subpena and the time of his testimony two certain files of correspondence concerning air mail had been removed from his office with his knowledge and consent.

(4) The said William P. MacCracken has based his refusal upon the claim that he is an attorney, and as such attorney has a right to determine for himself whether or not correspondence and memorandums with reference to air mail contracts, or what he designates as private and confidential communications, between himself and air mail operators whom he designates as his clients.

(5) The committee makes a report to this Senate and requests that the Senate, by proper resolution, take such action as the Senate deems wise to bring the said William P. MacCracken before the bar of the Senate and to require that William P. MacCracken produce papers and correspondence herein set out in order that the committee may have available this material evidence to carry out the duties imposed upon your committee by the terms of the resolution under which it is acting.

Respectfully submitted.

HUGO L. BLACK, *Chairman.*

EXHIBIT A

UNITED STATES OF AMERICA,
CONGRESS OF THE UNITED STATES.

To WILLIAM P. MACCRACKEN, JR.,
1152 National Press Building, Washington, D.C.

GREETING: Pursuant to lawful authority, you are hereby commanded to appear before the Senate Committee on Ocean Mail and Air Mail Contracts of the Senate of the United States, on instanter, 1934 at 12 o'clock 30 p.m., at their committee room, 101 Senate Office Building, then and there to testify what you may know relative to the subject matters under consideration by said committee.

Bring all books of account, bank passbooks, canceled checks, check stubs, deposit slips, papers, memorandums, correspondence, maps, copies of telegrams relating to air mail and ocean mail contracts.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To J. A. Bradley, L. L. Rittelmeyer to serve and return.

Given under my hand, by order of the committee, this 31st day of January, in the year of our Lord one thousand nine hundred and thirty-four.

HUGO L. BLACK,
Chairman Committee on Ocean Mail and Air Mail Contracts.

Service accepted 12:20 p.m. 1/31/34, William P .MacCracken, Jr.

Mr. BLACK. Mr. President, I should like to add that since this report was drawn up, another fact has come to the attention of the committee which would have been placed in the report if it had been known earlier.

Reference is made in the report to the fact that two files have been removed. Those files, according to the evidence, or those parts of the files, were delivered to one Colonel Brittin, of the Northwest Airways, and Mr. Given, as I understand, who is connected with the Western Air Express. An instanter subpena was issued to these two gentlemen to bring that correspondence to the committee. Both of them have appeared at the committee room.

The investigator tells me that Colonel Brittin states that he cannot bring the correspondence because he has already destroyed it, making the claim that there was nothing in it except purely unimportant personal matters—a phrase which the committee has heard before.

The other gentleman appeared and stated that the papers he received had been mailed to New York. Of course, we do not know what will happen to the papers that have been mailed to New York. We assume that probably the gentleman who receives them will recognize, if the others have not, that they are part of the evidence which has been desired by the Senate.

The committee has very reluctantly brought this matter to the Senate after having endeavored to obtain the correspondence it desired without coming to the Senate.

In keeping with the request which has been made, I have a resolution which I send to the desk and ask to have read.

The VICE PRESIDENT. The resolution will be read.

The resolution (S.Res. 169) was read, as follows:

Whereas the select committee of the Senate, elected pursuant to Senate Resolution No. 349, Seventy-second Congress, second session, has submitted a report to the Senate; and

Whereas it appears from such report that William P. MacCracken, of Washington, D.C., was on January 31, 1934, duly served with a subpena to appear forthwith before such committee, in Washington, D.C., and then and there to testify relative to subject matters, and to produce specified files, records, and books, pertinent to the matter under inquiry; and

Whereas it appears from such report that the said William P. MacCracken has failed, declined, and refused, in disobedience of such subpenas, to produce all files, records, and books; and

Whereas the appearance and testimony and correspondence, records, files, and books are material and necessary in order that the committee may properly execute the functions imposed upon it and obtain information necessary as a basis for such legislation as the Senate may deem necessary concerning ocean and air mail contracts: Therefore be it

Resolved, That the President of the Senate issue his warrant, commanding the Sergeant at Arms or his deputy to take into custody the body of the said William P. MacCracken before the bar of the Senate and to bring with him the correspondence, memorandums, books, files, and records referred to, and then and there to answer such questions pertinent to the matter under inquiry with reference to facts regarding correspondence, memorandums, books, and files as the Senate may propound, and to keep the said William P. MacCracken in custody to await the further action of the Senate.

Mr. BLACK. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none. The question is on agreeing to the resolution.

Mr. AUSTIN. Mr. President, I wish to make the record clear as to my position in this matter.

I am not persuaded that the law required this witness to obey the subpena, in view of his testimony that the matters which he withheld were communications between him and his professional client with respect to the contracts in connection with which they employed him. Therefore I should not want to have my assent to this resolution interpreted to mean that I assent to that part of the charge upon which the resolution is based, because I believe we are making a precedent here which may guide others in the future.

However, I shall favor the resolution because I regard it a contempt of the Senate of the United States for a witness, pending the decision and action of a Senate special investigating committee upon a question raised by the witness, to interfere and impede whatever judgment might come out of the consideration of the question he presented by destroying the subject matter.

I merely desire to make this record at the present time.

Mr. WHITE. Mr. President, I desire to say a very brief word about the situation.

I think I am very closely in accord with the views expressed by the Senator from Vermont [Mr. AUSTIN]. The fact is that when this attorney raised the question of privilege, some members of the committee, at least, were in much doubt as to how far that right or that duty of privilege extended; and at the request of some of us—I do not know whether it was at my request or not—the committee gave consideration to the question of privilege. It was pending that consideration of the matter in the committee, before we had reached a settled conclusion as to whether the attorney was or was not obligated to bring the papers before the committee, that some of the papers were permitted to go out of his possession into the hands of his client, and, as I now understand, to be ultimately destroyed.

So far as I am concerned, without meaning to express an opinion as to the sound and right principle of law involved, I am free to confess that when this action by the attorney took place I lost in substantial degree my interest in the principle, and I was concerned with the fact that while the matter was under consideration the Senate and the committee of the Senate were, as I viewed it, defied. I am supporting this proceeding because of that, and without intending to indicate my belief or my disbelief as to whether or not there was a privilege.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. LEWIS. Mr. President, I beg to give notice that on Monday the Chairman of the Foreign Relations Committee, the Senator from Nevada [Mr. PITTMAN], and I will again ask the Senate to arrive at a date—as immediate a date as possible—for a vote upon the pending treaty that is now under discussion, known as the "St. Lawrence Waterway Treaty."

Mr. PITTMAN. Mr. President, I simply wish to add to what the Senator from Illinois has stated that no agreement as to the date for a vote has been reached; that he and I are to confer with regard to a date to see whether or not those who are interested in the matter on both sides will sustain us in the matter.

Mr. LEWIS. I thought we would submit the matter to the Senate and the Senate itself would agree on a date.

ADJOURNMENT TO MONDAY

Mr. ROBINSON of Arkansas. I move that the Senate adjourn until 12 o'clock noon on Monday.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 4 o'clock and 38 minutes p.m.) the Senate adjourned until Monday, February 5, 1934, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 2 (legislative day of Jan. 23), 1934

TO BE ASSISTANT SECRETARY OF COMMERCE

Ewing Y. Mitchell.

REGISTERS OF LAND OFFICES

George J. Love to be register of land office at Anchorage, Alaska.

Arthur J. Ewing to be register of land office at Coeur d'Alene, Idaho.

Ira H. Masters to be register of land office at Blackfoot, Idaho.

Thomas F. Corbally to be register of land office at Great Falls, Mont.

Mrs. Mary G. Rose to be register of land office at Carson City, Nev.

William H. Canon to be register of land office at Roseburg, Oreg.

George E. Stone to be register of land office at Spokane, Wash.

Theodore Wanerus to be register of land office at Buffalo, Wyo.

William G. Johnson to be register of land office at Cheyenne, Wyo.

Loraine Rollins to be register of land office at Evanston, Wyo.

POSTMASTERS

ARKANSAS

Charles F. Elza, Benton.
James T. Alderson, Malvern.

CALIFORNIA

Marguerite J. Decious, Fort Bidwell.
Rowena A. Osborn, Orcutt.
George W. Megrew, Rancho Santa Fe.
Roy J. Summers, San Simeon.

ILLINOIS

Ira W. Cawood, Flat Rock.
Ethel D. Henry, Lewistown.
Homer J. Swope, Quincy.
Lyle M. Cross, San Jose.

NEW HAMPSHIRE

Albert J. Picard, Derry.
James J. Cavanaugh, Dover.
Edward K. Sweeney, Exeter.
Edward E. Cossette, Gonic.

PENNSYLVANIA

Stanley J. Van Vliet, Buck Hill Falls.
Rebecca Campbell, Midway.

WYOMING

Ernest A. Littleton, Gillette.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 2, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Lord, our Lord, how manifold are all Thy works! In wisdom Thou hast made them all; the earth is full of Thy glory. O may this minstrel of the old world move our thoughts, uniting them in this holy chorus. We praise Thee that throughout the ages one increasing purpose runs. We would be still and know that Thou art God, the Almighty and the Everlasting Father. We pray that Thou wouldst disclose unto us a goodly measure of Thy wisdom. We would have it direct us, filling us with understanding, working in us a living righteousness, kindling in us a burning charity, and inspiring in us a boundless hope. Father, help us to hold on each day, to the very best sense of our manhood, keeping it strong and clear, recognizing the claims of the public service and the obligations that we owe our times and place, and unto Thee be all the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

NATIONAL DEVELOPMENT OF POWER PLANTS AND FLOOD CONTROL PROJECTS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating a resolution adopted by the Progressive Farmers' Club of Baldwin County, Ga., on January 20, 1934, in reference to flood control in the Southeast.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of Progressive Farmers' Club of Baldwin County, Ga., January 20, 1934:

To the President and Congress, and especially the Senators and Members from Georgia and Southeastern States:

Whereas for more than a quarter of a century vast sums of national money have been spent by our Government to put water on desert lands in the West, where rather severe climatic conditions exist, which lands for the most part were barren of trees and grass, away from cities, towns, and even rural communities, not on navigable rivers with tidewater connections and few highways or railroads; said money having been spent for the laudable purpose of making said lands habitable and profitable and for the general improvement of our Nation, and which action by our Government we commend; and

Whereas in the Southeast and East Gulf States of this Nation there are millions of acres of land that can be made the most productive in the world, when the surplus water is drained from them and they are protected by flood control, said lands being in a delightful climate and in a section that abounds in trees and grass, near present centers of population on rivers that are navigable and that have tidewater connections, adjacent to improved highways and railroads and a population that now needs and will need more electric power for home and industrial consumption and eventually for our railroads;

Whereas the Government of the United States is now establishing flood control and power plants in other sections and lending money to private interests, such as railroads and banks for the general good of the people: Therefore be it

Resolved by the Progressive Farmers' Club of Baldwin County, Ga. (a club which has been in continuous existence over a period of 30 years), That we most earnestly call the attention of our President and Congress to the claim of these Southeastern States to some consideration in the national development of power plants and flood-control projects, and especially to the fact that the Altamaha system, including the Oconee and Ocmulgee Rivers (with about 500 miles of navigation, the longest in the Union, which has its watershed confined within the borders of one State), offers superior opportunities for power and flood-control development, and we particularly ask Government aid to finish the Furman Shoals Dam in this, Baldwin County, either as a private or Government-owned unit of a power and flood-control system for this section, and it is resolved that a copy of these resolutions be sent to President Roosevelt personally and to our Senators and Congressmen with the request that they be read into the CONGRESSIONAL RECORD and that copies be also supplied the press.

JAMES LONGSTREET SIBLEY,
President.
F. E. PENUEL, *Secretary.*

STATE OF GEORGIA,
Baldwin County.

I, F. E. Penuel, do certify that I am secretary of Baldwin County Farmers' Club and that the foregoing is a true and correct copy of a resolution passed by the club at its regular meeting on Saturday, January 20, 1934.

F. E. PENUEL, *Secretary.*

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

HERBERT GREEN

Mr. COX. Mr. Speaker, I asked for recognition at this time simply to mark the passing of one who was the devoted friend and admirer of every Member of this House.

For 25 years Herbert Green, who was buried here in the city of Washington yesterday, was a waiter in the restaurant downstairs. He thought that this was the noblest body of men and women in all the world. There was nothing but goodness in the love that he gave each and every one of us. It followed us into places where he could not go, but it followed us nevertheless. Herbert was an honorable man and well deserved the confidence and esteem in which he was held, and in his passing we are poorer in that we have left that which counts when it comes to appraise the estate of man.

I am sure, Mr. Speaker, that I speak the sentiments and the hearts of every Member of this body when I say that we are all saddened in that he has left us.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, supplementing the remarks of the gentleman from Georgia [Mr. COX], I want to inform the House that a committee of the House consisting of the gentleman from New Jersey [Mr. EATON] and the gentleman from New York [Mr. BOYLAN] attended the funeral services of our late friend and colleague, Herbert Green.

CONTESTED ELECTION—JOHN J. CASEY *v.* C. MURRAY TURPIN

The SPEAKER laid before the House the following communication from the Clerk of the House, which was read, and, with the accompanying papers, referred to the Committee on Elections No. 3 and ordered printed:

FEBRUARY 1, 1934.

Hon. HENRY T. RAINEY,
House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: I transmit herewith for reference to the committee having jurisdiction a letter from Dr. John J. Casey, contestant in the contested-election case of *John J. Casey* v. *C. Murray Turpin* from the Twelfth Congressional District of the State of Pennsylvania to the Seventy-third Congress.

Respectfully yours,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRAY. Mr. Speaker, I ask unanimous consent that when the House convenes next Monday morning, after the reading of the Journal, I be permitted to address the House for 15 minutes on the world depression in India and China.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RATES OF POSTAGE ON ADVERTISING PORTIONS OF SECOND-CLASS PUBLICATIONS

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to discharge the Ways and Means Committee from further consideration of the bill (H.R. 7303) to continue until July 1, 1935, the rates of postage on the advertising portions of second-class publications prescribed by the Revenue Act of 1932, which I introduced a few days ago.

The SPEAKER. I will ask the gentleman to see the Speaker about that later on.

IMPROVEMENT OF RIVERS OF THE UNITED STATES

Mr. WILSON. Mr. Speaker, I send to the Clerk's desk a resolution and ask unanimous consent for its present consideration.

The Clerk read as follows:

House Resolution 248

Resolved, That the President be, and he is hereby, requested to send to the House of Representatives a comprehensive plan for the improvement and development of the rivers of the United States with a view of giving to Congress information for the guidance of legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of hydroelectric power.

Mr. SNELL. Mr. Speaker, reserving the right to object, may I ask the gentleman if he is requesting the same information to be sent here as was requested by another body. Does the gentleman want the same information to come to both bodies at the same time?

Mr. WILSON. Yes. This is identical with the resolution the Senate passed yesterday.

Mr. SNELL. The gentleman thinks it is necessary to have a similar one pass the House today?

Mr. WILSON. Yes.

Mr. MAPES. Mr. Speaker, reserving the right to object, is this information that has been compiled by someone in the Government, or does it require new investigations and surveys?

Mr. WILSON. The greater portion of it, I think, has been prepared. It is identical with what the Senate requested, and I desire the same information for the House.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The resolution was agreed to.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point upon the resolution which has just been passed.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HASTINGS. Mr. Speaker, I heartily favor this resolution. It is a further step in the direction of the development of our inland waterways.

From the public expressions of the President, I am sure that he is in favor of a deeper study of and a more comprehensive plan for the improvement and development of the rivers of the United States. His report will be welcomed and looked forward to with great interest. I feel sure the report will recommend the appointment of a general committee to make a study of all the data collected; and may I express the hope that it may provide for a separate subcommittee or an authority to make a detailed study of and report on all the great water systems of the country, including the Arkansas River, which so vitally concerns the people of the Southwest.

Congress has made appropriations for the improvement of the Mississippi River and also for the improvement of the Ohio River. Under the leadership of the Senator from Nebraska, who on yesterday sponsored in the Senate a resolution similar to the one under consideration in the House, Congress passed the bill to create the Tennessee Valley Authority.

We have improved the upper Mississippi, and money has been allocated from the C.W.A. to the building of a dam on the Columbia River in the far Northwest, and large sums are being expended on Boulder Dam on the Colorado River. Sizable sums have been expended on the Missouri River.

Under the act of May 15, 1928, $5,000,000 was authorized to be expended in making surveys of all the tributaries of the Mississippi River, including the Arkansas, and during the past 5 years approximately three quarters of a million dollars has been expended in the survey of the Arkansas River and its tributaries, and a great mass of data has been collected which should be carefully studied and analyzed and, let me say, utilized in the improvement of the Arkansas River.

A few days ago I introduced a bill—H.R. 6224—to create a body corporate by the name of the "Arkansas Valley Authority" to study the data collected and reports made under the direction of the Corps of Army Engineers and all other available data that may be submitted with reference to the Arkansas River; to carefully analyze the same and report to Congress the feasibility of improving the Arkansas River and its tributaries from the standpoint of flood control, drainage, irrigation, power development, and navigation.

It is my hope that the resolution presented by the gentleman from Louisiana [Mr. WILSON], Chairman of the Committee on Flood Control, will result in the submission by the President of a plan, and that Congress will enact it into law, providing for the improvement and development of all the rivers of the United States, including the Arkansas River and its tributaries. This river is 1,460 miles in length and drains an extensive area. I know that no plan submitted by the President will overlook the development of the Arkansas River and its tributaries. For these reasons I am glad to support the resolution.

HOSPITALIZATION OF VETERANS

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that I may have 10 minutes in which to present to the House a question in which I think the House is immediately concerned.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I want to direct attention at this time to a very controversial feature of the economy act regarding hospitalization of veterans, and to the construction and operation that has been placed on that provision of the act by the Veterans' Administration.

I want to make my position very clear. I want to make the broad statement that there is no warrant in the economy act, as it now reads, for refusing hospitalization to all veterans for all injuries or diseases regardless of service connection. On the contrary, as the law now reads, the veterans' hospitals of this country are open to all veterans suffering from any injury or disease, regardless of service origin.

This is a pretty broad statement, and if I am wrong in this statement I want the experts on veterans' legislation in this House to set me right.

I may say, first, that my interest in this question is due to the fact that from the close of the war until I came here to Washington last March, I believe that fully one fourth of my time was given to veterans' affairs, and this without any thought that I would ever again be a candidate for their suffrage or be a Member of Congress or be confronted with the choice of voting for or against the Economy Act.

During all these years I was instrumental in securing hospitalization for many disabled veterans, and I came to understand thoroughly the great necessity for such hospitalization if these men were to be kept off the streets and out of the poorhouses of the country; and my legislative interest in this matter of hospitalization, which began with the passage of the Economy Act in the last Congress, to which I will call your attention shortly, was revived the other day by the remarkable speech of the very able Congresswoman from Arizona [Mrs. GREENWAY], in which she graphically depicted the conditions in the splendid veterans' hospitals of Arizona prior to the operation of the Economy Act, where these veterans were being cared for, and then the conditions afterward, the conditions now, with the great, vacant wards and with hundreds of veterans out on the highways and byways in a disabled or diseased condition, trying to pick up a living for themselves and their families.

I am sure that no one who heard that picture drawn here the other day will forget it very quickly.

Mr. HOEPPEL. Will the gentleman yield?

Mr. MARTIN of Colorado. Pardon me, but I have only 10 minutes.

Mr. HOEPPEL. I was going to help the gentleman.

Mr. MARTIN of Colorado. I know where the gentleman's heart is.

Mr. PATMAN. Will the gentleman yield for one question and I shall try to have the gentleman's time extended?

Mr. MARTIN of Colorado. I yield.

Mr. PATMAN. Before the enactment of the economy act a veteran could remain in the hospital and draw the full amount of compensation that he would draw if not in a hospital. The President's regulations reduced the compensation of service-connected veterans who were receiving hospitalization to $15 a month, and non-service-connected to $6 a month. This caused many veterans to leave hospitals who were really not able to leave in order that their families may have the benefit of the full amount of their compensation. This also caused many vacant beds.

Mr. MARTIN of Colorado. I want to say to the gentleman now that I have in my district, and I think they are in every district in the country, many who have not any compensation or pension and cannot get into any hospital either.

I want to take this question up chronologically and briefly. It may as well be admitted that it was the intent of the authors of the economy act to exclude veterans with non-service-connected diseases or injuries from hospitalization. This intent was carried out in the framing of the law, and as that law came to this House last March there is not any question but what it excluded veterans with non-service-connected diseases or injuries from hospitalization.

Mr. FISH. Will the gentleman yield there? Was that in the economy bill?

Mr. MARTIN of Colorado. Yes, sir; that exclusion.

Mr. FISH. Was not that in the regulations?

Mr. MARTIN of Colorado. No, sir; that was in the act; that is, the act as it came to and passed the House.

I am going to quote that law in a moment, but if you get to interrupting me, my time will be up before I really get started.

Let me repeat that it was the intent of the authors of the economy act to cut out such hospitalization, and the act as it came into the House did cut it out, and as it left the House and went to the Senate.

Now, I want to read the language of section 6 of the Economy Act as it passed the House of Representatives, omitting some matters that are not important to the question at issue. It reads as follows:

> The Administrator of Veterans' Affairs is hereby authorized, under such limitations as may be prescribed—
>
> And mark this—
>
> and within the limits of existing Veterans' Administration facilities, to furnish the veterans of any war * * * medical and hospital treatment for diseases or injuries incurred or aggravated in line of duty in the active military or naval service.

Mr. Speaker, there is the language that excluded all veterans with non-service-connected diseases or injuries from hospitalization.

[Here the gavel fell.]

Mr. KELLER and Mr. PATMAN rose.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Colorado may be extended 10 minutes. This is an important subject.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MARTIN of Colorado. Now, Mr. Speaker, I cannot answer any further questions. I want to get this matter before you as I understand it.

I knew perfectly well when this bill left the House and went to the Senate that it cut out veterans with non-service-connected injuries or diseases. I understood perfectly well what this meant.

In the Senate an amendment was proposed and adopted, and that amendment, leaving out superfluous matters, reads as follows. All but the last line reads as I read from the House section a moment ago:

SECTION 6 OF THE ECONOMY ACT AS AMENDED IN THE SENATE AND NOW IN THE LAW

The Administrator of Veterans' Affairs is hereby authorized, under such limitations as may be prescribed by the President and within the limits of existing Veterans' Administration facilities, to furnish to veterans of any war * * * medical and hospital treatment for diseases or injuries.

Now, when the bill passed the House the press commented on the bill as having cut out hospitalization for non-service-connected disabilities. I watched the reaction of the press carefully to this Senate amendment, and they treated it the same way. If you turn to the files of the local papers you will find that they treated the hospitalization provision as it passed the Senate just as they did when it passed the House.

I decided that I was going to clarify the matter when the bill with the amendments came back to the House. The bill came back to the House, and on March 15, page 508 of the CONGRESSIONAL RECORD, you will find this debate:

Mr. TABER. If the Members will turn to amendment no. 8 on page 5, they will see that the Senate amendment liberalizes the hospitalization of veterans, so that it covers all disabilities of a permanent character, plus tuberculosis and neuropsychiatric trouble, regardless of whether it is service connected or not.

Mr. MARTIN of Colorado. I would like to set my mind at rest on that point, because in my opinion, if this language is as I construe it, this is the most important and beneficial amendment made to the bill in the Senate. As I read the amendment, although it is rather confusingly worded, this still continues hospitalization for all diseases or injuries, whether service connected or not.

Mr. TABER. That is correct. However, under regulations of the President. That is, the President can prescribe, just as is done now, that those with service-connected disabilities have priority of treatment.

Power, that is, to prescribe regulations, not to cut these non-service-connected classes out of the law, because if these classes could cut out all other classes could be cut out because the language giving the President power to prescribe limitation is identical in both sections, the original House section and in the section as amended by the Senate.

Now, I had the Senate amendment in my files as it came before the Senate, but I cannot find it. Still I think it can be found.

They took the House section, and after the words "permanent disabilities", they inserted the words "tuberculosis and neuropsychiatric trouble." Then they struck a black line through the following words, "incurred or aggravated in line of duty in the active military and naval service."

Mr. TABER. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. TABER. I want to say that my understanding of the law now is as I suggested it did on the floor, and I believe it has not been properly construed.

Mr. MARTIN of Colorado. If that is still the gentleman's understanding, he knows it is not being carried out in the administration of the law.

Mr. TABER. I do.

Mr. MARTIN of Colorado. They have vacant veterans' wards in every hospital in the country, and diseased veterans are not able to obtain hospitalization. I have not much more to add to this. This has been on my mind ever since we passed the Economy Act. Hospitalization of veterans is a part of the four-point program of the American Legion that is being so pressed on every Member of Congress, and which I am in favor of, and I am here to claim that under the exact language of the law as it is on the statute books today that demand has already been taken care of and only needs to be carried out by the Veterans' Administration. I have no more doubt than that I stand here that if the language of this act were submitted to any competent court in the land it would hold that section 6 of the Economy Act reads for hospitalization of veterans of all wars for all diseases and injuries, regardless of service connection. If I am wrong on that point, I want somebody to rise and point out where.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. FISH. The gentleman is a distinguished veteran and held high office in the American Legion in his own State. Has the gentleman taken this matter up with the American Legion executive committee or the national commander? Evidently they are under a misapprehension. They are advocating the very thing that apparently now exists, namely, to give hospitalization to the non-service-connected cases.

Mr. MARTIN of Colorado. Apparently at the time this point was raised by me it was not given very serious consideration. So far as I can learn, it has never been given consideration since, and all lawyers know how long something can lie dormant in a law for years and yet be a vital, living part of the law.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. BLANTON. The administration has failed to give it legislative interpretation.

Mr. MARTIN of Colorado. Absolutely.

Mr. BLANTON. Because the statement of the gentleman from New York [Mr. TABER] at the time this matter was before the House in March, in explaining the position of the committee and conferees, was legislative interpretation.

Mr. MARTIN of Colorado. Absolutely.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. TABER. That was the understanding of the members of the committee that had that up for consideration, and the conferees that represented this House. It was also the construction put on the Senate amendment by Mr. Roberts, the counsel to the Veterans' Administration, in his appearance before our committee.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. RANKIN. I could not understand the colloquy between the gentleman from Colorado and the gentleman on the other side of the aisle. Just what was his statement with reference to hospitalization in connection with these non-service-connected cases?

Mr. MARTIN of Colorado. I made this statement, that as section 6 of the Economy Act, covering hospitalization, now reads, the veterans' hospital facilities of the country, if available—and they are available—are open to veterans of all wars for all diseases or injuries, regardless of service connection.

Mr. RANKIN. Is the gentleman aware of the fact that the hospitalization of these veterans was effected in the order issued by the President on January 19?

Mr. MARTIN of Colorado. My claim is this, that after the adoption of the Senate amendment the veterans' hospitals of this country were thrown open to veterans just the same as if no Economy Act had ever been passed. Is that the case under the new regulations? I claim that the authorized hospitals of this country are open to veterans of all wars just as if the Economy Act had never been passed.

Mr. RANKIN. If not, they should be under the President's Executive order.

Mr. KELLER. What about that Executive order?

Mr. RANKIN. It was issued on the 19th of January.

Mr. MARTIN of Colorado. If it does, it will eliminate one of the most important points in the four-point program.

The SPEAKER. The time of the gentleman from Colorado has again expired.

RATES OF POSTAGE

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent that the House Committee on Ways and Means be discharged from further consideration of the bill H.R. 7303, to continue until July 1, 1935, the rates of postage on the

advertising portions of second-class publications prescribed by the Revenue Act of 1932, and that the bill be laid on the table.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, yesterday the gentleman from New York [Mr. SNELL], and I am sorry that he has just left the room, rose to defend former President Hoover. I commend him for that. I have no objection to Mr. SNELL defending his friend, but in the course of that defense he criticized some of the Members on the Democratic side of the aisle for the way they had handled the recommendations that had been submitted to Congress by President Hoover. I do object to that criticism. Mr. SNELL criticized me and the Committee on Expenditures, of which I am the chairman.

He said that we took the President's recommendations and threw them out of the window, stating the committee did not even hold hearings. I told the gentleman from New York at that time that we held hearings on the President's recommendations. I now have a copy of the hearings with me and I am going to present them to the gentleman from New York, and ask the gentleman from New York to read the statement of Mr. Hoover's Budget Director, Colonel Roop. The colonel in reply to a question of mine stated that he thought the reorganization of the Government should be left to Mr. Roosevelt. Was he a Democrat? I want the gentleman to read the statement of a former majority leader of this House, Mr. Frank Mondell, who came before the committee and criticized the President's recommendations. He also submitted a lengthy brief. I want him to read and explain why Mr. Williamson, of South Dakota, the ranking Member on the minority, and Mr. Colton, of Utah, the next in rank on the committee, also Republicans, opposed the President's recommendations. I want him to read how Mr. Addison Smith, a former Member of this House, the chairman of an important committee at one time, came before our committee and opposed the President's recommendations, and also why Mr. BRITTEN, of Illinois, his able assistant, opposed the President's recommendation in reference to the transfer to the Geodetic Survey of the Hydrographic Office, Naval Observatory, and other important activities of the Navy.

Mr. Speaker, if the gentleman from New York will remember it was not until I had taken this floor and criticized members of the President's Cabinet for opposing Mr. Hoover's recommendations that they discontinued their criticism. The opposition came from his bureau chiefs who sought to save their jobs. However, when the committee heard President Hoover's Budget Director, Colonel Roop, say it was his opinion that reorganization should be left to President Roosevelt there was not a corporal's guard to be found in support of his recommendations.

I do not object to fair criticism, but I do object when we are criticized for something that the Republicans themselves are largely responsible for.

If the gentleman from New York will read the hearings, he will find that the members of his own party were more forward in trying to defeat the President's recommendations than were the members of the Democratic Party. [Applause.]

The SPEAKER. The time of the gentleman from Missouri [Mr. COCHRAN] has expired.

AID TO HOME OWNERS AND UNEMPLOYED

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to insert in the RECORD a copy of my bill dealing with aid to home owners and unemployed, and along with that a letter which I addressed to the President and to the Chairman of the Home Loan Bank and a letter to the Chairman of the Committee on Appropriations of the House of Representatives.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HOEPPEL]?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members of the House, in the interest of the distressed home owners and the unemployed, I have addressed communications to the honorable President of the United States, the Honorable John H. Fahey, Chairman of the Federal Home Loan Bank Board, and the Honorable James P. Buchanan, Chairman of the House Committee on Appropriations, which communications I am here inserting in the RECORD for the information of the Congress. I am also including a copy of my bill H.R. 6214, which, if adopted by the Congress, will bring adequate relief to the home owners and to our worthy unemployed without one single cent of cost to the taxpayer.

The matter is as follows:

JANUARY 30, 1934.

The honorable PRESIDENT OF THE UNITED STATES,
Washington, D.C.

DEAR MR. PRESIDENT: According to the newspapers, it is noted that your administration is reported favorable to a proposition which I advanced before the Civil Works Administration in the proceedings of the general meeting and executive meeting held in Washington on November 15.

I there proposed direct loans to citizens to rehabilitate their homes, and I congratulate your administration in adopting this idea under the home-loan bank organization, as reported by the press.

For this reason, I would personally favor unusually large appropriations for the Home Owners' Loan Corporation and very little, if any, to the C.W.A., which latter is a distinct loss to the National Treasury, whereas the former will be repaid in time.

Lending direct to the individual to rehabilitate his home or for new construction will also in equal measure eliminate the graft under the C.W.A., which never can be adequately effaced or controlled. Furthermore, the work under the C.W.A in most instances is of an unnecessary nature, whereas the rehabilitation of homes and new construction of homes is of paramount necessity. The prime objective of the American citizen is the opportunity to work at a liveable or saving wage, of which he will be assured if you will authorize a national building program as I indicate.

I read in a circular now before me that the House Ways and Means Committee reports that the annual interest payment on the existing $40,500,000,000 of tax-exempt bonds is $1,805,000,000. Unless you intend to inflate the currency to an abnormal amount or repudiate national indebtedness, I cannot subscribe to the further issuance of tax-exempt bonds, regardless of purpose, and for that reason I submit to you for your consideration a copy of my bill H.R. 6214, which will positively bring relief to the American people without one cent of cost to the taxpayer.

I have sent out a large number of copies of this bill and the response is overwhelmingly in favor of the plan as proposed in my bill. Outstanding endorsements come from church organizations, which are also in an unfortunate mortgage and building dilemma and which espouse my measure.

My bill will positively relieve the unemployment situation, it will rehabilitate our citizenship through the modernization of their homes and the construction of new homes, and will add impetus to the forward movement now taking place under the N.R.A. The new deal will actually be a real new deal, which was the objective the American people voted for in November 1932.

I hope you will kindly spare the time to read this bill with a view to adopting this idea, in any form, in the interest of the American taxpayer.

Thanking you for your consideration, I am,

Sincerely yours,

J. H. HOEPPEL.

JANUARY 30, 1934.

Hon. JOHN FAHEY,
Chairman Federal Home Loan Bank Board,
Washington, D.C.

DEAR MR. FAHEY: Kindly see copy of letter herewith which I have addressed to the President in connection with the press reports on the loans contemplated under your organization for rehabilitation of existing homes and the construction of new homes. If you care to, kindly refer to page 23 of the circular printed by the Federal Civil Works Administration, proceedings of the general meeting and executive meeting, dated November 15, which will give you a brief outline of the suggestion I made to Mr. Hopkins.

I congratulate you, even though you have not gone as far as I in my H.R. 6214, a copy of which is enclosed, and which I hope you will take time to read. Your plan is immeasurably superior to bring relief to our unemployed than is the waste of funds under the C.W.A.

Thanking you for your favorable consideration, I am,

Sincerely yours,

J. H. HOEPPEL.

P.S.—I am also enclosing herewith for your information copy of my letter to the Chairman of the House Appropriations Committee.

JANUARY 30, 1934.

Hon. JAMES P. BUCHANAN,
Chairman Committee on Appropriations,
House of Representatives, Washington, D.C.

DEAR MR. BUCHANAN: Kindly see copy of letter herewith which I have addressed to the President in connection with today's press reports which indicate that the President and Mr. Fahey are in sympathy with extending loans to citizens to rehabilitate their homes and for new construction of homes.

This idea, as announced in today's press, will be infinitely more beneficial to the citizen than is the squandering of funds under the C.W.A.

By lending money directly to the present and future home owner you will eliminate the graft which is existent in the C.W.A. and which can never be thoroughly eradicated. At the same time you will be extending funds which will be repayable into the Treasury, whereas the C.W.A., as testified by Secretary of Labor, Miss Perkins, also quoted in today's press, is absolutely nothing other than a dole. You know the dole is repugnant to the honorable worthy American unemployed who demand the opportunity to work and maintain themselves with the fruits of their toil.

Let us go forward in the New Deal along common-sense lines such as proposed by Mr. Fahey rather than under the abortive plan of the C.W.A., through which we are expending funds needlessly, wastefully, and improperly.

With best wishes, I am, sincerely yours,

J. H. HOEPPEL.

H.R. 6214

A bill to create jobs for millions of unemployed and to liquidate frozen assets in financial institutions, without the issuance of tax-exempt bonds, through the establishment of county loan agencies to extend credit direct to the individual, companies, firms, associations, institutions, municipalities, schools, churches, and other public agencies for mortgage relief and repair, construction, and development purposes

Whereas under the Reconstruction Finance Corporation and other agencies the Government is extending credit to railroads, banks, and insurance companies at as low as a fraction of 1-percent interest, notwithstanding the security offered and accepted is based on debt and collateral of a doubtful value; and

Whereas under the Federal Emergency Relief and Public Works Acts the Government is expending $3,800,000,000, which amount is all tax exempt and carries a high rate of interest, thus adding to the tax burden of the citizen while it enriches the money lender; and

Whereas the new deal is the same old deal as far as tax-exempt securities are involved, which not only puts a millstone around the necks of our youth but even mortgages generations yet unborn because of our inherent stupidity of catering to the financial ring of Wall Street; and

Whereas the United States is virtually financially, if not also intellectually, bankrupt as far as leadership is involved, through failure to pay as we spend in public disbursements by the levying of adequate taxes on entrenched, unearned, and inherited wealth and the consequent reduction or elimination of taxes to the worker, small home owner, and farmer whose income is less than $2,000 per annum; and

Whereas under the Public Works Administration the Government is granting as high as 30 percent of the project free to the municipality or other agency, which gift must be paid by the taxpayers; and

Whereas the National Economy League, the agent of corrupt bankers and plutocrats, is now issuing propaganda, stating:

"We believe, however, that the people are willing to make great sacrifices in submitting to new taxation, on condition that they are assured that their sacrifices will accomplish the desired result"; and

Whereas the National Economy League, which struck so inhumanely and unfairly under the new deal at our veterans and Federal employees, does not advocate increased taxes for those most able to pay; and

Whereas the American citizen desires honest labor at a just wage, freed from the stigma of charity and cheap or inefficient politics as is evidenced in the Federal Relief and Civil Works Administration; and

Whereas immediate, positive, and direct relief is available to our distressed citizens by the exercise of common sense and courage if the Government will free itself from the incubus of monopolistic entrenched wealth and issue credit based on its own security: Therefore

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to issue not less than $10,000,000,000 in United States notes, which shall be deposited in the United States Treasury, subject to the order of the Secretary of the Department of the Interior as hereinafter prescribed.

SEC. 2. In addition to other duties incumbent on the Department of the Interior, that Department is hereby charged with organizing a county loan agency in each county of the United States and/or the territorial possessions of the United States where the board of supervisors or county commissioners of such counties have voted to agree to and abide by all orders and regulations as may be issued by the Secretary of the Interior in connection with direct loans as provided in this act.

SEC. 3. The Secretary of the Interior is directed to establish in the county seat of each of such counties a county loan agency which shall operate under a directorate of five individuals. Two members of the directorate shall be appointed by the county supervisors or county commissioners to serve for a term of 4 years They shall not be subject to removal from the directorate except by a unanimous vote of the county supervisors or county commissioners. When appointed, they shall not be of the same political affiliation. Two members of the directorate shall be selected by the Secretary of the Interior from a United States civil service register which shall be created for this purpose. The chairman of the directorate shall be appointed by the Secretary of the Treasury. All other personnel required within the county loan agency shall be equally provided from the county civil service register and the United States civil service register from present or newly created registers in accordance with requirements.

SEC. 4. Salaries paid to directors and employees of the county loan agency shall be equivalent to salaries for similar positions within the Department of the Interior: *Provided, however,* That no salary paid shall be in excess of $10,000 per annum.

SEC. 5. Non-interest-bearing county bonds, or county notes or pledges of indebtedness, if voted unanimously by the county supervisors or county commissioners, shall be accepted at face value by the Secretary of the Interior in extension of credit to a county loan agency as hereinafter provided.

SEC. 6. County entities as recognized in this act may be extended credit by the Secretary of the Interior subject to orders, rules, and regulations of that office at not to exceed 10 percent of the average assessed valuation of the county during the years 1926 to 1931, inclusive.

SEC. 7. Not more than 40 percent of the credit extended to any county may be utilized in granting mortgage relief to distressed farmers and home owners. Loans for this purpose may be made in an amount equal to 100 percent of the present mortgage where mortgagors are bona fide residents of the property mortgaged. The remainder of the credit extended to any county must be applied in direct loans by the county loan agency to individuals, companies, firms, associations, institutions, municipalities, schools, churches, and other public agencies for mortgage relief and repair, construction, and development purposes. Loans for repairs, remodeling, construction, or development purposes for homes, farms, or other agencies, as authorized herein, shall not exceed 80 percent of the value of the property when purchased, remodeled, or constructed.

SEC. 8. The rate of service charge for loans extended shall be at cost, and in no event to exceed 1 percent per annum. Service charges and a payment on principal of an amount equal to 2 percent of the loan shall be paid annually. Larger amounts may be paid at option of the borrower. Payments received on principal of loans made shall be returned to the United States Treasury and retired from circulation. All moneys received on service charges in excess of cost of operation of this branch of the public business shall be returned to the United States Treasury as profit and deposited in the general funds.

SEC. 9. All acts or parts thereof inconsistent with any of the provisions of this act are hereby repealed.

TENNESSEE RIVER—TOMBIGBEE CANAL

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire to discuss briefly at this time the proposition of connecting the Tennessee with the Tombigbee River by canal and of constructing and maintaining a navigable inland waterway down the Tombigbee to Mobile Bay.

This proposition has been discussed for more than a hundred years. With the developments now being wrought by the Tennessee Valley Authority, the prospects are brighter for the consummation of this long-considered plan.

Four great purposes can be accomplished by this improvement:

First. Control floods on the Tombigbee River.

Second. Control floods on the Tennessee and Mississippi Rivers.

Third. Shorten the water route from Muscle Shoals to the Gulf of Mexico by 648 miles, and shorten the water distance from other points on the Tennessee to the Gulf in proportion.

Fourth. Develop a sufficient amount of hydroelectric power to supply the surrounding country.

The Tombigbee River and its tributaries have long been neglected by the Federal Government, and, as a result, the people in that great valley have suffered.

From the standpoint of soil and climate, the Tombigbee is one of the richest valleys in the world. It not only comprises the great hardwood and pine timber belt of northeastern Mississippi and northwestern Alabama, but it also includes the great prairie or lime belt areas of those two States.

Four hundred years ago Hernando De Soto, in the first and most dramatic expedition into the wilds of North America, explored this wonderful valley. He was directed to it by the Indians, who told him that he would find in that country a wealthy tribe who possessed vast fields of maize, or Indian corn. He came and found the Chickasaws, the most prosperous and enlightened of all the American tribes. There he spent the winter of 1540–41. The Chickasaws entertained him and fed his enormous expedition through the winter, until a misunderstanding arose in the spring, which resulted in his hasty and unceremonious departure from their domain. De Soto called the beautiful Tombigbee the "Rio de Los Angeles"—the River of the Angels.

For more than a hundred and fifty years the Tombigbee and its tributaries supplied the highways of commerce for this area. In 1736, Bienville, the Governor of the French territory in Mississippi, transported his entire army up the Tombigbee to Cotton Gin Port to engage in the disastrous battle with the Chickasaws on the fatal field of Ackia.

In 1815 Lorenzo Dow, one of the great pioneer figures of America, visited the Tombigbee country and made this entry in his journal:

> The river Tombigby, like the Nile, overflows once a year, is also a flood-tide river only once in 24 hours; it is navigable for vessels, and will one day become the glory of the south part of the United States, as the trade of Tennessee, etc., will pass through it.

During the Civil War the Tombigbee Valley was known to both sides as the "granary of the Confederacy." Numerous expeditions were sent by the Federals to destroy its cornfields, in order to cut off Confederate supplies. They resulted in some of the bloodiest battles of the Civil War.

Strange as it may seem to people who are unfamiliar with that section of the South, the upper stretches of the Tombigbee Valley are one of the most thickly settled portions of the new world, with white people living in the rural districts. There are many places where the rural colored population is more dense, and there are many places where there are more white people per square mile, living in towns and villages, but there are few, if any, areas more densely populated with rural white people.

Yet, this river has been neglected and permitted to fill up, until today it is overflowing and destroying vast areas of fertile lands. I am reliably informed that there are 25,000 acres in Itawamba County, Miss., alone, where the crops have been destroyed by overflows from this stream for the last several years.

They are entitled to the same protection afforded people along the Mississippi, the Ohio, the Missouri, and other navigable streams.

This development will protect those people from these periodic overflows and at the same time help to control the floods on the Tennessee and the Mississippi Rivers.

We have spent hundreds of millions of dollars in our attempts to control the floods on the Mississippi River, yet we have not been able so far to take a single gallon of water out of the Mississippi Basin. By the construction of this canal up Bear Creek, from the point where it empties into the Tennessee River, and then across through a low sandy ridge to Mackeys Creek in Tishomingo County, we can divert a sufficient amount of water from the Tennessee River to control the floods on that stream, especially with the assistance of the various dams which have been, and are now being, constructed for impounding flood waters on the Tennessee. In that way we can control the influence of the Tennessee on the flood crests on the Mississippi. One former Member of the House who has made a study of this project asserts that we could lower the surface of the Mississippi at Cairo 10 feet. His estimate may be exaggerated, and probably is, but there is no doubt that we can reduce the flood level on the Mississippi to a large extent. One man who is intensely interested in flood control on the Mississippi says that if we can lower the flood crest on it 6 inches, we can prevent such horrible disasters as befell the people along the Mississippi River in 1892 and in 1927. One engineer says that if we can even lower the flood crest on the Mississippi 3 or 4 inches, it would be worth every dollar this great project will cost, from the standpoint of flood control on the Mississippi alone.

I know some men will say that the diversion of this water in this way will increase the floods along the Tombigbee River, but that is not necessarily true. The floods on the Tombigbee seldom, if ever, synchronize with the floods on the Tennessee and the Mississippi. The floods on the Tombigbee are caused by local rains, or rains that fall within the Tombigbee Basin. It is never affected to amount to anything by melting snow and ice. On the other hand, the floods on the Tennessee and the Mississippi are produced largely by waters from melting snow and ice along their tributaries. Therefore, as a rule, when they are on a rampage, the Tombigbee has spent its force and receded within its banks. I have seen the Tombigbee at almost its lowest level, when the Mississippi and the Tennessee were at their heights. In 1927 people were plowing on the banks of the Tombigbee while steamboats were being piloted over some of the richest farm lands along the Mississippi.

It is entirely probable that in the ages past the Tennessee River flowed down the Tombigbee Valley. Look at the map which I am inserting as a part of these remarks, and you will note that the Tennessee River turns north about the time it passes the mouth of Bear Creek, which is on the boundary line between the States of Mississippi and Alabama.

An Army engineer testified at a hearing held at Muscle Shoals some years ago that the bed of the Tennessee River at the mouth of Bear Creek is about 150 feet higher than the bed of the Tombigbee River at the confluence of Brown and Mackeys Creeks, about 40 miles south of that point.

It is now proposed for the Tennessee Valley Authority to construct a dam across the Tennessee River just north of the city of Iuka, Miss., either at Cooks Landing or at Pickwicks Landing. This will raise the water level at the mouth of Bear Creek 50 feet, making the water level at that point approximately 200 feet higher than the bed of the Tombigbee River at the confluence of Brown and Mackeys Creeks, which is the head of navigation on the Tombigbee.

It is proposed to construct a canal connecting Bear Creek with Mackeys Creek, as shown on the map which I am inserting, and to establish a barge line down the Tombigbee to Mobile Bay. This project has been surveyed several times and has been pronounced entirely feasible. A recent report of the Engineering Corps of the War Department says:

> It is also true that the waterway and the Tombigbee River could serve as a spillway for diverting Tennessee River flood waters from the Mississippi River.

There is absolutely no question about the feasibility of diverting water from the Tennessee River down the Tombigbee in this way. As I said a moment ago, it is the only place we have yet found where a gallon of water can be diverted from the Mississippi Valley to control the floods on that stream with anything like a reasonable amount of expenditure and assurance of success. In fact, it is the only place I recall where the water from one major stream can be diverted into an entirely different watershed with anything like a reasonable amount of expenditure.

It will give the people in the Tombigbee Valley water transportation and thereby help to lighten the enormous burdens they are now bearing in the way of transportation charges.

It will shorten the water distance between Muscle Shoals and all other points on the upper Tennessee River and Mobile 648 miles. It will shorten the water distance from Muscle Shoals to New Orleans 488 miles. It will shorten the water distance from the Ohio River to the Gulf of Mexico 195 miles, and from points on the Mississippi River above Cairo to the Gulf 102 miles. It will shorten the distance of traffic on the upper Ohio clear to Pittsburgh, Pa., to the Gulf of Mexico 195 miles.

It will give us another great inland waterway for commercial use in times of peace and afford us additional protection in times of war. Let it be remembered in this connection that one of the primary objects of the construction of the great Muscle Shoals plant was to supply nitrates for our

(The map referred to on page 1859 follows:)

MAP SHOWING THE PROPOSED CANAL CONNECTING THE TENNESSEE AND TOMBIGBEE RIVERS, AND THE INLAND WATERWAY DOWN THE TOMBIGBEE RIVER TO MOBILE BAY



forces in case of war. If war should come again, we would then have this additional inland waterway over which to transport our supplies and explosives as well as troops and other munitions of war.

In addition to all this, a power site would be afforded on this cut-off that would generate a sufficient amount of electricity to supply the surrounding country.

I submit that from every standpoint this is one of the most feasible, most practical, most deserving, and most necessary projects this Government could develop at this time.

One great engineer, who has made a study of this proposition, said recently that this would one day be one of the greatest inland waterways in the world, surpassing in importance the St. Lawrence Canal. He said that the time would come when even ocean-going vessels would traverse this route all the way up to Cincinnati and that it would be the outlet for traffic on the Tennessee River up to the head of navigation, on the lower Tennessee to where it empties into the Ohio, and on the Ohio all the way up to Pittsburgh, Pa. He also said that a great deal of the traffic on the upper Mississippi River and the Missouri River would follow this route because it would be shorter, safer, and more desirable, since it would be controlled.

The only objection offered to this development now is the contention that the traffic load is not sufficient to justify it.

Men who advance this argument ignore the element of flood control. They ignore the element of soil conservation or protection. They ignore the element of power development.

They also underestimate the present traffic load, and attempt to measure the traffic load of the future by the antiquated conditions of the past. They overlook the fact that this is one of the richest valleys in the world, producing in great abundance corn, cotton, cottonseed, hogs, cattle, hay, potatoes, poultry, dairy products, strawberries, and other farm commodities to be shipped to other sections of the world. They seem to be unconscious of the fact that this area, comprising the Tennessee-Tombigbee Valley, contains the reserve supply of the world's timber. They do not take into consideration the fact that this area contains a large portion of the world's reserve supply of coal, iron, and bauxite, and overlook the fact that it contains deposits of practically every other mineral known to America.

They overlook the fact that in this area is to be produced the country's supply of fertilizers in times of peace, as well as its nitrates for explosives in times of war.

They fail to take cognizance of the fact that in this area lies Muscle Shoals, where we have just put into operation the greatest hydroelectric power plant on earth, and which we are reenforcing by the construction of several other large dams. The great wealth of power which they produce will be sent pulsing through this area throughout the years to come, to light the homes, supply the farms, and turn the wheels of industry to transform these raw materials into finished products.

This load is now growing by leaps and bounds, and will continue to do so as this great Tennessee-Tombigbee area is developed into the Ruhr Valley of America.

Men who raise this question also overlook the enormous load that would pass over this route from the upper Tennessee River, from Muscle Shoals, Florence, Sheffield, Tuscumbia, Chattanooga, Knoxville, Bristol, and all the territory they supply, as well as the enormous load from the lower Tennessee, and from the Ohio River all the way from Cairo to Louisville and Cincinnati, and even on to Pittsburgh, Pa. They do not take into consideration the load that would pass over this route from the upper Mississippi and Missouri Rivers, as well as practically all the traffic from the Cumberland, up as far as Nashville, Tenn., and even beyond Nashville.

They overlook the fact that in addition to the enormous local load, to which I have just referred, this route would, in all probability, carry one of the heaviest loads of through traffic of any inland waterway in the world.

Mr. KELLER. Mr. Speaker, a number of the Members of the House requested that I have printed the statement in relation to the railroad pension law, which I gave yesterday. I shall, therefore, have copies printed, and those who need them can come and have them at their pleasure.

ORDER OF BUSINESS

Mr. TABER. Mr. Speaker, I should like to ask the majority leader about when and how it is proposed to bring up the relief appropriation measure?

Mr. BYRNS. That bill will not come up today, but it is understood it will come up on Monday.

Mr. TABER. Under suspension of the rules?

Mr. BYRNS. I understand so. Of course the Speaker can answer that better than I can, but I understand the Speaker will recognize someone to move to pass the bill under suspension of the rules on Monday. At the same time, the Consent Calendar will be called.

Mr. SNELL. Will the gentleman yield for a question?

Mr. BYRNS. I yield.

Mr. SNELL. Of course if that bill is passed under suspension of the rules, the gentleman will be able to give us a little more time for debate than the regular 20 minutes?

Mr. BYRNES. I should hope so. Of course, I should not want to make any agreement about that in the absence of the chairman of the committee, who will have charge of the bill, but I am sure he will be willing to get together on some kind of an agreement with the gentleman.

Mr. SNELL. I think we ought to have additional time at least on this important measure.

Mr. BYRNS. I feel very sure the gentleman from Texas [Mr. BUCHANAN] will be agreeable to that idea, but, of course, I cannot commit him.

Mr. GIFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. GIFFORD. Will there be no opportunity when that bill is before the House to offer amendments?

Mr. BYRNS. If it is taken up under suspension of the rules, as the gentleman knows, amendments will not be in order.

Mr. GIFFORD. The gentleman does well know that. I should like to ask the gentleman if he thinks that is fair, in view of the complaints that have been uttered here; that amendments or suggestions such as instructions as to the necessities and resources of States and municipalities are concerned, should not be taken into consideration?

Mr. BYRNS. The gentleman is asking me a personal question, which, of course, involves only my personal views, but I will say frankly to the gentleman that if he has in mind the question of allocating that fund to particular enterprises, I do not think this House is in a position to act intelligently upon the matter.

How do we know how it should be allocated or divided?

Mr. BLANTON. Mr. Speaker, I demand the regular order.

Mr. SNELL. Do not get so excited about the regular order.

Mr. BLANTON. We will have plenty of time to debate this later.

Mr. SNELL. We will get along better if we are given a chance to ask a few questions.

Mr. GIFFORD. Will the gentleman yield further?

Mr. BYRNS. I yield.

Mr. GIFFORD. It is of the greatest importance to the Membership of the House that they shall have opportunity to offer constructive criticism or suggestions in regard to this legislation. In view of the many years' work in this House by the gentleman from Tennessee and his careful watching over all expenditures, he must agree that it is a fair proposition that this House, which appropriates the money, should have an opportunity to offer a constructive suggestion along the line I have mentioned.

Mr. BYRNS. I have just stated to the gentleman from New York that in my judgment the gentleman from Texas, who will have charge of the bill, will be willing to afford a reasonable time for its discussion. Of course, no amendments could be offered to this bill, an appropriation bill, except to allocate the funds; and I ask the gentleman from

Massachusetts in all fairness whether he or any other Member of this House is in a position to say that a certain sum ought to be designated for a project in his district or some other district.

Mr. GIFFORD. Why, that is so unfair it ought not to be uttered by the gentleman. He knows we have no personal interest in favor of any particular district.

Mr. BYRNS. I am very sure of that. I only said that by way of illustration. For the sake of the discussion let us say in my own district.

Does the gentleman from Massachusetts believe this House is in a position to pass upon the allocation of a particular part of this appropriation for a project in my district, we will say?

Mr. GIFFORD. The gentleman knows that is not my thought at all.

Mr. BYRNS. We cannot do that on the floor of the House. What other amendment, I ask the gentleman, could be offered to an appropriation bill?

Mr. KELLER. I should like to offer an amendment.

Mr. BLANTON. Mr. Speaker, I demand the regular order. We have an appropriation bill to take up as the unfinished business of the House.

Mr. SNELL. Mr. Speaker, I should like to ask the majority leader a question in regard to the program. I think that is the regular order.

Mr. BLANTON. If that is the gentleman's purpose, I withdraw my demand for the regular order.

ADJOURNMENT

Mr. SNELL. Mr. Speaker, may I ask the majority leader whether it is the purpose, if we complete this appropriation bill this afternoon, to adjourn over tomorrow?

Mr. BYRNS. The program is to adjourn over tomorrow.

PROGRAM

Mr. SNELL. Is it any part of the program of the majority to give us some time the early part of next week to consider the Private Calendar? It is getting quite large now; there are several bills on it which individual Members would like to have considered.

Mr. BYRNS. Mr. Speaker, I may say to the gentleman from New York that it is the hope that we can get to the Private Calendar at an early date; we will do so at the earliest possible moment. I am not able to answer the gentleman definitely for the one reason that we do not know just when the tax bill will be presented to the House.

Mr. SNELL. I appreciate that when the tax bill is reported to the House it will have priority.

Mr. BYRNS. When the tax bill is reported I hope the House will agree to consider it at the earliest possible moment and dispose of it and send it to the Senate.

If the tax bill is not before the House next Friday, so far as I know I am quite sure it would be expected that we should consider the Private Calendar.

Mr. SNELL. Of course, under our new rules, the Private Calendar comes up on a Friday; but we could take it up on any other day by unanimous consent.

Mr. BYRNS. I am aware that there are about 180 bills on the Private Calendar. Of course, it will take more than a day to dispose of them.

Now, it is the expectation as soon as these major bills are out of the way, the House will have ample opportunity to take up and consider all these bills on the Private Calendar.

Mr. SNELL. I think that is what we ought to do.

Mr. BLANTON. And we will have plenty of time to do that while the Senate is deliberating the bills we shall have sent to it.

Mr. BYRNS. At the present time I cannot make any definite statement as to what particular day we can take up the Private Calendar. Whether or not we can do so next week depends upon the legislative situation.

Mr. SNELL. If we are going to have the early adjournment some people think we are, we ought to get these private bills over to the other body so we can get some of them back.

Mr. BYRNS. I agree with the gentleman. I do not think there is any doubt about that.

Mr. KELLER. Mr. Speaker, I wish to ask the majority leader a question. The other day I made a statement that it seemed the policy was going to be to provide further C.W.A. funds to take us through the month of May only. I expect to offer an amendment to make it possible to continue them through many months. I should like to know if the bill will be brought up under such circumstances that I could offer such an amendment.

Mr. BLANTON. Mr. Speaker, on that bill I ask for the regular order. We will take that up later.

Mr. KELLER. The gentleman from Texas ought to let the question be answered.

The SPEAKER. The regular order is demanded.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may insert in the RECORD the instructions and regulations of the administration concerning the hospitalization of veterans and also the Legion hospitalization program. I think it is obvious the Members do not understand wherein the difference between the two programs lies; and I think it very important for all of us to have this information. Adequate and prompt hospitalization of the disabled veterans is a vital matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The matter referred to follows:

EXECUTIVE ORDER

VETERANS REGULATION NO. 6 (B)—ELIGIBILITY FOR DOMICILIARY OR HOSPITAL CARE, INCLUDING MEDICAL TREATMENT

By virtue of the authority vested in me under section 6 of title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933 (Public, No. 2, 73d Cong.), as amended by section 1 of the act entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes" approved June 16, 1933 (Public, No. 78, 73d Cong.), the following regulation amending Veterans' Regulation No. 6 (a) is hereby prescribed:

1. Paragraph I of Veterans' Regulation No. 6 (a) is amended to read as follows:

"I. The Administrator of Veterans' Affairs, within the limits of Veterans' Administration facilities, is authorized to furnish domiciliary or hospital care, including medical treatment, to the following persons and in the specified order of preference:

"(a) To honorably discharged veterans of any war, including the Boxer rebellion and the Philippine insurrection, who are suffering with injuries or diseases which were incurred or aggravated in line of duty in the active military or naval service when in need of hospital treatment for such injuries or diseases; and

"To those persons included in paragraph III of part I of Veterans' Regulation No. 1(a) who are suffering with injuries or diseases which were incurred in line of duty, when in need of hospital treatment for such injuries or diseases;

"(b) To persons honorably discharged from the United States Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty, who are suffering with injuries or diseases which were incurred or aggravated in line of duty in the active service when in need of hospital treatment for such injuries or diseases;

"(c) The veterans of any war, including the Boxer rebellion and the Philippine insurrection, who served in the active military or naval service for a period of 90 days or more and who have been honorably discharged therefrom, or who, having served less than 90 days, were discharged for disability incurred in the service in line of duty, who have no adequate means of support, and who are suffering with permanent disabilities or tuberculous or neuropsychiatric ailments, or such other conditions requiring emergency or extensive hospital treatment as may be prescribed by the Administrator of Veterans' Affairs, which incapacitate them from earning a living;

"(d) To persons honorably discharged from the United States Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty in the active service, who have no adequate means of support, and who are suffering with permanent disabilities or tuberculous or neuropsychiatric ailments, or such other conditions requiring emergency or extensive hospital treatment as may be prescribed by the Administrator of Veterans' Affairs, which incapacitate them from earning a living."

2. Paragraph 3 of Veterans' Regulation No. 6 (a) is amended to read as follows:

"III. Reasonable traveling and other expenses of the person to a Veterans' Administration facility may be paid in the discretion of the Administrator of Veterans' Affairs only when the person is granted prior authority to report to a Veterans' Administration

facility for medical treatment or when, in the discretion of the Administrator of Veterans' Affairs, transfer from one Veterans' Administration facility to another is deemed advisable. Upon completion of such treatment as may be prescribed and regular discharge by the Veterans' Administration, reasonable traveling, and other expenses of the person, from the Veterans' Administration facility to the place from which hospitalized may be paid in the discretion of the Administrator of Veterans' Affairs. In the event of the death of any person prior to discharge, transportation expenses (including preparation of the body) for the return of the body to the place of residence or the nearest national cemetery may be paid in the discretion of the Administrator of Veterans' Affairs when deemed necessary and as an administrative necessity."

3. Paragraph VI of Veterans' Regulation No. 6(a) is amended to read as follows:

"VI. Pension for disability the result of injury or disease incurred or aggravated in the line of duty in the active Coast Guard or military or naval service, and emergency officers' retirement pay, of any person who is being furnished hospital treatment, institutional, or domiciliary care by the United States, or any political subdivision thereof, shall not exceed $15 per month: *Provided*, That where such person has a wife, child, or dependent mother or father so much of the difference by which the amount to which such disabled person would otherwise be entitled exceeds $15 may be paid in the discretion of the Administrator to the wife, child, or dependent mother or father in such amounts as he may prescribe. Where any disabled person having neither wife, child, nor dependent mother or father, is being maintained by the Government of the United States, or any political subdivision thereof, in an institution and shall be deemed by the Administrator of Veterans' Affairs to be insane, the pension or emergency officers' retirement pay for such person shall thereafter not exceed $15 per month so long as he shall be maintained by the Government of the United States, or any political subdivision thereof, in an institution: *Provided, however*, That in any case where the estate of such person derived from funds paid under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the Emergency Officers' Retirement Act of May 24, 1928, the several pension acts, Public, No. 2, Seventy-third Congress, or Public, No. 78, Seventy-third Congress, equals or exceeds $1,500, any payments of pension being made will be discontinued until the estate derived from such funds is reduced to $500. The provisions of this paragraph shall also be applicable to pensions for disability the result of injury or disease incurred after active military or naval service, except that the amount payable while the veteran is in the institution shall be $6 per month instead of $15 per month. As to pension payable on account of service prior to the Spanish-American War, the amount payable while the veteran is in the institution shall be $15 per month in all cases."

4. Paragraph VII of Veterans' Regulation No. 6 (a) is amended to read as follows:

"VII. Where a disabled person entitled to pension under Public, No. 2, Seventy-third Congress, or Public, No. 78, Seventy-third Congress, or emergency officers' retirement pay is a patient in a Veterans' Administration facility, or where for any other reason the disabled person and his wife are not living together, or where the child or children are not in the custody of the disabled person, or in the custody of the widow, the amount of the pension or emergency officers' retirement pay may be apportioned as may be prescribed by the Administrator of Veterans' Affairs."

5. The amendments contained in this regulation shall be effective as of the date of promulgation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 19, 1934.*

(No. 6566)

VETERANS' REGULATION NO. 6 (B)—INSTRUCTION NO. 1

Subject: Domiciliary or hospital care, including medical treatment.

For the purposes of veterans' regulation no. 6 (b), the following instruction relative to domiciliary or hospital care, including medical treatment, is issued, canceling and superseding veterans' regulation no. 6 (a). Instruction no. 1:

I. ELIGIBILITY

Veterans who served during a period of war as defined in paragraphs I and IV, veterans' regulation no. 10, or in any war prior to the Spanish-American War; persons included in paragraph III, part I, veterans' regulation no. 1 (a) and persons discharged from the United States Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty, when applying for domiciliary or hospital care authorized under the provisions of veterans' regulations no. 6 (b), must meet the following requirements:

(1) Under paragraph I, subparagraph (a) of veterans' regulation no. 6 (b):

(a) An honorable discharge from the last period of war service.

(b) Be suffering from injuries or diseases which were incurred or aggravated in line of duty in the active military or naval service, and be in need of hospital treatment therefor.

(c) As regards persons included in paragraph III, part I, veterans' regulation no. 1 (a), the whole requirement will be that the applicant is suffering from an injury or disease for which he is in receipt of a disability pension.

(2) Under paragraph I, subparagraph (b):

(a) An honorable discharge from the United States Army, Navy, Marine Corps, or Coast Guard for disability incurred in line of duty. The official records of any such service relative to findings of line of duty for its purposes is to be accepted in determining eligibility under this paragraph.

(b) If discharged from the United States Army, Navy, or Marine Corps, be suffering from injuries or diseases which were incurred or aggravated in line of duty in the active military or naval service, and be in need of hospital treatment therefor. If discharged from the United States Coast Guard, be suffering from injuries or diseases which were incurred or aggravated in line of duty, and to be in need of hospital treatment therefor. Provided, that if an applicant's only service was peace time and his last discharge was not honorable, hospital treatment may be furnished only for a disease or injury incurred in line of duty in a period of service from which he was honorably discharged for disability incurred in line of duty.

(3) Under paragraph I, subparagraph (c):

(a) An honorable discharge from the last period of war service.

(b) Ninety days or more of active military or naval service, commencing or extending into a war period; or less than 90 days of such service if discharged therefrom for disability incurred in line of duty.

(c) Be suffering from a permanent disability, or a tuberculous or neuropsychiatric ailment, or other condition requiring emergency or extensive hospital treatment which incapacitates from earning a living.

A permanent disability will be taken to mean an impairment of mind or body which may reasonably be expected to continue throughout the remainder of the applicant's life, or any condition listed in veterans' regulation no. 1, instruction no. 2. A permanent disability must be such as would materially interfere with the following of any substantially gainful occupation. This must be for medical determination, which shall not be influenced by the applicant's inability—due to industrial conditions, lack of personal initiative, personality defect, or any reason other than disability due to disease or injury—to secure substantially gainful employment. The infirmities resulting from advancing age taken collectively, though not considered a disease entity, may be interpreted to be within the meaning of "disease" as used herein. A person who, at the time of his application for domiciliary care, is rated as 75 percent or more disabled for pension purposes will be held to be prima facie incapacitated within the meaning of this subparagraph.

A permanent disability, as contemplated, is exemplified in chronic, severe types of general medical conditions such as myocarditis, valvulitis, cardiovascular disease, nephritis, arthritis, etc., and in blindness, loss of parts or use of parts, etc. But injuries or diseases such as hernia and chronic types of appendicitis, cholecystitis, cholelithiasis, nephrolithiasis, etc., are not essentially permanent disabilities, as contemplated, in that surgical intervention may remove the disability. Applicants suffering from these latter types of diseases or injuries should be considered for admission under the provisions relating to "conditions requiring emergency or extensive hospital treatment", and not under the definition of "permanent disability."

"Such other conditions requiring emergency or extensive hospital treatment which incapacitate from earning a living" will comprehend the following:

Emergent hospital treatment will be provided for conditions endangering the life or health of the applicant and requiring immediate treatment. The provisions of paragraphs 7226 and 7232, Regulations and Procedure, will guide in individual determinations of this kind.

"Extensive hospital treatment" will be provided for acute, subacute, or chronic diseases or for surgical conditions which may be cured or improved by operation or other therapy, when such diseases or surgical conditions require extended hospital treatment. Such admissions will not be authorized for treatment of conditions usually treated on an outpatient basis, nor for dental or minor eye, ear, nose, and throat conditions, such as tonsillitis, deviated nasal septum, etc.

(d) No adequate means of support. When an applicant is receiving an income of $50 or more per month from any source, this fact will be considered prima facie evidence that he has adequate means of support, except when he is in fact contributing in whole or part from this income to the support of a wife, child, father, or mother. If the applicant alleges he is contributing to the support of dependents other than those just specified, the full circumstances will be submitted to central office for decision as to eligibility for admission under this subparagraph. However, if the medical care and treatment will be needed for a period so extensive that the applicant could not possibly pay for such services for such time in a private hospital, this $50 income provision may be waived.

Persons applying for treatment of conditions requiring extensive hospital treatment and which incapacitates them from earning a living, who are potential beneficiaries for hospital treatment by reason of membership in a lodge, union, fraternal organization, insurance company, community medical-treatment plan, workmen's compensation commission, or State industrial accident board will not be determined as eligible for admission to a facility under the provisions of I, eligibility, paragraphs (3) and (4) hereof, and will be instructed to secure treatment from any such organization or agency from which they have entitlement to treatment.

(4) Under paragraph I, subparagraph (d):

(a) An honorable discharge from the United States Army, Navy, or Marine Corps for disability incurred in line of duty in the active military or naval service; or an honorable discharge from the United States Coast Guard for disability incurred in line of duty. If the applicant's only service was in peace time, the discharge from his last period of service must have been honorable.

(b) and (c) Same requirements as for paragraph (3), (c) and (d) of the foregoing, as to types of disabilities and no adequate means of support.

II. APPLICATION

(a) An "Application for Domiciliary or Hospital Care" (form P–10) will be executed by the veteran and forwarded to the nearest Veterans' Administration facility. If suitable domiciliary or hospital accommodations are available at the Veterans' Administration facility receiving the application, that facility will determine the eligibility of the applicant and the necessity for domiciliary or hospital care, and will make the necessary arrangements for admission, including notice to the applicant. If the Veterans' Administration facility receiving the application is not equipped to furnish the necessary domiciliary or hospital care the application will be forwarded to the nearest available and suitable Veterans' Administration facility, and the applicant will be notified of such forwarding of his application, with the advice to await further information from the facility to which the application was forwarded. The Veterans' Administration facility having suitable domiciliary or hospital accommodations and to which the application has been forwarded will determine the eligibility of the applicant and the need for domiciliary or hospital care, and will effect arrangements for admission, including necessary notice to the applicant.

III. ADMISSIONS

Approved applications on form P–10 will be the authority for direct admission to a Veterans' Administration facility and the execution and distribution of form 2557, hospital admission card, will not be necessary in such admissions. But form 2593, report of domiciliary or hospital care, will be executed and distributed promptly after such admissions, in the manner provided in Veterans' Administration service letter, administrator's office, July 21, 1933, "Procedure for reporting admissions and discharges for hospital or domiciliary care."

This is vital, not only for medical statistics purposes but to make possible compliance with the provisions of paragraph VI of Veterans' Regulation No. 6 (b). However, regional offices and facilities will continue issuance of form 2557 to contract hospitals. Government or civil, when authorizing admissions thereto under the controlling provisions of Veterans' Regulation No. 10 (b), paragraph XIX, and Veterans' Regulations No. 10 (b), Instruction No. 1. Form 2557 will also be continued in use in authorizing admission to Veterans' Administration facilities of pensioners of allied nations, applicants for retirement from the United States Civil Service, beneficiaries of the United States Employees' Compensation Commission, ill or injured members of the Civilian Conservation Corps, injured employees of the Civil Works Administration, United States Navy patients (under the act of January 1929), and claimants or beneficiaries for physical examination and observation for pension or insurance purposes. Form 2557 will also be used to cover interfacility transfers and form P–10 will not be transferred in such cases, as eligibility will already have been determined at the facility making the patient's transfer.

IV. TRANSPORTATION

Provided prior authority for the travel has been granted by the Veterans' Administration in every instance, transportation expenses (which may include travel requests, Pullman accommodations when necessary, meal and lodging requests, and an attendant, when required in careful medical judgment) will be supplied at Government expense, under the following circumstances: (a) To cover travel of the applicant to a Veterans' Administration facility for treatment; (b) to cover travel involved in interfacility transfers; (c) to cover return travel from a Veterans' Administration facility to the place from which the patient proceeded to the said facility; or when a patient had been transferred from one Veterans' Administration facility to another, to cover return to the facility from which he was transferred, if he requires further hospital or domiciliary care at the latter facility; or to cover return to the place from which he proceeded to the facility which transferred him to another, should it be decided he does not require further domiciliary or hospital care thereat. This latter decision will be made at the facility to which he was transferred from another. Transportation expenses to cover return travel from a Veterans' Administration facility will not be supplied unless all necessary treatment has been completed and regular discharge made.

Prior authority for all interhospital transfers must be obtained from the Medical Director. Form 2649 will be used in making such requests for authority.

Transportation and other necessary expenses incident thereto will not be supplied to cover admissions for straight domiciliary care (that is, without medical treatment). Transportation, etc., to cover interfacility transfers of such cases or to cover their return upon discharge from a facility, will not be supplied unless and until prior central office authority is obtained therefor.

V. CLOTHING

(a) Clothing will be furnished beneficiaries in Veterans' Administration facilities only under the following conditions:

(a) When necessary for the protection of health or for sanitary reasons.

(b) When the beneficiary is in receipt of less than $6 per month from any source; or when the manager of the facility personally authorizes the furnishing of clothing because of special need in any case.

An "Application for furnishing clothing" (form P–11), will be executed by the beneficiary and filed with the manager of the Veterans' Administration facility.

VI. PROSTHETIC APPLIANCES

(a) Prosthetic appliances and supplies will be furnished to honorably discharged veterans of any war, including the Boxer rebellion and the Philippine insurrection, and to persons honorably discharged from peace-time service for disabilities incurred in line of duty, in receipt of domiciliary or hospital care, when such appliances and supplies are required as an incident of the medical care or treatment furnished.

(b) Such special clothing as is made necessary by the wearing of a prosthetic appliance can be furnished.

VII. BURIALS

(a) The bodies of honorably discharged beneficiaries who die while receiving domiciliary or hospital care in Veterans' Administration facilities may be transported at Government expense to the place of residence, or to the nearest national cemetery, or to such other place as the next of kin may direct, where the expense so incurred is not greater than the ascertained cost of transportation to place of residence, and an administrative necessity, within the intent of paragraph III, Veterans' Regulation No. 6 (b), will be considered as existing if the above conditions are met.

(b) Exclusive of cost of transportation as provided in (a) above, the maximum allowance for burial and funeral expenses, including preparation of the body, will be $100. Not to exceed $100 will be allowed for a local burial, including all necessary services; and not to exceed $80 for the casket, embalming, and clothing will be allowed when the body is shipped, unless it is found impossible to secure the necessary enumerated services within the $80 limitation. In this event, written or telegraphic authorization from central office to expend a sum in excess of $80, but not to exceed $100 will be applied for and secured prior to incurring obligations. Every effort should be made to reduce the rates for preparation of the body for shipment, by contract or otherwise, to as low a figure as is consistent with proper service, in order that the unexpended balance of the $100 maximum allowance may be available for secondary burial and funeral expenses at the place to which the body is shipped for interment.

(c) As matter of administrative necessity, burial arrangements may be made and expenses paid for persons dying in Veterans' Administration facilities who are not otherwise entitled thereto, under the provisions of paragraph III, Veterans' Regulation No. 9 (b).

(d) Where death occurs at a Veterans' Administration facility and relatives or friends of the deceased request shipment to a point where the expense of transportation exceeds the ascertained expense of shipment to place of residence, it will be necessary, before authorizing shipment, for the Veterans' Administration office handling the shipping arrangements to collect from the person or persons requesting shipment a sum sufficient to cover the additional cost of transportation. When such collection has been made and properly deposited as a credit against the total cost of transportation, such total cost may then be authorized and assumed by the Veterans' Administration. Where relatives who have requested shipment to a point where cost of transportation exceeds the ascertained cost to place of residence fail to deposit the additional amount within a reasonable length of time, considering the circumstances, the body will be disposed of either by shipment to place of residence or to the nearest national cemetery as the relatives may elect; or if no such choice be made, to the nearest national cemetery.

VIII

The provisions of regulations and procedure and home regulations are continued in effect pending modification, except insofar as they conflict with the provisions of Veterans' Regulations and Instructions, issued under Public, No. 2, Seventy-third Congress, as amended by Public, No. 78, Seventy-third Congress.

FRANK T. HINES,
Administrator of Veterans' Affairs.

JANUARY 27, 1934.

THE AMERICAN LEGION'S PROGRAM

Mrs. ROGERS of Massachusetts. You will note that the American Legion program is more liberal in the hospitalization of veterans than is the Veterans' Administration program, as it provides that hospitalization under Federal Government auspices be afforded all veterans not dishonorably discharged who require treatment and who are not able to reasonably pay for their own treatment.

PERMISSION TO COMMITTEE ON LABOR TO SIT DURING SESSIONS OF THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the Committee on Labor, beginning Tuesday next, be permitted to hold hearings during the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1935

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7513) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1935, and for other purposes; and pending that I would like to ask the gentleman from New York if it would be agreeable to him that the debate which is now limited to the bill should not exceed 1 hour? I think we can complete it in less time than that and take up the reading of the bill.

Mr. BACON. That is perfectly agreeable to me.

Mr. OLIVER of Alabama. It is very evident the House wishes to dispatch pending business; and I know it will be the desire of the committee to do so.

Mr. BACON. I am in entire accord with that.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LOZIER in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the title of the bill.

Mr. BACON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I want to make a few observations with reference to this particular bill and the amounts available under it, calling attention to some figures that I feel will be of interest to the Committee.

Under this bill we carry for the State Department, $10,999,268. Under the blind Budget, which comes out of the $3,300,000,000 which was appropriated last June, as near as I can figure, about two and a half million dollars will be available. This makes available for the State Department a total of $13,499,268 for 1935, as against appropriations carried by this bill last year of $12,248,719, and against amounts available under permission of the Director of the Budget of $11,189,598. That means that with this bill and with amounts that have been allotted, which probably will be available for expenditure in the fiscal year 1935, there will be more money by approximately $2,000,000 available to the State Department than was available this year.

In the Commerce Department I have divided the allotment between the years 1934 and 1935 to the best of my ability, and according to this I find that for the Coast and Geodetic Survey there will probably be available from allotments $2,925,000, for the Bureau of Fisheries approximately $146,300, and for the Bureau of Light Houses approximately $4,000,000, or a total from allotments of $7,171,000. The appropriation carried in the bill is $32,240,321, and with the allotment that probably will be available for this period of $7,171,300 this will make a total available of $39,411,621. This compares with amounts available under the permission of the Director of the Budget for the fiscal year 1934 of $29,044,266, as against appropriations of $36,911,571. In other words, the amount available is going to be almost $10,000,000 more than it was this current year.

The Labor Department has allotments from the P.W.A. and the C.W.A. which will make available in 1935 $1,000,000, according to the best estimates that I can make from the information that I can get.

The appropriations call for $11,920,805. This makes available altogether $12,920,805. Frankly, in this bill there is less available than there was this year unless other allotments are made by the P.W.A. to the Labor Department, because, as near as I can figure, there was $3,500,000 allocated to the Labor Department for employment agencies. This will show a slight reduction of approximately $1,000,000.

The Justice Department gets an appropriation of $28,506,878 in this bill and the allotments which will be usable from Public Works, insofar as they are known now, will be approximately $250,000, according to the best estimate I can make. So that this Department will show a decrease of approximately $6,000,000. This decrease, however, is almost entirely in the Bureau of Prohibition, and this will have to be taken care of in the Treasury Department under a supplemental estimate and under the Bureau of Internal Revenue; so that when we get through with the whole picture in connection with these four Departments, in my opinion, the amounts available to the four Departments to spend, both in the regular appropriations that we make here and in the special appropriations out of the $3,300,000,000 fund where Congress does not make the appropriations but a bureau of Cabinet officers make them, we will probably have available six or seven million dollars more in 1935 than there was in 1934. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, may I say at this time it is the hope of the committee that we may perhaps finish this bill today, because, so far as I know, there are but few controversial items in the bill, and I doubt whether discussion will be very extended on these items. I know the committee would be glad to cooperate with the House in the hope that the bill can be passed this evening so that the House may recess until Monday, as indicated by the majority leader [Mr. BYRNS].

Supplementing the brief statement I made yesterday, in which I inserted a table showing the savings in 1935 under the 1934 appropriation, I ask permission to insert a further table which will give, I think, an interesting picture to the House of just what the committee has done in effecting savings in these four Departments with the very hearty cooperation of the heads of the Departments since the fiscal year 1932.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The table is as follows:

State, Justice, Commerce, and Labor

	Appropriations, 1932	Estimates, 1933	Appropriations, 1933	Estimates, 1934
State	$17,522,323	$16,683,071	$13,663,792	$12,977,626
Justice	51,239,201	53,900,364	45,996,000	44,282,487
Commerce	54,332,230	44,716,304	39,711,408	37,917,323
Labor	14,330,200	14,484,397	12,920,770	13,389,345
Total	137,423,954	129,784,136	112,291,970	108,566,781

	Appropriations, 1934	Estimates, 1935	Appropriations, 1935
State	$12,248,719	$18,006,098	$10,999,268
Justice	41,231,835	31,165,804	28,506,878
Commerce	36,911,575	32,282,406	32,240,321
Labor	14,177,365	14,044,145	11,920,805
Total	104,569,494	95,498,453	83,966,272

Mr. OLIVER of Alabama. Mr. Chairman, this table, it will be noted, shows that for the fiscal year 1932 there was appropriated for these four Departments $137,423,952; for the fiscal year 1933 only $112,291,970; and for the present fiscal year, ending July 1, 1934, $104,569,494. The committee recommends for these four Departments for the fiscal year 1935, $83,966,272.

As I pointed out yesterday, the earnings it is estimated these four Departments will return to the Federal Treasury next year will approximate $30,000,000, which will be more than 33⅓ percent of the total amount appropriated for these four Departments for the next fiscal year, which will commence on July 1, 1934. The House will find in the statement submitted by the gentleman from New York and myself on yesterday large savings in the several departments, and I wish to supplement what was said in reference to the large savings resulting from the consolidation of the Bu-

reau of Naturalization and Immigration and from the transfer to the Bureau of Investigation of some of the activities of the Bureau of Accounts.

The State and Commerce Departments, through a cooperative agreement under the direction of the President, have effected very large and substantial savings in the Foreign Service. The State Department has now 65 fewer Foreign Service officers than they had in 1930, and the Department of Commerce have reduced their Foreign Service personnel by 85. The State Department, under this agreement, will discharge the duties of the 85 officials separated from the service of the Commerce Department.

Another very gratifying saving may be noted in the Department of Justice.

There was transferred to the Department of Justice during the present fiscal year from the Veterans' Bureau what is known as the veterans' insurance litigation, for which there was appropriated, in 1934, $585,552; from the Treasury Department a part of its revenue investigation, carrying an appropriation for the fiscal year 1934 of $204,848; from the State Department, the United States court in China, carrying an appropriation of $38,674; from the War Department, the district court in Panama, carrying an appropriation of $42,759, making a total of $936,960. The Department of Justice has not only absorbed all of this $936,960 expense formerly carried under the Departments named but shows a saving, if the estimates our committee recommends for the fiscal year 1935 are approved, of about $13,000,000, from which should be deducted, as stated on yesterday, $1,750,000 which must later be carried for the alcoholic beverage unit in either the Justice or Treasury Department.

The committee, with the very fine aid of the Attorney General and the Secretary of Commerce, have effected in these two Departments some very large savings, which the Attorney General well characterized "as a real achievement."

I invite the careful reading of the statements made by the four distinguished Cabinet officers who are the administrative directors of these important Departments, and you will find that with their cooperation this committee is endeavoring to definitely fix the appropriations for these Departments on a basis that will permit them to efficiently function and enable Congress to accurately estimate what revenues must be raised to balance their regular annual Budget needs. [Applause.]

An interesting statement in the hearing by the Director of the Probation Bureau shows that as late as 1930 we only had 4,000 on probation. This number has now been increased to 30,000. This represents savings mounting well into the millions. We have carried some increase for this service to provide additional probation officers.

I ask permission, Mr. Chairman, to insert a few short letters from some of the Federal judges emphasizing the great value of the probation service.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. I will not detain you further, because when the bill is read by paragraphs, if there are any questions which Members may desire to ask, the committee will endeavor to answer such inquiries. While the committee desires to hasten the consideration of this bill, yet we invite full discussion on every item of appropriation that the Members of the House may entertain doubts about. [Applause.]

Mr. BACON. Mr. Chairman, I have no further requests for time, and I suggest reading the bill.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Salaries: For Secretary of State; under Secretary of State, $10,000; and other personal services in the District of Columbia, including temporary employees, and not to exceed $6,500 for employees engaged on piecework at rates to be fixed by the Secretary of State; $1,528,200: *Provided*, That in expending appropriations or portions of appropriations, contained in this act, for the payment for personal services in the District of Columbia in accordance with the Classification Act of 1923, as amended, with the exception of the four Assistant Secretaries of State and the legal adviser of the Department of State, the Assistant to the Attorney General, the Assistant Solicitor General, and six Assistant Attorneys General, the Assistant Secretaries of Commerce, the Assistant Secretary and the Second Assistant Secretary of Labor, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, or (2) to require the reduction in salary of any person whose compensation was fixed as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, or (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the Classification Act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. OLIVER of New York. Mr. Chairman, I move to strike out the last word. I trust that our Government, in making its special commercial relations with various nations, will not neglect a clear understanding with our great friend, Spain.

The balance of trade is already in our favor. Recently, in making up our wine quota, we discriminated against Spain in favor of France. Spain never borrowed any money from us and probably never will. If she ever does, no doubt she will pay it back according to the agreement. The word of a Spanish don is better than a French bond.

American citizens have tremendous investments in Spain, which are paying them handsome dividends. Political campaigns in Spain have been waged on the subject of these investments. The claim is made that the old Spanish Government was entirely too generous to our capitalists. The settlement of a question such as this is not aided in any way by our failure, when we have a chance, to give Spain fair treatment with other nations.

Wine shipped from Germany and England and called "Spanish" wine has been charged up to the meager quota of Spain. This is a plain swindle. The American Government at least should see that what has been allotted to Spain cannot be imposed upon by deadbeats from other countries. Spain has already announced the adoption of a contingent system and the determination to buy from those who buy from them.

The deficit in trade from which Spain now suffers in comparison with 1929 shows that 50 percent is due to the United States. The balance on our side runs to the tune of $16,000,000. Spain buys $27,000,000 from us and we buy $11,000,000 from her. Our recent arrangement with France gives an advantage to France over Spain of 4 to 1 in our trade.

The new Republic of Spain has proven its ability to stand strong against the storms that are testing the world. Democracy is on trial. Nation after nation has turned to dictatorship and despotism to bring order out of chaos. Spain turned from monarchy to democracy in its hour of suffering, and stands today as the greatest proof that a new democracy is a safe government for a sorely tried people. Our brilliant officials in the State Department, in scanning the problems of the world, representing as they do the greatest Republic of all, should, in my judgment, consult with the officials of Spain with an earnest desire to give Spain generous and fair treatment as a measure of justice to an old friend and as a tribute of confidence to a new Republic. [Applause.]

Mr. DELANEY. Will the gentleman yield?

Mr. OLIVER of New York. I yield.

Mr. DELANEY. The gentleman spoke about $27,000,000 that we buy from Spain, and we sell them $11,000,000. Is that correct or the reverse?

Mr. OLIVER of New York. It is the reverse.

Mr. DELANEY. Are they meeting their obligations as they come due?

Mr. OLIVER of New York. Yes.

Mr. BOYLAN. Will the gentleman yield?

Mr. OLIVER of New York. I will yield to my colleague.

Mr. BOYLAN. Will the gentleman tell the House what are the outstanding Spanish vintages that he would recommend?

Mr. OLIVER of New York. I do not want to do that for fear I might induce the House to drink what is known in Europe as "liquid paradise." After what we have been drinking during prohibition, I do not think it is good for our health to scale the heights so quickly.

Mr. BOYLAN. I agree with the gentleman, but will the gentleman tell us what vintages we should purchase?

Mr. OLIVER of New York. Realizing as I do that it would not be proper to do that publicly, I might do it privately in the cloakroom. I insist again that many men could not stand the purity of the Spanish wines after having drunk bathtub gin. [Laughter.]

Mr. DELANEY. Cannot the gentleman tell us what brand of Spanish wine he would recommend?

Mr. OLIVER of New York. I will ask the gentleman to make that inquiry of our very dear friend, Ambassador Claude Bowers, our scholarly representative in Spain. He is conducting a series of scientific experiments which keep him up late at night. I am sure he will be glad to give the gentleman from Brooklyn the result of his studies.

Mr. BOYLAN. I would like to ask the gentleman if he has consulted the connoisseur from Chicago as to the quality of these wines?

Mr. OLIVER of New York. I do not believe that the connoisseur from Chicago is so good a connoisseur of those wines as anyone who lives on Eleventh Avenue, New York. [Laughter and applause.]

[Here the gavel fell.]

The Clerk read as follows:

PASSPORT AGENCIES

For salaries and expenses of maintenance, and traveling expenses not to exceed $500, for not to exceed five passport agencies, $46,665.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 5, line 15, after the word "Poland", insert the word "Russia."

The amendment was agreed to.

The Clerk read as follows:

Ambassadors Extraordinary and Plenipotentiary to Argentina, Brazil, Chile, Cuba, France, Germany, Great Britain, Italy, Japan, Mexico, Peru, Poland, Spain, and Turkey, at $17,500 each; in all, not to exceed $562,500.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Page 6, line 8, after the word "exceed", strike out "$562,500" and insert "$580,000."

Mr. OLIVER of Alabama. Mr. Chairman, this provides for the salary for the Ambassador to Russia.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

To pay the traveling expenses of Diplomatic, Consular, and Foreign Service officers, and other employees of the Foreign Service, including Foreign Service inspectors and, under such regulations as the Secretary of State may prescribe, of their families and expenses of transportation of effects, in going to and returning from their posts, including not to exceed $25,000 incurred in connection with leaves of absence, and of the preparation and transportation of the remains of those officers and said employees of the Foreign Service, who have died or may die abroad or in transit while in the discharge of their official duties, to their former homes in this country or to a place not more distant for interment and for the ordinary expenses of such interment, and also for payment under the provisions of section 1749 of the Revised Statutes (U.S.C., title 22, sec. 130) of allowances to the widows or heirs at law of Diplomatic, Consular, and Foreign Service officers of the United States dying in foreign countries in the discharge of their duties, $409,000: *Provided*, That this appropriation shall be available also for the authorized subsistence expenses of Consular and Foreign Service officers while on temporary detail under commission.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: Page 8, line 2, strike out "$409,000" and insert in lieu thereof "$449,500."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

For rent, heat, fuel, and light for the Foreign Service for offices and grounds, and, as authorized by the act approved June 26, 1930 (U.S.C., supp. VI, title 5, sec. 118a), for living quarters and not to exceed $439,000 for allowances for living quarters, including heat, fuel, and light, $1,181,955: *Provided*, That payment for rent may be made in advance: *Provided further*, That the Secretary of State may enter into leases for such offices, grounds, and living quarters for periods not exceeding 10 years: *Provided further*, That no part of this appropriation shall be used for allowances for living quarters, including heat, fuel, and light in an amount exceeding $720 for any ambassador, minister, or Foreign Service officer: *Provided further*, That under this appropriation and the appropriation herein for "Contingent expenses, Foreign Service", not more than $3,000 shall be expended for custodial service, heat, fuel, and light in any Government-owned building used for residence or residence and office purposes for an ambassador or minister, and not more than $1,700 for such purposes in the case of any other Foreign Service officer, except that at any post at which the expenditures for such purposes for the fiscal year 1933 were in excess of the limitation of $3,000 in this last proviso in the case of an ambassador or minister there may be expended during the fiscal year 1935 an amount equal to the sum so authorized to be expended during the fiscal year 1933, but in no event to exceed $5,000; and during the incumbency of a chargé d'affaires the limitation on such expenditures shall be the same as for the occupancy of the principal officer.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 8, line 13, strike out "$1,181,955" and insert in lieu thereof "$1,271,955."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word. I understand that the committee had under consideration an increase in the appropriation amounting to $7,000,000 to take care of the losses in salary of the Foreign Service personnel due to the appreciation of various currencies in foreign countries. I know the suffering has been very great, there have been suicides and deaths, and in several instances our Foreign Service personnel have had to accept hospitalization as charity patients in foreign countries. It is outrageous that an American citizen should be obliged to accept charity from a foreign country, and we should feel the humiliation of it.

Mr. OLIVER of Alabama. The information before the committee supports the views just stated by the gentlewoman from Massachusetts. It was the purpose of the committee to recommend the Budget estimate submitted by the President, but we later found that the legislative committee desired to handle the matter, and, since it was subject to a point of order, it was referred to the Committee on Foreign Affairs and is not carried in this bill. We are, however, providing for clerks and other expenses, including the salary for the Ambassador to Russia, and these amendments the committee are now offering are Budget estimates covering such amounts.

Mrs. ROGERS of Massachusetts. I am very glad to get that information. I rejoice that the Foreign Affairs Committee, of which I am a member, will holding hearings with a view to report out a bill to take care of this matter. I was informed only an hour ago that an extremely able secretary of one of our legations was offered a very fine consulship, but he was obliged to decline owing to the fact that owing to cuts in salary and losses due to the appreciation of currencies in foreign countries he could not afford to accept. The Foreign Service needs him greatly in this consulate. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. A Foreign Service officer stationed in Canada has written to me as follows:

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D.C., U.S.A.:

I am enclosing the material for which you asked me regarding the present situation of our Government employees in Canada, more particularly at Ottawa. The first of these is a letter to Mr. Carr transmitting a copy of a letter which I addressed to the Minister, who was then in Washington. The second is the letter just mentioned which I wrote to the Minister, attached to which is a graph. This graph shows in red the cost of living in Canada in American dollars, the cost of living in the United States in American dollars, and the average of the salaries and allowances of our Government's personnel in Ottawa, officers and clerks, excluding, however, the custodial employees of the United States Government Building and the customs officer at the railroad station. The graph is made on the assumption that the average of the salaries and allowances of our officers is adequate to meet all the expenditures to which they are put under a normal cost of living. This premise itself is probably an understatement of the situation, since I believe that there are a number of Foreign Service officers at least who, even in normal times, found that their salaries and allowances did not cover the expenditures required. It will be observed that from November 1931 to July 1932, figuring on this basis, because of a depreciation in the exchange rate of the Canadian dollar during that period the cost-of-living line fell below the salary-and-allowance line. The cost of living here in American dollars, however, as will be seen on this graph, immediately thereafter began to react upward. It dropped again slightly from January to April 1933, and since then has continued rising rapidly.

I should also like to point out that the Canadian cost-of-living line is figured on the basis of the essentials for the average employee of the Government. It does not take into account any luxuries or make any allowance for things which are taken for granted in most budgets, such as life-insurance premiums, savings accounts, illness, any recreation, expenses on leave, transportation on leave for the purpose of returning to the United States, or any other items of this character. In particular, it does not take into account in any way the expenses incidental to representation of the Government which fall upon the minister and senior officers of the legation and consulate general at this post. You will recall that the representation allowances once instituted by Congress have since completely disappeared at this post as the result of governmental economy. At the same time it is quite impossible for the responsible senior officers of the Government at this post adequately to perform their duties without some expenditures for this purpose.

Even on this extremely conservative basis you will see that our average employees at this post are placed in a situation which quite precludes them from making both ends meet. A further document which I am sending you is a study case by case of the situation in which the custodial employees of our Government building find themselves. It is both pathetic and deeply disturbing to see American citizens employed by the United States Government abroad obliged to have recourse to the relief agencies of the Canadian Government and people in order to exist, and to see that they and their children, even in spite of this charitable assistance and such assistance as other members of the Government staff have been able to supply privately, are obliged to live in conditions of privation and under nourishment. In some cases it has been possible to get medical assistance for these people as charity cases. In too many cases the parents and children have had their healths impaired because it has been necessary to neglect the most elementary and essential medical assistance.

I may add that I have brought this situation repeatedly to the Department's attention, but that they are helpless in the absence of sufficient appropriation upon which to draw for relief. This building is understaffed, and these same employees are required to work long overtime hours to maintain our Government building at a minimum of proper upkeep. Owing to lack of appropriation, it has not been possible for the Department to authorize the employment of sufficient personnel.

Of course, what I have said deals only with Ottawa. The situation in our consulates general and consulates throughout Canada will be found to be similar, however. You would be interested, I believe, in a report on this subject submitted by the American consul general at Montreal to the Department, and I think if you will telephone Mr. Carr's office they will be glad to obtain a copy for you.

I wish it could be made clear when the question of appropriations comes up that the officers of the Foreign Service are devoting a lifelong service to the Government in just the same way and quite as fully as the Army, the Navy, and the Marine Corps. The risks of those who serve in unhealthy posts, often under the most trying conditions, are more than comparable to the peacetime risks of the services which I have mentioned. You will find on the rolls of the Foreign Service many officers who had their full share of war-time risks, either because they were at that time incorporated in the military forces or because they served in areas where war-time conditions prevailed and their duties caused them to incur particular risks.

In the entrance hall to the State, War, and Navy Building you will find a tablet, recently erected, which contains the names of a large number of Foreign Service officers who lost their lives at their posts in the United States Foreign Service. I believe that if you ask Mr. A. E. Ingram, editor of the Foreign Service Journal, he will be glad to give you this list, with a brief description of how these men died in the performance of their duties.

Under these circumstances it seems to me only fair that restoration of promotions and any other exception from the Economy Act made in favor of the Army and Navy should also cover the United States Foreign Service. Furthermore, it seems to me that it is not equitable, nor in the long run of any advantage to our Government, that a 15-percent or a 10-percent pay cut, based primarily on the cost of living in the United States, should be imposed upon those employees of the Government abroad whose living conditions are necessarily predicated on the cost of living in a particular country in which they serve as well as on the particular duties entrusted to them in those countries.

[Copy of statement sent to State Department]

OTTAWA, CANADA, *December 12, 1933.*

The Honorable WARREN D. ROBBINS,
Care of Department of State,
Washington, D.C., U.S.A.

DEAR WARREN: I enclose a graph which we have prepared to show the course of the cost of living in Canada (red line), the cost of living in the United States (black line), and the average salary and allowances of our clerks and officers at Ottawa (blue line) from the 1st of July 1931 to the 1st of January 1934.

As you will see from this line, our cuts in salary and allowance have, with the exception of the year 1932, provided us with funds insufficient to meet the current cost of living here. Averaging out the salary and allowances and the cost of living in Ottawa, we have had no more than just enough to get along for the entire period covered without taking account of any extraordinary expenditures or of the necessity for representation which exists at this post as it does at many other posts. When we come to the middle of 1933, however, we find, as you will see from the graph, that our salary and allowances, particularly because of cuts in the latter, have so decreased that we are quite unable to meet the increased cost of living in Canada.

In this connection I may point out that the cost-of-living line does not include anything but essentials to the cost of living. Some of the things which are taken for granted in most budgets, such as life-insurance premiums, a small amount of saving against illness, etc., are quite impossible to the average employee of our Government in Canada at this moment. A considerable portion of the amounts used for rent, heat, and light have to come from the officer's salary instead of from the allowances established for that purpose. I may mention that the average allowance for rent, heat, and light each month is $29.26 at the present time, whereas the average expenditure for this purpose is $106.17 at the present time. In other words, the allowance pays 27.6 percent only of the amount which has to be expended, and the rest must come out of the officer's salary at the sacrifice of part of some other items of that standard of living which we expect our Government employees abroad to maintain not only in their own interest but in that of the Government. I may add that rents here are high and that conditions require a much greater proportional expenditure for heat than would be the case in Washington. It is about 14° below zero today, but many of our employees have as yet been unable to buy fuel for the coming month when the temperature usually goes to as low as 25° or 30° below zero. What are they to do? Many of the custodial employees must choose between buying food or buying fuel.

In figuring the percentage of allowances to actual expenditures and in figuring the salary and allowance line on the enclosed graph, the salaries, allowances, and expenditures of both representatives of the State and Commerce Departments have been included. The graph and remarks in this letter apply equally to the status of officials of the State and Commerce Departments.

At the moment, as the graph will show, the average amount received as compensation and allowance of United States Government employees at Ottawa is 23.5 less than what must necessarily be expended to meet current living costs here. The Government employees here have no funds for meeting this deficit. There is only one way in which many of them could possibly meet it, and that is to borrow money in the hope of ultimate restoration of compensation and allowance to meet the situation. Some have borrowed money; others have not been able to do so. The need for action is very urgent. As the salaries cannot be increased above statutory limits, an increase in the allowances for rent, heat, and light and the reestablishment of post allowances are urgently requested. In order to meet the amount required for rent, heat, and light there should be an average increase in our rent, heat, and light allowance of 260.5 percent. In order to meet the deficit which would still remain to come up to the cost of living an average post allowance of 11 percent of each person's statutory salary should be reestablished.

We have not included in our graph the salaries or the allowances to the custodial employees inasmuch as the proportion of rent, heat, and light covered by their allowances is so extremely small that it would tend to lower the average out of proportion to the amounts paid officers and clerks. It would seem that it would be preferable to increase the existing allowances for rent, light, and heat of the custodial staff to the amounts which they actually pay for rent, heat, and light in each individual case. I suggest that the amounts be so increased and that they be given 11 percent of their salary as an increase for post allowance to cover other items of the higher cost of living. I realize that

there may be no legal basis for giving Government allowances to these, or to some other United States Government employees abroad, but perhaps this might be remedied in the phraseology used in the appropriating act or in a special act if that is necessary. Of course this applies only to American citizens.

While the enclosed diagram applies only to Ottawa, I wish to make it clear that these conditions apply throughout Canada, and in many cities they may be even worse than they are here. In any case I doubt whether anywhere they can be said to be materially better.

CONDITIONS UNDER WHICH THE CUSTODIAL EMPLOYEES OF THE AMERICAN LEGATION IN OTTAWA ARE LIVING

———'s salary, $138.54 per month. Rent, light, and heat allowance, $19.12 per month. Total compensation received, $157.66 per month. This family has no other income.

Family: Wife, no children.

Expenses: Rent, $50 per month; light, $3.25 per month; telephone, $3.10 per month; food, $50 per month; sundries, $50 per month. Total living expenses, exclusive of clothes, $156.35. There is nothing left for clothes, recreation, or any other than the absolute necessities of life. The item of sundries includes insurance, transporation to and from work, and other miscellaneous minor necessities.

This family came to Ottawa in June 1933 and had been accustomed to a somewhat larger salary and living under moderate living conditions in ——. Even during the boom years of 1928 and 1929 living conditions in —— were so much less expensive than they are now in Ottawa that they were able to live and dress comfortably, enjoy moderate recreations and entertainment of friends, and save an average of $40 per month.

Upon coming to Ottawa they had a savings account of approximately $500. In September 1933, after they had been in Ottawa for 3 months, Mrs. —— had a serious illness, which necessitated her remaining in an Ottawa hospital for a period of 2 weeks. This illness cost the family $300. They have used the remainder of their former savings account to buy a few clothes and other necessities of life which could not be had from the husband's salary. They now have absolutely no savings at all, and if they should have another case of sickness they would be in very difficult circumstances.

It should be understood that this family is not extravagant in any way. They are living very modestly in every respect and are careful to make sure that every dollar expended gains for them the very maximum that can be had of the absolute essentials of life.

———'s salary, $81.50 per month. Rent, light, and heat allowance, $19.12 per month. Total compensation received, $100.62 per month. This family has no other income.

Family: Wife; boy, age 14; girl, age 13; girl, age 9; girl, age 4; girl, age 2. Six dependents.

Living expenses: Rent $25 per month; light, $2.50 per month; heat, $12 per month; bread, $10 per month; milk, $13 per month; meat, $7 per month; other essential food, $30 per month; which is a total of $60 per month for food, and a total of $99.50 which must be expended each month for food and shelter alone. There is, therefore, only $1.12 left to buy clothing and other essentials for the entire family.

It has been necessary for this family to arrange to buy a few clothes for the father and older children, who must be out of doors part of the time during the winter, on an installment basis. This past fall a total of $76 worth of the most essential items of clothing for the family was purchased in this manner; $10 was paid at the time of purchase and $6 is paid each month on this debt. The payment each month for these clothes must be taken from the allotment for food, even though they are not able to buy sufficient food for this large family with the money remaining.

In April 1933 ———, age 13, was struck in the back of the head with a baseball while playing with neighborhood children. Her case was very serious, and necessitated her being taken to an Ottawa hospital for an operation. After this child had been in the hospital for 4 weeks and a hospital bill of $52, which the family could not possibly pay, was pending, the father went before the local welfare bureau, and in view of his very low salary, the bureau arranged for the hospital charges to be annulled and the case treated as a charity case.

At this time and until August 15, 1933, ——— was employed by the Legation at Ottawa as janitor at a salary of $67.23 per month, and was allowed $4.25 per month for rent, light, and heat. His work had proved so very satisfactory and he was obviously so well suited for the post, that he was transferred to the position of messenger at the legation at the higher compensation mentioned above, $100.62 per month, in August 1933, after this post had become vacant.

When ———'s extremely low salary and his dire necessity in order to care for his large family was brought to the attention of the local welfare bureau in May 1933, they allowed him $41 for food and clothing during the last 2 weeks of May in addition to taking care of his hospital and doctor's bills.

It is pointed out that due to his extremely low salary and the high cost of living in Ottawa it was necessary for this American citizen employed by the United States Government to appeal to the local welfare bureau, a charitable organization maintained by the governments of the city of Ottawa and the Province of Ontario, and the plight of this American citizen was recognized and he was given aid.

In addition to his salary received from the United States Government he has borrowed money from friends and sympathizers to the extent of $400 with which to obtain the minimum necessities of existence. He now owes $400 which it is practically impossible for him to pay even in very small installments.

In October 1933 he became affected with an abscess on his leg. He at first attempted to treat this abscess at home, but finally, when it became so serious that he could no longer walk, a doctor was called and he was removed to an Ottawa hospital for an operation. This sickness cost him $35 for hospital and $20 for doctor, which he also owes and cannot pay.

In December 1933, as a result of exposure from his house not being properly heated, the child, age 2, being improperly clothed, was stricken with pneumonia. Fortunately the child recovered. The cost, however, was $12 for a doctor and $10 for medicine, both of which debts are owed and cannot be paid.

———'s salary, $65.20 per month. Rent, light, and heat allowance, $2.97 per month. Total compensation received, $68.17 per month. No other income.

Family: Boy, age 9; boy, age 5. Is a widow.

Expenses: Rent, including light and heat, $30 per month; food, $20 per month; sundries, including laundry, school books for older boy, and insurance, $10 per month. A net balance of $8.17 per month is left for clothes and all other necessities of life. Has been fortunate in finding a home with her brother-in-law and his family, and she has, therefore, been able to reduce her expenses for food and shelter to the above figures. This arrangement also assists her very materially, since her sister-in-law is able to care for her children through the day while she is at work and she is saved the expense that would otherwise be involved in providing care for her children.

With two small children there is, of course, sickness and the resulting expense of doctors and medicines. The younger boy, age 5, has a weak heart, and the mother has found it extremely difficult to manage so as to give him the care and proper food which he so urgently needs. She now owes an Ottawa physician $92 for medical attention to this child. She has no hopes of being able to pay this debt.

Moreover, the doctor has prescribed certain foods and medicines for this child which the mother is unable to buy for him. As a result the condition of the child's heart is growing worse.

———, salary $41.44 per month.

Since he is not engaged all of the time in his service to the Government, he has been able to occasionally earn a few dollars during the week by selling various goods in Ottawa. The money earned in this way has, however, even during his most fruitful canvasses, never amounted to more than $10 during any week, and often the expense of transportation in making these canvasses has been more than the amount earned.

Family: Wife, no children.

Expenses: Rent, including light and heat $16 per month. This provides only one room. Food $19 per month, $6 per month is paid to the department store in Ottawa as a payment on absolutely necessary clothing which has been purchased on the installment plan.

In October 1933 he accidentally broke his glasses while at work in the Government building. Although his sight was seriously hindered and his eyes were seriously affected as a result of going without his glasses, he was unable to have them repaired until January 1934 when he arranged to have them repaired by the department store and to pay the cost of these repairs along with the installments he is paying this firm for clothes purchased from them.

It is quite evident that the income which he receives is inadequate to provide food and shelter for any one person, much less a family of two. In their effort to make both ends meet this family have reduced their expenditures for all the necessities of life to the very minimum absolutely necessary to sustain life. If this is continued for any length of time there is no doubt but that the health of these two people will be very seriously impaired from a lack of proper food and their health will be ruined for life.

Both the husband's and wife's teeth are now in very bad condition and seriously in need of attention. It is, however, absolutely impossible for them to attempt to have their teeth cared for.

———, salary $70.12 per month. No other income.

Family: Wife and two children; girl, age 8, and girl, age 4.

Expenses: Rent including light and heat $12 per month (2 rooms), food $45 per month, sundries including school books for older child, transportation to and from work, and other minor necessities, $10 per month. This leaves a balance of $3.12 per month for clothes and all other necessities of life for the entire family.

This family has so far been fortunate in not having sickness and the resulting expense of doctor's and hospital bills. In spite of the fact that they have had freedom from all expense other than the mere necessities of life they are having serious difficulties in managing to make both ends meet.

———, salary, $24.44 per month. Rent, light, and heat allowance, $2.97 per month.

Family: Daughter, age 27; daughter (adopted), age 4. She is a widow.

Expenses: Rent, $23 per month (3 rooms); light, $1.50 per month; heat, $6 per month. A very minimum of $30 per month is needed to provide sufficient food to sustain life. There is never that much available, so the family eats what food they can buy, seldom having enough to satisfy the pangs of hunger.

Grown daughter is able to find temporary work part of the time and earns an average of $20 per month. Thus they manage to keep from starving.

Has been able to borrow a dollar or two at a time from friends and sympathizers with which to buy a little food at times when her condition became almost desperate, and she now owes $40 which has been obtained in this way. She has no hopes of repaying these debts.

———, salary, $25.50 per month. Since she does not work full time in the Government building, she is able to find part-time work elsewhere for which she is paid $30 per month.

Family: Had 7 children, of which 3 are now living with her, 1 having died January 6, 1934, with tuberculosis. The remaining children are—daughter, age 21; son, age 19; son, age 13. She is a widow.

Expenses: When the husband and father died in 1927 the family owned their home in Ottawa. Since that time the widow has been able to keep the home, although it recently became necessary for her to borrow $500, for which a mortgage was given on the home. In order to obtain the loan it was necessary to agree to pay 12 percent interest per annum. There is, therefore, $5 per month to be paid as interest on this mortgage and $4 per month to be paid for fire insurance on the home. For food $40 is spent per month and $6 for fuel. There is nothing left for clothing or any of the other necessities of life.

She has applied to the local welfare bureau, which is maintained by the governments of the city of Ottawa and the Province of Ontario, and has been provided with clothing for her family for the present winter.

As mentioned above, she lost a son, who had been confined to an Ottawa hospital for several months with tuberculosis, last Saturday. She also has another son, Sam, age 19, who has been confined to the hospital since November 1933. Since it was and still is impossible for her to pay the hospital and doctor's bills resulting from these illnesses, they have been treated as charity cases.

This pitiful condition of tuberculosis which has already resulted in the death of one son is largely due to improper food and the conditions under which it has been necessary for the family to live on their meager income.

The Clerk read as follows:

For salaries of clerks in the Foreign Service, as provided in the act approved February 23, 1931 (U.S.C., supp. VI, title 22, sec. 23a), including salaries during transit to and from homes in the United States upon the beginning and after termination of service, $1,953,000.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 9, line 24, strike out "$1,953,000" and insert in lieu thereof "$2,118,000."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

CONTINGENT EXPENSES, FOREIGN SERVICE

For stationery; blanks; record and other books; seals; presses; flags; signs; repairs, including minor alterations; repairs, supervisions, preservation, and maintenance of Government-owned diplomatic and consular properties in foreign countries, and properties acquired under the act approved May 7, 1926, as amended (U.S.C., supp. VI, title 22, secs. 291, 296), and including also custodial service, water, materials, supplies, tools, seeds, plants, shrubs, and similar objects; newspapers (foreign and domestic); freight; postage; telegrams; advertising; ice and drinking water for office purposes; hire of motor-propelled or horse-drawn passenger-carrying vehicles, and purchase, maintenance, operation, and hire of other passenger-carrying vehicles; uniforms; furniture, household furniture and furnishings, except as provided by the act of May 7, 1926, as amended for Government-owned or rented buildings when in the judgment of the Secretary of State it would be in the public interest to do so, not to exceed $75,000; typewriters and exchange of same; messenger service; operation, maintenance, and rental of launch for embassy in Turkey, not exceeding $3,500; compensation of kavasses, guards, dragomans, porters, interpreters, translators, Chinese writers, and supervisors of construction and compensation of agents and employees of and rent and other expenses for dispatch agencies at London, New York, San Francisco, Seattle, and New Orleans; traveling expenses, including attendance at trade and other conferences or congresses under orders of the Secretary of State as authorized by the act approved February 23, 1931 (U.S.C., supp. VI, title 22, sec. 16); loss by exchange; payment in advance of telephone and other similar services and rent of dispatch agencies, expenses of vice consulates and consular agencies for any of the foregoing objects; cost, not exceeding $350 per annum each, of the tuition of Foreign Service officers assigned for the study of the languages of Asia and eastern Europe; and such other miscellaneous expenses as the President may deem necessary, $1,192,270: *Provided*, That no part of this appropriation shall be expended for salaries or wages of persons not American citizens performing clerical services (except interpreters, translators, and messengers), whether officially designated as clerks or not, in any foreign mission.

Mr. BRITTEN. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Alabama a question. I have seen some reference in the newspapers to equalizing the exchange in currency between the dollar and the currency of foreign countries so far as it applies to the compensation of our diplomatic representatives abroad. Is there anything carried in the bill that contemplates that?

Mr. OLIVER of Alabama. The gentlewoman from Massachusetts [Mrs. ROGERS] asked that question a few moments ago. I stated to her that the President had submitted an estimate, which the committee tentatively approved. However, it was subject to a point of order; and since the legislative committee of the House, the Committee on Foreign Affairs, has that matter under consideration, it was left out of this bill. If that committee later reports a bill on the subject and Congress approves, appropriations so authorized will be carried in the deficiency bill.

Mr. BRITTEN. The gentleman does not contemplate adding it in this bill in the Senate and bringing it back to the House?

Mr. OLIVER of Alabama. I do not know what they contemplate doing in the Senate.

Mr. BRITTEN. Would that apply only to certain European countries, or would it apply to all our diplomatic representatives, wherever they may be?

Mr. OLIVER of Alabama. The Budget estimate as submitted to us provided a fund to be expended under the direction of the President to care for the pay of our Foreign Service officials and employees because of losses suffered due to depreciation of our dollar in certain countries.

Mr. BRITTEN. I hope that when the matter is presented to the gentleman through his committee or otherwise he will oppose it. I do not think it is necessary.

I do not think it is fair to expect the Federal Treasury to compensate those men for some slight additional cost for things they may now require in foreign countries, because when the exchange goes the other way we do not reduce their salaries at all, and incidentally the dollar will buy more in nearly every country on earth than it will buy right here in Washington. That applies to foodstuffs, clothing, and everything necessary for life.

Mr. Chairman, if complaint is made by our foreign representatives that the purchasing power of the dollar is smaller than it was a year or two ago, and because of this fact their salaries should be increased, then by that same token we should also increase the salaries of every Federal employee in the United States, because his dollar certainly will not produce as much as the dollar of 2 years ago. If foodstuffs and clothing have gone up in price in the United States, that is never a signal for increasing Federal salaries. The young American diplomat and legation secretaries are very well paid in comparison with work of like character here, and there is no more reason for raising their salaries now than there would have been for reducing their salaries a year ago because the British pound sterling instead of exchanging at $5 was down to three dollars and a half.

Mr. OLIVER of Alabama. May I say that the matters to which the gentleman refers will have the consideration of the proper legislative committee of the House, and they will bring in such bill for the consideration of the House as the facts submitted may warrant at this time.

Mr. BRITTEN. There is one amendment I have always thought might reasonably be inserted in the State Department bill, and that is when an American diplomat, whether he be in Asia or Europe, begins to "hawf" and "lawf" and "cawf" and ape the British he ought to be brought home and kept here until he speaks the language as we speak it in the United States. [Applause.] My reason for that suggestion is that some years ago I was in Shanghai. I can understand how an American representative in China might finally talk a little like a Chinaman, because he is with them every day, and for weeks and months and years, and he might get a little accent that is Chinese. If he is in Germany for years, he might acquire a little of the German accent; but on this visit to Shanghai, China, there was a great big, raw-boned

Irishman sitting beside me at a luncheon given to the American Chamber of Commerce, and, of course, looking at this man I thought he was an American. It was an American Chamber of Commerce luncheon, and he said, "The 'lawst' time I saw you was", and he "hawfed" and "cawfed" around for a while, and I said, "I thought for a moment you were an American." "Oh", he said, "I am an 'Amer-r-r-i-can." "But", I said, "you talk so British." He said, "I have been here so long that perhaps I do talk 'Br-r-r-itish'." I said, "As far as I am concerned, when an American diplomat in China talks British and apes the British, he ought to be brought home and kept home until he talks the language as we talk it in the United States."

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BRITTEN] has expired.

Mr. BRITTEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BRITTEN. Frequently you will find an American diplomat wearing a monocle and yellow neckties and blue spats and pink shirts. He does everything in his power to look and act and talk like a Britisher. My thought is that as soon as we observe anything like that, that man ought to be brought home; and if he apes the British again after a stay in America, he should be fired out of the service; because, after all, there is nothing so fine, nothing so strong, nothing so honorable as being a first-class American. There is no excuse for a man aping the British in China or aping the British in Germany. He might fall into the "hawf" and "cawf" stuff in London. There might be some excuse for him there, but certainly not in the other countries.

Mr. OLIVER of Alabama. May I interrupt to say that observations or impressions such as the gentleman is now giving expression to, gained, no doubt, from his extended travels, are always interesting to the House; and I feel sure that the legislative committee which has this matter in charge will be very glad to have the benefit of such information.

Mr. BRITTEN. The gentleman from Alabama himself is a great traveler. I have met him in various world capitals, and I know he has observed the same things I have.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

The pro forma amendment was withdrawn.

Mr. LUCE. Mr. Chairman, I move to strike out the last two words in order to inquire if I understood the gentleman from Alabama [Mr. OLIVER] right in saying that certain money is to be put at the disposal of the President, subject to the Budget?

Mr. OLIVER of Alabama. That was proposed in an estimate submitted by the President, but that has been stricken out, and it is not carried in this bill because it was subject to a point of order as drawn, and I understand the Committee on Foreign Affairs is now giving study to it and no doubt will report out a bill. If Congress passes the legislation proposed by the committee, the Appropriations Committee will consider appropriations to carry out any authorizations involved.

Mr. LUCE. I must have misunderstood the gentleman, but I thought the gentleman said that a certain sum was to be given to the President and distributed subject to the Budget, which I thought was a great novelty.

Mr. OLIVER of Alabama. No.

The pro forma amendment was withdrawn.

Mr. OLIVER of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. OLIVER of Alabama: Page 10, line 12, after the words "office purposes", insert "purchase at not to exceed $750 for any one automobile, maintenance, operation, and".

The committee amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Committee amendment offered by Mr. OLIVER of Alabama: Page 10, line 14, after the word "vehicles", insert the words "funds for establishment and maintenance of a commissary service."

Mr. OLIVER of Alabama. The addition of this language is intended to make it possible to establish and maintain a commissary service for the personnel in Moscow and for the personnel of such consulates as may be established outside of Moscow.

From the best information obtainable the committee felt it was essential that the United States should obtain and ship to Russia many foodstuffs and supplies of various kinds essential to the American personnel assigned there. It is proposed to advance from this appropriation allotted sums from time to time to an employee of the Government responsible under bond with which to purchase needed supplies for use of the personnel, which in turn would be sold at cost plus expenses to the personnel on assignment in Russia and reimburse the amount advanced. It is not contemplated that there would be any material permanent expense to the Government arising from this procedure.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question?

Mr. OLIVER of Alabama. Yes.

Mr. McFARLANE. I wonder if the gentleman from Alabama has the figures available as to the cost of the different consuls, clerks, and attachés in the Foreign Service. Have figures as to the average cost been placed in the RECORD?

Mr. OLIVER of Alabama. The gentleman will find that in the hearings. He will find the necessary appropriations in the bill, of course; but he will have to consult the hearings to get the salaries paid to the Foreign Service, because the pay of Foreign Service personnel is like that of Army officers; they fall in different classes.

Mr. McFARLANE. Will the chairman of the subcommittee insert these figures in the RECORD? It would be interesting for us to know just how much we are paying the classified employees in the Foreign Service and to know the average, contingent expenses for each of these classifications.

Mr. OLIVER of Alabama. I will be pleased to endeavor to get such information and insert it in the RECORD.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama for the committee: On page 11, line 3, before the semicolon, insert the following language: "Including salaries during transit to and from their homes in the United States upon the beginning and after the termination of service in foreign countries."

The committee amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama for the committee: On page 11, line 14, strike out the figures "$1,192,270" and insert the figures "$1,314,870."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question?

Mr. OLIVER of Alabama. I yield.

Mr. McFARLANE. Is the additional $108,000 to take care of these translators' expenses?

Mr. OLIVER of Alabama. No.

Mr. McFARLANE. What is it for, may I ask the gentleman?

Mr. OLIVER of Alabama. It has relation to additional other employees and expenses necessary to care for this service.

Mr. McFARLANE. May I ask the gentleman further whether this constitutes legislation on an appropriation bill?

Mr. OLIVER of Alabama. No; I may say to the gentleman, it does not.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

RESCUE, RELIEF, AND PROTECTION OF AMERICAN SEAMEN

For relief, protection, and burial of American seamen in foreign countries, in the Panama Canal Zone, and in the Philippine Islands, and shipwrecked American seamen in the Territory of Alaska, in the Hawaiian Islands, in Puerto Rico, and in the Virgin Islands, and for expenses which may be incurred in the acknowledgment of the services of masters and crews of foreign vessels in rescuing American seamen or citizens from shipwreck or other catastrophe at sea, $6,000.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama for the committee: On page 12, line 5, strike out the period, insert a colon, and add the following proviso:

"*Provided*, That no part of this or any other appropriation shall be available for making payment to steamship owners or operators for transporting a destitute or shipwrecked seaman if the last previous service of the destitute or shipwrecked seaman was on a vessel of such steamship owner or operator and was not terminated by desertion."

The committee amendment was agreed to.

The Clerk read as follows:

EMERGENCIES ARISING IN THE DIPLOMATIC AND CONSULAR SERVICE

To enable the President to meet unforeseen emergencies arising in the Diplomatic and Consular Service, and to extend the commercial and other interests of the United States, and to meet the necessary expenses attendant upon the execution of the Neutrality Act, to be expended pursuant to the requirement of section 291 of the Revised Statutes (U.S.C., title 31, sec. 107), $125,000.

Mr. OLIVER of Alabama. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama for the committee: Page 12, line 14, strike out "$125,000" and insert in lieu thereof "$175,000."

The committee amendment was agreed to.

The Clerk read as follows:

INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA AND ALASKA AND CANADA

To enable the President to perform the obligations of the United States under the treaty between the United States and Great Britain in respect of Canada, signed February 24, 1925; for salaries and expenses, including the salary of the commissioner and salaries of the necessary engineers, clerks, and other employees for duty at the seat of government and in the field; cost of office equipment and supplies; necessary traveling expenses; commutation of subsistence to employees while on field duty, not to exceed $4 per day each, but not to exceed $1.75 per day each when a member of a field party and subsisting in camp; for payment for timber necessarily cut in keeping the boundary line clear, not to exceed $500; and for all other necessary and reasonable expenses incurred by the United States in maintaining an effective demarcation of the international boundary line between the United States and Canada and Alaska and Canada under the terms of the treaty aforesaid, including the completion of such remaining work as may be required under the award of the Alaskan Boundary Tribunal and existing treaties between the United States and Great Britain, to be disbursed under the direction of the Secretary of State, $38,000.

Mr. TABER. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee a question. Altogether there were considerable items added to the bill to cover the expense of the Embassy and Consular Service in Russia. I do not know whether I understood the figures correctly, but it seemed to me they aggregated something like $490,000.

Mr. OLIVER of Alabama. I think that is approximately correct.

Mr. TABER. Is not this a larger item than is asked for any other place?

Mr. OLIVER of Alabama. Yes; I think so.

Mr. TABER. Can the gentleman inform us why this is so?

Mr. OLIVER of Alabama. The conditions there were so unusual that the Department found it absolutely essential to ask this estimated amount to meet the situation they found. It was absolutely necessary to rent buildings and put them in habitable condition; and the expense incident to the establishment of four consulates also had to be provided for.

Our committee was surprised at the large amount estimated to be required, but we were assured it was absolutely essential in order to provide habitable quarters at this time.

Mr. TABER. That means, then, that this will not be a recurring item?

Mr. OLIVER of Alabama. I hope not.

Mr. TABER. Can the gentleman give us an idea of what the ordinary item for this Russian service will run?

Mr. OLIVER of Alabama. The larger part of this item involves rentals, but I am not prepared now to advise the gentleman as to all items of expense in detail. Much of the expense represents an estimate.

Mr. FISH. Mr. Chairman, I rise in opposition to the pro forma amendment for the purpose of asking the chairman of the subcommittee for information. I regret I was not present when he introduced the amendment to appropriate certain sums of money for renting embassy and consulate quarters in Russia. I would not have made a point of order against it, although it is obviously legislation on an appropriation bill.

Mr. OLIVER of Alabama. I think the gentleman is wrong. The Senate has confirmed the nomination of the Ambassador to Russia. So we do not feel it was subject to a point of order.

Mr. FISH. Would it not be subject to a point of order as being new legislation in spite of the form it took?

Mr. OLIVER of Alabama. Not in our opinion.

Mr. FISH. I am not aware of the fact that we had entered into any treaty with Soviet Russia. I would not have made a point of order against the amendment, as I appreciate the absolute need for quarters in view of the fact we have recognized Russia. There should be adequate quarters at Moscow, both for the Ambassador and for his staff. As the gentleman probably knows, living conditions in Moscow are somewhat difficult at the present time. I am primarily interested in determining whether this money is simply to rent old buildings or to build new buildings.

Mr. OLIVER of Alabama. This is not to build new buildings; only to put rented buildings in condition.

Mr. FISH. The gentleman, therefore, does not propose to include any appropriation in this bill for the construction of a new embassy?

Mr. OLIVER of Alabama. No.

Mr. FISH. I am in entire sympathy with the action of the gentleman in providing this sum of money for quarters for the new Ambassador and his staff. I looked with some little suspicion upon the appointment of Mr. Bullitt as Ambassador on account of his past connections with some of the previous Bolshevik governments. I may say to the gentleman and to the House that recently I had an interesting and lengthy interview with Ambassador Bullitt. I believe he is well qualified to represent the interests of our Government at Moscow; that he is probably better informed than any other American regarding Soviet Russia, and from what I learned recently I think he probably will be able to uphold and protect American interests as well as any other person that could be appointed. Therefore, I want to go on record as being in favor of the appropriation for renting adequate quarters for the Ambassador and his staff, but if the gentleman wants to have money appropriated for a new embassy I hope we will have warning in advance.

Mr. OLIVER of Alabama. I am in full sympathy with the statement made by the gentleman that the House should be informed and take definite action thereon before money is provided for the construction of any buildings in Russia.

This bill does not carry an appropriation for that purpose. I am very pleased to hear the statement of the gentleman in reference to Mr. Bullitt's splendid qualifications for this post. I have not the pleasure of a personal acquaintance with Mr. Bullitt, but I know the gentleman from New York shares my feeling that the present Secretary of State, who served with such credit in this body and in the Senate, and who, as Secretary of State has rendered such signal service at the London and Montevideo conferences can be depended

on to show the greatest care in the selection of all officials assigned to any positions in the Department, whether at home or abroad.

Mr. FISH. I have the highest respect, of course, for the Secretary of State. I made the statement about Mr. Bullitt because I originally disapproved of the nomination, but after an interview with him I feel that not only his knowledge of Russia will be helpful but I believe he will uphold our interests which are of prime importance, particularly if there is any difficulty between Russia and Japan. We must have an ambassador at Moscow who will serve notice upon the Soviet Government that no matter what happens between Japan and the Soviet Government the United States of America intends to keep its hands off, and does not want to become involved in any difficulties between these two Nations. I am inclined to believe that Ambassador Bullitt will represent to the Soviet Government that the United States has nothing to gain by war with Japan and will remain neutral in case of war between Japan and Soviet Russia.

Although I did not favor recognition of the Soviet Government, now that recognition has been granted, I trust there will be cordial and friendly relations between the two countries and believe that there will be unless the Communist International upsets the apple cart by interference with our domestic and internal affairs.

The Clerk read as follows:

For salaries and expenses, including salaries of Commissioners and salaries of clerks and other employees appointed by the Commissioners on the part of the United States, with the approval solely of the Secretary of State; for necessary traveling expenses, and for expenses incident to holding hearings and conferences at such places in Canada and the United States as shall be determined by the Commission or by the American Commissioners to be necessary, including travel expense and compensation of necessary witnesses, making necessary transcript of testimony and proceedings; for cost of law books, books of reference and periodicals, office equipment and supplies; and for one half of all reasonable and necessary joint expenses of the International Joint Commission incurred under the terms of the treaty between the United States and Great Britain concerning the use of boundary waters between the United States and Canada, and for other purposes, signed January 11, 1909, $28,000, to be disbursed under the direction of the Secretary of State: *Provided*, That traveling expenses of the Commissioners, Secretary, and necessary employees shall be allowed in accordance with the provisions of the Subsistence Expense Act of 1926, as amended (U.S.C., title 5, ch. 16).

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word.

In the hearings Governor Stanley says that the Commissioners' basic salaries are the same. He was explaining the estimate. Am I correct that the basic salary of the Commissioners is $5,000 a year?

Mr. OLIVER of Alabama. Five thousand dollars.

Mr. COCHRAN of Missouri. Then, the salary has been reduced. I want to compliment the gentleman from Alabama that he has finally cut this down to $5,000 after the long fight he has had. It took a long time, but he finally succeeded, as he promised to do when the bill was pending in the House last June.

Mr. OLIVER of Alabama. The gentleman from Missouri has rendered very valuable service to the committee in accomplishing this.

Mr. COCHRAN of Missouri. I felt that $10,000 for the services rendered was too much for this Government to pay.

Mr. OLIVER of Alabama. May I say the Commissioners have never drawn $10,000. They have never been paid exceeding $7,500. President Hoover did recommend and fix the salary at $10,000, but the committee was able to reduce it to $7,500, and with the assistance of the gentleman and others the salary has now been reduced to $5,000.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Contingent expenses: For stationery, furniture and repairs, floor coverings not exceeding $1,500, file holders and cases; miscellaneous expenditures, including telegraphing and telephones, postage, labor, typewriters and adding machines and the exchange thereof and repairs thereto, street-car fares not exceeding $300, newspapers, press clippings, and other necessaries ordered by the Attorney General; official transportation, including the repair, maintenance, and operation of 6 motor-driven passenger cars, 1 for the Attorney General, 2 for general use of the Department, 2 for the Division of Investigation for investigative work, delivery truck, and motorcycle, to be used only for official purposes, and purchase and repair of bicycles, $85,000: *Provided*, That this appropriation may be reimbursed for expenditures in connection with cars herein authorized for the Division of Investigation from the appropriation for the expenses of said Division when approved in writing by the Attorney General.

Mr. OLIVER of Alabama. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama for the committee: On page 20, line 5, strike out the word "six" and insert the word "five."

The amendment was agreed to.

The Clerk read as follows:

Detection and prosecution of crimes: For the detection and prosecution of crimes against the United States; for the protection of the person of the President of the United States; the acquisition, collection, classification, and preservation of identification and other records and their exchange with the duly authorized officials of the Federal Government, of States, cities, and other institutions; for investigation of the official acts, records, and accounts of marshals, attorneys, clerks of the United States courts and Territorial courts, probation officers, and United States commissioners, for which purpose all the official papers, records, and dockets of said officers, without exception, shall be examined by the agents of the Division of Investigation at any time; and also, when requested by the presiding judge, the official acts, records, and accounts of referees and trustees of such courts; for such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General; hire, maintenance, upkeep, and operation of motor-propelled passenger-carrying vehicles when necessary; for copying in the District of Columbia or elsewhere, reports of examiners at folio rates; firearms and ammunition, such stationery, supplies, and equipment for use at the seat of government or elsewhere as the Attorney General may direct, including not to exceed $13,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph and to be expended under the direction of the Attorney General; traveling expenses, including expenses of attendance at meetings concerned with the work of such division when authorized by the Attorney General; payment of rewards when specifically authorized by the Attorney General for information leading to the apprehension of fugitives from justice, and including not to exceed $520,000 for personal services in the District of Columbia; $2,800,000.

Mr. KENNEY. Mr. Chairman, I move to strike out the last word.

I should like to ask the chairman a question. We have heard a great deal about the war on crime that is being waged by the Attorney General. Has this committee considered, in any of its appropriations, funds for that particular purpose over and above the usual appropriations?

Mr. OLIVER of Alabama. We have provided in this bill sufficient funds, so the Attorney General feels, to enable him to carry on the work by the Department very effectively against this class of offenders.

Mr. KENNEY. Does the gentleman feel there has been any material increase in the appropriation because of that fact?

Mr. OLIVER of Alabama. The sum total carried in this bill is less than last year, and this is partially due to the repeal of the eighteenth amendment. We are carrying an additional sum for the employment of special counsel who may be assigned to important cases.

Mr. KENNEY. I am glad to hear the gentleman say that, and I should like to inquire of the gentleman if he can tell us conveniently, what the appropriation is or what moneys are included in the appropriation for the enforcement of the revenue laws as applied to the liquor traffic.

Mr. OLIVER of Alabama. May I say before answering that question, we have increased the amount for the Bureau of Investigation in a reasonable amount, and they have taken on some added duties at a substantial saving to the Government.

In reference to the last question we are carrying in this bill for the Alcoholic Beverage Unit only $225,000, which includes the 10-percent cut.

It may be informative to hear read the following excerpt from the committee's report:

Especial attention is called to the reduction of $1,756,630 in the paragraph of the bill entitled "Alcoholic Beverage Unit." This reduction represents the Budget estimate for the fiscal year 1935

for the field personnel of the alcoholic beverage unit, commonly known as its "investigation and enforcement agency."

After the repeal of the eighteenth amendment it was apparent that there was no existing law, other than United States statutes relating to the enforcement of the revenue laws, that could provide any semblance of adequate authority for the field personnel of the alcoholic beverage unit to function effectively and efficiently. In recognition of this fact the Treasury Department was asked, and has specially deputized, the field personnel of the beverage unit to act as agents of the Treasury Department in the enforcement of the revenue laws.

Adequate funds for this personnel to July next are carried in the Department of Justice appropriation bill for the fiscal year 1934 and the Treasury Department has recently had released to it by the Budget Director about $1,173,000 for the employment of additional Treasury field personnel.

The committee is convinced that the personnel charged with the duties of enforcing the revenue laws should be under one department, and from information submitted to it feels that such personnel should be in and directly under the Treasury Department.

Since the committee was further informed that this matter had only recently been brought to the President's attention and that he would very likely take definite action relative thereto at an early date, it was felt that no appropriation should be now carried in the appropriation bill for the Department of Justice for the field investigation work of this agency for the fiscal year 1935.

As soon as the President determines what Department this agency will serve under, adequate appropriations will be provided for the fiscal year 1935.

In a letter submitted by Mr. Hurley, the very efficient Director of the Alcoholic Beverage Unit, copy of which will be found in the hearings, the Webb-Kenyon Act, prohibiting interstate transportation of alcoholic beverages, and the REED amendment, prohibiting the use of the mails to advertise liquor in dry States, are shown to be wholly inadequate to cope with liquor violations at this time. In letters written to the committee, Mr. Hurley suggested the importance of some enabling legislation, which the committee at once referred to the Judiciary Committee of the House, and we have been assured by the chairman of that committee that the matters which Mr. Hurley, with the approval of the Attorney General, has called attention to will have immediate study and consideration by the Judiciary Committee. If approved, such legislation will be promptly reported.

This committee is thoroughly sympathetic to providing adequate funds to enforce the revenue laws and to prevent liquor importations into any State in violation of the laws of such State, and it is our hope that legislation looking to the better enforcement of all such violations may be favorably reported and passed at this session of Congress.

It may not be out of place to say here that it is the feeling of the committee that no exceedingly large appropriation should be required effectively to enforce the revenue laws and to prevent the unlawful importation of liquors into dry territory if the enabling legislation, which the Department of Justice has recommended, is passed.

This thought is based on the assumption that in both dry and wet States there will be a healthy public sentiment to support State, county, and city officials in the detection and prosecution of all violations of State liquor laws. If this assumption is well founded, the State enforcement officers will no doubt cooperate fully and willingly with Federal officers in the detection and prosecution of all acts prohibited by Federal statutes, because, in the main, State violations are always involved in Federal violations.

The committee has approved for the alcoholic beverage unit an appropriation of $225,000, which we estimate will be sufficient to care for the general duties imposed on the unit other than the expenses incident to the maintenance of its field personnel. This is amply sufficient to care for the salary roll of the tax and penalty section.

Mr. KENNEY. So that all of the money estimated to investigate and enforce the revenue laws applying to liquor should not exceed in the neighborhood of $2,000,000?

Mr. OLIVER of Alabama. The committee does not favor an excessive appropriation, and the reasons therefor are set out in that part of the committee's report which I have just read.

Mr. KENNEY. I thank the gentleman.

The Clerk read as follows:

Alcoholic Beverage Unit: For salaries and expenses to enforce and administer the twenty-first amendment to the Constitution and such laws as Congress may enact for the enforcement of such amendment, the act of March 1, 1913 (U.S.C., supp. VI, title 27, sec. 122); the act of March 3, 1917 (U.S.C., title 18, secs. 341, 342; supp. VI, title 27, sec. 123), as amended by section 12 of the "Liquor Taxing Act of 1934", approved January 11, 1934; the act of August 8, 1890 (U.S.C., supp. VI, title 27, sec. 121); section 238 of the Criminal Code (U.S.C., title 18, sec. 388); section 239 of the Criminal Code (U.S.C., title 18, sec. 389); section 240 of the Criminal Code (U.S.C., title 18, sec. 390); applicable provisions of the "Liquor Taxing Act of 1934", approved January 11, 1934; existing applicable provisions of the National Prohibition Act, as amended and supplemented (U.S.C., title 27), and internal revenue laws, pursuant to the act of March 3, 1927 (U.S.C., supp. VI, title 5, secs. 281–281e), and the act of May 27, 1930 (U.S.C., supp. VI, title 27, secs. 144–192); the review of all pending cases growing out of violations prior to December 5, 1934, of the National Prohibition Act, as amended and supplemented, and/or the internal revenue laws relating to alcoholic beverages, for the determination of the civil liability due the Government and proper expense of litigation in cases now pending and which may hereafter be constituted, for the purpose of recovering such civil liabilities; for the employment of executive officers, attorneys, investigators, and other personnel, in the District of Columbia and elsewhere, to be appointed as authorized by law; the securing of evidence of violations of the acts; the cost of chemical analysis made by other than employees of the United States and expenses incident to the giving of testimony in relation thereto; costs incurred in the seizure, storage, and disposition of liquor and property seized by virtue of the laws applicable to said seizure; costs incurred in the seizure, storage, and disposition of any vehicle and team or automobile, boat, air or water craft, or any other conveyance, seized pursuant to existing laws applicable to such seizures, where the proceeds of sale are insufficient therefor or where there is no sale; for rental of quarters; the purchase of stationery, supplies, equipment, mechanical devices, newspapers, periodicals, books, including law books and books of reference, and such other expenditures as may be necessary in the District of Columbia and the several field offices; in all, $225,000.

Mr. KENNEY. Mr. Chairman, I move to strike out the last word. Mr. Chairman, it appears that the appropriations that are being made that have to do with the enforcement of the revenue laws as they apply to intoxicating beverages will not exceed $2,000,000. Years ago the amount appropriated for that purpose was as high as $11,000,000 a year. The reason is obvious.

The chairman of the committee a while ago gave it as his opinion that, repeal of the eighteenth amendment having been effected, the people of the country would cooperate and see to it that the liquor laws of the country were carried out. Now, my friends, the underlying reason for that is that we have legalized liquor and have given the people of this country what they want. We have met the wishes of the people.

But we have not gone far enough. We all know that there was a tremendous profit in bootlegging, and that the chief profit went into the hands of organized crime. The repeal of the eighteenth amendment has not done away with this gigantic combine. That is evident to us when we read the public press and realize that the Attorney General of this country is carrying on what he terms a war against crime. Money is needed to carry on any enterprise. Organized crime will survive as long as its rackets are profitable. The arrest of the racketeer will not suffice. There are arrests after arrests. The racket itself must be arrested.

We still have rackets, and they are supporting organized crime through the vast revenue they derive from policy tickets, ticket numbers, crooked games of dice, roulette wheels, slot machines, marked cards, and other forms of "come on" games of chance.

Great masses of our population are being fleeced by operators of the number racket who find their way into practically every village and city of the United States, luring the populace into participation in the dishonest enterprise from which they derive sustenance for organized crime.

They go about unmolested in large part. If necessary, they bribe public officials who are too often a part and parcel of the system. They openly flout and defy the law and encourage and effect disobedience to law on the part of many. It is no small game, the swag runs into the millions. Figures here and there would indicate hundreds of millions.

Then there is the slot-machine racket. The slot-machine business flourishes on every side. The profits are handsome. Many of the machines bring in a net profit of $100 a day. Some of the larger operators own no less than 5,000 machines. They place them in stores, back rooms, wherever they may. Gunmen aid in the collections. The toll runs into fabulous sums. It is divided, applied, invested for the upbuilding of vice and crime. It is a part of the lifeblood of organized crime. The machine is even cleverer than the number. I know of a man who spent $110 to collect a jack pot of $16, so great are the odds against the victims who play the machine. How shall we prevent this large-scale crooked gambling which perpetuates organized crime? How shall we undermine these and the other

rackets which supply the ways and means of financing other and major crimes? How shall we win the war on crime?

We must offer something to take the place of the various rackets. It must be lawful. At the same time it must afford an opportunity to meet the unquenchable desire and urge to speculate in a self-respecting and wholesome manner. The one way, in my opinion, to cut off the chief remaining revenue of organized crime is to have the Government step in and give the plain citizen who wishes to spend a small sum of money for a chance to better his condition to do so under the law. It would hold for many potential happiness and independence that spell payment of debts, education of children, self-respect, and an opportunity to engage in a chosen business. It would tend to keep the country away from vicious and unlawful practices carried on for the benefit of law violators and the perpetration of crime itself. An approved lottery would supply a legal outlet for the speculative urge of many of our people. Then the dishonest racket would fall from its pinnacle. Organized crime would totter. If we cut off the source of revenue of organized crime, we will stop it.

Such a lottery would also attract thousands upon thousands of our citizens who patronize lotteries conducted under the auspices of other governments. Our people participate in such lotteries continually, secretly, illegally; but they do it. Purchasers of fraudulent securities might be content with patronizing an honest lottery controlled by our National Government. The lowly man might not be prone again to stake his all in stock of enterprises in which men in high places, as revelations show, gambled the money of men in low places.

Since our people, as is obvious, have been and still are contributing vast sums of money to give vent to their speculative urge, and unconsciously but in reality are keeping alive the forces of organized crime, we can do no better than to give them a self-respecting and wholesome chance to participate in aid of our country in a national lottery conducted under Government auspices. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

Prison industries working capital fund: Prison industries working capital fund, 1934 and prior years, is reappropriated and made available for the fiscal year 1935, including payment of obligations incurred in prior years; and the said working capital fund and all receipts credited thereto may be used as a revolving fund for the fiscal year 1935 for the purposes authorized by the act entitled "An act to provide for the diversification of employment of Federal prisoners for their training and schooling in trades and occupations, and for other purposes", approved May 27, 1930 (U.S.C., supp. VI, title 18, secs. 744d, 744e, 744f).

Mr. COOPER of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COOPER of Ohio: Page 37, line 14, after the figures "744f" in the parentheses, strike out the period, insert a comma and the following: "*Provided*, That no part of this appropriation shall be used for the procurement and/or installment in any Federal correctional or penal institution of machinery for the manufacture of metal furniture and/or metal office equipment.

Mr. COOPER of Ohio. Mr. Chairman, this amendment provides that no part of the prison industries working capital fund can be used for the installation of machinery for the manufacture of metal office equipment in any of our Federal penal institutions. I offered this same amendment to the Justice Department appropriation bill in the last Congress when the measure was before the House for consideration, and on the final record roll-call vote on this proposition the amendment was adopted by 262 to 46 against. There is involved in this amendment the question of whether or not the Federal Government is going to embark on a policy of equipping our Federal penal institutions with machinery for the purpose of manufacturing metal office furniture. I believe it is important that prisoners should work in our penal institutions. They should be provided with some kind of labor. However, the installation of high-powered machinery in our Federal penal institutions will not solve the work problem for the inmates. I doubt if there is any industry in our country today that is more highly specialized and mechanized than that of the manufacture of metal office furniture. More than 90 percent of the work of this manufacture is by machine, and less than 10 percent of it is by hand. Today we find millions of American citizens unemployed, and this is no time for our Government to establish industries in our prisons, operated by prison labor, which will result in increasing the unemployment situation in our country. It will injure the industries and take business away from private capital and free labor.

A few days ago this House went on record on a similar proposition to this when the House unanimously adopted an amendment which provided that no articles manufactured in the Reedsville industry—that is, the industry that will be constructed at Reedsville, W.Va.—could be sold to the Post Office Department; but there is this difference between that proposition and the one that I have offered. The House went on record unanimously, I understand, not a vote against it, as prohibiting this factory, when it is built, at Reedsville, W.Va., from selling a certain product to the Post Office Department. That product will be manufactured by free labor, not prison labor; and if it is important that we in this House go on record now to stop the manufacture of articles made by free labor being sold to the Federal Government in competition with private industry and private business, how much more important is it that we stop criminals from manufacturing these articles coming into competition with private industry and free labor. But you say the prisoners have got to work. Certainly they should. I want them to work; but today, when we have millions and millions of law-abiding American citizens walking the streets of the country looking for a job, when we are paying over a billion dollars out of the Federal Treasury to help them support their families, this is no time to give prisoners a preference; and if I have to take my choice between giving a prisoner a job or giving it to a law-abiding American citizen back home who has to support a family, I am going to be on the side of the law-abiding American citizen. This amendment was adopted by more than 200 majority in the last Congress when we considered the Department of Justice appropriation bill, and I hope the House will sustain the amendment today and adopt it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I call to the attention of the gentleman from Ohio the bill H.R. 6974, reported by the Committee on the Judiciary and now on the calendar. I understand that an effort will be made to ask the Speaker to recognize some member of the Judiciary Committee to consider the bill under suspension. Has the gentleman read the bill?

Mr. COOPER of Ohio. I looked it over very hurriedly.

Mr. OLIVER of Alabama. The gentleman is in accord with the general purposes of the legislation, is he not?

Mr. COOPER of Ohio. If I have a minute, I will explain my position upon that. I never knew such a bill was introduced in Congress until I heard about it today. I called up the Committee on the Judiciary and asked for a copy of the hearings on the bill. They said that no hearings were held.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. I ought to make a correction there I think. They said that no hearings were printed. I do not know that I object to the passage of this bill. It may be a good one. I do not know. We have not had time to study it. I have not heard from labor on this, and I do not know whether labor favors it or not. I have not heard from industry, and I do not know whether industry favors it or not. We will have to study this bill before we finally decide as to whether we want it. Suppose it does pass the House, we have no knowledge as to when it will become a law. We do not know when it will come to the House for

consideration, and we do not know when it will pass the Senate and be signed by the President. If it does become a law, that will not interfere with the amendment that I have offered today, for the only thing the amendment does is to prohibit the Director of Federal Prisons from installing machinery in the Lewisburg Penitentiary for the manufacture of metal office equipment for the next year to come. That is all it does.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. COOPER] has expired.

Mr. OLIVER of Alabama. Mr. Chairman, I ask that the gentleman's time be extended 2 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. OLIVER of Alabama. That is a fair statement by the gentleman with reference to his attitude on this bill, and, while I assume no bill should be considered until after it has passed, yet, to avoid any discussion of this matter, and to show that the committee handling this bill are willing to meet the gentleman half-way and to accept the gentleman's amendment with this language added: "Unless under the direction and with the approval of a prison industrial board authorized by this the Seventy-third Congress." If the gentleman will thus modify his amendment, I will accept it.

Mr. COOPER of Ohio. Will the gentleman state again what his amendment is?

Mr. OLIVER of Alabama. After the word "equipment", strike out the period, insert a comma, and add "unless under direction and with the approval of a prison industrial board authorized by this, the Seventy-third Congress."

Mr. COOPER of Ohio. I do not think I want to accept that amendment until the prison industrial board has been created by law. It has not been created by law. The gentleman is asking me to accept an amendment which has not been considered in the House as yet; therefore it is not yet law.

Mr. OLIVER of Alabama. That certainly protects the gentleman against what he fears may be done by the head of the Bureau of Prisons, and only permits this to be done in the event this Congress authorizes it to be done. That is why I felt it would be fair and probably acceptable to the gentleman.

Mr. COOPER of Ohio. As I said, I do not feel like accepting that amendment as long as that bill has not been considered by the House.

Mr. OLIVER of Alabama. Then, Mr. Chairman, I offer the following amendment to the amendment offered by the gentleman from Ohio: Strike out the period after the word "equipment" and insert "unless under direction and with the approval of a prison industrial board authorized by this, the Seventy-third Congress."

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: After the word "equipment", in the amendment offered by Mr. COOPER of Ohio, strike out the period, insert a comma, and add the following words: "unless under direction and with the approval of a prison industrial board authorized by this the Seventy-third Congress."

Mr. DOWELL. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DOWELL. My point of order is that this amendment refers to a commission or board not now in existence, has not been created, and if the amendment does anything, it delegates to a board not in existence, and, therefore, is legislation.

The CHAIRMAN. Does the gentleman from Alabama [Mr. OLIVER] desire to be heard on the point of order?

Mr. OLIVER of Alabama. Mr. Chairman, there was an act passed in May 1930, which required the Attorney General to establish in Federal prisons industrial activities. That act further required that a careful survey should be made of industry with a view of fairly distributing the burden on industry. In other words, to so diversify the industrial activities at Federal prisons that no one industry would bear an undue burden. My information is that bill had the approval of the gentleman from Ohio [Mr. COOPER]. There was no opposition to it in the House, as far as I recall.

The Attorney General has endeavored to carry out that law in good faith. Since it has developed that the cotton industry, the shoe industry, and others might perhaps complain that there had been an undue burden placed on them, we had thought it would be well to have legislation passed by this Congress for the purpose of establishing a board, and the personnel of that board will represent labor, industry, and agriculture. For that reason I felt this amendment might be in order since it seeks to suspend the use of funds carried in this bill to install in Federal prisons machinery for the manufacture of metal furniture without the approval of a Prison Industrial Board to be authorized by this Congress.

Mr. DOWELL. Mr. Chairman, I hold it is self-evident that the amendment seeks to transfer this to a board that is not in existence. This amendment is also legislation on an appropriation bill. There is no commission at the present time, and, therefore, this cannot be referred to such commission and cannot depend upon something not in existence. It is also not in order because it is legislation on an appropriation bill, which is in violation of the rules of the House.

The CHAIRMAN (Mr. LOZIER). The Chair is ready to rule. The Chair is of the opinion that the amendment offered by the gentleman from Alabama [Mr. OLIVER] is subject to a point of order, because it is an attempt to effect legislation under an appropriation bill, and, therefore, the Chair sustains the point of order against the amendment offered by the gentleman from Alabama.

Mr. OLIVER of Alabama. Mr. Chairman, I ask for recognition.

Mr. Chairman, I am glad that the point of order was not raised by the distinguished gentleman from Ohio [Mr. COOPER], who offered this amendment, because I recognize the deep interest that he feels in providing some employment for prisoners. The development of legislation along that line has really been, I think, in line with his own thoughts. The act of May 1930 to which I referred a few moments ago, I am sure was not disapproved by the gentleman. That act undertook to do what it was felt was fair to all industry. There were hearings held and the special committee of which the gentleman was a member, I think, reported that it was important to provide suitable and proper employment for prisoners. I think we all recognize that this is not only essential to discipline, but in accord with the best thought and humane ideals of our people. So the Congress passed a law, in accord with the recommendations submitted by the special committee of which the gentleman was chairman, which authorized and directed the Attorney General to establish at Federal prisons industrial activities, and a revolving fund was provided for that purpose.

There have been established at the prison in Atlanta a textile industry, at Leavenworth a shoe industry, and industries at other Federal prisons.

The Northeastern Prison, against which this amendment is really directed, has only recently been completed. At this prison it was felt there might be installed some machinery, not labor saving or high powered, to manufacture office files and metal equipment to supply a very small percentage of the Government's needs.

Congress, however, as the gentleman states, placed a limitation on the last appropriation bill against the installation of such machinery. Other industries then felt they were not being fairly treated, and that if Congress denied to the Attorney General the right to establish at a new prison this small industry during the fiscal year 1934, then consideration should be given to the suspension of other Federal prison industries, and for that reason a bill was proposed and favorably reported with the unanimous approval of the Judiciary Committee, I understand. I will ask the gentleman from Georgia to make a further explanation of this bill.

It is a fair bill, and I cannot feel that the gentleman from Ohio can really find any serious objection to its provisions. With that thought in mind, I offered the amend-

ment to his amendment to show that there was no disposition on the part of the prison authorities to be unfair to any industry. It was offered in good faith, and I had hoped no point of order would be made, because it at least disclosed that our committee did not wish to confer any arbitrary authority on the head of the Prison Bureau or anyone else to determine what industrial activities should be established at Federal prisons. The bill has the full approval of the Department of Justice and its Director of Prisons, Mr. Bates.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. RICH. Is it not understood that the Superintendent of Prisons intends to install this machinery for a particular purpose?

Mr. OLIVER of Alabama. I may say that the Superintendent of Prisons told me that he would not install this machinery in view of the action taken by Congress at the last session, but that he felt the whole question of what industrial activities should be established at prisons should be referred to a board such as Congress might authorize; and for that reason he gave approval to the bill that was introduced by the gentleman from Georgia and has been favorably reported by the Committee on the Judiciary.

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. OLIVER of Alabama. Because of the attitude the Superintendent of Prisons has shown in reference to this matter and because he has indicated this will be his attitude in the future, I felt that the House should accept the modification offered to the amendment of the gentleman from Ohio, because it at least shows good faith on the part of the committee handling this bill to leave this matter to the determination of Congress at this session. We had hoped no point of order would be made to the amendment offered for that purpose.

Mr. RICH. Mr. Chairman, will the gentleman yield further?

Mr. OLIVER of Alabama. I yield.

Mr. RICH. And the gentleman's amendment to the amendment was ruled out on a point of order.

Mr. OLIVER of Alabama. That is true.

Mr. RICH. Since such a modification cannot be offered to this bill, why permit prisons to go ahead and manufacture with prison labor articles that come in competition with goods manufactured by individuals who have not committed any crime?

Mr. OLIVER of Alabama. That is a very good question to ask. I am sorry to know that the gentleman seems to be in sympathy with those who wish to avail themselves of a technical point so as to keep this question from the House. I refer to it more for the purpose of saying that, if you do not adopt the amendment of the gentleman from Ohio, the Bureau of Prisons will not establish this industry at the Northeastern Penitentiary until Congress authorizes it. That is the reason I offered the amendment to the amendment; but some, I fear, were just a little selfish and were overanxious to protect interests in their own districts.

Mr. RICH. Mr. Chairman, I resent the statement made by the gentleman. There is no selfish motive in this. I went up and saw Sanford Bates last year. He said he was going to install this machinery.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I shall withdraw the word "selfish" because I endeavor to avoid saying anything that may be offensive to any Member of the House.

Mr. RICH. I have no industry in my district.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I yield.

Mr. MOTT. Assuming everything the gentleman has stated is correct, and I am sure it is, will the gentleman tell us what the particular objection is to the amendment offered by the gentleman from Ohio?

Mr. OLIVER of Alabama. For the very reason that I feel confident this Congress will pass the bill referred to at this session and there is no reason now to adopt this kind of a limitation.

Mr. MOTT. That gets to the question I was asking; then what harm would be done by the adoption of the amendment offered by the gentleman from Ohio?

Mr. OLIVER of Alabama. The only harm it would do would be that it might suspend the authority of the board provided for in the bill now on the calendar for the fiscal year 1935.

Mr. MOTT. Is that the only objection?

Mr. OLIVER of Alabama. That is one, and I feel a sound objection.

Mr. SHANNON. Mr. Chairman, I rise in support of the amendment.

It is not fair to those outside who are engaged in labor or industry to anticipate what this House is going to do in the future. You know Sanford Bates; he is a penologist gone awry. His whole thought is to enlarge the business activities of the institutions under his direction, and to make a good financial showing. We had him before our committee investigating Government competition with private enterprise. He cares not how many in the ranks of outside labor he puts out of employment in order that his machinery may be used in the guise of providing so-called "employment" for those within his institutions.

Mr. Francis J. O'Donnell, representing the Joseph M. Herman Shoe Co., of Boston, came before our committee. He is a fine man, fighting for labor and private industry. He challenged Mr. Bates, saying:

> Mr. Bates, you have put into your institutions every labor-saving device that can be procured. If you are in good faith and you want work for your inmates, why do you not take the machines out and let them work by hand? Why do you consistently put these new machines in your institutions? You are crushing labor and industry every time you do so.

Then Mr. O'Donnell submitted figures to show that some 75 percent of the shoemaking done in the penitentiary at Leavenworth is done by machinery.

Refuse to adopt this amendment and you will contribute to the crushing of outside labor as well as outside industry.

Mr. Bates does not care any more for the furniture industry than he did for the railroads when the last administration was trying to serve the railroads and, unbeknown to anybody, he established a competing system of bus transportation. The busses ran clear across the country transporting prisoners from Atlanta, Ga., to Leavenworth, Kans.; from Chillicothe, Ohio, to Luray, Va., and other points. When I asked Mr. Bates about this, and asked him where he got his authority to go into the transportation business, he said: "Congress gave me the authority." If you do not restrict him now, you will live to see the day when he will say, "Congress gave me the power to go into the furniture business."

You rebuffed him some few months ago on this same proposition. Now you are asked to take the rebuff off. May I say to you that if you knew Sanford Bates as our committee knows him—and we had him before us for days and days—you would know that he cares nothing for outside labor nor for independent industry. [Applause.]

Mr. REED of New York. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the distinguished gentleman from Alabama said that those who were fighting for this amendment were motivated by a selfish interest. I state right here and now—and I am not ashamed of it—that I have a furniture industry in my district. I would consider I was derelict in my duty if I came here as the Representative from my district, when the laborers in my cities are walking the streets and getting

their support from public funds, and did not defend them on this floor. If I did not do that, I would feel I had fallen short of my duty as their Representative. Under normal conditions the pay roll in the city of Jamestown, N.Y., in my district, is very large. There are about 16,000 employees in the city, but at the present time in the city of Jamestown, which ordinarily is prosperous, we have 1,000 men receiving aid from the Government through Public Works and we have some 3,000 splendid, law-abiding citizens who are awaiting the opportunity to get on some pay roll so that they can support their families. The furniture business has been hard hit in this country. Yesterday in the Journal of Commerce, on the first page, appears this item:

Furniture manufacturers and distributors have not enjoyed a recovery comparable to that of other lines of consumption goods to date. Substantial orders from dealers and stores in the middle of last year kept the industry busy for a time, but the stocks that were accumulated as a result did not move as quickly as expected. As a reflection of the well-supplied condition of the trade, the furniture showings just closed fell substantially below expectations.

The trade hopes, therefore, that the coming February sales will clear the way for substantial reorders. To facilitate this prices have been kept low by the industry and are expected to remain practically unchanged for some time to come unless higher raw material costs and N.R.A. wage increases make an upward revision absolutely necessary.

It is manifestly unfair at a time like this for the Government to start in manufacturing furniture with convict labor. We condemned Russia for trying to bring her goods into the United States in competition with our free labor because they used convict labor; yet we propose to adopt a national policy that puts our own free labor in competition with people who have committed crimes and are in penal institutions.

With this severe weather, in my district where the thermometer gets pretty low, many people do not have the money to purchase coal, and many cannot get the coal unless they get it from some charitable source. The prisoners are in a warm building; they are well housed; they are well fed and well clothed; they have better machinery with which to work; they have more ideal conditions at a time like this than many employees in many of our cities in this country. I believe the time has come for this Congress to establish a policy once and for all that we are not going to put free labor in competition with convict labor. We should continue to carry out the policy established on the floor the other day when we determined that we would keep the Government out of business; that we were not going to tax industry, and then use the taxes in order to create competing Federal industries.

I hope the amendment will be adopted.

Mr. FOCHT. Will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Pennsylvania.

Mr. FOCHT. The gentleman is speaking of the furniture business, which brings this to my mind. Within a quarter of a mile of the Northeastern Penitentiary there is a furniture factory. This is in my own town. This furniture factory ordinarily employs 350 to 400 men and now they have but 60 men working. Therefore, I think we might employ the balance of the 450 instead of criminals.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

I want to primarily discuss the bill which has been reported from the Judiciary Committee and which is intended to take care of this entire subject matter. May I say at the outset that no Member of this House could be in more thorough accord with the purposes of the gentleman from Ohio than I am. No Member of this House could be more thoroughly opposed to the taking away of any free workingman's job, any man who had conducted himself in accordance with the laws of the land and who was outside of the penitentiary on that account, by a man who had violated the laws of the land and was confined in a penitentiary as punishment for his crime. I believe in reducing prison competition with free labor to the lowest possible minimum.

It was with this purpose in view that I introduced during this Congress a bill which was intended to cut down the production of the duck mill in the Atlanta Penitentiary. It may interest you to know that the duck mill in the Atlanta Penitentiary in 1931 produced 38 percent of the amount of wide duck produced by free industry in this country. The duck mills in my State, many of them, were closed down. Free laborers were out of employment. I introduced this bill in an effort not to abolish the duck mill in the Atlanta Penitentiary, but to reduce the amount of its production, so that it would not constitute an unfair amount of competition with free labor.

Hearings were had at length by the Judiciary Committee. The Director of the Bureau of Prisons was before the committee, manufacturers were represented before the committee, the committee was advised of the feelings of labor, and, after thorough hearings, arrived at the conclusion that a general bill dealing with the entire subject of prison industry, instead of merely with the duck mill in the Atlanta Penitentiary, should be passed by the Congress.

It therefore formulated this bill, H.R. 6974, which has the approval of the Attorney General, the approval of the Director of the Bureau of Prisons, the approval of the manufacturers, and which received a unanimous report from the Judiciary Committee.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. TARVER. I will be pleased to yield to the gentleman from Ohio.

Mr. COOPER of Ohio. Did any representative of labor appear before the gentleman's committee and advocate the passage of this bill?

Mr. TARVER. No representative of labor appeared either for or against the bill, but the committee was advised that labor had approved the principle of the act of May 27, 1930, which provided for the operation of prison industries in such a way and in such diversified forms as will reduce to a minimum competition with private industry or free labor. The committee incorporated this principle in the bill and undertook to form a board which should carry out the purposes of the act of May 27, 1930, 1 member of which board should represent labor, 1 member agriculture, 1 member manufacturers, 1 member vocational education, and 1 member the general public interest.

The object of the committee was to assure just what the gentleman from Ohio says he wants to bring about, and that is, that prison industries will not be operated in such a way as to prove disastrous to free labor.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. We are faced with a condition and not a theory. The gentleman from Ohio [Mr. COOPER] says he wants to prevent the introduction of highly mechanized machinery for manufacturing purposes in Federal prisons. This machinery is already there. It is there in the Atlanta penitentiary producing, as I have said, in 1 year 38 percent of the entire production of wide duck by the free wide-duck industry of this country.

Mr. MAPES. Will the gentleman yield?

Mr. TARVER. In just a moment.

It is in the Leavenworth Penitentiary, in competition with the shoe industry.

Whenever the Bureau of Prisons undertakes to carry out the purposes of the act of May 27, 1930, and to diversify, so that no undue burden will be placed on any industry, but the burden may be so scattered among all industries so that it will not constitute a blow to any particular one, diligent Representatives rise upon the floor of this House and propose amendments which will have the effect of preventing the Bureau of Prisons from going into the field of industries which are prominent among the enterprises of their districts. The result is there can be no diversification as directed in the act of 1930. The result is that, instead of diversifying, the Bureau of Prisons continues to add to the burden of two or three industries in which it is already engaged.

Now, is it not fair to undertake to scatter the burden among more industries and relieve these two or three industries of a very large and burdensome share of Federal prison competition?

I now yield to the gentleman from Michigan.

Mr. MAPES. Preliminary to what I want to ask the gentleman, may I ask how the members of this proposed Prison Industries Board are to be selected?

Mr. TARVER. They are to be appointed by the President, none of them to draw any compensation, and the Attorney General and the Director of the Budget to be ex-officio members.

Mr. MAPES. Then let me ask the gentleman this question: In view of the drive which we all know the Federal Director of Prisons has made to install equipment for the manufacture of metal furniture in the Northeastern Prison, does not the gentleman think that this proposed Prison Industries Board might easily be made the instrument to circumvent the will of Congress to enable this equipment to be installed unless the amendment offered by the gentleman from Ohio is adopted?

Mr. TARVER. May I say to the gentleman that while, of course, I cannot read the mind of the Director of Prisons or the mind of the Attorney General so as to acquaint the gentleman with what they have in their hearts, their statements to the Committee on the Judiciary are to the contrary, and I certainly am able to believe, whole-heartedly, that no member of the Committee on the Judiciary had such object in mind in formulating and voting for a favorable report upon this bill. I believe the Director of Prisons desires to carry out the will of Congress as indicated in the act of May 27, 1930, and the purpose of the bill reported from the Judiciary Committee is to enable him to do so.

The whole purpose of that was to bring about a condition whereby such necessary employment as takes place in prisons may be so diversified as not to bring undue hardship to any industry.

And may I say that such a law as is proposed by the Judiciary Committee was enacted in the State of New York, from which State the gentleman from New York [Mr. REED] comes, and was enacted, as I am informed, at the instance and with the approval of our President when he was Governor of the State of New York. I am justified in saying that this proposed legislation is therefore probably very much in accordance with his views.

Mr. RICH. Will the gentleman yield?

Mr. TARVER. Yes.

Mr. RICH. The gentleman speaks of 37 percent of the wide duck made in prison.

Mr. TARVER. Thirty-eight percent.

Mr. RICH. Why not, if prison labor is competing with free labor, close up the prison labor and get the pile of brick and let them bring it from one side to the other to occupy their minds, and not penalize men who want a job?

Mr. TARVER. As I said at the beginning of my address, we are facing a condition and not a theory. The gentleman is talking about the advisability of repealing the act of May 27, 1930, which authorizes the Prison Bureau to enter into industries of various types.

As I said before, no man on the floor of the House is more in favor of decreasing the competition of prison labor than I am, but there is a law on the statute books that the gentleman has not introduced a bill to repeal, the act of May 27, 1930. Competition is going to continue, and it is going to continue in the shoe industry, I will say to my friend from Massachusetts, who I see has just risen.

Mr. CONNERY. Allow me to say that I am not out of sympathy with the bill proposed by the gentleman from Georgia, but I am wondering why in a bill so vital the committee did not invite Mr. Green, at the head of the Federation of Labor, to come in and say something. Everybody else seems to have been heard except labor. The gentleman may not agree with me, but this bill should have gone to the Committee on Labor, where the Hawes-Cooper bill was reported. Of course, it is too late now. The Committee on the Judiciary has had jurisdiction.

Mr. TARVER. The committee took this view of it: That organized labor representatives had testified in the hearing on the bill, approved May 27, 1930, and approved of the contents of that bill, and this legislation just carries out the principles of that act.

Now, in regard to which committee should have had the jurisdiction of this bill, while it is not material now, permit me to say that legislation affecting Federal prisons and the employment of Federal prisoners is necessarily within the jurisdiction of the Committee on the Judiciary.

One other thing, and I shall conclude. Some question was made in the remarks of some gentleman as to whether or not if this bill H.R. 6974 should be passed it would be in any way hindered by the adoption of the amendment offered by the gentleman from Ohio [Mr. COOPER].

Of course it would be. The bill H.R. 6974 proposes to vest a committee with the duty or discretion of amplifying or contracting operations in all industries so as to bring about an even amount of competition. If we attach to this bill the amendment which provides that they cannot consider some industry in which the gentleman is interested, that, of course, hamstrings the operation of the bill to that extent.

Why should not the entire subject matter, without reference to any particular industry, be left within the control of this board? Why should this House designate one particular industry, saying you may consider all other fields, but do not put your finger on the metal-furniture industry so ably represented in Congress by the gentleman from Ohio [Mr. COOPER]?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COOPER of Ohio. Mr. Chairman, I ask unanimous consent that his time be extended 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER of Ohio. The gentleman knows that the amendment applies only to this particular appropriation bill for the fiscal year 1935.

Mr. TARVER. Yes.

Mr. COOPER of Ohio. Even though it stopped the board from installing machinery for the manufacture of metal office furniture in the Lewisburg Penitentiary, I am sure the gentleman will admit that after the year is out they could put machinery in there if they wanted to.

Mr. TARVER. Yes. Yet for 18 months this board, if it is created, and I hope it will be—and in view of the unanimous report of the committee I reasonably believe it will be—for 18 months it would be prohibited from exercising its function under H.R. 6974 with regard to one particular industry.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and in connection therewith to insert in the RECORD a copy of the bill H.R. 6974, and the report of the committee thereon.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to follows:

H.R. 6974 [Rept. No. 296] to provide for the regulation of prison industry and the appointment of a Prison Industrial Board, and for other purposes

Be it enacted, etc., That in order to provide diversification of Federal prison industries and to insure protection of free labor and free industry, while providing adequate training of the prisoners, the President of the United States shall appoint a Prison Industrial Board which shall consist of 5 persons, who shall each serve for a period of 5 years. Of this number 1 shall be a representative of labor, 1 a representative of manufacturers, 1 a representative of agriculture, 1 a representative of vocational education, and 1 a representative of general public interests.

(b) The terms of office of the members first taking office after approval of this act shall expire as designated by the President at the time of appointment, 2 at the end of the second year, 2 at the end of the third year, and 1 at the end of the fifth year. A successor to a member of the board shall be appointed in the same manner as the original member whom he succeeds and shall have a term of office expiring 5 years from the date of expiration of the term for which his predecessor was appointed and any mem-

ber appointed to fill a vacancy in the board occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of such term.

SEC. 2. The Attorney General and the Director of the Budget or their representatives shall be ex-officio members of the board.

SEC. 3. It shall be the duty of this board to have surveys made to gather factual data in regard to regular annual supply requirements of the Federal Government and to plan for the employment of prisoners as provided under sections 2 and 3 of the act of May 27, 1930, entitled "An act to provide for the diversification of employment of Federal prisoners for their training and schooling in trades and occupations, and for other purposes" (46 Stat. 391), so that employment may be confined, so far as possible, to noncompetitive activities and so that the prison shops shall be so organized and operated that no one industry or group of industries shall be forced to bear an undue burden of competition from the products of the prison workshop.

SEC. 4. When such surveys have been completed and the prison employment plans formulated it shall be the duty of the Federal Director of Prisons and the wardens of other Federal custodial institutions to put them into effective operation with reasonable expedition in the control of prison employment operations.

SEC. 5. This board shall elect its own chairman and shall hold meetings at least quarterly and shall report annually, or oftener, to the President of the United States.

SEC. 6. The members of this board shall receive no compensation, except that the expenses incidental to traveling and the gathering and analysis of required data shall be paid on vouchers approved by the Attorney General from the prison industries working capital fund, the incurring of such expenditures having first been approved by the Attorney General.

SEC. 7. (a) All moneys appropriated for or on deposit with the Treasury of the United States in the prison industries working capital fund at the close of the month next following the approval of this act shall be considered a permanent and indefinite revolving fund for the establishment, operation, and maintenance of industries now in operation or hereafter authorized to be established by the board. The fund shall be available and may be expended for the same purposes and in the same manner as authorized by the act of Congress approved May 27, 1930 (46 Stat. 391), and no special limitation not generally applicable to expenditures of all public moneys shall hereafter be placed upon the authority of the board herein created or upon the use of any of the funds available to carry out the purposes of this act or appropriated for other purposes without specifically repealing this act.

(b) In addition to the purposes enumerated in the acts of Congress approved May 27, 1930, and March 1, 1933, the prison industries working capital fund shall be available for the payment of compensation in such amounts as the Attorney General may authorize to inmates or their dependents for injuries suffered in any industry, for the acquisition of patent rights and royalties, and for all other expenses necessary to carry out the purpose of this act and the act approved May 27, 1930 (46 Stat. 391): *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended.

(c) The net proceeds derived from the sale of articles and commodities made in Federal prisons to other Government departments and agencies after deducting the cost of operation, maintenance, depreciation, amortization, and an amount deemed by the Attorney General as necessary to withhold as working capital or devoted to the establishment of new industries or projects, shall be paid into the Treasury to the credit of miscellaneous receipts at the end of each fiscal year.

SEC. 8. This act is supplemental to the act of Congress approved May 27, 1930, and the failure of the board to act as herein authorized shall not limit the Attorney General to carry out the duties conferred upon him by the act of Congress approved May 27, 1930.

SEC. 9. This act shall become effective upon approval.

SEC. 10. This act shall relate to all Federal prison employment under whatever legislation heretofore enacted, and all provisions of existing laws conflicting herewith are hereby repealed.

[H.Rept. No. 296, 73d Cong., 2d sess.]

PRISON INDUSTRIES BOARD

Mr. TARVER, from the Committee on the Judiciary, submitted the following report (to accompany H.R. 6974)

The Committee on the Judiciary, to whom was referred the bill (H.R. 6974) to provide for the regulation of prison industry and the appointment of a prison industrial board, and for other purposes, having considered the same, report thereon with the recommendation that it do pass.

STATEMENT OF FACTS

The operation of prison industries so as to provide necessary employment for prisoners and, at the same time, carry out the purposes of the act of May 27, 1930, that such employment shall be "in such diversified forms as will reduce to a minimum competition with private industry or free labor" has been attended with great difficulties. Attempted diversification of prison employment by prison authorities has been met by resistance from every industry into the field of which it was sought to go even to a minor extent, and the major portion of prison-industry production has, therefore, been largely limited to the particular industries already carried on by the Bureau of Prisons prior to the enactment of the act of May 27, 1930.

This severe limitation has resulted in the production by prison workshops of products of these industries constituting a large proportion of the amount of such products produced in private industry and in some instances making the burden of prison industry competition intolerable. For example, the product of the cotton mill in the Atlanta Penitentiary of wide duck for the year 1931 constituted 5,921,087 pounds, whereas the production of wide duck by free mills for the same year was 15,511,456 pounds. The prison wide-duck production, therefore, was 38 percent of the free-mill production of this material. It has seemed to the committee that this is too great a burden to be placed by prison industry upon one branch of free industry and that especially is this true when for a long time private wide-duck mills have in some instances been standing idle, their employees deprived of the means of earning a livelihood because of the activities of the Atlanta Penitentiary cotton mill. It is but fair to state that the production of the Atlanta Penitentiary cotton mill has not at all times averaged such a large proportion of the amount of wide duck produced in private industry, but during recent years it has at all times averaged an extremely large proportion of such private production and, in our judgment, its operations have exceeded the limitations contemplated by the act of May 27, 1930, and should be reduced.

However, it is impossible to carry out the proposals of that act "to provide employment for all physically fit inmates in the United States penal and correctional institutions" without broadening the field of occupations into which the Bureau of Prisons may be permitted to enter, or carrying on existing prison industries on a larger scale than was contemplated by the act referred to.

Under these conditions it is felt that the establishment of a prison industrial board upon which there should be representatives of labor, manufacturers, agriculture, vocational education, and the general public interests, in addition to the Attorney General and the Director of the Budget, empowering this board to handle the general subject matter of prison industry in accordance with the purpose and intent of the act of May 27, 1930, would go a long way toward solving the existing problem.

The proposed legislation herein reported provides for the establishment of such a board, its members to be appointed by the President and to have full authority to carry on prison industries, to diversify them, confine them as far as possible to noncompetitive activities, and to so operate them that an undue burden of competition shall not be imposed on any one industry or group of industries. The members of the board are to serve without compensation except that their traveling expenses and expenses incidental to the gathering and analysis of required data may be paid on vouchers approved by the Attorney General from the prison industry working capital fund, the incurring of such expenditures having first been approved by the Attorney General. The prison industry working capital fund is made a permanent and indefinite revolving fund for the use of the board in its operations, the net proceeds to be paid into the Treasury at the end of each fiscal year.

The legislation has the approval of the Attorney General, the director of prisons, and representatives of manufacturing interests affected, and will, in our judgment, be satisfactory to labor. It is hoped that it may prove a solution of this troublesome problem.

In accordance with the requirements of rule XIII, subsection 2 (a), of the House of Representatives, there is printed below sections 2, 3, and 6 of the act of May 27, 1930, entitled "An act to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes" (46 Stat. 391), which this bill, as amended, supplements:

"SEC. 2. The Attorney General may make available the services of United States prisoners to the heads of the several departments under such terms, conditions, and at such rates as may be mutually agreed upon, for the purpose of constructing or repairing roads the cost of which is borne exclusively by the United States; clearing, maintaining, and reforesting public lands; building levees; and for construction or repairing any other public ways or works which are or may be financed wholly or in major part by funds appropriated from the Treasury of the United States. To carry out the purpose of this section the Attorney General may establish, equip, and maintain camps upon sites selected by him and designate such camps as a place for confinement of persons convicted of an offense against the laws of the United States. The expenses of transferring and maintaining prisoners at such camps shall be paid from the appropriation, 'Support of United States prisoners', and said appropriation may, in the discretion of the Attorney General, be reimbursed for such expenses.

"SEC. 3. The Attorney General shall establish such industries as will produce articles and commodities for consumption in United States penal and correctional institutions or for sale to the departments and independent establishments of the Federal Government and not for sale to the public in competition with private enterprise: *Provided*, That any industry established under authority of this act be so operated as not to curtail the production within its present limits, or any existing arsenal, navy yard, or other Government workship. In establishing said industries the Attorney General shall provide such forms of employment in the Federal penal and correctional institutions as will give the inmates a maximum opportunity to acquire a knowledge and skill in trades and occupations which will provide them with a means of earning a livelihood upon release. The industries to

be established by the Attorney General under authority of this section may be either within the precincts of any penal or correctional institution or in any convenient locality where an existing property may be obtained by lease, purchase, or otherwise.

* * * * * * *

"SEC. 6. The prison industries working-capital fund shall be administered and disbursed by or under the direction of the Attorney General and shall be available for the purchase, repair, or replacement of industrial machinery or equipment; for the purchase of raw materials; for compensation to inmates employed in any industry under rules and regulations promulgated from time to time by the Attorney General; for the employment of necessary civilian officers and employees engaged in any industrial enterprise at any of the Federal penal and correctional institutions and in the District of Columbia; for the repair, alteration, erection, and maintenance of industrial buildings and equipment; and for travel and any other expenses incident to or connected with the establishment, operation, or maintenance of such prison industries as are now established or may hereafter be established by the Attorney General at the several penal and correctional institutions."

Mr. CONNERY. Mr. Chairman, as I said in my colloquy with the gentleman from Georgia [Mr. TARVER], I feel inclined to be in sympathy with his bill, which the Committee on the Judiciary has reported out; but in the present situation, so well set out by the gentleman from Ohio [Mr. COOPER], who has made a thorough study of this prison matter, I feel the Cooper amendment should be adopted. The gentleman from Ohio came before the Committee on Labor many, many times when we had the Cooper-Hawes bill under consideration. He was the author of the bill in connection with Senator Hawes. This is a situation that we are facing at this moment during the life of this appropriation bill for the fiscal year 1935. I think the Cooper amendment ought to pass, even if it does interfere temporarily with the ideas of the bill of the gentleman from Georgia [Mr. TARVER]. It cannot do much harm to have them making no furniture in that penitentiary for 1 year.

I am not in sympathy with the idea expressed by the gentleman from Pennsylvania [Mr. RICH] that prisoners should be set merely to moving bricks from one side of a space to another. We heard much testimony about the conditions in prisons before the Committee on Labor when considering that bill. We know that you cannot put a man in prison and merely let him twiddle his thumbs or just move about or move brick from one place to another. You have to have some work for him to do. If you keep him idle, you shatter his morale and many times this leads to insanity. Our idea and labor's idea is diversified industry. Let them make a little of this and a little of that, whether it be furniture or whatnot, as long as they do not take the bread and butter out of the mouths of free labor.

Ten years ago on this floor, on the same matter, when questioned by the gentleman from Texas [Mr. BLANTON], I said that I would be willing to have them make almost anything in these penitentiaries if you are willing to pay them the same wages that you pay free labor on the outside, and let the money go to the families of the prisoners so that when a man goes to a penitentiary and leaves a wife and children who are innocent they may be taken care of, and that is a thought for this committee to look into when it takes up the question of prison industry. I hope the Cooper amendment will pass. It is a good amendment for labor. I hope we will not go into technicalities here and say, well, on account of this proposition coming up from the Committee on the Judiciary we ought to let the Cooper amendment ride for a time. The Cooper amendment is a good amendment for labor and now is the time to pass it, and I hope the House will do so.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. DUNN. Is it not a fact that the American Federation of Labor is in favor of the amendment now before the committee?

Mr. CONNERY. Oh, yes; they have always been in favor of it.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment. I know the gentleman from Ohio [Mr. COOPER] will agree that I am in full accord with his views with reference to prison labor competing with free labor. No Member of the House is more opposed to prison labor competing with free labor than I am.

Let us analyze what you are going to do under this Cooper amendment, and I want the gentleman from Massachusetts [Mr. CONNERY] to listen to this. Under the Cooper amendment you tie the hands of the superintendent of prisons insofar as installing machinery for the manufacture of metal furniture is concerned. That is all you do. How about all the other industries? His hands are tied insofar as putting machinery in the penitentiary in this respect, but he can install any other kind of machinery he desires. This is unfair to other industries. He can put another shoe factory in that prison. The gentleman from Massachusetts comes from a great shoe district, as I do. The hands of the director are not tied from putting textile machinery in the prison. He can manufacture cigars in there, if he wants to, or anything else. Under this amendment you are protecting one industry and letting him do what he wants to with all the other industries. Why not play fair with all industries?

Mr. CONNERY. We are not trying to do that. We are trying to stop him from putting it in there. The gentleman knows, as I do, that there are not enough shoes made in these factories, due to the passage of the Cooper-Hawes bill, to make any difference. We stopped them from making the volume of shoes that they were making, and there is not any serious competition in these prisons today with free labor.

Mr. COCHRAN of Missouri. I think the gentleman should read the letter that I put into the RECORD yesterday. Mr. Bates, if so desired, could have manufactured more than 1,700,000 pairs of shoes at Leavenworth last year.

Realizing the unemployment situation, what did he do? He released about 1,500,000 pairs of shoes to your manufacturers and my manufacturers and he only manufactured about 200,000 pairs of shoes at Leavenworth. That was a fair break.

Mr. CONNERY. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. CONNERY. If the gentleman refers to my district, we do not make men's shoes. We make women's shoes.

Mr. COCHRAN of Missouri. They can make women's shoes and sell them to the Indian Service. Do not overlook that, my friend.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. COOPER of Ohio. The gentleman is aware of the fact that the Cooper amendment has been in effect 1 year?

Mr. COCHRAN of Missouri. I know that.

Mr. COOPER of Ohio. But the Superintendent of Federal Prisons has not put in any other kind of machinery in any of the penitentiaries to manufacture other products.

Mr. COCHRAN of Missouri. No; he has not, but he could if he desired. That should show the gentleman Mr. Bates has been most fair.

Mr. COOPER of Ohio. And he has not come to the Committee on Appropriations and said he was going to do it, as he did when he came and said he wanted to install that machinery in the Lewisburg Penitentiary.

Mr. COCHRAN of Missouri. I have sufficient faith in the Superintendent of Prisons to know even if he has the power he will act fair.

It is the intent of the bill soon to be called up to create a board to consider this problem. Why not give the board a chance?

If I had my way, I would open a lot of schools in the prisons and educate the prisoners while they are there; keep their minds busy; get some of these professors you hear so much about and put them to work teaching the prisoners. One thing I would not do, and that is I would not have them carry bricks from one side of the yard to the other, like the gentleman from Pennsylvania [Mr. RICH] wants them to do. Putting the prisoners in school for 5 or 6 hours a day would not be competing with any industry.

If you are going to amend this paragraph, then go all the way; be fair; do not protect one industry, but protect all

industries. I am sure if you will give Mr. Bates and the new board to be created a fair chance, you will never have cause to regret it.

Mr. BROWN of Kentucky. Mr. Chairman, I rise in opposition to the amendment. I want generally to disagree with practically all that has been said on this subject. Judging from the remarks of the Members on the floor of this House, they seem to be afraid we are going to run out of work, and there will not be enough work in this country for everybody to do. I had always thought that the purpose of work was to get the finished product and the use of that product, but apparently the whole idea behind this scheme of existence is to find some work for somebody to do. I have been hoping that the Committee on Labor would bring out a bill that would shorten the hours of labor so that the people of this country would not have to do so much work. I always thought the purpose was to find some way to get enjoyment out of the things we need and use, without having to do so much work. Personally, I think there is enough work on this old globe that goes whirling through space to give everybody on the outside enough to do to supply the needs of this human family and yet leave something for those fellows who happen to be on the inside to do. I do not think we should take the stand that we are going to coop up a portion of our civilization inside the prison walls and say we cannot let them work, because if they work there will not be enough left for us to do on the outside.

Mr. CONNERY. Will the gentleman yield?

Mr. BROWN of Kentucky. I would rather devote my 5 minutes to a discussion of what I think should be our attitude on prison labor. It is my contention that there is enough work to be done to let every man inside the prison walls do some constructive work, not pile bricks here and pick them up and put them over here but make a contribution to society that is on the outside.

What if they do make plenty of shoes? We have millions of families in this country without any shoes to wear. What if they do make some duck down at Atlanta? We have millions of families in this country without anything to wear. What if they do make some metal chairs here? We have some people in this country without any money to buy metal chairs. Why not let them produce something constructive and then put it in a place that will make life easier? I cannot follow the reasoning of the gentleman from Missouri [Mr. SHANNON], that you should take an ax and smash machinery so that we could have an opportunity to work. If you get to the point in this country where you push an electric button and everything is done, would it not be all right? Can we not learn to enjoy life free from drudgery? Would you have a man shine up the lamp chimneys in order to have something to do and destroy the electric lights? Destroying machinery so that there will be more work to do has been argued all through the ages. It has been argued that if you create machinery, you will do away with work. Well, I do not care if we reach the point of perfection in this country where we do away with all work. I think the purpose of life is enjoyment of the fruits of labor and not labor itself.

Mr. CONNERY. Will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. CONNERY. If the gentleman will come before the Committee on Labor on Tuesday next, he will get an answer to everything he has said here today. We have for consideration before that committee the old-age pension law and the 30-hour week for labor.

Mr. BROWN of Kentucky. I am glad to hear the gentleman say that, and I will support such a measure every time it comes to this floor, but I am not going to support any proposition that works on the theory that in order for me to have a job I have to cut somebody else out of work. I am not going to support a proposition that works on the theory that in order for those on the outside of prison walls to have plenty of work you have to let those on the inside stand idle. I think there are places where you can put the goods that every man on the inside of prison walls makes to good advantage. I think there will always be enough work to be done on the outside for everybody who is able to work to make his contribution to the sum total of human happiness and human enjoyment. I cannot subscribe to this theory that because I have a plant in my town that makes some product I ought to vote for an amendment that will keep the people on the inside of the prison walls out of work. This bill that is being brought before the House will coordinate these prison enterprises so that it will not work an undue hardship on industry outside the prisons and will still leave those men on the inside with something to do and some contribution to make to human existence.

I do not think that the amendment ought to be voted for or ought to be incorporated in as a part of this bill. I think we ought to wait until the other bill comes along. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

The Clerk read as follows:

United States penitentiary, Alcatraz Island, Calif.: For the United States penitentiary at Alcatraz Island, Calif., including not to exceed $88,450 for salaries and wages of all officers and employees and not to exceed $750 for the purchase of a motor-propelled passenger-carrying vehicle, $231,475, together with not to exceed $15,000 of the unexpended balance of the appropriation, "United States Northeastern Penitentiary", fiscal year 1934.

Mrs. KAHN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. KAHN: Page 39, line 4, strike out lines 4 to 12, inclusive.

Mrs. KAHN. The language stricken out by my amendment provides for the establishment of a Federal penitentiary on Alcatraz Island in San Francisco Bay. This island is visible from, and is near to, the best residential section of San Francisco. For many years there has been a military prison on the island, but the people of San Francisco paid no attention to it because the discipline of the prison was perfect and no trouble has ever arisen.

When the War Department decided they would concentrate their prisoners in several of the large prisons in this country, they transferred the Army prisoners from this island to other prisons in the custody of the War Department and transferred this prison to the Department of Justice.

When a Federal prison was first spoken of for Alcatraz Island, the people of San Francisco did not object because they had had this experience with Alcatraz as a military prison which did not affect their peace of mind at all. Suddenly, however, based on news from the East, large headlines appeared in our San Francisco papers stating:

Devil's island to be established in San Francisco Bay. Prison on Alcatraz Island to be turned into devil's island.

With these headlines appeared an article stating that all the incorrigible prisoners in the Federal penitentiaries were to be transferred to Alcatraz Island. As I said, when the Federal prison was first suggested, there was no objection raised; but when it was announced that this was to be an American "devil's island", the feeling was quite different. I leave it to the Members present if they would want a prison of this kind near their home cities.

It was announced that escape from the island would be practically impossible because the currents around the island were so strong that nobody could swim. Immediately a young girl started from San Francisco, swam to the island, swam around it and swam back to show that it would be possible if they once got into the water to escape by swimming.

San Francisco has prided itself on the fact that it was probably freer from racketeers and freer from gangsters and that type of criminal than almost any other city in the United States. We have a police department in that city of which we are very proud, a police department that is most marvelously efficient. Through their efforts San Francisco has been made a place most unsafe and most undesirable for that type of people.

We were afraid that if they transferred these incorrigibles from other prisons to this one in San Francisco Bay, that San Francisco and the surrounding towns would become a haven for the families and friends of these people; and while we do not object to a Federal penitentiary, we certainly do object to the type of penitentiary they are placing right at our front door, facing, as it does, the most desirable residential part of San Francisco. We object to its being made a prison for incorrigibles. [Applause.]

This prison is not necessary. Several new prisons have been erected lately in different parts of the country that are not filled—and the prison population is gradually decreasing on account of the repeal of the eighteenth amendment. It will be a most expensive prison to maintain. There is not a drop of water on the island—every drop has to be conveyed on water boats. Numerous guards will be necessary—an added expense. The people of San Francisco are bitterly opposed to it as a menace to their peace and as an unnecessary and expensive Government undertaking.

Mr. OLIVER of Alabama. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentlewoman from California, a member of this subcommittee, opposed this item in the committee, and it was with some regret that other members of the committee were unable to agree with her.

There has been expended on this prison approximately $250,000 for the purpose of making it safe for Federal prisoners. The Department of Justice feels it will serve a most useful purpose; and I think the views of the Department in this regard have very general public approval.

I recognize the sentimental objections to which the gentlewoman from California has referred, but I am sure they will not be controlling with the House in a matter of this public importance. If you will read the statement made by the Attorney General before the committee, you can understand the importance he attaches to this prison. The War Department transferred the property to the Department of Justice with the approval of the President; and this whole matter has been carefully considered before expending upward of $250,000 on it.

I regret very much that I am unable to agree with the statements made by the gentlewoman from California [Mrs. KAHN] and that I must oppose this amendment.

Mr. LLOYD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the life of me I cannot see why it is desired to spend a dollar on Alcatraz Island. There is no reason for it. It is impractical. I know that entire Pacific coast. There is not a drop of water on the island except what has to be hauled there. It will be an expensive institution for the Government to maintain.

The Government has spent large sums of money on McNeil Island on the west coast. It is an ideal prison island; there is practically nothing else on it.

When the Department of Justice claims that Alcatraz Island is a safe place to keep prisoners, they are speaking in terms that cannot be anything but a joke, because a 15-year-old girl swam across the Bay to Alcatraz Island and back during the past year. There is no reason, absolutely no reason in common sense for spending one dollar on Alcatraz Island; I do not care what the Attorney General says about it, because I do not think he ever saw it.

Mr. TABER. Mr. Chairman, I ask unanimous consent to address the House for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, my understanding is that the prison population is decreasing. If so, I should like to know to what extent it is decreasing, because it would seem to me if it is decreasing very markedly, there is absolutely no justification for going ahead with expenditures on a new prison.

That is the thing that appeals to me.

Mr. OLIVER of Alabama. The money has already been spent. This is an ideal site, and one of the best Federal prisons we have and is well suited for the purposes for which it is intended to be used.

Mr. TABER. Is it needed?

Mr. OLIVER of Alabama. Yes.

Mr. TABER. Is there not plenty of room in Leavenworth, in Atlanta, and at McNeils Island to take care of all we have?

Mr. OLIVER of Alabama. We have prisons scattered all over the country, but the claim has been made, you understand, that all have been crowded beyond their capacity. I have not, however, agreed with that view. This prison was selected for a special purpose, and, as I stated a few minutes ago, it has the unqualified endorsement of the Department of Justice, and I think it has had the approval of the President. Money has been released for putting it in splendid condition. It was taken over from the Army and will serve, our committee feels, a very fine purpose.

Mr. TABER. I notice the number of jail days has been reduced 500,000.

Mr. OLIVER of Alabama. We could much better dispense with some prisons at other places rather than this one, if any should be closed for lack of population.

Mr. KRAMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, during the past summer I visited Alcatraz Island. I saw the transportation of some of the prisoners from this island through the Panama Canal to the prisons in New York and other places. I see no reason why there should be any objection.

I visited Alcatraz Island on my return from Hawaii, where I investigated the violations of the Narcotic Act. Arrangements were then being made for the transfer of the Army prisoners incarcerated in the prison on this island. I had occasion to observe these men, and I found that the detention there is as humane as could be expected in any prison. The Government has a large investment there, and I can see no good reason why there should be any objection to continuing to maintain this as a prison for the Federal Government. Just a short distance beyond this is located the State institution, San Quentin. It is surrounded by both land and water; and if it is contended, as it is by the gentlewoman from California, that this prison would jeopardize the safety of the people of San Francisco and the northern part of the State, then it appears that their safety must have been so jeopardized for a long while, because both of these prisons have been located where they are, for many, many years, and to move these prisons now to some other site would be poor economy.

In fact, I consulted with the heads of some of the large business houses and hotels while I was in San Francisco as to whether or not the transformation of the Alcatraz prison into a general Federal prison would be objectionable, and in every instance they assured me that they could not see why there should be any objection except in the minds of some of the citizens. They thought, in fact, that it would be beneficial to the surrounding cities, insofar as it would bring business to these cities through the visits of friends and attorneys of those incarcerated in the prisons who might not otherwise come there.

We have prisons all over the country, the majority of them entirely surrounded by land. We find that at various times prisoners escape from these institutions. As a general rule the residents in these places are quite safe, especially in a location where the land on which the prison stands is surrounded by a large body of water. Escape therefrom is practically nil. It may be true that some of these prisoners are good swimmers, but not all of them are good swimmers, and the distance is almost too great for any swimmer to endure the current and the drift of traffic going to and fro through the channel.

I therefore think, as long as this prison has already been established on this island and the Government has expended large sums of money to maintain the same in good condition, that it should be continued to be used for this purpose.

I therefore do not agree with the amendment made by the gentlewoman from California.

Mr. OLIVER of Alabama. Mr. Chairman, I move that all debate on this section and amendments thereto be closed.

The motion was agreed to.

The question was taken; and on a division (demanded by Mr. LLOYD) there were—ayes 42, noes 47.

So the amendment was rejected.

Mr. OLIVER of Alabama. Mr. Chairman, I offer an amendment. On page 39, line 6, strike out the figures "$88,450" and insert the figures "$103,450."

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama for the committee: On page 39, line 6, strike out the figures "$88,450" and insert the figures "$103,450."

The amendment was agreed to.

The Clerk read as follows:

Appropriations herein made for aircraft in commerce and air navigation facilities shall be available for expenses of attendance at meetings concerned with the promotion of civil aeronautics, and also expenses of illustrating the work of the Aeronautics Branch by showing of maps, charts, and graphs at such meetings, when incurred on the written authority of the Secretary of Commerce.

Mr. SHOEMAKER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to speak out of order for about 3 minutes on the prison situation.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SHOEMAKER. Mr. Chairman, I want to bring to the attention of this House the cruel and inhuman treatment people are getting at the hands of our Government, and particularly by the parole board and prison officials.

This morning I received a telegram from a very prominent citizen of the city of Minneapolis requesting me to intercede on behalf of a prisoner in Leavenworth Penitentiary. This prisoner has 36 days left to complete a 2-year sentence. His wife is dying in the State sanitarium at Glen Lake, Minn. She can be expected to live only 3 or 4 more days.

I asked the parole board if they would not give this man the remaining 36 days which he still has left to serve in order to let him see his wife while she is alive. I received information about 2 minutes ago that it was impossible to grant the request. Such things are absolutely inhuman.

This man did not make parole. I cannot say anything about how good the man has been, but he only has 36 days to serve.

If the United States Government has to stand between this man and his seeing his wife alive because of 36 days, I think it is most inhuman. Something should be done. Some of these rules should be changed. It is things like this that send these men out of the penitentiary with malice in their hearts and with a revengeful feeling. It is that which causes them to go out and say that their Government itself has no consideration and will not even give them the human consideration we would give an animal under like circumstances.

May I bring this to your attention, and it is practically an every-day occurrence. There is a woman dying. She can only live 3 or 4 days. Her husband has only 36 days to serve out of 2 years, and yet they cannot grant a little request like that. I think it is absolutely beyond human comprehension that people could act this way.

Mr. OLIVER of Alabama. Mr. Chairman, I should like to make this statement in reply to the gentleman from Minnesota [Mr. SHOEMAKER].

I think the gentleman will find, on inquiry of those who have visited our Federal prisons, that prisoners are humanely treated, that good food is provided, and the health of all prisoners is well cared for by our very efficient Public Health Service. There has been some complaint that we are providing too well for Federal prisoners.

I feel quite sure there is no foundation for just complaint against the treatment of Federal prisoners.

All who have visited our Federal prisons have been favorably impressed with the care and treatment accorded prisoners, so far as my knowledge extends, and no Member of Congress has registered any complaints with the subcommittee, of which I am chairman.

Mr. SHOEMAKER. Will the gentleman yield there?

Mr. OLIVER of Alabama. I yield.

Mr. SHOEMAKER. I just want to mention to the gentleman this fact: The case I am speaking of here is a contempt-of-court case, and this man has done all of a 2-year sentence except 36 days. He will be out of the institution a little after the 1st of March.

Mr. OLIVER of Alabama. The gentleman recognizes that is a matter that we could not be expected to attend to here on the floor.

Insofar as the health of the prisoner is concerned, if the gentleman will call up the Bureau of Public Health, he will find that every possible attention will be given to any prisoner who is sick and in need of medical care.

Mr. SHOEMAKER. I want to call the gentleman's attention also to this fact: Our penitentiaries, officially, are filled with the greatest group of liars and cutthroats imaginable, and they fool everybody who comes to the penitentiary to visit. I know what I am talking about because I lived through it. I know some of the grievances these men have, and I know our penitentiary system is permeated with graft, and I will make this statement off the floor as well as on the floor. I do not have to stand behind any immunity in making this statement. These prisoners are compelled to help with this graft. I have seen men acting as receiving clerks made to sign up for sugar and various other things that never came in, and when they did not sign they would be shot into the hole and made to sleep on cement floors for days.

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, I ask unanimous consent to return to page 46 of the bill for the purpose of offering an amendment.

Mr. OLIVER of Alabama. Mr. Chairman, reserving the right to object, may we have the amendment read?

The CHAIRMAN. For the information of the Committee, the Clerk will read the amendment.

The Clerk read as follows:

Amendment proposed by Mr. KVALE: On page 46, line 16, after the figures, strike out the period, add a colon, and insert: "*Provided*, That none of the money appropriated in this act shall be used for the purchase of any airplane, ordered after the approval of this act, which is equipped or propelled by a Liberty motor or by any motor or airplane engine purchased or constructed prior to July 1, 1920."

Mr. OLIVER of Alabama. The committee will be very pleased to accept the amendment. It is not proposed to use any part of this money for that purpose.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Chairman, may I say that this amendment was introduced last year by the gentleman from Connecticut [Mr. Goss]. Unflagging as he is in his attendance on the floor of the House, he is not present today because of illness. Had the gentleman from Connecticut been here today, I know he would have offered this amendment and it would have been accepted as overwhelmingly as it was last year.

This amendment has been in the appropriation bills for the past 4 years, and I thank the chairman for accepting the amendment which I have proposed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. KVALE].

The amendment was agreed to.

The Clerk read as follows:

Total, Bureau of Standards, $1,436,908, of which amount not to exceed $1,256,395 may be expended for personal services in the District of Columbia.

Mr. KVALE. Mr. Chairman, I move to strike out the last word. I should like to ask the chairman of the subcommittee if it is true that the committee has adhered to the recommendations of the Bureau of the Budget for the Bureau of Standards for the fiscal year?

Mr. OLIVER of Alabama. We have deducted nothing from the recommendations of the Bureau of the Budget. This Bureau has been severely cut in its appropriations, but under the direction of its very able Director it is the hope of the committee that it continue to function efficiently within the limits of the appropriations carried.

Mr. KVALE. I was much impressed with the statement of Dr. Briggs before the subcommittee, and I am wondering if the chairman would object to my getting unanimous consent to insert that brief statement as a part of my remarks.

Mr. OLIVER of Alabama. I should be very glad to have it inserted.

Mr. KVALE. Mr. Chairman, I ask unanimous consent to insert the statement as a part of my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

BUREAU OF STANDARDS,
Thursday, January 4, 1934.

STATEMENT OF DR. LYMAN J. BRIGGS, DIRECTOR

Mr. OLIVER. We will now take up the next appropriation for the Bureau of Standards. We have with us Dr. Briggs, the director of this service.

Doctor, if you would like to make a brief general statement in reference to the work of the Bureau of Standards, this is the appropriate place to do so, and we shall be glad to hear whatever statement you wish to submit.

EFFECT OF REDUCTION IN APPROPRIATIONS UPON PERSONNEL AND WORK OF BUREAU

Dr. BRIGGS. Mr. Chairman, the appropriation by Congress for the present fiscal year for the Bureau of Standards amounted to $2,056,045. Of this amount over $720,000 was impounded under the economy program, so the funds available to the Bureau for expenditure for the present fiscal year are limited to $1,336,000, or less than one half of the appropriation for 1932.

Operating expenses last year were reduced to the absolute minimum, so that this additional cut of $720,000 could only be met by a severe reduction in the Bureau's staff, and it was necessary to separate or furlough indefinitely nearly one third of our staff as of last July. The staff on June 30, 1933, numbered 946 employees, while on January 1, 1934, the number was 658.

The numerous lines of work which the Bureau of Standards is called upon to perform require the services of many men and women who are specialists in their particular fields. In order to retain those who are absolutely essential for our work it was necessary to impose upon all members of the staff an additional departmental furlough of 15 days without pay, so the Bureau personnel at the present time is operating on a total salary reduction of about 20 percent below the base pay.

While the heavy cuts in all Bureau appropriations last July necessitated a curtailment of every line of work, there were certain activities which had to be supported at the expense of others. For example, it was necessary to continue the testing for other Government departments in order to determine whether equipment and supplies purchased under Federal specifications conformed to the specifications. It was also necessary for the Bureau to maintain the primary and essential service of calibrating thermometers, graduated glassware, gages, weights, and electrical, optical, and mechanical measuring instruments in terms of the national standards when called upon to do so by scientific and industrial laboratories. It was also necessary to continue to answer the great number of daily inquiries for authentic technical information on every conceivable subject within the Bureau's field. This is a service which every citizen of the country apparently believes he is entitled to receive from a Government bureau, irrespective of curtailment of supporting appropriations.

Faced with these and other services that had to be maintained, the burden of retrenchment fell still more heavily upon other important Bureau activities. The appropriation for the investigation of technical problems of mutual interest to the Government and to engineering societies and trade associations was cut to 12 percent of that for 1932. The semifactory scale work on levulose, undertaken to provide a basis for the possible development of a national sugar industry through the cultivation of artichokes, was discontinued. The laboratory for the investigation of the principles underlying the sensitivity of photographic emulsions was closed. The branch stations of the Bureau located at Columbus, Ohio, and at Tuscaloosa, Ala., were also closed. The master scale station near Chicago is being operated only 1 month during each quarter instead of continuously as heretofore. The commercial standards groups, including the Divisions of Building and Housing, Simplified Practice, Specifications, and Trade Standards, were reduced to a skeleton organization, with funds cut to about 12 percent of the 1932 appropriation.

These are only specific cases. The greater part of the reduction had to be met by a general curtailment of the scientific and technical research of the Bureau covering the development of new standards, the refinement of methods of measurement, and the determination of physical constants and the properties of materials.

The ability of a member of the Bureau staff to speak with authority in his particular field comes in large part from his intimate contact with his subject through his laboratory work. The opportunity to contribute through laboratory research to the advancement of knowledge in its particular field must not be denied to the Bureau if its prestige and authority are to be maintained.

The Clerk read as follows:

Retired pay: For retired pay of officers and employees engaged in the field service or on vessels of the Lighthouse Service, except persons continuously employed in district offices and shops, $480,510.

Mr. BACON. Mr. Chairman, I want to call the attention of the committee to the fact that there have been rumors and statements in the press that possibly there may be an amalgamation of the Lighthouse Service with the Navy. Why the Navy Department should want the Light House Service I cannot imagine. The Lighthouse Service is one of the most efficient departments of the Federal Government. It is a civilian humanitarian service for the protection of life at sea along our cost. It is run in the interest of the commerce of the United States, and it ought to remain in the Department of Commerce. I want to protest against any possibility that the Lighthouse Service may be transferred to the Navy Department. [Applause.]

Mr. KVALE. May I ask the gentleman to broaden the scope of his resentment to include the proposed transfer of the Coast Guard?

Mr. BACON. I have made my protest against the transfer of the Coast Guard in no uncertain terms and have, with other Members of the House, made that protest to the President.

Mr. KVALE. I am very glad to hear that.

The Clerk read as follows:

Mining experiment stations: For the employment of personal services, purchase of laboratory gloves, goggles, rubber boots and aprons, the purchase not to exceed $3,000, exchange as part payment for, maintenance and operation of motor-propelled passenger-carrying vehicles for official use in field work, and all other expenses in connection with the establishment, maintenance, and operation of mining experiment stations, as provided in the act authorizing additional mining experiment stations, approved March 3, 1915 (U.S.C., title 30, sec. 8), $127,036, of which amount not to exceed $11,800 may be expended for personal services in the District of Columbia.

Mr. CHASE. Mr. Chairman, I move to strike out the last word.

In the Lakes States one of the great industries is the mining of iron ore. It is one of the largest and most valuable industries in Minnesota, and the most vital problem which confronts the mining of iron ore in Minnesota is the mining, beneficiation, and transportation of low-grade ores, in order that the life of the activity may be prolonged through the use of those large deposits of low-grade ores which under existing conditions are not regarded as merchantable.

At Minneapolis in connection with the University of Minnesota is a United States mining experiment station. There has just come to me a communication from the director of the division of mines and minerals of the conservation department of Minnesota. The first paragraph of that letter is, in part, as follows:

The January issue of the Journal of the American Mining Congress carries an article, that, for the sake of economy, the United States Bureau of Mines discontinue the service of its research stations throughout the country and consolidate others. This plan would remove the Federal unit now at the University Mines Experimental Station * * *.

On page 22 of the committee report on this bill appears the following statement:

Committee approval is given to the estimates of the Bureau of Mines as submitted in the Budget. The amount recommended to be carried in the bill is $1,197,926, which is $316,374 under the 1934 appropriations.

The activities of this Bureau have been reduced nearly 40 percent. Approximately 200 employees were dismissed and 15 days administrative furlough imposed on those remaining. Nine of the 11 rescue cars have been laid up and emergency service in case of mine disaster is now being supplied by trucks equipped with rescue apparatus. The importance of the work of this Bureau is recognized by the committee and if it should later be found that any of the Bureau's essential activities cannot be efficiently carried on within the limits of the appropriations, we are sure that on a proper showing due consideration will be given thereto by the Bureau of the Budget.

I have asked for the privilege of the floor in order to inquire of the distinguished chairman of this committee, what effect, if any, the amount of this appropriation will have on the United States mining experiment station located in Minneapolis; and whether or not there is any plan to abolish that experiment station or to transfer it by consolidation or otherwise to some other city?

Mr. OLIVER of Alabama. It is not the purpose of the committee to give any approval to the recommendations from which the gentleman read. In fact, we think that these mining stations are performing a very useful service. The gentleman will recall that the committee of its own volition called attention to the large reduction here and suggested that it might be carefully studied with a view of going over again with the Bureau of the Budget some of the elements, so that if they could not officially function within the limits of the appropriation here, the committee would feel friendly to any recommendation that the Budget might submit for an increase.

Mr. CHASE. Then, so far as the chairman knows, there is no plan contemplated now to abolish that United States experiment station at Minneapolis, to consolidate it with another, or to transfer it.

Mr. OLIVER of Alabama. The bill provides for continuing the experiment stations at Minneapolis and other places, and certainly it would be against the judgment of the committee reporting this bill and I think of the House to discontinue these stations.

Mr. CHASE. It would be against the opinion of the committee and against the gentleman's desires?

Mr. OLIVER of Alabama. Yes.

Mr. BACON. Will the gentleman yield?

Mr. CHASE. Gladly.

Mr. BACON. It might be well to include in the RECORD that Mr. Turner, head of the Bureau of Mines, states, page 294 of the hearings:

This appropriation provides funds for the investigative work carried on at the Bureau's experiment stations at Seattle, Wash.; Tucson, Ariz.; Minneapolis, Minn.; Rolla, Mo.; Tuscaloosa, Ala.; New Brunswick, N.J.; Salt Lake City, Utah; and Reno, Nev. This work comprises conservation of mineral resources, reduction of waste, and economic development in the mineral industries through improvement of methods for concentrating and treating ores and mineral products.

He states that this will provide for this service.

Mr. CHASE. I thank the distinguished gentleman.

While I have the floor, may I ask the Chairman one more question?

I quote from page 287 of the hearings, where Hon. Scott Turner, Director of the Bureau of Mines, says, in referring to the entire appropriation item for the Bureau of Mines:

The amount estimated to be available for salaries is over $80,000 short of enough to pay 100 percent salaries full time. This amount is equivalent to 24 days' furlough to all employees.

On page 295 Mr. Turner, referring to the mining experiment stations, continues:

In 1934 the cut of $75,784 was met by discharging 13 employees, practically eliminating travel, reducing supply allotments below the level for efficient work, and by requiring every employee to take 15 days' furlough. The further reduction of $3,924 will necessitate 24 days' furlough throughout the division.

On both sides of this aisle, regardless of partisan politics, there is the general feeling that underpaid Federal employees should have their wages restored to them in full. Here in this bill, as I understand it, there is returned 5 percent only to those employees whose salaries are covered by the appropriation item now under discussion, thus leaving a 10-percent cut. But on top of this 10-percent cut we are providing now for a 24-day payless furlough. That means an additional 15-percent cut on top of the 10-percent cut. Is there any way that this committee and the distinguished chairman can work out a plan so that we can treat these employees more fairly? Surely there is no reason for discrimination against them.

It is my recollection that when the University of Minnesota inaugurated its wage-reduction program, those employees drawing annual salaries of less than $1,200 were exempt. Yet employees of the United States experiment station, regardless of their annual wage, apparently are being subjected to a pay cut that in fact approximates 25 percent. Can the committee work out some plan so that these employees will not suffer more of a salary cut than 10 percent?

Mr. OLIVER of Alabama. There are some who prefer a furlough to being discharged. I do not think that there is any disposition to discriminate against the Bureau of Mines. The committee called attention to the large reduction and suggested it might well be gone over again by the Bureau of the Budget, and if it was found that the cut was too severe, supplemental estimates could be submitted by the Budget. I think it would be very well for the gentleman, knowing the subject as well as he does, to go over it carefully with the Director of the Bureau, and I will be very glad to consult with the gentleman relative to his apprehension lest insufficient funds are carried.

Mr. CHASE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. CHASE] has expired.

The Clerk read as follows:

None of the money herein or heretofore appropriated or authorized shall be used to make loans to any corporation with which the Postmaster General has made a contract for the carrying of mail under the provisions of the Merchant Marine Act of 1928, which contract has not been approved by the Comptroller General.

Mr. BLAND. Mr. Chairman, I make a point of order to the paragraph just read, page 100, lines 6 to 11, as legislation on an appropriation bill. I think the chairman practically conceded that in his report.

Mr. OLIVER of Alabama. I think the gentleman's point of order is well taken.

The CHAIRMAN (Mr. LOZIER). The Chair sustains the point of order.

The Clerk read as follows:

Commissioners of conciliation: To enable the Secretary of Labor to exercise the authority vested in him by section 8 of the act creating the Department of Labor (U.S.C., title 5, sec. 611) and to appoint commissioners of conciliation, traveling expenses, telegraph and telephone service, and not to exceed $14,635 for personal services in the District of Columbia, $185,630: *Provided*, That the salary paid to any commissioner of conciliation out of this appropriation shall not exceed $10 per day.

Mr. OLIVER of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. OLIVER of Alabama: Page 102, line 19, strike out the colon and all language thereafter down to and including the word "day" on line 21.

The committee amendment was agreed to.

The Clerk read as follows:

UNITED STATES EMPLOYMENT SERVICE

For carrying out the provisions of the act entitled "An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933; rent in the District of Columbia and elsewhere; traveling expenses, including expenses of attendance at meetings concerned with the work of the United States Employment Service when specifically authorized by the Secretary of Labor; law books, books of reference and periodicals, printing and binding, supplies and equipment, telegraph and telephone service, and miscellaneous expenses, $1,590,000; of which amount not to exceed $135,000 shall be available for personal services in the department in the District of Columbia; and of such sum of $1,590,000 not more than $1,125,000 shall be apportioned to the States, and the remainder shall be available for all other purposes.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word. I understand the chairman of the committee intends to ask unanimous consent to return to this paragraph later?

Mr. OLIVER of Alabama. Yes, Mr. Chairman; I ask unanimous consent that the reading of the bill be concluded, and that we then return to this section known as "United States Employment Service."

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. CONNERY. Reserving the right to object, I understand the chairman will give us an opportunity to debate it?

Mr. OLIVER of Alabama. Oh, yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Page 107, line 13, after the semicolon and before the word "rent", insert the following language: "personal service and".

The committee amendment was agreed to.

The Clerk read as follows:

UNITED STATES HOUSING CORPORATION

Salaries and expenses: For officers, clerks, and other employees, and for contingent and miscellaneous expenses, in the District of Columbia and elsewhere, including blank books, maps, stationery, file cases, towels, ice, brooms, soap, freight and express charges, communication service, travel expense, printing and binding not to exceed $150, and all other miscellaneous items and expenses not included in the foregoing and necessary to collect and account for the receipts from the sale of properties and the receipts from the operation of unsold properties of the United States Housing Corporation, the Bureau of Industrial Housing and Transportation, property commandeered by the United States through the Secretary of Labor, and to collect the amounts advanced to transportation facilities and others; for payment of special assessments and other utility, municipal, State, and county charges or assessments unpaid by purchasers, and which have been assessed against property in which the United States Housing Corporation has an interest, and to defray expenses incident to foreclosing mortgages, conducting sales under deeds of trusts, or reacquiring title or possession of real property under default proceeding, including attorney fees, witness fees, court costs, charges, and other miscellaneous expenses; for the maintenance and repair of houses, buildings, and improvements which are unsold; in all, $9,080: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding $4,000 per annum, and only one person may be employed at that rate: *Provided further*, That no part of the appropriations heretofore made and available for expenditure by the United States Housing Corporation shall be expended for the purposes for which appropriations are made herein.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word.

I do so, Mr. Chairman, for the purpose of giving credit where credit is due. When the Clerk shall have read two more lines the reading of this 109-page appropriation bill supplying annual funds for the Departments of State, Justice, Commerce, and Labor for the next fiscal year will have been completed. Then, with the discussion of a few yet undetermined amendments, the approval of this bill and amendments in the House will be a perfunctory matter, requiring only a few minutes.

To Members here who are unfamiliar with the method of framing this bill or with the extensive hearings upon which the amounts appropriated for the respective services are based, this will be merely the passage of just another appropriation bill. But to those of us who are familiar with the weeks of tedious hard work on it performed by our good friend, the distinguished gentleman from Alabama [Mr. OLIVER], chairman of the subcommittee in charge of it, and by the members of his subcommittee, it is the culmination of hard work ably, efficiently, and conscientiously performed. I cannot permit the reading of the bill to be concluded without asking the House to pause for a moment to commend our colleagues for arduous and important work well done.

There is not another Member of this Congress, House or Senate, who knows more about the intimate details of the business of these four Departments of government than our good friend, "BUCK" OLIVER of Alabama. He has been ably assisted in his work by our colleagues the gentleman from New York [Mr. GRIFFIN], the gentleman from South Carolina [Mr. MCMILLAN], the gentleman from Virginia [Mr. WOODRUM], and our two good friends from the minority, the gentleman from New York [Mr. BACON], and the distinguished lady from California [Mrs. KAHN].

There is no telling how much money the gentleman from Alabama [Mr. OLIVER] has saved our Government during the years by cutting useless amounts from appropriations for these four Departments. No head of department or bureau chief has ever been a match for him. He always knows more about their business than they do, and they have never been able to put anything over on him. He knows where they are extravagant. He knows where they are wasteful. He knows when they are exceeding the limitations placed on them by law. He holds them in line.

While I am not in the good graces of the Washington Post, I am grateful to it for the deserved tribute it this morning paid to our friend from Alabama. I quote the following from this morning's issue of the Washington Post:

REPRESENTATIVE OLIVER, STAR AT ALABAMA

Impatiently awaiting a break in the weather and the return of balmy days is Congressman W. B. OLIVER, of Alabama, who rises with the dawn; former star athlete at the University of Alabama, where he was a catcher for the Crimson Tide's southern championship teams.

"BUCK" OLIVER left the University of Alabama with a record of never permitting a stolen base during his 4 years as varsity catcher for the Crimson Tide. He is an incurable baseball and football fan and follows avidly the week-to-week success of Alabama's famed football teams.

With a record of never having been opposed for his seat in the House since his first campaign, OLIVER is rounding out 20 years in Congress and has already filed his candidacy for the new term.

He is a prominent member of the Appropriations Committee, and chairman of the subcommittee on Departments of State, Justice, Commerce, and Labor. He is a frequent visitor to the White House on congressional affairs. The administration has no more enthusiastic supporter.

"BUCK" OLIVER is just as good behind the bat here in Congress for all America as he was for the "Crimson Tide" at the University of Alabama. They do not steal any bases on him here. He unerringly throws them out at all bases. His place here could hardly be filled by another. He is a most valuable public servant.

Every one of the many limitations and restrictions in this bill have been specially designed and put there by the gentleman from Alabama and his able subcommittee to safeguard and protect the Public Treasury. They keep the various funds from being improperly expended. They stop the waste. They stop the extravagance. I am sorry that our good friend, the distinguished gentleman from Virginia, saw fit to strike out one of these safeguarding limitations a while ago on a point of order. In the wide experience the Chairman has had in framing this bill year after year, and in his matchless wisdom, and the earnest desire he has to properly save the tax money of the people from wasteful spending, he placed that limitation in the bill to safeguard it. Of course, there is a way, which I am sure the gentleman from Alabama will pursue, to put this limitation back into the bill, and it will likely be put back before the bill finally becomes law.

The gentleman from Alabama [Mr. OLIVER] and our friend the gentleman from New York [Mr. BACON], who is the ranking minority member, and this efficient subcommittee, who framed this four-department bill, deserve the thanks and commendation of the entire Congress. [Applause.]

The Clerk read as follows:

This title may be cited as the "Department of Labor Appropriation Act, 1935."

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 107, line 20, after the word "expenses", strike out "$1,590,000" and insert "$3,700,000."

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CONNERY. Mr. Chairman, when we passed the Wagner-Peyser bill at the last session, the House and Senate by that act authorized the appropriation of $4,000,000 over a period of 3 years. There was provided $1,500,000 for the first year, and for the following 3 fiscal years $4,000,000 for each year.

UNITED STATES DEPARTMENT OF LABOR,
EMPLOYMENT SERVICE,
Washington, February 2, 1934.

Hon. WILLIAM P. CONNERY, Jr.,
Chairman Committee on Labor,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN CONNERY: In answer to your specific request I beg to submit the following statements:

(1) The act creating the present United States Employment Service authorized an appropriation of $1,500,000 for the fiscal year 1934; and authorized an appropriation of $4,000,000 for each of the 3 succeeding fiscal years.

(2) This enabling act further provides that "75 percent of the amounts appropriated under this act shall be apportioned among the several States in the proportion which their population bears to the total population of the United States."

(3) The amount of the appropriation for the current fiscal year available for apportionment to the States is $1,125,000. The amount proposed to be appropriated by the present session of Congress for such purposes next year is the same amount. This is $1,875,000 less than the amount requested for distribution among the States, so far as concerns the fiscal year 1935.

(4) Budget estimates submitted by the United States Employment Service to the Bureau of the Budget have requested appropriations for the fiscal year 1935 aggregating $4,000,000. Of this total sum $3,000,000 was for distribution to the States. Of the additional $1,000,000, $789,000 was estimated for all other administrative purposes. The balance of $211,000 was proposed as a contingent fund for further aid to the States.

(5) In the President's Budget this estimated amount was reduced by $300,000, but without indication of where the cut should be made.

(6) The President's Budget as submitted to Congress recommended an appropriation of $3,700,000 for the United States Employment Service. This is the amount which we believe is necessary to properly carry on the activities of the service as outlined in the Wagner-Peyser Act.

Respectfully submitted.

W. FRANK PERSONS,
Director United States Employment Service.

Now, the Department of Labor, counting on this act which passed Congress and which appropriated $4,000,000 for the 3 years, made certain promises to the States. In other words, to keep faith with the States, we have put this appropriation up where the Budget asked that it be placed, at the figure of $3,700,000, of which $3,000,000 is to go to the States, $190,000 for personal expenditures in the District of Columbia, and the remainder for whatever other purposes may be necessary.

In asking the restoration of this amount to the $3,700,000 which the President asked, which the Secretary of Labor asked, and which the Bureau of the Budget asked, we are only going along on the lines of making a real employment service in cooperation with the States.

May I say further to the Membership that I have not been satisfied at all with the action of the Department of Labor, and particularly the Director of the Employment Service, in administering the provisions of this act as to the veterans. We made it very clear and distinct when the original Wagner-Peyser bill was before the Committee on Labor—in fact, we wrote in amendments in the Committee on Labor which went into the bill and were enacted into law—saying that wherever there was established an employment office there should also be a veterans' employment office. By that we did not mean there had to be two separate offices across the street from each other, one for veterans and the other for unemployed not veterans; but we meant that there should be a veteran appointed in each of these offices in charge of all veterans' employment; that if in the city of Topeka, Kans., for instance, there was established an employment office, that in that office there must be a veteran manager in addition to the other employment manager, and that the veteran's sole duty would be to get positions for veterans. The reason for this is plain, is patent, is simple, for a disabled veteran cannot get a position as easily as an able-bodied man not a veteran.

We want a veteran to work for his buddy. If the House sees fit to pass this amendment that I have offered, I want the Secretary of Labor to know and the Director of the Employment Service to know that it is the sense of this House that the veteran provisions already in the law must be interpreted correctly and not by someone's legal say-so in the Department of Labor, and that the sense of this House is that there is to be a veteran in charge of the veterans' offices who will get jobs for veterans and veterans alone. That is plain enough in the law, and we want the law enforced.

Mr. BACON. May I say to the gentleman that we have allowed every penny for the Veterans' Reemployment Service that the Labor Department asked for in this item. We have not cut this item one single penny.

Mr. CONNERY. I will say to the gentleman that I am not blaming his committee or saying the committee cut the veterans. But I do know that the Secretary of Labor asked for $3,700,000 and not $1,590,000.

Mr. BACON. A large part of the cut in this item is in connection with the service here in Washington. We did not wish to create a huge bureau here in Washington that is unwieldy. They have plenty of money in this appropriation to put into the States to take care of the Veterans' Employment Service and to take care of the Farm Replacement Service, but we have cut the force in Washington because we did not want to have an unwieldy force in Washington.

Mr. CONNERY. The committee did more than that, because of the $3,700,000, $3,000,000 goes to the States and $190,000 for personal services in the District, and the remainder for all other purposes, administration and everything else. The gentleman knows that the Secretary of Labor asked for $3,700,000.

Mr. BACON. We have given them every penny that they asked for for veterans' service and for the farm service. The cuts have come elsewhere.

Mr. CONNERY. The Secretary of Labor asked for $3,700,000 and you gave them $1,590,000.

Mr. BACON. Plus the $422,000 that has been appropriated and which they could not use this year. So that the total they will get is over $2,000,000.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RANDOLPH. In the various counties of the State of West Virginia they have not had a separate veterans' office, but they do require that the manager of the county office be a veteran. Do you believe that this carries out the letter of the law?

Mr. CONNERY. No; of course not. We made it plain that there was to be a veteran manager in the office as well as a manager in the office. Two managers—one a veteran to get jobs for veterans, the other a manager to get jobs for all who were not veterans. These provisions of the law clearly are being violated.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. OLIVER of Alabama. In view of the sentiment of the House, I would like to ask that the Committee now rise and that we take this matter up on Tuesday, at which time the gentleman will have 3 minutes.

Mr. CONNERY. In view of the lateness of the hour, I have no objection to doing that if the Committee wishes to rise now.

Mr. OLIVER of Alabama. I think it would be fairer to the gentleman.

Mr. CONNERY. I would be glad to do that. We will take it up on Tuesday?

Mr. OLIVER of Alabama. Yes.

Mr. CONNERY. I have no objection to that.

Mr. OLIVER of Alabama. Mr. Chairman, the committee has by unanimous consent limited the debate on the only remaining paragraph of the bill to 40 minutes, 5 minutes of which have been consumed by the gentleman from Massachusetts. He will have 3 additional minutes when this bill is taken up again, and the balance of the time will be allocated to the gentlemen against the amendment.

Mr. KVALE. Will the gentleman take note of the three who wish to speak for the amendment?

Mr. CONNERY. Mr. KVALE, Mr. PEYSER, and Mr. GRISWOLD.

Mr. OLIVER of Alabama. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 7513) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes, had come to no resolution thereon.

COMMEMORATION OF THE ONE HUNDREDTH ANNIVERSARY OF THE DEATH OF GENERAL LAFAYETTE

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution, which I send to the desk.

Mr. BACON. Mr. Speaker, I reserve the right to object, pending the reading of the resolution.

The Clerk read the resolution, as follows:

House Concurrent Resolution 26

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a special joint congressional committee to be composed of five Members of the Senate, to be appointed by the President of the Senate and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, which shall make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette, occurring on May 20, 1934.

SEC. 2. The committee shall select a chairman from among its members. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made. The committee shall cease to exist upon making its report as hereinafter provided.

SEC. 3. The committee is authorized to accept and make use of contributions for carrying out the purposes of this resolution and shall file with the Secretary of the Senate and the Clerk of the House of Representatives a report with respect to amounts so received and expended.

Mr. BANKHEAD. Mr. Speaker, I will state to the gentleman from New York that before calling up this resolution I conferred with the minority leader, the gentleman from New York [Mr. SNELL] and the ranking minority member of the Committee on Rules [Mr. MARTIN of Massachusetts].

Mr. BACON. May I say to the gentleman that the minority leader simply asked me to ask the gentleman whether this would result in a charge on the Treasury?

Mr. BANKHEAD. Absolutely not.

Mr. BACON. The gentleman asked me to bring that out. I have no objection.

Mr. BANKHEAD. The gentlewoman from New Jersey [Mrs. NORTON], who was called home on account of the serious illness of her husband, is the sponsor of the resolution and gave assurance to the Committee on Rules that there would be no demand made for an appropriation in connection with this matter.

Mr. BACON. I have no objection.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

INTERNATIONAL NEGOTIATIONS AND POLICIES

Mr. COOPER of Tennessee. By direction of the Committee on Ways and Means I submit the following privileged report.

The Clerk read as follows:

House Resolution 244

Resolved, That the President of the United States is hereby requested, if not incompatible with the public interest, to furnish the House of Representatives with the following information: (1) What war-debt payments have been made since March 4, 1933, by each nation in accordance with the official debt-funding settlements or agreements entered into? (2) What percentage does the sum paid since March 4, 1933, bear to the total amounts due under the official agreements? (3) What, if any, verbal or written assurance or agreement was entered into by the President to accept token payments from Great Britain, Italy, Czechoslovakia, or any other nation? (4) What steps have been taken to induce France, Belgium, or any other defaulting nations to fulfill their obligations in accordance with terms and provisions of the World War debt-funding agreements approved by the Congress? (5) What, if any, verbal or written understanding, assurance, or agreement has been entered into by the present administration offering to accept a reduction in the payment of principal or interest, or both, on any of the war debts since the joint resolution adopted by the Congress, approved December 23, 1931, expressly declaring against further reduction or cancelation of war debts? (6) What, if any, verbal or written assurances have been given or negotiations entered into by the present administration with any foreign nation regarding tariff concessions or trade agreements in respect to war-debt payments?

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the report accompanying the resolution be read. It is very brief.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the report as follows:

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted the following adverse report (to accompany H.Res. 244):

The Committee on Ways and Means, to whom was referred the resolution (H.Res. 244) to request the President of the United States, if not incompatible with public interest, to furnish the House of Representatives certain information with respect to matters relating to international negotiations and policies, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. COOPER of Tennessee. Mr. Speaker, by direction of the Committee on Ways and Means I present another privileged resolution.

The Clerk read as follows:

House Resolution 245

Whereas the Congress of the United States adopted a joint resolution which was approved December 23, 1931, declaring its policy to be against cancelation or further reduction of the war debts; and

Whereas installment payments will come due in June 1934; and

Whereas there is much misunderstanding in this country regarding the nonpayment of war debts by certain nations and the so-called "token payments" by others, which may lead to strained relations between the United States and these nations; and

Whereas a continuation of the policy of repudiation of the World War debt funding agreements will tend to "furnish a subject of unpleasant discussion and possible collision" (words quoted from the message sent to Congress in 1829 by Andrew Jackson regarding nonpayment of spoliation claims by France); and

Whereas American public opinion has become exasperated over the continued nonpayment of war debts by defaulting nations, including France with whom the United States made an unprecedented and generous settlement by only asking for the payment of a sum of money equal to that which we loaned her for relief purposes after the armistice had been signed; and

Whereas the passage of the gold devaluation bill has automatically further reduced the war debts by 40 percent: Therefore be it

Resolved, That the President of the United States is hereby requested, if not incompatible with the public interest, to furnish the House of Representatives with the following information: (1) What war-debt payments have been made since March 4, 1933, by each nation in accordance with the official debt-funding settlements or agreements entered into; (2) what percentage does the sum paid since March 4, 1933, bear to the total amounts due under the official agreements; (3) what, if any, verbal or written assurance or agreement was entered into by the President to accept token payments from Great Britain, Italy, Czechoslovakia, or any other nation; (4) what steps have been taken to induce France, Belgium, or any other defaulting nations to fulfill their obligations in accordance with terms and provisions of the World War debt funding agreements approved by the Congress; (5) what, if any, verbal or written understanding, assurance, or agreement has been entered into by the present administration offering to accept a reduction in the payment of principal or interest, or both, on any of the war debts since the joint resolution adopted by the Congress, approved December 23, 1931, expressly declaring against further reduction or cancelation of war debts; (6) what, if any, verbal or written assurances have been given or negotiations entered into by the present administration with any foreign nation regarding tariff concessions or trade agreements in respect to war-debt payments.

Mr. COOPER of Tennessee. Mr. Speaker, the report on this resolution is the same as that on the other one, and I move that the resolution be laid on the table.

Mr. BLANTON. Before the gentleman does that, will the gentleman yield to me?

Mr. COOPER of Tennessee. I yield.

Mr. BLANTON. Allowing these resolutions to be tabled is no indication of any change of sentiment by the Congress with respect to the war debts?

Mr. COOPER of Tennessee. Certainly not.

Mr. BLANTON. And it is no indication of any sentiment in the Ways and Means Committee that would in any way go contrary to the position taken by the Congress with respect to war debts?

Mr. COOPER of Tennessee. I think not.

Mr. BLANTON. Because if it were, I for one would not permit these resolutions to be passed upon so hurriedly and tabled by unanimous consent, because my position on the war debts is just exactly the same as it was when Congress expressed its sentiment at the time named in the resolutions. It has not changed one bit, and I do not think the sentiment of the Congress has changed. I want to see those debts paid by all foreign countries. I think the position of the great majority of the Members of this House, as well as of the Senate, is exactly the same as the position taken when the Congress last expressed itself. These foreign debts due the United States are debts of honor. This Congress has uncompromisingly insisted that they should be paid. This Congress has expressed itself against any cancelation.

Mr. COOPER of Tennessee. Mr. Speaker, this does not affect that question at all. These resolutions simply called for certain information, and I call attention to the fact that on page 1546 of the RECORD there is a considerable part of substantially the same information called for under a Senate resolution. The information was furnished and will be found on that page of the RECORD. Therefore the Committee on Ways and Means thought there was no necessity for requesting further information of substantially the same character as had already been furnished.

Mr. BLANTON. That is all I wanted to know and to have distinctly understood. I desired to prevent any misinterpretation of this action. Europe must understand that sooner or later these sacred debts of honor must be paid the United States.

Mr. COOPER of Tennessee. Therefore, Mr. Speaker, I move that the resolution be laid on the table.

Mr. KVALE. Will the gentleman yield?

Mr. COOPER of Tennessee. For a question; yes.

Mr. KVALE. Is it the purpose in bringing in these resolutions and then moving to table them, to destroy the privileged status which they would have at the end of the 8-day period?

Mr. COOPER of Tennessee. The resolutions have been referred to the committee and the committee has acted on them, and I am now submitting the report of the committee.

Mr. KVALE. Will the gentleman tell me the author of the resolutions?

Mr. COOPER of Tennessee. The gentleman from New York [Mr. FISH] is the author of both of them.

Mr. KVALE. Was the gentleman given a hearing before the committee or did the committee act in executive session?

Mr. COOPER of Tennessee. The committee acted on them and no hearing was held. So far as I know the gentleman did not request a hearing.

I move that the resolution be laid on the table, Mr. Speaker.

The motion was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made this afternoon by including therein a letter from the Director of the Employment Service of the Department of Labor, Mr. Persons.

The SPEAKER. Is there objection?

There was no objection.

Mr. OLIVER of Alabama. Mr. Speaker, I ask unanimous consent that Members who spoke in Committee of the Whole this afternoon on the appropriation bill for the four Departments be allowed to revise and extend their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

COMPREHENSIVE PLANS FOR FLOOD CONTROL

Mr. WILSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a resolution I introduced today requesting recommendations from the President on a comprehensive flood-control plan.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILSON. Mr. Speaker, among the first in rank of vital and important problems, national in scope and character, pending before the present Congress, are those relating to flood control; improvement for navigation; conservation of natural resources; irrigation and reclamation and elimination of marginal lands for improvement to agriculture; power development and related uses thereof.

Many bills have been introduced and are now pending before committees of the House of Representatives and the Senate for a solution of these problems, all of which in a general way seek to accomplish the same purpose, but as separate and disconnected projects.

Among the legislative measures referred to are many seeking the establishment of certain authorities covering streams and watersheds in every section of the United States.

It is apparent that such an undertaking, fundamental in a definite policy for industrial progress and prosperity and a better balanced national life, should be under one directing authority, and that Congress should by legislation provide for the necessary agencies for planning and executing the projects essential to this national undertaking, to the end that a uniform, consistent, and coordinated policy may be established.

Under the provisions of section 10 of the Flood Control Act of May 15, 1928, and House Document No. 308 of the Sixty-ninth Congress, first session, the Secretary of War, through the Corps of Engineers, has caused surveys to be made, collected data, and compiled information that may insure speedy undertaking for execution of a major portion of the worthy projects embraced within this national policy. The same Government agency can supply the Congress with the additional information that may be required.

THE UNITED STATES POSTAL SERVICE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech made by my colleague the gentleman from Pennsylvania [Mr. KELLY] on the subject of the post office and post roads, made over the radio a few days ago.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of the Honorable CLYDE KELLY, of Pennsylvania, member of the House Committee on Post Offices and Post Roads, January 18, 1934:

Friends of the radio audience, on other occasions I have talked on this program on such subjects as the parcel post, the Air Mail Service, the postal deficit, and congressional legislation. Today I want to use these few minutes in emphasizing to you the human feature of the great United States Postal Service.

The post office is no automatic, mechanical system such as many industries are fast becoming. We are making robots which can do many amazing things. But all our genius will never produce a robot which can read the addresses on letters and post cards and newspapers.

The Postal Service has always been a human institution. It always will be. It depends not on wheels and levers but on the minds and hands of men and women. Across the continent in every city and hamlet and countryside are these human links in the mightiest chain of service established by any people at any time.

Let me call to your minds a group largely forgotten yet not the least important. The postal substitutes are the apprentices of the service, indispensable to its efficient and continuous operation. They have successfully passed the regular civil-service examinations for postions as post-office clerk, city letter carrier, or railway postal clerk. They have been named as substitutes to await vacancies in the regular grades. In the meantime they perform

such duties as may be needed at an hourly rate of pay for the actual hours of employment. Their welfare depends upon the amount of work given them and the promptness of promotion to a regular position.

For 3 years they have been victims of abnormal conditions. Their chance to secure work has been greatly reduced by cutting down service and by reduced volume of mail. Their chance for a regular position has been taken away by the so-called "economy law", which prevented the filling of vacancies in the regular service. Substitutes in the past year, married men with families many of them, have had incomes of $6 a week. From even this pittance pay a deduction of 15 percent was made.

Special-delivery messengers form another group suffering greatly under present conditions. They are required to furnish their own transportation, and their pay comes from fees paid on special-delivery letters. Fifteen percent is deducted from their meager incomes.

At this time, when the Government appeals to every private-industry employer to fix minimum wages below which no worker shall go, it is inconsistent and unjust to have no standard whatever for these faithful groups within the Postal Service. The best thing to help the recovery program would be to put the blue eagle over the post offices of the United States.

That would mean a minimum wage with shorter hours. It would mean the restoration of the 15-percent pay cut for every postal employee. It would mean continuation of the promotions which are an important feature of postal employment. It would mean better service as an example and encouragement to hard-pressed business men.

The additional dollars necessary would go out as good red blood into every commercial artery. It would be spent not once but many times. It would go to the grocer, to the wholesaler, to the manufacturer, and to the farmer. Increased purchasing power is the only cure for the depression. It is the only road to recovery.

The Postal Service comes closer to the people than any other Department of Government. Yet we all accept it as a matter of course, like the air and the sunshine. I wish the American people would visualize this great service as a fraternity of faithful public servants who have transferred their brain and muscle into an institution which has become part of themselves. If you would get that mental picture, some of these present privations in postal employment would soon disappear.

I leave that thought with you. Your Postal Service is 300,000 American men and women engaged in everlasting teamwork for your benefit. This Service has traced every mile in America. It is helping every family in all the land. Every American should use it to the fullest extent, thus increasing its value. One way to speed the recovery for which we all work and pray is to make the United States Post Office in still greater degree a service institution of the people, by the people, for the people.

SHALL PUBLIC SCHOOLS BE CLOSED

Mr. COLLINS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the emergency relief act.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, in the consideration of the bill making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, I propose to offer the following amendment:

On page 2, line 9, after the word "designate", insert the following: ", and such Administrator shall allot $50,000,000 of the appropriation made in this act to the several States and Territories to supplement such funds as may be available in such States and Territories for educational purposes."

The reason this appropriation is needed is too well known to require extended argument.

The free public school of America is actually passing in many localities in this country. In many places where the schools are being kept open, the teachers are the martyrs who are making the sacrifice. Thousands of teachers will receive less than $300 for this year's services, if they are paid at all. And the children, of course, are likewise sufferers. The school term has been shortened to an alarming degree in far too many places, and some of the most important elements of the school curriculum have been dropped. We are confronted with a serious national emergency.

On the one hand, the N.R.A. has said there shall be no more child labor; they must return to school. On the other hand, our States cannot run their schools; they simply have not the money to do so. Tax delinquencies, limited resources, nonmarketable commercial paper have forced States, cities, and school districts to close school. So what is to happen to our children? I said on the floor of the House last year—and I repeat it now—"Our children are citizens of the United States of America, and from the United States of America they have a right to look for help." The Civil Works Administration has already created jobs into which to put workers. While we are delighted to have that done so as to give men and women a chance to earn a living, I feel that the education of the youth of the country is of equal importance, and that the poverty of the States does not justify us in refusing to recognize this responsibility.

I was asked by representatives of the great organizations of women and of labor to help save our schools.

They know what closed schools mean. Children without schools today are not going to develop into the best citizens tomorrow.

I am delighted that there is a man in the White House who places the preservation of human life above the preservation of legalistic formalities. I am delighted that from our President has come the request that additional funds be appropriated for continuing relief measures.

In keeping with the spirit and the letter of President Roosevelt's magnanimous guidance I am asking that a relatively small proportion of these funds to be appropriated be set aside for immediate school relief, and I am sure this House will support me in my effort.

THE DAIRY SITUATION IN THE UNITED STATES

Mr. HENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short letter from the Wisconsin Dairymen's Association, with a letter appended from them to the Secretary of Agriculture, Henry Wallace, on the dairy situation in the United States.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

WISCONSIN DAIRYMEN'S ASSOCIATION,
Fort Atkinson, Wis., January 22, 1934.

Representative C. W. HENNEY,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE HENNEY: We feel that you should be interested in the letter the Wisconsin Dairymen's Association recently wrote the Honorable Henry A. Wallace, Secretary of Agriculture.

A copy is enclosed for your study.

You probably realize, as we do, that every farm-relief measure, with the possible exception of the farm-mortgage program, has worked a positive hardship on the Wisconsin dairymen. The contemplated dairy-control program shows every evidence of a lack of understanding of the dairy business and we feel it the duty of our organization, the oldest dairy organization in this State, to forcefully bring this word to the attention of the powers that be.

A booklet prepared for distribution to business men in our State is also enclosed.

Very truly yours,

WISCONSIN DAIRYMEN'S ASSOCIATION,
J. C. NISBET, *Secretary.*

JANUARY 19, 1934.

Hon. HENRY A. WALLACE,
Secretary of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: From scanty news releases we learn that an allotment plan for the dairy industry is in the making and that a 5-cent processing tax on all butter fat will be levied.

We register a protest in the interest of the dairy farmer of Wisconsin.

The processing tax of 5 cents per pound of fat levied on the farmer delivering to a creamery, cheese factory, or condensery will impose a tax of about 25 percent on his product. The same 5-cent processing tax on the farmer whose product goes into fluid milk amounts to a tax of about 9 percent on his product going into class 1 milk. This tax is discriminatory and against the interests of 90 percent of the dairy farmers of this State. If a processing tax is inevitable, in your opinion, may we suggest that in fairness to all producers this tax shall be levied as a percentage of the price received for butter fat rather than as a flat tax irrespective of market.

From our meager news reports we feel the Froker plan may be your new basis of an allotment program. May we relate that if long association with cows, with men who milk cows, and with the activities of the dairy industry form a basis for intelligent opinion, we would pronounce the Froker plan cumbersome and unworkable. Figures taken from a dairy farm, where there has been no conscious attempt to vary production, show a difference of 25 percent in the actual butter fat produced by the same number of cows in 2 successive years. Breeding difficulties, varying quantity and quality of feed, percent of heifers in the herd,

cows sold for dairy and culling purposes, as well as disease and countless other causes, result in such variations as would make an allotment very hazardous for the dairy farmer.

We should like to repeat part of the letter from the Wisconsin Dairymen's Association mailed to you September 19, 1933:

"Dairy farmers hold the biggest stake in the future as it may be influenced by the Agricultural Adjustment Act. Wisconsin farmers will be sharply affected by the administration of the dairy section of that act.

"Because of the importance of the dairy industry to this State and because of the acute situation caused by the artificial misalinement of this industry with competing groups, we urge upon you the deep consideration of the following 5-point program:

"(1) Indemnity on all milk cows sent to the butcher, including diseased cows and cows positive to Bang's disease.

"(2) Additional indemnity for all cows culled as low producers by regularly organized cow-testing activities as advocated in Hoard's Dairyman program.

"(3) Agreements with those who benefit by either of the above to curtail the raising of heifer calves.

"(4) Subsidizing of cow-testing associations to promote greater efficiency in dairy production.

"(5) Representation by Wisconsin on all boards and consultant groups dealing with activities pertaining to the dairy section of the Agricultural Adjustment Administration."

What consideration this plan was shown we have no way of knowing. The facts tend to show that other proposals receiving preference have worked to the positive detriment of the Wisconsin dairymen.

The facts we would refer to are that for the first half of the year 1933 storage figures showed no tendency toward surplus production. During the last 6 months of 1933 storage of butter jumped 50,000,000 pounds over last year and consumption decreases made up the grand total of 89,000,000 more pounds of butter in storage January 1, 1934, than on the same date a year ago.

Subtracting the butter purchased and to be purchased under Government order, and which we are told will be donated to poor relief and charged to the dairy farmer, storage January 1, 1934, is 141 percent in excess of a year ago.

Dairying is our livelihood in Wisconsin. We forcefully bring this fact to your attention.

Sincerely,

WISCONSIN DAIRYMEN'S ASSOCIATION,
J. C. NISBET, *Secretary.*

THE FARMERS' PLOW-UP PROGRAM

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a short editorial and some statistics.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, ever since the plow-up campaign was inaugurated last spring under the Agricultural Adjustment Act as passed by the last Congress much propaganda has gone out over the country to the effect that cotton, corn, and wheat farmers wasted the money they received for cooperating with the Government in its efforts to reduce farm surpluses and thereby help restore a measure of prosperity to the farmers of America.

Although it was a new and untried field and many injustices were permitted under its operation, it is conceded by all informed persons that the plow-up campaign was a godsend, especially to the cotton farmer in the South, and it is absurd to say that the average farmer sluffed off the money he received or spent it in riotous living. On the other hand, I know the people of the Sixth Congressional District of Oklahoma, whom I have the privilege and the honor of representing in Congress, and who received checks under the so-called "plow-up" program, spent their money with extreme caution. In most cases the checks they received from the Government went to pay pressing debts and buy the urgent necessities of life. In support of this statement, I desire to insert at this point an editorial that I have clipped from the Daily Express, published at Chickasha, Okla., in which are quoted some very interesting facts:

HOW THE PLOW-UP MONEY WENT

What did Oklahoma cotton planters do with the plow-up money which they received from Uncle Sam? Interesting information on this subject is contained in letters which several hundred farmers wrote to the extension division of the State A. & M. College. In general, the answer is that the money which didn't go for debts and taxes was spent for things which the farmers had been doing without during the tough years. In other words, it went into the channels of trade to accelerate industry, thus benefiting all kinds of business. To get a more definite picture of how the money went read some extracts from the farmers' letters:

"I paid my taxes, * * * interest on land note, * * * then I bought a grain drill for $128 and a hayrake for $38. I bought some furniture for my house, and painted it inside, $65. I paid $5.60 for drugs, $2.60 for going to the show, $28.30 for tires and car repairs, $18.70 for coal, $32.80 for groceries, and $10 for hay and feed", wrote a farmer at Altus.

"Notes that the banks thought they would not collect are being paid", wrote a farmer at Carnegie, and continued: "Some farmers in my township were badly in need of clothes and are buying clothes for their families and other necessities of life. There are a very few farmers that are improving their homes. They are paying their old debts, back taxes, and buying clothes for their families first."

At Wapanucka the money was a great help to one farmer who had been sick through August and September. "The money came while I was in bed", he said. His part of it was used to "buy the things necessary to live on in the way of groceries and clothes and for medicine", and it paid the premium on his life insurance.

From McClain County, Julian M. Dyer, county agent, wrote: "One farmer called at this office for his check with clothes practically torn from his body, his bare knees and elbows shining through the holes, and his toes sticking out through his shoes, and his hair showing through the top of his hat. He cashed his check, paid off his mortgage at the bank, and went immediately to the dry-goods store, where he bought a shirt and a pair of overalls. A merchant suggested that he needed a pair of shoes, but received the reply that he had gone barefooted so long that he had gotten used to it."

"The $56 I got paid a $28 debt", wrote a Coleman, Okla., farmer. "Then Gracie, Bill, and I bought a few clothes."

The farmer at Foss, Okla., who wrote, after telling how he paid several hundred dollars in debts, that "I gave the church $31", was not the only one who remembered religious duties. He also "gave the family $50 for some of their needs."

"I am a widow with three children to clothe, feed, and send to school", came one letter from Hollis, Okla. "I plowed up 20 acres of cotton. I get half of what I make. I paid my grocery bill, bought school books, and I used the money for what we just had to have. * * * I paid a few debts. I use what little money I make to live on."

From Hydro, Okla., a farmer related this: "We have a family living across the road from us that started renting this year and he bought his teams and implements on time and paid for them out of the money he received from the cotton that he plowed up. Without this he would have hauled in a bale of cotton at a time and would have lived that up as fast as he got it and left his debts unpaid."

A Mangum merchant reported this to County Agent Ira J. Hollar: "A man, wife, and seven children came in and bought a complete change of clothes for the family. They did not have enough clothes to go to the field to work. Seventy-five percent of the clothing sold to farmers with cotton checks went for work clothes. My business has taken a 140-percent increase in October compared with October 1932."

A lumber dealer there reported that one man paid off a $40 note and bought $75 worth of material to repair his home. Another used his plow-up check of $386 to remodel his home. A hardware dealer reported that stoves and articles such as pressure cookers were sold mostly—pressure cookers which enable the farm wife to can the family's winter meat and vegetables selling four times more rapidly than in October 1932.

THE MONETARY QUESTION

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert therein a letter from the Wall Street Journal dealing with the monetary question, and a reply by the Honorable W. A. Moody, of St. Louis, Mo.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROMJUE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following letter from the Wall Street Journal dealing with the monetary question and a reply by the Honorable W. A. Moody, of St. Louis, Mo. I take pleasure in calling your attention to the reply:

(Will you accept the enclosed genuine German Reichsbank note with our compliments?)

DEAR SIR: If the enclosed German Reichsbank note, once worth a great deal of money, now pays for 1 minute of your time, please consider yourself engaged.

Yes, it's a real Reichsbank note, put out by the German Government. Before the war 100,000 marks were worth $23,820 in our money. But eventually it took a trillion marks to get a mark worth 24 cents in gold.

That is what uncontrolled inflation did to German money. As fast as new marks were circulated the old ones dropped in value, until a man's only chance to get ahead lay in putting his money into goods or real estate or securities, just as fast as he could lay hands upon it.

Even with inflation under perfect control, managed currency, or the commodity dollar, the value of money is bound to drop, while commodities and common stocks and real estate will go up in value.

The question is—where will the profits be the greatest? And what effect will inflation have upon various lines of industry?

That is where the Wall Street Journal can be of genuine help to you. Its facts are not merely timely, but they are derived from

original sources, and their accuracy can be depended upon. But that isn't all. The facts it brings to you each day are interpreted from the standpoint of the investor, and even more from that of the business man, enabling you to invest your money or to plan your business with understanding and foresight.

The Wall Street Journal is the authority for newspapers, economists, market services, and countless statisticians. Yet the information for which you pay them high fees is just as basically available to you in the pages of the daily Wall Street Journal as it is to them.

The enclosed card entitles you to the next 60 issues of the Wall Street Journal for $3. Not only that, but it brings it subject to free examination of the first few copies. If these do not make clear to you the business trend, if they do not show you every phase of business and financial activity, just tell us to cancel and you will be out nothing.

Try it. Let us send you accurate news from the very heart of the financial center of the country now, when that news may be worth more to you than ever in your lifetime. Just mail the enclosed card today.

Sincerely yours,

EDWARD M. STEIN,
Circulation Manager.

JANUARY 27, 1934.

Mr. E. M. STEIN,
Care of Wall Street Journal,
New York, N.Y.

DEAR SIR: Just received your communication, with enclosure, for which please accept thanks. The enclosed genuine German Reichsbank is indeed a very forcible illustration of the evils of uncontrolled inflation. However, I am not impressed by your argument which implies that our Government is rapidly approaching a similar catastrophe.

I do not think you are justified in assuming that this Government will follow in the footsteps of Germany. Conditions are entirely different. Germany had for 4 years carried on a most destructive and unsuccessful war. The Government and her people were completely exhausted, a condition which does not exist here. In fact, had you been entirely fair and free from bias, you would have compared our attempts to devalue the dollar with some nation where conditions were more similar, where the efforts to inflate the currency have resulted successfully.

I have absolutely no fear that Mr. Roosevelt will abuse the power granted him by Congress. His place in history will be determined by the success or failure of his monetary policy, and to assume that he would deliberately lend aid or permit a policy which would compare with the German debasement of her money would be equivalent to admitting that the President is either devoid of ambition or is a plain simpleton. I submit that his entire public life does not warrant you in assuming that he is either.

In your communication you say that "even with inflation under perfect control, managed currency or the commodity dollar, the value of money is bound to drop, while commodities and common stocks and real estate will go up in value." I fully agree with that statement, and that is why I favor the Roosevelt plan. Gold has never circulated, and the President's plan simply recognizes this fact, and rightfully places it in the vaults of the Treasury, where it belongs. For your information I will say that I have no outstanding obligations, and am therefore not attempting to repudiate any debts.

I am actuated wholly by a desire to see commodities and real estate go up, and you admit that will be the result of the President's plan. At the present time land has little value, and cattle, hogs, poultry, and dairy products are selling far below the cost of production. This being admittedly true, I can see no possible way for the Nation to become prosperous except by an increase in value of these basic commodities.

I distinctly remember the disastrous effects of the deflation following the war, and farmers have never completely recovered from that mistaken policy brought about by those whom you serve. You could find plenty of worthless bonds with perhaps no more value than the German marks you sent me. These bonds, not counted by millions but by billions, were sold to trusting customers of those Wall Street bankers you so ably represent. If you ever warned me or anyone of this gigantic fraud, I am not aware of the fact.

I desire to call your attention to the fact that this depression was largely the result of credit inflation, and I do not recall that the Wall Street Journal ever warned the public of the dangers of over credit inflation. This credit inflation was neither managed nor controlled but was permitted to run wild with the explicit endorsement of the then President of the United States. Perhaps, if you would make an effort, you could find tangible evidence of the evils of credit inflation as exemplified by the disastrous results of the fall of 1929. This uncontrolled credit inflation was fostered by Wall Street and made possible by their use of other people's money.

Allow me to suggest that, in my humble opinion, communications such as yours, exhibiting worthless marks are doing more to retard progress than perhaps any other of the many selfish plans to destroy the courageous efforts of the President to restore progress. If successful, he will shackle Wall Street and create prosperity along lines which will in the future insure a more equal distribution of the wealth of the Nation; and this fact is, in my opinion, the true reason for frantic efforts, such as yours, to scare the business public by exhibiting worthless marks.

Your unjustified fright about uncontrolled currency is perhaps heightened by the fact that we now have a President who recognizes the Government's responsibility to the average citizen and also to the citizens who are in distress. He is more anxious to take care of the unemployed than he is in looking after the interests of those who have for years gambled with other people's money. The Morgans, Wiggins, Mitchells, and Loebs have proven that they, when left unexposed, did not hesitate to resort to the most unethical methods to protect a favored few while fleecing their trusting patrons.

A careful perusal of the above will, I am sure, explain to you why I am not enclosing the $3 you request that I send you.

With the very kindest personal regards, I remain,

Most respectfully,

W. A. MOODY.

LEAVE OF ABSENCE

Mr. KEE, by unanimous consent, was given leave of absence, for 4 days, on account of important business.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. WARREN. Reserving the right to object, Mr. Speaker, I should like to ask the gentleman a question. This is the second session of the Seventy-third Congress. At the first session the Private Calendar was never called. There are about 12 or 15 pages of cases on the calendar reported out by the committee, and I am wondering when the House is going to give an opportunity to call that calendar.

Mr. BYRNS. I have answered that before. If the tax bill is not taken up next week, we may give 1 or 2 days to the Private Calendar. If the tax bill should be reported and it is necessary to consider that, we hope to consider the Private Calendar soon.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J.Res. 250. Joint resolution to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934.

ADJOURNMENT

On motion of Mr. BYRNS (at 5 o'clock and 40 minutes p.m.), the House, under its previous order, adjourned until Monday, February 5, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

336. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture for the fiscal year 1934, to remain available until June 30, 1935, in the sum of $75,000 for the purpose of securing foreign plant material for use in soil erosion control work (H.Doc. No. 235); to the Committee on Appropriations and ordered to be printed.

337. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture for the fiscal year 1934, to remain available until June 30, 1935, amounting to $2,354,893, for cooperative control of an anticipated outbreak of grasshoppers which threatens serious crop damage in the States of Idaho, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming (H.Doc. No. 236); to the Committee on Appropriations and ordered to be printed.

338. A letter from the Clerk of the House of Representatives, transmitting for reference to the committee having jurisdiction, a letter from Dr. John J. Casey, contestant in the contested-election case of *John J. Casey* v. *C. Murray Turpin* from the Twelfth Congressional District of the State of Pennsylvania to the Seventy-third Congress (H.Doc. No. 237); to the Committee on Elections No. 3 and ordered to be printed.

339. A letter from the Secretary of War, transmitting draft of a bill for the relief of James Slevin, of Island Park, Long Island, N.Y., with a view to its enactment into law; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCHANAN: Committee on Appropriations. H.R. 7527. A bill making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes; without amendment (Rept. No. 520). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H.R. 7521. A bill to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes; with amendment (Rept. No. 521). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H.R. 6228. A bill to provide for the appointment of a commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia; with amendment (Rept. No. 522). Referred to the Committee of the Whole House on the state of the Union.

REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 1362. A bill for the relief of Edna B. Wylie; without amendment (Rept. No. 490). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1418. A bill for the relief of W. C. Garber; with amendment (Rept. No. 491). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1486. A bill for the relief of Willard F. Holteen; with amendment (Rept. No. 492). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1724. A bill providing for settlement of claims of officers and enlisted men for extra pay provided by act of January 12, 1899; with amendment (Rept. No. 493). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1893. A bill for the relief of Irvin Pendleton; with amendment (Rept. No. 494). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1939. A bill for the relief of William L. Jenkins; without amendment (Rept. No. 495). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1943. A bill for the relief of A. H. Powell; without amendment (Rept. No. 496). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2026. A bill for the relief of George Jeffcoat; with amendment (Rept. No. 497). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2054. A bill for the relief of John S. Cathcart; without amendment (Rept. No. 498). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2169. A bill for the relief of Edward V. Bryant; without amendment (Rept. No. 499). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2194. A bill for the relief of the Noank Shipyard, Inc.; without amendment (Rept. No. 500). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2321. A bill for the relief of Capt. J. O. Faria; with amendment (Rept. No. 501). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2322. A bill for the relief of C. K. Morris; with amendment (Rept. No. 502). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2337. A bill for the relief of Harry L. Haberkorn; with amendment (Rept. No. 503). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2414. A bill for the relief of Emerson C. Salisbury; without amendment (Rept. No. 504). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2416. A bill for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan; without amendment (Rept. No. 505). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2418. A bill for the relief of certain claimants at Leavenworth, Kans., occasioned through damage to property inflicted by escaping prisoners; without amendment (Rept. No. 506). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2433. A bill for the relief of Anna H. Jones; without amendment (Rept. No. 507). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2541. A bill for the relief of Robert B. James; without amendment (Rept. No. 508). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2558. A bill for the relief of G. Elias & Bro., Inc.; without amendment (Rept. No. 509). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2561. A bill for the relief of G. Elias & Bro., Inc.; without amendment (Rept. No. 510). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2650. A bill for the relief of the Texas Military College, of Terrell, Tex.; without amendment (Rept. No. 511). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2667. A bill for the relief of Cora A. Bennett; with amendment (Rept. No. 512). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2682. A bill for the relief of Bonnie S. Baker; without amendment (Rept. No. 513). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2689. A bill for the relief of Joseph Shabel; with amendment (Rept. No. 514). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2692. A bill for the relief of Lula A. Densmore; with amendment (Rept. No. 515). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2748. A bill for the relief of A. C. Francis; without amendment (Rept. No. 516). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2749. A bill for the relief of E. B. Rose; without amendment (Rept. No. 517). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2750. A bill for the relief of E. G. Doty; with amendment (Rept. No. 518). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7437. A bill for the relief of E. C. West; without amendment (Rept. No. 519). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. COOPER of Tennessee: Committee on Ways and Means. House Resolution 244. Resolution requesting infor-

mation in regard to war debts (Rept. No. 523). Laid on the table.

Mr. COOPER of Tennessee: Committee on Ways and Means. House Resolution 245. Resolution requesting information in regard to war debts (Rept. No. 524). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H.R. 3390) granting a pension to Mary P. Paul, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. NORTON: A bill (H.R. 7580) to license and register master electricians, master fixture hangers, journeymen electricians, and journeymen fixture hangers engaged in the business of installing, repairing, or maintaining electric wiring, fixtures, apparatus, and appliances for light, heat, or power in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DIES: A bill (H.R. 7581) to authorize a board composed of the President, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture to negotiate with foreign buyers with the view of selling American agricultural surplus products at the world-market price and to accept in payment therefore silver coin or bullion at such value as may be agreed upon which shall not exceed 25 percent above the world-market price of silver, and to authorize the Secretary of the Treasury to issue silver certificates based upon the agreed value of such silver bullion or coin in payment for the products sold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. VINSON of Georgia: A bill (H.R. 7582) to repeal certain provisions of the Naval Appropriation Act of March 2, 1907, as amended by the Naval Appropriation Acts of March 3, 1909, and August 29, 1916, relating to statutory limit for repairs or changes on naval vessels; to the Committee on Naval Affairs.

By Mr. BACHARACH: A bill (H.R. 7583) providing for the examination and survey with a view to building a canal across Cape May County, N.J., from Cape May Harbor to the Delaware Bay; to the Committee on Rivers and Harbors.

By Mr. HUGHES: A bill (H.R. 7584) to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians; to the Committee on Indians Affairs.

By Mr. SMITH of Virginia: A bill (H.R. 7585) to amend section 559 of the Code of the District of Columbia as to restriction on residence of members of the fire department; to the Committee on the District of Columbia.

Also, a bill (H.R. 7586) to amend section 483 of the Code of the District of Columbia as to residence of members of the police department; to the Committee on the District of Columbia.

By Mr. DISNEY: A bill (H.R. 7587) providing for the erection of a public building in the city of Pawhuska, Osage County, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. BACON: A bill (H.R. 7588) providing for the examination and survey of Nissequogue River, Long Island, N.Y.; to the Committee on Rivers and Harbors.

By Mr. COLLINS of Mississippi: A bill (H.R. 7589) to enable the people of the Philippine Islands to adopt a constitution for a free and independent government, and for other purposes; to the Committee on Insular Affairs.

By Mr. BACHARACH: A bill (H.R. 7590) authorizing the Beach Erosion Board to consider and recommend certain public works for the improvement and protection of the beaches along the shores of the United States; to the Committee on Rivers and Harbors.

By Mr. PALMISANO: A bill (H.R. 7591) to authorize the purchase of certain parcels of land in squares 3182 and 3184 in the District of Columbia by the Commissioners of the said District, and for other purposes; to the Committee on the District of Columbia.

By Mr. EDMONDS: A bill (H.R. 7592) to amend the Interstate Commerce Act, approved February 4, 1887, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. GAVAGAN: A bill (H.R. 7593) to authorize the Secretary of War to prosecute the work of improvement of the New York State Barge Canal, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. LEWIS of Maryland: A bill (H.R. 7594) to provide for publicity of executive and administrative rules, regulations, and orders; to the Committee on the Judiciary.

By Mr. PIERCE: A bill (H.R. 7595) to authorize and direct the Secretary of the Interior to set aside certain land in Klamath County, Oreg., and to create a grazing district thereon; to the Committee on the Public Lands.

By Mrs. JENCKES: A bill (H.R. 7596) to amend subsection (a) of section 4, title II, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933; to the Committee on Expenditures in the Executive Departments.

By Mr. CONDON: A bill (H.R. 7597) declaring November 11 as a legal public holiday, to be known as "Armistice Day"; to the Committee on the Judiciary.

By Mr. LUNDEEN: A bill (H.R. 7598) to provide for the establishment of unemployment and social insurance, and for other purposes; to the Committee on Labor.

By Mr. DOUGHTON of North Carolina: A bill (H.R. 7599) to provide emergency aid for the repair or reconstruction of homes and other property damaged by earthquake, tidal wave, flood, tornado, or cyclone in 1933 and 1934; to the Committee on Ways and Means.

By Mr. HOWARD: A bill (H.R. 7600) repealing certain sections of the Revised Code of Laws of the United States relating to the Indians; to the Committee on Indian Affairs.

By Mr. McSWAIN: A bill (H.R. 7601) to increase the efficiency of the Air Corps; to the Committee on Military Affairs.

By Mr. STEAGALL: A bill (H.R. 7602) to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURDOCK: A bill (H.R. 7603) authorizing and directing the Secretary of the Interior to exchange Government lands for State lands; to the Committee on the Public Lands.

By Mr. POLK: A bill (H.R. 7604) to provide for an exemption from processing taxes under the Agricultural Adjustment Act in the case of products to be used by certain publicly maintained institutions; to the Committee on Agriculture.

By Mr. HOEPPEL: A bill (H.R. 7605) to reward merit and length of service in grade for certain noncommissioned officers of the Army and Marine Corps and petty officers of the Navy and Coast Guard; to the Committee on Military Affairs.

By Mr. DIMOND: A bill (H.R. 7606) to authorize the incorporated city of Skagway, Alaska, to issue bonds in any sum not exceeding $40,000, to be used for the construction, reconstruction, replacing, and installation of a water-distribution system; to the Committee on the Territories.

By Mr. BACON: A bill (H.R. 7607) providing for the examination and survey of the Long Island intercoastal waterway from East Rockaway Inlet to Great Peconic Bay, N.Y.; to the Committee on Rivers and Harbors.

By Mr. ELLENBOGEN: Resolution (H.Res. 249) to direct the standing Committee on Labor to make a study and prepare legislation for the establishment of a uniform national old-age pension system on a contributory basis; to the Committee on Rules.

By Mr. McGRATH: Joint resolution (H.J.Res. 259) to allocate funds, out of any sums appropriated to carry out the national industrial recovery act, to aid the San Fran-

cisco-San Mateo District Agricultural Association in the construction of State livestock exposition buildings; to the Committee on Ways and Means.

By Mr. JOHNSON of Oklahoma: Concurrent resolution (H.Con.Res. 30) providing for the inauguraiton of necessary civil works for the relief of disabled war veterans; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H.R. 7608) for the relief of Ludwig Bahnweg; to the Committee on Claims.

By Mr. CANNON of Wisconsin: A bill (H.R. 7609) for the relief of Paul Frankowiak; to the Committee on Military Affairs.

By Mr. CARDEN of Kentucky: A bill (H.R. 7610) granting a pension to Alwilda Brooks; to the Committee on Invalid Pensions.

By Mr. CALDWELL: A bill (H.R. 7611) authorizing the Secretary of the Interior to dispose of, by sale, certain public land in the State of Florida; to the Committee on the Public Lands.

Also, a bill (H.R. 7612) for the relief of James R. Davis, Jr.; to the Committee on Military Affairs.

Also, a bill (H.R. 7613) for the relief of the Weis-Patterson Lumber Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 7614) to appoint Edgar C. Sturges a captain in the Army and place him on the retired list; to the Committee on Military Affairs.

By Mr. COLMER: A bill (H.R. 7615) to provide for the payment of a claim of the Ingram-Day Lumber Co. arising out of the sale of special ship timbers used in the construction of ships for the United States Shipping Board Emergency Fleet Corporation; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H.R. 7616) for the relief of Samuel Kaufman; to the Committee on Military Affairs.

Also, a bill (H.R. 7617) for the relief of James D. Orr; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H.R. 7618) for the relief of K. S. Szymanski; to the Committee on Claims.

By Mr. GILCHRIST: A bill (H.R. 7619) for the relief of Arvin C. Sands; to the Committee on Claims.

By Mr. HILDEBRANDT: A bill (H.R. 7620) authorizing the President to present gold medals to Julius Bush, Walter Eggers, Benjamin F. Johnson, and George Jones; to the Committee on Military Affairs.

By Mr. KENNEY: A bill (H.R. 7621) granting compensation to Mae Schichtel; to the Committee on Claims.

Also, a bill (H.R. 7622) granting compensation to Walter F. Northrop; to the Committee on Claims.

By Mr. KRAMER: A bill (H.R. 7623) granting a renewal of patent no. 54296 relating to the badge of the American Legion; to the Committee on Patents.

Also, a bill (H.R. 7624) granting a renewal of patent no. 55398 relating to the badge of the American Legion Auxiliary; to the Committee on Patents.

By Mr. LEWIS of Colorado: A bill (H.R. 7625) granting a pension to Juliet Thoroughman; to the Committee on Invalid Pensions.

By Mr. LLOYD: A bill (H.R. 7626) for the relief of Robert Emil Taylor; to the Committee on Military Affairs.

By Mr. McMILLAN: A bill (H.R. 7627) for the relief of George E. Beach, Sr.; to the Committee on Claims.

Also, a bill (H.R. 7628) for the relief of Lt. Comdr. James T. Mathews; to the Committee on Claims.

Also, a bill (H.R. 7629) for the relief of Florence M. Humphries; to the Committee on War Claims.

Also, a bill (H.R. 7630) for the relief of Solomon Brown; to the Committee on Claims.

Also, a bill (H. R. 7631) for the relief of Arthur A. Burn, Sr., and J. K. Ryland; to the Committee on Claims.

Also, a bill (H.R. 7632) for the relief of Joe G. McInerney; to the Committee on Naval Affairs.

Also, a bill (H.R. 7633) for the relief of George Brackett Cargill, deceased; to the Committee on Naval Affairs.

By Mr. MILLIGAN: A bill (H.R. 7634) granting a pension to Bertha E. Haroff; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H.R. 7635) for the relief of Lincoln County, Oreg.; to the Committee on Claims.

By Mr. PALMISANO: A bill (H.R. 7636) for the relief of Annie I. Hissey; to the Committee on Claims.

By Mr. PEYSER: A bill (H.R. 7637) for the relief of Cohen, Goldman & Co., Inc.; to the Committee on Claims.

By Mr. REILLY: A bill (H.R. 7638) to renew and extend certain letters patent; to the Committee on Patents.

By Mr. ROMJUE: A bill (H.R. 7639) for the relief of Clarence Oral Privitt; to the Committee on Military Affairs.

By Mr. SUTPHIN: A bill (H.R. 7640) for the relief of Frederick L. Rose; to the Committee on Naval Affairs.

By Mr. STOKES: A bill (H.R. 7641) for the relief of the Pocono Pines Assembly Hotels Co.; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H.R. 7642) for the relief of Isaac Rowles; to the Committee on Claims.

By Mr. UTTERBACK: A bill (H.R. 7643) granting a pension to Annie S. Nealley; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2039. By Mr. BUCKBEE: Petition of John J. Barrett, president of the United National Post Office Clerks, and several other officers of Federal employee organizations, calling upon Congress to restore the basic pay rates immediately, and in general asking the Federal Government to inaugurate employment policies for its own personnel which will serve as a real example to all private employers; to the Committee on Appropriations.

2040. By Mr. BOILEAU: Petition of certain citizens of the Seventh District of Wisconsin, protesting against censorship of radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

2041. Also, petition submitted by members of Badger Lodge, No. 917, Brotherhood of Locomotive Firemen and Enginemen, and Arbutus Lodge, No. 481, Ladies' Society, Brotherhood of Locomotive Firemen and Enginemen, of Adams, Wis., opposing destructive consolidations and mergers of railroads, and asking for consideration of Government operation of railroads; to the Committee on Interstate and Foreign Commerce.

2042. By Mr. CUMMINGS: Petition of 14,000 citizens of the Second Congressional District of Colorado, protesting against radio censorship; to the Committee on Merchant Marine, Radio, and Fisheries.

2043. Also, petition of 300 citizens of Washington County, of the Second Congressional District, protesting against the abandonment of United States Agricultural Field Station at Akron, Colo.; to the Committee on Agriculture.

2044. Also, petition of Chamber of Commerce, Yuma, Colo., protesting against any effort to eliminate from the Budget funds for the maintenance and operation of the United States Agricultural Field Station in Washington County, Colo.; to the Committee on Agriculture.

2045. Also, memorial of the House of Representatives of the Twenty-Ninth General Assembly of the State of Colorado (the senate concurring), protesting against the abandonment of any part of the United States Federal Field Station in Washington County, Colo.; to the Committee on Appropriations.

2046. Also, resolution by the Washington County Farm Home Council, that they endorse the United States Agricultural Field Station at Akron, Colo., and protest any effort to eliminate from the Budget funds for its maintenance and operation; to the Committee on Ways and Means.

2047. By Mr. DOWELL: Petition signed by a large number of citizens from the Sixth District of Iowa, relative to the safeguarding of the rights of the people over the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2048. Also, petition of the Woman's Christian Temperance Union of Iowa, on motion-picture legislation; to the Committee on Interstate and Foreign Commerce.

2049. By Mr. HILDEBRANDT: Resolution of Sully Post, No. 79, of Onida, S.Dak., on the four-point program of the American Legion: (1) That no war veteran disabled in line of duty suffer any reduction of those benefits granted such veterans in the World War veterans' act as in effect prior to March 20, 1933; (2) that hospitalization under Federal Government auspices be afforded all veterans not dishonorably discharged who require hospital treatment and who are not able to reasonably pay for their own treatment; (3) that perpetuation of service connection for all veterans properly granted such service connection under laws in existence prior to March 20, 1933, be recommended as an item of Legion policy; (4) that the benefits provided for dependents of veterans, as established in the World War veterans' act be resumed and maintained as the Government's policy, and that in no event shall widows or dependent children of deceased World War veterans be without Government protection; and payment of back pay to service men, erroneously but popularly known as the "bonus"; to the Committee on World War Veterans' Legislation.

2050. By Mr. JOHNSON of Minnesota: Resolution by the Substitute Letter Carriers Association, urging more adequate legislation for employees in certain branches of the Postal Service; to the Committee on the Post Office and Post Roads.

2051. Also, resolution by the Ponti-Peterson Post, No. 1720, Veterans of Foreign Wars, urging review of all cases originally denied service connection; to the Committee on World War Veterans' Legislation.

2052. Also, resolution by the William McKinley Camp, No. 31, United Spanish-War Veterans, opposing present veterans pension provisions; to the Committee on Appropriations.

2053. Also, resolution by the Mississippi Valley Association, opposing certain sections of the ratification of the St. Lawrence Waterway Treaty; to the Committee on Interstate and Foreign Commerce.

2054. Also, resolution by Mayor William Mahoney, and passed by the City Council of St. Paul, urging a continuation of the Civil Works Administration; to the Committee on Ways and Means.

2055. Also, resolution presented by Hon. William Mahoney, mayor, and the city council, urging the continuance of the Public Works program; to the Committee on Ways and Means.

2056. Also, resolution by Hon. William Mahoney and the City Council of St. Paul, urging Congress to provide financial facilities to relieve municipalities from financial difficulties arising from tax delinquency; to the Committee on Ways and Means.

2057. Also, resolution by the Minneapolis Typographical Union, protesting against certain provisions of publishers' code; to the Committee on Labor.

2058. Also, resolution by Branch 9, National Association of Letter Carriers, expressing thanks to those Members of Congress who voted for repeal of Federal employees' salaries; to the Committee on Appropriations.

2059. Also, resolution by the St. Louis Country Club, urging the speedy ratification of the St. Lawrence Waterways Treaty by the Senate of the United States; to the Committee on Interstate and Foreign Commerce.

2060. Also, resolution by the Central Council of District Clubs of St. Paul, Minn., urging a revision of the system of valuation of the currency, and other purposes; to the Committee on Banking and Currency.

2061. Also, resolution by the Conservation Commission of the State of Minnesota, urging the President of the United States and the Secretary of Agriculture to further the restoration of wild-life and game conservation by establishment of certain areas; to the Committee on Agriculture.

2062. By Mr. KENNEY: Petition of the New Jersey Hospital Association, urging the Ways and Means Committee to reconsider application of 5-percent excise tax on coconut oil, stating that if it becomes law a great increase in soap costs will result to charitable hospitals; to the Committee on Ways and Means.

2063. By Mr. LAMBERTSON: Petition of the Woman's Christian Temperance Union of Holton, Kans., urging the passage of House bill 6097, providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2064. By Mr. LEWIS of Colorado: Petition of many citizens of the First District of Colorado with respect to alleged action by two radio corporations and others in preventing the petitioners from receiving, by radio, broadcasts by Judge Rutherford and others; to the Committee on Merchant Marine, Radio, and Fisheries.

2065. By Mr. LINDSAY: Petition of National Enameling & Stamping Co., New York City, protesting against the proposed amendment to section 63–A of the bankruptcy act; to the Committee on Banking and Currency.

2066. Also, petition of Superior Soap Products Co. and Rosamy Cosmetics, Inc., Brooklyn, N.Y., protesting against excise tax on coconut oils; to the Committee on Ways and Means.

2067. Also, petition of H. M. Hooker, vice president Hooker Electrochemical Co., New York and Niagara Falls, urging elimination of proposed amendment to revenue bill taxing copra and coconut oils; to the Committee on Ways and Means.

2068. By Mr. MALONEY of Connecticut: resolution of the Purple Heart Association in behalf of veterans; to the Committee on World War Veterans' Legislation.

2069. Also, petition adopted at the union ministers' meeting on January 15, 1934, in New Haven, Conn., protesting against the persecution of the Jewish people in Germany; to the Committee on Foreign Affairs.

2070. By Mr. MEAD: Petition of Buffalo Council of National Catholic Federation of Nurses, in opposition to birth-control legislation; to the Committee on the Judiciary.

2071. By Mr. MORAN: Petition of approximately 4,000 persons of the Second District of Maine, protesting against the attempt to prevent radio broadcasting by Judge Rutherford; to the Committee on Merchant Marine, Radio, and Fisheries.

2072. By Mr. RUDD: Petition of Superior Soap Products Co. and Rosmary Cosmetics, Inc., Brooklyn, N.Y., protesting against excise tax on coconut oil; to the Committee on Ways and Means.

2073. Also, petition of National Enameling & Stamping Co., New York City, protesting against the proposed amendment to section 63–A of the bankruptcy act entitled "Debts which may be proved"; to the Committee on Banking and Currency.

2074. Also, petition of New York Naval District Lodge, No. 36, Brooklyn, N.Y., favoring full restoration of pay cut to all Federal employees; to the Committee on Appropriations.

2075. Also, petition of Hooker Electrochemical Co., New York and Niagara Falls, N.Y., opposing the proposed tax on copra and coconut oil; to the Committee on Ways and Means.

2076. By Mr. SADOWSKI: Petition of the retail and wholesale meat dealers of the State of Michigan, urging the immediate consideration of adequate duties on all imports of animal, marine, and vegetable oils and fats, etc.; to the Committee on Ways and Means.

2077. Also, petition of the Legislative Council, State of Michigan, opposing retail sales tax for the support of the Federal Government; to the Committee on Ways and Means.

2078. By Mr. McLEAN: Petition of 8,189 residents of Union County, N.J. (Sixth Congressional District), protesting to Congress against certain wrongful interference in radio broadcasting, and petitioning Congress to act to safeguard the inherent right of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2079. By Mr. WHITE: Petition of 10,000 citizens of the First Congressional District of Idaho, protesting against radio censorship; to the Committee on Merchant Marine, Radio, and Fisheries.

2080. By Mrs. CLARKE of New York: Petition of the Norwich Local of the Dairymen's League Cooperative Association, Inc., Norwich, N.Y., favoring increased tax on all butter-fat substitutes; to the Committee on Ways and Means.

SENATE

MONDAY, FEBRUARY 5, 1934

Rev. Harry Lee Doll, assistant rector of the Church of the Epiphany, Washington, D.C., offered the following prayer:

O God of light and truth, before whom all that is hollow and unreal shrivels up and is consumed away, hear our prayer for vision to discern Thy truth, Thy purpose, Thy will. Thou hast set in our hearts the dream of a life of purity, beauty, and love. Let us never be content with the second best, but so ardently to desire, wisely to study, and rightly to understand that we may obtain the fullness of that which pleaseth Thee, through Jesus Christ our Lord. Amen.

JESSE H. METCALF, a Senator from the State of Rhode Island, appeared in his seat today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day of Friday, February 2, 1934, when, on motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to a concurrent resolution (H.Con.Res. 26) for appointment of a special congressional committee to make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette, in which it requested the concurrence of the Senate.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. The Chair designates the Senator from Utah (Mr. KING) to read Washington's Farewell Address on the 22d instant, under the order of the Senate of January 24, 1901.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Education and Labor:

Joint resolution memorializing the Congress of the United States to enact legislation establishing a 30-hour week and a living wage

Whereas unemployment, not only during the economic depression but in normal times, has become a serious problem; and

Whereas economic prosperity in a land of plenty cannot be accomplished when millions of men and women are out of employment, many of whom are compelled to live on public and private charity; and

Whereas these millions of our unemployed people are ready and able and eager to work but cannot secure the opportunity to do so, while millions of others are working long hours; and

Whereas the economic depression has clearly established that in order to distribute labor among the many and increase the purchasing power of the working people, legislation establishing a shorter week and a living wage is necessary; and

Whereas a 30-hour week would put millions of our unemployed people back to work, and assurance of a living wage would develop buying power among the great mass of our people: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully memorializes the Congress of the United States to enact legislation providing for a 30-hour week and establishing a living wage for the workers of this country in accordance with findings made from time to time by the United States Department of Labor; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

STATE OF NEW YORK,
IN SENATE,
Albany, January 29, 1934.

By Mr. Palmer

Whereas the Congress of the United States of America has imposed a tax upon all sales of gasoline; and

Whereas the State of New York and the other several States of the United States have already imposed taxes upon such sales; and

Whereas the Federal tax on such sales is untimely and prohibitive, and, coupled with the respective State taxes on such sales, places a burden upon the users of gasoline beyond that which they should carry and beyond that which the traffic can legitimately bear; and

Whereas the taxation of sales of gasoline should properly be left to the exclusive use of the States as a means of providing funds for road construction and maintenance and unemployment relief projects: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be and it is hereby respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; and be it further

Resolved (if the assembly concur), That a copy of this resolution be transmitted to the Clerk of the House of Representatives, the Secretary of the United States Senate, and to each Member of Congress elected from the State of New York, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purposes of this resolution.

By order of the senate.

MARGUERITE O'CONNELL, *Clerk.*

IN ASSEMBLY,
January 30, 1934.

Concurred in without amendment. By order of the assembly.
FRED W. HAMMOND, *Clerk.*

The VICE PRESIDENT also laid before the Senate the petition of Chester A. Shewalter, of Flint, Mich., praying for the prompt passage of legislation providing a separate nationalist money medium of exchange based upon the American silver dollar and reinforced by the American greenback upon the basic ratio of 21 to 1, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a letter in the nature of a petition from Z. G. Clevenger, director of athletics of the University of Indiana, Bloomington, Ind., praying for the repeal of the admissions tax levied on colleges and universities in connection with athletic events where the admission is more than 40 cents, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the directors of the Ellsworth (Maine) Chamber of Commerce, indorsing the proposal for a fitting and dignified gateway or entrance to Acadia National Park and Mount Desert Island, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate the memorial of Franklin Little Branch of the International Labor Defense, Phoenix, Ariz., remonstrating against reducing the hours of labor on C.W.A. work in Arizona, with the resulting cut in pay; the alleged discrimination practiced against Mexican and Negro workers in the State of Arizona; the alleged attempt to speed up work, and other abuses against workers; the "firing" of workers for organizing in unions of their choice, and any attempt to stop the C.W.A. projects, which was ordered to lie on the table.

Mr. FESS presented a memorial of sundry citizens of the State of Ohio (being producers and sellers of milk and other farm products in the southwestern part of the State) remon-

strating against the adoption of certain provisions of the code for the trucking industry as proposed by the American Trucking Association, Inc., which was ordered to lie on the table.

Mr. TYDINGS presented a resolution adopted by Baltimore (Md.) Chapter, No. 1, Disabled American Veterans of the World War, favoring modification of regulations adversely affecting the pensions of disabled World War veterans who are also carried on Federal pay rolls, which was referred to the Committee on Appropriations.

He also presented petitions of sundry citizens of the State of Maryland, being Federal employees, praying for the passage of legislation, sponsored by the American Federation of Labor and the American Federation of Government Employees, to immediately abolish the 15-percent pay cut, which were referred to the Committee on Appropriations.

He also presented a paper in the nature of a memorial, signed by sundry citizens of Brooklyn and vicinity, in the State of New York, endorsing the resolution (S.Res. 154) opposing alleged discriminations against Jews in Germany (submitted by Mr. TYDINGS on January 24, 1934), and also remonstrating against the treatment of Jews in Germany, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. BULKLEY, from the Committee on Foreign Relations, to which was referred the bill (S. 1753) for the relief of Marcella Leahy McNerney, reported it without amendment and submitted a report (No. 255) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 2552) for the relief of Charles C. Bennett, reported it with amendments and submitted a report (No. 256) thereon.

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (S. 2461) to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict", reported it with amendments and submitted a report (No. 257) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 2601) to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System, reported it without amendment and submitted a report (No. 258) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 2372) granting the consent of Congress to the State of Oregon to maintain a bridge already constructed across Youngs Bay near the city of Astoria, Oreg., reported it without amendment and submitted a report (No. 259) thereon.

He also, from the same committee, to which was referred the bill (S. 2308) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo., reported it with an amendment and submitted a report (No. 260) thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 153) to pay a gratuity to Marion K. Griggs, reported it without amendment.

CONSERVATION OF WILD LIFE

Mr. WALCOTT (for himself, Mr. PITTMAN, Mr. MCNARY, Mr. NORBECK, Mr. CLARK, Mr. BAILEY, and Mr. BYRD), from the Special Committee on Conservation of Wild Life Resources, reported a bill (S. 2633) to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, and for other purposes, which was read twice by its title, and submitted a report (No. 262) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

A bill (S. 2603) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission of Maryland for park purposes; to the Committee on Agriculture and Forestry.

A bill (S. 2604) for the relief of Lucretia Norris (with an accompanying paper); and

A bill (S. 2605) conferring jurisdiction upon the United States District Court for the Northern District of California to hear, determine, and render judgment upon the claim of Fred Owens (with an accompanying paper); to the Committee on Claims.

A bill (S. 2606) for the relief of Joseph A. Gleason (with an accompanying paper); to the Committee on Military Affairs.

A bill (S. 2607) for the relief of Sylvan M. Levy (with an accompanying paper); to the Committee on Naval Affairs.

A bill (S. 2608) granting a pension to Mary Schlining; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 2609) for the relief of the Champion Rivet Co., of Cleveland, Ohio; to the Committee on Claims.

By Mr. ERICKSON:

A bill (S. 2610) for the relief of Leola Snyder; to the Committee on Claims.

By Mr. MCKELLAR:

A bill (S. 2611) granting a pension to David E. Goodwin; to the Committee on Pensions.

A bill (S. 2612) for the relief of Cecil E. Phipps; and

A bill (S. 2613) for the relief of Jewell Maness; to the Committee on Claims.

By Mr. CAREY:

A bill (S. 2614) for the relief of purchasers and owners of lands on irrigation projects on Indian reservations; to the Committee on Indian Affairs.

By Mr. TRAMMELL:

A bill (S. 2615) for the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves, and for other purposes; to the Committee on Naval Affairs.

(Mr. WAGNER introduced Senate bill 2616, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. FRAZIER:

A bill (S. 2617) for the relief of the estate of Jennie Walton; and

A bill (S. 2618) for the relief of W. L. Walton; to the Committee on Indian Affairs.

By Mr. STEPHENS:

A bill (S. 2619) for the relief of E. Clarence Ice; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 2620) for the relief of N. W. Carrington and J. E. Mitchell; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 2621) to amend the Packers and Stockyards Act, 1921; to the Committee on Agriculture and Forestry.

By Mr. KING:

A bill (S. 2622) granting a pension to Eliza Beagley; to the Committee on Pensions.

A bill (S. 2623) to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended; to the Committee on the District of Columbia.

By Mr. WHEELER:

A bill (S. 2624) to promote the safety of employees and travelers upon railroads by compelling common carriers by railroad engaged in interstate and foreign commerce to man locomotives, trains, and other self-propelled engines or machines with competent employees, to provide the least number of men that may be employed on locomotives, trains, and other self-propelled engines or machines, to provide qualifications for certain employees, and providing a penalty for the violation thereof; and

A bill (S. 2625) to limit the car length of trains which may be operated upon railroads by common carriers engaged in interstate and foreign commerce; to the Committee on Interstate Commerce.

By Mr. McNARY:

A bill (S. 2626) to authorize the acquisition of land for industrial sites in the vicinity of the Bonneville Dam in Columbia River; to the Committee on Commerce.

By Mr. DICKINSON:

A bill (S. 2627) for the relief of Arvin C. Sands; to the Committee on Claims.

By Mr. BYRNES:

A bill (S. 2628) to amend section 31 of the Banking Act of 1933 (relating to stock ownership by directors of member banks of the Federal Reserve System); to the Committee on Banking and Currency.

By Mr. DILL:

A bill (S. 2629) establishing a fund for the propagation of salmon in the Columbia River District; to the Special Committee on Conservation of Wild Life Resources.

By Mr. JOHNSON:

A bill (S. 2630) for the relief of Sylvester Johns; to the Committee on Military Affairs.

A bill (S. 2631) for the relief of Harry Francis Zeller; to the Committee on Naval Affairs.

A bill (S. 2632) granting an increase of pension to Joseph W. Hicks; to the Committee on Pensions.

By Mr. ROBINSON of Arkansas:

A bill (S. 2634) to amend paragraph (1) of subsection (a) of section 301 of title III of Public Law No. 302, Seventy-second Congress; to the Committee on Post Offices and Post Roads.

By Mr. JOHNSON:

A joint resolution (S.J.Res. 82) extending to the fishing industry certain benefits granted under section 11 of the Merchant Marine Act, 1920; to the Committee on Commerce.

UNEMPLOYMENT INSURANCE—EXCISE TAX UPON EMPLOYERS

Mr. WAGNER. I ask unanimous consent to introduce a bill for reference to the appropriate committee, and I further ask unanimous consent that an explanatory statement of the bill may be printed in the RECORD, together with the bill.

There being no objection, the bill (S. 2616) to raise revenue by levying an excise tax upon employers, and for other purposes, was read twice by its title and referred to the Committee on Finance, and, with the explanatory statement, above referred to, ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

SECTION 1. Definitions: When used in this act the term "employer" shall mean any person, partnership, association, corporation, or the legal representative, trustee in bankruptcy, receiver, or trustee thereof, or the legal representative of a deceased person, who or whose agent or predecessor in interest has, within each of 20 or more calendar weeks in the taxable year, employed at least 10 persons in employment subject to this act, except that the term "employer" shall not include the Federal Government, the government of the several States, municipal corporations, or other governmental instrumentalities. In determining whether an employer employs enough persons to be an "employer" subject hereto, and in determining for what tax he is liable hereunder, he shall, whenever he contracts with any subcontractor for any work which is part of his usual trade, occupation, profession, or business, be deemed to employ all persons employed by such subcontractor on such work, and he alone shall be liable for the tax measured by wages paid to such persons for such work; except as any such subcontractor who would, in the absence of the foregoing provision, be liable to pay said tax accepts exclusive liability for said tax under an agreement with such employer made pursuant to regulations promulgated by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

"Employment" shall mean any employment in which all or the greater part of the person's work is or was performed within the continental United States under any contract of hire, oral or written, express or implied, whether such person was hired and paid directly by the employer or through any other person employed by the employer, provided the employer had actual or constructive knowledge of such contract; except that for the purposes of this act it shall not include—

(1) Employment as an agricultural laborer.

(2) Employment in the domestic service of any family or person at his home.

(3) Employment as a teacher in any school, college, or university for the regular annual term for which such school, college, or university is in session.

(4) Employment as a physician, surgeon, interne, or nurse in a hospital, sanatorium, or other similar private endowed institution not operated for profit.

(5) Employment of a physically handicapped person by an institution financed largely by charitable donations and organized not for profit but primarily for the relief and rehabilitation of such handicapped persons.

(6) Employment of the father, mother, spouse, or minor child of the employer.

(7) Employment in the service of a common carrier subject to the provisions of the Emergency Railroad Transportation Act of 1933 (48 Stat. 211).

(8) Any employment for which unemployment compensation shall have been provided directly by act of Congress.

"Pay roll" shall mean the total amount of all wages paid by the employer during the taxable year to persons employed by him in employment subject to this act, except that pay roll shall not include the wages paid to a person employed by the employer within such year on a minimum fixed salary basis of $250 or more for each month in which the person was thus employed.

"Wages" shall mean every form of remuneration for employment received by a person from his employer, whether paid directly or indirectly by the employer, including salaries, commissions, bonuses, and the reasonable money value of board, rent, housing, lodging, payments in kind, and similar advantages.

"State law" shall mean a statute enacted by any one of the several States providing for systematic compensation and the creation of an unemployment fund or funds.

"Contributions" shall mean the amount which the employer has paid for the taxable year to any unemployment fund to which he is required to contribute by or pursuant to a State law, but shall not include any amounts deducted from wages or contributed by employees.

"Unemployment fund" shall mean any unemployment compensation fund or reserve, or unemployment-insurance fund or reserve, or guaranteed-employment fund or reserve, to which the employer contributes pursuant to a State law, whether or not under such law other employers contribute to the same fund or reserve or to different or separate funds or reserves, and whether or not under such law the State and/or employees contribute to or supplement such fund or reserve: *Provided*, That such fund or reserve is available solely for the payment of compensation and of any State administrative costs chargeable thereto under the State law.

"Compensation" shall mean the cash benefits payable under a compulsory State law to employees for their unemployment; and shall also be deemed to include, as to any guaranteed employment plan complying with a State law, the wages guaranteed and payable to employees for certain workless hours under such plan.

"Employee", as used in this act, shall mean any employed person who is covered by a State law and/or may become eligible for compensation thereunder.

"State agency" shall mean the State labor department or other governmental agency designated or created under a State law to administer such law.

"Tax" shall mean the gross tax imposed on the employer for the taxable year under subsection (a) of section 2 of this act.

SEC. 2. Imposition of tax; allowable credits: (a) There shall be levied, assessed, and collected annually from every employer subject to this act, for the taxable year commencing July 1, 1935, and for each taxable year thereafter, an excise tax measured by an amount equal to 5 percent of the employer's pay roll as defined in section 1 of this act: *Provided*, That said tax shall be paid after the close of each taxable year and may be paid in quarterly installments, under suitable regulations promulgated by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury.

(b) Any employer who has paid the contributions required of him under a State law duly certified under section 3 of this act may credit against the tax thus due the total of the two following amounts:

(1) The amount of contributions which he has actually paid during the taxable year under such State law; and

(2) The amount by which these paid contributions were less than his largest required contributions under such law in any previous taxable year: *Provided*, That—

(a) The amount thus determined shall, before being credited against tax, be reduced by the same percentage by which the employer's pay roll is less than his pay roll in such previous taxable year; and

(b) The employer's required contribution rate for the taxable year is less than the comparable rate for such previous taxable year, and that such reduction was permitted pursuant to provisions of such State law not inconsistent with subsection (f) of section 3 of this act; and

(c) The additional credit permitted under this subsection shall not be allowed an employer except where the unemployment fund to which such employer contributes under such State law has paid in full throughout the taxable year the compensation required under such law to be paid by such fund, without any reduction of compensation payments within the taxable year due to the inadequacy of such fund.

SEC. 3. Conditions for credit allowance: No credit specified in section 2 of this act shall be allowed for contributions under a State law, unless the Secretary of Labor has made a finding of fact within the taxable year that such State law conforms to the standards and conditions enumerated in subsections (a) to (j), inclusive, of this section and has certified such State law to the Secretary of the Treasury. Annually before the end of the taxable year the Secretary of Labor shall state and determine whether or not each State law conforms to said standards and conditions, and shall certify to the Secretary of the Treasury each State law which—

(a) Provides for the systematic payment, to all unemployed persons eligible under such law, of cash compensation which shall be payable to them as a matter of right: *Provided*, That compensation rights and payments shall commence not more than 12 months after contributions begin under such law.

(b) Specifies the eligibility conditions which shall apply to the payment of compensation, including any uncompensated waiting period to be applied thereto, but does not require of any employee a probationary service period prior to benefit eligibility aggregating more than 10 calendar weeks of employment by any new employer; and provides for total unemployment benefits at a minimum rate which shall equal or exceed either $7 per week, or else the employee's average wage earnings for 20 hours of work; and provides for partial benefits at least equaling the amount by which the eligible employee's total benefits exceed his reduced wage earnings; and provides that the legal liability of such unemployment fund to pay compensation shall be limited at all times to the resources of such fund, including any contributions due or unpaid.

(c) Either permits all eligible employees to receive 10 or more full weeks of compensation within a year or less; or else adjusts the duration of compensation to employees in a direct and substantially uniform ratio to their employment within not more than the 5 years preceding their compensable unemployment, making at least some employees eligible to receive 15 or more full weeks of compensation within a year or less.

(d) Provides that compensation cannot be assigned or garnisheed and that no agreement by an employee to waive or reduce his right to compensation or any other right under such law shall be valid.

(e) Provides specifically that no otherwise eligible employee shall be barred from or denied compensation for refusing to accept new work under any of the following conditions: (1) If the position offered is vacant due directly to a strike, lock-out, or other labor dispute; (2) if the wages, hours, and other conditions of the work offered are substantially less favorable to the employee than those prevailing for similar work in the locality; (3) if acceptance of such employment would either require the employee to join a company union or would interfere with his joining or retaining membership in any bona fide labor organization.

(f) Requires from all employers subject thereto regular contributions, at a uniform rate applicable to all such employers for at least 12 months after commencement of contributions under such law, and also thereafter unless such law permits the rate of contributions subsequently to be reduced in respect to some but not all employers subject thereto, such reduction being in accordance with classification standards or other provisions designed to adjust the contributions of employers in accordance with the compensation experience of such employers and/or of the unemployment fund or funds to which they contribute: *Provided*, That no employer's contribution rate shall be reduced, unless the unemployment fund to which he contributes under such State law has paid in full throughout the preceding year the compensation required to be paid by such fund, and no reduction of compensation payments has been made within such preceding year due to the inadequacy of such fund.

(g) In case it permits an employer to guarantee work or wages to his employees, requires such employer to contribute at the rate otherwise applicable to him under such law to an unemployment fund from which he shall pay in whole or in part the compensation promised for guaranteed but workless hours and, in addition, to any employee whose guaranty is not renewed at least half the benefits otherwise payable to the employee under such law: *Provided*, That such employer's contribution rate may, under such law, be reduced consistently with the provisions of subsection (f) of this section.

(h) Prohibits every employer subject thereto from directly or indirectly insuring his liability to pay compensation in any private insurance company organized or operated for profit.

(i) Provides that every unemployment fund required thereunder shall either be held by an officer or agency of the State acting as custodian, or shall be held strictly in trust under such conditions approved by the State agency as will, in its judgment, assure the safety and liquid availability of such unemployment fund or funds: *Provided*, That where any law permits an employer of demonstrated financial strength to contribute to an unemployment fund in the form of an accounting reserve, such law shall require such employer to maintain with the State such a collateral deposit of securities approved by the State agency as shall at all times have a market value at least equal to the current total of such permitted unemployment fund or reserve.

(j) Provides for administration or supervision by a State agency, and provides adequate funds to finance administration and suitable penalties to secure enforcement of the law's provisions; and secures to each party in interest a right to the hearing and determination of any disputed compensation claim by an impartial administrative agency authorized by such law to decide such claims and to determine finally all questions of fact involved therein; and assures to employers and employees, through representation on advisory committees, an effective voice in the law's administration.

SEC. 4. Administration; refunds; and penalties: (a) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe and publish all needful rules and regulations for the enforcement of the provisions of this act.

(b) Every employer liable for tax under this act shall make a return under oath within 1 month after the close of the year with respect to which such tax is imposed to the collector of internal revenue for the district in which is located his principal place of business, or, if he has no principal place of business in the United States, then to the collector of internal revenue at Baltimore, Md. Such return shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe. The tax shall, without assessment by the Commissioner or notice from the collector, be due and payable to the collector within 1 month after the close of the year with respect to which the tax is imposed. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 1 percent a month from the time when the tax became due until paid. All provisions of law (including penalties) applicable in respect of the taxes imposed by section 600 of the Revenue Act of 1926 shall, insofar as not inconsistent with this act, be applicable in respect of the tax imposed by this act. The Commissioner may extend the time for filing the return of the tax imposed by this act, under such rules and regulations as he may prescribe with the approval of the Secretary of the Treasury, but no such extension shall be for more than 60 days.

(c) Returns required to be filed for the purpose of the tax imposed by this act shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law as returns made under title II of the Revenue Act of 1926.

(d) The taxpayer may elect to pay the tax in four equal installments, in which case the first installment shall be paid on the date prescribed for the filing of returns, the second installment shall be paid on or before the last day of the third month, the third installment on or before the last day of the sixth month, and the fourth installment on or before the last day of the ninth month after such date. If any installment is not paid on or before the date fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand from the collector.

(e) At the request of the taxpayer, the time for payment of any initial installment of the amount determined as the tax by the taxpayer may be extended under regulations prescribed by the Commissioner, with the approval of the Secretary, for a period not to exceed 6 months from the date prescribed for the payment of such installment. In such case the amount in respect of which the extension is granted shall be paid (with interest at the rate of one half percent per month) on or before the date of the expiration of the period of the extension.

SEC. 5. Separability: If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

The explanatory statement presented by Mr. WAGNER is as follows:

This bill has for its purpose the encouragement of Nationwide enactment of State unemployment insurance or reserve laws.

The American people are emerging from the depression. The fortitude which has been shown in meeting unexpected calamities must be matched by the determination that we shall not again be caught unaware. In numbers and in depth of suffering the chief victims of hard times are the millions of people who have lost their jobs. Everyone admits that the relief of these people is a social duty and a social need. If we wait until a catastrophe occurs before attempting to alleviate it, a vicious cycle is created. The crisis itself makes relief difficult, and attempts at relief distract us from the main task of recovery. But if we prepare in advance, we may decrease enormously the likelihood of depressions and also store up adequate relief for the small amount of unemployment that may occur from time to time despite our best efforts.

The best way to accomplish this twofold purpose is by unemployment insurance or reserves. The experience of European countries has demonstrated that these devices are sound economics. They create a powerful incentive to the stabilization of industry. They tend to preserve purchasing power despite temporary industrial decline. They begin to operate as soon as a depression occurs and check its continued ravages.

Unemployment insurance or reserves are even more imperative as a matter of social justice. Economic society is as much the creation of the worker as of anyone else. He is entitled to share in its benefits, and he should not be made to bear more than his just portion of its burdens. It is only by insurance or reserves that the costs of depressions can be distributed fairly.

The bill imposes a new Federal tax upon the pay rolls of all employers, except very small ones and a few special classes, such as farmers, domestic servants, and hospitals. Each employer will be allowed to offset against this tax any sums of money that he contributes under the terms of State unemployment insurance or

reserve laws. He will be allowed an additional offset whenever his contributions under State law are decreased because of his success in stabilizing employment.

By this offset principle sentiment will be created favorable to the enactment of State laws, as the inhabitants of the several States will prefer keeping their money at home rather than contributing it to the Federal Government. At the same time, the Federal tax upon employers who are not operating under State laws will defeat the old argument that State unemployment insurance or reserve laws would impose an undue handicap in interstate competition.

A striking feature of the Federal bill is that it does not dictate to the States what manner of laws they should pass. Each State may prescribe State-wide funds, industrial pooled funds, or individual reserves. Each State may determine whether constributions are to be by employers, by employees, or by both, and whether the State is to bear a share of the cost. This means that each of the 48 States may became an experimental laboratory for the testing of the wisdom of particular proposals for the relief of the unemployed.

At the same time, the Federal law provides that there will be no offset allowed to an employer unless that State law under which he is operating is a genuine unemployment compensation law that comes up to decent minimum standards. No State law will be certified by the Secretary of Labor unless it provides for:

(1) Regular contributions by employers.

(2) Systematic weekly benefits of at least $7 or else 20 hours' earnings for at least 10 weeks or else a period fairly measured by past employment.

(3) No insuring through private insurance companies.

(4) State administration or supervision with joint advisory committees assisting.

(5) Impartial hearings on disputed compensation claims.

(6) Specific safeguards for labor standards and union membership.

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. WHEELER submitted an amendment intended to be proposed by him to House bill 7295, the Treasury and Post Office Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 31, between lines 8 and 9, to insert the following:

"For the establishment, equipment, and maintenance of an assay office at Helena, Mont., $22,000, to be immediately available."

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H.Con.Res. 26) for appointment of a special congressional committee to make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette, was referred to the Committee on the Library.

ONE HUNDREDTH ANNIVERSARY OF DEATH OF GENERAL LAFAYETTE

Mr. BYRD submitted the following concurrent resolution (S.Con.Res. 7), which was referred to the Committee on the Library:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a Special Joint Congressional Committee to be composed of five Members of the Senate, to be appointed by the President of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, which shall make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette, occurring on May 20, 1934.

SEC. 2. The committee shall select a chairman from among its members. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made. The committee shall cease to exist upon making its report as hereinafter provided.

SEC. 3. The committee is authorized to accept and make use of contributions for carrying out the purpose of this resolution and shall file with the Secretary of the Senate and the Clerk of the House of Representatives a report with respect to amounts so received and expended.

PRINTING OF HEARINGS BEFORE COMMERCE COMMITTEE ON FOODS, ETC.

Mr. STEPHENS submitted the following resolution (S.Res. 171), which was referred to the Committee on Printing:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Commerce of the Senate be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before said committee during the second session of the Seventy-third Congress on food, drugs, and cosmetics.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reed
Austin	Cutting	Keyes	Reynolds
Bachman	Davis	King	Robinson, Ark.
Bailey	Dickinson	La Follette	Robinson, Ind.
Bankhead	Dieterich	Lewis	Russell
Barbour	Dill	Logan	Schall
Barkley	Duffy	Lonergan	Sheppard
Black	Erickson	Long	Shipstead
Bone	Fess	McAdoo	Smith
Borah	Fletcher	McCarran	Steiwer
Brown	Frazier	McGill	Stephens
Bulkley	George	McKellar	Thomas, Utah
Bulow	Gibson	McNary	Thompson
Byrd	Goldsborough	Metcalf	Townsend
Byrnes	Gore	Murphy	Tydings
Capper	Hale	Neely	Vandenberg
Caraway	Harrison	Norris	Van Nuys
Carey	Hastings	Nye	Wagner
Clark	Hatch	O'Mahoney	Walcott
Connally	Hatfield	Overton	Walsh
Coolidge	Hayden	Patterson	Wheeler
Copeland	Hebert	Pittman	White

Mr. LEWIS. I desire to announce the absence of the Senator from Florida [Mr. TRAMMELL], who is necessarily detained from the Senate. I desire also to announce that the Senator from Virginia [Mr. GLASS] and the Senator from Oklahoma [Mr. THOMAS] are detained from the Senate by illness.

Mr. HEBERT. I desire to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent from the Senate.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

INVESTIGATION OF AIR AND OCEAN MAIL CONTRACTS—WILLIAM P. M'CRACKEN

The VICE PRESIDENT laid before the Senate a report by the Sergeant at Arms, which was read and ordered to lie on the table, as follows:

To the PRESIDENT OF THE SENATE:

I beg to report that, pursuant to the instructions contained in the warrant of arrest issued on February 2, 1934, by the President of the Senate to the Sergeant at Arms, I took into custody in this city, at 5:50 o'clock p.m., on said day, William P. MacCracken, together with certain correspondence, memorandums, books, files, and records, and I now bring the said William P. MacCracken to the bar of the Senate. Frank J. Hogan, Esq., counsel for the said William P. MacCracken, having given his personal bond for the appearance of the latter before the bar of the Senate, which said bond is hereto attached, I permitted the said William P. MacCracken to remain meanwhile in the technical custody of his counsel. The said correspondence, memorandums, books, files, and records are now in my custody. I submit herewith the original warrant of arrest, with my return.

CHESLEY W. JURNEY,
Sergeant at Arms, United States Senate.

Mr. BLACK. Mr. President, I desire on the part of the special committee acting under Senate Resolution No. 349, Seventy-second Congress, to present a further report in connection with the report which has previously been submitted concerning certain evidence which the special committee sought. I ask that the report, without the evidence which supports it, be read at this time for the information of the Senate. After that shall have been done, I shall desire to explain to the Senate the situation as it now exists and ask the Senate to determine what further proceedings, if any, it will take.

The VICE PRESIDENT. The Senator from Alabama presents a report, which the clerk will read.

(At this point Mr. BLACK yielded to Mr. WAGNER, Mr. TYDINGS, and Mr. REED, who presented routine business, which appears under the appropriate headings.)

Mr. ROBINSON of Arkansas. Mr. President, in view of the fact that a matter of the highest privilege has been brought to the attention of the Senate, I shall object to further interruption of the proceedings at this time.

The VICE PRESIDENT. The clerk will read the report submitted by the Senator from Alabama.

The Chief Clerk read as follows:

[Rept. No. 254, pt. 2, 73d Cong.]

To the President of the Senate and to the United States Senate:

Your committee appointed under Senate Resolution No. 349, Seventy-second Congress, asks to make this further partial report in connection with the performance of its duties under the resolution in addition to the previous report, no. 254, made February 2, 1934:

1. Subsequent to the service of subpena upon William P. MacCracken, Jr., as set forth in Report No. 254 to this Senate, made on February 2, 1934, the committee issued a subpena duces tecum to Col. L. H. Brittin and to Gilbert Givvin, copies of which subpenas are hereto attached, marked "Exhibits A and B."

2. On February 3, 1934, the committee met in room 318, Senate Office Building, and Col. L. H. Brittin and Gilbert Givvin appeared before the committee and testified.

3. The evidence of Gilbert Givvin showed in substance that the said Gilbert Givvin is an employee of the Western Air Express, Inc., and that Harris M. Hanshue is an officer of the Western Air Express, Inc.; that after service of the subpena duces tecum upon William P. MacCracken, Jr., as shown in report 254, the said William P. MacCracken, Jr., sent a telegram to Harris M. Hanshue, as follows:

"I have today been subpenaed to produce before the Black committee all papers, memoranda, correspondence, maps, copies of telegrams relating to air and ocean mail contracts. Insofar as these involve confidential communications between us as attorney and client, I have felt it my duty to assert, and I have asserted, the privilege which the law places around such communications. The privilege may be waived only by you as client. The committee has requested me to inquire whether you desire to waive this privilege and authorize me to make these documents available to the committee investigators. Please wire your decision.

"(Signed) WILLIAM P. MACCRACKEN, Jr."

4. That after said telegram had been sent to the said Harris M. Hanshue and received by him and after the said William P. MacCracken, Jr., had declined to produce his papers, memoranda, maps, correspondence, and telegrams related to air mail and ocean mail contracts before your special committee, the said Harris M. Hanshue communicated with Gilbert Givvin and directed him to proceed to the office of William P. MacCracken, Jr., and remove from the files of the said William P. MacCracken, Jr., certain papers, memoranda, or correspondence contained in the files then under subpena of your committee. That thereafter the said Gilbert Givvin went to the office of William P. MacCracken, Jr., and did remove letters, telegrams, papers, and memoranda from the files of such papers contained in the "Western Air" file and did send such letters, telegrams, papers, and memoranda to another employee of the Western Air Express named Voorhes, addressing the same to the said Voorhes at The Essex House, New York City, which hotel was the New York living address of the said Voorhes and the said Harris M. Hanshue.

5. That after said files had been removed from the office of William P. MacCracken, Jr., the said Harris M. Hanshue sent a telegram to William P. MacCracken, Jr., and sent a copy of such telegram to the chairman of this committee, stating that the Western Air Express, Inc., had no objection to the committee inspecting all papers in the Western Air Express, Inc., files in the William P. MacCracken, Jr., office.

6. That on the 2d day of February 1934, the said Harris M. Hanshue sent a certain file of papers to Washington by the said Voorhes, which papers were turned over to the said Gilbert Givvin and which purported to be the letters, telegrams, and memoranda removed from the files of the said William P. MacCracken, Jr., but all of which were not identified by the said Gilbert Givvin before the committee as being the identical papers taken from the files of the office of William P. MacCracken, Jr. The evidence of the said Gilbert Givvin revealed that the said Harris M. Hanshue before directing Givvin to remove such papers told the said Givvin that the Senate committee was seeking the papers, memoranda, correspondence, maps, and copies of telegrams in the files of MacCracken and that he, the said Hanshue, wanted certain papers removed therefrom.

7. The said Gilbert Givvin further testified before your committee on February 3, 1934, that he did not actually or physically remove any part of the papers, memoranda, maps, correspondence, and telegrams set forth in the subpena of the said William P. MacCracken, Jr., but that said William P. MacCracken had said files in his own possession and made a decision as to which of said papers, memoranda, correspondence, and telegrams should be removed, and he, the said MacCracken, did actually remove said papers from the files himself and turn them over to the said Gilbert Givvin to be taken away from MacCracken's office and to be delivered to the said Hanshue.

8. On the 3d day of February 1934, Col. L. H. Brittin likewise appeared before your special committee and admitted that after he had received information that the Senate committee had served a subpena upon William P. MacCracken, Jr., to produce all of his papers, memoranda, correspondence, maps, and copies of telegrams, as shown in exhibit A of the report no. 254, made to this Senate; he, the said Colonel L. H. Brittin, went to the office of William P. MacCracken, Jr., and removed from the files of the Northwest Airways, Inc., in said William P. MacCracken, Jr.'s office, certain letters and correspondence contained in such files.

At the time of such removal and prior thereto said L. H. Brittin was an officer of the Northwest Airways, Inc. The said L. H. Brittin admitted that after removing said correspondence he took it with him to his own office and there tore it into pieces and threw it into the waste-paper basket, and that it cannot now be obtained.

9. The said L. H. Brittin stated that he secured the said files in the office of William P. MacCracken, Jr., from his law partner, one Frederic P. Lee, who willingly delivered them to the said L. H. Brittin at said time and place. The claim made by the said L. H. Brittin before the Senate committee was that he had certain correspondence in these files of a personal and confidential nature and that he did not want it made public through the Senate committee, but since the correspondence has already been destroyed the committee is unable to prove the truth or falsity of this statement from the correspondence itself.

After said correspondence was destroyed by the said L. H. Brittin, he testified that he then gave his consent for the Northwest Airways, Inc., files to be inspected by the Senate committee.

The correspondence, papers, memoranda, and telegrams in the files of the said William P. MacCracken, Jr., constituted material and pertinent evidence for the committee to consider in connection with its investigation and recommendations for legislation concerning ocean mail and air mail Government contracts.

For the further information of the Senate there is attached hereto a stenographic report of the evidence before your committee, given by William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and J. A. Bradley. There is also presented to the Senate in a sealed envelope the letters, memorandums, and papers produced by Gilbert Givvin purporting to be the papers removed from said William P. MacCracken, Jr.'s, files and sent to S. W. Voorhes.

Your committee believes that it is proper to report the foregoing facts to the Senate in order that the Senate may determine whether or not any action shall be taken by the Senate with a view to proceeding against the said William P. MacCracken, Jr., Harris M. Hanshue, L. H. Brittin, Frederic P. Lee, and Gilbert Givvin in the nature of a proceeding for contempt or otherwise, or for such other and appropriate action as the Senate may deem it proper to take.

Respectfully submitted.

HUGO L. BLACK, *Chairman.*

EXHIBIT A

UNITED STATES OF AMERICA,
CONGRESS OF THE UNITED STATES.

To Mr. L. H. BRITTIN,

Vice President Northwest Airways, Washington, D.C., greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the investigating Committee on Ocean Air Mail Contracts of the Senate of the United States, on February 2, 1934, at instanter o'clock — m., at their committee room 101, Senate Office Building, Washington, D.C., then and there to testify that you may know relative to the subject matters under consideration by said committee.

Bring with you all files, records, data, and memoranda which you removed from the office of Messrs. MacCracken and Lee.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To A. G. Patterson to serve and return.

Given under my hand, by order of the committee, this 2d day of February, in the year of our Lord 1934.

HUGO L. BLACK,
Chairman Committee on Ocean Mail and Air Mail Contracts.

Accepted February 2, 1934.

L. H. BRITTIN.

EXHIBIT B

UNITED STATES OF AMERICA,
CONGRESS OF THE UNITED STATES.

To Mr. GILBERT GIVVIN,

Mayflower Hotel, Washington, D.C., greeting:

Pursuant to lawful authority you are hereby commanded to appear before the investigating Committee on Ocean Mail and Air Mail Contracts of the Senate of the United States on February 2, 1934, at instanter o'clock — m. at their committee room 101, Senate Office Building, then and there to testify what you may know relative to the subject matters under consideration by said committee.

Bring with you all files, records, data, and memoranda which you removed from the offices of Messrs. MacCracken and Lee.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To A. C. Patterson to serve and return.

Given under my hand, by order of the committee, this 2d day of February 1934.

HUGO L. BLACK,
Chairman Committee on Ocean Mail and Air Mail Contracts.

Accepted February 2, 1934.

GILBERT GIVVIN.

Mr. BLACK. Mr. President, I desire at this time to attempt, if I may, to clarify the facts which have been presented to the Senate in the report in order that the Senate

may be able to determine just what action it should and will take, if any, in connection with the subject matter.

The committee, I might state, as I did in presenting the original report, brought this matter to the Senate only after the committee had attempted to obtain the evidence it desired. The committee, recognizing the seriousness of presenting these charges, was very reluctant to do so until the facts were of such a nature that the committee was of the unanimous opinion that it could not longer refrain from presenting the matter to the Senate as a whole.

As may be understood from the two reports which have been made, this matter was instituted by reason of an original summons which was issued to Mr. William P. MacCracken, Jr., directing him to bring before the Senate committee investigating ocean and air mail contracts, correspondence, memoranda, maps, and files touching ocean and air mail contracts. Previous to the issuance of the subpena there has been a great deal of evidence taken before the committee under oath from witnesses showing that Mr. MacCracken, as a representative of a number of airline mail contractors, had taken a very active part in connection with the awarding of those contracts.

Evidence under oath had also developed the fact that a meeting had been held adjacent to the office of the Postmaster General, Mr. Walter F. Brown, in connection with the entire subject of awarding air mail contracts beginning in the month of May, as I recall, 1930. The evidence has disclosed up to this time that at that meeting the discussion hinged around a proposal to divide the United States into certain air mail routes and to decide which particular air mail operators might secure certain particular air mail contracts.

A photostatic copy of a copy of a report made by Mr. MacCracken as chairman of that meeting to Postmaster General Brown had been submitted to the committee. This report showed that certain air mail contractors and prospective air mail contractors had met together in the office adjacent to that of the Postmaster General and, after having been addressed by the Postmaster General, had been left to themselves to work out, if they possibly could, an agreement among themselves as to establishment of air mail routes and a report or recommendation as to which particular company should be awarded certain particular contracts.

Of this meeting, as I said, Mr. MacCracken was chairman and made the report as chairman.

I mention the next point because of its materiality in relation to the question of privilege which was submitted to the committee. This, of course, presented to the Senate committee immediately the question of the legality or illegality of these acts. The Senate committee was familiar with the fact that the statutes of the United States prohibit combinations of prospective bidders with reference to obtaining contracts. The committee was familiar with the fact that the same statute not only invalidates a contract obained by such methods but disqualifies those who enter into the combination from bidding for any Government contracts for a period of 5 years.

In addition to this fact the Senate committee has had before it witnesses under oath who testified to the fact, one of them stating that he had his information confirmed by the Second Assistant Postmaster General, that Mr. Brown, the Postmaster General, at the time these meetings were in progress, was a stockholder in the Pennsylvania Railroad; and, as suggested by my colleague on the committee, was not only a stockholder in the Pennsylvania Railroad but in other companies, including the Penn Road Corporation and the International Mercantile Marine. The committee, of course, were familiar with the fact that under the statute relating to the awarding of contracts this likewise was a violation of the law, subjecting any person who participated in awarding contracts to companies in which he was directly or indirectly interested to a very severe penalty in the courts of the Nation. They were familiar with the fact that this was provided in the Code of the United States, title 18, section 93; Revised Statutes, section 1783. If Senators are interested and would like to have that section read, I shall be very glad to read it. Otherwise, I shall content myself simply with referring to it.

It has been requested that the section be read, so I will read it:

SEC. 93. Interested persons acting as Government agents: No officer or agent of any corporation, joint-stock company, or association, and no member or agent of any firm, or person, directly or indirectly interested in the pecuniary profits or contracts of such corporation, joint-stock company, association, or firm, shall be employed or shall act as an officer or agent of the United States for the transaction of business with such corporation, joint-stock company, association, or firm. Whoever shall violate the provision of this section shall be fined not more than $2,000 and imprisoned not more than 2 years.

After the subpena was issued and served upon Mr. MacCracken, he asked to be permitted to come before the committee to protest against revealing the correspondence, memoranda, and maps referred to. The committee took cognizance of his request, and immediately met, and Mr. MacCracken appeared before the committee.

Mr. MacCracken stated that he objected to bringing the correspondence and papers referred to on the ground that the papers and correspondence were confidential and privileged communications passing between attorney and client.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BLACK. I yield.

Mr. BORAH. Was the statement of Mr. MacCracken confined solely to the claim that this was a privileged matter between attorney and client?

Mr. BLACK. That is correct.

Mr. BORAH. He made no statement with reference to this being private matter and that the committee were not entitled to it?

Mr. BLACK. He said "a confidential communication between attorney and client."

When this question was raised the committee desired to take the matter under consideration, and not to make a decision immediately upon a question of this kind which was raised by a witness. For that reason the committee adjourned. In the meantime Mr. MacCracken stated to the committee that he was perfectly willing to have the Senate committee's investigators sit in his office, and that he would select from the files those communications which in his judgment were not of a confidential nature passing between attorney and client, but would reserve the right to decide for himself which were confidential as between himself and his client and which were not confidential.

The committee in the meantime suggested, since Mr. MacCracken was raising this question as to his clients, that he send them a telegram asking them if they desired to insist upon this privilege. Mr. MacCracken prepared that telegram and sent it immediately. The telegram was read in the report filed by the committee.

The committee waited the next day, and until the morning following the next day, and in the meantime concluded that it was ready to make a declaration on the questions involved. So the committee met on the second day after the original meeting, and Mr. MacCracken appeared before the committee and was asked as to whether the files were in the same condition they had been in when the summons was issued or whether any of the files had been removed. Mr. MacCracken made the statement, in substance, that some of the files had been removed. He gave the names of Mr. Givvin and Mr. Brittin. I shall not go into the details of his description of the kind of files that were removed. That appears in the evidence.

The committee then unanimously reached the conclusion that the records and files should be made available to the committee instantly, and Mr. MacCracken was told of this fact in the open committee meeting. Thereafter certain employees of the Senate committee immediately went to Mr. MacCracken's office, and he again declined to turn over the papers that were left. An instanter subpena was issued for Mr. Givvin and Colonel Brittin to bring before the committee the papers that had been removed. Colonel Brittin ap-

peared before the committee and made the statement that the papers he had obtained had been destroyed. He said that he went to Mr. MacCracken's office because there were certain personal and confidential files of his own in Mr. MacCracken's files that he did not want to be made public. He stated that on this account he went to Mr. MacCracken's office and talked to Mr. Lee, Mr. MacCracken's partner, and Mr. Lee either obtained or sent for the files of the Northwest Airways, and that he, Colonel Brittin, took from the files such letters as he wanted and which he considered to be of a personal and confidential nature, put them in his pocket, took them to his office, tore them into pieces, and threw them in the wastepaper basket. He further stated that it was impossible to obtain those papers now.

Mr. BORAH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BLACK. I yield.

Mr. BORAH. Did Colonel Brittin define this confidential matter? In what respect was it confidential?

Mr. BLACK. He did not.

Mr. BORAH. Did he undertake to treat this as a confidential matter between himself and his attorney? Was that the nature of the confidence?

Mr. BLACK. No; I did not understand from Colonel Brittin that he referred to that kind of confidence. I understood from his evidence that these papers were of a private nature wholly disassociated from the air and ocean mail contracts, and that he acted on the theory that he had the right to go and take these papers out of the files because they were of a nature wholly disassociated from the ocean or air mail contracts. That was my understanding.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Maine?

Mr. BLACK. I do.

Mr. WHITE. That is what I wanted to call to the Senator's attention. With respect to Colonel Brittin, the substance of his statement was that the letters which he took were of a personal as well as a confidential nature, and that they did not relate to the subject of air mail at all. Of course he determined the question as to whether or not they fell within that class of communication, and the committee itself had no knowledge as to their contents; so the members of the committee had no independent judgment as to their character.

Mr. BORAH. A matter of a personal nature is one thing. A matter of a confidential nature is another.

Mr. WHITE. That is quite true.

Mr. BORAH. Did Colonel Brittin define what he meant by "confidential nature"?

Mr. WHITE. I think he did not undertake to define it. He asserted that the matter was personal, and confidential because it was personal, as I understood him. Am I right in that?

Mr. BLACK. That was my understanding.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. I yield.

Mr. ROBINSON of Arkansas. Did Mr. Brittin explain how personal and confidential communications became mixed in with the communications relating to air mail contracts?

Mr. BLACK. He did. He was asked that question, and he stated that he had previously used the office of Mr. MacCracken somewhat as his Washington headquarters. He was then asked the question why, if they were of such a purely private nature, he permitted them to be placed in this file. He said that he had frequently discussed these matters with Mr. MacCracken, and therefore he had left them in this file, but he did not want them to be made public.

Mr. WHITE. Mr. President, will the Senator yield further?

Mr. BLACK. I yield.

Mr. WHITE. I think the Senator from Alabama has correctly stated the matter. This particular witness made it clear to the committee that until a few days before he had had no office of his own in Washington—that is, no separate office of his own—but that he had used Mr. MacCracken's office as his Washington headquarters when he was here; that he had there himself dictated letters, and that Mr. MacCracken had been consulted by him not only about his business matters but about personal matters; and these alleged personal letters were left there through that circumstance.

Mr. BORAH. Mr. President, may I ask the Senator a further question? Did Colonel Brittin claim that the letters which he destroyed were solely and only of a personal nature?

Mr. BLACK. He did.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BLACK. I yield.

Mr. NORRIS. Where was Mr. MacCracken in the meantime? Did he know anything about this? Was all this done with his knowledge and consent, or without it?

Mr. BLACK. With reference to the particular Brittin letters, they were turned over to Colonel Brittin by Mr. Lee, a partner of Mr. MacCracken.

Mr. NORRIS. Did Mr. MacCracken know about it?

Mr. BLACK. I gather that he did, because he testified before the committee that Colonel Brittin had obtained these letters.

Mr. WHITE. I think the testimony also is that Mr. MacCracken was not personally present at the time Mr. Lee turned these papers of Colonel Brittin over to him.

Mr. BLACK. That is correct.

Mr. WHITE. I think that is correct.

Mr. REED. Mr. President, will the Senator permit a question?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. BLACK. I yield.

Mr. REED. Did Mr. MacCracken take the position before the committee that he was privileged from disclosing not only letters from the client to him but other sorts of papers belonging to the client?

Mr. BLACK. He took the position that anything that passed between himself and his client—either from him to his client, or to him from his client—was of a privileged nature, and that he would not reveal it.

Mr. REED. Did the committee disagree with that statement?

Mr. BLACK. The committee did. I will go into that phase of the matter in a few moments. There were several different grounds of disagreement, I may say to the Senator; and I shall endeavor to let the Senate have the benefit of each particular position assumed by the members of the committee.

Mr. GEORGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. BLACK. I yield.

Mr. GEORGE. Did Mr. MacCracken, or either of the two gentlemen referred to, take the position before the committee that the letters did not relate to air mail or ocean mail contracts?

Mr. BLACK. They did not.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I yield.

Mr. BARKLEY. As I understand, there were two questions in this situation. One was with reference to purely personal matters that had no relationship to air mail con-

tracts, which Mr. MacCracken did not want the committee to read, and the other was about confidential communications between him and his clients with reference to air mail matters. Is that true?

Mr. BLACK. I do not understand that any objection was made on the ground that anything was of a personal and private nature. I did understand that Mr. MacCracken's objection, as it appears in the record, was that the committee did not have the right to obtain any confidential communications passing from him to his client or from his client to him touching ocean and air mail contracts.

Mr. BARKLEY. And in addition to that there was certain mail, about which the Senator has just been talking, which got into this file, which was purely private and personal, and that Mr. MacCracken also objected to giving to the committee?

Mr. BLACK. No; that is a mistake. Colonel Brittin testified that he went down and obtained certain correspondence, which was of a purely personal nature, and destroyed it; and, of course, the committee has no way of determining from the destroyed part whether it was of a personal nature or was not of a personal nature.

Mr. WAGNER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New York?

Mr. BLACK. I yield.

Mr. WAGNER. I desire to have one thing made clear, and I do not know whether the Senator has stated it or not. The committee itself was never afforded an opportunity to determine whether or not these matters were of a purely personal nature; therefore, no action of the committee in that matter has been made a part of the record before the destruction of the papers in question.

Mr. BLACK. Mr. MacCracken took the position that he, and he alone, had the right to determine for himself whether or not these communications were privileged. He took the position that the Senate committee had no right to see them; that, in his judgment, they were privileged; that the privilege imposed a duty upon him, and that duty was to prevent the revealing of this correspondence or these papers until he, Mr. MacCracken, reached the conclusion that they were not of a private or confidential nature.

Mr. WAGNER. The Senator, as a lawyer, does not agree to that proposition?

Mr. BLACK. I do not agree to it, and it is my intention to state more fully in a few minutes that I do not agree that any of the correspondence was privileged, for reasons which I shall point out.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield.

Mr. FLETCHER. What relationship was established between Colonel Brittin and any of the bidders for air mail contracts, or air mail contractors?

Mr. BLACK. His company is one of the companies which received contracts, and which participated in the conference at the Postmaster General's office.

Mr. FLETCHER. He was, therefore, at the time of this correspondence, interested in the air mail contracts.

Mr. BLACK. Oh yes; vitally interested.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Utah?

Mr. BLACK. I yield.

Mr. KING. I should like to state to the Senators that no question at all was suggested about any personal correspondence until Mr. Brittin himself, after he had obtained certain data or memoranda from the office of the attorney, came upon the stand and testified that he had obtained them and had destroyed them. That was the first suggestion that was made in the hearings that any of the correspondence or memoranda were of a personal character. Mr. MacCracken declined to furnish the correspondence or to permit an examination. He based his claim of privilege on the ground that the correspondence, the data which he had, resulted from the relation between him and his clients. He was the attorney for a number of corporations and, as such, was under obligation to his clients to assert his privilege. There was no suggestion of any personal correspondence. That was not mentioned until Mr. Brittin took the stand.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. BLACK. I yield.

Mr. BORAH. I desire to ask the Senator from Alabama a question. Is the question of personal correspondence involved at this time, or is it now purely a question of confidential matters?

Mr. BLACK. The only question that was raised in the effort to claim privilege was with reference to confidential communications passing between attorney and client. The only thing of a personal nature that was mentioned was with reference to the two removals from the files, when both Givvin and Brittin claimed that it was their desire to remove purely personal communications.

Mr. BORAH. Prior to the time of the removal there was no claim that the correspondence was of a personal nature?

Mr. BLACK. The only claim was, as stated, that it was correspondence of a confidential nature passing between attorney and client.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Maine?

Mr. BLACK. I yield.

Mr. WHITE. Of course, at the time this question arose to perplex us no member of the committee had any personal knowledge at all as to the character of the correspondence in question, and one of the problems presented to us was whether the investigators of the committee, or the committee itself, should see the correspondence and determine the question as to whether it was privileged or was not privileged, or whether that determination rested in the attorney himself. That was one of the questions with which the committee was directly concerned, and it was before there had been any conclusion on that question, except in the minds of the individual Senators—the committee had taken no action on it—it was while that was pending that a determination was made by the attorneys involved, or by the clients of the attorneys, that some of the correspondence was of a personal or privileged character; so it was removed. We did not know at the time from any inspection of the correspondence whether it was personal or confidential, or whether there was any cloak of privilege around it at all or not.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Maryland?

Mr. BLACK. I yield.

Mr. TYDINGS. The Senator from Alabama, in his statement of the facts, has said that some papers were removed from the files in the case. I am under the impression from what he has said that the papers which were removed were taken from the air mail file.

Mr. BLACK. That is correct.

Mr. TYDINGS. In other words, these papers were not in a separate file, but were in the air mail file?

Mr. BLACK. The Senator is correct.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. BLACK. I yield.

Mr. COSTIGAN. May I ask the Senator from Alabama whether the committee clearly indicated to Mr. MacCracken its desire to examine the documents in question, and to determine independently of Mr. MacCracken whether or not the papers were confidential?

Mr. BLACK. Oh, yes; several times.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. I yield.

Mr. ROBINSON of Arkansas. I believe that from this point forward we ought to give the Senator from Alabama the opportunity to proceed with his statement. It will be conducive to good order and good procedure to pursue that course, and to ask our questions following the conclusion of his statement.

Mr. BLACK. Mr. President, I think I have perhaps explained, in my remarks up to this point and in my answers to the inquiries of Senators from the floor, the status with reference to the correspondence which was removed by Colonel Brittin.

At the time when Mr. MacCracken testified that Colonel Brittin had removed correspondence he also stated that other correspondence had been removed by Mr. Givvin, who was and is an employee of the Western Airways Co.

Mr. Givvin came before the committee, and in response to the subpena in the first instance stated that the papers had been sent to Mr. Voorhees in New York at the Essex House.

A telegram was sent by the committee to Mr. Hanshue directing that the papers be returned. The exact hour when the papers, or what is purported to be the papers, were mailed in New York back to the Senate is not known, by reason of the fact that we do not have the original envelop; but the next morning, after the request had been made to return the papers, a group of papers was returned to the Senate Committee by Mr. Givvin, which papers are included in the envelop I hold in my hand.

Mr. Givvin testified before the committee, in substance, that he had been called up over long-distance telephone by Mr. Hanshue, who is, as I understand, either the president or the vice president of the Transcontinental & Western or the Western Air Express. At any rate, whatever his particular title, he is an officer in such company and has been for a number of years, even before merged with the T.A.T. and the Pennsylvania Air Industries to form the Transcontinental & Western. These papers were sent to the hotel by Mr. Voorhees. That hotel was also the hotel of Mr. Hanshue. When they were brought to the committee it was discovered that practically every one of them related to air mail transportation and air mail contracts. They are here in the file, to be used by the Senate, and I have brought them here for that purpose.

Mr. Givvin stated in the beginning that he was instructed to get the papers that were of a confidential or private nature, as I understood, passing between Mr. Hanshue and Mr. MacCracken. The statement was also made with reference to Mr. Hanshue that he utilized the office of Mr. MacCracken and that frequently his private correspondence would appear in the files of Mr. MacCracken.

However, the fact remains that the papers that were brought back, if they are the papers in question, clearly demonstrate that they are with reference to air mail transportation.

The papers in question were removed out of the office of Mr. MacCracken and taken away by Mr. Givvin under the following circumstances. After being directed by Mr. Hanshue to go to the office of Mr. MacCracken, Mr. Givvin called Mr. MacCracken and told him of the directions he had received. Mr. MacCracken told him to sort the correspondence out, and Mr. Givvin said that when he arrived—the evidence is not exactly clear as to the time; he stated at one time that it was dark, and at another time I believe he said it was 5:10 in the afternoon—Mr. MacCracken took the Western Air Express file in his hands and selected from that file the particular papers which were delivered to Mr. Givvin. He stated that he, Mr. Givvin, had nothing to do with selecting the papers that were removed, that the decision was made by Mr. MacCracken, and that the papers were delivered by Mr. MacCracken.

Mr. Givvin, I might state, also denied that he had personal knowledge at that time that the Senate committee sought the papers in question, although he did state that Mr. Hanshue had called him up and told him about the summons that had been served, and had notified him therefore to go down and get out some of the papers.

So that we have two groups of papers which were removed—one destroyed; the other here, if what we have here constitutes exactly the papers that were removed. Of course, there is no way for the committee to determine exactly the nature of the papers that were destroyed by Colonel Brittin. There is no way for the committee to absolutely know whether these are the identical papers that were taken out of the files or not. But it is clear that, as to these papers, they were of vital importance in order for the Senate committee to determine upon proper legislation to pass concerning air mail contracts.

A part of one of these papers was read into the record, and it showed that a serious complaint was being made by the Western Air Express that the Postmaster General was forcing them to form a combination with other companies which they were very averse to forming. This was in connection with other evidence which had been adduced, showing that in the conference the Postmaster General took upon himself the right to determine which companies should consolidate, which should be bought out, which should be merged, and even went to the extent of appraising the value of the property which was to be absorbed by one company, and fixing the price that was to be paid by the purchasing company. The committee could, therefore, very readily see that, insofar as that correspondence and those memoranda were concerned, there could be no question of doubt as to the materiality of that paper in connection with proper legislation to protect the United States Government in the future from such awards of contracts and such action on the part of its designated representative in the Cabinet as Postmaster General.

Mr. President, those are the facts which have appeared before the committee. It is difficult to believe that anyone could take the position that this evidence was not material in connection with the inquiry. The committee has submitted these facts to this body, with the request that the body itself determine what action should be taken. In that connection I desire to discuss briefly the possible actions which can be taken and the question of privilege.

In the first place, Mr. President, some of the members of the committee took the position that there was no legal privilege which must be recognized in a Senate committee insofar as communications between attorney and client are concerned. That was based partly upon the fact that the statute itself provides in section 193 of title 2 of the United States Code:

> Privilege of witnesses: No witness is privileged to refuse to testify to any fact or to produce any paper respecting which he shall be examined by either House of Congress, or by any committee of either House, upon the ground that his testimony to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.

Another section provides that insofar as the testimony of a witness before a Senate committee is concerned he cannot thereafter have that testimony used against him in a criminal prosecution.

Of course, it is well recognized that Senate committees, acting under the authority of the Senate, are not bound by the strict rules of evidence that govern in a court of law. Insofar as I am concerned personally, the basis for my conclusion is not limited to this ground. As a matter of fact, I might state to the Senate that on a previous occasion an attorney appeared before this committee who had clearly received a confidential communication as an attorney. It was with reference to legal and legitimate employment; there was no question of the legality of the contract of employment. It was such a clear case of what I considered to be privilege under the general rules of law that I joined with my colleagues on the committee who were present and agreed to accept the claim of privilege, even though, in my judgment at that time, I was not convinced that it was required that the Senate committee do so. I, however, recognized the privilege by reason of the belief on my own part that it was so well entrenched in the general jurisprudence of the country that, even though the Senate committee had the power, I did not desire to transgress upon it in a case where it was

a legitimate privilege touching a legitimate contract carried on in a legitimate, legal manner.

This claim of privilege, however, is based upon an entirely different situation. No privilege can spring from an illegal contract; no privilege can spring from a contract which is contrary to public policy. If the contract should originally be legal, covering a lawful subject matter, and it should be carried on such a way as to promise action which might constitute fraud upon the Government, my judgment is that, under those circumstances also, the contract would be void from its beginning. No privilege could spring from a situation with reference to which the Government might be defrauded.

I shall first take up the question of the legality of the contract. The evidence by Mr. MacCracken shows that he was employed for two things: One was to aid in the passage of legislation; the other was to aid in obtaining Government mail contracts.

While, as I have stated, I recognize personally and for myself a legitimate privilege springing from a lawful contract, the mere fact that a man is a lawyer does not mean that with reference to every service he performs there is a privilege. If a lawyer should be employed to mow a lawn, there would be no privileged communications between him and his employer. If a lawyer should be employed to act as clerk in a department store, there would be no privilege as to communications passing between him and his employer. If an attorney should be employed to negotiate a contract for the purchase of goods for a department store, communications with his employer would not be confidential. If a lawyer is employed to aid in securing a contract with the Government—I see no distinction between securing a contract with the Government and securing a contract for a department store.

There are certain well-recognized practices which custom has sanctioned to be those governing the relationship of attorney and client. No one but a lawyer can represent a man in a criminal case. Employment to represent a man in a criminal case would, therefore, come within the privilege. Employment might be with reference to handling a civil case; it might be with reference to drawing up a civil contract. In some States none but a lawyer can draw certain contracts; but all of us know that custom, insofar as the city of Washington is concerned, does not limit itself in the employment of those seeking to obtain Government contracts, seeking to obtain legislation, to those who have a legal license. Evidence before this committee has well demonstrated and proven that multitudes of people are in Washington now, and have been over a period of years, without ever having had a legal license, but who are working constantly with Government departments to obtain Government contracts, even though the law says such contracts shall be awarded to the lowest bidder. All of us are familiar with the fact that the halls of this Capitol are filled from day to day with people who are not lawyers but who are seeking, in every possible way, to obtain the passage of legislation. They seek it by having letters written to Senators and Representatives in Congress; they seek it by having friends approach Members of the Congress; they seek it in every other conceivable manner.

I take the position, in the first place, that the employment of a man, even though he happens to be a lawyer, for the purpose of aiding and securing the passage of legislation or for the purpose of aiding and securing Government contracts is not such legal employment as would justify the recognition of a privilege as to confidential communications.

Further, I take the position that a contract between a lawyer and an individual or a corporation which has as its basic purpose obtaining favoritism in a governmental bid is illegal and is contrary to public policy. I take that position on no less authority than the Supreme Court of the United States; but, even without a decision, common sense would irresistably drive a sensible man to the same conclusion.

This Government has sought in every conceivable manner to throw a protection around the awarding of bids for mail contracts. There has been a statute on the books practically since the Government became a government which made it illegal for people to combine in order to obtain a contract with reference to which competitive bids were required. There has been a statute on the books for many years which not only disqualifies the individual from securing a contract if he combines with another but which stigmatizes him for a period of 5 years so that he may obtain no Government contracts during that period. If there had been no statute, under the common law itself since the very beginning of Anglo-Saxon jurisprudence, and tracing its origin back even to the Roman days, contracts between individuals whereby an effort is made to obtain favoritism with reference to Government contracts are against public policy, are against the public interest, and cannot and will not be recognized.

So, Mr. President, so far as I am concerned, and speaking my individual views as a member of this committee, I take the position that a contract to aid in the passage of legislation in Washington by conferring with individual Senators on this side and on the other and by having letters written, and by every other means which we know to be adopted, is not a legal contract, but it is contrary to the public interest, contrary to public policy, and we need no laws and no statutes in order to declare it illegitimate and wrong.

There is nothing strange about that. The Supreme Court of the United States has said it; the supreme court of practically every State of the Union has said it; the nisi prius courts have said it; the juries have said it whenever it has been submitted to them; and the common sense of the common people of this Nation has long since declared it to be an outlawed practice.

Let us see for just a moment what the Supreme Court of the United States says about it. I have in my hands the case of Trist against Child, reported in Twenty-first Wallace, page 441. In that case, which was decided in 1874, Mr. Justice Swayne delivered the opinion of the Court. Let us consider for a moment some of the statements made in that opinion.

> Was the contract a valid one? It was, on the part of Child, to procure by lobby service, if possible, the passage of a bill providing for the payment of the claim. The aid asked by the younger Child of Trist, which indicated what he considered needful, and doubtless proposed to do and did do himself, is thus vividly pictured in his letter to Trist of the 20th February, 1871. After giving the names of several Members of Congress, from whom he had received favorable assurances, he proceeds: "Please write to your friends to write to any Member of Congress. Every vote tells, and a simple request may secure a vote, he not caring anything about it. Set every man you know at work. Even if he knows a page, for a page often gets a vote."

There is nothing unusual about that letter. We have seen hundreds of such letters in the correspondence which has been investigated by the committee. It is an old practice.

> In the Roman law it was declared that "a promise made to effect a base purpose as to commit homicide or sacrilege is not binding." In our jurisprudence a contract may be illegal and void because it is contrary to a constitution or statute, or inconsistent with sound policy and good morals. Lord Mansfield said: "Many contracts which are not against morality are still void as being against the maxims of sound policy."
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> It is a rule of the common law of universal application that where a contract express or implied is tainted with either of the vices last named, as to the consideration or the thing to be done, no alleged right founded upon it can be enforced in a court of justice.
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> Before considering the contract here in question it may be well, by way of illustration, to advert to some of the cases presenting the subject in other phases in which the principle has been adversely applied.
>
> Within the condemned category are—

I am reading from the opinion some of the examples the Court gives of contracts that are contrary to public policy—

> an agreement to pay for supporting for election a candidate for sheriff; to pay for resigning a public position to make room for another; to pay for not bidding at a sheriff's sale of real property; to pay for not bidding for articles to be sold by the Government at auction; to pay for not bidding for a contract to carry the mail on a specified route.

Not only that one, but I could read from numerous others. Bear in mind that the evidence before our committee shows there was not only a proposal made that certain individuals should secure certain mail contracts, a decision on which was reached in a secret meeting to which the public were neither invited, expected, nor permitted to be present. Contracts were later awarded to the very same companies whose names were placed in the report made by the chairman of that committee.

So, Mr. President, if there were no other ground to strike down privilege it would be sufficient to show that in accordance with an agreement made under these circumstances, participated in both by Mr. MacCracken and his clients, many millions of dollars were paid each year out of the Public Treasury on contracts made where competitive bidding was stifled, where the arm of the Government was paralyzed, and where the individuals who had been selected in a meeting, with reference to which the Postmaster General acted as arbitrator, received the contracts and the money.

I shall not read all the way through the opinion, though it is very illuminating. It strikes at the basic, bedrock principles of public justice and public morality. The Court refers to the fact that the foundation of the Republic is the virtue of its citizens and then, in order to make sure, they say:

> The foundation of a republic is the virtue of its citizens. They are at once sovereigns and subjects. As the foundation is undermined, the structure is weakened. When it is destroyed, the fabric must fall. Such is the voice of universal history. The theory of our Government is that all public stations are trusts and that those clothed with them are to be animated in the discharge of their duties solely by considerations of right, justice, and the public good. They are never to descend to a lower plane. But there is a correlative duty resting upon the citizen. In his intercourse with those in authority, whether executive or legislative, touching the performance of their functions, he is bound to exhibit truth, frankness, and integrity. Any departure from the line of rectitude in such cases is not only bad in morals but involves a public wrong. No people can have any higher public interest, except the preservation of their liberties, than integrity in the administration of their government in all its departments.
>
> The agreement in the present case was for the sale of the influence and exertions of the lobby agent to bring about the passage of a law for the payment of a private claim, without reference to its merits, by means which, if not corrupt, were illegitimate, and considered in connection with the pecuniary interest of the agent at stake, contrary to the plainest principles of public policy. No one has a right, in such circumstances, to put himself in a position of temptation to do what is regarded as so pernicious in its character. The law forbids the inchoate step, and puts the seal of its reprobation upon the undertaking.
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> If any of the great corporations of the country were to hire adventurers who make market of themselves in this way, to procure the passage of a general law with a view to the promotion of their private interests, the moral sense of every right-minded man would instinctively denounce the employer and employed as steeped in corruption, and the employment as infamous.
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> * * * * * * *
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> We have said that for professional services in this connection a just compensation may be recovered. But where they are blended and confused with those which are forbidden, the whole is a unit and indivisible.

How can we distinguish in a case of that kind which part would be legitimate legal services and which part would be for that which is declared to be contrary to public policy?

> That which is bad destroys that which is good, and they perish together. Services of the latter character, gratuitously rendered, are not unlawful. The absence of motive to wrong is the foundation of the sanction.

This statement then follows:

> The elder agent in this case is represented to have been a lawyer of ability and high character. The appellee is said to be equally worth. This can make no difference as to the legal principles we have considered, nor in their application to the case in hand. The law is no respecter of persons.

Mr. President, this case has been followed by others. In the case of Tool Co. against Norris, Second Wallace, I read from page 55 in order that no one may say there is no distinction between seeking to obtain legislative action and seeking to obtain departmental action. In that case the Supreme Court of the United States said:

> There is no real difference in principle between agreements to procure favors from legislative bodies and agreements to procure favors in the shape of contracts from the heads of departments. The introduction of improper elements to control the action of both, is the direct and inevitable result of all such arrangements.

I shall not go further into detail in the report of this case. It is one of the most illuminating opinions rendered. I have numerous other cases on the same subject, all of them agreeing—there is no dissent—that employment of an individual to seek to obtain the passage of legislation and employment to seek to obtain Government contracts is similar in legal effect. I distinguish between seeking to obtain Government contracts and employing a lawyer to draw up a contract. The latter is, of course, legitimate legal employment, but all of the cases, without exception, from the United States Supreme Court down to the State courts, have uniformly put their disapproval upon such contracts and declare them to be void by reason of the fact that they are contrary to public policy.

In this case, according to the evidence before the committee, contracts were awarded. The courts hold that it makes no difference whether the actual contracts were awarded or not. That is immaterial; but in this case the contracts were awarded. The evidence clearly shows, to my own mind, that they were awarded collusively, that they were awarded fraudulently, and they stand upon a rotten foundation.

The evidence further shows from the very correspondence that was returned in this file that there was evidence in the file which would tend to establish facts with reference to the way contracts had been let in the Department. How can the Congress pass upon the kind of laws it ought to enact, how can it close the loopholes, how can it safeguard the weak spots unless it ascertains what methods have heretofore been adopted in order to deprive the Government of that which was its own?

So, Mr. President, leaving to the Senate the right to determine exactly what steps it desires to take with reference to the individuals whose names have been reported to it, the committee submits the facts.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Alabama yield to the Senator from Massachusetts?

Mr. BLACK. I yield.

Mr. WALSH. Has the committee any recommendations?

Mr. BLACK. The committee has reported to the Senate that it has submitted the case to the Senate in order for it to determine whether or not these individuals should be cited for contempt or whether or not any other process should be taken against them.

Mr. WALSH. Has the committee taken a position on the question of whether the Senate should cite the parties?

Mr. BLACK. The Senate has not officially taken any position. The committee does not desire, I might state to the Senator, to appear in the role of prosecutor. The object of the committee was to obtain the facts in order to pass upon legislation.

Mr. WALSH. There is always an atmosphere in a matter of this kind that only members of the committee can penetrate. It is very difficult for other Members of the Senate to get the full facts. I did not know whether there were possible sinister influences behind the facts in a case of this kind.

Mr. BLACK. It is my own individual judgment, since the Senator has asked me, that this was a deliberate effort to deprive the Senate of papers which were under subpena and which were material in order to reach the facts.

Mr. WALSH. That is a pretty strong statement. Are other members of the committee of the same opinion?

Mr. BLACK. I would not speak for other members of the committee.

Mr. WALSH. I think we should all like to hear their views.

Mr. BLACK. I am sure other members of the committee will express their views. The committee thought this was such a vitally important question that it could not be ignored. Therefore it has been submitted to the Senate.

Now I desire to make one statement with reference to the law if the Senate concludes to take action.

If the Senate desires to cite for contempt——

Mr. BARKLEY. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I do.

Mr. BARKLEY. Has there been any change in the situation since the order of the Senate last week arresting Mr. MacCracken? Has any effort been made to correct the situation which brought about that action?

Mr. BLACK. The Senator has asked a very proper question.

Mr. MacCracken answered the order of the Senate. He stated that he had the consent of his last client to permit the papers to be turned over to the committee. The papers have been turned over to the committee; that is, certain papers have been turned over to the committee. Of course, those that were destroyed have not been turned over, nor does the committee have any definite method by which it can obtain absolutely accurate knowledge as to whether or not all the papers have been turned over. The only change is that which I have mentioned—that Mr. MacCracken has stated to the Senate that they could now have these papers, and the Sergeant at Arms has taken charge of certain files.

That leaves the situation in this way:

While the subpena was pending, certain papers were removed. Certain papers were destroyed. Certain other papers were returned. Whether or not those were all the papers that were removed, the committee, of course, does not know. It is clear to my own mind from the evidence of Colonel Brittin and Mr. Hanshue and Mr. Givvin that the deliberate purpose in removing the papers was to take them away from the committee. That is the reason I made the statement deliberately. It is because Colonel Brittin testified that he knew they were under subpena, and he wanted them removed to keep them from being made public and because Mr. Givvin testified that Mr. Hanshue had directed him to get these papers after he had received the Senate subpena. So I am convinced in my own mind that the removal of the papers was a deliberate effort to keep the committee from obtaining them. I infer that from the statements made.

Mr. WALSH. Mr. President, were they removed after the subpena was issued?

Mr. BLACK. They were removed after the subpena was issued, after it had been served upon Mr. MacCracken, and after he had notified the particular individuals by telegram of the service of the subpena.

Mr. WALSH. I think that is a very important fact.

Mr. BARKLEY. Mr. President, my question was prompted by the fact that in the absence of a recommendation from the committee, it seemed to me that we might inquire as to the good faith of the man against whom the charge is brought. Assuming that he had made a mistake, and assuming that it was deliberate, it seemed to me we might inquire whether he had made an effort to rectify the misconduct, if that be what it was, on his part in seeking to have these papers removed. That might have some bearing on whether we should proceed to enforce some penalty.

Mr. BLACK. I may state to the Senator that it is my viewpoint that before the Senate decides whether or not it will seek to enforce any penalty upon Mr. MacCracken under the previous order issued, it should determine whether or not these additional individuals should likewise be brought before the Senate. It is my own judgment, personally speaking, that that should be done. I believe the evidence is of such a nature that the Senate could not, with due regard to the situation, fail to take that action.

I had just started to say that there are two methods by which that could be done. The Senate has the inherent right in the body itself to punish for contempt. It has the right under certain circumstances to certify the proceedings to the district attorney of the District of Columbia. Frankly, I doubt if under these circumstances the law is sufficiently clear to justify submitting it to the district attorney. I make that statement for this reason: Section 192 of title 2 of the code—and I desire the Senate to have the benefit of this statute—reads as follows:

> Refusal of witness to testify: Every person who having been summoned as a witness by the authority of either House of Congress, to give testimony or to produce papers upon any matter under inquiry before either House, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100, and imprisonment in a common jail for not less than 1 month nor more than 12 months.

It is clear that that makes this a misdemeanor if the facts justify the action.

Mr. BARKLEY. Just there—does the Senator desire to finish reading the statute first?

Mr. BLACK. I desire to finish reading the other two statutes in connection with this one in reference to contempt:

> SEC. 194. Witnesses failing to testify: Whenever a witness summoned as mentioned in section 192 of this title fails to testify, and the facts are reported to either House, the President of the Senate or the Speaker of the House, as the case may be, shall certify the fact under the seal of the Senate or House to the district attorney for the District of Columbia, whose duty it shall be to bring the matter before the grand jury for their action.

It will be noted that this section is limited to a failure to testify, and that the other section which I have read refers to a failure to testify or to bring the papers required; so that with reference to certifying the matter to the district attorney, insofar as contempt is concerned, there might be some question with reference to the construction of the statute.

Mr. BARKLEY. If this matter is not certified to the district attorney for appropriate action, what punishment can we inflict?

Mr. BLACK. The Senate has the right, under the decisions of the Supreme Court, to cite either one or all of these individuals to appear and show cause why they should not be punished for contempt. At that time they would, of course, be given the opportunity to make any statement in line with what the Senator has said. So that the Senate can take that course, if it desires, and proceed by hearing before this tribunal; or, if it desired, it could refer the matter, so far as the misdemeanor is concerned, to the district attorney for prosecution as a misdemeanor.

Mr. BARKLEY. I have not examined lately the cases to which the Senator refers, but under those decisions what form of punishment can the Senate inflict?

Mr. BLACK. The Senate could inflict punishment by imprisonment for a term not beyond the session in which the contempt occurred.

Mr. BARKLEY. It could not assess a fine?

Mr. BLACK. Yes; it could assess a fine.

Mr. BARKLEY. Within what limitation?

Mr. BLACK. There is no set limitation upon the fine, because it is recognized as a common-law power of the Senate.

Mr. BARKLEY. That is what I wanted to clear up. The Senate has power inherent in its own jurisdiction to inflict a penalty or it may certify the record to the courts in order that a misdemeanor may be punished?

Mr. BLACK. That is correct.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Illinois?

Mr. BLACK. I do.

Mr. LEWIS. I seek information from the able chairman of the committee on the following lines, because I recognize in this whole proceeding the effect of precedent that shall apply for the future:

Assume that the counsel in the cause, Mr. MacCracken, was wrong. Assume that he was wrong within the law,

and yet assume that it was an honest judgment as a lawyer, believing in his right to withhold the information on the theory of the protection of his client. I ask my able friend, the chairman of the committee, if such were an honest belief on his part, though disclosed to be wrong, and with papers which, as owned by the client, might be said to be in a nature representative of something illegal, does the chairman of the committee feel that the counsel under those circumstances is subject to contempt of the Senate?

Mr. BLACK. I do not think that would at all affect the act. It would, of course, like all facts and circumstances connected with any action, be a matter to be taken into consideration by the tribunal trying the case.

Mr. LEWIS. I should like to ask my able friend if his attention has been drawn to the case in the Supreme Court of the United States of Watts & Sachs, One Hundred and Ninetieth United States Reports, upon this exact point.

Mr. BLACK. I shall be glad to have the Senator read it, if he desires.

Mr. LEWIS. No; I will not interrupt my able friend. I only wanted to know whether it has been brought to his attention.

Mr. BLACK. I have read quite a number of cases.

Mr. LEWIS. If not, I take the liberty of tendering to him the Supreme Court of the United States decision on how far a lawyer may be held to be committing an offense in contempt where, though wrong in his construction of the law, he was honest within himself, under the belief of his right. This was a bankruptcy proceeding, and the contempt grew out of the lawyer's refusal to testify. I ask my able friend if, at his leisure, he will examine this case of Watts & Sachs, One Hundred and Ninetieth United States Reports, and see how far it is in line with his own conclusions, or those recommended by his committee.

Mr. BLACK. I shall be glad to look at it.

I have no further remarks to make at this time, unless someone desires to ask some questions.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I do.

Mr. LOGAN. I should like to know what the Senator thinks of this situation: If Mr. MacCracken in good faith thought he should be protected under the privilege rule, and declined to answer, then could he not have stood on that until your committee certified the question to the Senate to get a ruling as to whether he should be required to answer? And after the Senate so ruled, if he did answer the question, and matters were left in the same condition that they were when the question was certified, he would be free from contempt, would he not?

Mr. BLACK. The Senator has stated a case which, if it had occurred in that way, might have had a very material effect with reference to reporting this matter to the Senate.

Mr. LOGAN. Then is it not true that the change in the records, the fact that something was done to the records afterward, constitutes the gravamen of the offense at this time?

Mr. BLACK. It is my own judgment, may I say to the Senator, that if the committee had been of the opinion which has been outlined by the Senator from Illinois [Mr. LEWIS], that there was a bona fide effort to stand on what was conceived to be a legitimate legal duty, there probably would have been no citation or report to this body; but, of course, it was very difficult for at least part of the members of the committee to attribute such a motive completely when a part of the files were taken and destroyed during the very time that the Senate committee had the matter under consideration.

Mr. LOGAN. I agree with the Senator; so it seems to me that the destruction of the files is what constitutes the contempt or the seriousness of the offense at this time. I could not find fault with any man who might desire to rest on his constitutional rights and say that he was protected by a rule such as the privilege rule; but he could stand on that no longer than the body that had the power to decide should hold that he was wrong. Then, after having held that he was wrong, he would have a right to testify; but, in the meantime, if he put it out of his power to comply with the ruling of the Senate in this case, of course, there would be no way for him to purge himself of contempt.

Mr. BLACK. I will state to the Senator that, as I said in the beginning, when the question was first raised by the witness, the Senate committee did not seek to act arbitrarily or hastily. It took the matter under advisement for the very reason suggested by the Senator from Kentucky. We took the matter under advisement and discussed it. We then thought of it for another day, and we then met to make a decision; and it was at the time we met to make the decision that we were informed that in the interim certain papers had been removed. The committee then unanimously agreed to report the matter to the Senate.

Mr. LOGAN. This is the matter about which I am interrogating the Senator: Is the Senator asking the Senate to act upon Mr. MacCracken's refusal to answer the questions in the first place, or to act upon the destruction of the records in his office after the Senate committee first had the matter up, and before the Senate committee finally decided that the matter was not privileged?

Mr. BLACK. We have reported all the facts, including the original and the latter matter, all of which were a part of one and the same transaction.

Mr. LOGAN. But they are severable. The case of Watts and Sachs was referred to by the distinguished Senator from Illinois. Watts and Sachs were sent to jail by Judge Anderson, sitting in the United States court in Indiana, as I recall, and they appealed to the Supreme Court, which Court laid down a rule which, to a certain degree, protects a man when he questions the authority of the Court or a committee, basing his claim upon a right guaranteed to him by the Constitution, if he is honest about it and in good faith. He has a right to stand on his claim until some authoritative power has said to him, "You are wrong", and after that is said, then he has no right to still refuse to answer, and he purges himself of any contempt by complying with the requirements of the committee after that fact has been determined.

Mr. MacCracken, as I understand, declined to answer on the ground that the letters in question were privileged communications between a client and his lawyers. They may not have been. Perhaps they were not, from what the distinguished Senator from Alabama has said. I do not think they were, after hearing his statement of the facts and his statement of the law. But if Mr. MacCracken thought they were, he cannot be punished for refusing to answer before the committee if the committee had the power, or even if it did not have the power, until the Senate has directed him that he must answer the question.

We never did get to that point with Mr. MacCracken. Before that time came, another thing had happened. He had put it out of his power to give the Senate committee the information which it had requested, and it seems to me that the Senate should consider the matter in its latter aspects; that is, that the records were destroyed or mislaid. The question of privilege does not seem to me to enter into it at all.

Mr. BLACK. May I state in response to the statement of the Senator from Kentucky that the question of privilege has been presented because I desired to state my views on the question of privilege, as a number of Senators had asked about it.

I might also state, as I did a while ago, that I am absolutely sure that if that were the only question involved, and someone had come before the Senate committee claiming privilege in a matter in which the committee was engaged in an honest, bona fide, legitimate desire to assert a privilege honestly entertained, and in order to perform a duty which it believed existed, my own judgment is that the present proceeding would not have occurred. I tried to explain that the Senate committee waited for that express purpose, in order to ascertain for itself, and looked into the matter, and gave 2 days' time before any action was taken,

and then Mr. MacCracken was brought back and he was told that it was the unanimous opinion of the Senate committee that the subpena should be obeyed.

In the meantime, however, a part of the papers had been destroyed and others removed. I think there naturally would arise in the mind of the able Senator from Kentucky there some question as to the exact reason for claiming the privilege and the delay.

Mr. LOGAN. I might say to the Senator, if he will pardon my interrupting him, that, from the statement which the Senator has made, I do not think that the communications were privileged.

Mr. BLACK. I understood that.

Mr. LOGAN. I do not think so. But at the same time I do think that if Mr. MacCracken believed they were privileged he had a right to rely upon that and not answer the question.

Suppose that the Senate committee had determined that they were not privileged, and still Mr. MacCracken had refused to answer, what would the committee have done?

Mr. BLACK. May I state to the Senator that he is asserting a hypothetical case that does not exist. I have stated to the Senator that even in the hypothetical case I was sure that if other circumstances had not transpired leading the committee to question the very thing which the Senator has asserted, that the matter would never have been brought to the Senate.

Mr. LOGAN. But we are going to vote on something directly. What are we going to vote on? That Mr. MacCracken refused to answer questions on the ground that the matter in question was privileged, or shall we vote on the charge that the records were extracted from his files after the subpena had been issued, and that he was a party to it?

Mr. BLACK. The question, as I see it, on which the Senate is likely to vote, Is whether or not, after a subpena is served upon an individual to bring papers, and while that subpena is pending, and while an honest, legitimate effort is being made by the committee to ascertain whether or not its asserted privilege is just and founded upon law, and even during that time papers are removed and destroyed, the Senate desires to pass that over as simply a trivial action on the part of those who participated in it, or whether the Senate believes that it is of sufficient importance to require those who participated in it to appear before that body or to appear before a court to have the facts ascertained?

Mr. LOGAN. Let me state to the Senator that I think the trivial matter involved in it is the question of privilege. The failure of the witness to answer on the ground that the communication was privileged to my mind is rather trivial, because that was a matter that had to be determined by someone later. The important thing, as I see it, is what happened while the committee was considering that question; that is, the extraction of certain papers from the files.

Mr. BLACK. The Senator is correct. That illuminates the entire transaction. It throws light upon the claiming of the privilege. It is a part of the whole thing. The question arises, as suggested by the Senator from Illinois, whether the claim was made in good faith. How do we determine whether or not it was made in good faith? By the facts and circumstances which throw light upon the entire transaction, all of which are coupled together and constitute one complete, indivisible whole.

Mr. LOGAN. But not on the question of privilege. It may be shown that he claimed privilege in order to get time to remove certain records, which is still aside from the question of privilege. He may not have made the claim in good faith. But I do not think we are proceeding against Mr. MacCracken because he declined to answer the question in the first instance on the ground of privilege.

Mr. BLACK. I have stated to the Senator and stated to others a number of times that it was my judgment if that were all that had been done it would never have been reported to the Senate. I repeat that now. There is no difference between us on that.

Mr. LOGAN. I think not, except, if the Senator will pardon me, that I should like to separate the matters and forget about the question of privilege and deal with the more important matter, that, while the committee was trying to secure evidence, the evidence was destroyed.

Mr. BLACK. How can we forget it? Would it be right to present the matter to the Senate without letting it be known that the gentleman was basing his right on the claim of privilege? Should we ignore the claim that he made? I have simply tried to present the fact.

Mr. LOGAN. Would it not have been the same if he had said that the records were not available; that he wanted 2 or 3 days to get them together?

Mr. BLACK. It might have been the same; but he did not say it. That is not what he said.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah.

Mr. BLACK. I yield.

Mr. KING. Mr. President, let me suggest to the Senator from Kentucky, using a hypothetical case: Suppose that a witness who was attorney for clients whose relations to the Government were under investigation, was subpenaed by a Senate committee charged with the duty of investigating such relations, and, upon appearing, he refused to produce the correspondence between him and his clients respecting such relations as were under investigation, justifying his refusal upon the ground that he was under obligation to protect his clients and to not disclose confidential communications between them; and assume that upon such refusal the matter was brought by the committee to the Senate, and the attorney was cited to appear and show cause why he should not be punished for contempt; and assume further that he pleaded before the Senate that he acted in good faith, believing that the communications between himself and his clients were privileged, but that if he were in error, he would obey the order of the Senate and its committee. Under state of facts so assumed, I am inclined to believe that the Senate, if it believed that he acted in good faith, would accept his statement and purge him of contempt.

I am inclined to agree with the Senator from Alabama that the refusal of Mr. MacCracken to produce the correspondence and records which he was directed by the committee to produce, and to testify concerning the same, together with the removal of some of the records and correspondence from the files in his office, presents a different question and unites the two conditions so that they may be considered together; and if the Senate should find that he did not act in good faith in refusing to produce the subpenaed records and to testify concerning the same, the Senate would have the authority, in my opinion, to deal with the matter separately from the question arising from the withdrawal of certain of the records from his files. If the Senate should believe that he acted in good faith in failing to produce the records and testifying, it might, as above indicated, adjudge him as not guilty of contempt.

With respect to the abstraction of correspondence or records from the office of Mr. MacCracken and his partner, if it should appear that the element of good faith above referred to was absent and the removal of the records and correspondence was brought about with the connivance of Mr. MacCracken, then it seems to me that the course of the Senate would be clear. I do not intend to express any opinion in regard to what the Senate should or may do. It is my view that Mr. MacCracken was not justified in refusing to produce the correspondence and records called for by the committee. I do not believe that Mr. MacCracken could, under the circumstances, invoke the rule of privilege for which he contends; but, as stated, if he acted in good faith in declining to testify, and that were the only question presented, the Senate, it is quite likely, could acquit him of the charge of contempt.

But the refusal to produce the records and to testify and the abstraction or removal of the records, linked together,

constitute two transactions or episodes and may be considered by the Senate either as separate or connected transactions.

Senators will recall that a few years ago, when the Senate was investigating the question of the right of Mr. Vare to his seat in the Senate, a witness who was subpenaed refused to testify before the committee upon a matter which the committee regarded as pertinent to the inquiry. The committee certified the refusal to the Senate, and this body directed that he be arrested and brought before the bar of the Senate. Conditions arose which warranted bail being granted, and the witness furnished the required bail and was released upon condition that he appear whenever requested by the Senate. The Senate also directed that the refusal of the witness to testify be certified to the United States Attorney. This course was taken, and the witness was indicted under the provisions of the statute, to which attention has been called by the Senator from Alabama. The course adopted by the Senate was challenged in the courts by the witness, and the matter was under consideration for a long time, and finally, as I recall, reached the Supreme Court of the United States. The action of the Senate was approved. However, before trial and before the Senate took action upon the question which remained with it the witness died.

With respect to the matter before us, it is my view that Mr. Brittin, Mr. Givvin, and Mr. Lee should be cited to appear before the Senate and be examined upon the matters referred to by the Senator from Alabama, in order that the Senate may determine whether they have infracted any provision of the statute. Mr. MacCracken is under arrest, and it occurs to me that in view of the fact that the transactions involving each of the persons named are so closely related the hearing upon his case might be continued until the other persons named are brought before the Senate. That would mean, of course, that Mr. MacCracken be released from arrest, but with the understanding that he shall appear when the other persons named appear to answer to the citation which, the situation as I believe requires, shall be issued requiring them to appear before the bar of the Senate.

Mr. McCARRAN. Mr. President, it appears to me that we should be driving at some termination of this matter. The statement made by the chairman of the committee was made for the purpose of clarifying the entire record before the Senate. The question now on the supplemental report is not so much as to Mr. MacCracken, for Mr. MacCracken is under arrest by authority and direction of this body, but the supplemental report deals with other individuals named in the report submitted by the chairman of the committee before this body this morning. The question now is, What will the Senate do as regards the supplemental report now on file, supplemented by the explanatory statements of the chairman of the committee?

So, to bring it to a head, if I may, and if I may without violating the rule make the motion not in writing, I therefore move that Mr. Brittin, Mr. Hanshue, and Mr. Lee be dealt with under the resolution the same as Mr. MacCracken has already been dealt with; that they all be cited together with Mr. MacCracken; and that the citation be made returnable on Friday next.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Idaho?

Mr. McCARRAN. I do.

Mr. BORAH. As the motion was made orally, after it has been taken down I should like to have it read, as I did not catch it all.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Nevada that he present a formal resolution.

Mr. McCARRAN. Very well, Mr. President; I present this resolution:

Resolved, That the President of the Senate issue his warrant commanding the Sergeant at Arms, or his deputy, to take into custody the bodies of L. H. Brittin, Gilbert Givvin, Harris M. Hanshue, and Frederic P. Lee, together with William P. MacCracken, Jr., and that they be brought before the bar of the Senate, then and there to answer such questions pertinent to the matter under inquiry with reference to facts regarding correspondence, memoranda, books, and files as the Senate may propound, and to keep the said persons in custody to wait the further action of the Senate.

I move that the return date be Friday next at 10 o'clock.

Mr. McNARY. Mr. President, may I ask the Senator from Nevada a question?

Mr. McCARRAN. Certainly.

Mr. McNARY. In view of the wording of the resolution, would that leave the present case of Mr. MacCracken in status quo until Friday, at which time the additional persons named would come in with him?

Mr. McCARRAN. That is my idea.

Mr. McNARY. So that that would be the end of the procedure today and on Friday we would continue the whole case with the additional parties named?

Mr. McCARRAN. Yes; at the time indicated. I cannot view this in any other light than that the parties cited have their right to a day before the Senate and their right to answer. One is under arrest at this time, and the others are to be placed under arrest and afforded the right to have a day to reply, and whatever their reply may be is for them to say.

Mr. BORAH. Mr. President, is it proposed by this resolution to arrest the men named or simply to cite them here to answer the charges which are made?

Mr. McCARRAN. There is one under arrest at the present time.

Mr. BORAH. I know there is; but is it proposed to arrest all the others?

Mr. McCARRAN. It would be my idea to treat them all alike.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Alabama?

Mr. McCARRAN. I yield.

Mr. BLACK. It would be my suggestion, in order to carry out the object which has been suggested, that there be added to the resolution this clause, "and to show cause, if any they have, why they should not be punished for contempt."

That seems to be the object of the proceedings, and anyway the entire matter could be settled at one time.

Mr. BORAH. Is it necessary—and I am asking for information, not being a member of the committee—to issue an order of arrest for these men in order to bring them before the Senate to answer these charges?

Mr. McCARRAN. Is the Senator addressing his inquiry to me?

Mr. BORAH. I am addressing it to any of the Senators on the committee.

Mr. McCARRAN. I beg the Senator's pardon. Will he repeat his question?

Mr. BORAH. I ask, Is it thought necessary upon the part of the committee to include in this resolution the others of these men in order to bring them properly before the Senate to answer the questions which we propose to submit to them? Is it not possible to cite them to the Senate to answer the charges of the Senate and then determine whether or not we want to arrest them on a charge of contempt?

Mr. McCARRAN. I think probably that would be the right course.

Mr. BLACK. Mr. President, may I suggest to the Senator that I think that would be the right course; it would be my own judgment; and I suggest that the motion include Mr. MacCracken so that the entire matter may be handled at one session of the Senate rather than to attempt to divide it and have one hearing today and one at a later period.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Illinois?

Mr. McCARRAN. I yield.

Mr. LEWIS. May I ask the honorable chairman of the committee or his efficient aid, the Senator from Nevada, should not the case of a lawyer who stands on his right as a lawyer be separated from the cases of others the charges against whom are based on actual conduct, as related by

the honorable chairman of the committee, and, if otherwise uncontroverted, are criminal? Should not the action of the lawyer in assuming within his rights to advise his clients be separated and the question before the Senate as to him as a lawyer be as to his good faith in giving the advice rather than have him commingled in the whole proceeding with the others who do not stand on the relationship at all within the law that the counsel does who advises his clients? I ask would it not be better that the case of Mr. MacCracken be separated from the others and he be heard separately on his legal rights as the adviser of his clients?

Mr. McCARRAN. I will gladly answer the question of the Senator from Illinois.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Idaho?

Mr. McCARRAN. I yield.

Mr. BORAH. I was simply going to say I do not see how we can separate these cases because one man is a lawyer, for his entire guilt or innocence before this body depends, in my judgment, upon whether he sought this privilege as a lawyer for the purpose of getting time to enable them to destroy these papers. It is all one transaction. In other words, the gravamen of the offense is the destruction of the papers after notice was served upon them to produce the papers, and it is an offense in that whether the papers were properly to be brought before the committee or not, they were not to be destroyed and good faith required that they be presented to the committee. If Mr. MacCracken sought time in order to enable his clients to destroy these papers, he becomes so identified with the transaction that we cannot separate his case as a lawyer from the cases of the others.

Mr. LEWIS. Mr. President, I cannot take issue with the statement of the able Senator from Idaho, but what I wish to press upon the members of the committee is that the conduct referred to by the Senator from Idaho is distinctively criminal rather than being a contempt of the Senate; it is a deliberate crime against the statute; but the lawyer's position, as I gather from the statement, is somewhat different. If, as a lawyer, he stood on his rights to advise his clients from an honest belief on his own part that the papers were protected, I feel that that particular part of his conduct as to whether, as a lawyer, he acted in good faith or not in giving advice, ought to be separated from the other cases so that he might be given an opportunity to disclose his privilege and that we may ascertain his rights as a lawyer within the meaning of the law and the procedure that exempts a lawyer from contempt if, as counsel, he believes in good faith in the advice he has given to his clients.

Mr. McCARRAN. Mr. President, in answer to the suggestion of the Senator from Illinois——

Mr. LEWIS. I am following what I believe to be the Supreme Court of the United States in the case I handed my able friend from Nevada and the chairman of the committee a moment back.

Mr. McCARRAN. In reply to the suggestion of the learned Senator from Illinois, there can be no difference in this case.

If there were an honest difference in the first instance and Mr. MacCracken had reason to believe that there might even be a doubt as to his action, he might have had a right to stand on privilege, but he destroyed that right, even if he doubted the question, when he destroyed the evidence that was then held under subpena in his custody, and he placed himself in the same category with those who wanted to obtain that evidence out of his office, of whom Mr. Hanshue was one and Mr. Brittin was another. Not only that, but he placed himself out of the category under the rule when he, as related by the chairman, collected the very evidentiary matter that should be taken from his office. It was not the agent of Mr. Hanshue who selected that evidence; it was Mr. MacCracken himself, according to the testimony, who selected the individual pieces of evidence and permitted them to be taken away from the office. Therefore, if the learned Senator from Illinois says that the act is criminal as to some but that the attorney might claim his privilege because he was an attorney, it is apparent that he divested himself of privilege because of his own actions.

Mr. LEWIS. No, Mr. President; I would only say that there was a dual position, one where he declined to give the committee papers on the ground that they were confidential communications, and the other which was a participation in the act described by the Senator from Nevada and referred to by the Senator from Idaho, which, if true, was a crime deliberate and in violation of the statute and apart from the relation of a lawyer to his client.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Arkansas?

Mr. McCARRAN. I yield.

Mr. ROBINSON of Arkansas. The Senator from Nevada has indicated his purpose to present a resolution under which all questions pertaining to the issues presented in the committee report may be determined in the presence and hearing and with participation on the part of the accused. I am going to suggest that this is not an appropriate time to discuss the guilt or innocence of the accused of contempt or even to determine what facts or circumstances may constitute guilt or innocence of contempt. The proper proceeding now is for the Senate to determine whether it wishes to take further steps in the matter, and if so, to issue a citation for the parties and bring them before the Senate, when all questions may then be properly determined.

The VICE PRESIDENT. The Senator from Nevada offers a resolution, which will be read.

The resolution (S.Res. 172) was reduced to writing and was read, as follows:

Resolved, That the President of the Senate issue a citation directing William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and Harris M. Hanshue to show cause why they should not be punished for contempt of the Senate on account of the destruction and removal of certain papers, files, and memorandums from the files of William P. MacCracken, Jr., after a subpena had been served upon William P. MacCracken, Jr., as shown by the report of the Special Senate Committee Investigating Ocean and Air Mail Contracts.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

Mr. BLACK. Mr. President, in view of the fact that this entire matter is to be taken up on the citation which has just been issued with reference to the individuals named, including Mr. MacCracken, I move that insofar as the previous citation is concerned it simply requires him to appear here and give testimony and that he be released from custody under Senate Resolution 169, adopted on Friday last.

The VICE PRESIDENT. Without objection, the motion is agreed to.

Mr. BLACK. Mr. President, I should like to suggest that the citation be made returnable on Friday if that is satisfactory to the Senator from Arkansas [Mr. ROBINSON].

Mr. ROBINSON of Arkansas. That will be satisfactory to me.

Mr. BLACK. At what hour would the Senator suggest?

Mr. ROBINSON of Arkansas. At any hour the Senator desires. I would suggest 12 o'clock.

Mr. BLACK. Very well.

The VICE PRESIDENT. Without objection, the citation will be returnable at 12 o'clock noon on Friday next.

Mr. BLACK. There is one other matter that has not been disposed of and upon which, in my judgment, action should be taken. I ask that the papers which were subpenaed and which are now in the custody of the Sergeant at Arms, be turned over to the Senate committee investigating ocean and air mail contracts.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H.R. 7527) making an additional appropria-

tion to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, in which it requested the concurrence of the Senate.

CONSIDERATION OF THE CALENDAR TOMORROW

Mr. ROBINSON of Arkansas. Mr. President, I wish to state, pending consideration of the unfinished business which will be laid before the Senate at this time, that I have consulted the Senator from Oregon [Mr. McNARY], and with his approval make the following request for unanimous consent: That on tomorrow, after the conclusion of morning business, the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEWIS. Mr. President, may I inquire of the able leader of the majority if the program authorizes me to say to those Senators who were expecting to speak on the treaty that that matter is postponed under the present arrangement?

Mr. ROBINSON of Arkansas. The unfinished business is Senate bill 752. The Senate may proceed to the consideration of the St. Lawrence Waterway Treaty at any time it chooses to do so. There has been no definite program as to the time when consideration of the treaty shall be resumed. My suggestion is that Senators should be ready to discuss the treaty whenever the occasion arises.

Mr. LEWIS. I am anxious to be released a couple of days if that may be arranged.

Mr. ROBINSON of Arkansas. I have no authority to release anyone. My assumption is that Senators do not desire to stay away from the Senate, but that they desire to stay here and attend upon its business.

Mr. LEWIS. The Senator from Illinois merely desired to know whether the legislative business, to the consideration of which we are at this moment proceeding, would occupy a couple of days. If the Senator has no arrangement contemplating such, I am glad to be so informed.

Mr. ROBINSON of Arkansas. It is impossible to say how long consideration of the pending bill will be continued. There is no agreement, as the Senator well knows, to limit debate on the bill. It is a controversial measure, and for that reason I would not undertake to make a prophecy as to how long its consideration may require.

HOUSE BILL REFERRED

The bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

LIMITATION OF JURISDICTION OF UNITED STATES DISTRICT COURTS

The Senate resumed the consideration of the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

Mr. JOHNSON obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Frazier	Lewis
Ashurst	Carey	George	Logan
Austin	Clark	Gibson	Lonergan
Bachman	Connally	Goldsborough	Long
Bailey	Coolidge	Gore	McAdoo
Bankhead	Copeland	Hale	McCarran
Barbour	Costigan	Harrison	McGill
Barkley	Couzens	Hastings	McKellar
Black	Cutting	Hatch	McNary
Bone	Davis	Hatfield	Metcalf
Borah	Dickinson	Hayden	Murphy
Brown	Dieterich	Hebert	Neely
Bulkley	Dill	Johnson	Norris
Bulow	Duffy	Kean	Nye
Byrd	Erickson	Keyes	O'Mahoney
Byrnes	Fess	King	Overton
Capper	Fletcher	La Follette	Patterson
Pittman	Russell	Stephens	Van Nuys
Pope	Schall	Thomas, Utah	Wagner
Reed	Sheppard	Thompson	Walcott
Reynolds	Shipstead	Townsend	Walsh
Robinson, Ark.	Smith	Tydings	Wheeler
Robinson, Ind.	Steiwer	Vandenberg	White

Mr. LEWIS. I desire to announce that the Senator from Florida [Mr. TRAMMELL] is necessarily detained from the Senate.

I regret to announce that the Senator from Virginia [Mr. GLASS] and the Senator from Oklahoma [Mr. THOMAS] are detained from the Senate on account of illness.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

Mr. JOHNSON. Mr. President, the bill which is now before the Senate is brief in its terms, but of very grave importance to the States that have endeavored to regulate public utilities and, finally, to have a determination as to the justice or injustice of rates which have been fixed. I read the bill so it may be followed, and, very briefly then, I shall endeavor to show some of the reasons which have led us to present it to the Senate. The bill reads as follows:

Be it enacted, etc., That the first paragraph of section 24 of the Judicial Code, as amended, is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this paragraph, no district court shall have jurisdiction of any suit to enjoin, suspend, or restrain the enforcement, operation, or execution of any order of an administrative board or commission of a State, or to enjoin, suspend, or restrain any action in compliance with any such order, where jurisdiction is based solely upon the ground of diversity of citizenship, or the repugnance of such order to the Constitution of the United States, where such order (1) affects rates chargeable by a public utility, (2) does not interfere with interstate commerce, and (3) has been made after reasonable notice and hearing, and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such State."

SEC. 2. The provisions of this act shall not affect suits commenced in the district courts, either originally or by removal, prior to its passage; and all such suits shall be continued, proceedings therein had, appeals therein taken, and judgments therein rendered in the same manner and with the same effect as if this act had not been passed.

The design of the measure is to correct what has become an intolerable evil. Those who are familiar at all with the various commissions which the States have set up for the regulation of public utilities and the determination of their rates will realize from their experience that the process is interminable where not only the State courts may be resorted to by the public utility which questions the decision of the State regulatory commission, but the United States courts may be resorted to as well.

The bill takes no substantive right away from the public utility corporations. It enables, of course, the public utility corporation to pursue its remedy through all the courts of the States and ultimately through the United States Supreme Court itself, but it seeks to put the public utility as a litigant in the same category that citizens of the States would be put under like circumstances.

It would seem, from looking at the record of the various cases that have gone to the court of last resort, as if our public utility corporations maintain a circumlocution office the design of which is to rival, in the matter of finality of fixing of rates by the various States, the celebrated case of Jarndyce against Jarndyce.

The bill comes here not from one State, but it comes from many States of the Union. It has the approval practically of every public utility commission of every State that possesses such a commission. It has the approval, too, of those who have had great trouble and great labor and great expense in endeavoring justly to fix the rates of public utility corporations in the different States of the Union.

I have with me letters from different States, all approving the measure, all begging for the relief. I have one from California from its railroad commission and from the California Farm Bureau Federation, one from the Public Utilities Commission of the State of Colorado, from the Public Service Commission of Indiana at Indianapolis, from the Board of Railroad Commissioners of the State of Montana, from the National Association of Railroad and Utility Commissioners, which maintains an office in this city, from the

Public Service Commission of the State of Nevada at Carson, from the Department of Public Service of the State of New York, from the Public Utilities Commission of Oregon, from the Public Service Commission of Wisconsin, and various others, all uniting in the plea for the passage of this bill and praying that regulation, which has been attempted by the States, may if just and fair, be ultimately put in force without the intolerable and interminable delays which have existed in the past.

Not only this, but the President himself dealt with the subject when he was Governor of New York, and he dealt with it in no uncertain tones.

In January 1930 President Roosevelt, then Governor of the State of New York, sent a special message to the New York Legislature, then in session, from which I quote:

> The recent decision of the Federal court in the southern district of New York permitting the New York Telephone Co. drastically to raise its telephone rates brings to the fore in a striking way the whole question of interference by the United States courts with the regulatory powers of our public-service commission. * * *
>
> It means that hearings and trials which rightfully should be held before our public-service commission or before State courts are, by a scratch of the pen, transferred to a special master appointed by the Federal court. The State regulatory body * * * is laughed at by the utility seeking refuge with a special master, who is unequipped by experience and training, as well as by staff and assistants, to pursue that searching inquiry into the claims of the company which the consuming public is entitled to demand. The special master becomes the rate maker; the public-service commission becomes a mere legal fantasy.
>
> This power of the Federal court must be abrogated.

This is the language of the President:

> Only the Congress can give the remedy. Legislation has been introduced in the Congress to carry out this purpose. * * * I recommend to your honorable bodies that you memorialize the Congress to pass this legislation.

There have been classic examples during the last few years of the methods that public utilities pursue in order to delay and to hamper just regulation and to prevent the putting into effect of rates which are fixed by the public-utility commissions of the various States. I cannot better show the wrongs that have been permitted by the existing law, and the necessity for the measure which is today presented, than by reading to you from the Public Service Commission of the State of Montana its peculiar experience in relation to its endeavor to control and regulate Montana's public utilities. It is high time that the public utility was taught by the Congress of the United States that its rights are exactly the same as those of any citizen of any State, but that it has no greater rights and no higher privileges than any citizen of the State; and it is endeavored by this measure to put in the same category, so far as litigation is concerned, the public utility with the citizen of the State.

There is no reason in law, in equity, in justice, in governmental policy, indeed, in saying that two bites at the cherry, as it were—two sources of litigation—shall be open at the sweet will of the public utility, where but one is given to the ordinary citizen, and that a public utility may go on with its litigation in a State court until it thinks it may be defeated, and then go into a United States court, obtain its injunction there, refer the case to a master of its selection, who will go over the same ground that the public-utility commission has gone over and upon that evidence, that has once been taken, again take as it sees fit, through those who have little knowledge of the subject, the same evidence, and then substitute its will in the Federal court for the will of the State court and the will of the people, who are represented by their public-utility commission.

It is that we seek to prevent here. The Judiciary Committee, by a very large majority, reported the bill favorably. My two distinguished brethren—one from Vermont, the other from Rhode Island—are in opposition, and have presented a minority report; but I challenge them to present the view of a single State in opposition to the legislation that is proposed, or in opposition to curtailing the extraordinary and outrageous privilege, from the standpoint of litigation, that heretofore has been accorded to these public-utility corporations.

It is the policy of the Federal court, when these cases relating to rates and the like come before it, not only to try the case de novo, not only to do that which already once has been done by the State at tremendous expense and at the utmost effort, but to substitute its judgment on questions of fact that have been determined, and determined in accordance with the law.

We deprive the utilities of no legitimate legal right by this bill. They may go through every step, as they do, with the commission's trial; they may go through the courts with every step, as they do, in the States that are concerned, and have every right that is guaranteed to a litigant in those States. They may go to the Supreme Court of the United States then, by direct appeal or otherwise. They have the opportunity, thus, in the first instance before the fact-finding commission to have the trial held; in the second instance, before the court, to determine the matters that are in issue; and, in the last instance, to go to the Court of last resort in the United States to pass upon any question which may infringe their rights.

I do not intend to indulge in a constitutional argument upon this proposed law. I am not a constitutional expounder, Mr. President. We have many in the Senate. I am delighted always to hear them. We have not only constitutional expounders in the Senate but we have disciples of Blackstone here who outrival him, leaving his work as a matter of little consequence, and whose words, if they were published in any legal document, would make that tome a particularly interesting and lasting monument to the legal learning and acumen of the expounders and to the Senate itself. But I have observed as to those who talk most of the Constitution in the Senate that however emphatic they may be upon a question involving the Constitution, and however lengthy and apparently convincing they may be, the Supreme Court, with a cheerful disregard of what they have said and with a painful indifference to their eloquence—I say it with grief, and I say it mournfully, and I say it with regret—in practically every instance has decided otherwise.

So I do not intend today to expound the Constitution. If you want some of the cases that have determined that this bill is not unconstitutional, I will furnish them to you. The leading case is the Kline case, where, in so many words, the jurisdiction of the Congress of the United States to determine the jurisdiction of Federal courts is most emphatically stated. So I pass that part of the legal argument. I will leave the Constitution here in very safe hands—the Senator from Vermont [Mr. AUSTIN] and the Senator from Rhode Island [Mr. HEBERT]—and they undoubtedly will present from every standpoint the stock constitutional objections to this bill; and I will rely, if it should be passed and it should ever occur that it go to the Supreme Court, upon the unbroken precedents of that Court concerning senatorial expositions of the Constitution.

Mr. President, there was a case in Montana that illustrates so thoroughly what we are trying to remedy here that I shall read some of the facts in respect to that case; but first let me read you a paragraph from the majority opinion, written by the Senator from Nebraska [Mr. NORRIS], which is a perfect exposition of the whole philosophy of this contemplated enactment. He says:

> If the utility company goes into the Federal court in the first instance, it is the practice of these judges to try the case de novo and to pay no attention to the investigation made by the State commission and to ignore the findings of this commission. In most cases where a valuation of the property is necessary, a complete examination of the question by experts is resorted to, thus greatly increasing the expense, delaying the settlement of the question, and entirely ignoring the work of the commission in its investigation and its findings.
>
> Indeed, the utility company may pursue these two remedies concurrently. The Supreme Court of the United States had held that State and Federal courts have concurrent jurisdiction in such cases and a utility company can proceed in both State and Federal courts until a final judgment is rendered in one of the two proceedings. This gives the utility an opportunity, as the case progresses, to ascertain the views of the State authorities and the Federal authorities; and when it once ascertains these views and finds it will probably be defeated in one of the pro-

ceedings, it can dismiss the case in that proceeding and rely upon the other. It seems quite plain that to give the utility this advantage is unreasonable and unfair.

From Montana the head of the utility commission wrote us of the facts in a particular case that there transpired; and those facts are such as to impress one with the necessity for the relief that is here sought, because they are not different from what we have met with in California, not different from what have been met in various States of the Union. It is the old, old story of the private utility with unlimited resources seeking to tire out the people's representatives, whose resources at best are limited, and, by a process of delay, to prevent justice ultimately being done.

Says the Montana authority thus:

We believe that as a matter of principle there exists no justification for the procedure that permits Federal judicial interference with the orders of a State administrative board until such time as adequate remedies available within the State have been exhausted. Public utilities do not serve the public as a matter of constitutional right. The Supreme Court of the United States has affirmed the doctrine that a franchise to operate a public utility is not, like the general right to engage in lawful business, part of the liberty of a citizen. It being true that a public utility operates in a given State only by reason of a sovereign grant from the State, there appears to be no valid reason why disputes arising between the grantor of the franchise or privilege—the State—and the recipient thereof—the utility—should not be handled within the jurisdiction of the grantor, at least until the matter in controversy has been passed upon, on its merits, by the tribunal of the State having the final say, i.e., the highest appellate court. Then, if the utility is dissatisfied, it should have the right to a review of the strictly Federal question involved by the Supreme Court of the United States.

The Montana commission is at the present in the midst of an experience in connection with a public-utility rate order which fairly illustrates the incongruities of the present situation and the desirability of such legislation as you propose. With the thought in mind that a short history of our particular experience might be of informative interest to you, we are appending a summary of the principal features of the controversy. It will be noted that before the rate order in question was promulgated, the commission held three public hearings upon the issue as to the reasonableness of the rates for the service in question; that the utility first resorted to the State courts in testing the validity of the commission's order and was successful in the trial court in securing an injunction against the commission; that the commission appealed to the Supreme Court of Montana and secured a reversal; that the utility having unsuccessfully petitioned for a rehearing by the Supreme Court of Montana filed a suit in the District Court of the United States for the District of Montana, setting forth the identical facts that were pleaded in the case in the State court and urging the same identical alleged violations of the Federal Constitution as were urged in the case in the State court; that thereafter, when the case in the State court was set for trial at the instance of the commission, the utility took a voluntary dismissal thereof, thus preventing any final judgment on the merits from being entered in the case in the State court; that the utility successfully prosecuted an application for interlocutory injunction in the Federal district court and that an appeal was taken by the commission to the Supreme Court of the United States where the interlocutory injunction was affirmed without prejudice to the consideration and determination at final hearing of all questions of law and fact.

This case illustrates how under present procedure the utility can play hide-and-seek with a State regulatory board. It is, as you know, the presently approved doctrine of the Supreme Court of the United States that State and Federal courts have concurrent jurisdiction of cases of this sort and that a utility can proceed concurrently in both State and Federal courts until a final judgment is entered in one when that judgment becomes conclusive in the other as res adjudicata. In other words, a public utility has the right to proceed concurrently in both State and Federal tribunals until such time as it ascertains the views of the respective courts on questions of law involved and then it may discontinue proceedings in the tribunal where the rulings have been adverse or unfavorable. The usual grounds for abatement of an action that there is another action pending between the same parties involving the same questions is of no avail nor does the doctrine of election apply. Irrespective of the annoyance and expenses that such procedure causes a State commission, the doctrine that permits it is unsound. In the instant case, the Supreme Court of Montana, in a unanimous opinion, overruled the utility's contention with respect to the commission's order violating the fourteenth amendment to the Federal Constitution in the particulars charged. The court considered the contention at great length and disposed of it by sound logic and with the support of able precedents. Because there was a question of fact involved that had not been determined in the lower court, the case was remanded to the trial court for proceedings consistent with the views expressed by the Supreme Court. The utility, having ascertained that the views of the Supreme Court of Montana were adverse to its contentions on the Federal questions, immediately jumped into an inferior court—inferior in the sense that the Federal district court of Montana is a trial court and not an appellate court—taking the chance of there obtaining a different interpretation. Obviously it had all to gain and nothing to lose. Ultimately, the 3 judges constituting the special district court, revised and reversed, in effect, the 5 members of the Supreme Court of Montana—an anomalous spectacle, 3 judges of a district court reversing 5 members of an appellate court.

The last chapter of this legislation has not yet been written; when it will be written is a matter of doubt. The writer hereof, as counsel for the Public Service Commission of Montana, consulted the senior district judge in this district in his chambers within the past fortnight to ascertain from him the probable date of trial of this cause upon its merits. Counsel was informed by the senior district judge that because, in his opinion, the commission had prevented the case from being heard upon final hearing on the same day and upon the same record as the application for interlocutory injunction was heard (incidentally, an opinion not at all borne out by the transcript of the proceeding), it would be a "cold" day before the senior district judge would reconvene the special court to try this action. When it was suggested to the senior district judge that the right to trial upon its merits was one accorded by the statute, the rejoinder was made that "probably" the case would be heard "in 2 or 3 years."

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from California yield to the Senator from Illinois?

Mr. JOHNSON. I yield.

Mr. LEWIS. Mr. President, I should like the attention of my able friend the Senator from Nebraska [Mr. NORRIS], to whom the able Senator from California has made reference touching information and complete comprehension of the subject. I am disturbed on this legal thought. Suppose we pass an act which takes away from the district court or the Circuit Court of Appeals the right to hear the utility company which attempts to go into court on the ground they are a citizen of a distant State, and we confine them to the State court, and the question ultimately reaches the supreme court of the State, and the supreme court of the State decides adversely to the utility, where do we have any protection against that same utility taking an appeal from the supreme court of a State under the fourteenth amendment of the Constitution, claiming their property is being taken without due process of law or without compensation—an appeal from the supreme court of a State to the Supreme Court of the United States?

Mr. JOHNSON. Of course it has that appeal.

Mr. LEWIS. Then how does any act of ours here save us from that?

Mr. JOHNSON. It requires them to go, in the first instance, through the State courts. Now they go to both courts.

Mr. LEWIS. The Senator does not assume—may I be pardoned the colloquy in this informal manner——

Mr. JOHNSON. Yes.

Mr. LEWIS. The Senator does not assume that we can by action taken here prevent the utility, after final action by the supreme court of the State, from taking the appeal under the provision of the Constitution which heretofore was authorized, from the supreme court of the State to the Supreme Court of the United States?

Mr. JOHNSON. They have a perfect right to that appeal. There is no question about that.

Mr. LEWIS. May I add that I fail to see where we then benefit?

Mr. JOHNSON. We deprive them now of no right except the right of delay by appealing to two different tribunals, a delay oftentimes interminable that destroys the very thing the public-service commissions have been set up to do.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Nebraska?

Mr. JOHNSON. I yield.

Mr. NORRIS. Let me see if I can make the matter plain.

Mr. LEWIS. I shall be glad to have the Senator from Nebraska do so, because I know of the able Senator's activity in that connection.

Mr. NORRIS. First let me call attention to the question of the Senator from Illinois. I think he will agree with me when he thinks the matter over. He first speaks of a public utility which is the resident of another State. Then before he gets through with his question he refers to rates of a Federal nature under the fourteenth amendment. The two

questions are entirely different. The proposed law in the first place repeals the jurisdiction that the Federal court now has in the case of the nonresidency of the plaintiff or the defendant. So that part of it is out.

Mr. LEWIS. Let me beg the Senator's pardon and say that I was assuming that. Assume that we can by an act of Congress prevent litigants from going to the Federal court on the ground of diverse citizenship.

Mr. NORRIS. Yes.

Mr. LEWIS. Then that being disposed of, we still, do we not, reserve the right to them by which they can from the supreme court of the State in its final ruling still go to the Supreme Court of the United States?

Mr. NORRIS. If there is a Federal question, such as the Senator refers to, under the fourteenth amendment.

Mr. LEWIS. Yes; they can always claim that, as the Senator knows.

Mr. NORRIS. We cannot take away from them the right to go into the Federal court on a proper appeal. They must, however, go in a different way than they go now. They must go from the supreme court of the State to the Supreme Court of the United States. They cannot go anywhere in Federal court on the question of diversity of citizenship. That jurisdiction is taken away entirely in this class of cases.

Mr. LEWIS. That is the principal object of this measure?

Mr. NORRIS. That is one of the objects. The other is that they cannot go into two courts at the same time. So they cannot do as they did in the Montana case, go into the State court and get a decision, even from the supreme court of the State; and if that decision is unsatisfactory to them, they then dismiss their suit entirely, wipe it off, and commence a new suit in the Federal court.

As it is now, after they have been defeated in the State courts, if they dismiss the case before a final action is rendered they can then commence anew in the district court of the United States, and then they have a right to try everything just as though it never had been tried or heard of before, and go through the various courts of the United States and reach the Supreme Court, thus trying it twice instead of once.

Mr. LEWIS. The bill then has for its purpose—as I know is the purpose of the Senator—the avoiding of any such purpose of obstruction?

Mr. NORRIS. Exactly; that is the object of the bill.

Mr. JOHNSON. The Senator from Illinois in his last remark has very ably described what we are endeavoring to do. We are not endeavoring to deprive a public utility of any legal right. I would not take it from them, and the Senator from Illinois would not. But the object is to make them subject to the jurisdiction of the laws of our States; to give them their rights in every instance to the trial of the question of fact first before the public-utility commission, to give them every legal right they have, and if any right that is guaranteed by the Constitution is infringed upon at all, then, of course, the legal right of appeal ultimately from the highest tribunal in the State to the United States Supreme Court.

But it is unjust to our people, worse than unjust, to have, as we have, for instance, cases that I am familiar with, and that other Senators, if they follow the actions of their public-utility commissions, are familiar with—cases where for 2 long years the people at the greatest expense, expense that could scarcely be borne, have fought, with their experts that they had to hire, of course, with their testimony, that they had to gather; these always are at hand with the great public-utility corporation, before the body that has been selected by the people of the State to try the question of rates and the like, when those rates are alleged to be excessive or unfair, and after a couple of years on both sides of a fight of that character, then with the decision rendered by a public-utility commission that you know to be fair, and to have tried the case upon its merits, and wherein has been given every opportunity for the presentation of the facts—after the decision by the public-utility commission the public utility is permitted now under the law to go into the State court to try out some one judge upon the bench there until it ascertains what that judge's view upon the law may be, and then to go into the United States court as well, after another year or two have been frittered away in the State court, and in that United States court get its interlocutory decree, refer the case to a master, who is simply, of course, the employee and friend of the court, and have that master then take all the testimony, take it de novo, without paying one particle of attention to the 2 years of trial before the public-utility commission and the facts proved there, and have that master then make his report, and the Federal court then sits upon it for an interminable period; or, as was said in the Montana case, in the official communication to me upon this bill by the representative of the Montana commission, have his Federal judge say, "It will be a cold day before the senior district judge would reconvene the special court to try this action"; and then, when his attention is called to the reprehensible character of that statement, hear him say, "Probably, the case would be heard in 2 or 3 years." That is the kind of thing I am seeking to prevent by this enactment; and it is that thing against which practically every public-utility commission in this country now rebels; and it is just that thing against which the President of the United States, when Governor of the State of New York, expressed himself most emphatically and concerning which he insisted there should be some remedy applied. That remedy we are now presenting.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Louisiana?

Mr. JOHNSON. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, if the Senator from California will pardon me for just a moment, this measure proposes to limit the jurisdiction of inferior courts, the circuit courts of appeal and district courts. It does not limit the jurisdiction of the Supreme Court of the United States at all.

Mr. JOHNSON. It could not do so.

Mr. LONG. Congress having created the inferior courts, according to the jurisprudence and the history of this country, it can withhold such jurisdiction from its creature as it desires to do. Without any question Congress can abolish the courts altogether, with the exception of the Supreme Court of the United States, and it can increase the number of judges on the Supreme Court if it wants to. The point the Senator from California is making, I having been a member of a public-service commission for 10 years, can be pretty well exemplified by a depot case where a public-service commission would sit and order a little depot costing, say, $3,000, so as to bring it within the limit of jurisdiction. I have seen a case where an order of a public-service commission for a depot was put in the Federal court and kept there for years, and not even a master's report could be had on it. I have seen that kind of cases. Not only that, but there is intolerable expense involved in public-service commission's enforcing rate orders through the Federal courts. The expense is heavier than the budget of any State justifies, so much so that in one case I remember, of which the record is in the United States Supreme Court and the circuit court of appeals, it appeared that the corporation had expended while the case was pending in the courts several hundred thousand dollars for the record, to obtain which the State would have been required to have spent equally as much from the initial stages in the Federal court, which were before a master.

The elected officials of the State, the supreme court of the State, and the entire functions of the government of an entire State are mere creatures in the hands of a master appointed by a Federal district court in enforcing decrees and orders and regulations of the State. A master, a little two-bit, two-by-four master, is placed over the whole functions and the regulations of a State. Ninety-nine times out of a hundred some man is appointed master by the court who has had absolutely no such thing as experience in public-utility regulation, who never sat in a court in his life, but he is placed above all the processes of the State, and the master's report is, ninety-nine times out of a hundred, the report of the court.

Mr. LEWIS. Mr. President, if the able Senator from California will allow me to say a few words, while my interest is really purely personal, and I have a little pique still remaining within me, I have seen much of what Senators describe. I was corporation counsel of the city of Chicago where it was known this position partook of the character, in a small way, of the attorney generalship of the State, for at times the corporation counsel would be acting mayor and might also name the lesser courts in those days. But in a contest against the gas company, with a view of reducing their rates and securing equitable rates, the case was continued from place to place and from time to time until finally, upon an assault upon the legislature, the city council, as having no right to readjust the rates, the case was dragged on for more than 7 years.

In a similar controversy upon the question of the franchise of the street railways, where before the Supreme Court of the United States I was not successful in presenting what I felt were the rights of the city that, too, was dragged through a long period of time. I deplore that it was adjudged by Mr. Justice Peckham, who, known by us in party politics as a Democrat, delivered the most complete Republican opinion that could be conceived of if the doctrine of the Federal Government's right to control the States is Republican, as it seems to be when contrasted with the Democratic doctrine which insists that the States in their sovereignty are exempt from Federal control. There is to be found the first opinion in the Supreme Court of the United States where the Court assumed to take a ruling of a board as the basis for the Supreme Court of the United States taking jurisdiction, on the theory that the decision of the board was equivalent to the taking of property under the fourteenth amendment, because the rate was so small, as was contended, that it robbed the utility of their property.

Here is my contention, here is my real point: That, in view of the fact that the Supreme Court of the United States has laid down a doctrine which I regard as utterly destructive of the fundamental rights of the State, how can we avoid a utility company going at once into a Federal court, claiming that the decision of the utility board, upon whatever rate we may say, is equivalent to confiscation of their property under the Constitution? How can we by an act of Congress prevent that utility from going directly into the Federal court on that constitutional ground, apart from its privilege, to which the able Senator from Nebraska [Mr. NORRIS] has called attention to, on the ground of the mere diversity of citizenship? How can we avoid by an act of Congress the enjoyment of that which under the Constitution, distorted as I insist it has been, perverted as I know from history, but nevertheless by the Supreme Court of the United States held to be a fixed privilege directly of the utilities? Does my able friend from California feel that by an act of Congress we can prevent the utilities from going immediately into the Federal court, the lower court, the district court, and the circuit court, under that constitutional provision?

Mr. JOHNSON. I gather that the question presented by my friend now refers to the right of the Congress to pass such a measure as that now pending?

Mr. LEWIS. No, sir; but I ask the Senator from California would the measure he now proposes, carried to its legitimate conclusion, prevent a utility from going into the Federal court at once—or is that his purpose?

Mr. NORRIS. Mr. President——

Mr. JOHNSON. I yield to the Senator from Nebraska.

Mr. NORRIS. We do not take away the right in the case the Senator puts, on the ground that under the fourteenth amendment property is being taken without due process of law.

Mr. LEWIS. We are not assuming, then, to take that right away under the law?

Mr. NORRIS. No; we are not. The procedure would be different. Instead of commencing the case in a Federal district court, it will go through the State court and reach the Supreme Court of the United States. A different approach is provided, a difference in procedure; that is the only difference.

Mr. LEWIS. I think I understand the distinction.

Mr. JOHNSON. The utility has its day in court.

Mr. NORRIS. Yes.

Mr. JOHNSON. The right to determine the jurisdiction of the Federal courts has been affirmed frequently by the Supreme Court. I said that the leading case upon the subject was the Kline case. I have it before me; but it is not necessary, I take it, to read it to the distinguished Senator from Illinois to demonstrate the right in Congress to define the jurisdiction of the Federal courts. Defining that jurisdiction, the utility may have its right ultimately to go to the Supreme Court of the United States upon any Federal question that may be involved, in view of what may have been done by a public-utilities commission.

Mr. LEWIS. But they cannot use both courts concurrently for the purpose of obstruction.

Mr. JOHNSON. Exactly; that is what we seek to prevent.

Mr. LEWIS. I think I catch the idea.

Mr. JOHNSON. Now, if any Member of the Senate should be particularly interested in tracing the gradual development of the decisions of the United States Supreme Court in relation to public-utility cases, and the vicissitudes that the views held by many of us have met with during many years of decision by the United States Supreme Court, there is in the hearings a brief, historic in character and which, I think, a very excellent one, presented by the attorneys for the railroad commission in the State of California. This brief begins with the early cases of public utilities and pursues the theme throughout all the different epochs of the decisions that have been rendered by the Supreme Court. I refer that brief to Members of the Senate of inquiring minds, so that if they desire they may pursue the subject. Suffice it to say, in conclusion, upon this bill, that we are seeking to render the processes that have been abused by public-utility corporations no longer possible of abuse. We are seeking to make them bow to the law of the land; we are seeking to give them every opportunity that is accorded any litigant to go to the highest court in the land upon any Federal question, leaving them all their legal rights but subjecting them to exactly what every citizen of every State is subjected to by the laws of his State.

It is a necessary enactment; it is an appropriate enactment; it is an enactment that must be put into operation if our public-utility commissions are to do the work that has been assigned to them and do the work in behalf of the people that is theirs to accomplish.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Texas?

Mr. JOHNSON. I yield.

Mr. CONNALLY. Let me inquire of the Senator as to the third condition in section 1 of the bill. Is there not danger there of giving jurisdiction entirely to the Federal courts to determine particularly whether or not it thinks there has been reasonable notice and hearing and whether the equity court thinks that the remedy at law is speedy, plain, and efficient?

Mr. JOHNSON. All that we can do is to describe the situation. We cannot, of course, foresee what a wrong interpretation will be made by a court or that there will be a wrong done by a court.

Mr. CONNALLY. I agree with the Senator as to that; but when we describe all the different conditions and then put power in the district court to pass upon the particular point and say, "Well, it is true that clauses 1 and 2 do not apply; but this hearing before the railroad commission was not full enough; it was not reasonable, and the remedy provided by the State laws is not plain, it is not speedy, or it is not efficient."

Mr. JOHNSON. I think that that is simply to determine that a plain, speedy, and efficient remedy is given by the State courts.

Mr. CONNALLY. I am not criticizing the Senator's bill, but I wanted to invite his attention to the fact that danger lurks in the language, it seems to me.

Mr. LONG. Mr. President, will the Senator from California yield to me?

Mr. JOHNSON. I yield the floor, so far as I am concerned.

Mr. LONG. Mr. President, there is, as the Senator from Texas says, a danger in the provision, and I hope the Senator from California will consider striking out those words. Let me say that quite often the fixing of rates is a mere matter of legislation; that is, rates are fixed by the legislature. The matter of fixing rates and service for a public utility is not a judicial function at all; it is a legislative function, and the courts of the country have said that legislation may proceed without notice. The courts have held that it is not a matter for the judiciary to regulate the time in which a hearing must be held or the kind of evidence which shall be received. I really believe the provision is vesting the court with a power that it has not now.

Mr. JOHNSON. The Senator is mistaken in that, I think.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. This bill applies to the order of an administrative board or commission of a State; it does not apply to direct legislative measures; and I think it is proper that reasonable notice and hearing should be had in proceedings before a commission.

Mr. JOHNSON. May I say to the Senator from Louisiana that it is not only, as the Senator from Arkansas says, proper but it is essential.

Mr. ROBINSON of Arkansas. That is right.

Mr. JOHNSON. If the regulatory body meets without notice, without hearings, and enacts a particular set of rates for a public utility, of course, a situation is created which no one wants in the first place, and that the law will not permit in the second place.

Mr. LONG. I know, but the last clause says "reasonable hearing." What is a "reasonable hearing"?

Mr. ROBINSON of Arkansas. The provision reads "reasonable notice and hearing."

Mr. LONG. "And hearing."

Mr. ROBINSON of Arkansas. The word "reasonable" applies to notice and does not modify the word "hearing."

Mr. LONG. It says "reasonable notice and hearing", and I think that would mean both. I am not a very good etymologist—is not that the word?

Mr. ROBINSON of Arkansas. The Senator will have to excuse me as to what word ought to be used; but it is really a very plain matter, and I think there will be no difference between us if the Senator will consider the language that is used in the bill. The requirement is for "reasonable notice and hearing", and "reasonable notice" is such notice as will give the parties served with it the opportunity for a hearing. The word "reasonable" does not modify the word "hearing." It modifies "notice."

Mr. LONG. I rather disagree. I am not very much of a grammar student. I wonder if it would not be a good idea to make it read "reasonable notice and a hearing", so we would know that the word "reasonable" does not apply to "hearing"?

Mr. JOHNSON. The language that is employed is the usual legal verbiage taken verbatim from what it is asserted is essential in order to have a legal procedure.

Mr. LONG. It is the Senator's bill and I shall not argue it further.

[Mr. AUSTIN addressed the Senate. After having spoken for about 1 hour and 30 minutes he yielded the floor for the day. His speech will be published entire after it shall have been concluded.]

Mr. ROBINSON of Arkansas. Mr. President, I have been advised that the Senator from Vermont does not desire to conclude his address this evening. I inquire if he is now ready to suspend?

Mr. AUSTIN. I am ready to suspend for the day.

ADDITIONAL APPROPRIATION FOR CIVIL WORKS PROGRAM

Mr. McKELLAR (for Mr. GLASS), from the Committee on Appropriations, to which was referred the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, reported it with amendments and submitted a report (No. 261) thereon.

PAPER BY SENATOR LONG

Mr. LONG. Mr. President, I send to the desk and ask to have printed in the RECORD not a speech but what is more in the nature of an appeal to the people of America.

There being no objection, the paper entitled "Carry Out the Command of the Lord" was ordered to be printed in the RECORD, as follows:

By HUEY P. LONG, United States Senator

People of America: In every community get together at once and organize a share-our-wealth society—Motto: Every man a king.

Principles and platform:

1. To limit poverty by providing that every deserving family shall share in the wealth of America for not less than one third of the average wealth, thereby to possess not less than $5,000 free of debt.

2. To limit fortunes to such a few million dollars as will allow the balance of the American people to share in the wealth and profits of the land.

3. Old-age pensions of $30 per month to persons over 60 years of age who do not earn as much as $1,000 per year or who possess less than $10,000 in cash or property, thereby to remove from the field of labor in times of unemployment those who have contributed their share to the public service.

4. To limit the hours of work to such an extent as to prevent overproduction and to give the workers of America some share in the recreations, conveniences, and luxuries of life.

5. To balance agricultural production with what can be sold and consumed according to the laws of God, which have never failed.

6. To care for the veterans of our wars.

7. Taxation to run the Government to be supported, first, by reducing big fortunes from the top, thereby to improve the country and provide employment in public works whenever agricultural surplus is such as to render unnecessary, in whole or in part, any particular crop.

SIMPLE AND CONCRETE—NOT AN EXPERIMENT

To share our wealth by providing for every deserving family to have one third of the average wealth would mean that, at the worst, such a family could have a fairly comfortable home, an automobile, and a radio, with other reasonable home conveniences, and a place to educate their children. Through sharing the work, that is, by limiting the hours of toil so that all would share in what is made and produced in the land, every family would have enough coming in every year to feed, clothe, and provide a fair share of the luxuries of life to its members. Such is the result to a family, at the worst.

From the worst to the best there would be no limit to opportunity. One might become a millionaire or more. There would be a chance for talent to make a man big, because enough would be floating in the land to give brains its chance to be used. As it is, no matter how smart a man may be, everything is tied up in so few hands that no amount of energy or talent has a chance to gain any of it.

Would it break up big concerns? No. It would simply mean that, instead of one man getting all the one concern made, that there might be 1,000 or 10,000 persons sharing in such excess fortune, any one of whom, or all of whom, might be millionaires and over.

I ask somebody in every city, town, village, and farm community of America to take this as my personal request to call a meeting of as many neighbors and friends as will come to it to start a share-our-wealth society. Elect a president and a secretary and charge no dues. The meeting can be held at a courthouse, in some town hall or public building, or in the home of someone.

It does not matter how many will come to the first meeting. Get a society organized, if it has only two members. Then let us get to work quick, quick, quick to put an end by law to people starving and going naked in this land of too much to eat and too much to wear. The case is all with us. It is the word and work of the Lord. The Gideons had but two men when they organized. Three tailors of Tooley Street drew the Magna Carta of England. The Lord says:

"For where two or three are gathered together in My name, there am I in the midst of them."

We propose to help our people into the place where the Lord said was their rightful own and no more.

We have waited long enough for these financial masters to do these things. They have promised and promised. Now we find our country $10,000,000,000 further in debt on account of the depression, and big leaders even propose to get 90 percent of that out of the hides of the common people in the form of a sales tax.

There is nothing wrong with the United States. We have more food than we can eat. We have more cloth.3 and things out of which to make clothes than we can wear. We have more houses

and lands than the whole 120,000,000 can use if they all had good homes. So what is the trouble? Nothing except that a handful of men have everything and the balance of the people have nothing if their debts were paid. There should be "Every man a king" in this land flowing with milk and honey instead of the lords of finance at the top and slaves and peasants at the bottom.

Now be prepared for the slurs and snickers of some high-ups when you start your local spread-our-wealth society. Also when you call your meeting be on your guard for some smart-aleck tool of the interests to come in and ask questions. Refer such to me for an answer to any question, and I will send you a copy. Spend your time getting the people to work to save their children and to save their homes, or to get a home for those who have already lost their own.

To explain the title, motto, and principles of such a society I give the full information, viz:

Title: Share-our-wealth society is simply to mean that God's creatures on this lovely American continent have a right to share in the wealth they have created in this country. They have the right to a living, with the conveniences and some of the luxuries of this life, so long as there are too many or enough for all. They have a right to raise their children in a healthy, wholesome atmosphere and to educate them, rather than to face the dread of their undernourishment and sadness by being denied a real life.

Motto: "Every man a king" conveys the great plan of God and of the Declaration of Independence, which said: "All men are created equal." It conveys that no one man is the lord of another, but that from the head to the foot of every man is carried his sovereignty.

Now, to cover the principles of the share-our-wealth society, I give them in order:

1. To limit poverty:

We propose that a deserving family shall share in our wealth of America at least for one third the average. An average family is slightly less than five persons. The number has become less during depression. The United States total wealth in normal times is about $400,000,000,000, or about $15,000 to a family. If there were fair distribution of our things in America, our national wealth would be 3 or 4 or 5 times the $400,000,000,000, because a free, circulating wealth is worth many times more than wealth congested and frozen into a few hands as is America's wealth. But, figuring only on the basis of wealth as valued when frozen into a few hands, there is the average of $15,000 to the family. We say that we will limit poverty of the deserving people. One third of the average wealth to the family, or $5,000, is a fair limit to the depths we will allow any one man's family to fall. None too poor, none too rich.

2. To limit fortunes:

The wealth of this land is tied up in a few hands. It makes no difference how many years the laborer has worked, nor does it make any difference how many dreary rows the farmer has plowed, the wealth he has created is in the hands of manipulators. They have not worked any more than many other people who have nothing. Now we do not propose to hurt these very rich persons. We simply say that when they reach the place of millionaires they have everything they can use and they ought to let somebody else have something. As it is, 0.1 of 1 percent of the bank depositors own nearly half of the money in the banks, leaving 99.9 of bank depositors owning the balance. Then two thirds of the people do not even have a bank account. The lowest estimate is that 4 percent of the people own 85 percent of our wealth. The people cannot ever come to light unless we share our wealth, hence the society to do it.

3. Old-age pensions:

Everyone has begun to realize something must be done for our old people who work out their lives, feed and clothe children and are left penniless in their declining years. They should be made to look forward to their mature years for comfort rather than fear. We propose that, at the age of 60, every person should begin to draw a pension from our Government of $30 per month, unless the person of 60 or over has an income of over $1,000 per year or is worth $10,000, which is two thirds of the average wealth in America, even figured on a basis of it being frozen into a few hands. Such a pension would retire from labor those persons who keep the rising generations from finding employment.

4. To limit the hours of work:

This applies to all industry. The longer hours the human family can rest from work, the more it can consume. It makes no difference how many labor-saving devices we may invent, just as long as we keep cutting down the hours and sharing what those machines produce, the better we become. Machines can never produce too much if everybody is allowed his share, and if it ever got to the point that the human family could work only 15 hours per week and still produce enough for everybody, then praised be the name of the Lord. Heaven would be coming nearer to earth. All of us could return to school a few months every year to learn some things they have found out since we were there; all could be gentlemen; "Every man a king."

5. To balance agricultural production with consumption:

About the easiest of all things to do when financial masters and market manipulators step aside and let work the law of the Lord. When we have a supply of anything that is more than we can use for a year or two, just stop planting that particular crop for a year either in all the country or in a part of it. Let the Government take over and store the surplus for the next year. If there is not something else for the farmers to plant or some other work for them to do to live on for the year when the crop is banned, then let that be the year for the public works to be done in the section where the farmers need work. There is plenty of it to do and taxes on of the big fortunes at the top will supply plenty of money without hurting anybody. In time we would have the people not struggling to raise so much when all were well fed and clothed. Distribution of wealth almost solves the whole problem without further trouble.

6. To care for the veterans of our wars:

A restoration of all rights taken from them by recent laws and further, a complete care of any disabled veteran for any ailment, who has no means of support.

7. Taxation:

Taxation is to be levied first at the top for the Government's support and expenses. Swollen fortunes should be reduced principally through taxation. The Government should be run through revenues it derives after allowing persons to become well above millionaires and no more. In this manner the fortunes will be kept down to reasonable size and at the same time all the works of the Government kept on a sound basis, without debts.

Things cannot continue as they now are. America must take one of three choices, viz:

1. A monarchy ruled by financial masters—a modern feudalism.
2. Communism.
3. Sharing of the wealth and income of the land among all the people by limiting the hours of toil and limiting the size of fortunes.

The Lord prescribed the last form. It would preserve all our gains, share them among our population, guarantee a greater country and a happy people.

The need for such share-our-wealth society is to spread the truth among the people and to convey their sentiment to their Members of Congress.

Whenever such a local society has been organized, please send me notice of the same, so that I may send statistics and data which such local society can give out in their community, either through word of mouth in meetings, by circulars, or, when possible, in local newspapers.

Please understand that the Wall Street controlled public press will give you as little mention as possible and will condemn and ridicule your efforts. Such makes necessary the organizations to share the wealth of this land among the people, which the financial masters are determined they will not allow to be done. Where possible, I hope those organizing a society in one community will get in touch with their friends in other communities and get them to organize societies in them. Anyone can have copies of this article reprinted in circular form to distribute wherever they may desire, or, if they want me to have them printed for them, I can do so and mail them to any address for 60 cents per hundred or $4 per thousand copies.

I introduced in Congress and supported other measures to bring about the sharing of our wealth when I first reached the United States Senate in January 1932. The main efforts to that effect polled about 6 votes in the Senate at first. Last spring my plan polled the votes of nearly 20 United States Senators, becoming dangerous in proportions to the financial lords. Since then I have been abused in the newspapers and over the radio for everything under the sun. Now that I am pressing this program, the lies and abuse in the big newspapers and over the radio are a matter of daily occurrence. It will all become greater with this effort. Expect that. Meantime go ahead with the work to organize a share-our-wealth society.

Sincerely,

HUEY P. LONG,
United States Senator.

To: HUEY P. LONG,
United States Senator, Washington, D.C.:

This is to inform you that a share-our-wealth society has been organized here with ——— members. Address and officers are as follows:

Post office_____ State_____
Street address_____
President_____
Secretary_____

I will go to people who know me and who personally know of the work I have done for the money that it will take for the expenses I will have to bear in this work, because, if any such thing as dues were collected from members for such expenses, the thieves of Wall Street and their newspapers and radio liars would immediately say that I had a scheme to get money.

HUEY P. LONG.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

DATA OF INTERDEPARTMENTAL BOARD ON GREAT LAKES-ST. LAWRENCE PROJECT

Mr. REED. Mr. President, I send to the desk and ask to have printed in the CONGRESSIONAL RECORD a letter from the manager of the Port of Philadelphia Ocean Traffic Bureau

addressed to myself with regard to the interdepartmental report on the Great Lakes-St. Lawrence project.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

PORT OF PHILADELPHIA OCEAN TRAFFIC BUREAU,
Philadelphia, February 2, 1934.

Hon. DAVID A. REED,
United States Senate, Washington, D.C.

MY DEAR SENATOR: Thank you very much for sending us the copies of the data prepared by the Interdepartmental Board on the Great Lakes-St. Lawrence project.

When we read the newspaper accounts of this report the figures therein quoted appeared to be so out of line with the situation, as we view it, that I thought them seriously open to question. We have made a rough analysis of this report and should like to call the following to your attention as indicative that the report cannot be accepted as reliable, particularly that portion beginning on page 6 headed "Potential Commerce via Seaway", and that on page 8 headed "Coordination of Transportation Agencies." That portion on page 9 headed "The Power Project" we have not analyzed. The statements in the report to which we take exception are as follows:

On page 3 there is a statement that in the present St. Lawrence Canal the rate of growth of the traffic is "approximately 16 percent per annum."

In all normal uses of this phrase it would be assumed that it meant a growth each year of 16 percent of the former year's traffic. If this were the case, the traffic would have increased from 2,000,000 tons in 1908 to 38,921,000 tons in 1928. The actual increase was to 8,400,000 tons in 1928, which is at the rate of 7.44 percent per annum.

On page 8, in the sixth paragraph, there is estimated a potential traffic in foreign trade of 13,483,833 tons, which would be carried at a gross saving of $78,893,130. This is a saving at the rate of about 29 cents per 100 pounds.

At the present time there is a system of lake-and-rail rates in effect which generally bring the traffic down the Lakes in boats as far as Buffalo, where it is transshipped into cars and carried to seaboard. Most of the traffic which it is assumed would travel by water is of those commodities which take the fifth- or sixth-class rates and the railroad share of these through rates for the service they perform in carrying the goods from Buffalo to the seaboard varies from 18¼ to 23¼ cents per 100 pounds. It is obvious that if 29 cents per 100 pounds is to be saved, the ships which are to carry this traffic to foreign countries must accept from 5¾ to 10¾ cents less to carry these goods from the lake ports to the Atlantic Ocean than they now receive to carry them from the lake ports to Buffalo only. Such an assumption is absurd on its face and the claimed saving is questionable.

On page 8 there are cited typical examples of savings in domestic shipments. The first one cited is $5.44 to $12.64 per ton on lumber from Grays Harbor, Wash., to Detroit, Mich. The present rate for lumber from Grays Harbor, Wash., to north Atlantic ports on vessels traversing the Panama Canal is about $6.80 per ton and the through rate to Detroit, including the rail haul from the seaboard, is $12.60 per ton. How it would be possible to save $12.64 we fail to understand. If $5.44 were saved, it would be assumed that these ships would be willing to travel an additional distance of about 2,000 nautical miles to Detroit for an additional revenue of 36 cents a ton.

The second item cited is the saving of $9.332 per ton on fifth-class commodities from Philadelphia to Chicago. The present rate for fifth-class commodities from Philadelphia to Chicago is $10.20 per ton. If $9.332 is to be saved, it would be necessary that the water rate from Philadelphia to Chicago via the St. Lawrence seaway and the Great Lakes be $0.868 per ton, which is, as a practical matter, probably insufficient to pay the cost of loading and unloading the material onto and from the ship. At the present time there are motor barges operating from north Atlantic ports via the Hudson River, Erie Canal, and Great Lakes which we have known of offering a rate of $6 per ton. This is probably a faster service than would be supplied by the St. Lawrence seaway, and we fail to understand how it would be possible to save 50 percent more than the total rate.

The third item cites a saving of $84.947 per ton on automobiles from Detroit, Mich., to Los Angeles. The present rate on automobiles from Detroit, Mich., to Los Angeles, when carried by rail to the eastern seaboard and then by steamer through the Panama Canal is $70.60 per ton. You will note the saving is cited $14.947 per ton in excess of the total rate.

If the other figures in regard to potential commerce are figured in the same way as these typical examples, we feel the entire report is misleading and open to serious question, particularly that section headed "Coordination of Transportation Agencies", which purports to show that any diversion of traffic to the St. Lawrence seaway "will benefit rather than injure the roads" (meaning railroads).

It would seem particularly pertinent to inquire why the War Department, Department of Commerce, and the Power Authority of the State of New York—which, I understand, make up the interdepartmental board of the Great Lakes-St. Lawrence project—should express an opinion upon the effect of this operation on the railroads or on the coordination of transportation agencies when there is available the Federal Coordinator of Transportation and the Interstate Commerce Commission, who are well equipped to speak accurately and with authority on the subject.

We have given you our thoughts on this subject thinking that they might be useful to you in your efforts against ratification of this treaty, which we wish to assure you are thoroughly appreciated.

Very truly yours,

R. H. HORTON, *Manager.*

GREAT LAKES-ST. LAWRENCE DEEP-WATERWAY TREATY

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD two communications expressing opposition to ratification of the St. Lawrence Waterway Treaty. One, signed by John S. Fisher, former Governor of Pennsylvania, and now president of the Pittsburgh Chamber of Commerce, discloses unanimous opposition on the part of that body. The second, written by Mr. A. F. Whitney, chairman of the Railway Labor Executives' Association, treats most comprehensively of the subject of transportation and the effect ratification would have on labor employed in transportation services.

There being no objection, the communications were ordered to lie on the table and to be printed in the RECORD, as follows:

PITTSBURGH, PA., *February 2, 1934.*

JAMES J. DAVIS,
United States Senate:

At a public hearing on the St. Lawrence seaway project, held today at the Pittsburgh Chamber of Commerce, at which the trade industrial transportation and power interests were fully represented, strong protest against ratification of this treaty was unanimously recorded. Pending full report of our meeting will you not call attention of the Senate to action taken?

JOHN S. FISHER,
President Pittsburgh Chamber of Commerce.

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
January 31, 1934.

The Honorable JAMES J. DAVIS,
Senate Office Building, Washington, D.C.

MY DEAR SENATOR: In compliance with your wishes I am presenting herewith some of the important reasons why our employees are opposing the St. Lawrence waterway project.

We believe that the St. Lawrence transportation project cannot be justified on the basis of cost or economic necessity. The Nation has a railroad system with a capacity capable of carrying the peak transportation load at all times of the year. One of the most important facts to be kept in mind in considering the vast sum of money involved in the development of this project, is that the St. Lawrence River has been closed to navigation on an average of 152 days a year for the past 10 years. Those familiar with the conditions that prevail in the St. Lawrence Channel during the winter months well know that the proposed improvement will not remedy this condition.

Railway employees believe it is unwise for the Federal Government to spend money on an unnecessary project, particularly at this time, when so many programs vitally necessary to the lives of our people should receive the benefit of public funds.

It seems ridiculous for the people of the United States to spend huge sums to help an adjoining country build a parallel and competitive route in a territory extrinsic to the United States. Why should the American people possessing facilities more than capable of fulfilling their transportation requirements, spend money on a route that will be a rival to an existing all-American route wholly within the territory of the United States?

We also believe that any savings which might accrue as a result of cheaper rates would benefit only a few shippers, the farmers not included. These small benefits would be at the expense of the taxpaying public. It is a demonstrable fact that no actual savings to the people is possible when all the costs of construction and maintenance of the St. Lawrence waterway project are considered.

The current belief that waterway transportation on the St. Lawrence would be incomparably cheaper than land traffic is due to errors in estimating the total costs. Railroad rates have to cover the roadbed, the terminals, and all other incidents of capital outlay. However, the rates on waterways cover only the carriers' costs. To compare these costs with railway charges and overlook the large amount of money the people of the United States must expend for the construction and upkeep of waterways is a gross mistake.

For many years the railway employees have submitted without protest to technological improvements which have thrown many of their number into the bread lines. In 1931, 1,167,000 employees moved the same ton-miles of freight as it required 2,000,000 men to move in 1913. With 370,000 fewer employees in 1929 than in 1920, $100,000,000 more revenue was produced.

The employees do not wish to be understood as objecting to progressive steps which give reasonable hope of benefit to the general public. We have no objections to flood control and water-power projects. We do, however, object to the needless expenditure of public funds to create free rights-of-way for water carriers when railroad facilities already exist which are more than capable of satisfying the Nation's tremendous needs.

When the Government has found it desirable to loan large sums of public money to support the financial structure of the railroads, it does not appear to us to be wise to expend public funds for the construction of less efficient and unnecessary transportation agencies.

Railroad employees feel, in view of the hundreds of thousands of former railroad workers who are unemployed and several thousand others working only part time and receiving less than a living wage, that the Government should not needlessly intensify the problems of the railroad industry and impair the ability of the railroads to carry the Nation's peak transportation load at all times. It must be remembered in this connection that because the St. Lawrence waterway would be incapacitated a substantial part of the year, due to climatic conditions, the railroads will be expected to maintain facilities sufficient to carry the Nation's full requirements, however successful the waterway may be during certain months of the year.

I hope the above views will be helpful to you in your efforts to defeat this proposed wasteful expenditure of public money. I enclose herewith a concise statement on this subject prepared by the Association of Railway Executives printed in the Railroad Trainman, our official monthly publication. I believe this will be helpful.

Assuring of my appreciation of your interest in this subject and of my desire to be helpful, I remain,

Sincerely yours,

A. F. WHITNEY, *Chairman.*

EXECUTIVE REPORTS OF COMMITTEES

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Reports of committees are in order.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Chester J. Todd, of Alaska, to be United States marshal, division no. 3, District of Alaska, to succeed Harvey P. Sullivan, term expired.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Harry C. Blanton, of Missouri, to be United States attorney, eastern district of Missouri, to succeed Louis H. Breuer, whose resignation was effective at the close of January 31, 1934.

Mr. STEPHENS, from the Committee on the Judiciary, reported favorably the following nominations:

J. Hilary Keenan, of Pennsylvania, to be United States marshal, western district of Pennsylvania, to succeed Walter W. Meyer, appointed by court;

Percy Brewington, of Pennsylvania, to be United States marshal, middle district of Pennsylvania, to succeed Robert M. Vail, resigned; and

Joseph B. Reing, of Pennsylvania, to be United States marshal, eastern district of Pennsylvania, to succeed Walter C. Fetters, resigned.

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of Leo T. Crowley, of Wisconsin, to be a member of the board of directors of the Federal Deposit Insurance Corporation for the unexpired term of 6 years from September 6, 1933, vice Walter J. Cummings, resigned.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Frank J. Duffy, of Nogales, Ariz., to be collector of customs for customs collection district no. 26, with headquarters at Nogales, Ariz., in place of James W. McDonald.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

FEDERAL DEPOSIT INSURANCE CORPORATION—LEO T. CROWLEY

Mr. VANDENBERG. Mr. President, I understand the Committee on Banking and Currency today recommended a favorable report on the nomination of Leo T. Crowley to be a member of the board of directors of the Federal Deposit Insurance Corporation. I am making certain inquiries respecting Mr. Crowley; and if I should be absent from the floor when the calendar is taken up, I request 2 or 3 days' time to complete the inquiry before the nomination shall be submitted to the Senate.

POSTMASTER AT GONIC, N.H.—RECOMMITTAL

Mr. McKELLAR. Mr. President, several days ago the nomination of Mr. Edward E. Crossette to be postmaster at Gonic, N.H., was confirmed. The notice of that confirmation has not as yet gone to the President, and I ask unanimous consent that the vote whereby the nomination was confirmed may be reconsidered and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the nomination was confirmed is reconsidered, and the nomination will be recommitted to the Committee on Post Offices and Post Roads.

THE CALENDAR

The PRESIDING OFFICER. The calendar is now in order.

Mr. ROBINSON of Arkansas. I again ask, at the request of other Senators who are absent, that the first nomination on the calendar go over for the day.

The PRESIDING OFFICER. Without objection, the first nomination on the calendar will be passed over.

The next nomination on the calendar will be stated.

GOVERNOR OF HAWAII

The legislative clerk read the nomination of Joseph B. Poindexter, of Hawaii, to be Governor of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a brief sketch of Judge Joseph Boyd Poindexter, whose nomination as Governor of Hawaii has just been confirmed.

There being no objection, the sketch was ordered printed in the RECORD, as follows:

Poindexter, Joseph Boyd, lawyer; b. Canyon City, Oreg., April 14, 1869; s. Thomas W. and Margaret (Pipkin) P.; student Ohio Wesleyan University, Delaware, Ohio; LL.B., Washington University, St. Louis, Mo., 1892; m. Margaret Conger, of Dillon, Mont., April 22, 1897. Admitted to Montana bar, 1892, and practiced at Dillon; county attorney, Beaverhead County, Mont., 1897–1903; district judge fifth judicial district of Montana, 1909–15; attorney general of Montana, 1915–17; United States district judge, district of Hawaii, by appointment of President Wilson, March 16, 1917; retired from bench and resumed law practice. Democrat. Episcopalian. Member American and Hawaii Bar Associations. Mason (32d degree; Shriner). Home: Honolulu, Territory of Hawaii.

THE JUDICIARY

The legislative clerk read the nomination of Horace Frierson, Jr., to be United States attorney for the middle district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of James R. Worley to be United States marshal for the eastern district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James R. Jetton to be United States marshal for the middle district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the postoffice nominations may be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The Chief Clerk proceeded to read the nominations for promotion of sundry officers of the Army and a reappointment in the Officers' Reserve Corps.

Mr. SHEPPARD. I ask unanimous consent that all Army nominations may be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

That completes the calendar.

TREATY OF EXTRADITION WITH TURKEY

Mr. PITTMAN. Mr. President, on Friday last I called up the treaty between the United States and Turkey with regard to extradition. At that time the Senator from Utah [Mr. KING] desired an opportunity to read the treaty, and stated that he would have no objection to its coming up today; in fact, he expected it to be considered today. I now ask that the Senate consider that treaty.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive AA (68th Cong., 1st sess.), a treaty of extradition with Turkey, signed at Lausanne, Switzerland, on August 6, 1923, which was read as follows:

EXTRADITION TREATY BETWEEN THE UNITED STATES OF AMERICA AND TURKEY

The United States of America and Turkey, having deemed it advantageous, with a view to assuring a better administration of justice, to surrender, reciprocally, under certain specified circumstances, persons sentenced or prosecuted for the crimes and offenses indicated hereinafter, have resolved to conclude a new Extradition Treaty and to that end have appointed as their Plenipotentiaries, to wit:

The President of the United States of America,

Joseph C. Grew, Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Swiss Confederation;

The Government of the Grand National Assembly of Turkey,

Ismet Pasha, Minister of Foreign Affairs of the Government of the Grand National Assembly of Turkey, Deputy of Adrianople in the said Assembly;

Doctor Riza Nour Bey, Minister of Sanitary Affairs and of Social Welfare of the Government of the Grand National Assembly of Turkey, Deputy of Sinope in the said Assembly; and

Hassan Bey, former Minister of National Economy of the Government of the Grand National Assembly of Turkey, Deputy of Trebizond in the said Assembly;

Who, after having exhibited their full powers, found to be in good and due form, have agreed upon the following provisions:

ARTICLE I

The Government of the United States of America and the Government of the Grand National Assembly of Turkey agree upon requisition to deliver reciprocally persons who, being prosecuted or condemned by the judicial authorities of one of the High Contracting Parties for any of the crimes or offenses enumerated in Article II, committed in territory subject to the jurisdiction of such Party, may seek asylum or be found in the territory of the other Party. Nevertheless, the extradition shall take place only if the evidence of culpability is such that, according to the laws of the place where the fugitive or accused is found, it would justify his apprehension and warrant penal proceedings had the act been committed there.

ARTICLE II

Extradition shall be granted for the following crimes and offenses, provided they are punishable both under the laws of the place of refuge and under those of the State making the requisition, to wit:

1. Wilful homicide, including parricide, assassination, poisoning and infanticide.

2. Arson.

3. Piracy; mutiny on board a vessel when the crew or a part thereof or other persons on board shall have taken possession of the vessel, by means of fraud or violence against the captain.

4. The act of breaking into and entering a dwelling house in the night time with intent to commit therein a crime, the character of which shall be specified in the documents referred to in Article VI. (Crime of burglary.)

5. The forgery or falsification of public or private documents; fraudulent use of forged or falsified documents.

6. Counterfeiting, forgery or alteration of money (either coin or paper), public bonds and their coupons, bank-notes, debentures, or other documents or instruments of credit; the issuance, circulation or use thereof with fraudulent intent; forgery or counterfeiting of public seals, dies, stamps or marks, as well as the fraudulent use of such forged or counterfeited objects.

7. Embezzlement of public funds by the depositaries of such funds or by public officers, when the funds embezzled exceed 200 dollars or the equivalent in Turkish money.

8. Embezzlement by a person or persons employed or salaried, to the detriment of their employers, provided that such crime or offense is punishable by imprisonment or more severe penalty under the laws of both countries, and that the funds embezzled exceed 200 dollars or the equivalent in Turkish money.

9. Wilful and unlawful destruction or obstruction of railroads, which endangers human life.

10. Abortion; rape; violation; kidnapping of minors or adults, defined to be the abduction or detention of a person or persons, for the purpose of exacting money from them or their families, or for any other unlawful end.

11. Robbery; house-breaking or shop-breaking.

12. Larceny, if the money or the value of the objects stolen exceeds 25 dollars or the equivalent in Turkish money.

13. Swindling; receiving money, securities or other property knowing the same to have been embezzled, stolen or fraudulently obtained; when the amount of money or the value of the property exceeds 200 dollars or the equivalent in Turkish money.

14. Fraud or breach of trust by any person; notably, by a depositary, agent, banker, or trustee, or by the president, a member or any officer of a company or association, if the loss suffered exceeds 200 dollars or the equivalent in Turkish money.

15. Perjury or subornation of perjury.

16. Crimes or offenses against the laws of both countries relative to the suppression of slavery and the slave trade.

17. Fraudulent bankruptcy.

18. Bribery.

19. Serious woundings the minimum punishment of which is not less than 1 year of imprisonment.

20. Attempt to commit offenses mentioned above, when such attempt is punishable as a crime.

21. Complicity in any of the above mentioned crimes or offenses provided such complicity is punishable by imprisonment or a more sever penalty by the laws of both the Contracting Parties.

ARTICLE III

Extradition shall not take place for political crimes or offenses nor for acts connected with such crimes or offenses.

The attack upon the life of the Head of a State or the members of his family shall not be deemed a political crime or offense.

No person surrendered by one of the High Contracting Parties to the other Party shall be prosecuted or punished for an offense committed before the demand of extradition other than that for which the extradition has been granted, unless such person expressly consents in writing, which shall be communicated to the Government of the Party which effected the extradition; or unless, having had during 30 days since his definitive release the opportunity of leaving the territory of the State which demanded his extradition, he has not availed himself of this opportunity; or finally, unless he returns to such territory after having left it.

ARTICLE IV

When the person whose extradition is demanded is under prosecution, whether in custody or out on bail, for another offense committed in the country in which he has sought asylum, or when he has been convicted of such offense, his extradition may be deferred until the penal proceedings be determined and until he shall have been definitely set at liberty in due course of law.

ARTICLE V

The High Contracting Parties shall not be bound to accord the extradition of their respective nationals.

ARTICLE VI

Demands for extradition shall be made through diplomatic channels.

When the person whose extradition is demanded shall have been sentenced for the offense which occasioned the demand for extradition, the demand must be accompanied by an authentic copy of the sentence pronounced. If the person claimed is merely charged with an offense, the demand must be accompanied by a duly certified copy of the warrant of arrest issued by the competent magistrate of the Party demanding the extradition, as well as by duly authenticated copies of the depositions or other evidence upon the basis of which the warrant was issued. These documents must contain the precise indication of the offense charged and of the place where and the time when it was committed. They must be accompanied by a duly certified copy of the provisions of law applicable to the offense charged as well as by the elements necessary to establish the identity of the person claimed.

The documents above indicated shall be drawn up in the form prescribed by the laws of the Party demanding the extradition and shall be accompanied by a translation, in the language of the Party from which the extradition is demanded or in French, certified to be in conformity with the original.

It is understood that the extradition procedure shall be governed by the regulations in force at the time of the demand in the State upon which the demand is made.

ARTICLE VII

When provisional arrest of a person is requested before the demand for extradition has been presented, the demand relating thereto shall be made through the diplomatic channel or addressed directly to the competent authorities of the Party on which it is made by the competent Consul of the Party making the demand or by another person duly authorized by such Party. The procedure to be followed for the arrest shall be governed by the regulations in force in the State on which the demand is made.

The provisional detention must cease and the person arrested must be set at liberty unless within three months, dating from the arrest, not including the day of the arrest, a formal demand for extradition, accompanied by the necessary documents, is presented in the manner prescribed in Article VI.

ARTICLE VIII

Extradition shall not be accorded when under the law of the Party on which demand is made or under that of the Party making the requisition the prosecution or the penalty imposed is barred by limitation.

ARTICLE IX

All articles seized which are in the possession of the person demanded, at the time of his arrest, shall, at the time of the extradition, be delivered up with his person to the Party making the demand; such delivery shall extend not only to articles acquired by means of the offense with which the accused is charged but also to all other articles that may serve to prove the offense. The rights of third parties with regard to the articles in question shall, however, be duly respected.

ARTICLE X

The expenses of the arrest, detention and transportation of the persons extradited shall be paid by the Party making the requisition.

ARTICLE XI

The present Treaty shall come into force two months after the date of the exchange of ratifications and shall remain in force for 5 years.

If this Treaty is not denounced by one of the High Contracting Parties at least 6 months before the expiration of the said period of 5 years, it shall remain in force until it is denounced, such denunciation becoming effective only after the expiration of a period of 6 months.

ARTICLE XII

The present Treaty, in French, English, and Turkish, shall be ratified. In case of divergence the French text shall prevail.

The ratifications shall be exchanged at Constantinople as soon as possible.

In witness whereof the above mentioned Plenipotentiaries have signed the present Treaty and have affixed their seals thereto.

Done at Lausanne, August 6, 1923.

(L. S.) JOSEPH C. GREW. (L. S.) ISMET.
(L. S.) DR. RIZA NOUR.
(L. S.) HASSAN.

The treaty was reported to the Senate without amendment.

The VICE PRESIDENT. The resolution of ratification will be read.

The Chief Clerk read as follows:

Resolved (two thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive AA, Sixty-eighth Congress, first session, a treaty of extradition with Turkey, signed at Lausanne, Switzerland, on August 6, 1923.

The VICE PRESIDENT. The treaty, with the resolution of ratification, is in the Senate, and the question is, Shall the treaty be read the third time?

The treaty was read the third time.

The VICE PRESIDENT. The treaty having been read the third time, the question is upon agreeing to the resolution of ratification. [Putting the question.] Two thirds of the Senators present concurring therein, the resolution is adopted and the treaty is ratified.

ADJOURNMENT

Mr. ROBINSON of Arkansas. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 5 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, February 6, 1934, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 5, 1934

GOVERNOR OF HAWAII

Joseph B. Poindexter to be Governor of Hawaii.

UNITED STATES ATTORNEY

Horace Frierson, Jr., to be United States attorney for the middle district of Tennessee.

UNITED STATES MARSHALS

James R. Worley to be United States marshal for the eastern district of Tennessee.

James R. Jetton to be United States marshal for the middle district of Tennessee.

APPOINTMENT IN THE REGULAR ARMY

H. Beecher Dierdorff to be first lieutenant, Dental Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Lt. Col. Thomas Jefferson Johnson.
Maj. Irving Howard Engleman.
Capt. Wannie Lee Bartley.
Capt. Clarence Walter Richmond.
Capt. Nathaniel Lewis Simmonds.
Capt. Krauth Whitson Thom.
Second Lt. William Arthur Davis, Jr.
Second Lt. Merwin Scott Dickson.

TO ORDNANCE DEPARTMENT

First Lt. Edward Pont Mechling.
Second Lt. Charles Ralph Pinkerton.

TO FIELD ARTILLERY

Second Lt. Gerald Lorenzo Roberson.
Maj. Kenneth Prince Lord.

TO COAST ARTILLERY CORPS

Second Lt. Roy Kay Kauffman.

TO CAVALRY

Second Lt. George Reynolds Grunert.

TO INFANTRY

First Lt. James Robert Manees.
Col. Frederick William Coleman.
First Lt. Charles Vernon Barnum.

TO AIR CORPS

First Lt. James Frederick Phillips.
Second Lt. Joe William Kelly.
Second Lt. David Hamilton Kennedy.
Second Lt. John Paul McConnell.
Second Lt. Andrew Meulenberg.
Second Lt. Thomas Charles Morgan.
Second Lt. Eugene Porter Mussett.
Second Lt. Nicholas Earnest Powel.
Second Lt. Romulus Wright Puryear.
Second Lt. Clifford Harcourt Rees.
Second Lt. Robert Lee Scott, Jr.
Second Lt. Edwin Guldlin Simenson.
Second Lt. Ray James Stecker.
Second Lt. Stanley Ronald Stewart.
Second Lt. Edward Willis Suarez.
Second Lt. John Reynolds Sutherland.
Second Lt. Robert Haynes Terrill.
Second Lt. James Forsyth Thompson, Jr.
Second Lt. Benjamin Jepson Webster.
Second Lt. Sam Houston Wiseman.
Second Lt. Torgils Grimkel Wold.
Second Lt. Joseph Buford Zimmerman.
Second Lt. Charles Hardin Anderson.
Second Lt. John Edwin Barr.
Second Lt. Byram Arnold Bunch.
Second Lt. Paul Delmont Bunker, Jr.
Second Lt. Daniel Stone Campbell.
Second Lt. George Dowery Campbell, Jr.
Second Lt. Robert Lynn Carver.
Second Lt. James Hutchings Cunningham, Jr.
Second Lt. Leo Peter Dahl.
Second Lt. Thomas Connell Darcy.
Second Lt. William Madison Garland.
Second Lt. James Walter Gurr.
Second Lt. Donald Linwood Hardy.
Second Lt. Hunter Harris, Jr.
Second Lt. Loren Boyd Hillsinger.
Second Lt. Kenneth Burton Hobson.
Second Lt. Frank Lester Howard.
Second Lt. Harvey Porter Huglin.
Second Lt. Frank Greenleaf Jamison.

APPOINTMENTS IN THE REGULAR ARMY

Harold Benjamin Fiske to be major general.
Halstead Dorey to be major general.
George Vidmer to be brigadier general.
Thomas Emery Merrill to be brigadier general.
Alexander Thompson Ovenshine to be brigadier general.
William Keith Naylor to be brigadier general.
Robert Osborn Van Horn to be brigadier general.
Col. Arthur Winton Brown, to be Judge Advocate General with the rank of major general.
Col. Edward Murphy Markham to be Chief of Engineers with the rank of major general.
Col. Patrick William Guiney to be assistant to the Quartermaster General with the rank of brigadier general.
Chaplain Alva Jennings Brasted to be Chief of Chaplains with the rank of colonel.
Adrian Leonard Hoebeke to be second lieutenant, Infantry.

PROMOTIONS IN THE REGULAR ARMY

Royden Eugene Beebe to be colonel, Infantry.
Edward Appleton Keyes to be colonel, Cavalry.
William James O'Loughlin to be colonel, Infantry.
Herbert Edward Mann to be colonel, Cavalry.
Francis Augustus Ruggles to be colonel, Field Artillery.
Henry Tilghman Bull to be colonel, Cavalry.
Howard Russell Smalley to be colonel, Cavalry.
John Scott to be colonel, Infantry.
Noble James Wiley to be colonel, Infantry.
George Catlett Marshall to be colonel, Infantry.
Talbot Smith to be colonel, Cavalry.
Frank Edwin Davis to be colonel, Quartermaster Corps.
William Wallace Overton to be colonel, Cavalry.
Samuel Turner Mackall to be colonel, Infantry.
Walter Campbell Short to be colonel, Infantry.
Frank Fanning Jewett to be colonel, Infantry.
Augustus Francis Dannemiller to be colonel, Infantry.
Alfred Asa Hickox to be colonel, Infantry.
Samuel Greaner Talbott to be colonel, Adjutant General's Department.
Charles Macon Wesson to be colonel, Ordnance Department.
Glen Fay Jenks to be colonel, Ordnance Department.
Clarence Beaumont Ross to be colonel, Coast Artillery Corps.
Richard Henry Jordan to be colonel, Quartermaster Corps.
William Storrs Bowen to be colonel, Coast Artillery Corps.
William Fitzhugh Jones to be colonel, Quartermaster Corps.
Brainerd Taylor to be colonel, Quartermaster Corps.
Emmet Roland Harris to be colonel, Finance Department.
Avery John Cooper to be colonel, Coast Artillery Corps.
Frank Geere to be colonel, Coast Artillery Corps.
George Leftwich Wertenbaker to be colonel, Coast Artillery Corps.
Walter Campbell Baker, to be colonel, Chemical Warfare Service.
Richard Irving McKenney to be colonel, Coast Artillery Corps.
Charles Albert Clark to be colonel, Quartermaster Corps.
Louis Roberts Dougherty to be lieutenant colonel, Field Artillery.
Samuel Roland Hopkins to be lieutenant colonel, Field Artillery.
Clarence Talmage Marsh to be lieutenant colonel, Coast Artillery Corps.
John Blackwell Maynard to be lieutenant colonel, Coast Artillery Corps.
Jacob Herman Rudolph to be lieutenant colonel, Air Corps.
Elbe Allen Lathrop to be lieutenant colonel, Infantry.
Raymond Ceward Baird to be lieutenant colonel, Infantry.
Arthur Griffith Campbell to be lieutenant colonel, Coast Artillery Corps.
Matthew Addison Palen to be lieutenant colonel, Infantry.
Frederick LeRoy Martin to be lieutenant colonel, Air Corps.
Elza Charles Johnson to be lieutenant colonel, Judge Advocate General's Department.
Frank Cornelius Reilly to be lieutenant colonel, Adjutant General's Department.
Walter Dew Cline to be lieutenant colonel, Judge Advocate General's Department.
Henry Lawson Rice to be lieutenant colonel, Ordnance Department.
Harry Montague Trippe to be lieutenant colonel, Corps of Engineers.
John Soule Butler to be lieutenant colonel, Corps of Engineers.
Charles Mason Roberts to be lieutenant colonel, Ordnance Department.
William Buerkle to be lieutenant colonel, Infantry.
Fredrick Clifford Rogers to be lieutenant colonel, Infantry.
Robert Clifton Garrett to be lieutenant colonel, Coast Artillery Corps.
Burton Ebenezer Bowen to be lieutenant colonel, Infantry.
Robert Ross Welshmer to be lieutenant colonel, Coast Artillery Corps.
Otto Harry Schrader to be lieutenant colonel, Coast Artillery Corps.
Robert Elton Guthrie to be lieutenant colonel, Coast Artillery Corps.

William Robert Nichols to be lieutenant colonel, Coast Artillery Corps.

Paul Henry Herman to be lieutenant colonel, Coast Artillery Corps.

Oscar Czar Warner to be lieutenant colonel, Coast Artillery Corps.

Frank Sheldon Clark to be lieutenant colonel, Coast Artillery Corps.

Kelley Benjamin Lemmon to be lieutenant colonel, Coast Artillery Corps.

William Skinner Fulton to be lieutenant colonel, Coast Artillery Corps.

Thomas Ogden Humphreys to be lieutenant colonel, Coast Artillery Corps.

Donald MacQueen Ashbridge to be lieutenant colonel, Coast Artillery Corps.

Hollis LeRoy Muller to be lieutenant colonel, Coast Artillery Corps.

Eli Elmer Bennett to be lieutenant colonel, Coast Artillery Corps.

William McCleave to be lieutenant colonel, Field Artillery.

Stuart Chapin Godfrey to be lieutenant colonel, Corps of Engineers.

Francis Clark Harrington to be lieutenant colonel, Corps of Engineers.

Cleveland C. Gee to be lieutenant colonel, Corps of Engineers.

John Roy Douglas Matheson to be lieutenant colonel, Corps of Engineers.

Charles Joel Taylor to be lieutenant colonel, Corps of Engineers.

Edwin Hall Marks to be lieutenant colonel, Corps of Engineers.

Earl North to be lieutenant colonel, Corps of Engineers.

Gilbert Van Buren Wilkes to be lieutenant colonel, Corps of Engineers.

John Clifford Hodges Lee to be lieutenant colonel, Corps of Engineers.

Frank Schaffer Besson to be lieutenant colonel, Corps of Engineers.

Joseph Clark Addington to be major, Infantry.

Allison Joseph Barnett to be major, Infantry.

Harrison Mortimer Duffill to be major, Quartermaster Corps.

Thomas Leroy Holland to be major, Quartermaster Corps.

John Andrew Porter to be major, Quartermaster Corps.

Herbert Lee Kidwell to be major, Quartermaster Corps.

George Frederick Unmacht to be major, Chemical Warfare Service.

John Graham Colgan to be major, Air Corps.

George Pollock Bush to be major, Signal Corps.

Thomas Jefferson McGrath to be major, Quartermaster Corps.

Thomas Otis Baker to be major, Quartermaster Corps.

George Henry Hahn to be major, Quartermaster Corps.

John North Douglas to be major, Quartermaster Corps.

William Settle Evans to be major, Field Artillery.

Alonzo Lincoln Littell to be major, Quartermaster Corps.

Clarence Longacre to be major, Quartermaster Corps.

Percival Simon Holmes to be major, Quartermaster Corps.

Clarence Lloyd Middleton to be major, Quartermaster Corps.

George Herbert Schumacher to be major, Quartermaster Corps.

Walter Moody Tenney to be major, Field Artillery.

Arthur Shelby Levinsohn to be major, Quartermaster Corps.

Richard Bartholomew Moran to be major, Signal Corps.

Arthur Oscar Walsh to be major, Finance Department.

David McGoodwin Speed to be major, Quartermaster Corps.

Harry Lauman Waggoner to be major, Quartermaster Corps.

Joseph Dixon Hahn to be major, Quartermaster Corps.

August Christian Jensen to be major, Quartermaster Corps.

Walter Herbert Wells to be major, Infantry.

James Benjamin Ettridge to be major, Quartermaster Corps.

William Harvey Dukes to be major, Quartermaster Corps.

Murray Benjamin Dilley to be major, Signal Corps.

LeRoy Lutes to be major, Coast Artillery Corps.

Emil Herbert Block to be major, Quartermaster Corps.

Royal Granville Jenks to be major, Finance Department.

William Cassidy to be major, Quartermaster Corps.

Richard Thomas Edwards to be major, Quartermaster Corps.

Alexander Effray Whitworth to be major, Signal Corps.

David Andrew Watt to be major, Adjutant General's Department.

Welcome Porter Waltz to be major, Infantry.

John Walter Crissy to be major, Infantry.

Edwin Hugh Johnson to be major, Infantry.

Russel McKee Herrington to be major, Corps of Engineers.

Leonard Smith Doten to be major, Quartermaster Corps.

Lawrence Aloysius Quinn to be major, Infantry.

Lewis Abram Pulling to be major, Cavalry.

Dallas Royce Alfonte to be major, Infantry.

Fred Matthew Fogle to be major, Quartermaster Corps.

Guy Hudson Dosher to be major, Field Artillery.

Charles Erwin Rayens to be major, Infantry.

Charles Hudson Jones to be major, Infantry.

Sidney Feagin Dunn to be major, Field Artillery.

Willian Hones to be major, Infantry.

Albert Charles Chesledon to be major, Coast Artillery Corps.

Breckinridge Atwater Day to be major, Field Artillery.

Joseph Kennedy to be major, Field Artillery.

William Harold Joiner to be major, Ordnance Department.

George David Shea to be major, Field Artillery.

Philip Blaine Fryer to be major, Cavalry.

Woodrow Wilson Woodbridge to be major, Field Artillery.

Donald Coe Hawley to be major, Cavalry.

Vernon Lhreau Padgett to be major, Cavalry.

Gilmer Meriwether Bell to be major, Infantry.

Roy Sloan to be major, Infantry.

Jay Ward MacKelvie to be major, Field Artillery.

Glenn Dewitt Hufford to be major, Infantry.

Wilbur Clynton Carlan to be major, Field Artillery.

Francis Truman Bonsteel to be major, Cavalry.

Albert Alan Allen to be major, Coast Artillery Corps.

Paul Revere Hudson to be major, Infantry.

William Edwin Barott to be major, Cavalry.

Frank Nelson to be major, Cavalry.

Herman Frederick Rathjen to be major, Cavalry.

George Ross Rede to be major, Field Artillery.

Ralph Hall to be major, Infantry.

John Homer Carriker to be major, Field Artillery.

Benjamin Harrison Hensley to be major, Infantry.

Jerome Pickett to be major, Infantry.

Clarence Lionel Adcock to be captain, Corps of Engineers.

Keryn ap Rice to be captain, Corps of Engineers.

Charles Stuart Ward to be captain, Corps of Engineers.

Henry Morehead Underwood to be captain, Corps of Engineers.

James Bryan Newman, Jr., to be captain, Corps of Engineers.

James Marshall Young to be captain, Corps of Engineers.

James Creel Marshall to be captain, Corps of Engineers.

Walter Ernest Lorence to be captain, Corps of Engineers.

Lucius DuBignon Clay to be captain, Corps of Engineers.

Lloyd Ernst Mielenz to be captain, Corps of Engineers.

Pierre Alexander Agnew to be captain, Corps of Engineers.

Alexander Murray Neilson to be captain, Corps of Engineers.

Hoel Smith Bishop, Jr., to be captain, Corps of Engineers.

Robert Habersham Elliott to be captain, Corps of Engineers.

Samuel Davis Sturgis, Jr., to be captain, Corps of Engineers.

Thomas Hay Nixon to be captain, Ordnance Department.

Anderson Thomas William Moore to be captain, Corps of Engineers.

Reginald Whitaker to be captain, Corps of Engineers.
Eugene Mead Caffey to be captain, Corps of Engineers.
Henry Milton Alexander to be captain, Cavalry.
James Milligan Gillespie to be captain, Air Corps.
Milo Benson Barragan to be captain, Field Artillery.
Paul Ludwig Deylitz to be captain, Ordance Department.
Ernest William Gruhn to be captain, Infantry.
Edwin Luther Sibert to be captain, Field Artillery.
Joseph Stubbs Robinson to be captain, Coast Artillery Corps.
James Faulkner Pichel to be captain, Coast Artillery Corps.
John Haleston to be captain, Infantry.
Charles Clifton Blanchard to be captain, Field Artillery.
Clyde Beauchamp Bell to be captain, Cavalry.
Henry Winston Holt to be captain, Field Artillery.
John Magruder Bethel to be captain, Cavalry.
Clarence Page Townsley to be captain, Field Artillery.
Robert Hilton Offley to be captain, Infantry.
John Mesick to be captain, Field Artillery.
Francis Parker Tompkins to be captain, Cavalry.
John Arthur Weeks to be captain, Coast Artillery Corps.
Frederick William Gerhard, Jr., to be captain, Chemical Warfare Service.
Cornelius Comegys Jadwin to be captain, Cavalry.
Jacob Gunn Sucher to be captain, Ordnance Department.
Howard Harvey Newman, Jr., to be captain, Coast Artillery Corps.
Richard Gray McKee to be captain, Infantry.
Nevins Dorsey Young to be captain, Coast Artillery Corps.
William Lillard Barriger to be captain, Cavalry.
Frederick Williams Fenn to be captain, Cavalry.
Joseph Charles Kovarik to be captain, Infantry.
Paul William George to be captain, Coast Artillery Corps.
Jonathan Lane Holman to be captain, Ordnance Department.
Wynot Rush Irish to be captain, Infantry.
Francis Earle Rundell to be captain, Quartermaster Corps.
Royal Adam Machle to be captain, Infantry.
Leonard Randall Nachman to be captain, Infantry.
Clark Hazen Mitchell to be captain, Field Artillery.
William Maynadier Miley to be captain, Infantry.
George Baird Hudson to be captain, Cavalry.
Harry Clay Mewshaw to be captain, Cavalry.
Alfred Armstrong McNamee to be captain, Infantry.
Francis Joseph Achatz to be captain, Field Artillery.
Leon Calhoun Boineau to be captain, Infantry.
Harold Wilbert Gould to be captain, Infantry.
George Bittmann Barth to be captain, Field Artillery.
Harry Benham Sherman to be captain, Infantry.
Frank Thorpe Turner to be captain, Cavalry.
Thomas Quinton Donaldson, Jr., to be captain, Cavalry.
Philip Edward Gallagher to be captain, Infantry.
Carroll Kimball Leeper to be captain, Infantry.
Charlie Quillian Lifsey to be captain, Infantry.
Hugh McCalla Wilson, Jr., to be captain, Infantry.
Dorr Hazlehurst to be captain, Infantry.
Robert Trueheart Foster to be captain, Infantry.
Frederick von Harten Kimble to be captain, Air Corps.
William Jones Hanlon to be captain, Air Corps.
John Harold McFall to be captain, Finance Department.
Howard Arnold Craig to be captain, Air Corps.
Barney Leland Meeden to be captain, Quartermaster Corps.
David Robert Stinson to be captain, Air Corps.
Joseph Theodore Morris to be captain, Air Corps.
John May Connor to be captain, Finance Department.
George Wald to be captain, Quartermaster Corps.
Armor Simpson Heffley to be captain, Air Corps.
Don Elwood Lowry to be captain, Quartermaster Corps.
William Robert Sweeley to be captain, Air Corps.
George Allan McHenry, Jr., to be captain, Air Corps.
Seward William Hulse to be captain, Quartermaster Corps.
Claude Leslie Gamble to be captain, Quartermaster Corps.
Henry Charles Wolfe to be captain, Corps of Engineers.
Lemuel Edwin Edwards to be captain, Finance Department.
Joseph Franklin Battley to be captain, Chemical Warfare Service.
Carlyle Howe Ridenour to be captain, Air Corps.
Russell Carrigan MacDonald to be captain, Air Corps.
Bennett Edward Meyers to be captain, Air Corps.
George Mitchell Grimes to be captain, Quartermaster Corps.
Edward Bethel Jackson to be captain, Infantry.
Paul Hyde Prentiss to be captain, Air Corps.
Robert Storie Heald to be captain, Air Corps.
Warren Arthur Maxwell to be captain, Air Corps.
Walter Hannumn Carlisle to be captain, Coast Artillery Corps.
William Henry Papenfoth to be captain, Coast Artillery Corps.
Frederick Mercer Hopkins, Jr., to be captain, Air Corps.
Walter Leo Weible to be captain, Coast Artillery Corps.
Rupert Edison Starr to be captain, Coast Artillery Corps.
George Edgar Rice to be captain, Air Corps.
Leonard Dickson Weddington to be captain, Air Corps.
Lowell Whittier Bassett to be captain, Field Artillery.
John Henry Doherty to be captain, Finance Department.
Edward Michael Powers to be captain, Air Corps.
Maurice Edgar Jennings to be captain, Chemical Warfare Service.
Felix Marcus Alexander to be captain, Infantry.
Howell Harrell to be captain, Infantry.
Paul Edmund Burrows to be captain, Air Corps.
George Harold Brown to be captain, Air Corps.
Elmer Daniel Perrin to be captain, Air Corps.
Dale Vincent Gaffney to be captain, Air Corps.
Kenneth Bonner Wolfe to be captain, Air Corps.
Grant Heninger to be captain, Field Artillery.
Stanley Powloski to be captain, Infantry.
John Milton Harman to be captain, Corps of Engineers.
Harry Lincoln Calvin to be captain, Quartermaster Corps.
Henry Berbert to be captain, Corps of Engineers.
Chester Carroll Hough to be captain, Corps of Engineers.
Conrad Palmer Hardy to be captain, Corps of Engineers.
Clifford Irving Hunn to be captain, Cavalry.
Patrick Francis Craig to be captain, Chemical Warfare Service.
Chester Howard Elmes to be captain, Infantry.
Edward Vanmeter Macatee to be captain, Infantry.
John Vernon Hart to be captain, Air Corps.
Wilbur Fisk Browder to be captain, Infantry.
Richard Hartnett Magee to be captain, Air Corps.
Henry Harold Reily to be captain, Air Corps.
Henry DuPree to be captain, Infantry.
John Carraway Arrowsmith to be captain, Corps of Engineers.
William Jordan Verbeck to be first lieutenant, Infantry.
Aloysius Joseph Lepping to be first lieutenant, Coast Artillery Corps.
Joseph Ganahl to be first lieutenant, Field Artillery.
Fay Roscoe Upthegrove to be first lieutenant, Air Corps.
John Marion Moore to be first lieutenant, Field Artillery.
Stuart Wood to be first lieutenant, Field Artillery.
Lawrence Edward Shaw to be first lieutenant, Coast Artillery Corps.
Matthew Kemp Deichelmann to be first lieutenant, Coast Artillery Corps.
Nathan Alton McLamb to be first lieutenant, Coast Artillery Corps.
William Jefferson Glasgow, Jr., to be first lieutenant, Infantry.
Charles Bertody Stone, 3d, to be first lieutenant, Air Corps.
Frank Thomas Ostenberg to be first lieutenant, Coast Artillery Corps.
John Harold Kochevar to be first lieutenant, Coast Artillery Corps.
Ernest Benjamin Gray to be first lieutenant, Infantry.
Douglas Campbell to be first lieutenant, Infantry.
William Joseph Phelan to be first lieutenant, Infantry.
Joy Thomas Wrean to be first lieutenant, Coast Artillery Corps.

John Joseph Holst to be first lieutenant, Coast Artillery Corps.

Guy Ernest Thrams to be first lieutenant, Coast Artillery Corps.

Arthur Roth to be first lieutenant, Coast Artillery Corps.

Carl Sherman Graybeal to be first lieutenant, Infantry.

Ralph Wise Zwicker to be first lieutenant, Infantry.

Woodson Finch Hocker to be first lieutenant, Infantry.

Cyril Edward Williams to be first lieutenant, Infantry.

Vachel Davis Whatley, Jr., to be first lieutenant, Infantry.

Harry Ellery McKinney to be first lieutenant, Infantry.

Carl Elliott Lundquist to be first lieutenant, Infantry.

Antulio Segarra to be first lieutenant, Infantry.

Guy Stanley Meloy, Jr., to be first lieutenant, Infantry.

George Van Horn Moseley, Jr., to be first lieutenant, Infantry.

Roy William Axup to be first lieutenant, Infantry.

John Walker Kirby to be first lieutenant, Air Corps.

Forrest Anthony Hornisher to be first lieutenant, Infantry.

Raymond Earle Bell to be first lieutenant, Infantry.

Dudley George Strickler to be first lieutenant, Infantry.

Dana Powers McGown to be first lieutenant, Infantry.

Charles Boal Ewing to be first lieutenant, Infantry.

Felix Alex Todd, Jr., to be first lieutenant, Infantry.

Barney Avant Daughtry to be first lieutenant, Infantry.

Philip DeWitt Ginder to be first lieutenant, Infantry.

Ralph Edwin Doty to be first lieutenant, Infantry.

Howell Hopson Jordan to be first lieutenant, Infantry.

Robert Frederick Sink to be first lieutenant, Infantry.

Elmer Matthew Webb, Jr., to be first lieutenant, Infantry.

John Prame Kaylor to be first lieutenant, Infantry.

Christian Gotthard Nelson to be first lieutenant, Field Artillery.

Martin Joseph Morin to be first lieutenant, Infantry.

Gilbert McKee Allen, Jr., to be first lieutenant, Infantry.

Calvin Louis Whittle to be first lieutenant, Infantry.

George Emericus Bender to be first lieutenant, Infantry.

Jack Henry Griffith to be first lieutenant, Infantry.

Robert Campbell Aloe, to be first lieutenant, Infantry.

Montgomery McKee to be first lieutenant, Infantry.

Nelson Irving Fooks to be first lieutenant, Infantry.

Lawton Butler to be first lieutenant, Infantry.

Marion Huggins to be first lieutenant, Air Corps.

Martin Moses to be first lieutenant, Infantry.

Robert John West, Jr., to be first lieutenant, Field Artillery.

Edgar Daniel Stark to be first lieutenant, Infantry.

David Drew Hedekin to be first lieutenant, Infantry.

James William Smyly, Jr., to be first lieutenant, Infantry.

Raymund Gregory Stanton to be first lieutenant, Infantry.

Neil Bosworth Harding to be first lieutenant, Air Corps.

Jesse Floyd Dressler to be first lieutenant, Infantry.

Willis Small Matthews to be first lieutenant, Infantry.

Robert Lewis Easton to be first lieutenant, Air Corps.

Henry Malone Bailey to be first lieutenant, Infantry.

Fred Leroy Thorpe to be first lieutenant, Infantry.

William Rapier Francis Bleakney to be first lieutenant, Infantry.

Harold Henry Hunt to be first lieutenant, Field Artillery.

Joseph Lawrence Dark to be first lieutenant, Infantry.

Frank Keith Park to be first lieutenant, Air Corps.

Walter William Gross to be first lieutenant, Air Corps.

Joseph George Felber to be first lieutenant, Infantry.

Otto Clyde George to be first lieutenant, Air Corps.

John N. Jones to be first lieutenant, Air Corps.

Morris Miller Bauer to be first lieutenant, Corps of Engineers.

Frank Alfred Lightfoot to be first lieutenant, Field Artillery.

John Richmond Pitman, Jr., to be first lieutenant, Field Artillery.

George Selman to be first lieutenant, Infantry.

Earl Clarence Bergquist to be first lieutenant, Infantry.

Richard Chase to be first lieutenant, Infantry.

Albert Neil Hickey to be first lieutenant, Infantry.

Ronald Irving Pride to be first lieutenant, Field Artillery.

Royce Alison Drake to be first lieutenant, Cavalry.

Paul Alfred Disney to be first lieutenant, Cavalry.

Leo William De Rosier to be first lieutenant, Air Corps.

Gordon Philip Saville to be first lieutenant, Air Corps.

Charles Bernard Overacker, Jr., to be first lieutenant, Air Corps.

George Henry Macnair to be first lieutenant, Air Corps.

William Barwig Blaufuss to be first lieutenant, Air Corps.

Louis Howard Foote to be first lieutenant, Corps of Engineers.

James Arthur Ellison to be first lieutenant, Air Corps.

Hoyt Leroy Prindle to be first lieutenant, Air Corps.

James Franklin Walsh to be first lieutenant, Air Corps.

George Richard Geer to be first lieutenant, Air Corps.

Donald Wright Benner to be first lieutenant, Air Corps.

Harry John Flatequal to be first lieutenant, Air Corps.

Herman Franklin Woolard to be first lieutenant, Air Corps.

Lawrence Henry Douthit to be first lieutenant, Air Corps.

George Robert Acheson to be first lieutenant, Air Corps.

Frank Hamlet Robinson to be first lieutenant, Air Corps.

Waldine Winston Messmore to be first lieutenant, Air Corps.

Herbert Melvin Newstrom to be first lieutenant, Air Corps.

Allen Ralph Springer to be first lieutenant, Air Corps.

Franklin Calhoun Wolfe to be first lieutenant, Air Corps.

Ford Larimore Fair to be first lieutenant, Air Corps.

Ivan Maurice Palmer to be first lieutenant, Air Corps.

Joseph Gerard Hopkins to be first lieutenant, Air Corps.

Elmer Perry Rose to be first lieutenant, Air Corps.

John Adams Austin to be first lieutenant, Air Corps.

Ford J. Lauer to be first lieutenant, Air Corps.

Fay Oliver Dice to be first lieutenant, Air Corps.

Herbert Everett Rice to be first lieutenant, Air Corps.

Edward Harold Porter to be first lieutenant, Air Corps.

Joseph Hampton Atkinson to be first lieutenant, Air Corps.

Robert Leonard Schoenlein to be first lieutenant, Air Corps.

Frederick William Ott to be first lieutenant, Air Corps.

Wentworth Goss to be first lieutenant, Air Corps.

James Leslie Daniel, Jr., to be first lieutenant, Air Corps.

Budd John Peaslee to be first lieutenant, Air Corps.

Vera H. Wiseman to be first lieutenant, Infantry.

John Franklin Egan to be first lieutenant, Air Corps.

Edgar Russell Todd to be first lieutenant, Air Corps.

Arthur LaSalle Smith to be first lieutenant, Air Corps.

Donald Dewey Arnold to be first lieutenant, Air Corps.

Clarence Thomas Mower to be first lieutenant, Air Corps.

Louie Percy Turner to be first lieutenant, Air Corps.

James Laffeter Green to be first lieutenant, Corps of Engineers.

Thomas Alphonsus Lane to be first lieutenant, Corps of Engineers.

Theodore Scott Riggs to be first lieutenant, Cavalry.

Frederick Jensen Dau to be first lieutenant, Corps of Engineers.

William Tell Hefley to be first lieutenant, Air Corps.

Roland Clough Brown to be first lieutenant, Corps of Engineers.

Samuel Roberts Browning to be first lieutenant, Corps of Engineers.

Lyle Edward Seeman to be first lieutenant, Corps of Engineers.

Raphael Brill Ezekiel to be first lieutenant, Corps of Engineers.

William Dixon Smith to be first lieutenant, Corps of Engineers.

Thomas Fraley Van Natta, 3d, to be first lieutenant, Cavalry.

Robert Scott Israel, Jr., to be first lieutenant, Air Corps.

David Andrew Watt, Jr., to be first lieutenant, Corps of Engineers.

Donald Bertrand Smith to be first lieutenant, Air Corps.

Robert Louis Moseley to be colonel, Infantry.

Earl Biscoe to be colonel, Coast Artillery Corps.

William Scott Wood to be colonel, Field Artillery.

Charles Almon Hunt to be colonel, Infantry.

Albert Kualii Brickwood Lyman to be lieutenant colonel, Corps of Engineers.

Clarence Edward Partridge to be lieutenant colonel, Ordnance Department.

Leo James Ahern to be lieutenant colonel, Field Artillery.

Donald Meredith Beere to be lieutenant colonel, Field Artillery.

William Samuel Rumbough to be major, Signal Corps.

Frank Henry Barnhart to be major, Cavalry.

Henry Theophil John Weishaar to be major, Infantry.

Herman Henry Meyer to be major, Infantry.

Henry Jeffrey Matchett to be major, Infantry.

Vincent Staub Burton to be major, Infantry.

Edward James Roxbury to be captain, Field Artillery.

Donald Dakin Lamson to be captain, Coast Artillery Corps.

Augustus Dawson Sanders to be captain, Infantry.

Harvey Thomas Morgan to be captain, Infantry.

Elsmere Joe Walters to be captain, Quartermaster Corps.

Harry Edgar Hagan to be captain, Quartermaster Corps.

Frank Osborn Dewey to be captain, Cavalry.

Edward Milan Taylor to be captain, Field Artillery.

Jesmond Dene Balmer to be captain, Field Artillery.

Dayton Dudley Watson to be captain, Air Corps.

Herschel David Baker to be captain, Field Artillery.

Herbert Edward Baker to be captain, Field Artillery.

Donald David Fitzgerald to be captain, Air Corps.

Thomas Standifer Gunby to be captain, Field Artillery.

Rudolph Ethelbert Smyser, Jr., to be first lieutenant, Corps of Engineers.

Charles Daniel Curran to be first lieutenant, Corps of Engineers.

Francis Howard Falkner to be first lieutenant, Corps of Engineers.

Alan Johnstone McCutctieon to be first lieutenant, Corps of Engineers.

David William Heiman to be first lieutenant, Corps of Engineers.

Robert John Fleming, Jr., to be first lieutenant, Corps of Engineers.

David Peter Laubach to be first lieutenant, Air Corps.

Benjamin Smith Shute to be first lieutenant, Corps of Engineers.

William Everett Potter to be first lieutenant, Corps of Engineers.

Edmund Koehler Daley to be first lieutenant, Corps of Engineers.

William Joseph Matteson to be first lieutenant, Corps of Engineers.

Webster Anderson to be first lieutenant, Infantry.

James Elbert Briggs to be first lieutenant, Air Corps.

Harry Cromartie Kirby to be first lieutenant, Infantry.

John Stewart Mills to be first lieutenant, Air Corps.

MEDICAL CORPS

To be colonel

Henry Church Pillsbury
Edgar King
Ray Woodman Bryan
William Hadley Richardson
William Kay Bartlett

To be lieutenant colonel

Bertram Foster Duckwall.

To be captain

Paul Herbert Martin
Richard Love Daniel
Otis Otto Benson, Jr.
Ernest Holden Parsons
Kenneth Arthur Brewer
Norman Wilhalm Anderson
Paul Strimple Fancher
Vinnie Hale Jeffress
Kenneth Fredrick Ernst
Theodore Longworth Finley
Kermit Hoyt Gates
Charles Lee Kirkpatrick
Loyd Eugene Griffis
Joseph Hamilton McNinch
William Jeffers Kennard
Edward Miller Sager
Allan Brodie Ramsay
Achilles Lacy Tynes
Robert Barrett Skinner
Dwight Lawson
Joseph Pease Russell
James Little Murchison
Norman Webb White
William Clarence Knott
Paul Edmund Keller
Albert Henry Robinson
John Frederick Blatt
John Randolph Copenhaver
Cyril Edward McEnany
Frank Yearsley Leaver
Joe Harrell
Leonard Neil Swanson
Armin Walter Leuschner
John Ellsworth Roberts
Ralph Vernon Plew
Wayne Glassburn Brandstadt
Edward James Kendricks
Oliver Harold Waltrip
Thomas James Hartford

To be first lieutenants

Roger Hubbard Allbee
Urho Robert Merikangas
John Bernard Herman
Clifford Gordon Blitch
Max Naimark
Vernon James Erkenbeck
Arthur Herbert Thompson
Wilson Theodore Smith
Clarendon Barron Woods
Joe Alexander Bain
Cecil Spencer Mollohan
Francis Whitney Hall
Joseph Sibley Cirlot
Richard Howard Eckhardt
John Mars Caldwell, Jr.
Charles Parmalee Ward
Elmer Arthur Lodmell
Lester Paul Veigel
George Lewis Beatty
Harold Irvin Amory
John Albert Egan
George Gustavo Guiteras
Edgar Louis Olson
Robert Purcell Rea
Arthur Eugene White
Frank Anthony Minas
Henry Schuldt Murphey
Carl Robert Darnall
George Merle Powell
Clesson Beckwith
Charles Henry Morhouse
John Lemoin Crawford

DENTAL CORPS

To be lieutenant colonels

Walter Lee Reesman
Samuel John Randall
Don Gordon Moore
Oscar George Skelton
Robert Beeghly Tobias
Harry Clothey Peavey

To be captains

Tyler James Walker
Wallace Jacob Morlock

To be first lieutenant

William Thomas Williams

VETERINARY CORPS

To be lieutenant colonels

Jacob Edward Behney
Jesse Daniel Derrick
Raymond Alexander Kelser
Clell Bricker Perkins
Horace Samuel Eakins
Isaac Owen Gladish
Jean Rossman Underwood
Clifford Caswell Whitney
Harold Edward Egan
Christian William Greenlee
William Henry Houston

To be major

Jack Glendon Fuller

To be captain

Stanley McLeod Nevin

To be first lieutenants

Austin Taylor Getz
Wesley Watson Bertz
Edgerton Lynn Watson

To be second lieutenants

Wayne Otho Kester
Robert Arthur Boyce, Jr.
Clarence Leonard Taylor

MEDICAL ADMINISTRATIVE CORPS

To be first lieutenants

Paul Estabrooke Zuver
Orion Victor Kempf
Kindrick Ownby
Robert Lee Black

To be second lieutenants

Carrol Conrad Barrick
Thomas Raymond Jones
Cornelius John Curran
Gerard Adrien Belanger
Guy Wycoff Harlow

CHAPLAINS

To be chaplain with the rank of lieutenant colonel

Alexander Daniel Sutherland

To be chaplains with the rank of major

Ivan Loveridge Bennett
Monroe Starkey Caver
John Knox Bodel
William Roy Bradley
James Lloyd McBride
Thomas Lawrence McKenna
Mylon Dickinson Merchant
Maurice William Reynolds

Henry Russell Westcott, Jr. Commodore Robert Watkins
Albert Floyd Vaughan Ivan Gochnauer Martin
Jodie Gibson Stewart Edwin Burling
Gynther Storaasli

To be chaplains with the rank of captain

Patrick James Ryan
Frederick William Hagan
Walter Hilary Paschal

To be chaplains with rank of first lieutenant

Elmer Emil Tiedt
Stanislaus Joseph Ryczek
John Edward Duffy

PROMOTIONS IN THE PHILIPPINE SCOUTS

To be lieutenant colonels

Hugh Straughn
Eacott Berton Miller

To be major

James Williston Callahan, Jr.

To be first lieutenant

Bienvenido Mobo Alba

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS

Samuel McRoberts to be brigadier general.

POSTMASTERS

CALIFORNIA

Annie G. Bedford, Anderson.
Jay K. Battin, Angwin.
Palmer C. Risley, Arrowhead Springs.
Joseph G. Petar, Bolinas.
Blanche E. White, Chatsworth.
Ida M. Fink, Crows Landing.
James R. Kilkenny, Dixon.
Bessie L. Rogers, Esparto.
Bertha V. Eaton, Florin.
Ada E. Bradley, Gustine.
Harold V. Tallon, Jackson.
William H. Rapp, Loyalton.
Susie K. Smith, Mecca.
Alva A. Fields, Modesto.
Edna M. Sheridan, Monte Rio.
James H. Pearce, Oilfields.
Genevieve Frahm, Palmdale.
Josephine Purcell, Represa.
Grace E. Patterson, Samoa.
E. Louise Holmquist, Tarzana.
Richard M. Wood, Thermal.
Hazel Hooker, Waterman.
Charles A. Graf, Winters.

CONNECTICUT

William A. Hayes, Bristol.
Ernest R. Knopf, Clinton.
Thomas P. Horan, South Norwalk.
Matthew F. Geary, Uncasville.
Bernard V. Keevers, Windsor Locks.

KENTUCKY

Zaidee G. Neville, Arlington.
George W. Tye, Barbourville.
Herman A. House, London.
Henry T. Waldrop, Murray.
John A. McCord, Pineville.
Lulu Sharp, Sharpsburg.
Emma K. Riley, Sparta.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 5, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Our Heavenly Father of all goodness and God of all comfort, we pray that Thy truth may be wrought into all laws and institutions. O God, the sea of human life rolls on. Forms change, generations come and go, but the mercy of the Lord endureth forever. We wait these moments at the altar of prayer; we open our hearts to Thee, that our severed love may be renewed and the broken threads of our faith may be gathered up. O strengthen us with that faith that satisfies our best needs and gives us power to produce the finest type of life. O bring us to that serenest life of faith which is permanent, which time cannot touch, and which belongs to the upper sphere. Ripen in us all good impressions and right tendencies. O Love Divine, hallow our hours with a spiritual background of brotherhood; shine through all words and blend all thoughts. In the name of our Saviour. Amen.

The Journal of the proceedings of Friday, February 2, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 682. An act to prohibit financial transactions with any foreign government in default on its obligations to the United States;

S. 1975. An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes;

S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended; and

S.J.Res. 80. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 12 to May 19, 1934, inclusive.

SWEARING IN OF MEMBER

Mr. SNELL. Mr. Speaker, Mr. WILLIAM D. THOMAS, newly elected Representative from the Twenty-ninth District of New York to succeed Mr. James S. Parker, deceased, is present this morning, and I would like to have him receive the oath of office. His certificate has not yet arrived. He was elected by about 9,000 majority. There is no contest in any way contemplated, no irregularities or anything in connection with the election charged.

I ask unanimous consent that Mr. THOMAS may receive the oath of office at this time.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SNELL]?

There was no objection.

Mr. WILLIAM D. THOMAS appeared before the bar and took the oath of office prescribed by law.

BEEF AND DAIRY CATTLE INDUSTRY

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bill (H.R. 7478) to amend the Agricultural Adjustment Act, so as to include cattle as a basic agricultural commodity, and for other purposes, may be given a privileged status so that it may be called up at some convenient time.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

Mr. SNELL. Reserving the right to object, the gentleman from Texas has spoken to me relative to the consideration of this legislation. Of course, the section of the country from which I come is deeply interested in the dairy industry. There is a feeling there that a large amount of this money, if left to the Department to expend as they see fit, will go to what is called the "beef-cattle interests." I would like to ask the gentleman from Texas [Mr. JONES] if he would be willing to make some provision in the legislation whereby at least one half of this money should be used in connection with the dairy interests of the United States.

Mr. JONES. The Department has suggested that it would probably be used on something like a 50-50 basis. I would not want to use straightjacket methods on them, but I would not object to a stipulation that not more than 60 percent should be used for one or the other so that it could not go above that. I would be willing to make that kind of stipulation.

Mr. SNELL. Perhaps my request to have it definitely divided 50-50 would be a little too much. I will accept the statement made by the gentleman from Texas that a stipulation shall go in the legislation that not to exceed 60 percent shall be used for either class.

Mr. JONES. I can see no objection to that.

Mr. SNELL. With that understanding, Mr. Speaker, I shall make no objection.

By permission granted me, I wish to insert the following telegram:

ALBANY, N.Y., *February 2, 1934.*

Hon. PHILIP A. GOODWIN,
Member of Congress:

As New York State is a consuming rather than a producing State, I regard it doubtful if any processing tax will be helpful to the State. If a processing tax is levied on milk and dairy products, I recommend that it be administered on a regional basis rather than on a Nation-wide basis.

CHARLES H. BALDWIN, *Commissioner.*

Mr. SABATH. Reserving the right to object, I would like to know what this bill really contains.

Mr. JONES. It makes cattle a basic commodity and authorizes the appropriation of $200,000,000 to be used as advance payments in connection with both the beef- and dairy-cattle industries. The question which the gentleman from New York [Mr. SNELL] raises is as to the division of the authorized appropriation between the beef- and dairy-cattle industries. As the bill is drafted, it is a lump sum that may be divided any way the Department may want to divide it. The gentleman from New York [Mr. SNELL] suggests some limitation, and I agree that as far as I am concerned a limitation may be put in the bill that not more than 60 percent should go to one or the other.

Mr. SABATH. Of the $250,000,000 that is provided for the dairy and beef cattle industry?

Mr. JONES. Yes; of the $200,000,000. The gentleman from Illinois ought not object.

Mr. SABATH. I am not interested in the stockyards. I am interested in the people.

Mr. JONES. Surely. We all realize that.

Mr. SABATH. I said that in answer to some other gentlemen who are under the impression that I am interested in the stockyards. I am not. I am interested in the people. If this is going to aid the stockyards or the packing industry, I am naturally opposed to it, because I do not think they need any relief.

Mr. JONES. This legislation is in behalf of the people, I assure the gentleman.

Mr. SABATH. In view of the report I have received as to the tremendous price we are paying for milk I do not know why this legislation is needed.

Mr. JONES. If the gentleman will find the tremendously low price that is being paid the producer of both beef and milk cattle, he will change his idea.

Mr. SABATH. I know the poor people are paying a tremendous price for milk. I do not know where the difference lies or who is the beneficiary.

Mr. JONES. This is in behalf of the producers who are all along the line receiving less than the cost of production decidedly.

Mr. SABATH. My sympathy goes out to all producers who are obliged to produce for less than cost, but my interest is that the poor people who have not only been milked but mulcted, have some opportunity.

Mr. JONES. I understand in some localities that is true, but this certainly will not accentuate that condition.

Mr. BOILEAU. Reserving the right to object, some statement has been made about $250,000,000. It was $250,000,000 originally, but now it is only $200,000,000?

Mr. JONES. Two hundred millions dollars. It was that from the beginning.

Mr. BOILEAU. I would like to state further that in the statement which the gentleman made to the gentleman from New York [Mr. SNELL], the gentleman said there was no objection on his part to allocating this amount as between the two, dairy and beef cattle?

Mr. JONES. No. I said there was no objection to putting a limitation on the maximum percentage out of the fund that might be allocated.

Mr. BOILEAU. There might be some objection in writing that into the bill, however, because the experts appearing before the committee, I believe, made it clear that they thought they could help the beef industry to some extent by disposing of a certain amount of dairy cattle.

Have we made any particular arrangement as to that provision?

Mr. JONES. I think a limitation to the effect that not more than 60 percent should be used for either purpose would be proper.

Mr. BOILEAU. Mr. Speaker, do I understand the gentleman to be willing to have such a provision specifically incorporated in the bill?

Mr. JONES. So far as I can see personally, there would be no objection to it.

Mr. BOILEAU. There might be serious objection if the Department were to purchase dairy cattle, we will say, for the purpose of trying to help the beef-cattle industry.

Mr. JONES. I think that would help the dairy industry as well.

Mr. BOILEAU. Yes. I am merely mentioning a possible difficulty that may arise.

Mr. JONES. I can see no objection. It is fair to both sides to say that not more than 60 percent shall go for either.

Mr. BOILEAU. I see no objection to it if it can be worked out.

Mr. JONES. If a serious objection should arise, it could be taken care of at that time.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. MARTIN of Massachusetts. I could not hear what the gentleman said to the Members on the other side of the aisle.

Mr. JONES. I am sorry, but I have such a cold I cannot talk very loud.

Mr. MARTIN of Massachusetts. Will the $200,000,000 mentioned in the bill come out of the Treasury or is this another one of the consumer taxes which now reach over a billion dollars?

Mr. JONES. Of course, the original $200,000,000, like the advance payments heretofore made in the case of other commodities, will be appropriated out of the Treasury. The question of replenishing will be one that must be worked out.

Mr. MARTIN of Massachusetts. But it will become a consumer's tax before we get through with it.

Mr. JONES. I do not know. That depends on those producing these animals. They agree on these programs.

Mr. MAPES. Mr. Speaker, reserving the right to object, there is some agitation looking toward making sugar a basic commodity and placing a processing tax on it. I do not know just what the present status of this proposal is, but is such a proposition before the gentleman's committee; and does he contemplate following this bill with another bill relating to making sugar a basic commodity and levying a processing tax against it?

Mr. JONES. Up to the present time, I may state to the gentleman from Michigan, so far as I know there is no such bill pending before the committee. There has been some conversation about it, but I am not in a position to give the gentleman any information at all.

Mr. MAPES. I understand a bill to this effect has been introduced in the Senate.

Mr. JONES. I have been told so; yes.

Mr. MARTIN of Massachusetts. Is it not a fact that the beef-cattle people have been practically assured that this money is going to come out of the Treasury and that there will not be any processing tax?

Mr. JONES. No. No such assurance has been given, so far as I know. I feel sure that some provision will be made for at least a portion of it to be repaid. But whether it is or not, the cattle industry has been in such desperate straits that I feel that with the hundreds of millions that have been spent for relief largely in the cities, the expenditure of this sum as an outright proposition would be thoroughly justified.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ROBERT H. ANGELL

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Speaker, under leave granted, I herewith desire to place in the CONGRESSIONAL RECORD and thereby make a matter of permanent record a brief outline of a most interesting meeting held in Roanoke, Va., on the evening of February 2 last. The occasion was the Twenty-first annual meeting of the Ground Hog Club of America. The Ground Hog Club of America is a voluntary organization of the citizens of Roanoke and surrounding territory which meets once a year, on February 2, Ground Hog Day, and engages in an evening's wholesome fun. Hon. Robert H. Angell, pioneer citizen of the city of Roanoke, former State chairman of the Republican Party in Virginia, and closely and intimately connected with the growth and development of the city of Roanoke, was the originator and founder of this unique organization. Mr. Angell passed away last November, and the meeting this year on February 2 was in the nature of a memorial service.

An interesting program was held in the city auditorium. The meeting was opened by the secretary, Postmaster E. L. Keyser. There was an invocation by Rev. Dr. Francis Hume Scott. Former Governor E. Lee Trinkle, an intimate friend and business associate of Mr. Angell, was chairman of the meeting. Brief interesting addresses were given by Mayor S. P. Seifert; Rev. Dr. Walter Binns, pastor of the First Baptist Church; Rev. Dr. Richard S. Owens, pastor of Calvary Baptist Church; Hon. John Smith, attorney at Martinsville, Va., a close and intimate friend of Mr. Angell. Appropriate music was rendered by Breakell's Chanters. The memorial address was delivered by myself and broadcast over radio station WDBJ.

Because of the high esteem and loving affection in which Mr. Angell was held not only by the people of his home city but of the State, I am taking the liberty of inserting this matter in the RECORD.

Following is the memorial address I delivered:

Mr. Chairman, ladies, and gentlemen, on a bright May morning in 1884 a barefoot lad of 16 years left his humble home near Callaway in Franklin County, Va., and set out upon the highway of life, there to find his place and make his mark. It was with a heart filled with determination and courage that Robert H. Angell left the home of his parents upon this morning and started out upon this great journey. For 50 years he traveled that highway. There were obstacles to be overcome. There were handicaps to be mastered. At times it led him to the highlands of happiness and success. At other times this winding trail led down into the valley of sorrow and disappointment. Such is ever the way of life. On a bleak November night 50 years later this footsore traveler, worn and weary of the battles and the encounters of the way, lay down by the wayside to rest for a season, and, with his burdens for a pillow, "passed into that dreamless sleep that kisses the eyelids still."

It is for the purpose of considering the pilgrimage of this traveler that we have met this evening. We come reverently and thoughtfully to meditate upon his life and service, and to raise thankful voices and grateful hearts to a divine Providence that blessed us with the privilege of knowing and working with this our late friend.

We do not come as those who mourn the dead! We fling back against "the ever-brightening skies the thoughtless speech that calls him dead." He lives! The influence set in motion by his life will continue down through the ages while time shall last. The suggestion has been made that a monument of some description be erected to commemorate the name of Bob Angell. Let us do so by all means. But remember, my friends, that bronze will yield to the corroding hand of time, and the passing of the years will cause marble and granite to crumble into dust, but the influences set in motion by a great life of unselfish service go on forever and forever:

Were a star quenched on high,
For ages would its light,
Still traveling downward from the sky,
Shine on our mortal sight.

So when a good man dies,
For years beyond our ken,
The light he leaves behind him lies
Upon the paths of men.

Pericles commended the idea of the traditional Athenian public funeral but doubted the wisdom of any spoken words, holding that where a man's deeds had been good, it were best that he should be remembered by them alone and not by the feeble efforts of any chosen orator.

I have somewhat that feeling as I address you tonight. To those of us who knew Bob Angell and lived with him, worked with him, and loved him, any effort to formulate an estimate of his life and service must seem feeble and inadequate. Already you have heard eloquent tribute paid to our friend as a churchman, a citizen, and a friend.

I shall not undertake to emphasize at length his characteristics and ability as a successful business man. His indefatigable courage and industry, his plain common sense and wise judgment, his shrewd executive ability, his keen foresight and leadership, all of which, crowned and leavened with an undying faith and belief in his country, placed him in a natural place of leadership in every effort that had for its purpose the building and development of his city, State, and country and of his own private fortunes.

Starting as a farm hand on the farm of Gideon Turner, in Roanoke County; serving as janitor in the public school at Salem and attending its classes; day laborer in a brickyard in this city in its early days; and finally a connection with W. P. Huff & Co., coal and lumber dealers, were some of the steps in the early life of Bob Angell. Always a determination to succeed, an optimistic outlook, and a charming personality enabled him to meet and overcome obstacles.

Time does not permit any very detailed allusion to the various business enterprises that engaged his attention. He organized and developed the Virginia Lumber Manufacturing Co., the Central Manufacturing Co., of Roanoke, and for many years devoted most of his time to this business. He was president of the Colonial National Bank until its consolidation with the American National Bank in 1928, after which he was chairman of the board. He was president of the Shenandoah Life Insurance Co. and devoted much of his time and energy to the development of this splendid outstanding business enterprise. Various other business organizations had the benefit of his wise counsel, his keen business judgment, and his active interest. When the welfare of Roanoke City and the State of Virginia were involved, Bob Angell was ever ready to give of his very best.

Nor shall I in the brief time allotted to me on this program undertake to appraise him as a political leader, though his characteristic sincerity and directness and his firm convictions on the fundamentals of government made him distinctly a leader in thought and action. Politically Bob Angell was a Republican. His warm heart and his tolerant soul, however, prevented him from entering heartily into those bitterly partisan contests that so often mark the career of men who are placed in high positions of political leadership. He believed devoutly in a two-party system of government. Only on a few occasions did he ever seek political preferment for himself. He was more often content to try to help his friends in their ambitions. He held many places of prominence and honor in the councils of his own political party, serving for a season as State chairman of the Republican Party, and was serving in that capacity when the State of Virginia in 1928, politically speaking, left the faith of its fathers and registered its electoral vote for the Republican Party. He was twice elected a member of the legislature in Virginia and was once selected for a 4-year term a member of the Nonpartisan Commission that was first selected to govern the city of Roanoke when it changed its form of government. He was often, however, called upon to serve on committees and commissions of great importance to the city, the State, and the Nation. As local and State fuel administrator during the World War he gave freely of his time and talent in the service of his country.

May I bring you now what I consider to be his crowning glory: His capacity for friendship and unselfish service. The distance was never too far, the task never too great, for Bob Angell to respond to a call to serve his fellow man individually or collectively. Possessed naturally of a never-failing spirit of optimism, ready always to greet his fellow man with a hearty laugh, a slap on the shoulder, an encouraging word, and a hearty handshake, he was in truth and in fact an ambassador of good cheer and an apostle of sunshine.

This optimism, this good cheer, this faith, never failed him, even in those later days when the clouds of economic stress gathered and the burdens of physical infirmity bore heavily upon him.

It is quite natural that a man of his temperament should become identified closely and actively with various fraternal organizations. I wish I might name them all. To do so would be practically to call the roll of all those splendid organizations that have for their motto the principles of friendship and helpfulness. Probably the fraternity that claimed the greater portion

of his time and to which, certainly in later years, he devoted great thought and energy was the Masonic fraternity. Owing more largely to his efforts than to the efforts of any other person, Kazim Temple of the Mystic Shrine was granted a charter at Roanoke many years ago, with Bob Angell as its first potentate. His sponsorship and interest were also largely responsible for the location at Roanoke of the various chapters of the Scottish Rite bodies. This fraternity honored him with its highest degree; he was a Mason of the 33d degree.

I have purposely saved for the last, mention of the fact that he was the originator and founder of the Ground Hog Club of America—this characteristic and unique organization that once a year for 21 years has gathered informally to bring again this company of friends and fellow citizens here to join hands and hearts in a few hours of clean and wholesome fun. It is typically a Bob Angell institution, and I want to express the very earnest hope that it will continue through the years to meet to carry out the mission for which it was founded.

I do not know what Bob Angell would have selected for his life motto; but as I have thought about him, it seems to me that the motto selected by Abraham Lincoln would have more nearly characterized his life. Lincoln said, "Die when I may, I want it to be said of me by those who knew me best, that I plucked the thistle, and planted the flower, where I thought the flower would grow." Bob Angell plucked many thistles and planted many flowers, and those flowers have grown and blossomed, and their fragrance has spread all down the highway of life as he passed that way.

We miss him tonight. We shall continue to miss him as the days come and go, but can we not be very happy in the thought that it was our happy privilege, as we traveled down the highway of life to meet and know, to labor with and to love so great, and so good a man. Where is he? At work.

An old homely story tells us that in a quaint country village lived Dr. Thomas Riley. He was not a member of the fashionable medical fraternity in the nearby city and devoted most of his time to the alleviation of human suffering among the poor people of the countryside. He was not able to afford fashionable offices and equipment.

If you wanted to find Dr. Riley, you might go to the country village, and at the foot of the rickety stairs leading up over the livery stable you would see a sign crudely painted on the hitching post. It was a hand pointing up the steps and these words: "Dr. Thomas Riley. His office is upstairs." The night was never too dark nor the storm too fierce for Dr. Thomas Riley to hitch up his old gray plug to his broken-down buggy to travel out in response to some call for help. One morning his friends and associates missed his familiar face from his usual haunts. When going to his office over the livery stable, which also served for his simple living quarters, they found that Dr. Thomas Riley, worn and bent and weary and tired of his long years of unselfish service, had answered the last call and had passed on. Lying by his side was the account book wherein he had kept the accounts of those simple people who were his patients. His last living act had been to go through that account book and mark on each page, "Paid in full."

It was a motley crowd that followed the funeral cortege out to the potter's field the next day to there lay away the mortal remains of this great and good man. Some kind and admiring friends gathered wild flowers from the wayside as they passed and heaped them upon the crude mound. As the crowd dispersed, one grateful recipient of many acts of kindness at the hands of the good physician thought in his own mind that it was a terrible thing that the remains of so good a man should lie in an unmarked grave, and he resolved that something should be done about it. If you should go back now to this quaint country village and find your way out to the potter's field, you would be able to identify the resting place of Dr. Thomas Riley because at the head of the grave has been planted a hitching post, torn up from the foot of the rickety stairs at the old livery stable, and on that hitching post is a hand pointing upward, and these words: "Dr. Thomas Riley. His office is upstairs."

Our friend, whose memory we honor, has passed on to a new country, and to greater fields of usefulness and activity, and there, we believe, will be waiting the time when we shall renew these severed bonds of friendship and love.

"Bob Angell. His office is upstairs."

COMPARISON OF HOOVER AND ROOSEVELT ADMINISTRATIONS

Mr. GLOVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GLOVER. Mr. Speaker, we have heard much said on the floor of this House recently by the minority leader, the gentleman from New York [Mr. SNELL], and by the friends of ex-President Hoover in trying to compare his administration with the present administration of President Roosevelt.

They assign as a reason for his unsuccess that the Congress did not follow the suggestions and plans of Mr. Hoover as they have followed Mr. Roosevelt. The reason is not so much in the man as it has been in the plan, if it be conceded that Mr. Hoover had any constructive plan at all.

When Mr. Hoover became President, he had a majority of 108 in the House, as I now remember, and he also had a Republican Senate, and having complete control of each legislative branch he could have passed any legislation he wanted to pass. What did he have passed that was constructive? Absolutely nothing.

Mr. Hoover advocated some things that I think have been very hurtful. With no request from foreign nations, he advocated a moratorium of millions of dollars that were due us, and put the burden of meeting the deficit caused by this on taxpayers of the United States. Not only that, it also created a feeling in the minds of those nations that they would not be required to pay all of the amount that was due us. We have been able to collect but little since then; and I wired Mr. Hoover in response to the telegram he sent to each Member of Congress that I did not think it should be done.

They owe us $11,000,000,000, which, if collected, would pay about half of our national interest-bearing debt. I shall not vote to reduce it one cent. We sold bonds to get money to loan them, and now let us collect it and pay off the bonds and save interest.

Nearly $2,000,000,000 was in his administration poured into big business, but did no good so far as relieving conditions and helping the needy. Conditions grew worse, and in the last election people demanded a change and got it.

We have not yet had a year of Mr. Roosevelt's administration, and one must be blind who cannot see a great change. Confidence has been restored and business is much better, as shown by all reliable reports. More than 4,000,000 people have been given employment, and each of them would testify if given a chance that the change has been very helpful to them.

More constructive legislation has been passed by Congress since Mr. Roosevelt became President than had been passed in 25 years, as the records will show.

The present administration has been really helpful to agriculture. Cotton a year ago was 5 cents per pound. Now it is 12 cents per pound, and I am sure it will be 15 cents or more by the time the marketing season opens up next fall. Of course, the President did not do it all and could have done nothing without the cooperation of Congress. We have worked with him because he was right and trying to do something for the forgotten man.

When we forget those who clothe and feed the world, we may expect disaster to follow. The action of President Roosevelt in revaluing gold is a move that will help the world. I hope to see him place silver in its place as a money and give us a double standard of both gold and silver, so we can have trade relations with all the world. Then we would not hear the cry to cut acreage and cut production everywhere.

Our people can then have work to do at gainful pay. Congress has given the President power to do this, and I feel sure that he will do it as speedily as he can.

Gold will not be used as a circulating money any more. It will be kept in the Treasury in bars, and a controlled paper money will circulate. The gold certificate is no better than the greenback. The only difference is that one is yellow, and the other is green, and the Government is back of both of them, and one is just as good as the other.

This legislation is getting back to our Constitution, which says Congress has the power to issue money and to regulate the value thereof. This Government has in the past few years has been drifting very rapidly toward the wrack and ruin by issuing nontaxable interest-bearing bonds. We are today paying out $760,000,000 per year interest on bonds.

Who gets this 760 millions of interest per year? The international bankers and the big central banks. Is the bond bearing interest any better than the money issued by the Government? The Government is now back of both the bond and dollar. If I were President, I would call the outstanding interest-bearing bonds and pay them off as fast as they are collectible, and set a fixed policy that the Government will no longer pay for the privilege of using its own credit and its own money. Then we will have a Government

of the people, for the people, and by the people, and not a Government controlled by hoarded wealth, as we have had in the past quarter of a century.

By the act of the President in reducing the gold content of the dollar, the United States dollar gain by devaluation is $2,805,512,060. This is quite a sum to be gained in one day by this Government, but it is just a pittance in comparison with what it will mean in the future to us.

THE PITTSBURGH PRESS, A SCRIPPS-HOWARD NEWSPAPER, ADVOCATES PASSAGE OF THE ELLENBOGEN RESOLUTION LOOKING TO THE ESTABLISHMENT OF A NATIONAL CONTRIBUTORY SYSTEM OF OLD-AGE PENSIONS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Pittsburgh Press, a Scripps-Howard newspaper, on the subject of old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following editorial from the Pittsburgh Press:

[From the Pittsburgh Press, Feb. 1, 1934]

THE PENSIONS SURVEY

Congressman ELLENBOGEN'S resolution for the creation of an old-age pensions commission is finally receiving the serious attention from Congress that it deserves.

A Washington dispatch says that Speaker RAINEY and other powerful party leaders have endorsed the measure and are likely to support it if a vote is taken. Provided Congress does not adjourn too early, their support should be sufficient to insure the resolution's passage.

Congressman ELLENBOGEN rightly argues that old-age pensions should not be disregarded by the Federal Government, especially when so few of the States have laws that are sufficiently liberal as to qualifications or generous as to the amount of assistance.

Pennsylvania, for instance, has a 15-year-residence clause, which would mean that a man of 55 dare not leave his State to become eligible for a pension at 70. There are similar State restrictions which also tend to minimize the amount of relief that can be given.

The Pittsburgh Representative's resolution calls for the appointment of an old-age security commission consisting of seven members, whose duty it is to study and recommend legislation for a national old-age pensions system. It would interfere with no existing State law, but would simply authorize the survey that should properly precede any national consideration of this subject.

Regardless of how short the present session of Congress is going to be, the House can and should find time to act favorably upon Mr. ELLENBOGEN'S proposal. Yesterday's dispatch is the first welcome indication that it may do so.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that in connection with the statement I made to the gentleman from Texas [Mr. JONES] I may include a telegram from the department of farms and markets of my State.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the special order of the House the gentleman from Indiana [Mr. GRAY] is recognized for 15 minutes.

Mr. GRAY. Mr. Speaker, the industrial panic or depression here is a part of a world-wide crisis, resulting from a fall of values and the price level, multiplying debts, and the tax burden upon the people, and destroying their buying and consuming power. But the industrial depression here is more than a part of the world panic. It is a prelude to the economic cataclysm brought upon the unsuspecting people of the earth, planned, ordered, and directed by our own financiers, not only from America as a base of operations but by using the powers and instrumentalities of our own Federal Reserve money system.

On last Monday, January 29, I briefly presented to this House, and which appears at page 1508 of the CONGRESSIONAL RECORD of that date, the story of the criminal participation of our own international financiers and bankers, with the Rothchilds, the Normans, Baldwins, and other financial magnates of Europe, under a secret gentlemen's agreement, organizing an international money conspiracy which brought on this world industrial crisis. But the blackest chapter of this crime of the ages has not been told. The darkest picture of this world industrial crisis has not been shown. The story of the foulest and most diabolical conspiracy against human welfare and life has not been exposed. On entering upon these further remarks, explaining the world industrial crisis, finally forced upon India, China, and the Orient, I realize my weakness, my inability to contemplate, consider, and grasp the enormity of the crime, the criminality of purpose; and words and language fail me, groping for terms to describe the anguish and depths of despair of starving, suffering, gasping humanity, brought on by a course of infamy, in conception, in wanton disregard for human welfare and life and deliberate murder for profit and gain.

In order to realize and understand this world-war Black Friday conspiracy, the world industrial crisis resulting in India, China, Indo-China, and the Orient, it must be further realized and understood that the money of a country represents the purchasing power, the value of labor in exchange, of the people of that country, the buying power of the people, the consuming power of the people, the power of the people of that country to buy, take, and consume the goods and products not only of their industries but the industries of our own and other nations. And any policy, system, or manipulation which interrupts or interferes in a way with the money supply of that country or with the free movements or circulation of money among the people as a medium of exchange and as a measure of value or makes or results in the scarcity of money destroys or impairs the purchasing power of the people of that country not only to purchase their own products but the products of other countries as well. And without a sufficient volume and supply of money and a free circulation and movement of money consumption is delayed, paralyzed, and fails; production is congested in surplus stagnation; industry is unbalanced, prostrated, and broken down; and an industrial panic or crisis follows.

The money and currency of the world were and always had been made up of both gold and silver, with more people using silver and depending upon silver for money than people using and depending upon gold. There is not now and never has been enough gold alone or silver alone, over and above what was used in the arts, to supply the world for use as money, even as a reserve or basis for money. It is only with the use of both of these two metals, and by further using both as a redemption basis upon and against which to issue currency, that these two metals, gold and silver, have been made to serve the needs of the world as a measure of value and medium of exchange. The destruction of either gold or silver would create a fatal scarcity of money. And as more people use silver as money than rely or depend upon gold for money, the destruction of silver as money would create a greater scarcity of money in the world's volume and supply of money than the destruction of gold as money.

India is an old, old country, with laws, customs, and usages fixed during the long lapse of centuries, through the weary ages of time. The people of India are a great saving people, but they do not leave their money in banks. One man does not trust his money with another man. They hold their savings in silver and silver money. There is another law, custom, and usage which must be realized and understood. Women are not allowed to hold property in India for reasons long fixed by custom and usages and forms of religion and which are observed as obligations greater, more binding, and imperative upon the people than the decrees of governments and the laws of states. But these women are allowed to hold their savings in certain ways and manner only, and that is in jewelry and ornaments. These savings are held in ornaments of silver and are kept for use on a rainy day.

When the emergency for use arises, the women of India sacrifice and exchange their silver ornaments for coined silver money to supply their wants and needs. Anything which would destroy silver for use as money in India, or the value of silver as money, would have the same effect in India as a failure of savings banks here. With these facts in mind now before us, we are in position to understand

the hard times coming to India and the Orient. There is nothing mysterious about the panic or depression in India. When you understand India, her money, customs, usages, and ways, it is all plain, simple reason, all under unerring cause and effect and the immutable law of supply and demand. The man who tells you that this panic is a bewildering, confusing mystery is an imposter, practicing deception. He is a man who does not want you to know, realize, and understand the cause of this world panic or depression and is crouching under cover and shadows to shield the perpetrators from responsibility for the infamous crime against the people of India. [Applause.]

India, China, and Indo-China include more than one half of the people of the earth. These people for centuries past have been using silver for money. Silver has been and was their only money on which they were relying and depending to carry on their industry, business, and trade, and from which to provide for themselves and live. These people have no other money. By the operations of this Black Friday world gold-monopoly conspiracy and the melting up of silver money and dumping silver on the markets in bullion as a commodity, destroying both its use and value as money, silver has been depreciated by two thirds in value or its use as money destroyed, leaving one half the people of the earth without money for their use, not only to buy their own products but the products of foreign countries as well.

The threatened demonetization of gold in retaliation against our financiers would be a criminal blow, a criminal error, a mistake, at the world's supply of money. But the destruction or demonetization of the silver money of the world would be a fatal movement against the world money supply. It is not a question of gold. It is not a question of silver. It is a question of a measure of value. It is a question of a medium of exchange. It is a question of a sufficient volume of money, whether of silver, gold, or other money material, to enable the people of the world to buy, sell, and exchange the products of the industries of the world. Without a sufficient volume of money in circulation, the stream of industral life will dry up, stagnate, and the body of industry will be poisoned from the sluggish flow. Its organs will fail to act. Its functions will be impaired, until the world is in want, suffering, and distress in the midst of plenty and great abundance.

Coming now to this second chapter of the world industrial crisis, there was another means resorted to, a means other than the contraction of money, to which I have before alluded and explained, a plan stealthily and secretly carried out by this gold-monopoly syndicate to bring about a scarcity of gold, to lower property and commodity values and thereby to establish the international gold standard and double and triple the value of their war bonds and claims. Under this conspiracy the nations were led to melt up their silver money and to sell and dump silver on the market as a commodity, as silver bullion, to destroy its use and value as money. And the United States of America, under the hypnotic control of our manipulating financiers, was the Nation to take the lead in this criminal international movement to decoy the nations of the earth into a vortex of want and suffering, a world calamity and disaster.

Pausing to illustrate and explain we are now restoring to the power of money in the gold revaluation plan in the reverse order of operations to increase the price or value of gold. This is not to bring a scarcity of money but to be used as a base for more money, for the good and useful purpose of creating and maintaining the gold supply upon which to issue and maintain a greater volume of money in circulation. But if this was all that was coming, if a second and further step is not taken in the gold revaluation program, there will be no rise of values and the price level. Revaluation would be a vain maneuver, an empty gesture without force or effect to restore to our own people here the tax and debt-paying power and the buying and consuming power and revaluation will fail of its purpose and the declared goal of the 1926 price level.

Mysteriously and under guise and pretext of providing for an emergency foreign loan on the application of three of our own international bankers, the Federal Reserve Board or Treasury Department late in 1919 or early in 1920 first ordered and directed 29 million silver dollars, in gross violation of United States law, melted up and exported out of the country, destroyed as money and dumped as bullion upon the silver markets of the world. Following our lead of melting silver money, selling and dumping it upon the markets of the world, England melted up and sold her silver money. France melted up and sold her silver money. Germany melted up and sold her silver money. Belgium melted up and sold her silver money. Switzerland melted up and sold her silver money. Poland melted up and sold her silver money. Italy melted up and sold her silver money. Mexico melted up and sold her silver money. The French Government for Indo-China melted up and sold Indo-China's silver money. The British Government for India melted up and sold India's silver money. [Applause.]

Never before in the history of the world have all the nations melted up and sold their silver money. And never before in the history of the world have the nations all moved together in concerted action, in silent secret harmony to accomplish a certain effect and purpose without objection, dispute, or reservations. No other action of nations taken and moving together has ever been carried out without dispute or contention, without objection and prolonged strife, without the strain of controversy and protracted delay. But in this destruction of silver money the nations moved as servient tools, promptly without delay or hesitation. It was not for them to know or reason why but to do and carry out the mandate which could only have been directed by a secret, unseen central power, a silent, moving, controlling hand.

And as their puppet rulers did the bidding of their money masters, destroying one half of the world supply of money, doubling and tripling in value the World War debt bonds, and reducing one half the world price level and values, and with the fall and destruction of one half of the world's money, the purchasing power of the people fell one half, the buying power of the people fell one half, the consuming power of the people fell one half, the tax- and debt-paying power fell one half, until the people of India and China were without power to buy, take, and consume not only the products of their own industry but the products of foreign industries as well, including the products of our own land; and until the world's industry was paralyzed and prostrated; and until the people are in want and distress in the midst of plenty and great abundance; and until the per capita normal circulation of the world has been reduced and contracted more than two thirds of its former value; and until there is a world scarcity of money, until there is a world famine of money. [Applause.]

Nations today do not suffer alone. In many respects and to a certain extent they suffer together, they prosper together. The destruction or debasement of silver money—the only money of China and India and the Far East—has not only destroyed the tax-paying power, the debt-paying power of the Far East people and their buying and purchasing power to buy and consume not only their own products, but to buy, take, and consume the products of other nations. And the United States has lost in export trade and is losing annually in export trade by reason of destroying the Far East purchasing power in the value of millions of dollars, all representing an irreparable economic loss to the American people and country, and all to the end that the World War money lenders may double and triple the value and worth of their loans and investments in war-time claims.

These two criminal international conspiracies, these two crimes against the money of the world, contracting and reducing the money volume of the world, melting up and destroying the silver money of the world, the money of more than one half of the people of the world, doubling, tripling the tax burden, doubling, tripling the debt burden, doubling, tripling the World War bond burden, upon the people and nations of the world, have brought a world uprising of socialism, communism, and bolshevism in protest, antagonism, and retaliation against the existing order of things, and prompting, threatening outbreaks in every nation of the

world. And wherever this conspiracy has touched money it has poisoned and dried up the fountains of commerce, trade, and industrial life and has shaken and jeopardized the very foundations of civilization and the peace and order of the world. And Gandhi, mistaking the galling burdens brought upon India by money under the international gold standard for tyranny and misrule of England, is inciting India to passive revolt and threatening to flood the Ganges and Tigrus, inundating the Indian peninsula with a tide of human blood. [Applause.]

The first outward visible steps, or coincident with the first steps taken, for the monopoly of the world's gold supply, to be followed by the destruction of silver as money, were taken in the United States of America on the 18th day of May 1920, in Washington, D.C., in a secret bankers' meeting held on that day, crouching behind closed doors and curtains, and in the very shadows of this Capitol. This meeting was a planned part of the concerted demand upon gold to increase and multiply the value of gold by a contraction and withdrawal of currency and credit and to make the demand promptly effective by a fall of commodity values and the price level. While the panic followed promptly in all the gold countries of Europe, it was not until 6 years later, 1926, that the international gold standard was forced upon the unsuspecting people of India by decree of the British Government for India, manipulated by Montague Norman and Stanley Baldwin, supported by the Rothschilds and the Brussels bankers and prompted by American financiers.

In August 1926 a currency commission, a puppet body created in India, assuming a study of money for monetary reform, recommended a gold-bullion standard for India. But on anticipation and even before the puppet report, English bankers were already selling silver looking to melting up and selling the money of India. With the dismayed and stricken people of India praying, supplicating, and protesting against the order, the time-sacred silver rupees of the Indian people, which have served them for centuries past and upon which their trade and industries were based and in which their life savings were held, were demonetized or destroyed as money, called in and cast into the melting pot, and in the form of bullion and a debased commodity was carried off to London, to Bombay, and Hong Kong, China, and dumped upon the world's markets, all to complete the monopoly of international gold by destroying the silver rupees to create demand for gold in China.

This produced a double harmful effect upon the money and the industry of the world, first, by destroying a part of the world's money and forcing down values and the world's price level, reducing and destroying the world's debt-paying power, reducing and lowering the world's consuming power; and, second, by destroying the value of silver, the value of silver as money, the debt-paying power of silver money, the buying and purchasing power, the consuming power of silver money, of all the silver-using nations of more than one half of the people of the world—and until silver was destroyed for use as money among the nations whose only money was silver money, destroying their buying and consuming power, not only of their products of their own industry but the products of industries of other nations, including the products of American industries as well.

The effect of this international conspiracy and the servient actions of the nations was threefold destructive of the money of the world: First, to contract, reduce, and deflate the volume and supply of the world's money by melting up and destroying vast quantities of silver as money; second, to depreciate, lower, and reduce by one half the tax- and debt-paying power of the remaining part of the silver money; and, third, by so increasing the demand upon gold as a money metal for use as money that gold has been hoarded and held from circulation as money, with the result that both gold and silver has been destroyed as money or driven out of circulation as money, creating a money scarcity and famine the like of which the world has never seen since the dawn of history. [Applause.]

But some will say that this is inconceivable, this is unbelievable; that all the nations of the world could be led to join and unite in such a criminal diabolical conspiracy, destroying one half of the world's money, destroying the only money of one half of the world's people, all to double the value of the war-debt bonds upon their subjects and the taxpaying people. And such deliberate scheme as the designed course and action by the most intelligent and civilized nations may shock the conscience and moral conceptions of men as inconceivable, unbelievable, revolting. Yet there are the facts standing out before the world, clear as the noonday sun, to convict the leadership of civilization of greater credulity and stupidity than the savage barbarous chief who sells a few of his vassel subjects for a bronze or glittering trinket.

But it is not so hard to accept and believe when we know more of the leaders who control and direct the nations, more of the men at the helm of state. Axenstjerna, a great Swedish chancellor, speaking to his favorite son before leaving on a world tour, said:

> Go forth, my son, behold the nations and see by what fools the world is governed.

[Applause.]

And the immortal Shakespeare has said:

> Some men are born great, some men achieve greatness, and some men have greatness thrust upon them.

And this is true of some public men today. Greatness has been thrust upon some men, with all their ignorance in office, with all their want of experience and training, with all their want of talent and ability, and without a single redeeming feature to qualify them to act for and conserve the interests and welfare of the people. And, above all, without stamina or moral courage to stand out against wealth and high social position, to champion and defend the cause of the poor and lowly of the world who are left with no one to do them honor and fewer to do them justice before the law. [Applause.]

China, being an independent sovereign state, and not a subject, vassal government, as India, long using and only using silver as money, the operations of the international financiers to debase money and depreciate silver money were taken in another and different way, but no less destructive of the money of China. The silver money of suffering, gasping India was torn from her protesting people, melted up, and used as bullion upon the silver markets of Hong Kong, at the door of China and her port of entry, to destroy the value of silver as money and coerce China to accept the gold standard. Or, in other words, figuratively speaking, the blood from torn, mangled, and murdered India was used by the international bankers to strangle peaceful, unsuspecting China and to rear upon the debris of her economic ruin and the gasping, mangled bodies of her people the brazen image of the god of gold.

A great part of the wealth of China is held in silver. China buys and sells upon the basis of her silver money. An increase in the price of silver means that China can buy more and pay for more. A decrease in the price of silver means that China can buy less and pay for less and destroys the buying and consuming power of her people. This failure of the Chinese buying and consuming power is reflected in the idle factories in the United States and the unemployed supported by the dole in America. Orders from China, mounting in the millions, have been canceled and shipments have been returned. But the debasement of silver in China has not only destroyed her buying and consuming power, it has multiplied the foreign debts upon China held by the international bankers, as measured in her silver money—the money and only money which China can pay—and has left China with far more to pay and far less to pay with.

I can only point out the ghastly scenes to the eye to witness. I can only speak to the ear to listen to the sobs of anguish—the dying. I can only pray to the tongue to describe and tell. I can only call to witness the ghastly

scenes—the wreckage of human welfare and life, the world calamity and disaster befalling the helpless race of men in the gloom and darkness of appalling death—following in the wake of this mad, desperate drive for wealth and riches and money. E. Kann, international authority on the currencies and finances of China, said:

The sale by the governments (referring to the melting and sale of silver money), has been a huge, black cloud overshadowing the silver market like the Angel of Death.

[Applause.]

The human mind fails to grasp the enormity of the crime, the magnitude of the disaster, which human gluttony, avarice, and greed has brought upon the defenseless—the helpless race of men.

John B. Walker, correspondent of the New York Times, writing from China said:

The effect on India and China will never be known in its full horrors. The immediate depreciation of the only stock of money, silver, stopped trade and starved whole provinces—it caused millions of deaths.

[Applause.]

H. G. Stevens, former secretary of the treasury of the Dominion of Canada, in an address to the Canadian Legislature, said:

One billion people in the Orient, in China, in India, in the Malay States, and in Mexico are deprived of two thirds of their purchasing power by the action of the nations (in melting silver money).

There is one reason (or cause) for the agricultural and commercial depression which exists today all over the world—one half of the human race is living below the margin of decent living.

In fact, one million in China during the present year have died largely on account of the inadequacy of their purchasing power (meaning for the want of money).

[Applause.]

The effects of these two money conspiracies upon the people of the world cannot be told in time allotted here, nor more than faintly touched upon. The want, suffering, destitution, and death following in the wake and footsteps of this mad grasping money power calls for volumes to describe and for language I cannot command. I realize my weakness. I am powerless to characterize, to stigmatize, to condemn. I will call only one more witness to the stand. Thomas W. Lamont, one of our own international financiers speaking of this world depression has admitted:

One of the chief causes of world depression is the scarcity of gold and the depressed price of silver.

The gold was made scarce by the gold monopoly conspiracy, multiplying the demands upon gold, and silver was depreciated and depressed by the nations melting up silver money and dumping silver upon the markets of the world.

[Applause.]

There may be some collusive agreement among men, looking to selfish gain and profit, without deliberate criminal intent or disregard of human welfare, suffering, and life, which can be styled or alluded to as gentlemen's agreements, without travesty before men or sacrilege before the Almighty. But this deliberate, premeditated conspiracy entered into, with system and method, in gross disregard of human welfare and life, is not of such mild character or susceptible of such compromising reference. To deliberately plan, hold, or insist on a cruel conspiracy, bringing starvation, suffering, and death to millions, all to increase loan and debt values, is a criminal conspiracy, a diabolical crime against humanity, the human race, which not only merits punishment before men and nations, but calls for the vengeance of God.

[Applause.]

And now from this last, but not final, closing chapter of this World War money conspiracy, we read of the foreign people struggling, staggering under the burdens of monopoly in their own land, of the servitude of exacting capital, of the strangle hold upon the throats of millions gasping for economic, industrial breath, and the crushing war-debt loans multiplied and tripled upon them in the corner of gold and basic money by an organized, conspiring money power. We read of them falling exhausted under the burdens of multiplied war debts, private loans, taxes, and industrial tributes, of their final failure to pay and live.

And unless the evils, tyrannies, and cruelties of this exacting, relentless money power are removed, eradicated, and overcome, unless the black shadows of want trailing upon the nations of the earth like a withering blight and scourge is lifted from the struggling, writhing, gasping masses there will be another chapter written, and, if written, will be written in blood, to be read from fire, flame, and torch, in carnage and death, destruction, in cruelty, and the frenzy of desperate conflict, in antagonism, retaliation, and revenge, and in which all men will suffer, the innocent, the blameless, and inoffensive along with the cruel, misers, and shylocks whose insatiable greed and avarice brought on the deluge and conflagration, and fanned it into the flame of death, a hurricane, a tornado of destruction. And the pendulum of human progress will falter and tremble in the balance over a vortex, a chasm of death, and the hand upon the dial of civilization will reverse and turn back a thousand years. [Applause.]

EMERGENCY RELIEF

Mr. BUCHANAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That in order to provide additional funds for carrying out the purposes of the Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55), and for continuing the Civil Works program under the Federal Civil Works Administration as created under authority of title II of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 200), there is hereby appropriated for these activities, out of any money in the Treasury not otherwise appropriated, to remain available until June 30, 1935, the sum of $950,000,000, which shall be available for expenditure for such projects and/or purposes and under such rules and regulations as the President, in his discretion, may prescribe: *Provided*, That nothing contained in the Federal Emergency Relief Act of 1933 shall be construed as precluding the Federal Emergency Relief Administrator from making grants for relief within a State directly to such public agency as he may designate: *Provided further*, That the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916 (U.S.C., title 5, sec. 785), as amended, shall not apply to persons given employment by the Federal Civil Works Administration, and any rights of such persons to compensation or other benefits which may have accrued under such act shall terminate upon the date of the approval of this act: *Provided further*, That nothing herein contained shall be construed as precluding the furnishing to such persons at the expense of the United States of such medical, surgical, and hospital treatment as may be necessary to meet the emergency of an injury sustained in the performance of duty: *Provided further*, That no part of the appropriation herein made shall be allotted for expenditure for any Civil Works project under any other department or establishment of the Federal Government except such sums as may be necessary for maintenance and operation of reemployment agencies, and medical, surgical, and hospital services, and for administration, supervision, inspection, disbursing, and accounting purposes, and printing and binding, in connection with State and/or local Civil Works projects: *Provided further*, That section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Federal Civil Works Administration when the aggregate amount involved does not exceed the sum of $100.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

The SPEAKER. The gentleman is a member of the committee. Is the gentleman opposed to the bill?

Mr. TABER. I am.

Mr. BUCHANAN. I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that there may be 3 hours of debate on this resolution, to be equally divided and controlled between the gentleman from New York and myself.

Mr. COCHRAN of Missouri. Reserving the right to object, here is a bill before the House that the entire Membership is going to vote for. I do not see the necessity for 3 hours' debate on a measure of this kind. If the gentlemen would confine themselves to debate on the bill it would be a different matter, but all we will hear on the floor of the House in the 3 hours will be mud slinging, and therefore I object. This is not a gag rule, it is part of the regular rules of the House; in fact, this rule, according to the manual, has been built up gradually on an old rule of 1794. It was amended in 1822 by a clause that provided that no rule should be suspended except by a two-thirds vote. The Republicans used this rule almost every other week when they were in power. This is emergency legislation, and a rule to expedite its consideration is being used. We should not set aside this rule by unanimous consent. I object.

The SPEAKER. Objection is heard.

Mr. BLANTON. Mr. Speaker, I am sure if the gentleman from Texas would ask for an hour to a side, debate to be confined to the bill, there would be no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, I will agree to an hour and a half, three quarters of an hour on each side, and no more. That is sufficient, as there will be no votes against the bill.

Mr. BLANTON. Debate to be confined to the bill.

Mr. COCHRAN of Missouri. To be confined to the bill.

Mr. BLANTON. The gentleman would agree to a little more perhaps?

Mr. BUCHANAN. Mr. Speaker, I modify the unanimous consent request to 45 minutes on a side, the debate to be confined to the bill.

Mr. BOILEAU. Reserving the right to object, I would ask the gentleman from Texas whether there will be opportunity to amend this bill?

Mr. BLANTON. No.

Mr. BUCHANAN. Suspension of the rules is asked for and amendments will not be in order.

Mr. BOILEAU. Then why debate it? I object.

The SPEAKER. Objection is heard. The gentleman from Texas [Mr. BUCHANAN] is recognized for 20 minutes, and the gentleman from New York [Mr. TABER] for 20 minutes.

Mr. BUCHANAN. Mr. Speaker, in the limited time it will be impossible to discuss the various phases of this bill. Therefore I will content myself with saying to the House that it carries an appropriation of $950,000,000, the same amount as the estimate sent up by the President for emergency relief, and to carry on the C.W.A., which program now contemplates that the C.W.A. will last until the middle of May. However, the $950,000,000 is carried in a lump sum so that any amount of this can be used for the C.W.A. and any amout can be used for relief. The whole matter is vested in the discretion of the President. The money in this bill is in a lump sum because the two services—C.W.A. and relief—are so closely interlocked and related that it is necessary to have such flexibility as will permit the expenditure of whatever amount of the $950,000,000 is essential for either C.W.A. or relief. Either activity can be contracted or expanded as experience dictates and conditions demand. The administrator's testimony and the committee report set forth the tentative division of this sum as $450,000,000 for C.W.A. and $500,000,000 for relief. It is not intended thereby to say to the administration that such a hard and fast division of the appropriation should be followed.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. Assuming that $450,000,000 was set aside for C.W.A., and no more, how long would the balance for direct relief last?

Mr. BUCHANAN. It would last about 3 months after the 1st of next January.

Mr. KOPPLEMANN. Will the gentleman yield for a question?

Mr. BUCHANAN. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. On page 2, line 23, "*Provided further*", then we go on until we reach the words "necessary for maintenance and operation of reemployment agencies." Will the gentleman state the meaning of this language? Would it include, for instance, the use of Salvation Army posts in reemployment agencies?

Mr. BUCHANAN. The gentleman will notice that it says "public agency." This must be a public political agency of the State. The funds could not be turned over to a private organization, but the State administration could accept the cooperation of philanthropic organizations.

Mr. CELLER. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CELLER. I may say to the gentleman and to the Members of the House—and I am authorized to do so by Mayor LaGuardia, of New York City, our former colleague—that unless this aid is made adequate and is extended beyond May 1 in New York City, there is grave danger, with so many men out of employment. Riots and all kinds of havoc and disturbances are in the offing. I hope the committee may extend the time beyond May 1 and recommend the appropriation to this House of a much larger sum of money so that the C.W.A. activities may extend beyond May 1. We should take no chances. We cannot afford to allow any family breadwinner to be out of work.

Mr. BUCHANAN. Congress and the Government would make a mistake to extend by legislative act the C.W.A. to any specific date in the future. When that is done you are running the risk of paralyzing private industry all over this Nation, because the people on the C.W.A. rolls, if they are assured of work and the opportunity of staying on that job, may not hunt employment in private industry.

Mr. CELLER. Does the gentleman not think that by limiting the amount of appropriation the gentleman is setting a date and thereby limiting the time?

Mr. BUCHANAN. No.

Mr. CELLER. Does the gentleman not really limit the date by that procedure?

Mr. BUCHANAN. No. We have $950,000,000 appropriated in this bill. The President may extend the C.W.A. just as long as this money lasts and curtail the relief fund if he wants to. He could extend the C.W.A. for about a year under this appropriation, if he desired, and curtail the relief fund. He can use any amount of $950,000,000 for either activity.

Mr. CELLER. In Brooklyn today there is a march of protest, probably miles long, of unemployed people. A good many of them are those who have had their allowances curtailed by the C.W.A. administration in Brooklyn—curtailed so that they cannot keep body and soul together of themselves and families. There is grave danger at this very moment on account of the severe curtailment of the amount of relief, not taking into consideration thousands of others who are out of employment—grave danger of disorder and discord, violence and wrecking of property.

Mr. BUCHANAN. The curtailment of the number of hours of employment and the number of days per week was occasioned by the diminishing fund. When this appropriation is passed some of that curtailment will be restored.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WEIDEMAN. There has been some complaint that men over 40 years of age are not getting their just representation in this work. As I understand it, it is not now possible to amend this bill to provide for, say, 25 percent of the employment to be furnished under this bill to men over 40 years of age?

Mr. BUCHANAN. No. This is not possible under the suspension of the rules. I think it should not be done anyway, because I think that there are not just grounds for such complaint.

Mr. WOLCOTT. Will the gentleman yield?

Mr. BUCHANAN. Yes; I yield for a question.

Mr. WOLCOTT. In the committee report on page 2 it is stated that the committee anticipates that the $450,000,000 allocated to Civil Works will enable the Civil Works Administration to continue until about May 1, and then the

$500,000,000 which is allocated for relief will allow them to continue such work for about a year. Let me call the gentleman's attention to the fact——

Mr. BUCHANAN. Is the gentleman asking a question or making a speech?

Mr. WOLCOTT. I am asking a question.

Mr. BUCHANAN. I yielded for a question.

Mr. WOLCOTT. Under the bill which was reported last May and which carried $500,000,000, according to the report we have only about $20,000,000 left now.

Mr. BUCHANAN. The gentleman is mistaken. We have $50,000,000 uncommitted in that fund which was carried in the bill passed last May.

Mr. TRUAX. Will the gentleman yield?

Mr. BUCHANAN. For a question only.

Mr. TRUAX. Is there any provision in this or in the other bill that will eliminate the discrimination against war veterans that is now being practiced in my State and many others?

Mr. BUCHANAN. My information is, there is no discrimination against war veterans; on the other hand, there is discrimination in favor of war veterans under this administration as under the Public Works Act preference must be given to ex-service men with families when they are qualified.

Mr. TRUAX. There is discrimination in my State against war veterans.

Mr. BUCHANAN. Mr. Speaker, we have here two activities, the C.W.A. and emergency relief. They are so closely related and interlocked that it is absolutely essential for efficient administration to appropriate money in one lump sum in order to give them the flexibility which is so essential to carry on the work of both in proper proportions.

The funds now available for C.W.A. will be exhausted on the 10th of this month; in fact, the checks that will have to be issued on the 10th of this month will probably overreach the available amount by two or three million dollars. It is therefore essential that this bill be passed at once so there will not be a hiatus in the employment under the C.W.A. of 2 or 3 weeks in which we will have no funds and in this way disrupt the organization and throw these men out of employment.

During the last Congress in 1932 the Federal Government made available, through the R.F.C., $300,000,000 for relief which was entirely expended prior to the present Relief Administration. The Federal Emergency Relief Act of 1933, approved May 12, made available $500,000,000 from funds of the R.F.C. Harry L. Hopkins was appointed Relief Administrator and took charge on the 22d of May and coordinated relief administrations in every State and in local communities. The relief funds have been well and impartially administered without fear or favor. Necessity and adequacy of relief being the controlling factors in granting it. Of the $500,000,000 made available, $100,000,000 was transferred to the C.W.A. to pay the wages of those who were transferred from the relief rolls to the C.W.A. rolls, which left $400,000,000 for direct relief, all of which has been committed in different forms of relief except $50,000,000 which is now on hand uncommitted and which will be sufficient for relief purposes until March of this year.

On March 4, 1933, there were 4,560,000 families on the relief rolls; on May 4, 4,250,000; September, 2,995,000; November, 3,400,000, or 11 percent of the total number of families in the United States. The monthly relief disbursements now amount to between thirty and forty million dollars. There are now 25 or 30 times more people on relief rolls than there were in 1929. The Federal Government's contribution to relief is 62 percent while State and local contributions are 38 percent. When Administrator Hopkins took charge he strenuously insisted on State and local contributions to the relief fund and by his efforts succeeded in procuring an increase from $7,000,000 to $17,282,000 per month. There is no question that many of the finest men and women in the United States are on the relief rolls, victims of the depression, ready and willing to earn a living for themselves and those who are dependent upon them by the sweat of their brow. We have on the rolls also the mendicant, the beggar, the decrepit, and afflicted who will always be with us and a public charge. This class will be enormously increased by the aged who have been bankrupted by the depression and who are beyond the age of employability; this is a problem for the future.

A census was taken covering 3,134,678 families on relief rolls. This census was tabulated and applied as a measure or rule to the 12,500,000 persons on the relief rolls. The startling fact was disclosed that 46 percent of the 12,500,000 on the relief rolls were under 18 years of age; that 42 percent were 16 years of age and under. In other words, the 46 percent under 18 years of age on relief would, according to the 1930 census, be about 13 percent of all those under 18 years of age in the whole United States.

It would be a national calamity if these children, the future fathers and mothers of the United States, should not receive proper food and care for their natural development. Provision of these funds for extension of the purposes of Federal Emergency Relief Act of 1933 will be a wise investment to aid the States in their burden of doing this.

The President quickly realized that the only legitimate remedy for unemployment is employment.

That direct relief or the dole for the able-bodied produces moral disintegration, destroys industry, self-reliance, and initiative. It dims ambition, converts energy and industry into indolence and idleness. If permanently continued, its recipients become as satisfied with their existence as a miserable worm that ekes out its miserable existence in the dust of the earth; therefore the President by Executive Order No. 6420–B established the C.W.A.

The development of the C.W.A. has been remarkable; it pays off by the week. On the first weekly pay roll there were delivered 1,108,692 individual checks to those employed thereunder; the second week there were 460,000 additional; the third week there were 600,000 additional, and so on, until December 31 there were 3,600,000 individuals on the C.W.A. pay roll, who had received a total of over $175,000,000 in pay checks. It was required that all projects worked on by them must have a social and an economic utility with a permanent value. In the rush to employ 4,000,000 men in 35 days it was ascertained that State, county, and city governments could not procure approved projects to put 4,000,000 men to work, therefore allotments were made from C.W.A. funds to Federal projects to employ 440,000 additional people. Some of these allotments supplemented existing congressional appropriations and some of them were new projects and some of them were projects that Congress had disapproved.

For the information of the House the present Federal Surplus Relief Corporation has no direct appropriation, and is essentially a centralized purchasing agency organized to purchase surplus agricultural products from the farmer and distribute these products as part of the relief program. Under the present plan they expect to have purchased through April 400,000,000 pounds of pork, which will take 4,000,000 hogs off the existing surplus; 50,000,000 pounds of beef, which will require the slaughtering of 260,000 animals; 60,000,000 pounds of butter and 6,500,000 pounds of cheese. Three hundred and fifty barrels of flour a month are to be distributed, which will require 1,610,000 bushels of wheat from the existing surplus. There has been distributed 5,000,000 barrels of beans and 15,000,000 dozen eggs from the existing surplus.

These are the main items. There are many others, such as sheep, apples, rice, oats, corn, and other products of which we have a surplus and are suitable for food and are to be purchased by this corporation from the funds for the relief of the States and Territories and A.A.A. and delivered to the needy.

The program is carried on so it will benefit our country as much as possible in decreasing the surplus agricultural products that now exist and are destroying the market prices thereof.

Mr. Speaker, to those who advocate increased appropriations over this $950,000,000 let me say that relief in a nation the size of ours is like a rapacious maw. It would absorb every dollar you appropriated, whether it was one billion or five billion dollars. We must conduct this relief project with a discriminating judgment so we will have just enough money to relieve the actual necessities and the real suffering of our people.

Therefore, the President, in his judgment, after full consultation with the chief administrator and the administrators in the various States who are handling this matter, has decided that $950,000,000 is sufficient, and who are you or whom am I, who represent small districts in the different States, and know very little or nothing of other sections, to say that we know more about it or have better judgment in the matter than the President of the United States, with all the avenues of information open to him.

The President inaugurated both the relief program and the C.W.A. The C.W.A. was intended merely to carry throughout the winter months, because C.W.A., carried too far, takes employees from industry and prevents industry from getting the necessary employees.

Mr. KVALE. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. KVALE. Before the gentleman concludes his remarks will the gentleman discuss briefly the second proviso of the bill which terminates certain benefits to the injured or the killed?

Mr. BUCHANAN. The second proviso of the bill eliminates the employees of C.W.A. from the benefits of the Compensation Act. Now, why should they be included? They are not Federal employees except in a technical sense. The Federal Government simply pays their salaries. It does not receive the benefit of their work. They are working on State and city projects under the direction of State or city authorities, and the benefit of their work goes to the States and the cities in which they work; therefore, the compensation laws of the States should take care of them when injured.

They are not in the true sense of the word Federal employees. So why should they be under the Federal Employment Act?

Let me tell you something else. I looked into this question carefully. The compensation commission estimated that up to February 15 the accrued compensation for those injured in C.W.A. work would cost the Federal Government $14,000,000, and that is a conservative estimate. The probabilities are it will cost $30,000,000.

Information furnished me shows that there are 12 cases of fatal accidents already allowed where the total compensation runs as high as $20,000 in one case, another as high as $14,000, $9,000, $8,000, $5,000, $4,000, or an average of over $9,000 for each of the 12 cases. They have had 146 fatalities and over 14,000 not fatal injuries.

I know this, that if you give them any character of compensation, there ought to be a maximum limitation placed on the amount any individual can receive as is done in the compensation of longshoremen or as is practiced by our Claims Committee so that the pension roll of the Government will not grow too rapidly and become too large and constitute too great a burden upon the taxpayer. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. TABER. Mr. Speaker, never in the history of America has there been a situation so acute as at the present time. In January 1933 there were on relief rolls families totaling 3,850,000, and the total cost on account of that was $60,827,161. In March 1933 the number of families on relief was 4,560,000, and the cost was $81,205,631. Today there are on the relief rolls 7,000,000 families of one kind or the other of relief, and the total cost of carrying them along is running at the rate of $425,000,000 a month. These families on the relief rolls are made up as follows:

	Number	Cost per month
On C.W.A. pay rolls	4,000,000	$225,000,000
On direct relief	2,650,000	50,000,000
Increase in number employed on public-works projects	350,000	150,000,000
Total	7,000,000	425,000,000

My figures on the direct relief and the C.W.A. include contributions on the part of States, counties, and municipalities. Of these figures above, $175,000,000 for C.W.A. wages is paid by the Federal Government; $30,000,000 of the direct relief is paid by the Federal Government; and practically all of the $150,000,000 a month for P.W.A. is paid by the Federal Government.

It is apparent from these figures that there is no substantial employment in this country except relief employment of one kind or another.

I am familiar with just one part of the country from the standpoint of personal contacts, but I believe one part is no different from another. Since the rise in prices which followed the advent of the N.R.A. and the fear of inflation, which took place in the summer, there has been no general movement of merchandise, and so far the priming of the pump which we have done has been a failure.

The raising of prices clogs the channels of trade and trade does not move.

For employment in September as compared with the normal figures we find that it was, according to the Department of Labor:

	Employment	Factory pay rolls of normal
	Percent	*Percent*
September	74.3	57.6
October	73.9	57.4
November	72.4	53.6
December	71.8	53.1

Of course, the number employed and the pay roll were very much smaller in November and December on account of the seasonal drop, as the number in those 2 months is much below the September figure, and so the pay-roll figure is much below the normal in those 2 months. It indicates practically no regular factory employment in November and December. I am making no predictions at this time because I have not the time to go into it, of the result to follow. I hope there will be an improvement in business conditions, but it is not in sight now, nor in immediate prospect.

Mr. CELLER. Will the gentleman yield?

Mr. TABER. Not at this time. This appropriation is not needed because the bureaucrats have taken $1,500,000,000 out of the $3,300,000,000 which we appropriated for relief last June, and they have " pork-barreled " it over beyond the 1st of next July, into projects that are purely propaganda projects, and which provide no substantial relief or employment. That money can be transferred back to the relief roll and relief taken care of without the stroke of a pen or an act of Congress, but that probably will not be done.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. TABER. I cannot at this time.

Now, down to the 1st of December with reference to the C.W.A., an effort was made to reduce the relief rolls, but after December 1, those who came first were taken on first, and many were taken on who did not need employment to keep them going.

I had a situation in my own district where in one town the entire list of those to be employed were not in need. I took it up with the C.W.A. as best I could. I tried to get to Mr. Hopkins, but an ordinary Congressman cannot talk

with Mr. Hopkins. I finally got a subordinate and I was told that the job was to pour the money out and not necessarily to take care of those who needed it most. Now, that has been called to Mr. Hopkins' attention as forcibly as I could call it when he was before the committee. I hope that in the future he will provide for those who are most needy as he gives out the employment.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. TABER. I yield.

Mr. OLIVER of Alabama. With reference to the local question to which the gentleman alluded, there was a local board of representative citizens acting with the representatives of the Labor Department, who determined the allocation of these funds, and as to who should be employed.

Mr. TABER. They were bound by rules. The local board was bound by rules set up here in Washington, which provided a definite method by which the order of priority should be determined. It was the fault of Washington, and not the fault of the locality.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. KOPPLEMANN. On that very point, would it not be possible for the Administrator in such community as the gentleman spoke of to call in the services of other philanthropic agencies, such as, for instance, the Salvation Army, to assist in carrying out the administration of this measure?

Mr. TABER. There are no restrictions whatever upon the manner in which the administration can handle this situation. I cannot yield further.

There have been many abuses in connection with this proposition. In San Francisco those abuses were very marked. People who had considerable property were given jobs. The supervisors were often people without any experience whatever. Private employment agencies procured fees to obtain employment. That even existed some place in Washington, as was shown by Dr. SWICK on the floor of this House the other day. This situation in California was not cleared up until after Governor Rolf has taken care of the situation.

Mr. CELLER. Will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. CELLER. Were not those abuses comparatively few considering the magnitude of this project?

Mr. TABER. Perhaps somebody may say that. At the same time, the abuses of employing people who absolutely did not need employment were not comparatively few, and that was the fault of the set-up here in Washington. This abuse is great and dangerous. I cannot yield further.

In Idaho the Governor has stated, under date of January 21, that a large number on the pay roll there had other income and were not in need. I am speaking of these things in the hope that they will be corrected insofar as they can be.

The SPEAKER pro tempore. The gentleman has consumed 10 minutes.

Mr. TABER. I yield myself 1 additional minute.

We have to take care of what need there is for relief, which the States, counties, and towns and cities are unable to meet; but we must come to a point somewhere, where normal channels of business provide employment in the future for people, and we cannot do this unless there is an end to this type of employment, and that was pretty well recognized by Mr. Hopkins when he said that he would plan to end it on the 15th of May.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. TABER. In a moment. I am afraid that these operations are delaying and preventing the return of business. I am afraid that all this effort, in view of the fact that the people have once tasted blood, is going to fail. The one encouraging sign was the attitude of Mr. Hopkins, that he hoped to end it on the middle of May.

I yield to the lady from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the gentleman think it would be fair to earmark and set aside a certain sum of money for the women? Thus far they have not had their share of employment and aid. There are many widows and children and women with dependent fathers and mothers who are in need. There are many pitiful cases.

Mr. TABER. Frankly, I am not in a position to pass on that at this time.

Mrs. ROGERS of Massachusetts. Does not the gentleman think it would be fair, as a matter of judgment?

Mr. TABER. I cannot yield further.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman have 1 additional minute in order that I may ask him a question.

Mr. TABER. It is time for somebody to stand up and have the courage to say that soon this relief employment must cease and that we must build up our industries and provide employment through them. It takes more courage than it did a year ago to do this. It takes far more courage to stand out now to fight to put things on an intelligent basis than it did before. Let me ask you, Is the bureaucracy going to have the courage? Is this House going to have the courage? Is the Congress going to have the courage? Frankly, there is a fear in this House and elsewhere that if this bill does not go along something worse will pass, and a great many people who feel that this thing ought to be taken care of out of funds which have already been provided are going to vote for the bill, but they are going to do it in the hope that it will not be raised away out of all proportion beyond what the President of the United States has asked for.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Colorado. I should like to ask the gentleman from New York a question.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for one half minute to ask the gentleman a question. I think it is a very important question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. MARTIN of Massachusetts. I object.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that each Member of the House so desiring may have 5 legislative days within which to extend his remarks in the RECORD on this bill?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, I am for this bill. I hope when the time comes that the funds we appropriate today are exhausted, industry again will have resumed its proper place and that we will not need further appropriations for this purpose. I rose particularly to say I think it is a mistake to deprive the employees under the C.W.A. of the provisions of the Workmen's Compensation Act as is provided in this bill. I believe this is a serious mistake; not that the present rates should apply, but that the United States Employees' Compensation Commission should be instructed to set up a separate schedule covering these employees.

Up to the present time 142 deaths have occurred and there have been 14,000 accidents. Unless something is done, unless some provision is made to cover these employees, we will have a flood of claims presented to Congress for the next 20 years.

Harry L. Hopkins, Administrator of the Civil Works Administration, appearing before the committee considering the bill, stated he was not in favor of this proviso.

The committee report accompanying the bill stated on page 6, that—

> The termination of the compensation rights and the denial of any future compensation rights is a difficult question.

Thus showing that the committee itself was doubtful as to the wisdom of its course in permitting this proviso to remain in the bill.

In my opinion the bill should be amended in the following manner:

Page 2, lines 18 to 23, inclusive, strike out the following:

That nothing herein contained shall be construed as precluding the furnishing to such persons at the expense of the United States of such medical, surgical, and hospital treatment as may be necessary to meet the emergency of an injury sustained in the performance of duty.

And insert in lieu thereof the following:

That the United States Employees' Compensation Commission and the Administrator of Civil Works shall establish a special schedule of rates for compensation which shall be payable to employees of the United States for fatal and nonfatal injuries sustained in employment under the Federal Civil Works Administration and for emergency medical, surgical, and hospital treatment of such employees sustaining injuries in the performance of their duties, and shall formulate and promulgate the necessary rules and regulations for such purposes, subject to approval by the President of the United States. Such schedules and the payment of compensation shall be effective retroactively from the date of the inauguration of the Civil Works program and in no event shall the rates of compensation exceed those prescribed by such act of September 7, 1916, as amended, nor shall the total aggregate compensation in any individual case exceed the sum of $5,000. Nothing contained in this proviso shall be construed to authorize the duplication of any payment heretofore made by the Employees' Compensation Commission and/or the Civil Works Administration under such act of September 7, 1916, as amended.

If this amendment were incorporated in the bill, it would be fair to the employees and to the Government. I hope the parliamentary situation may be changed to admit of this action. [Applause.]

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Speaker, the Members of the House are familiar with the rule that was issued restricting hours of employment in counties having towns under 2,500 population. I have been assured by the Administrator that this restriction will be eliminated or modified and that when the funds under this appropriation are available increased hours will be ordered in those counties that were adversely affected by the order.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I want to take enough time to register myself in favor of this appropriation.

The Civil Works Administration program has done more in my district to revive, temporarily at least, not only the spirits of the people but business as well, especially retail business, than any other thing, if not more than everything else combined, than the Government has done since this depression started. It has brought renewed hope and courage to multitudes of people; given them a new lease on life. It does not take much imagination for one to realize something of the feeling of a man and his family who brings home at the end of a week for the first time in years a check for $12 or $14 that he has worked for and earned after he has been out of work for several years and been obliged, perhaps for a greater part of that time, to accept help from the city. In a great many cases it is the only money he and his family have seen, or that they could call their own and do with as they saw fit, for 2 or 3 years.

Before I left home to attend this session of Congress I announced publicly on several occasions that I would support an appropriation to continue this work. I do not know how long it can be continued, but certainly now is not the time to stop it.

During the last 2 weeks I have received communications from the responsible officials of practically every incorporated city and village in my district and several of the township boards urging the continuation of this work.

I gladly support this appropriation for that purpose.

The money should be honestly and efficiently used, but that is the responsibility of the administrative officials, not ours.

While we are passing this appropriation no one ought to fool himself about the actual situation throughout the country. The Civil Works Administration has not taken care of all those in need or unemployed, far from it. It has only scratched the surface. There are still more looking for work than have been given temporary employment by the Civil Works Administration. The estimates of the American Federation of Labor are that industrial employment increased only about 800,000 during the 4 months of September, October, November, and December of last year, and that even with the help of this Government work, more than 6,800,000 are still without even temporary employment. I heard the University of Chicago Round Table over the radio yesterday estimate that, including the unemployed and those dependent upon them, there were between thirty and forty million souls all told in need in this country.

It will take more than this temporary palliative to permanently relieve the situation. Business must be encouraged and stimulated so that those out of work can go to work in private industry before any permanent relief is afforded. As stated by the University of Chicago Round Table, we must stop thinking of unemployment in terms of tomorrow only or with the idea that prosperity is just around the corner and begin to think of it from a long-distance viewpoint.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I am disappointed that I am not allowed more than 2 minutes to follow up the remarks which I made on this subject the other day, inasmuch as I have now read with great interest the report of the committee and Mr. Hopkins' testimony.

I have called attention to a large section of the country where they apparently could not afford to pay the wages on the farms which are being paid by the C.W.A. for other work. I find now that in the future at least 30 cents an hour will be paid. Protests have come to me about this from the farmers of the South, from Indiana, and from Illinois. The burden of these complaints is that large numbers of farm help will refuse to leave C.W.A. projects and resume their former employment.

I wish to inject this thought because, although somewhat political, it refers plainly to the situation which exists. A very fine-looking gentleman whom I did not know—and I do not know whether he is a Republican or a Democrat—a day or two ago told me that if the Republican Party had brought about these disrupting conditions in the field of wages it would not now be safe for a Republican to live in his particular city. It would seem that, in the light of recent experiences, the director in charge of these disbursements should be able to proceed more wisely and see to it that proper methods are followed and restrictions provided to prevent the disrupting of wage scales and, likewise, to end the wide-spread graft, corruption, and political favoritism, the record of which has been appearing in newspapers from coast to coast during the past weeks.

Allocate these funds where the greatest need exists, and let them not be given to greedy municipalities which are well able to take care of their own welfare problems. I stated the other day that the P.W.A. could not come to the relief of all localities, and now I find the gentleman from Alabama [Mr. OLIVER] telling Mr. Hopkins that his State and others are in such condition that they were able to obtain little or no P.W.A. money. I endeavored to make it clear that the P.W.A. will not be able to take up the slack and that there will be a great demand, even after May 1, for C.W.A. funds from sections of the country which cannot be assisted otherwise.

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Speaker, I had hoped to be permitted to demand a second to this motion and secure the time for a real discussion of this all-important subject, but was denied that privilege. This is actually a bill to throw 4,000,000 men out of employment because it fails to supply the money to keep them at work.

The Civil Works Administration is the first thing in our recovery program that has given work to men—the first act

of the Government that begins at the bottom. It is the best money that we have spent. All the billions heretofore provided for have been poured in at the top, hoping it would trickle down, and then it failed to trickle.

This sorry appropriation of $450,000,000 to throw 4,000,000 men out of jobs by May 1 is an economic blunder, a moral tragedy. To throw 2,000,000 back into the bread lines ought to be unthinkable. The first obligation of Government is in fact to see that when private industry fails the Government itself must provide a job for every man and woman who wants to work.

The last second of my fleeting minute of protest against this national parsimony approaches. I shall vote for this poverty-stricken measure only because it is just that much better than none. But I am going at a future time to express the full protest of my heart against this tragedy.

Mr. TABER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, ladies and gentlemen of the House, I wish to thank the gentleman from New York [Mr. TABER] for his graciousness in yielding me the balance of the time, but I can say in a few minutes as much as I could say if I took longer time, for I wish only to say that I expect to vote for this measure. I think this is not the proper time to withdraw financial support from this work. Apparently the program has not been carried through and to quit now would be disastrous to many who have depended upon the program being carried on through the winter. While I am a Republican, I do not wish to hamper a program that is claimed to be for the relief of the unfortunate of the country. I hope that in the future this C.W.A. program will be carried on much more strictly and not with so much waste and overhead expense. I wish it understood that I do not justify this terrible waste, and I am voting for this measure in spite of this waste, but in the hope that in the future the Civil Works Administration will be carried on more economically and with the aim of bringing to the deserving the maximum of benefit and relief. I think those in charge of carrying on this work have in many instances misinterpreted the spirit of the law. They have made many unwise expenditures. Their actions cannot be condoned, except from the standpoint that frequently grave injustices are done in the name of charity and justice.

Mr. BUCHANAN. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Speaker, those who criticize this bill will find little justification for their criticism when they read the frank, comprehensive, and informative statement submitted by Mr. Hopkins, the Director of this Service. This bill carries the full appropriation requested by the President, and it is pleasing to see that it liberalizes the authority of the President over the funds appropriated.

You will be interested to read the liberalizing proviso on page 48 of the hearings. Suffice it to say that the broadest possible authority is now vested in the President to make grants for relief to and within any State to such agency as he may designate.

Referring to the statement of the gentleman from Massachusetts, permit me to say that the people of Alabama have the utmost confidence in the President and have no complaints to offer other than what they think may have been some mistakes heretofore made and which they confidently believe will be avoided and corrected in the future. Mr. Hopkins himself recognizes, as will appear from the hearings, that in hurriedly setting up a great agency like this many mistakes must inevitably be made. He assured the committee that he stood ready, when definite and well-founded complaints are called to his attention, to make every effort to correct them.

Reference has been made to the conditions of the schools of my State. I hold in my hand a telegram from the Governor of Alabama, and have received many telegrams from other leading citizens of the State, asking for large Federal appropriations for our schools. We have felt that since this bill confers on the President full and plenary authority in the spending of this $950,000,000, it would be unwise to undertake to earmark any part of it. States that have emergency needs will have the right to go to the President and present them, whether they relate to schools or other matters of great public concern.

The schools in Alabama are in dire need of funds to keep them open for the remaining months of the school year, and it is gratifying to know that Mr. Hopkins on last Friday announced that funds were available to help keep the schools open not only in Alabama but in other States where real emergency exists.

I will say, however, that the Governor of my State holds in his hands the only power to enable the people of the State to do what they earnestly desire to do to the extent of their ability and within the limitation of our constitution to provide funds for our schools so as to ask of the Federal Government aid to meet only such part of the burden as they are unable to assume.

If the Governor will call the legislature in extra session—and he alone has that right—they will provide some way to lessen their requests of the Federal Government for funds. It is not my purpose to discuss the reported differences, real or imaginary, between the Governor and the legislature, but it is very distressing to know that the Governor at a time like this should refuse to assemble the legislature to consider ways and means to provide funds in aid of keeping the schools open in the State. If, as reported, he is apprehensive that the legislature might pass some bill contrary to preelection promises he made, then he will have fully discharged his duties by vetoing any objectionable measures so passed by the legislature, and under our constitution his veto can be set aside only by a two-thirds vote in the house and senate. In taking this action he will have discharged his full constitutional duty to the people of the State, for surely no one will insist that any Governor is clothed with powers not granted by the constitution or statutes of the State. The Governor, I am informed, recognizes the compelling necessity for the convening of the legislature if our schools are to be kept open, and recognizing this necessity, the right to call the legislature in session, resting as it does alone on him, becomes in my opinion a mandate.

May I say this in conclusion that the American Legion and the parent teachers' organizations of my State are deeply interested in seeing that necessary funds are provided to keep the schools open. When this bill passes, as I am sure it will, if the Governor should continue to refuse to call the legislature in extra session, then I express the hope that a representative committee from the American Legion and from the parent teachers' organizations, after conferring with all of the candidates who have announced for Governor, will come to Washington and give to the President moral assurance that if aid is extended to carry on our schools that the new State administration, which will assemble in January next, will provide ways and means to repay the Federal Government whatever the President may say should be our State's contribution in the way of a refund and under such terms and conditions as the President may prescribe.

There are other States in the same condition that Alabama is in and I hope that they may take steps necessary to provide in the future for a fair return to the Federal Government of any moneys that may now be lent for school emergency needs such as Alabama is confronted with. This is a responsibility resting not primarily on the Federal Government but on the States, and speaking as a citizen of Alabama, I believe that our people, if given the opportunity, will find a way, notwithstanding certain legal limitations, for doing their full duty in providing for this great emergency that now obtains in Alabama relating to a continuance of our schools. [Applause.]

The SPEAKER. The question is on the motion of the gentleman from Texas to suspend the rules and pass the bill.

Mr. WEIDEMAN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 386, nays 1, not voting 46, as follows:

[Roll No. 83]

YEAS—386

Adair	Dingell	Kahn	Ramspeck
Adams	Dirksen	Keller	Randolph
Allen	Disney	Kelly, Ill.	Rankin
Allgood	Dobbins	Kelly, Pa.	Ransley
Andrew, Mass.	Dockweiler	Kennedy, N.Y.	Rayburn
Andrews, N.Y.	Dondero	Kenney	Reece
Arens	Doughton, N.C.	Kerr	Reed, N.Y.
Arnold	Douglass	Kinzer	Reilly
Ayers, Mont.	Doutrich, Pa.	Kleberg	Rich
Ayres, Kans.	Dowell	Kloeb	Richards
Bacon	Doxey	Kniffin	Richardson
Bailey	Drewry	Knutson	Robertson
Bakewell	Driver	Kocialkowski	Robinson
Bankhead	Duffey	Kopplemann	Rogers, Mass.
Beam	Duncan, Mo.	Kramer	Rogers, N.H.
Beiter	Dunn	Kurtz	Rogers, Okla.
Berlin	Durgan, Ind.	Kvale	Romjue
Biermann	Eagle	Lambertson	Rudd
Black	Eaton	Lamneck	Ruffin
Blanchard	Edmiston	Lanham	Sabath
Bland	Edmonds	Lanzetta	Sadowski
Blanton	Eicher	Larrabee	Sanders
Bloom	Ellenbogen	Lea, Calif.	Sandlin
Boehne	Elizey, Miss.	Lehlbach	Schaefer
Boileau	Eltse, Calif.	Lehr	Schuetz
Boland	Englebright	Lemke	Schulte
Bolton	Evans	Lesinski	Scrugham
Boylan	Faddis	Lewis, Colo.	Sears
Brennan	Farley	Lewis, Md.	Secrest
Britten	Fernandez	Lindsay	Seger
Brown, Ga.	Fiesinger	Lloyd	Shallenberger
Brown, Ky.	Fish	Lozier	Shoemaker
Brown, Mich.	Fitzgibbons	Luce	Simpson
Browning	Fitzpatrick	Ludlow	Sinclair
Brumm	Fletcher	Lundeen	Sirovich
Brunner	Focht	McClintic	Smith, Va.
Buchanan	Ford	McCormack	Smith, Wash.
Buck	Foss	McDuffie	Smith, W.Va.
Buckbee	Foulkes	McFadden	Snell
Bulwinkle	Frear	McFarlane	Snyder
Burke, Calif.	Fuller	McGrath	Spence
Burke, Nebr.	Fulmer	McGugin	Steagall
Burnham	Gambrill	McKeown	Strong, Pa.
Busby	Gasque	McLean	Strong, Tex.
Byrns	Gavagan	McLeod	Stubbs
Cady	Gifford	McMillan	Sumners, Tex.
Caldwell	Gilchrist	McReynolds	Sutphin
Cannon, Mo.	Gillespie	McSwain	Swank
Carden, Ky.	Gillette	Maloney, Conn.	Sweeney
Carmichael	Glover	Maloney, La.	Swick
Carpenter, Kans.	Goldsborough	Mansfield	Taber
Carpenter, Nebr.	Goodwin	Mapes	Tarver
Carter, Calif.	Goss	Marland	Taylor, Colo.
Carter, Wyo.	Granfield	Marshall	Taylor, Tenn.
Cartwright	Gray	Martin, Colo.	Thom
Castellow	Green	Martin, Mass.	Thomas
Celler	Greenway	Martin, Oreg.	Thomason
Chapman	Greenwood	May	Thompson, Ill.
Chase	Gregory	Mead	Thompson, Tex.
Chavez	Griffin	Meeks	Thurston
Christianson	Griswold	Merritt	Tinkham
Church	Guyer	Millard	Traeger
Claiborne	Haines	Miller	Treadway
Clark, N.C.	Hamilton	Milligan	Truax
Clarke, N.Y.	Hancock, N.C.	Mitchell	Turner
Cochran, Mo.	Hancock, N.Y.	Monaghan, Mont.	Umstead
Cochran, Pa.	Harlan	Montet	Utterback
Coffin	Hart	Moran	Vinson, Ga.
Colden	Harter	Morehead	Waldron
Cole	Hartley	Mott	Wallgren
Collins, Calif.	Hastings	Moynihan, Ill.	Walter
Collins, Miss.	Healey	Muldowney	Warren
Colmer	Henney	Murdock	Wearin
Condon	Higgins	Musselwhite	Weaver
Connery	Hildebrandt	Nesbit	Weideman
Connolly	Hill, Ala.	O'Brien	Welch
Cooper, Ohio	Hill, Knute	O'Connell	Werner
Cooper, Tenn.	Hill, Samuel B.	O'Connor	West, Ohio
Cox	Hoeppel	O'Malley	White
Cravens	Hoidale	Oliver, Ala.	Whitley
Crosby	Hollister	Oliver, N.Y.	Whittington
Cross, Tex.	Holmes	Owen	Wigglesworth
Crosser, Ohio	Hooper	Palmisano	Wilcox
Crowe	Hope	Parker	Willford
Crowther	Howard	Parks	Williams
Crump	Huddleston	Parsons	Wilson
Culkin	Hughes	Patman	Withrow
Cullen	Imhoff	Peavey	Wolcott
Cummings	Jacobsen	Peterson	Wolfenden
Darden	James	Pettengill	Wolverton
Deen	Jeffers	Peyser	Wood, Ga.
Delaney	Jenkins, Ohio	Pierce	Woodrum
De Priest	Johnson, Minn.	Plumley	Young
DeRouen	Johnson, Okla.	Polk	Zioncheck
Dickinson	Johnson, Tex.	Pou	The Speaker
Dickstein	Johnson, W.Va.	Powers	
Dies	Jones	Prall	

NAYS—1

Terrell, Tex.

NOT VOTING—46

Abernethy	Darrow	Montague	Taylor, S.C.
Auf der Heide	Dear	Norton	Terry, Ark.
Bacharach	Ditter	Perkins	Tobey
Beck	Flannagan	Ramsay	Turpin
Beedy	Frey	Reid, Ill.	Underwood
Brooks	Hess	Shannon	Vinson, Ky.
Burch	Jenckes, Ind.	Sisson	Wadsworth
Cannon, Wis.	Kee	Somers, N.Y.	West, Tex.
Carley, N.Y.	Kennedy, Md.	Stalker	Wood, Mo.
Cary	Lambeth	Stokes	Woodruff
Cavicchia	Lee, Mo.	Studley	
Corning	McCarthy	Sullivan	

So (two thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Sullivan and Mr. Darrow (for) with Mr. Wadsworth (against).

Until further notice:

Mr. Cannon of Wisconsin with Mr. Bacharach.
Mr. Taylor of South Carolina with Mr. Tobey.
Mr. Brown of Kentucky with Mr. Beck.
Mr. Dear with Mr. Perkins.
Mr. Burch with Mr. Ditter.
Mr. O'Malley with Mr. Beedy.
Mr. Carpenter of Nebraska with Mr. Woodruff.
Mr. Flannagan with Mr. Stalker.
Mr. Shannon with Mr. Cavicchia.
Mr. Abernethy with Mr. Turpin.
Mr. Cary with Mr. Stokes.
Mrs. Jenckes with Mr. Reid of Illinois.
Mr. Brooks with Mr. Hess.
Mr. Frey with Mr. Carley.

Mr. HAINES. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. BROOKS, is unavoidably absent. If present, he would vote "aye."

Mr. CULLEN. Mr. Speaker, I have a communication from the following Members from New York: Mr. CORNING, Mr. CARLEY, Mr. STUDLEY, Mr. SULLIVAN, and Mr. SISSON. These gentlemen are unavoidably absent, and if present would vote "aye."

Mr. BOYLAN. Mr. Speaker, I wish to announce that the gentlewoman from New Jersey, Mrs. NORTON, and the gentleman from New Jersey, Mr. AUF DER HEIDE, are both necessarily detained at home on account of illness in family. If present, they would vote "aye."

Mr. DRIVER. Mr. Speaker, I am requested to announce that my colleague the gentleman from Arkansas, Mr. TERRY, is unavoidably absent due to illness. If present, he would vote "aye" on the bill.

Mr. KLEBERG. Mr. Speaker, I am authorized to state that my colleague the gentleman from Texas, Mr. MILTON H. WEST, is unavoidably absent. If present, he would vote "aye."

Mr. BYRNS. Mr. Speaker, the gentleman from West Virginia, Mr. KEE, the gentleman from Ohio, Mr. UNDERWOOD, and the gentleman from North Carolina, Mr. LAMBETH, are unavoidably absent today. If present, they would vote "aye."

Mr. LOZIER. Mr. Speaker, my colleagues, Representative LEE and Representative WOOD, of Missouri, are unavoidably absent. If present, they would vote "aye."

Mr. AYRES of Kansas. Mr. Speaker, the gentlewoman from Kansas, Mrs. MCCARTHY, is unavoidably absent on account of illness. If present, she would vote "aye."

Mr. GOLDSBOROUGH. Mr. Speaker, the gentleman from Maryland, Mr. KENNEDY, is unavoidably absent today. If present, he would vote "aye."

Mr. CHAPMAN. Mr. Speaker, I wish to announce that my colleague, the gentleman from Kentucky, Mr. VINSON, is unavoidably absent on account of the sudden death of his sister. If present, he would vote "aye."

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleagues the gentleman from Maine, Mr. BEEDY; the gentleman from New Hampshire, Mr. TOBEY; and the gentleman from Pennsylvania, Mr. DITTER, are unavoidably absent. If present, they would vote "aye."

Mr. HOLLISTER. Mr. Speaker, my colleague the gentleman from Ohio, Mr. HESS, is unavoidably absent on account of illness. If present, he would vote "aye."

Mr. SEGER. Mr. Speaker, my colleague the gentleman from New Jersey, Mr. BACHARACH, is unavoidably absent. If present, he would vote "aye."

Mr. McKEOWN. Mr. Speaker, the gentleman from West Virginia, Mr. RAMSAY, is unavoidably absent. If present, he would vote "aye."

Mr. BLAND. Mr. Speaker, my colleague the gentleman from Virginia, Mr. MONTAGUE, is unavoidably detained. If present, he would vote "aye."

The result of the vote was announced as above recorded.

EXTENSION OF REMARKS—H.R. 7527

Mr. HASTINGS. Mr. Speaker, this bill makes an additional appropriation of $950,000,000 for purposes of emergency relief by the Government under the act of 1933, and also for continuing the Civil Works program.

It is estimated that the available funds for continuing the purposes for which this money is intended will, so far as the Civil Works program is concerned, be exhausted by February 9, and, so far as the relief act is concerned, early in March.

The appropriation is made in one sum but the committee tentatively divides the amount estimating that $500,000,000 shall go to relief and $450,000,000 for the continuation of the Civil Works. The same Administrator is in charge of the supervision of the distribution of both funds. He estimates that the amount allocated to Civil Works will carry the program forward to about the middle of May, and that the relief fund will be sufficient for about 1 year. It is hoped to gradually diminish the number to whom relief is necessary to be distributed and transfer them to the Civil Works rolls.

Congress, by the act of May 12, 1933, made available a sum not to exceed $500,000,000 from funds of the Reconstruction Finance Corporation, and $100,000,000 of this has been used for relief work in connection with the Civil Works. There was allocated to Civil Works $400,000,000 out of the appropriation of $3,300,000,000.

The demand for this additional appropriation is most pressing. The House Committee on Appropriations has recommended it and the same is true of the Senate Committee on Appropriations, and it is hoped that the relief work will not be interrupted through any delay in the enactment of this bill.

It is estimated that in March 1933 some 4,560,000 families, or 1 out of every 6 in the United States, were securing relief through some governmental source, but in November it is estimated the number was reduced to 3,400,000 families. The financial strain became too great to be borne by the State and local authorities and appeal was made to the Government.

There are two ways of giving relief—by direct relief and work relief. Every effort is being made to provide work, either through the Civil Works or the Public Works, so as to decrease the number in need of direct relief. The situation is distressing beyond description. There was hardly a bright spot in the entire United States when Congress convened on March 9, 1933. Much legislation has been enacted since that time.

The President saved the depositors in the banks throughout the country through the moratorium order which he issued on March 5, 1933, and Congress later ratified and confirmed his action.

Civilian conservation camps were established throughout the country and young men given employment, which afforded some measure of relief to their families. Then came the Wagner bill, making an appropriation of $500,000,000, and States and local communities were encouraged, through that legislation, to supplement Government funds with their own funds to the extent of their financial ability.

The rural sections of the country were aided through legislation amending the Federal Land Bank Act, first guaranteeing the interest and later, during the present session, the principal of Federal land-bank bonds to the extent of $2,000,000,000. Similar legislation was enacted for home owners through the passage of the Home Loan Act, which guaranteed the interest on $2,000,000,000 of home-loan bonds. However, it is hoped the principal, as well as the interest, will be guaranteed on these bonds at an early date by Congress.

The National Recovery Act was passed by Congress making available $3,300,000,000 to find jobs for the unemployed, and $400,000,000 of this amount was allocated to the building of roads, which I favored. Much other legislation has been enacted by Congress in an effort to relieve the depression.

Legislation has also been enacted guaranteeing bank deposits up to $2,500, and a larger amount on and after July 1, 1934.

Legislation authorizing the President to fix the gold content of the dollar has been enacted and other wide discretionary powers given to the President.

In the enactment of such a comprehensive program there have been many delays and disappointments. Boards and commissions had to be created and men and women secured to assist in the preparation and administration of the several measures enacted.

The Administrator of the Civil Works and relief funds, Mr. Hopkins, appeared before the Committee on Appropriations and gave a detailed and comprehensive statement with reference to his work. Boards were set up in each State to carry out the work. Conditions were different in the various localities. Enrollment of the unemployed had to be made. Applications for funds from the several States had to be submitted for consideration. Members of Congress have had innumerable complaints as to alleged injustices in the administration of the work. There are 48 States, all with different set-ups. Then there are more than 3,000 counties, and each county has its own set-up under the general charge of the Federal Administrator but under the immediate charge of the administrator for the State.

The people throughout the country, generally speaking, have endorsed the legislation enacted by Congress in behalf of humanity. The complaints against it have been leveled at its administration. I have had some complaints to the effect that men over a certain age, though able-bodied, were not given work. Other complaints have been from women's organizations to the effect that a sufficient amount of money has not been allocated to them; but, as above stated, all of these complaints have been against the administration of the act.

Everyone has applauded the courageous fight of President Roosevelt against the depression and the bold legislation he has recommended. Congress has responded splendidly. Now that Congress is appropriating new money to supplement the appropriations made during the extra session of Congress, and rules and regulations have been promulgated, let me express the hope that the administration of the act throughout the country may be done with justice and fairness to all alike. The women and children of the country should not go undernourished when there is plenty of food for them. They should not be humiliated for want of sufficient clothing when there is plenty of material.

Never in the history of the country have we seen so many people out of employment and really pleading for work. Schools have been dismissed in thousands of rural communities because of want of money to pay the teachers. The teachers are in an unhappy plight and in many localities are discounting their warrants at a ruinously low rate. Congress is doing all it can to aid in the solution of these vexatious questions.

The cattlemen of the country are pleading for help. They have been as hard hit as any other class of people in the country. Today Congress passed a bill to authorize the expenditure of $200,000,000 in behalf of the cattle and dairy industries.

Recognizing that the farmers are without means in many localities to secure funds to make crops, $35,000,000 has been authorized to be expended in making crop loans, limiting loans to not to exceed $250.

I call attention to this varied program for the purpose of showing that there has been more legislation enacted since March 9 last, when Congress was convened in extra session, in behalf of the forgotten man than in any other period of time in the history of the country.

I have not attempted to enumerate all the legislation enacted but have been content to invite attention to the legislation enacted in an effort to relieve the depression, and for the purpose of showing the intent of Congress, and to further express the hope that in the further administration of these several acts, now that rules and regulations have been promulgated, and those in charge of the work are more familiar with it, that it be administered in the spirit of its enactment.

Attention has been invited to the fact that in many areas no work can be secured except that which the legislation enacted by Congress has made possible.

I am therefore glad to support the pending bill, as I have the enactment of all the other legislation to which I have invited attention.

Mr. COCHRAN of Missouri. Mr. Speaker, this bill appropriates money to relieve human misery. It seeks to continue in employment for several months 4,000,000 of our citizens who, though able and willing to work, have been unsuccessful for several years in securing employment. How can anyone vote against such a measure when he knows the cause that it seeks to cure.

I objected to the request of my good friend from Texas, Mr. BUCHANAN, to extend the time for debate 3 hours. He was recognized under a rule that has been in force over a hundred years, and this rule has been used to expedite legislation in this House by Republicans as well as Democrats since that time. It is not a gag rule, but one of the regular rules of the House.

Talk would never stop the passage of the bill nor would it change a single vote. Why, then, should we debate the measure simply for the purpose of having some Members engage in mud slinging.

Everyone admits that radical changes in old-established policies had to be discarded for the time being to meet a situation that the present administration inherited from the Hoover regime. All we want is to try and correct this situation. Private industry cannot at this time take care of the unemployed, but it is hoped that in a few months the millions that this money will take care of will find work among our industries.

Mr. Hopkins, the Director of the Civil Works Administration, frankly tells the Committee on Appropriations that he has found graft. He tells them what he is doing, and some of those who have taken food from the mouths of little children by stealing some of this money are behind prison bars. My wish is that they will be kept there, and it would be well to see that their menu is hard bread and water for an unlimited period. When they are sent to trial, if found guilty, they should receive the maximum penalty, and no labor can be too hard for them during the period of their confinement. Our Republican friends point to some of the graft that has been uncovered. There is no denial that this has occurred, but those who have violated this sacred public trust by misappropriating this money are going to suffer. They are not Democrats, nor would I be so mean to say they are Republicans or members of any other political party. No political party would claim them or permit them among its membership. They are the lowest of criminals, and we should not blame any party or the Civil Works Administration for their dastardly crimes. We should all join together to put them where they belong, back of iron bars.

This is emergency legislation to meet an emergency. When word goes out that we have extended the time for this emergency work the Members will receive the prayers of the millions of good men and women who will be given employment and benefit thereby.

As part of my remarks, I include an editorial from the St. Louis Post Dispatch of yesterday. It is well worth reproducing:

[From the St. Louis Post Dispatch]

THE TWOFOLD ROLE OF PUBLIC WORKS

The Government's activities and expenditures in the gigantic task of putting the people back to work have proved themselves indispensable, and the people have accepted them as such. This accounts for the volume of protest against the proposal to terminate the C.W.A. by May 1, since it is realized everywhere that private industry is not yet prepared to absorb the 3,800,000 persons who would be thrown out of employment if the Civil Works program ended thus abruptly. Figures by the Commissioner of Labor Statistics show that, of the 7,000,000 persons returned to work between March 1 and January 1 (excluding agriculture), private industry has found places for only 2,600,000, and the Government has provided employment for 4,380,000.

Even when industry returns to normal production, competent authorities estimate, 5,000,000 persons will be left unemployed, so steady has been the march of labor-saving machinery. Reduction of working hours offers a solution to this problem, as we have often pointed out. Until the revival of industry is complete, however, and the revolution in working hours has been achieved, continuation of Government activities is essential to bridge the gap.

The physical improvements bestowed upon the country by the recovery activities prove that governmental expenditures are in reality investments. All over the Nation necessary public buildings are springing into being, long-neglected work in forest conservation is being accomplished, huge power and navigation projects are under construction. The Government is getting something for its money. More than that, its money is being circulated, freshening the shrunken rivulets of trade into a healthy stream. The money does not stop in the banks, as so much Federal largess has. It goes straight to the people.

The C.W.A. worker does not hoard his money or invest it in unnecessary productive enterprises; he hastens to distribute it among the grocer, the clothier, the furniture dealer, etc., and the creditors whom he owes. Reviving business always means more revenue for the Government, and so it has been recently.

The Government cannot afford to drop half done its great undertaking of pulling the people out of the depression, if we are not to return to the heart-sickening days of last March and the months preceding. There is enough work to be done in improving our comparatively new country, and it would be the course of wisdom to undertake major activities now, when the stimulus of public works is needed to complete our economic rescue. The present Congress may be expected to order such undertakings, perhaps of such magnitude that will make the dwindling adherents of laissez faire gasp for breath. The Tennessee Valley and Columbia River projects indicate the sort of tremendous undertakings that this country needs, both in its era of reconstruction and for the welfare of future generations.

A project possessing the essentials, both of widespread employment and widespread benefits, is the Mississippi Valley plan, as discussed by Secretary Ickes in the current Survey Graphic. This vast central domain of 27 States is beset by various problems, which the Mississippi Valley Committee, an agency of P.W.A., has classified as follows: Erosion, forestation, flood control, agriculture, navigation, and power.

Erosion, Mr. Ickes points out, washes 3,000,000,000 tons of good earth each year from America's fields and pastures. He quotes Prof. N. S. Shaler, the late geographer, who warned that unless man learned to check erosion the time would come "when our kind, having wasted its greatest inheritance, will fade from the earth because of the ruin it has accomplished."

The problem of forestation is closely linked with erosion in addition to its bearing on the lumber supply of the future. Unregulated exploitation has left only 250,000 square miles of forest land in the Mississippi Valley, and 10 percent of it is well on the way to devastation. Mr. Ickes envisages flood control—not as barricading against high water by building more and higher dikes along the lower Mississippi but as controlling the floods where they originate—on the upper reaches of the stream by diverting the water into drought reservoirs.

The welfare of our agriculture is endangered by the continued use of poor lands, while fertile soils await only irrigation and cultivation to yield rich crops. Mississippi navigation has long been a dream of the inland empire, but Mr. Ickes foresees no Utopia where the barge will supplant the railway and motor truck. As to power, he points out that few farmers enjoy the use of electricity, and a vast field for construction and sale of equipment is offered.

Accomplishment of all these things would furnish employment for thousands of workers, who would leave behind them rich assets to the country's future. A similar plan for the Missouri Valley already has been introduced in the form of a bill by Senator NORRIS. He, too, envisages a wide program of flood control, navigation, power, and irrigation development. He agrees with Mr. Ickes in saying:

"For many years we have been building dikes on the lower Mississippi to prevent damage by flood. The very waters that do that damage, if properly impounded, will be of great benefit for navigation, irrigation, and development of power."

Such plans as those of Secretary Ickes and Senator Norris furnish food for thought and a basis for our next great program of putting the people to work and developing the country. The Roman emperors constructed great aqueducts, roads, and other

public works in periods of depression and contributed to the glory of their nation. Our own country is at last learning this valuable lesson.

Mr. SMITH of Washington. Mr. Speaker, I am going to vote for this bill because it provides for an appropriation of $950,000,000, to be expended $450,000,000 for Civil Works and $500,000,000 for direct-relief disbursements, according to the committee's report. I am not entirely satisfied with this measure because it is intended that the Civil Works expenditures will cease on May 1, and I strongly favor their being continued long beyond that date and, if necessary, for the remainder of this year. However, this is the best that can be obtained under the parliamentary situation, as this bill is submitted to the House under suspension of the rules and no amendments to increase the amounts can be presented. I am assured, however, by the statement of the gentleman from Texas [Mr. BUCHANAN] that a greater proportion of the $950,000,000 will be disbursed for Civil Works and its tenure extended if necessary.

Mr. Speaker, I also desire to point out briefly the fact that Civil Works and Public Works projects giving employment to millions of citizens, in addition to the vast sums granted to aid agriculture and refinance the mortgages on the farms and homes of the Nation, are very worthy and furnish a striking contrast to the failure and refusal of the Hoover administration to furnish such aid. President Hoover contended that the Federal Government should leave this gigantic task to the bankrupt States and municipalities and to private charity, and he nullified by a pocket veto the Wagner bill appropriating $500,000,000 to the States for relief after it had passed both branches of Congress. The Republican majority in the Senate killed the Garner public works bill which would have provided public works projects and direct loans to industry throughout the United States, while the Roosevelt administration has provided $3,300,000,000 for Public Works projects throughout the Nation. To the very end of his administration Hoover maintained that the Federal Government could not and should not interfere with the right of the individual American citizen, his wife and children, to starve.

There is not another chapter in the history of the world which depicts such two widely different pictures as those presented by the cruel refusal of Herbert Hoover in the winter of 1932 to aid the unemployed and his rejection of the plea of the hunger marchers who asked for $50 each for the unemployed and their families, and the noble action of Franklin D. Roosevelt in the winter of 1933–34 in granting $400,000,000 through the Civil Works Administration to the unemployed, which was the finest Christmas present ever provided by any government to its unfortunate citizens.

Mr. GILCHRIST. Mr. Speaker, on the 25th of January I addressed the House on the subject of the Civil Works program and pointed out that a very unjust regulation had been promulgated by the Administrator, because it divided our people into two classes and provided that a man who happened to live in a town under 2,500 population could not work more than 15 hours a week, while his brother, working alongside of him but living in a town of greater population, would be employed 24 hours.

At that time I ventured to say to the House that such a regulation was unjust and unfair and undemocratic. I stated that it could not be justified and was an entirely artificial regulation not supported by any facts or figures or statistics. No answer has been made to my criticism. There is neither rime nor reason in the regulation. There is no basis for the distinction. With just as much propriety you could make a regulation that would give 24 hours of work per week to men who live in white houses and only 15 hours per week to men who live in brown houses. There are only 3,165 cities or towns in continental United States of over 2,500 inhabitants, while there are 13,433 of them under that amount. The population of those who live in communities over that amount is practically 56 percent of the total, while the population of those who live elsewhere amounts to nearly 44 percent of the whole. Why discriminate against the smaller villages?

I hear much said on the floor and elsewhere about the great man who is President of this country. Surely he would not countenance a regulation of this character if it were brought to his attention! He would make no such classification. He would not make such a distinction even in favor of the men who wore the uniform in times of stress and danger, because he said in his speech to the American Legion in Chicago last summer:

> No person, because he wore the uniform, must therefore be placed in a special class of beneficiaries over and above all other citizens. The fact that wearing a uniform does not mean that he can demand and receive from the Government a benefit which no other citizen receives.

I do not agree entirely with this sentiment as applied to veterans. Nevertheless I quote it to ask my Democratic colleagues and others how it came about that this unjust rule was promulgated. If it be true that a veteran is to have no class benefits over and above other citizens, then by what token or through what process of reasoning do they arrive at a regulation of the sort to which I refer?

Indeed, Administrator Hopkins, who promulgated this order, apologizes for it himself. He said before the committee, as shown on page 55 of the hearings, that he thought that 15 hours of labor in the Civil Works Administration in rural territory was too small. On page 56 he is reported as saying that he believed that this regulation may have worked some hardship and was unfair, and that it was his thought to increase these hours of labor as soon as the appropriation which we are voting on today is approved. He added that he could not defend "up to the hilt" that regulation, and that he would like very much to make some increase in view of the facts.

And here today, during this debate, the distinguished gentleman from Iowa [Mr. THURSTON], who is on this committee, states that he has been assured by Mr. Hopkins that this regulation will be modified and that smaller communities may look for better treatment in the future. I call the attention of the House to these facts, and sincerely hope and trust that a wrong is now about to be remedied and that justice will hereafter be done. In this belief, I will vote for the bill.

Mr. ANDREWS of New York. Mr. Speaker, I am supporting this bill appropriating additional funds for the continuance of the Civil Works Administration, for I recognize the necessity of maintaining this program at the present time. Urgent requests have come to me from the mayors or municipal councils of Lockport, Niagara Falls, North Tonawanda, Kenmore, and the city of Buffalo, important localities within my district. Failure to appropriate this money would undoubtedly place a burden upon these cities which could not be carried.

At the same time may I point out to the Congress, and particularly to the relief administration itself, some considerations which must be borne in mind from now on in the proper administration of this billion-dollar fund. I have received much criticism of late in regard to the current handling of the C.W.A. program. I admit that any program so large as this has been, and one which of necessity had to be put into effect quickly, could not be perfect, so criticism was to be expected. This leads to my point, which is that the relief administration for the protection of the Government and those citizens out of employment must exert the greatest possible care to remedy faults which we are now recognizing.

Carelessness and lack of proper planning and direction led to the expenditure of the last appropriation in advance of the time for which it was set up, with the resulting curtailment in work and reduction of hours during the past month. I have no argument with organized labor in its demand that skilled labor should receive just reward for its services even under the C.W.A. set-up. On the other hand, everyone must realize that with less padding of the pay rolls, particularly in the higher-paid classifications, the money which we are now appropriating can be made to last for a longer period. I take the liberty of quoting from a letter which I have just received from a C.W.A. worker within my district, as follows:

I am now working for the C.W.A 24 hours a week at 50 cents per hour, and thankful to get it, but I have a lot of fault to find with the set-up of the work over here. Too much difference in pay. For "straw bosses", 80 cents per hour. That is more than they ever made in their lives. Most of these men worked with me last winter in the park digging stumps. Now 7 or 8 of these men get 80 cents and I get 50 cents. Why are these men worth 30 cents per hour more than I am? They have no more experience than I have in regard to being boss; politics, as I see it. We have 8 carpenters where I work. These men are supposed to be skilled men, but only three of them are. Two are garage men, 1 is a farmer, and 2 are laborers, all getting $1.20 per hour; more politics. Some families over here have two members working in the park C.W.A. 24 hours a week and they also get coke from the welfare and a lot of clothing, and so forth. I asked a foreman for some firewood to take home, and he said "no." But it seems that they get all the wood they need for two or three stoves. The C.W.A. men have to saw it and put it in sheds for them. I don't think it's fair, do you? I would name a lot more things, but maybe this is enough for one time. It seems that if everybody got the same pay—50 cents per hour, which is good for these times—they would be better satisfied and the money would go farther. I agree we have to have a couple of foremen, but why 10 or 15 on one project? A lot of the boys would work on here as carpenters for 50 cents per hour if they wouldn't pay them any more. One man I know of quit Booth & Flynn, bridge contractors. He was getting $1 per hour as a pile driver and gets $1.20 here. The head of the town here is surely playing politics.

I am a war veteran, married, and have two children. That's why I am writing you all this and asking if you could do anything to have everybody paid the same, 50 cents per hour outside of foremen, and the money would go farther; still the work could get done. Today C.W.A. men are filling the bosses' icehouses. Free rent, free wood, free ice. Is it fair? Please give me an answer to this in a few days.

Yours very truly,

——— ———.

This letter suggests a thought which should be borne in mind and it comes from a former American soldier who has three dependents. The situation as this man has outlined it is not an American one. The real and final objective of the present administration is the turning of the wheels of industry. Purchasing power of the individual is the factor which will make this possible and only through the increase in industry will we be able to absorb the C.W.A. worker and the unemployed.

Above everything else, the C.W.A. program must be fairly handled by the Government. It is our last resort to defeat the depression and, to my mind, presents the most serious question confronting the present administration. The funds indirectly are provided the Government through taxes affecting millions of our citizens who are striving to keep their homes; and if we fail to administer properly, the Government and administration will break faith with its people, and, furthermore, it cannot go on forever.

Mr. MONAGHAN of Montana. Mr. Speaker and gentlemen of the House, I shall not vote against this measure, but I wish to protest the manner in which it was considered. I believe that the great and high purpose of the bill is the continuance of that relief and emergency employment which so nobly has been set afoot by our great President, Franklin D. Roosevelt. The wisdom of that I shall not question—in fact, I shall give every ounce of my energy and my strongest support to any measure which will contribute to giving work to the jobless people of our country who are unwillingly unemployed.

There is only one regret that I have thus far with the program that has been initiated by the administration, and that is the failure to crack down, so to speak, upon industry and compel such a reduction of the hours of labor and such an increase in wages as will really guarantee an adequate prosperity to our country. I have introduced into the United States Congress H.R. 7144, which I deem one of the necessary steps looking to the promotion of work for the unemployed by the retirement of those who in decency and justice should be retired at a reasonable age, with a reasonable sum to provide for their future subsistence.

But, Mr. Speaker, I affirm what my colleague and good friend from New York, Congressman BOYLAN, has said—that there is a vicious provision in this bill which takes away from the C.W.A. workers any expectation of compensation in the event of injury. This does not become the Government of the United States. I had an amendment prepared to this bill which would have eliminated this vicious feature, but under the gag rule which was propounded in this House by those who lacked the foresight to see that they were endangering one of the finest principles of Government—promotion of general welfare—I was unable to present it. It grieves me to see the Federal Government take a backward step on this very worthy proposal of adequate compensatory legislation for workingmen. While a member of my State legislature, I stood alone in an endeavor to promote the interests of the workingman and better the workingman's compensation act of Montana.

Further, it was my desire to present an amendment making this bill provide for twice or thrice the amount carried for the C.W.A. provision. As long as the Government of the United States does not compel industry to put men back to work, its own duty is to provide that every unemployed man receive a job.

I shall, therefore, with mingled emotions of joy and grief, cast my vote for this measure. Grief, because it not only strikes at a very fundamental principle of justice—compensation for the injured, no matter where they may be injured—but in addition to that, because the amount of the appropriation is inadequate. I vote for the measure, therefore, Mr. Speaker and gentlemen of the House, believing that a crust of bread is better than no bread at all, but with the hope that we may pass in the future in this House adequate legislation that will compel industry itself in one way or another to correct this unemployment problem. Industry benefited in good times by the laboring man, and now if it must take a loss, then it should take that loss willingly that proud American citizens may not be reduced to charity and public relief. Let us pass, during this session of Congress, a 30-hour week, an old-age pension, and the remonetization of silver; let us give the American people a fair, a square new deal.

Mr. SCHULTE. Mr. Speaker, Hon. Harry L. Hopkins, Civil Works Administrator, has recommended an appropriation of $950,000,000 to carry on the work of the C.W.A.

It gives me a great deal of pleasure to vote for this measure, but personally I should have liked to have seen it raised to $2,000,000,000 in place of $950,000,000. Passage of this appropriation by Congress will mean that the President has taken another step in keeping his faith with the American people, that our people who are in need shall not starve.

Moneys now available for C.W.A. will be exhausted February 10; therefore, it is necessary that this measure be passed at once so that relief and employment may continue uninterrupted throughout the country. I think that it would be a national calamity if this relief were not continued, because some of the finest men and women in the United States are victims of the depression and are on the C.W.A. rolls because they are willing to work to earn their livelihood. You will find on the rolls the once rich man and the afflicted working side by side. You will find on the rolls men and women who once held down responsible positions, but who, because of the depression, have been forced into idleness and are now glad to find honorable work to do and take that offered by the C.W.A.

Funds expended so far but which now are exhausted have brought joy and happiness to the widow and her orphan and all classes of people in this Nation regardless of color, creed, and nationality because work has been created. Therefore, I say again, that it would be a national calamity if our American citizens and their families should not receive the proper food, care, and employment at this time. The only direct remedy for unemployment is employment, and this is what the C.W.A. does. Another fine feature of the C.W.A. development is that it pays off every week. C.W.A. workers do not hoard their money or invest it in unnecessary enterprises; he hurries to distribute it among the grocer, the butcher, clothier, and other business men with whom he deals and the creditor whom he owes. Reviving business always means more revenue for the Government and better times for all, and that is what the C.W.A. has been doing.

This Congress cannot afford to drop this undertaking now of pulling our people out of the depression if we are not to

return to the dark days of last March when banks were crashing on all sides, smokestacks were smokeless, factories idle and "No help wanted" signs greeted applicants for jobs at every turn.

There are hundreds of people in my district, in the large cities of Gary, Hammond, East Chicago (Ind.) Harbor, and Whiting, Ind., who have renewed hope and courage since the C.W.A. gave them work. You can imagine the jubilant feelings of a father who brings home on a Saturday night for the first time in months and, yes, years, his pay of $12 or $14 that he has worked for and earned as an employee of the C.W.A.

Hundreds of instances of this kind have happened in my district and in a great many cases it is the first money that the family could call their own in years. I made numerous speeches in my district before I came to Washington to attend the Seventy-third session. In these speeches I declared I would support all appropriations for the continuance of this work because I believe that this work should be continued for the sake of humanity.

I hope that when the time comes when this money is exhausted that the wheels of industry will be turning with such speed that the ranks of unemployment will be depleted sufficiently so that there will be no need for additional appropriation. My heart beats in sympathy for the working man and woman and their family and I want to help them in every way I can. I believe that my support of this measure is a help to the working class of people of my district, because coming from the working class I know something of their problems and their plight.

Before this session ends I hope I will have the pleasure of voting for a measure that is designed to guarantee the principal on Home Owners' Loan Corporation bonds. I have been informed on reliable authority that there are prospects of such a bill being introduced and sentiment favorable to passage. I hope that is true because it will be a distinct aid to the people of my district. A bill of this type will save the depressed home owner from $300 to $600 which is now being lost to those who are having their homes refinanced because of the condition of the bond market. Until reports were current that a bill of this nature was to be presented to Congress H.O.L.C. bonds were being quoted in the low 80's. Publication of reports gave impetus to these bonds and today these bonds are listed as selling in the high 90's.

I am sure that if Congress does not pass some law to guarantee the principal on these Government-guaranteed interest-bearing bonds that they will again sink to the low 80's and cause great loss to the humble mortgagor who is striving to pay off his debt on his little home.

The reason the H.O.L.C. Act was designed and passed was to save the small home for the owner. Under present conditions, a loss of several hundred dollars is suffered by him because of the refusal of the mortgagor to accept the bonds which the Government does not guarantee the principal of but only the interest.

I believe that a continuation of the C.W.A. appropriation and adequate appropriation to guarantee the principal on home-loan bonds will do more than anything else at this time to inspire the people of this country and to renew their hope and courage that their great leader and Members of this Congress are striving to do their utmost to break the depression, reduce the ranks of the unemployed, and bring joy and sunshine into every home in this land; and you may rest assured that I, as the Representative of the First District of Indiana, will continue to fight for every man, woman, and child in my district.

Mr. EDMONDS. Mr. Speaker, the only reason that can be given for the vast expenditures we have been appropriating for is that it is for the relief of the unemployed, and, as it is money that will at a later date have to be repaid by the taxpayer, great care should be taken by the various departments entrusted with its disbursement that it should not be used to promote enterprises that will at a later date cause more unemployment and defeat the purpose which the people expect to see achieved when they willingly acquiesce in the expenditures of the necessary funds to accomplish the purpose.

It is to be hoped that the present appropriation to the C.W.A. is only a stopgap to the time when the allotments made by the P.W.A. are actively under way.

An analysis of these works in the latter part of January show their standing at that time as follows:

Progress report of Public Works Administration as of Jan. 20, 1934

tate or Territory	Allotment		Projects	Man-hours estimated	Projects started	Men employed	Railroad allowance
	Loan	Grant					
Alaska	$35,000	$10,000	2	43,350	None	None	None
Alabama	2,577,190	766,810	13	2,558,440	None	None	$5,312,000
Arizona	1,922,210	560,790	9	1,571,870	None	None	270,000
Arkansas	4,216,575	1,262,425	26	9,166,915	1	52	140,000
California	34,146,561	12,521,433	93	25,304,052	8	156	3,546,000
Colorado	6,065,510	2,495,690	28	5,545,380	4	118	3,404,000
Connecticut	2,098,485	2,398,115	35	5,532,454	5	253	525,000
Delaware	147,100	745,900	12	1,178,335	2	75	3,627,000
District of Columbia	None	None	None	None	None	None	1,292,000
Florida	5,030,237	1,022,250	15	3,367,450	None	None	None
Georgia	10,230,100	1,540,615	27	3,600,930	2	151	69,000
Hawaii	440,800	562,500	6	1,497,600	1	44	None
Idaho	548,674	144,600	13	418,710	9	52	None
Illinois	45,817,928	16,627,690	79	55,655,500	6	256	27,734,000
Indiana	7,963,530	2,432,370	53	9,665,845	15	8,355	11,518,000
Iowa	3,338,795	2,322,525	111	5,460,520	22	785	None
Kansas	1,726,759	1,484,621	91	2,770,495	28	670	None
Kentucky	2,441,380	1,112,015	25	3,413,580	None	326	638,000
Louisiana	6,418,690	1,802,010	11	4,749,530	None	None	235,000
Maine	24,000	38,000	2	52,860	None	None	184,000
Maryland	6,716,750	3,055,916	35	4,493,300	7	188	40,418,800
Massachusetts	21,091,549	6,221,586	128	13,370,045	7	669	2,317,000
Michigan	1,971,020	1,009,209	26	2,668,580	2	69	99,000
Minnesota	16,831,220	5,198,044	74	13,417,144	18	275	None
Mississippi	948,156	300,990	7	558,335	None	None	907,000
Missouri	3,918,047	5,985,110	63	9,394,950	6	101	8,828,000
Montana	3,560,702	1,157,956	20	2,601,695	None	None	None
Nebraska	14,372,258	4,167,566	48	8,056,715	None	None	None
Nevada	268,710	82,290	4	211,650	None	None	1,053,000
New Hampshire	1,429,255	899,845	41	2,081,990	7	201	882,000
New Jersey	30,314,273	2,951,732	52	10,696,640	1	36	635,000
New Mexico	146,700	407,800	8	685,450	None	None	227,000
New York	113,680,845	22,768,816	73	73,580,515	4	1,544	1,756,000
North Carolina	2,531,026	736,172	35	3,773,550	None	None	69,000
North Dakota	1,106,700	1,292,670	20	2,184,185	1	9	None
Ohio	33,582,440	7,597,160	97	25,196,080	18	1,107	7,817,000
Oklahoma	1,790,493	1,454,295	48	2,638,861	6	422	None
Oregon	5,325,365	1,817,820	11	3,054,520	None	None	632,000
Pennsylvania	13,865,920	2,248,180	40	7,688,130	4	346	69,700,000
Rhode Island	2,800,206	1,057,055	18	2,640,060	None	None	None
South Carolina	2,686,750	742,950	18	2,600,530	None	27	69,000
South Dakota	2,327,765	1,786,960	42	3,742,815	3	4	None
Tennessee	3,611,373	1,126,460	13	2,617,130	None	None	36,000
Texas	20,468,954	9,421,220	109	27,111,647	4	279	2,154,000
Utah	4,431,960	1,604,160	22	3,810,230	3	101	61,000
Vermont	282,522	237,958	32	663,130	9	112	54,000
Virginia	9,367,975	2,994,025	50	8,733,380	3	63	27,000
Washington	1,213,212	1,439,298	95	3,191,165	19	856	None
West Virginia	5,814,440	1,779,260	20	5,483,910	None	None	2,372,000
Wisconsin	10,775,240	4,727,104	51	8,868,980	5	191	757,000
Wyoming	190,400	59,600	3	125,660	None	None	None
	472,611,650	146,159,566	1,954	397,854,788	230	17,893	199,364,800

This report shows that at present about 18,000 men are at work on the various projects, but that when all of the work is underway there will be sufficient to give actual work to approximately 255,000 men for 1 year, using 30 hours per week as a basis.

The loans that are to be used for new construction by the railroads will give many more men work, probably a greater percentage than in the other work provided for, unless, of course, the man hours are included in the estimates. There may be also many hours of work not estimated for in supplies and material of different kinds that will be used in completing these proposed developments.

Careful study should be given these enterprises so that while some of the proposals may be most efficient, and under ordinary circumstances extremely desirable, they do not defeat the purpose of all this expenditure.

I am informed, for instance, that a power plant was erected in Kentucky burning oil when the town is surrounded by coal fields, and that another is contemplated at Carbondale, Ill., again in the coal fields. It is a question whether these plants so located are even efficient, but both of them will displace labor; even at the academy at Annapolis an oil plant is being installed, throwing about 40 men out of employment.

Such proposals as these should have no place in our work to bring back employment to those who need it.

The most vicious of these propositions, and the one that will react in the future, is the nontaxed propositions. At the rate we are building Government projects which will be tax free and are competitive to present private operations, it will become a question in the future as to how the balance of the public on the outside will be able to bear the burden placed upon them to meet the Government's demands. Many will fail, and eventually the only solvent business in the country will be the Government itself, and it will be obliged to perform all necessary forms of endeavor with the individualism and personal liberty of which our America was so proudly submerged.

Let us look into one of these projects and see if they generate unemployment. Take the St. Lawrence seaway—for every 1,000,000 horsepower developed here 3,000,000 tons of coal will be displaced. Canada is now our best customer for exported coal, so we could readily estimate that our loss will be twice as great and 6,000 miners and their families will be permanently added to the unemployed.

Further than this, when this canal is open the market for the Northwest will be open to foreign anthracite and bituminous coal, also destructive to our home people when we consider the labor involved.

Money used in such projects defeat their own purpose and add greatly to the unstability of our institutions, causing hesitation in the advancement of many private projects which today, if placed in progress, would go far in assisting our recovery.

Mr. CROWE. Mr. Speaker, it is my duty and my pleasure to support the Federal Emergency Relief Act and the C.W.A. appropriation. It is true that $950,000,000 is a lot of money. But when one considers that the income of the Nation in 1928 was estimated at $90,000,000,000 and in 1932 the estimates run as low as $37,000,000,000, it is readily seen that someone needs help. A great part of that loss of $53,000,000,000 was by labor and the farmer.

These two great groups must be rehabilitated. There can be no prosperity in this country until they are revived. I have consistently and regularly, all the time I have been in Congress, and before that, urged public works and relief as the only sure relief from this terrible calamity and panic. In November 1930 in an address I urged this.

Several years ago when England was facing a crisis, when millions were unemployed, she started the outright dole. We have adopted something much better, more humane. Self-respecting men and women desire work. They want something to do. These Civil Works projects can and all should be projects of some value and something needed.

But suppose part of it is lost? We are then no worse off than if used as an out-and-out dole. However, it is not all lost, as most of the money is being spent for useful projects.

What do we do in calamity of war? In case of war, we leave nothing undone to win. We spend by the billion—not one billion, but two, five, ten, twenty, even $30,000,000,000 to win. And if it becomes necessary to go to war, we should spend any sum needed in order to win. Let us reverse the picture. In war the money is all spent for destructive purposes. Every dollar is wasted, destroyed—vessels sunk, homes wrecked, ammunition burned, lives lost—but we do not hesitate to spend until we win. Today we are in a dilemma equal to war. Let us spend until we win. The money spent now is to bring prosperity—not to destroy it. It is to build roads—not to destroy them. It is to build houses—not to dynamite them. It is to build ships—not to sink them. It is to take young manhood from the ranks of the unemployed, where their lives are being wrecked in idleness and, in their tender age, thrown open to vice and crime—and, like the old adage, "Idleness is the devil's workshop"—and placing them in C.C.C. camps, C.W.A., and making men of wrecks instead of making wrecks of men.

I am glad to support this measure. In my opinion, it should have called for a half billion dollars more for the President to have under his control in event it would be needed. I should like to see the Public Works, Civil Works, and the Federal building program broadened until every man in need of employment and who wanted to work could find employment. Our first real prosperity will not be had until then.

In every great crisis in our country a leader of outstanding proportions has risen. This country, running true to form, has today its greatest leader—a progressive, a humanitarian, and a man who sympthizes with his fellow men. There are two types of men in public life—a leader and a boss. President Roosevelt is a most outstanding leader. He has the pulse beat of the Nation at hand; the country is behind him. The Congress is glad to follow him.

Mr. KENNEY. Mr. Speaker, the people of my district, together with the great masses of the population of the country, are awaiting eagerly the enactment of this law. It will mean a great deal to them. It will continue the program of civil works which brought the first ray of sunshine to so many of our unemployed.

Not only that, it should be the means of restoring the 30-hour week at the original rate of wage on Civil Work projects. The employment which these projects have given to our people must be continued on that basis as long as is necessary. And the scope of the work ought to be broadened so as to benefit more the women and white collar workers of the country. The appropriation of $950,000,000, which this bill raises, will be sufficient to do all these things and provide more adequate relief well into the year. We can, if necessary, appropriate additional sums before this session of Congress is ended to carry on further.

Of course, the program, to be effective, must provide for a 30-hour week and give our people the wages originally established. Otherwise the Civil Works objective will fail of its purpose. The 30-hour week must be restored upon the passage of this bill. Only in this way shall all persons engaged in this work receive just and reasonable minimum wages. A shorter week will not suffice.

And there should be no discrimination in the future. A recent order of the Federal Relief Administrator reduced the hours of work. In so doing it discriminated against residents of the smaller communities. It cut the hours of those living in places of less than 2,500 population to 16 hours per week, while those residing in towns of over 2,500 population were reduced to only 24 hours per week. In other words, the former were cut down to a 2-day week; the latter were reduced to a 3-day week. After it was issued, the order was modified so as to give at least a 30-hour week to those in urban sections, but a 5-day week for all is essential if the purposes of the program are to be achieved. This bill is intended to bring back the 30-hour week and with it the continuance of the humane program.

The welfare of the unemployed should be our grave concern. We are dependent upon them for the future prosperity of the Nation. The old thought that prosperity trickles down from the top has been exploded. I have always maintained, and still believe, that the man and woman at the bottom are the props that sustain prosperity. Prosperity comes from them. They have built up the insurance companies, the building and loan associations, the banks, and our other institutions; they have made possible the growth and advancement of our industries and other enterprises. They have accomplished these things with their dimes, quarters, and dollars. Without them, all is at a standstill. We cannot prosper while they are distressed. According to the figures acquired by me, 75 percent of the people of working age are still employed in the usual occupations. And, yet, they must await, as is seen, the restoration of work to the remaining 25 percent before a proper balance is reached. Until such time as the latter are gainfully employed, we shall not have fully recovered from the catastrophe of the depression.

Heartily in accord with this program, which affords work not otherwise obtainable, I record myself in favor of the bill and advocate continuance of the Civil Works until such time as those engaged in it shall find other employment.

But, in the distribution of the work, political favoritism should play no part, and all work should be allotted on a fair and equitable basis, with a view to giving employment

to those who need it, regardless of their political creed. The person in charge of each agency throughout the country should command the confidence and respect of his community and be above suspicion of favoritism or partisanship. And it is not enough for the Federal Relief Administrator to promulgate such a policy; he must enforce it.

Mr. IMHOFF. Mr. Speaker, our great country in its short life has passed through some great crises. Soon after the United States Government was established it passed through what Mr. Fiske has pleased to call "the critical period." At this time our Nation had no standing among the other nations of the world, either as to stability of government or financial credit; but through the influence and far-sightedness of Alexander Hamilton, the great Secretary of the Treasury, more than any other man, our Government was placed upon the high road to prosperity and to recognition, standing, and credit among the nations of the world.

In 1861 we reached another great crisis, the crisis of civil war—a struggle that had been coming on for years and in which brother was matched against brother, and father against son. It was a conflict testing whether this Nation could long endure. Up to this time it was the greatest test to which our country had been subjected, and the very Government was rocked to its foundation. However, every great cause produces its own leader, and up from the ranks of the sons of the soil came the Great Emancipator, Abraham Lincoln, who led this Nation through the darkness and turmoil of civil war to the sunshine of a new day, a united and a greater Nation.

On the 4th day of March 1933, a new administration came into being under the most distressing circumstances that ever faced a new President. During the preceding 3 years the whole financial and industrial fabric of the country had gone to wrack and ruin. Practically every bank in the United States was closed. There was no such thing as credit. Some 13,000,000 men were walking the streets in idleness, which meant that their families, representing from 30 to 40 millions of women and children, were suffering for the very necessities of life. Rumblings of revolution were heard, and people everywhere were beginning to doubt the very integrity of the Government of the United States. It was in such a setting that the executive department of this great Nation was taken over by Franklin D. Roosevelt.

Mr. Speaker, what has been the result of his stewardship? Almost overnight there was a change in the outlook of the American people. From dismay and despair they began to have hope. Within a few short weeks smoke began to pour out from thousands of smokestacks and chimneys that had been only silent sentinels of the air for 3 long years.

In accordance with his campaign promises, and under his leadership, Congress has enacted into law the most momentous and far-reaching remedial legislation ever enacted by any Congress; and as a result Franklin D. Roosevelt, like a plumed knight, is leading us steadily and surely back to prosperity with the confidence and trust of the people of all classes and parties such as has been given to no President since the time of Washington.

In my opinion, one of the most humane and beneficial acts of this administration has been the formation of the Civil Works Administration. This work has reached into every nook and corner of the United States, and has driven the wolf from the door of over 4,000,000 homes. In my district in Ohio over 5,000 people have received employment through this agency. Most of these people had hardly had a day's work in 3 years up to the time they were given the C.W.A. work; and as they were for the most part heads of families, the work under the C.W.A. meant the very necessities of life to 20,000 women and children. Since the funds allotted to this work under the last appropriation will be exhausted early in February, the President has asked that another appropriation be made by Congress to carry on this work. I wish to state here and now that I am in hearty accord with the President's request. It is unthinkable that this work should stop at this time. I am in favor of such an allotment for this work as will carry it on until May 1, or such time as the wheels of industry will have absorbed those to whom this work has been extended.

CROP PRODUCTION AND HARVESTING LOANS

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1975) to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes, with an amendment, which I send to the Clerk's desk, the effect of which is to strike out the Senate bill and insert the House bill.

The Clerk read the bill, as amended, as follows:

Be it enacted, etc., That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers during the year 1934 for crop production, planting, fallowing, and cultivation and, to the extent of not exceeding $1,000,000, for feed for livestock in drought- and storm-stricken areas.

SEC. 2 (a) A first lien on all crops growing or to be planted or grown or harvested during the year 1934, or on livestock, shall be required as security for any such loan: *Provided, however*, That in the case of a loan for the purpose of summer fallowing or the production of winter wheat, a first lien, or an agreement to give a first lien, on crops to be harvested in 1935 may, in the discretion of the Governor, be deemed sufficient security. Except as hereinafter provided, such loans shall be made through such agencies, upon such terms and conditions, and subject to such regulations as the Governor shall prescribe. Every borrower shall be required to pay all recording, notarization, and other legal fees (including the cost of lien certificates furnished by county recorders and similar public officials) incurred in connection with his loan; and to pay an inspection and field supervision fee of 50 cents which may be deducted from the proceeds of his loan. Loans made pursuant to the provisions of this act shall bear interest at the rate of not to exceed 6 percent per annum. For the purpose of collecting loans made under this act and under prior acts of the same general character, the Governor may use the facilities and services of production credit corporations, production credit associations, regional agricultural credit corporations, and other institutions operating under the jurisdiction and supervision of the Farm Credit Administration or of any officer or officers thereof and may pay for such services and the use of such facilities from the funds made available under section 5 hereof for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for such purposes.

(b) The aggregate amount of loans made under this act to any borrower shall not exceed $250: *Provided, however*, That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to this limitation, under such regulations as he may prescribe therefor.

(c) No loan shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe, (1) that such applicant is unable to procure from a production credit association or from a private lending institution, on a fair basis and at a reasonable rate of interest, a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act; and (2) that such applicant is cooperating directly in the crop production control program of the Agricultural Adjustment Administration or is not proposing to increase his 1934 production of basic agricultural commodities in a manner detrimental to the success of such program.

SEC. 3. (a) The moneys authorized to be loaned by the Governor under this act are declared to be impressed with a trust to accomplish the purposes provided for by this act, namely, the production, planting, fallowing, cultivation of crops, and feed for farm livestock, which trust shall continue until the moneys loaned pursuant to this act have been used for the purposes contemplated by this act, and it shall be unlawful for any person to make any material false representation for the purpose of obtaining any loan or to assist in obtaining such loan or to dispose of or assist in disposing of any crops given as security for any loan made under authority of this act, except for the account of the Governor and for the purpose of carrying out the provisions of this act.

(b) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

(c) Any person violating any of the provisions of this act shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding $1,000 or by imprisonment not exceeding 6 months, or both.

SEC. 4. The Governor is authorized to procure a fidelity bond covering all employees directly engaged in adminstering the provisions of this act, and to pay the premiums therefor from the funds made available under section 5 of this act for the payment of necessary administrative expenses. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $35,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any moneys so appropriated, and

all collections of both principal and interest on loans made under this act, may be used by the Governor for all necessary administrative expenses in carrying out the provisions of this act and in collecting outstanding balances on crop production, seed and feed loans made under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes", approved February 4, 1933, or under prior legislation of the same general character.

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman a member of the committee?

Mr. HOPE. I am.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOPE. I am not opposed to the bill; no.

Mr. SNELL. Mr. Speaker, I demand a second. I am opposed to the bill.

The SPEAKER. The gentleman from New York demands a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Speaker, the Committee on Agriculture in conducting hearings on this bill to provide loans to farmers for crop production during the year 1934, and for other purposes, found there was substantial evidence justifying such legislation at this time. Therefore we have reported favorably the bill, H.R. 7521, which carries an authorization for an appropriation of $35,000,000 to be used for the purpose of crop production for the year 1934 and for the feeding of livestock up to $1,000,000.

There is a limitation in the bill whereby an individual loan is not to exceed $250.

There is a further limitation in the measure whereby when the applicant makes application for a loan, using the machinery that has already been set up by the Farm Credit Administration, he will have to show that he is unable to secure an adequate loan on reasonable terms from any of the production credit associations which are being set up throughout the country. We, as a committee, feel these associations will be permanent, serve a good purpose, and prove of lasting benefit while this, of course, is a temporary measure. The applicant must further show that he cannot secure an adequate loan from one of these institutions, and also that he cannot secure a loan from any private lending institution.

There is another limitation provided, that the applicant must also show that he is cooperating with the Government in the reduction program. The rate of interest carried in this bill is not to exceed 6 percent.

The need is a substantial one for the reason that the production association set up to be a permanent organization to loan money to the farmers has not reached the class of farmers that was not able to qualify and to receive the benefits from that organization that we hoped would be granted by the more permanent institution.

We know that this is going to supply a great and urgent need. We know that it will supply a purpose that the permanent organization has not been able to supply to date, and therefore I feel that there will be no opposition to it. Let us unite and pass this bill and perfect it in conference. It extends aid where aid is needed.

There was some discussion as to whether or not thirty-five million would be sufficient, and whether or not the amount should not be in excess of $250 loaned to an individual. The decision of the committee was that $35,000,000 would do the job; that was the information given us by the experts who made the calculation, and that $250 will be the maximum loaned to individuals. If the sum of $250 should be raised, the general appropriation should be more than $35,000,000. I believe in conference we will agree on $40,000,000.

Mr. COX. Will the gentleman yield?

Mr. DOXEY. I yield gladly to my friend from Georgia.

Mr. COX. If crop production associations are as liberal as hoped for, does not it occur to the gentleman that this bill is prescribing conditions that will make it practically impossible for farmers to borrow?

Mr. DOXEY. If they need it, it will be there. The farmer should be granted the loan if he cannot obtain it elsewhere. We here can only pass laws; they are administered by another department of the Government. Of course the success or failure of a law largely depends upon how it is administered.

Mr. COX. In the opinion of the gentleman and his committee, is the crop production association quite adjusted to the needs of the most needy borrowers?

Mr. DOXEY. The gentleman will have to take into consideration that these are in an embryo state. Most of the associations have just been set up, and naturally it will take quite some time for them to function properly. The average farmer now has to begin making his preparations for his farming activities this year. He needs help now. To my mind a great number of farmers who need help now will not likely be able to give the security required to obtain a loan from these newly organized production credit associations. I prepared, by direction of the Committee on Agriculture, the report on this bill which is before you, and I know my committee feels that these loans provided by this fund will reach worthy and deserving farmers whose urgent needs would not likely be met otherwise. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, I regret very much that this bill is brought up under suspension of the rules whereby we are not able to offer amendments. I want to call the attention of the Membership of the House to what I consider to be a very unfair way in which the livestock and dairy industry has been brought under feed and seed bills.

During 1933, $57,000,000 was loaned to the farmers of the country in the form of seed and feed loans. The bills that have been enacted in the past and this bill provide that in order to obtain a loan the farmer must give a first lien on his crop, if he is getting a seed loan and a first lien on his livestock if he is getting a feed loan.

During the last year, out of the $57,000,000 loaned to farmers of this country, only $250,000, only one quarter of a million dollars, was loaned for feed loans.

Now, in the dairy section of the country during the last 4 years, particularly in the State of Wisconsin, a great dairy State, the farmers suffered on account of the drought. The farmers were unable to raise enough feed for their livestock. They were in need of loans. But, because of the provisions of the bill, which provided that the farmer should give a first lien on his cattle, only a very few have been able to obtain a loan on their livestock, and those few either had no existing mortgage on their cattle or they were successful in obtaining waivers from the holders of the chattel mortgages.

Only one quarter of a million out of $57,000,000 was loaned during the last year for feed for livestock. When we consider that the livestock and dairy industry comprises more than half of all of the agricultural interests in the entire United States, it seems to me they are getting a shabby deal out of this entire situation.

Mr. KVALE. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. KVALE. The gentleman is pointing out that those who need this aid most sorely are ineligible to receive it?

Mr. BOILEAU. That is exactly correct. We find that in those sections that produce crops, such as cotton and wheat, the farmers have something in the spring of the year that is not encumbered. They never carry over a mortgage on a crop from one year to another. So that in the spring they can get help by mortgaging their crop, or they can sign an agreement that they will mortgage their crop, so that they are able to get help. But the dairy industry and the cattle and hog industry, the livestock industry generally, have already had their livestock mortgaged, which is a part of their capital investment, just as much as the land that is

used in growing wheat is a part of the capital investment. Therefore they are ineligible for these loans. It is true in those sections they have been able to obtain some loans but not on their livestock. There are vast sections in the Middle West that have been hit by the drought—sections that are used for the purpose of raising livestock and in the dairy industry that are sorely in need of aid. I wish I had an opportunity to offer an amendment to this bill, because I believe the justice of the situation would appeal to the Membership of this House, and I believe this House would make provision so that it would not be necessary that a first lien be given to secure a feed loan, but rather a secondary lien should be given to the Government to secure the loans for feed purposes.

Mr. FISH. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. FISH. Is there not an additional reason why there should be such an amendment? Is it not a fact that the agricultural relief program, the A.A.A., have raised the feed bills for the dairymen in your State and in my State? Is it not a fact that it has also raised the feed bill for the poultry raisers?

Mr. BOILEAU. That is true. They have found it necessary to buy feed and give feed to the farmers in the various sections.

Mr. FISH. Is that not an additional reason why there should be an amendment to this bill either in the House or in the Senate?

Mr. BOILEAU. I believe the gentleman is absolutely correct. It shows the dire need for such relief among the livestock and dairy people of the country.

The SPEAKER pro tempore (Mr. BOYLAN). The time of the gentleman from Wisconsin [Mr. BOILEAU] has expired.

Mr. JONES. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, each year for the last 3 years, I have offered a measure to continue the crop-production loans. In my section of North Carolina it has proven most popular, and has been more appreciated than any other form of Government loans. The necessity for it this year is just as great as ever. Last year we would have been unable to have started a crop had not this splendid measure been enacted. The administration has set up these crop-production credit corporations, but they will not reach the man most in need, for a man is required to give them practically all the security he has. The bill as reported by the Committee on Agriculture has thrown around it all of the necessary safeguards, and before a man can obtain a loan he must be cooperating with the reduction campaign now going on.

The gentleman from New York, the distinguished minority leader, following his usual course on this particular measure, says he is against it. With all his splendid understanding of legislative problems, he has never known anything about this measure, does not know anything about it, and does not want to know anything about it.

Mr. SNELL. Will the gentleman yield for a question?

Mr. WARREN. Certainly.

Mr. SNELL. Perhaps the gentleman could give me some instruction I ought to have. I have understood the policy of the present administration to be to decrease production. We have plowed up a great many million acres of land. If the gentleman will tell me what is the philosophy and what is the reason for loaning money to plant more acres, and then later in the season spending more money to plow up those acres, I should like to have him tell me.

Mr. WARREN. I have just stated to the gentleman that before a farmer can obtain a loan under the proposed bill, he must have first exhausted all other means to get it.

Mr. SNELL. He must declare himself bankrupt before he can get it?

Mr. WARREN. Second, he must show he is cooperating with the crop production control program of the Department of Agriculture.

Mr. SNELL. The gentleman has not answered my question. I want to know what the policy of the administration is going to be this year. Is it going to be to decrease production or to increase it?

Mr. WARREN. The gentleman knows that it proposes to decrease it.

Mr. SNELL. No; I do not. I want to get the information.

Mr. WARREN. The gentleman knows it is going to be decreased.

Mr. SNELL. I honestly cannot understand the reason why we should loan money to increase crop production and then later in the season spend more money to plow up that same crop production.

Mr. WARREN. I assure the gentleman that these loans are not for the purpose of increasing production. It is to help the man who cannot get funds anywhere else to plant his crop.

Mr. SNELL. Will that not increase production?

Mr. WARREN. No; it will not, because they cannot loan money to anybody who is going to increase production.

Mr. SNELL. But if none of those men put in crops, you would not have to pay for so many acres to plow in. Is that not a fact?

Mr. WARREN. I do not at all agree with the gentleman. This is for the farmer who is unable to get funds from any other source.

Mr. SNELL. The gentleman and I cannot agree on that policy.

Mr. WARREN. Now, something has been said about the repayment of these loans.

The SPEAKER pro tempore. The time of the gentleman from North Carolina [Mr. WARREN] has expired.

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD the distribution and repayment of the seed loan fund of 1933, as of January 1, 1934.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. WARREN]?

There was no objection.

The matter referred to is as follows:

Distribution and repayment of seed-loan fund of 1933

State	Amount loaned	Amount repaid
Alabama	$2,352,320.00	$2,107,381.81
Arizona	127,050.00	58,244.39
Arkansas	3,676,595.00	2,959,162.59
California	119,934.77	87,434.19
Colorado	1,294,435.00	420,590.59
Connecticut	10,600.00	1,160.00
Delaware	23,030.00	8,368.42
Florida	239,105.80	128,184.15
Georgia	5,517,140.00	5,093,235.97
Idaho	562,474.00	361,624.17
Illinois	119,800.00	57,512.56
Indiana	253,290.00	121,770.44
Iowa	77,400.00	40,006.27
Kansas	2,378,290.93	110,040.58
Kentucky	728,105.00	76,176.09
Louisiana	2,625,190.41	2,142,621.17
Maine	360,700.00	286,527.97
Maryland	105,960.00	55,911.29
Massachusetts	21,585.00	12,039.68
Michigan	638,490.00	259,802.29
Minnesota	491,145.00	219,637.63
Mississippi	4,244,870.00	3,459,903.63
Missouri	875,110.58	592,809.88
Montana	1,470,400.00	148,793.10
Nebraska	388,930.00	88,371.41
Nevada	14,335.00	6,374.48
New Hampshire	20,020.00	9,692.80
New Jersey	55,840.00	35,622.45
New Mexico	688,180.00	227,733.59
New York	157,235.00	90,476.04
North Carolina	6,013,876.21	5,353,230.03
North Dakota	2,287,880.00	349,836.61
Ohio	576,010.00	204,990.51
Oklahoma	1,186,990.00	457,839.59
Oregon	366,195.00	160,083.82
Pennsylvania	405,840.00	133,284.09
Rhode Island	160.00	
South Carolina	6,282,754.00	5,698,088.25
South Dakota	470,160.00	11,587.21
Tennessee	1,835,441.00	1,289,744.05
Texas	5,286,176.50	3,558,976.67
Utah	141,049.42	89,762.90
Vermont	24,379.00	8,999.76
Virginia	1,428,935.66	921,755.66
Washington	509,925.00	336,547.49
West Virginia	78,645.10	41,633.23
Wisconsin	662,785.00	145,894.42
Wyoming	262,755.88	136,845.14
Total	57,457,518.46	38,166,399.10

Mr. WARREN. The foregoing statement is of December 31, 1933, and does not include collateralized loans. Since January 1, 1934, there has been a large repayment, but total figures are not yet available.

The following are the collateralized loans in the several regional seed loan districts as of December 31, 1933:

Salt Lake City	$201.00
Dallas	102,657.90
Memphis	(1)
Minneapolis	(1)
St. Louis	4,137.00
Washington	1,284,000.00
	1,390,995.90

Mr. HOPE. Mr. Speaker, I yield myself 5 minutes.

I am in favor of this measure. Personally, I have no objection to its coming up under suspension of the rules. However, I know there are a number of gentlemen on each side of the House who did desire to offer important amendments to the measure; and, of course, they have no opportunity to do it under this plan of procedure.

I know there is a great deal of criticism of this type of loan, yet I think it can be abundantly justified as an emergency measure, which it is.

It has been said that this measure is inconsistent with the policy of reducing crop production. There may be an apparent inconsistency, but it is more apparent than real, because under the provisions of this bill and of the bill which we passed last year any farmer who secures a loan must agree to reduce his production in line with the ordered program of the Agricultural Adjustment Administration.

What would really happen if it were not possible to make these loans is that a considerable number of men who have been engaged in the occupation of agriculture in this country would be precluded this year from putting out a crop. The question is what would they do; where would they go, with 10,000,000 unemployed in this country already? Where would these men whose only occupation is agriculture go if they are unable to finance the putting out of a crop?

The bill specifically provides that no one is eligible to secure a loan unless he has exhausted every other opportunity of financing his farming operations. He must show that he cannot get the money from private credit sources. He must show that he has applied for a loan to a local production credit corporation and that he has not been able to qualify. Having made this showing, having proven that he is unable to finance his farming operations in any other way, he is eligible for a loan of this kind.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. BOYLAN). Does the gentleman from Kansas yield to the gentleman from Alabama?

Mr. HOPE. I yield.

Mr. HILL of Alabama. In the past we have had some trouble getting loans where crops have been planted in one calendar year and harvested in the next calendar year. Take, for instance, the strawberry crop. This crop is planted in the winter of one calendar year and harvested during the spring of the next calendar year. Are the provisions of this bill broad enough to take care of such a situation?

Mr. HOPE. There is a provision to the effect that in the case of winter wheat the crop to be harvested next year will be taken as security.

Mr. HILL of Alabama. The language in the first part of section 2 reads in part:

> A first lien on all crops growing or to be planted or grown and/or harvested during the year 1934.

Mr. HOPE. I thank the gentleman for calling that language to my attention. It reads: "To be planted or grown." Undoubtedly that makes the act broad enough to apply to crops planted this year and harvested next year. I do not think there will be any question about that. In other words, a loan may be based upon the security of a crop which is planted this year, one which is grown this year, or one which is harvested this year.

[1] No collateral.

Mr. KLEBERG. I might be able to answer the question, as I brought the subject up in committee myself. Crops planted in the fall of 1934, to be harvested in the spring of 1935, would come under the provisions of this bill, falling within the language beginning in the last line of the first page. This language was inserted in the bill to take care of just such a situation.

Mr. HILL of Alabama. Then the gentleman feels there would be no question about loans on crops of this character.

Mr. HOPE. I am sure there would not be.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield myself 2 additional minutes.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. TAYLOR of Tennessee. How many acres of cotton land have been withdrawn from cultivation at the present time?

Mr. HOPE. I do not happen to have that information.

Mr. TAYLOR of Tennessee. Is it a fact that notwithstanding cotton land has been withdrawn from cultivation that the cotton crop this coming year will be normal?

Mr. HOPE. To answer the gentleman's question, I would have to possess the gift of prophecy, because that depends not only on the amount of cotton planted but also on the yield per acre.

Mr. TAYLOR of Tennessee. I understand Mr. Hopkins has made such a statement.

Mr. HOPE. I certainly cannot answer the gentleman on the basis of any information that is available at this time.

May I conclude by simply saying that, despite objections heretofore made to this type of legislation, this bill will more nearly meet such objections than any heretofore considered in the House. It contains certain safeguards that have been absent from other bills.

So far as there being an emergency, it certainly exists at the present time to just as great an extent as it has ever existed; however, due to other sources of Government credit which have been made available and to the fact that large cash benefit payments have been made in sections where loans have been heavy in the past, the amount which is authorized to be loaned is less than heretofore, both as to individuals and as to the total amount which may be made available.

Mr. MARTIN of Colorado. How much less?

Mr. HOPE. The amount which was loaned in 1933 was $57,457,558.

Mr. SNELL. How much was paid back?

Mr. HOPE. Of this amount $38,166,399 has been repaid.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 4 minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Speaker, my only objection to this bill is that it does not carry as much money as it ought to for the purpose for which it is to be used.

I agree with the gentleman from Mississippi [Mr. DOXEY] that this has been the best character of loan the United States Government has ever made for the purpose of aiding agriculture.

The gentleman from New York [Mr. SNELL] raised the question of overproduction. The gentleman certainly does not know the purposes of this bill. This bill is designed to reach the little fellow out on a farm with one horse or one mule trying to make a living for his family. He cannot get credit from any other source. He can give a first lien on his crop and with that money get enough supplies that he and his family may enter onto a little farm and make a living. If he could not do so, where would he go? There would be no place left to him but the bread line or some of the work the Government is providing as a measure of relief.

This will relieve that situation. Another question that has been raised by the gentleman from Wisconsin [Mr. BOILEAU] is with reference to loans to the dairying interests. The gentleman wants a second mortgage on cattle

used for dairy purposes. This is not the way to take care of that industry. I am ready to join the gentleman in taking care of that industry or any other agricultural industry in distress. They all need it.

Mr. BOILEAU. Will the gentleman yield?

Mr. GLOVER. In just a moment. The agency set-up as now being organized is for the loaning of money to persons who come into the organization and they subscribe for 5 percent of the stock. The purpose of this is to enable 5 percent of his money to make good any losses that might occur. This keeps the little fellow out. Say, 20 of you go into an organization of that kind. You are going to pick the people of the community who are to get into the organization where 5 percent of your capital is held up to make good someone else's losses. You are going to be careful who you take into that organization. If a certain individual is unable to pay, you are not going to vote him into your organization. The reason it becomes necessary to have this organization is to take care of the man that is in the greatest need, the man who cannot get into your organization. This man must have some relief, and this bill will give it to him.

Mr. BOILEAU. Will the gentleman yield?

Mr. GLOVER. Yes.

Mr. BOILEAU. That is the very reason why I believe this bill should be liberal enough to take care of the livestock and dairy farmers who are in such bad condition. This bill is supposed to be liberal. That is the reason we are passing the bill.

Mr. GLOVER. With a limited sum of $35,000,000 spread out over that industry, it would do very little good and would thwart the purpose of the bill.

Mr. BOILEAU. Last year we got one half of 1 percent. We hope this bill will pass without a dissenting vote.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Speaker, H.R. 7521, providing for crop-production loans, again brings to our attention the financing of those engaged in producing the food and clothing for our people. It is generally admitted that private lending agencies are no longer able or willing to supply the farmers with necessary funds. It may be accepted as a fact that these private lending agencies will not return to the field and again supply the necessary cash to allow the farmer to carry on soon enough to save the situation. The fruit producer, the wheat, corn, cattle, and dairy man, if he must have cash, must depend upon some of the Government lending agencies. The holders of private money are too timid to finance farmers. They have been too seriously hurt again to return to this lending field. It is assumed by some that the Government is accepting this function temporarily, that the producer will soon have accumulated sufficient surplus so he will not be obliged to borrow. This is a vain hope, for there is no profit for most of the producers today, and if one does, by any peculiar chance, accumulate a profit, he will abandon the struggle on the farm, move to some city or village, and often run for office. He may even aspire to a seat in Congress. We may far better face the facts and admit that the present rural economic conditions are here to stay for sometime.

We must have, for our own consumption, those basic foods that can be produced only by the farmers, from the soil, and those same producers must have some place where they can go to secure the necessary financial credit to make production possible. The only place now is some one of the governmental lending agencies. Legislation, already passed, has moved the Government into this field of activity.

AMOUNT INADEQUATE

H.R. 7521 provides for loans to farmers for crop production and harvesting for the year 1934 only. It is a mere makeshift. The loan to a producer is limited to $250, totally insufficient as working capital to be of much value to any real producer. Two years ago the limit was $400, last year $300, now $250, and still the cost of production has increased each year. I submit that this is most unfair treatment, increasing expenses largely through legislation, and at the same time arbitrarily decreasing available cash.

Last year the Government made available for this same purpose $57,000,000, this year $35,000,000. Pretty shabby treatment for those who often work 12 to 14 hours, that the rest can eat.

PRODUCTION CREDIT ASSOCIATIONS

I am full well aware of the effort to create production-credit associations in various localities all over the United States to take over the lending activities. There are now over 500 of these organized and 700 more contemplated. The theory behind these production-credit associations is that the producer must cooperate whether he wishes to do so or not; and he is compelled by law to guarantee his neighbor's note for at least 5 percent of his own loan.

PRESENT RATE EXTORTIONATE

There is no word more overworked today than cooperation, and many wrongs and injustices are being perpetrated under the mantle of cooperation. The farmer is, necessarily, an individualist. He should be allowed to borrow the funds necessary to enable him to produce without first taking 5 percent out of his often inadequate loan and being compelled to pay interest at 6 percent upon the whole, including the 5 percent exacted to help his neighbors.

No one familiar with the facts can for a moment contend that the borrowers will ever see all of the 5 percent exacted by a Shylock government. The borrower of $100 through any of the production-credit associations will receive only $95 and will pay interest on $100 and expenses. Should the producer be fortunate and be able to pay off the loan at the end of 1 year, he will often find that this extension of necessary credit by the Government has cost him as much as 10-percent interest. No farmer can pay such a rate of interest and no other beneficiary of governmental lending agencies is expected to do so. As I have often stated in this Well, interest, high interest, far beyond the earning power of money, is one of the major rocks upon which this Government is foundering. Interest can be regulated by law, and it should be fixed at an amount not exceeding 2 percent.

PRESENT SYSTEM EXPENSIVE AND WASTEFUL

The production-credit lending organizations are sure to result in very heavy losses to the Government and at the same time prove to be very oppressive to the producer. Consider the local unit composed of 10 borrowers in which one really conscientious borrower objects to his neighbor's application as too large or inadequately secured. What will then happen to the application of the conscientious borrower? Will he get his property fairly appraised by his neighbor whose loan he questioned? Farmers are human beings, with all the human frailties. The local group will be compelled to stand together, scratching each others' backs; applications all approved, security often not sufficient. Each knowing that the 5 percent exacted by the Government is lost, they will naturally all proceed to help each other to secure from the Government the largest amount possible.

This will demand the closest possible supervision and examination upon the part of the intermediate credit bank, the institution which will be called upon to rediscount the notes given by the borrowers. A foolish, cumbersome, expensive system. The men and women of America who are making the earth yield food are entitled to far more liberal treatment at the hands of this Government. The hard-working producers are deserving of a system which offers some hope and some chance of success.

Farm loans should be made individually and upon individual responsibility, and these men who really govern America should be ashamed to take 5 percent of the worker's total capital beyond interest and expenses. It can be truly said that under the present set-up the Government is as cold-blooded and heartless as any shylock of old.

LOCAL LENDING AGENCIES NEEDED

There should be established in every large county, or in at least every group of two or three smaller counties, an agency of the intermediate-credit bank. That agency should be supplied with equipment, appraisers, and inspectors locally

available for quick action. When an application is made for a loan to summer-fallow land for grain, or to provide money to carry a dairy, sheep, fruit, or other property, the examination should be made at once, the application approved, modified, or disapproved all within a week, then forwarded to the intermediate-credit bank. If that institution was properly organized and operating, it could have a further confirming inspection made and the applicant could know within 10 days whether he could have the loan or not. At least, there should never be the delay we complain of at present. No more than 30 days should elapse from the date of the application to its final approval or disapproval. Numerous cases are reported in which applications were made for money to summer-fallow land in March and granted in July, when it was too late to do the work. Many applications for loans for spraying fruit trees have been approved long after the damage has been done by the insects, and the trees ruined. During the last year those desiring seed loans in Oregon and Washington were obliged to apply at an office at Minneapolis, nearly 2,000 miles away. The long-suffering farmers after suffering all sorts of inexcusable delays and inspections by unsympathetic and uninformed appraisers are certainly losing their morale. Their feeling of respect and love for government is being changed to a state of mind which will furnish fertile soil for bolshevic thoughts and ideas.

These local lending agencies which I propose to establish should be compelled to keep close watch over every loan in their territories. When the fruit or grain is harvested the local agent should be on hand to see that the Government loan is protected by surrender of the proceeds of sales or warehouse receipts for the property mortgaged. Should the loan be on livestock, then even greater care should be exercised, animals should be frequently seen and counted by the agent or hired inspectors, feed conditions should be watched with scrupulous care, and provisions made for winter.

Upon final clean up it will be found that millions have been lost by the intermediate-credit banks as well as by the rediscount companies in careless, worthless, sometimes dishonest inspection and supervision. Too many miles have often intervened between the intermediate-credit bank and the scene of the operation for which the loan was made. This has made possible all sorts of mistakes and sometimes most devious practices.

INSPECTORS AND APPRAISERS IMPORTANT

The regional agent should be appointed and paid by the intermediate-credit bank. Inspectors and appraisers should be appointed and paid the same way. They should be thoroughly acquainted with the territory they serve and should be men who are trusted and respected by the farmers with whom they deal. What a wrong to appoint appraisers from Washington where the appointing power cannot even know a fraction of those employed. Some appraisers are competent and trustworthy, but some of those now employed do not know the difference between a Jersey cow and a Holstein, and, as far as values are concerned, are as ignorant as a South Sea Islander would be.

FARMER-CONTROL NEEDED

It is preposterous and impossible for Washington officials to contend, as some do, that they are better fitted to select officials than are those on the ground. I have been told by those having appointing power here in Washington, that although they have never been in Oregon, they were more competent to select government officials than any resident of Oregon. Long official life in a bureau often creates contempt for the less fortunate workers. The Federal land banks should be controlled by the borrowers, the farmers, because no other group is so interested in their successful operation. They do all the work, they make the money and pay the dividends. They should be the managers of their own institutions. They are now treated as an inferior class, subject to regulation by bankers and mortgage companies, who have certainly not earned their superior rating by the Government.

LOWER INTEREST RATES NEEDED

The lowest possible interest rates should be charged on all loans made through this county Government agent, who should handle the loans made on land, stock, fruit, and loans to cooperatives. The loans on land should be on an honest 50-percent valuation, interest at 2 percent annually, with 1 percent for amortization. As loans are made, currency should be issued and that currency called in and canceled as interest and amortization are paid. Loans on personal property should be at a rate not to exceed 4 percent. The intermediate credit banks can now obtain that money at 1½ percent. Give them a profit of 1½ percent to take up all possible losses, and then charge the borrower 4 percent, allowing 1 percent for expenses.

I know full well that the producer cannot, at present prices, pay even this 4 percent, for much that he is producing is at a loss. However, we must build our system on the belief and hope that a higher price level will soon prevail. If that happy day should not come, then the proud American farmer is surely moving into peasantry. I cannot believe that this will be our fate. There must be a solution, and that solution lies in decentralization of administration, keeping governmental agencies close to the people, in unification of agencies operating in a territory, and, above all, in lending money to farmers at a rate of interest consistent with ability to pay and recognition of the fact that farmers are entitled to be numbered among the most-favored class of the Government's borrowers.

Mr. GLOVER. Will the gentleman yield?

Mr. PIERCE. Yes.

Mr. GLOVER. There is one of these agencies in my district, at Pine Bluff, Ark., that loaned over $2,000,000 for this purpose, and they have collected back 98 percent and will collect the other 2 percent.

Mr. PIERCE. It is one of the very few in the United States.

Mr. DIES. Will the gentleman yield?

Mr. PIERCE. Yes.

Mr. DIES. Does the gentleman know what percent of loans the Government has collected all over the United States?

Mr. PIERCE. The loss has been in the millions. I cannot give the exact figures.

Mr. DIES. Does the gentleman know what it is?

Mr. PIERCE. It has been in the millions.

Mr. GREEN. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. GREEN. Does not the percentage of these loans repaid compare favorably with the percentage of repayment of other loans the Government has made?

[Here the gavel fell.]

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to publish therein an article I wrote about 3 weeks ago for the Oregon Journal discussing Federal land banks. The gentleman will then see what I think of the situation.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The article referred to follows:

[From the Oregon Daily Journal, Portland, Oreg., Saturday, Jan. 20, 1934]

WHY FARM-MORTGAGE RELIEF SO LITTLE?

(Unfair appraisals and uninformed and autocratic appraisers, is one answer given here by Congressman WALTER PIERCE; also a plan devised under Wilson has been so revamped under his successors as to put all functioning into control of eastern high finance, with appraisers of reactionary leanings; and, besides, private lending concerns being dormant, the entire load has been thrown suddenly upon governmental instrumentalities unfitted as yet to do what should be done. But Mr. PIERCE looks forward to their reorganization, to the recovery of the agricultural and horticultural interests of the country. Meanwhile, the East's enormously larger vote in Congress is a lamentable obstruction.)

(By WALTER M. PIERCE, Representative in Congress from the Second District of Oregon)

Journal editorials entitled "Tell the President" have borne fruit, and I have received many letters from Oregon calling my

attention to the methods and delays of the Federal land bank at Spokane.

A number of times I have read those words in letters: "Tell Roosevelt." Since coming to Washington and talking with Representatives from other States, I find that every Congressman from the West has received many communications from constituents in regard to the operation of the Federal land banks in their districts. All of these letters and telegrams have been of the same import, indicating almost a complete failure of the Federal land banks to meet the various demands for credit requested by the horticultural and agricultural producers of the West.

For months I have done everything in my power to point out to the administration and its agents what I consider the errors in management in the Federal land bank at Spokane, and I appeared before its board of directors recently, stating the case of the farmers.

In studying the situation it must be remembered that the Federal land-bank system is a product of the Wilson administration, which was completely reorganized under the Harding-Coolidge reign, the eastern bankers then assuming full and complete control. In a way the management of these banks is today almost a self-perpetuating body. These banks are not wholly and directly Federal institutions, though they are lending agencies for the Federal Government. They are financed by the sale of bonds to private investors, and interest on these bonds must be paid by earnings. They are governmental agencies in a restricted sense. It will take sweeping Federal legislation materially to affect the situation.

One of the most frequent complaints is about the unfair appraisals and the ignorant appraisers. These land appraisers for the banks are appointed by the appraisal board in Washington. These appraisers report to the land banks in their local districts. The local land bank cannot discharge them or in any manner or form affect their reports or their appraisals of the property, and their appraisements are final except that reappraisements may be asked for. I was told of one instance where an appraiser clearly made an error, showing on the face of the appraisement. The secretary of the land bank that received the appraisement pointed out the error to the appraiser and asked him to correct it. The appraiser refused to do so, calling the secretary's attention to the fact that he, the secretary, could not in any way influence or change his report.

Soon after coming to Washington this winter I asked a high official, who is supposed to have much to do with the appointment of appraisers, how they were selected. His reply was, "The national banks and the mortgage and insurance companies are asked to submit a list of names, and from that list the appraisers are selected." No Senator or Congressman, and no political, commercial, or farm organization was in any way consulted. The banks being about 95 percent reactionary Republican naturally appoint men of their own kind, and the 5,000 appraisers who are now valuing property throughout the country are almost universally of that character.

The Federal land banks claim to be nonpartisan politically. The fact of the case is that they are the most conservative, hidebound Republicans I have ever known.

I am particularly acquainted with the land values in Oregon. The ridiculously low values made by the appraisers are a disgrace and mean bankruptcy to thousands. I know one farm in Oregon—one of the most modern and up-to-date in the State, highly improved, 360 acres—upon which the appraisement gave a loan value of $12,000. The buildings, all modern, could not be erected for that sum. This property at one time could have been sold for $80,000. This one instance could be multiplied hundreds of times in my district.

Then, too, delays of the Federal land bank and of the Regional Agricultural Credit Corporation have simply been criminal. A man applying for money to summer fallow, in March, has received it probably in July. A man desiring an advance to spray his fruit has his loan approved after the damage has been done and spraying will not save his crop.

Those who read this letter thus far will say, "Why don't you change it? What are you in Congress for?" That is easier said than done. Remember, first, that the present set-up and management are satisfactory to the banking group on the Atlantic border. And, second, remember that Oregon has 3 votes in the House of Representatives; New York, 45; Washington has 6 votes; Pennsylvania, 34; and other States in like proportion. Remember, further, that these eastern Congressmen have no politics when it comes to matters of finance. They come together like blackbirds in a storm.

I saw the Atlantic border group in Congress take almost half a million dollars from the road fund of the State of Oregon last spring, when they changed the method of allocating public money for road purposes. Every Congressman from the Western States worked hard to prevent the loss. It was the thinly populated States of the West versus the thickly populated States of the East, and we were simply outvoted.

In excuse for delays it should be said that those in control fail to realize the tremendous task that has fallen upon the Federal land banks in the matter of extending credit, and the changes in the money-lending situation, and the fact that the land banks have taken over practically all the agricultural credit business handled until recently by other agencies. Think of the thousands of banks in our own part of the country, in Montana, Idaho, Washington, Oregon; and the scores of mortgage companies with headquarters in Seattle, Portland, Boise, Helena; and then the large companies, like the Pacific Fruit & Produce Co. and the American Fruit Growers, Inc., borrowing millions in the East for lending to fruit men at Hood River, Yakima, and other places. Conceive, if you can, the immense amount of business that was done by them every day, the millions lent to stockmen for sheep and cattle, also to wheat farmers. Now these lending activities that were so active 5 years ago have all ceased. Mortgage companies are no longer in business. The entire credit structure of horticulture and agriculture has been suddenly thrust upon governmental agencies. Producers have no other credit source.

There came to my desk a few days ago a statement from the Farm Credit Administration showing the large sums of money lent each day. The amount in the aggregate is large, but it must be small indeed when compared with the amount that was lent each day by the private lending agencies 5 years ago. In other words, the Federal land banks are not organized to carry the immense load thrust upon them. It may be possible to change the law and the personnel.

I very much doubt the final success of the production credit corporations and their local credit associations that are now being organized so extensively under the Federal law throughout the West. The object is to compel the borrowers to form cooperative organizations and force them to be responsible for one another's loans, at least to the amount of 5 percent, taken from each loan to go into a capital stock for the cooperative. The local organizations for the Federal land banks have never really functioned. In the production credit associations it will be the natural and human thing for each to approve the others' loans. They may kiss good-bye the 5 percent that they have to put into capital stock. This will compel that division in the Federal land banks called the intermediate credit bank to inspect most thoroughly the property mortgaged and to supervise most carefully the loans after they are made.

I think it would be far better if all the loans could be made directly through an agent of the intermediate credit bank located in each county. This would save the borrower the 5 percent and his share of the cost of the local organization. I see no immediate prospect of private lending agencies again assuming the very useful function that they performed a few years ago. We must look forward to the organization of these Federal agencies so that proper financial credit may be given to the great horticultural and agricultural industries of our country. It is some task to work out the proper system and convince the eastern Member of the justice of our cause.

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, I regret very much that we are taking up this bill under suspension of rules, so that amendments cannot be allowed nor adequate debate made. I find that in Iowa there remains unpaid of the feed and seed loans made in 1933 only the sum of $37,000, which is a very small sum indeed when compared with other States, some of which have millions of dollars still unpaid. I am not criticizing because some of these loans are unpaid, but I am complaining because only $1,000,000 of the money allocated in the bill will be allowed to go to feed for livestock, while $34,000,000 will go to seed loans, a comparatively high percentage of which are never paid. These cattlemen are in great distress. They need assistance.

The gentleman from Arkansas [Mr. GLOVER] said that the feed loans would not be good if they were secured by second mortgages. Our experience is to the contrary. These loans could be made to livestock people for feed purposes in the communities where droughts have taken away their feed, and I guarantee that there would be a very much higher percentage of them repaid than those made for seed, for instance, in the gentleman's State.

The experience with reference to this thing would justify the statement that we ought to have more of this money for feed loans to help those in the dairy and beef industry who need it. The gentleman from Wisconsin is entirely right in calling the attention of this Congress to that point. The amounts unpaid are chiefly crop loans and must be crop loans under the very essence of the bill of last year.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GILCHRIST. For example, the State of Arkansas got 47 times as much as we got in these loans. I refer to that because the gentleman who is opposing feed loans is from Arkansas, and it seems to me a little selfish for Members from that State to act that way. I want their farmers to be prosperous, but I would like these gentlemen to join hands with us across the aisle and let our farmers also get some of this money by way of loans on their cattle, even though it is a second lien, provided it is a safe lien. The

bill provides that the loan shall be made under such regulations as the Governor shall prescribe. It is not to be supposed that one sort of loan will be unsafe and the other safe. Those in charge of it can see that only safe loans are made. Experience bears me out in the statement that the seed loans, as administered under previous enactments, are not nearly as safe and do not return nearly as high a percentage of payment as the loans upon cattle, and would not be even though the cattle loans might be secured by secondary liens.

These cattle men always have mortgages upon their cattle up to a certain percentage, 30 or 40 or 50 percent, and they ought to be given leave to place a second mortgage upon such cattle if they are in distress. The bill cuts them off entirely, because it requires all such loans to be secured by first liens upon cattle. It cannot so be used to any appreciable extent. In this respect it is unjust and unfair to the cattlemen of Iowa and of the country. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Speaker, representing as I do the greatest agricultural district in this Nation, I arise to support this measure.

The farmers of this country, in my opinion, wish a direct loan from the Government to enable them to grow the crop of 1934. This is so in my section, and this loan will minimize the cost of production, not only benefiting the small tenant farmer but also greatly relieving the landowner, many of whom are still bearing the burden of great indebtedness. No legislation in recent years, or at any time, has so directly benefited the agricultural interests as this. It gives me great pride to say that my constituents have paid back their loans to the Government; the American farmer is inherently honest—they would all pay back their loans if they could. We are getting good results from this legislation, and this Congress would make a profound mistake if it failed to continue these direct loans to the farmer.

I introduced a bill to provide for this manner of loans to the farmers on January 13, 1932, House Joint Resolution 204. It was to reloan to the farmers of the drought area the money which they had returned to the Government. The idea in this bill was extended to a general loan; and, I repeat, no measure that we have ever passed here has ever been more satisfactory and more directly beneficial to the American farmer.

There are several features in this bill I would endeavor to correct if it could be amended, but it cannot be amended under the rules here now.

First. I am apposed to the authorization of just $35,000,000 to cover these loans. I think the Senate bill provides that this loan shall not exceed $45,000,000, and that amount should be authorized in this bill.

Second. I am opposed to that feature of this bill which compels the borrower to pay the cost of registration and the expense incident to a loan; this cost the Government should carry. Some of these loans applied for will be very small and it is not right that the borrower should be compelled to pay the cost of this loan, which in some States is very, very high.

Mr. TARVER. Will the gentleman yield for a question at that point?

Mr. KERR. I yield.

Mr. TARVER. Is it not true that the Senate bill on this subject contains provision for payment by the Government of a large part of the recording and other fees?

Mr. KERR. Not only that, but I think it is true that they limit the amount that shall be charged.

Let it be remembered that the Government is not seeking to make an investment; this is simply an endeavor to finance the farmers of this country who are utterly unable to finance themselves. We could afford at this time of our national life to make this loan if never a cent of it was repaid.

I sincerely hope that the objectionable features of this bill—and there are several besides those I have mentioned—will be ironed out when it is considered jointly with the Senate bill, and that we will get the relief that we should get through this measure and justify the sincere hope of a large majority of the Membership of this House. [Applause.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Maine [Mr. UTTERBACK] such time as he may desire.

Mr. UTTERBACK. Mr. Speaker, I have been serving on the House Committee on Agriculture during my term here, and this is the first bill that has been presented that offers any relief to the Maine or the New England farmers. All other measures that have been considered in committee have pertained to benefit farmers particularly in the South and West.

In committee I opposed the $200 limitation on the amount that was proposed to be loaned. A vote was taken and it was decided in committee make the limit $250. It is my contention that this amount should be at least $300 in order to be beneficial, particularly to the Maine farmer who grows potatoes.

When I gained the information that the seed crop loans would be limited to about $200, or not to exceed $200, I immediately communicated with leading potato men and other citizens of Aroostook County, Maine, who are particularly interested in the welfare of the average farmer, to ascertain their opinion on this subject, and I have some 20 replies, all of which state emphatically that a loan of $200 would be inadequate. These replies are very interesting, and I wish to read to the House a letter I have received from Mr. George P. Findlen, secretary of the Aroostook Production Credit Association, which is an organization that has been set up in Aroostook County under the Federal Land Bank of Springfield:

PRESQUE ISLE, MAINE, *January 30, 1934.*

Hon. JOHN G. UTTERBACK,
Washington, D.C.

DEAR SIR: In answer to your letter of January 26, we beg to give you the following suggestion:

We feel that the production-seed loan as handled in Aroostook County in the past 3 years of $300 should be kept going to take care of the small farmer who has little or no basis for commercial credit.

We also feel that the Aroostook Production Credit Association, as set up here in Presque Isle, and which will be ready to operate within a few days, will be able to take care of all other farmers who are a proper credit risk.

This is the unanimous opinion of the board of directors of this association.

Yours truly,

THE AROOSTOOK PRODUCTION CREDIT ASSOCIATION.
GEO. P. FINDLEN, *Secretary pro tem.*

Now, in 1932, $400 was the amount available, and in 1933 it was reduced from $400 to $300.

It is practically impossible for the farmer to operate on a $200 loan, and he will just be out of the picture entirely if it is limited to that amount, because, with the cost of fertilizer and other heavy expenses, that would only allow him an acreage of about 5 acres. Now, in the operation, if he operates at all, he has to have the necessary equipment consisting of at least a pair of horses, and the cost of operating 15 or 20 acres is practically the same so far as his overhead is concerned as if he operates only on 5 acres, and yet he cannot operate 5 acres and come out even; and my interest is in getting an extended amount for the farmers in that particular section.

There were about 2,000 loans made last year in the State of Maine, and I am reliably informed that over 90 percent of those loans as of January 15 had been collected, aside from any collection made in the year 1933 on crop loans for 1932.

I do feel, and I hope, that the extension to $300 can be granted, because the Maine farmers and other New England farmers have not received benefits under the system of agricultural benefits paid to the farmers in other sections.

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their own remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, I yield to the gentleman from Texas [Mr. PATMAN] such time as he may desire.

DIRECT CREDITS TO THE FARMERS

Mr. PATMAN. Mr. Speaker, I am in favor of the passage of this bill and hope it is enacted into law real soon. It is another step in the direction of helping the farmers. It will probably afford more direct relief to the small farmers than any other bill that Congress will pass this session and at the same time will cost the Government very little, if anything.

Under present circumstances the farmer has three places where it is possible for him to obtain credit, as follows:

First. The merchant who is not financially able to extend them aid on account of being unable to obtain credit himself. The Reconstruction Finance Corporation has extended plenty of credit to banks, railroads, insurance companies, and many others but no direct loans to industry. The Federal Reserve banks have fallen down completely on their duty to extend credit. The merchants cannot furnish the farmers this year.

Second. The small banks that are handicapped in their efforts to assist the farmers, and, too, many of the farmers do not have adequate security. Very few of the large banks are making farm loans.

Third. The production credit associations that can only extend credit upon proper security, and a large percentage of the farmers cannot qualify.

Immediately after the establishment of the Production Credit Corporation at Houston, Tex., which authorized the establishment of production credit associations, I made a trip over the congressional district that I have the honor to represent for the purpose of determining whether the production credit associations would meet the demands of the farmers for credit to make the 1934 crop. I was convinced that they would not, that only about 50 percent of the farmers that borrowed money from the crop-production loan last year would be able to obtain credit from these new institutions. Therefore I have been endeavoring to convince the administration that the crop-production loans should continue this year, and I am glad that this bill has been reported.

SENATE BILL ON SAME SUBJECT

On last Friday, as disclosed in the daily CONGRESSIONAL RECORD, pages 1824–1826, the Senate passed a bill for crop production and harvesting. I will point out a few of the principal differences between the two bills.

TEN MILLION DOLLARS DIFFERENCE IN AMOUNT ALLOWED

The Senate bill provides for an appropriation of $45,000,000, to be used for the same purposes as the 1933 loans. The House bill authorizes an appropriation of $35,000,000 which may be used for the same purposes as last year and in addition for planting a crop that is not harvested until 1935.

There was loaned to the farmers during the year 1933 the sum of $57,000,000, and it is doubtful that $35,000,000 will be a sufficient amount for 1934.

RATE OF INTEREST AND OTHER CHARGES

In the 1933 act the farmer paid 5½-percent interest for the time he used the borrowed money and nothing more. Under this House bill the farmer will have to pay 6-percent interest, and the bill further provides:

> Every borrower shall be required to pay all recording, notarization, and other legal fees (including the cost of lien certificates furnished by county recorders and similar public officials) incurred in connection with his loan; and to pay an inspection and field-supervision fee of 50 cents which may be deducted from the proceeds of his loan.

The Senate bill, in regard to interest and other charges, provides:

> The interest on loans made by the Governor pursuant to this act shall be at a rate not to exceed 5½ percent per annum and the amount charged to any borrower as a recording fee in connection with any such loan shall not exceed 50 cents, and the remainder, if any, of any legal fees incurred in making said loan shall be paid by the Farm Credit Administration.

MAXIMUM LOANS

The House bill provides that the aggregate amount of loans made under this act to any borrower shall not exceed $250; the Senate bill also has a maximum of $250 except in cases specifically authorized by the Governor where the amount may be $400.

BORROWERS MUST COOPERATE

The House bill provides that no farmer shall be extended a loan who does not cooperate in the crop-production-control program.

WHO WILL ADMINISTER

Under the Senate bill the law will be administered as it was last year. Under this House bill it may be administered the same way or the Governor of the Farm Credit Administration may use the facilities and services of production credit corporations, production credit associations, regional agricultural credit corporations, and other institutions under his jurisdiction.

CONCLUSION

In the free conference committee of the two Houses I hope the Senate provision on fees that may be charged the borrower is adopted instead of the House provision and the amount $45,000,000 is agreed upon instead of $35,000,000. Even then it will probably be necessary to raise the amount when the demand for this form of credit is ascertained.

Mr. JONES. Mr. Speaker, I yield to the gentleman from Florida [Mr. GREEN] such time as he may desire.

Mr. GREEN. The need for passage of this legislation is very acute. Many of the growers in the country, particularly all Florida growers, have been unable during the past few months to obtain loans from the Regional Agricultural Credit Corporation or from the recently organized crop production loan corporations. These agencies have required adequate security other than that of the crop itself and have also entailed considerable red tape which has necessitated delay and expense to the grower; in fact, very few of the growers in my section of the State have been able to obtain loans at all. With the passage of the bill before us the Department of Agriculture will be authorized and directed to make loans to our farmers and truck growers upon the crop mortgage alone. Many of our growers who most need these loans have no security to offer except the crop to be produced by the loan itself, and such growers can receive loans under the provisions of this bill. It is far better to permit these loans and thus enable our growers to make their crops and become self-sustaining than to compel them, in many instances, to seek charity. The bill provides for a maximum loan of $250 to an individual. Of course, this will not be adequate for vegetable planting on a large scale, but will take care of the small grower at least. Under the provisions of the bill the Department of Agriculture can loan for crop planting any time during the year 1934, regardless of whether the crop is harvested prior to January 1, 1935, or thereafter. I believe this provision was not carried in the Senate bill, but it is to be hoped that the legislation as finally agreed to by the conferees will provide for loans for summer and fall planting. Thousands of vegetable and strawberry growers in Florida plant in the fall and harvest in the spring; therefore, this provision is all necessary for our fall crop.

The records of the Department of Agriculture show that, in the main, a high percentage of such loans previously made have been repaid. In fact, in some communities as high as 98 percent of the amount borrowed have been repaid to the Government, and I am proud that my own district shows a high percentage repaid to the Government. You now have a chance to help the small grower who, in most instances, is absolutely unable to obtain loans from local sources.

Mr. JONES. Mr. Speaker, I yield to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Speaker, the purpose of this legislation is to make funds available for continuing the crop-production loans in 1934, and its enactment into law is of vital importance to the patriotic but distressed farmers of New Hampshire, New England, and the Nation. It is suggested in opposition to the bill that it will increase rather than decrease production. This is not the fact because it reduces loans from $430 to a limit of $250 in each individual case. The farmers of New England are not suffering from overproduction. They have not the money in a great many cases to maintain their homes and farms, and the enactment of this bill will enable a large number of them to survive and carry on.

I am advised that farm leaders from all over the State of New Hampshire are devoting their time and energy to the organization of a local production credit association which will make short-time farm loans to assist in the present emergency. Such associations will doubtless be permanent and of great benefit to agriculture. It is, of course, not intended that crop-production loans made by the Federal Government shall be permanent, but the passage of this bill will undoubtedly place the farmers in a position where they may avail themselves of the benefits to be provided in the near future by these various credit associations. As well stated in the report of the Committee on Agriculture, it is deemed advisable, because of the existing need, to establish this fund of $35,000,000 so that these loans may be made in the agricultural sections for the year 1934. As an additional safeguard the committee points out that, in order to avoid any tendency to increase agricultural production or to interfere with the extension of credit to farmers through the production credit associations or private sources of credit, the bill provides that any applicant for a loan must establish to the satisfaction of the Governor of the Farm Credit Association that, first, such applicant is unable to secure from a production credit association or from a private lending institution, on a fair basis and at a reasonable rate of interest, a loan in an amount reasonably adequate to meet his needs, and, second, that such applicant is cooperating directly in the crop-production-control program of the Agricultural Adjustment Administration, or is not proposing to increase his 1934 production of basic agricultural commodities in a manner detrimental to the success of such program.

It is certainly of the utmost importance that we should realize that the average farmer must now begin to make his preparations for the crops he intends to reap this year. He must have help without delay and without hesitation. I ask you to vote for this bill for the relief of the worthy and deserving farmers of the Nation.

Mr. JOHNSON of Texas. This bill authorizing loans to farmers for crop production in the year 1934 means much to the small farmers in the United States.

It authorizes an appropriation of $35,000,000 to make loans to farmers with which to make a crop, such loans being made in amounts not to exceed $250 to any one farmer. They are available only to those applicants who are unable to procure credit from a production credit association or from a private lending institution on a fair basis and at a reasonable rate of interest, and the applicants are also required to cooperate in the crop-production-control program of the Agricultural Adjustment Administration, and the applicants must show that they do not propose to increase the 1934 production of basic agricultural commodities in a manner detrimental to the Administration's reduction program.

The loans made under a similar act in 1933 were most effective, and it was one character of relief of which no criticism has been heard.

The relief granted to the small farmers in my district by such loans in 1933 was a lifesaver to the small farmer, and without these loans many of the small farmers would have been unable to make a crop and would have had to go into the bread lines.

The appreciation of the farmers in securing these loans in 1933 is demonstrated by the prompt repayment of same to the Government. In my district in several of the counties there was a repayment of 100 percent of all loans made, and in others 90 and 95 percent, and I should say that the average throughout my entire district of repayment would be above 95 percent.

I venture the assertion that no other loans made by the Government have been repaid so quickly in such a large proportion as these.

As in 1933 these loans will be made with no other security except a first lien on the crops to be produced and the rate of interest shall not exceed 6 percent per annum. The loans are to be made through such agencies as the Governor of the Farm Credit Administration may designate.

Aside from the interest the bill provides:

> Every borrower shall be required to pay all recording, notarization, and other legal fees (including the cost of lien certificates furnished by county recorders and similar public officials) incurred in connection with his loan, and to pay an inspection and field supervision fee of 50 cents, which may be deducted from the proceeds of his loan.

This bill is not a permanent law but is merely an extension of the act authorizing such loans in 1933 and making same applicable to the year 1934.

It is hoped that after 1934 conditions will have improved and credit to farmers will be available, either from private sources or from production-credit associations, so that these crop loans will not be necessary. They are extremely necessary at this time, especially to the small farmers who have no security to offer, except the crops that are to be grown, and are therefore unable to obtain credit from private sources. The production-credit associations will doubtless furnish credit for many farmers this year, but the organization of these is necessarily slow, and, even if they were functioning, there are many small farmers who would be unable at this time to qualify for loans.

From an investigation made in my district last year, I was convinced of the great amount of good that had been done by these loans, and the investigation also disclosed the necessity for their continuance in 1934. Upon my return to Washington, just before the convening of the present session of Congress, I had a personal interview with Dr. W. I. Myers, Governor of the Farm Credit Administration, and explained to him the necessity for the continuance of these loans during the present year, and I am glad that the administration is convinced of the necessity of making an appropriation this year, and is in sympathy therewith.

No administration has ever done more for the American farmers than that of President Roosevelt, and this is a matter of no surprise, for President Roosevelt has demonstrated that he is not only a great executive, but a humanitarian, who is anxious to extend aid to every class of American people who are in distress, and no class is he more anxious to help than that of the American farmer. He realizes, and has on numerous occasions expressed himself as believing, that the recovery of the American farmer from the depression is one of the fundamental ways to cure our present economic ills.

We are fortunate in having as the President of our Nation, at such a time as this, Franklin D. Roosevelt, who has the confidence of the American people, who has the courage, the wisdom, and the determination to bring us out of the depression, and already the evidences of the success of the efforts of his administration in behalf of agriculture are everywhere to be seen. The prices of agricultural products at this time are nearly double such prices at the time of his inauguration last March, and this is especially true as to cotton and wheat.

The Senate passed several days ago S. 1975, which is a very similar measure to the bill which we are now considering. There are only a few slight differences in the terms of the bill which I am sure can be adjusted in conference, and I sincerely hope that within a few days these two bills may be ironed out in conference, so that this legislation may be finally passed and approved by the President, for if relief is to be had for the farmers of the South, the legislation must be passed within the very near future, as the farmers in Texas are already beginning to make preparations for the crop in 1934, and the question of credit is

now confronting them, and must be met without further delay.

I sincerely hope that this bill will pass by a unanimous vote of the House.

The SPEAKER. The question is on the motion of the gentleman from Texas to suspend the rules and pass the bill as amended.

The question was taken; and two thirds having voted in favor thereof, the bill was passed.

CATTLE AS A BASIC AGRICULTURAL COMMODITY

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the Agricultural Adjustment Act, as amended, is amended by adding after the word "hogs" a comma and the word "cattle."

SEC. 2. Subsection (a) of section 12 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof a new paragraph as follows:

"To enable the Secretary of Agriculture to finance, under such terms and conditions as he may prescribe, surplus reductions and production adjustments with respect to the dairy- and beef-cattle industries, and to make advance rental and/or benefit payments with respect thereto, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000: *Provided*, That not more than 60 percent of such amount shall be used for either of such industries."

The SPEAKER. Is a second demanded?

Mr. HOPE. I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOPE. I am not opposed to the bill but I am opposed to taking it up at the present time.

The SPEAKER. Is any other Member opposed to the bill who demands a second?

There was no other demand for a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

There was no objection.

Mr. JONES. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, the bill under consideration, H.R. 7478, is a bill which has for its purpose the relief of the cattle industry.

In explaining this measure to the Membership of the House, it should be borne in mind that the cattle industry referred to in this bill is considered from the standpoint of the indivisibility of the interests between the beef-cattle industry and the dairy-cattle industry, insofar as the cattle industry is concerned as such, and insofar as cattle being included as a basic commodity under the act.

The problem of the beef-cattle industry and the dairy industry happens to be that there are too many cattle for the present consumption demand. For the benefit of my friend, the minority leader on the other side of the House, I want to say that we have made an effort in conducting hearings before the Committee on Agriculture to bring a full and complete understanding of the possibilities contained in the bill to organizations and individuals of both the dairy- and beef-cattle industry.

Mr. SNELL. Will the gentleman yield?

Mr. KLEBERG. I yield.

Mr. SNELL. If you have got full information, the gentleman ought to take time enough to give it to the House. I come from a dairy-industry district, and I hope the gentleman will take time now to explain the whole proposition.

Mr. KLEBERG. I shall be delighted to do so to the extent of my time. As a matter of fact, boiling the proposition down, after long and extended hearings, it was agreed to reduce the cattle population by approximately 3,000,000 females; that would go a long way toward solving the problem in the cattle industry, both as to beef and dairy cattle.

It is proposed under the amendment now being considered to go into a program which is to be presented and agreed upon, to hold meetings between the Department of Agriculture and representative beef- and dairy-cattle men at various places over the country, at which hearings a full understanding will be had of the actual program to be instituted for the reduction of production by reducing the number of cattle in this country as well as other phases of such program.

In addition to that, it is proposed in the program which is to follow the passage of this bill, and which program, of necessity, will take time and which is the real reason we are anxious to get this bill out today as rapidly as possible so that we can go to work, that a series of marketing agreements be entered into between the processors and producers of both beef cattle and dairy cattle; and, in addition to that, it is proposed to institute a program which will flexibly keep the production under control. We cannot do anything, my friends, unless we agree first of all that cattle should be made a basic commodity under the bill; nor can we by recognizing cattle alone, accomplish immediate benefit to an industry which converts into wealth, the surface production of 67 percent of the acreage of this country in range land and which converts 70 percent of all agricultural production into wealth. Now, if you take the figures I have briefly given, you will understand the importance of immediately getting to work under this program, to enable a frank and free discussion and adoption of the program to be considered.

For purposes of generally showing the attitude of the beef-cattle interests that appeared at hearings before the Committee on Agriculture, I refer you to the program drawn up by certain representative organizations of beef-cattle men.

Briefly recapitulating and calling attention to the cattle industry, including both beef and dairy cattle, we find in examining into its extensiveness that of the 1,903,216,640 acres representing the total acreage of the United States corn, cotton, wheat, and tobacco, the four basic crops, exclusive of dairy products included under the Agricultural Adjustment Act as basic crops, use, respectively and approximately, as follows: Cotton, 41,921,000 acres; corn, 100,000,000 acres; wheat, 47,493,000 acres; tobacco, 1,753,700 acres. The total acreage of these four crops is approximately 191,175,700 acres. The total tilled crop acreage in the United States is given as 359,242,091 acres.

It should be apparent from the above figures that the four basic crops referred to utilize a fraction more than 10 percent of the total acreage in this country and a little over one half of the tilled-crop acreage.

Now, we have in this country of ours approximately 65,000,000 head of cattle. Cattle and sheep together utilize about 1,479,351,640 acres. Roughly, of this, cattle graze about 1,300,000,000 acres, and sheep a little in excess of 130,000,000. Cattle, therefore, graze or utilize approximately 67 percent of the acreage of the United States. I might add that in southern sections of the United States, as well as in the corn and wheat sections, and in practically all farming sections, cattle graze in fields after regular crops have been removed, as well as in those which have crops planted expressly for grazing purposes. Tilled agriculture, including the producers of at least three of the basic tilled crops referred to, will profit, because, in the last and final analysis, through cattle, about 70 percent of all tilled crops are converted into wealth.

The authorization of $200,000,000 for the rehabilitation of an industry which touches directly and indirectly nearly every field of human endeavor in the United States should not be extravagant; and when one considers that real property, which supports this industry in its entirety, and which depends upon it for the conversion into revenue of its surface production to a large extent, is, in reality, an important part of the foundation of our credit structure, the size of the appropriation really appears insignificant.

The program, which I personally hope will be adopted, will include a substantial and immediate reduction to the extent of not less than 3,000,000 cows. In addition to this reduction marketing agreements will be set up which will insure an orderly flow of cattle to the markets, as well as the beef and dairying byproducts, thus preventing gluts and consequent sudden declines in the market price of these commodities.

It has been strongly urged by representative cattlemen, both dairy and beef, that a spaying program of a flexible character be instituted, by which means the weekly production may be held to a proper parity between available supply and consumptive demand. We are all, I am sure, agreed that the purchasing power of our people has been decreased; and because of this, to a large extent, we are more poignantly conscious of the disparity between our present supply and consumptive demand.

In the various phases of the administration's program for rehabilitation it should be pointed out that there is much hope for a reasonably prompt relief in which the amendment now under consideration will bear an important part.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. KLEBERG] has expired.

Mr. HOPE. Mr. Speaker, I yield to the gentleman from New York [Mr. SNELL] 2 minutes.

Mr. SNELL. The people in the dairy industry are very much interested in what your program is going to be relative to the processing tax. That will be vitally important to the people in our country especially, because we produce fluid milk for the New York or city market. People in rural districts who have placed themselves in position to produce this kind of milk have spent thousands and thousands of dollars that the average dairyman in other parts of the country, who has not had to come under the health-inspection authorities of various cities, have not had to spend. I am especially interested in having the gentleman from Texas tell the House what it is intended to do in regard to the processing tax as affecting the dairy industry.

Mr. KLEBERG. May I suggest to the gentleman that the taxes that might affect either of the two industries would affect them only as they both belong to the cattle industry. It has been tentatively and, I might say, tacitly agreed—and with permission I will include a statement of the Secretary of Agriculture in my remarks—that for the immediate future no processing tax would be adopted in connection with this program.

The statement referred to is as follows:

STATEMENT OF SECRETARY WALLACE AT CONFERENCE OF REPRESENTATIVES OF BEEF CATTLE AND DAIRY INDUSTRIES, JANUARY 29, 1934

I want to express to you my appreciation for this opportunity to appear before representatives of the dairying and beef cattle industries. These two industries are economic sore spots in American agriculture. Their predicament is a challenge not only to the best thought of the Agricultural Adjustment Administration but also to the leadership of the industries.

On January 18, appearing before the Senate Agricultural Committee, I devoted some time to description of economic conditions in both the beef and dairy industries. Most of you are no doubt familiar with these conditions, and, therefore, a brief review will suffice at the present time.

The problems of both industries differ fundamentally from those of the great export agricultural industries such as wheat and cotton. The exports in neither dairying nor beef cattle are an appreciable factor. Producers of dairy and beef cattle rely principally upon the domestic market. Their income bears the closest relationship to consumer purchasing power.

For years dairy- and beef-cattle producers profited from effective tariff protection. The higher prices that they were able to obtain behind the tariff walls, however, encouraged the entrance into dairying and beef-cattle fields of more and more farmers who were unable to make a profit producing at low prices such export crops as wheat and hogs. Under this stimulus, dairy production has gone on increasing year after year. This is shown in the following table of the milk produced in the United States:

Year:	*Million pounds*
1924	87,069
1925	88,375
1926	91,135
1927	93,047
1928	93,951
1929	99,736
1930	99,705
1931	101,970
1932	101,663

Nevertheless, it would be a grave mistake to regard the dairy industry's problem solely as one of overproduction. There is a great potential consuming power among the American people for dairy products. There are large sections of the country not now receiving enough dairy products to constitute a reasonably balanced diet.

When we speak of overproduction in the dairy industry we mean production of quantities of dairy products beyond the ability of consumer purchasing power to absorb at anything above distress prices to farmers. Therefore we do not think of curtailment of milk production in any absolute or permanent sense as we do in the case of wheat.

There exists in the dairy industry a temporary emergency overproduction. This storage excess is a contributing factor in holding down the prices of the products of milk.

Experience with stabilization operations indicates that attempts to raise prices in advance of improvement in consumer purchasing power and without any check rein on production are followed by such quick upturns in production as to cause a fresh and disastrous collapse in prices.

Therefore, we believe it essential that the dairy program should contain as one of its basic features such a method of production control that will restrain production to keep it in step with increases in consumer purchasing power and prevent supply from outrunning demand to the degree that causes disaster.

The beef industry has not thus far received assistance from the administration, because at the request of representatives of the industry beef cattle were excluded from the list of basic commodities. The dairy industry has not received adequate benefits under the act because its representatives were reluctant to face the facts, and to consider any effective production control program.

Aside from the butter stabilization operations, milk marketing agreements have engaged the chief attention of dairy interests under the act thus far. We have experimented extensively with these marketing agreements and have learned by experience not to expect too much help for dairymen from them. At best they can aid only a fraction of the industry. Moreover, lifting fluid-milk prices out of line with butter-fat prices and trying to help fluid-milk producers while leaving butter farmers out in the cold, does not permanently aid either group but tends to harm both. We have found, too, that we could not fix retail prices without indirectly being placed in the position of protecting profits of distributing companies which already, in some cases, were more than ample, to say the least. As a matter of fact, fixing retail prices infers use of the public-utility method for fluid-milk distribution, because use of governmental powers to guarantee prices invariably carries with it regulation of capitalization, service, and profits.

We do not now have the machinery to undertake the public-utility method of regulating fluid-milk distribution in cities, although ultimately we may be forced to undertake it.

So in our revised milk policy we are confining ourselves in the marketing agreements to the establishment of prices to producers which bear their proper relationship with current prices of butter fat. Before this policy was adopted it was found that the milk marketing agreements resulted in some instances in exploitation of both producers and consumers by milk dealers. These evils we are trying to correct.

It is necessary to have a dairy program which offers help to the entire industry, and by that I mean farmers producing milk for butter, cheese, and other manufactured products, as well as farmers engaged in producing fluid milk for city consumption. We must recognize the interrelation of various dairy commodities to each other and continually keep the principle in mind that reasonable restraint of production should govern the industry during the period of recovery in consumer buying power. Milk-producing sections of the country demand broader and more fundamental adjustments than those thus far undertaken, and I believe they are ready to consider and accept a workable plan.

In proposing a plan for consideration by dairymen I should like to point out that benefit payments made under the funds available should set in motion forces having favorable effect upon the purchasing power of consumers. Our experience with payment of benefits in the cotton and wheat regions indicates that increasing the income of farmers is quickly and strongly reflected in business and industrial recovery in the areas. Thus payments to dairy farmers like those made to the cotton and wheat producers should to some extent at least result in a recovery in consuming purchasing power which would start a cycle of increasing demand for dairy products.

I wish to endorse an emergency plan for $200,000,000 over and above this year's receipts from processing taxes, to be used for the beef- and dairy-cattle industries as a supplement to receipts from processing taxes in financing the program this year, and to advocate inclusion of beef cattle within the terms of the Agricultural Adjustment Act. Of course, money taken from the Treasury must be replaced out of either processing taxes or other tax receipts. The Adjustment Act's intent is to provide a continuous source of revenue, and the thought is that ultimately when consumer purchasing power is on the upgrade the industry will not feel the tax as much as in the present emergency, so that then it will be easier to replace out of processing taxes the special fund made available now.

The proposed special fund is desirable because both dairy and beef producers, pending recovery in consumer buying power, would feel the processing tax more than export agriculture, whose prices are fixed in the world markets. The appropriation will enable advance payments to reach the farmers by the time a substantial tax is felt. We believe that as the market is freed from the pressure of oversupply, the tendency for the tax to be reflected in producer price will disappear. Further aid could be obtained through additional surplus relief purchases, affording dairy products to the needy unemployed who otherwise would be unable to obtain them, with the purchases timed to coincide with dairy price advances.

The tentative plan which the administration is offering to the dairy industry is an individual voluntary farm allotment proposal, financed by a processing tax on all butter fat in milk and its products and a compensatory tax on oleomargarine. The rate of the processing tax would eventually reach 5 cents or more per pound of butter fat in all milk and its products, with a compensatory tax on oleomargarine equivalent to the tax rate on butter.

A 3-year base period, with individual production of butter fat for 1931, 1932, and 1933 established for each farmer is contemplated. The goal to be sought is an individual reduction of 15 percent in milk and butter fat produced for market in the year ahead below the quantities sold in the past year, with the prospect that this would assure a 10-percent net reduction, or whatever fraction of this percent may appear necessary.

The method of securing reduction on the farm is to be left to the judgment of cooperating producers. Compensation to cooperating producers is to be secured through benefit payments or premiums on sales on an agreed reduction basis under contract.

The quantities would apply to individual dairymen on a voluntary system. Each producer would have his quota of total sales for the year divided into four parts, but such quarterly division of each individual's total allotment would be left largely to each individual's choice. As substantial an advance payment as possible would be made to each cooperating producer soon after his contract is accepted. Additional payments might be made quarterly.

The plan is intended to be operated in a flexible manner so as to permit expansion of the industry as rapidly as consumer buying power expands. After the emergency oversupply is reduced, the industry should be guided toward a controlled expansion up to the limit of consumer purchasing power.

In addition to the use of funds for direct individual adjustments to secure the proper balance between supply and demand, we propose to inaugurate an intensive educational campaign among cooperating producers to assist them in determining and applying the most economical and effective methods of complying with the reduction specified in their contracts. The Bureau of Dairy Industry and the Agricultural Extension Service already have mapped out tentative plans to fit such a campaign. The object is assistance of farmers in economical production and aid for them in selection of profitable and practical means of production adjustment. It is further proposed to allocate such sums as Congress may determine for two other purposes.

One of the plans is to engage in an intensive campaign to eradicate tuberculosis in dairy cattle. For a 2-year campaign on a joint basis as at present, sharing costs between the States and Federal Government, the Federal share of the expense is estimated at about $5,000,000. The various States requiring further eradication of tuberculosis in cattle would appropriate sums to assist in the work. It is estimated that there are about 5,000,000 head of dairy cattle yet to be tested for tuberculosis, with about 600,000 head as the number normally expected to be subject to removal.

Speeding up this campaign so as to complete the testing in one year would require about $40,000,000 which would be expended mostly in four or five States. The tuberculin-testing campaign is recognized primarily as a health and public-welfare measure rather than a direct means of production control. Hence it does not appear equitable to ask the dairy industry as a whole to accept a reduction in benefit payment funds sufficient to finance so large a program.

The other plan, involving use of part of the emergency fund, relates to possibility of removing normal dairy cows of good production from intensive dairy areas in the leading dairy States to regions in the South where thousands of families have existed for years without a proper proportion of dairy products in the diet. Such cows will be selected with care in areas where animals of required standards are plentiful, particularly in regions where herds are being maintained relatively free from tuberculosis. Similarly, their distribution would be handled so as to assure producers that such cows would not be used for commercial purposes, but would stimulate the greatly subnormal demand for dairy products in those regions. This plan is advanced contingent upon its acceptance by the dairy industry, although it already has been urged, not only by spokesmen of the industry but also by persons who are well informed concerning the dietary deficiencies of some southern regions. The definite sum to be allocated for such purposes has not been stated. It would probably not be large at first, so that the plan might be given a fair trial in a limited way.

This dairy program is not submitted as anything that is hard and fast or that is to be imposed on the dairy farmers of this country. We simply submit it, as it is our duty to do, as the best plan that we have been able to devise after months of discussion and study of the many proposals which have been made to us. We know that we cannot make it succeed unless the dairy farmers of this country want it and support it, and unless they cooperate whole-heartedly in its operation.

We are willing to accept any modifications which, after full discussion by farmers and their representatives, appear sound and desirable. If the dairy farmers or any substantial groups in industry do not want this program, we are willing to abandon it, because we doubt whether it can succeed without strong support from the dairymen. But we are frank to say that if some sound and comprehensive program is not adopted soon the path of the dairy industry is likely to be rough. Our course will be determined by the response of the dairy farmers and their representatives to this program.

The Agricultural Adjustment Administration has been under pressure to devote its energy to plans of various descriptions designed to aid certain localities and certain segments of the dairy and beef cattle industries.

These plans, mostly in the nature of marketing agreements, afford help only within very definite limitations and to comparatively small numbers of producers. After all, the Agricultural Adjustment Act did not repeal the law of supply and demand.

Our responsibility is to all producers of these industries. The fact that representatives of both the dairy and beef cattle producers are meeting here today is important, partly because it shows how closely the problems of these two producer groups are interrelated and how assistance to one group will affect the other.

It is necessary that any program to benefit one of these groups shall be dovetailed with a program for the other, and also shall be consistent with the Agricultural Adjustment Administration's plans for agriculture as a whole.

Mr. SNELL. Now, what does the gentleman mean by "in the immediate future"? That is very important. I think the question of reducing the number of cattle is absolutely all right, and probably must be done, but if it is intended to put a processing tax on the dairy industry, it will destroy it as far as my section is concerned.

Mr. KLEBERG. Insofar as the beef-cattle industry is concerned, the same thing is true, and for that reason, taking the prices for both dairy commodities and beef commodities, and the low level at which they are quoted today, it is practically impossible to levy a processing tax on those two industries while in their present condition. It is hoped to raise immediately the price level to such a point that they could afford to stand a processing tax, if that were the only way to recapture the money involved.

Mr. SNELL. But until such time as they can raise prices, there will be no processing tax?

Mr. KLEBERG. That is my understanding.

Mr. SNELL. There is another question that has disturbed me somewhat. I read somewhere that the Secretary of Agriculture made a speech some month or 6 weeks ago, in which he stated that he expected to use a large part of this money in connection with the beef-cattle industry, and that is one reason why I suggested to the chairman of your committee today that there must be some provision in this bill relating to the fact that not all of it should be used in the beef-cattle industry. If results are to be obtained, the dairy industry needs it just as much as the beef-cattle industry. Does the gentleman know anything about that speech of the Secretary of Agriculture?

Mr. KLEBERG. I have never heard the Secretary make any such speech as that, but I will say that so far as I am concerned, and I feel that I voice the opinion of a majority of those engaged in the production of beef cattle, it would delight me to see at least two and one half million dairy cows, now in competition with beef on the market, taken out of both the field of being in competition against beef and being on the expense account of the farmer who has been forced to keep them alive at the present time, and unable to sell them for anything other than canned beef. They are a menace to the general business, as they lower the quality of beef and thus consumers turn to other foods.

Mr. SNELL. My interest in this has been largely from the standpoint of the dairy people. I was disappointed that this bill came up at this time; that I and a large number of Members did not have an opportunity to go into it a little more thoroughly and have a more comprehensive understanding of what we were trying to do. If we could have done that, I think we would all have gotten together in support of this measure. My only criticism at this time is in taking it up now without ample time to consider it.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. SNELL] has expired.

Mr. HOPE. I yield to the gentleman from Illinois [Mr. BRITTEN] 1 minute.

Mr. BRITTEN. I should like to ask the gentleman from Texas [Mr. KLEBERG] if they have also considered the consumers' side of this question? All the conversation on the floor has been in the interest of the farmer. My impression is that the consumer is going to pay this tax. My impression is that you are going to tax milk as a basic product. Surely the farmer is not going to stand that tax. The processing tax will be pushed on to the consumer. I am inter-

ested in the big-city fellow? What are you doing for him in this?

Mr. KLEBERG. My friend has possibly not kept close track of the operation of processing taxes, nor does he know the cattle industry. I may say to the gentleman that should we bring up the price, as it is hoped with this program, the beef- and dairy-cattle industry will gladly shoulder the burden and continue as they have in the past.

Mr. BRITTEN. It is not a fact that the tax will have to be assessed under the existing law?

Mr. KLEBERG. Not of necessity. That may occur some time in the future. I might suggest to the gentleman that the enhanced earning capacity of the enormous production represented in this bill through cattle alone will more than pay the consumers' part of this program.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, this measure interests the beef-cattle producers of West Virginia to a marked extent. We are not thought of as a State that produces beef cattle, but in seven of the counties in my district the raising of beef cattle represents a real industry. Beef-cattle producers have on more than one occasion come to Washington seeking relief because of the condition that exists in their distressed region of the South Branch Valley in West Virginia. I appeared with a group of these men some weeks ago before the Secretary of Agriculture in behalf of including cattle within the basic commodities.

I believe these cattle producers in the South Branch Valley and other sections of West Virginia want to see this measure passed today. I believe I speak for them when I say that I trust it will have the united support not only of the Democratic side but also of the Republican side. [Applause.]

Mr. HASTINGS. Mr. Speaker, will the gentleman yield for an observation?

Mr. RANDOLPH. I yield.

Mr. HASTINGS. It was my observation, representing an agricultural State in which a great many cattle are raised—Oklahoma—that the cattle industry is in worse shape than any other industry in the entire country.

Mr. RANDOLPH. Replying to the observation, let me say I believe that in West Virginia the beef-cattle producers have been harder hit than any other group in the Nation.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Maine [Mr. UTTERBACK].

Mr. UTTERBACK. Mr. Speaker, the bill under consideration is of interest to me because it means another added burden to the people of New England. I find that already Maine has paid well over a million dollars in processing taxes, some $900,000 of it going to cotton.

In the meantime what has happened to our paper mills which manufacture paper bags and paper towels? A compensatory tax was placed on their products, so much so that one of our paper-bag mills was forced to close. This came about by reason of the extreme cost to this mill of doing business since the processing tax has been in effect.

What happened in the case of jute, the fiber used to make the burlap sacks in which potatoes are shipped? The cotton people have placed a compensatory tax on jute with the result that it costs about $20 more for each carload of potatoes shipped.

Now, all these bills are very fine for certain sections of the country, but they simply mean added expense to the people of New England and the northern section of the country generally.

I did not find unanimous support of this bill among all the witnesses who appeared before the committee. There seemed to be a divided opinion as to the benefits to be derived.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOPE. Mr. Speaker, I yield myself 5 minutes.

I have no objection to this bill; that is, I am in favor of its general purpose, but I do object to a bill as important as this being brought up under suspension of the rules with no opportunity for full discussion or for amendment. There are a number of Members of the House who desired to offer important amendments to this bill who are now denied the opportunity. Furthermore, the bill, in my opinion, is quite ambiguous in its language as to whether or not this fund is to be reimbursed through a processing tax or is to come out of the Treasury directly.

The bill already has a privileged status in the House. Therefore it can be called up at any time. It is my understanding that there are no important measures pending at this time, and as far as I know there is no reason why the bill could not have been brought up later this week when full time could be had for discussion. It is a bill of some considerable importance. Extensive hearings were held on it before the Committee on Agriculture, and it is worthy of more consideration than can possibly be given it during this brief 40-minute period.

I think there is some justification for taking cattle and dairy products from the general provisions of the Agricultural Adjustment Act as far as financing a reduction program is concerned. This is true because it is extremely doubtful whether any program by which processing taxes would be levied at this time would result in those taxes being passed on to the consumer. There is grave danger that in a large part they would be reflected back on the producer at least until such time as the reduction program would result in a shortage.

A reduction program in beef cattle or dairy products would, in my opinion, be very effective; that is, it can be made more permanent, perhaps, than a reduction program on any other agricultural commodity; but it would take some time to do so. If today you were to kill 3,000,000 head of beef and dairy cattle, as has been proposed, it probably would not result in any material decrease in the production of milk or beef which might go to market within the next year. It takes 3 years for a cow to reach maturity and reproduce. So we might run along for 2 or 3 years without any material reduction in the amount of beef which would go on the market; and by simply feeding a little more heavily it would be possible to keep up the same volume of dairy production, even if we disposed of many of the tubercular and other diseased and inferior cows. Therefore, it might be a year or two before the effects of taking 3,000,000 cows out of production would be felt. In the end, however, disposing of that many cows would result in cutting down the possibility of a surplus for several years. For that reason such a program would be permanently more effective than that for the reduction of hogs which multiply very rapidly or of annual crops like wheat and cotton, the acreage of which can be expanded very quickly if there is sufficient incentive to do so.

Therefore it would, no doubt, be wise to defer the levying of a processing tax on cattle until the effects of the reduction campaign had become so apparent that the tax would not have to be absorbed by the producer. For these reasons I think the program as a whole is sound and that it probably can be handled best by a processing tax, if the levying of that tax is delayed until the effects of the reduction program can be realized.

Now, getting back to the bill itself, the language of section 2 is quite ambiguous. It is hard to tell whether the fund of $200,000,000 will finally be raised by general taxation or by the levying of a processing tax. This is one thing that I think should be cleared up and one reason why the bill should be opened for amendment and debate instead of being rushed through in this precipitate fashion.

Now, in discussing the question as to whether this is to be an outright appropriation from the Treasury, or a fund which is later to be replaced by the proceeds of processing taxes, permit me to call attention to the fact that this is an amendment to section 12 (a) of the original Agricultural Adjustment Act and that the original section is one which

provides for an outright appropriation which does not necessarily have to be replaced by the proceeds of processing taxes.

Apparently one purpose in putting the amendment in this particular place was to tie it up with the $100,000,000 appropriation in section 12 (a). It is true that section 9 of the Adjustment Act provides that when the Secretary determines that benefit payments are to be made, a processing tax shall go into effect at the beginning of the next marketing year. This, however, is subject to certain exceptions and qualifications. The point, however, to which I call particular attention at this time is the language beginning in line 9 of this bill, reading as follows:

To enable the Secretary of Agriculture to finance under such terms and conditions as he may prescribe surplus reductions and production adjustments.

And so forth. I call attention in particular to the language "under such terms and conditions as he may prescribe." In my opinion this would give the Secretary authority to make benefit payments without any necessity of following the provisions of section 9, which require the levying of a processing tax. Certainly, at the best, it leaves the question as to whether a processing tax must be levied very much in doubt.

Now, it may be that taking the money directly from the Treasury is a preferable method of financing this reduction campaign; but if it is, Congress ought to pass upon the question directly, since it is a radical change from the policy outlined in the original act. In any event, it is a matter which should have more discussion than we can give it in these few minutes today. Had the bill been brought up under the general rules of the House so that amendments would have been in order, it was my intention to have offered an amendment to enable the House to decide definitely this matter of policy. Under the circumstances, however, that cannot be done.

Mr. JONES. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Being in the cattle business and representing a cattle district, I am a strong advocate for the passage of this bill which declares cattle a basic agricultural commodity and which also provides for cattle reduction. The cattle industry is in worse condition than any industry in this country. The industry is prostrate, and unless some relief is granted to the farmers west of the Mississippi River to take care of their cattle, there can be no real restoration of good times. Cattle are selling today cheaper than they have sold in the last 50 years; they are selling for one third less than they did last year. Unless they are grown on grass entirely, they are not worth the feed that they consume. Fifty years ago, when there was not such good breeds of cattle, cows were selling in the Western States for $10 per head. Today high-class, well-bred, and in many instances registered purebred cows are selling for $10 per head. Steers that 3 years ago were selling for $75 and $80 per head are today a drag on the market at $20 per head. When we talk of substantial relief for the farmer, outside of the basic products of wheat and cotton, cattle comes next in that when they are sold the farmer gets a substantial sum of money that he can use to liquidate his obligations.

There is today a surplus over ordinary times of 10,000,000 cattle. Farmers have been refusing to sell in the last few years because of the unreasonable low prices. The first thing contemplated by this bill is to reduce the number of cattle, which will automatically have a tendency to increase the price of those remaining.

In my opinion, no better procedure could be followed than that which I advocated before the Committee on Agriculture, which is covered in this bill. Canner and cutter cows, which will at this time of the year average from 700 to 800 pounds apiece, can readily be purchased at 2½ cents per pound delivered at the packing houses in such centers as St. Louis, Kansas City, and Chicago. This would yield a good price to the farmer. By the purchase of 3,000,000 of these cows at an expense of possibly $60,000,000 it would not only mean the reduction of that many cows but approximately the equivalent of that many calves which these cows would produce this coming spring. It is, therefore, imperative that this measure be expedited.

There would be no great loss in the expenditure of this money for the purchase of these cattle for the reason they could be butchered and used in the relief program for the unemployed. The hide and other parts of the carcass would take care of a substantial portion of the cost of processing and delivering to the needy. It may be possible that this procedure would necessarily need to be duplicated in the future, but there is a sufficient amount available, under the terms of this bill, to take off the market a substantial portion of the surplus, especially if it is applied as it should be, for the purchase of the stock.

It is an overproduction, as well as a poor market, that depreciates the price of cattle. With a knowledge of the surplus on every farm in the country, the packers, who dominate the price of cattle and hogs, naturally beat down month by month the price of beef cattle. With the elimination of much of the surplus, and fairer times, cattle cannot help but rise in value.

It appears to be the opinion of the committee and the cattlemen's association that, after the reduction of cattle, the processing tax should apply. Under the terms and provisions of this bill, the agricultural agencies of the Government not only have the right to reduce the number of cattle, for which $200,000,000 is made available, but to apply the processing tax.

It is absolutely imperative that this Congress bring some relief to the prostrate cattle industry. This bill is a step in the right direction, and I feel sure, with the active, thoughtful, and promised cooperation of the cattlemen of the country, acting in conjunction with the Secretary of Agriculture, that this bill will mark the turning point for the increase of cattle prices.

Should it fail, this problem must be dealt with later. The cattlemen are not only facing a crisis; they are facing bankruptcy, and we must actively cooperate and bring relief. It may take 2 or 3 years to get back to a normal cattle market. This Congress should and will meet the emergency.

Mr. HOPE. I yield 3 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, I certainly have no objection to the part of the bill that includes beef cattle as a basic agricultural commodity. It seems to me that all the witnesses that came before the Committee on Agriculture were unanimous in their wishes that beef cattle be included as a basic agricultural commodity. I feel that the need for a beef-cattle program is such that they should be included. I have no objection to the bill from that angle.

There is one objection, however, that I should like to mention at this time: I believe the amounts appropriated will not be adequate to give relief to both the beef and dairy industries. I do not believe it is a large enough appropriation. I realize, however, that it would be impossible to have a larger appropriation accepted by the House at this time.

May I call attention to the fact that recently at a meeting held at Wausau, Wis., the Wisconsin State Chamber of Commerce and the Wisconsin Council of Agriculture on January 20, 1930, adopted a joint resolution in which they outlined a program which they felt was essential in order to give relief to the dairy industry. This program is quite lengthy and detailed. I call attention to the fact that their recommendation in connection with that dairy program was that $250,000,000 be appropriated for the dairy industry alone.

This bill provides for only $200,000,000, to be divided between the dairy industry and the beef-cattle industry. If a program is to be launched, which, in the opinion of the dairy people of my section, is to be helpful to the dairy industry, it will require a much larger appropriation than the amount authorized in this bill for the dairy industry.

I call attention to the fact that this group, representing the chambers of commerce and the farm interests of my section, was able to agree upon such a program, and they say that this program for dairying alone would require

$250,000,000. They are explicit in their resolution that this amount of money be raised in some way other than by the issuance of a processing tax. I am glad the bill which is before you today is such that, in my opinion, it will not be necessary to invoke a processing tax in order to grant relief to the dairy industry or to the beef industry. Those two industries are in great need of this amount of money. They need it now. Although we are unable to get a larger amount, I believe this amount will be a tremendous benefit to the dairy and beef industry, and I ask for your favorable consideration.

In conclusion, I ask unanimous consent to include as a part of my remarks the dairy program agreed upon by the joint meeting of the Wisconsin State Chamber of Commerce and the Wisconsin Council on Agriculture, at Wausau, Wis., on January 20, of this year. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The matter referred to follows:

(Adopted and approved by the Wisconsin State Chamber of Commerce and the Wisconsin Council of Agriculture at a joint meeting held at Wausau, Wis., on Jan. 20, 1934)

(A) A VOLUNTARY CONTROL PLAN FOR DAIRY PRODUCTS ON A BUTTER-FAT BASIS

I. Features of a central plan that are essential to meet present situation.

(a) Program must make dairying relatively more profitable to established dairymen who cooperate in the program.

(b) Must bring about a positive check, if not an actual decrease, in the sales from farms.

(c) Must discourage, rather than encourage, farmers engaged in other types of farming from becoming dairymen.

(d) Must be voluntary on the part of participating farmers, and, if possible, permit farmer to use his discretion as to methods of accomplishing the required reduction.

II. Taxes to provide money for benefit payments.

(a) Levy a processing tax collected on a butter-fat basis on all milk and milk products sold from the farm.

(b) Levy a compensating tax on dairy substitutes.

(c) The above processing and compensating taxes to be sufficient to finance adequate benefit payments.

III. Benefit payments to be paid to cooperating farmers.

(a) Benefit payments must be limited to contracting producers who actually effect reduction in sales.

(b) The method shall be by placing limitations on sales rather than on production, number of cows, or number of acres, because it permits dairymen to curb sales by culling low producers, disposing of diseased cows, less intensive feeding, or any other method that they may choose peculiar to their own individual farming business.

IV. Allocation and control of sales.

(a) A base allotment would be established from marketing records of creameries, cheese factories, condensaries, and milk plants covering a period of 5 years. Adjustments of base allotments to compensate for abnormal production conditions.

(b) Producer-distributors must furnish satisfactory evidence of past production to obtain base allotment.

(c) All sales of milk or milk products will be measured in terms of pounds of butter fat.

(d) Control agencies would concern themselves with only those who applied for benefits and submit evidence of proper adjustment of sales.

(B) SUPPLEMENTARY MEASURES FOR BENEFIT OF DAIRY INDUSTRY

I. American dairy farmers must be given preference in the domestic market if they are to reduce sales.

(a) Prevent importations of dairy products, fats and oils.

(b) Provide adequate internal taxes on dairy substitutes.

II. Emphasize bovine disease eradication.

(a) Offer an incentive to farmers to eradicate bovine tuberculosis and Bang's disease through sufficient indemnity to be paid upon proof of slaughter.

(b) Sufficient funds for carrying out such eradication programs should be drawn from appropriation to Department of Agriculture, similar to procedure now followed in paying indemnities for tuberculosis eradication.

III. Special emergency relief.

(a) It is desirable that Congress appropriate a special fund of at least $250,000,000 for an emergency relief program that will fit into the general plan of production control so as to permit the dairy farmer to dispose of dairy animals as a means of reducing sales, such fund to be raised from other sources than a processing tax.

IV. Purchase and distribution of dairy products for relief.

(a) Purchase of dairy products to be distributed to persons on relief should be continued and, if possible, used as a market stabilization feature through the making of purchases on the open market rather than on bids.

(b) All dairy products should be included in the purchasing program whenever advisable.

V. Develop a merchandising plan for dairy products.

(a) Give consideration to a program of increasing consumption of dairy products through an educational advertising program designed to create a lasting health and appetite appeal with the consuming public for dairy products.

(b) Develop uniform and adequate Federal standards of butter-fat content of dairy products with a view to improving quality and increasing consumption.

(c) Conduct research for finding new and more extensive uses of dairy products.

(The Wisconsin State Chamber of Commerce has affiliated with it about 60 of the largest and most influential chambers of commerce and trade associations. The Wisconsin council of agriculture is composed of the oldest, broadly recognized and most experienced of the important farm organizations of Wisconsin. Other important farm organizations were independently represented. By agreement, the Wisconsin State Chamber of Commerce appointed a committee consisting of Messrs. K. S. Reynolds, H. S. Wells, and W. H. Gharrity. The Wisconsin council of agriculture appointed a committee consisting of Messrs. Herman Ihde, Charles Dineen, and C. G. Huppert. These two committees met jointly as a committee on planning in connection with the fifth annual meeting of the Wisconsin State Chamber of Commerce, held at Wausau, on January 24, 1934. After hearing a great number of representatives of both business and agriculture and perusing a great many written plans for the relief of the dairy industry, the committee made the above report, which was unanimously adopted by the joint gathering of business men and farmers.)

Mr. BOILEAU. I yield back the balance of my time.

Mr. JONES. Mr. Speaker, I yield to the gentleman from Texas [Mr. McFARLANE] such time as he may desire.

INCLUDE CATTLE AS A BASIC AGRICULTURAL COMMODITY

Mr. McFARLANE. Mr. Speaker, I am heartily in favor of this bill. I think it a most important measure, particularly for the industry affected. It was before Congress at the last session.

Cattle was made a basic commodity in the Agricultural Adjustment Act and was passed by the House as such and was stricken out by the Senate. Cattlemen at that time did not believe that cattle should be included in that bill. The cattlemen of the Nation now realize their mistake, and there is no doubt in my mind but what a large percent of the cattle raisers favor this measure. At the last meeting of the American National Livestock Association, held at Albuquerque, N.Mex., it was decided to leave this matter to the respective States, and out of 45 representing Texas in this matter, 40 voted to have cattle included as a basic commodity. I have received wires and letters from the cattlemen in my district, asking the approval of this measure. Cattle are selling lower today than a year ago and the industry is suffering more than it ever has in its history.

THE PROCESSING TAX

The argument is made that the processing tax will be passed back to the producer. That may or may not be true. It is argued by some that the processing tax has not helped the hog industry. Hogs are higher today than they were a year ago, and other economic factors bear heavy on this program.

Section 2 of this bill carries the following provision:

To enable the Secretary of Agriculture to finance, under such terms and conditions as he may prescribe, surplus reductions and production adjustments with respect to the dairy- and beef-cattle industries, and to make advance rental and/or benefit payments with respect thereto, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000.

This provision places the cattle industry on the same basis as other commodities under the Agricultural Adjustment Act.

THE CATTLEMAN—THE FORGOTTEN MAN

So far in the program the cattleman has been the forgotten man. The cattlemen are bankrupt. They need relief. They are not in a position to stand additional taxes. The appropriation provided for in this bill should be of material assistance in giving the industry a chance to get started should it be decided to invoke the processing tax as for other commodities. In any event, this measure should be speedily enacted so that this great industry can cooperate with the Department of Agriculture in working out

not only their own salvation but render assistance in the whole recovery program. [Applause.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Iowa [Mr. WEARIN] 2 minutes.

Mr. WEARIN. Mr. Speaker, I do not think there is very much question in regard to the status of the cattle business in America today. It is in a desperate condition. The producer and the man who is fattening beef are both vitally interested. It is only fitting and proper that we should consider the subject at this time.

I call attention to this very important fact: There is not only the angle of the dairy-cattle problem but also that of the beef-cattle situation. I view the latter as having two different phases composed of the man who is producing beef in the West and the man who is fattening beef in many parts of the country. I come from Iowa where the latter practice prevails. It is of the utmost importance that after the passage of this bill, and it will be passed I am sure, the Department of Agriculture give ample consideration to the men who are fattening beef cattle.

I have feeders in my district who have brought cattle into their yards within the last few months at a cost of as much as $6 and $6.10 per hundredweight, and they could not realize more than 4 cents a pound today. Those cattle are going to have to go to market at a terrific loss within the next few months unless something is done. I am particularly anxious to see that group taken care of under the provisions as outlined in this bill.

I feel it is only fitting and proper that we bring the cattlemen under the provisions of the A.A.A., for the reason that it will make a unified program. Any plan of agricultural relief that we undertake in America today should be united. We cannot have producers of one product going in one direction and the producers of another product going in another direction. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. ARENS].

Mr. ARENS. Mr. Speaker, we have before us today an amendment to the Agricultural Adjustment Act—A.A.A. It provides that beef cattle shall be added to the list of basic farm products and appropriates $200,000,000 to be used by the Department of Agriculture to deal with the problems of relief for the beef and dairy cattle industries. There is no objection to the adding of beef cattle to this list; in fact, the Secretary of Agriculture should be given authority to add any farm products to the list coming under the A.A.A. whenever an emergency exists.

An appropriation of $200,000,000 for one part of the farm industry is rather a large sum, but not too large, if considering the liberality of Congress for all other purposes, but I am wondering if the bottom of Uncle Sam's pocket will not soon be reached. To this sum will be added a large amount to be collected through a processing tax. It has been admitted by the Secretary of Agriculture, by packers, and by other witnesses before the Agricultural Committee that a large part, and in some instances the entire amount, is taken from the price paid to the farmer.

Mr. Wilson, a Chicago packer, being asked, said that the farmer was paying the processing tax and should not object to it because he would receive it back later on. The representatives of the beef industry unanimously opposed before the committee a processing tax, because at present the producers of beef could not afford it. The dairy industry has always opposed a processing tax and surely will oppose a tax as high as 5 cents per pound as proposed in this report of Mr. Wallace. If the processing tax is borne by the producer (farmer), then why a processing tax?

In Minnesota the processor is the cooperative creamery, and if the creamery is asked to pay the processing tax to the Government it in turn will have to deduct the amount from the price paid to the farmer for butter fat.

The processing tax for flour must be taken from the producer as well as the consumer according to the attached price quotations from the Jordan Independent, Jordan, Minn.:

	Aug. 6, 1908	Aug. 5, 1909	Feb. 1, 1934
Wheat	$1.10	$1.16	$0.79
Winter wheat	1.07	1.14	.78
Rye	.65	.60	.54
Corn	.60	.60	.39
Oats	.45		.27
Barley	.50	.40	.40
Butter	.18	.20	.25
Cream		.26	.23
Eggs	.16	.19	.17
Live hogs	6.00	6.80	3.35
Cattle	3.50	3.50	
Veal	.04½	.04	.04½
Live chickens	.07	.08	.06
Spring chickens	.13	.13	.08
Ducks	.07	.06	.07
Geese	.07	.06	.07
Turkeys	.12	.10	.15
Potatoes	.60	.50	1.25
Flour	3.00	3.35	4.10
Bran	23.00	24.00	18.00
Shorts	23.00	25.00	18.00
Flour middlings	26.00	27.00	27.00

To take away from the farmer a large amount of money through the processing tax and use from this amount a substantial part for the operation of the large organization necessary to enforce this act and then pay the farmer back what there is left, is not solving the farmers' problems. The $200,000,000 appropriated shall be paid back by the farmer later on, as stated by Secretary Wallace to the Agricultural Committee on January 29, 1934, through the processing tax.

I agree with Mr. Wallace in his contention regarding the dairy industry, that he cannot fix the price of milk in a given area and not consider the price of butterfat as a whole. He cannot elevate the price of any farm product or the price of any part of any product with permanent success. He must help agriculture as a whole. He also must either take care of the surplus or control production. The processing tax and voluntary allotment does neither.

Under the voluntary allotment plan in Minnesota 60 percent of the total acreage sowed to wheat was signed, in Ohio only 30 percent. The total average did not exceed 50 percent. If the 50 percent that did not sign up increase their acreage, and there is plenty of evidence that they did, we will again be confronted with the usual 200,000,000 bushels surplus, unless the good Lord steps in and reduces the average yield.

In the voluntary hog-reduction program the farmers answered freely in supplying the 5,000,000 pigs for butchering, but when it came to deliver 1,000,000 piggy sows only 110,000 were delivered. The farmer was very careful to have plenty of pigs for next fall.

The Secretary of Agriculture, in order to get results for the farmer, if he insists on the processing tax, should fix a minimum price to be paid the farmer for his products when the processing tax goes into effect. Then the tax cannot be passed on to the farmer.

The allotment plan must be made compulsory. As long as all the products are taxed, all farmers should be compelled to come under the reduction program. Of course, this would be called a dictatorship and objectionable to the farmer, but we are doing many things in the name of emergency. This plan would be effective but I would suggest another plan, and to illustrate it will take the dairy industry as an example.

There is not a large surplus of dairy products at present and there will be no surplus as soon as the purchasing power of the public is restored. And any one of these compulsory plans should have to be enforced for 1 year only.

The present surplus of dairy products is not over 15 percent. The average price received by the northwest farmer for butter fat in 1933 was about 20 cents per pound.

The Secretary of Agriculture should issue a ruling that the purchaser of butter fat should pay the deliverer of butter fat for 85 percent of the amount delivered, a price to be fixed by the Secretary of Agriculture. This price should not be any higher than the consuming public is willing to pay in order not to create a new surplus. The price should be raised whenever general conditions warrant and when the purchasing power of the public is increased. The final price

should be the cost of production. If the price of butter fat to begin with would be set at only 23 cents per pound, the farmer would receive immediate payment for 85 percent of his production and this amount would be equal to his total receipts in 1933. The general public, I believe, is willing to pay up to 30 cents per pound now and not reduce consumption and this would enable good creameries to pay 25 cents per pound.

The 15 percent of the total amount of butter fat for which the farmer does not get paid at once constitutes the surplus, and should be taken over by the Government and if possible disposed of or held for time of shortage. The Government should dispose of it first to the relief organizations, and, secondly, should be sold abroad if possible. The receipts should be used for operation of this program and the balance, if any, be returned to the farmer.

Under this program the farmer would be reminded of the seriousness of a surplus every time he markets his products and would reduce voluntarily. This program would be easy to put into effect and not expensive to the public. It is the principle of the McNary-Haugen bill. If it was tried for 1 year and some other proposed remedies applied, it would solve the dairy program. In wheat, cotton, pork, and beef it would probably have to be extended over 1 year.

All the above measures are considered emergency help. To bring agriculture permanently back on its feet it is necessary to provide at once other remedies, some of which we mention in the following:

We must create more markets and proper distribution for our farm products. It is my contention that there is not an overproduction of farm products in the world. With the exception of cotton, pork, and wheat there is no overproduction in the United States. The Government should continue and complete its program to help farmers market their products through their own organizations. It should prevent the necessity of farm products having to pass through the bottleneck of the boards of trade and chambers of commerce, through hands of unnecessary middlemen that have added to the cost of the product by taking their profit without having added one single iota to the value of the product or having performed a necessary service.

The Government should see to it that the largest part of the consumer's dollar is returned to the producer.

The Government should see to it that proper trade relations are established with other nations so that our surplus farm products can be traded off to them.

We have been told that there is no foreign market left for our products. The German Ambassador told me the following:

> Germany is living almost altogether today on what she produces. She still has a good deal of unemployed and does not eat and use any more than she can produce or buy.

Providing all her people were working and if her entire population could obtain all they desired, she could consume one third more than at present. She cannot buy for cash because she has no cash.

Germany produces a good many articles that we can use that are absolutely excluded by our high tariff. Germany and, in fact, all European countries would like to carry on an international trade with the United States, but are forced to abstain because of our high tariff.

Germany today for every dollar's worth we buy of her buys $1.80 worth of us. Statistics from the Bureau of Foreign and Domestic Commerce show that she bought extensively of us in 1923 under a reasonable tariff as compared to today. (See tables.)

Exports to Germany

	1923	1932
Corn	$4,680,653	$113,136
Rye	10,868,482	153,546
Wheat	2,781,100	981,855
Wheat flour	6,288,135	164,219
Bacon	11,132,555	33,374
Lard	46,352,868	9,425,446
Oleo oil	1,481,637	776,649
Fresh beef	1,000,002	844,000
Total	84,585,432	12,492,224

The Ambassador also stated that the operators of textile mills in Germany, Belgium, and Holland are buying most of their raw cotton from India on account of the difference of the monetary system. Silver is the money used by India as well as the money of China. And in order to gain the markets of India, China, and the South American Republics, remonitization of silver is necessary.

Labor unions and manufacturers will probably object to a policy of encouraging imports. By Congress readjusting tariffs or granting a commission, or the President, the power to adjust tariffs or trade agreements, would enable us to trade with all nations to the fullest extent.

Reestablishment and the developing of new markets coupled with a permanent policy of crop control would bring about a demand for all our commodities at good prices.

Permanent crop reduction should be brought about by the elimination of tubercular cows, hogs, and poultry, also by withdrawing small tracts of unusable and submarginal lands from cultivation. The Government should encourage the planting of wood lots. Federal and State Governments should at least help furnish trees and reduce the taxes on land planted to trees until some returns could be derived therefrom, and, by all means, stop the building of dams and ditches to create new land.

These measures enacted, I believe would solve the farm question and would avoid new bureaus and dictators.

The farmer would be free to develop his home and could launch a program of home improvement which would create a tremendous market for manufactured goods. This plan if placed into effect immediately would aid labor and industry to such an extent that they would soon forget the competition of foreign labor.

Agriculture would be better served if farmers could produce unrestrained by Government supervision and not encouraged by Government subsidies. Equality in tariff by lowering of the enormous high tariff on manufactured goods and an equal tariff on the competing agricultural goods especially oils and fats. Immediate freedom of the Philippines, so imports of oils and sugar from them could be regulated, and an elastic tariff that can be adjusted immediately to enable us to trade with other nations. I would prefer to try along this line rather than to resort to dictatorial methods of reduced production and a continuous dipping into the Public Treasury.

HOUSE JOINT RESOLUTION 118

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein my own remarks on House Joint Resolution 118.

The SPEAKER. Is there objection to the request of the Commissioner from the Philippines?

There was no objection.

Mr. OSIAS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

House Joint Resolution 118, to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes

Whereas there are large numbers of natives from the Philippine Islands residing in continental United States who have fallen into financial distress, are not employed, have been and are beneficiaries of public and private charity; and

Whereas the removal of these Filipino wards of public and private charitable organizations and these unemployed Filipinos would relieve the local burden now borne by the cities and communities in which they live; and

Whereas there is a growing and wide-spread desire among these unemployed and financially distressed Filipinos to return to the Philippine Islands if a way could be provided for their passage, transportation, and maintenance en route from continental United States: Therefore be it

Resolved, etc., That any native of the Philippine Islands residing in continental United States, or the Territories of the United States, on the date this resolution is enacted, without regard to the date of his last entry into continental United States, or the Territories of the United States, who has fallen into financial distress and is not employed, and who desires to return to the Philippine Islands, may voluntarily apply to the Secretary of Labor through any officer of the Immigration Service for removal from the United States or Territories at Government expense in the manner provided by section 23 of the Immigration Act of February 5, 1917, as amended. After an investigation of the facts and

approval by him of the application, the Secretary of Labor shall certify to the Secretary of the Navy and to the Secretary of War and commercial steamship companies controlled by citizens of the United States and operating ships of United States registry as hereinafter provided all names of Filipinos eligible to be returned to the Philippine Islands under the terms of this resolution.

SEC. 2. Every such native of the Philippine Islands who is named in a certificate from the Secretary of Labor, to either the Secretary of the Navy or the Secretary of War, or commercial steamship companies controlled by citizens of the United States and operating ships of United States registry as hereinafter provided, shall be entitled to passage and maintenance on either Navy transports or Army transports, whenever space is available, or any ship of United States registry operated by any commercial steamship company controlled by citizens of the United States that has a contract with the Secretary of Labor as hereinafter provided, for continuous journey from a port on the west coast of continental United States, or from a port in any Territory of the United States, to the port of Manila, P.I.

SEC. 3. Concurrent authority is granted the Secretary of the Navy and the Secretary of War to use their discretion regarding distribution and sailing dates for transports available for natives of the Philippine Islands eligible to the benefits of this resolution. The Secretary of Labor is hereby directed to contract with any commercial steamship company controlled by citizens of the United States operating ships under United States registry that will agree to passage and maintenance to Manila, P.I., at rate as low as, or lower than, the rate charged under this resolution for passage and maintenance on Army transports and with other facilities in the United States for any transportation authorized by this resolution other than that furnished by the Army or Navy transports.

SEC. 4. Authority is hereby granted to appropriate, from moneys in the Treasury not otherwise appropriated, necessary amounts to carry out the provisions of this resolution and to pay the actual expense incurred in the transportation from their present residence in continental United States or in the Territories of the United States to the port of Manila, P.I., and maintenance en route, of every native of the Philippine Islands entitled to the benefits of this resolution.

SEC. 5. Authority is granted to the Legislature of the Philippine Islands to initiate necessary procedure to appropriate from the treasury of the Philippine Islands sufficient funds to reimburse the Government of the United States such amounts as may be expended from the United States Treasury for the purpose of carrying out the provisions of this resolution.

SEC. 6. Appropriations to carry out the provisions of this resolution shall be administered by the Secretary of Labor. A special fund shall be set aside for this purpose, and all expenses, including those incurred by the Navy Department and the War Department, shall be charged thereto.

SEC. 7. No application for the benefits of this resolution shall be accepted by any office of the Immigration Service after December 1, 1933; and all benefits under this resolution shall finally terminate on December 31, 1933, unless an application is approved and journey has been started before that date; in that case the journey to Manila shall be completed.

SEC. 8. Nothing in this resolution shall be construed as authority to deport any native of the Philippine Islands, and no native of the Philippine Islands removed from continental United States or from the Territories of the United States under the provisions of this resolution shall hereafter be held to have been deported from the United States.

SEC. 9. In all cases preference shall be given, when arranging for passage and maintenance of Filipinos entitled to the benefits of this resolution between continental United States or the Territories of the United States and Manila, P.I., to steamships under United States registry operated by such commercial steamship company or companies as the Secretary of Labor is able to enter into contracts with for a rate for such passage and maintenance which is as low as, or lower than, the rate offered for such passage and maintenance aboard Army transports: *Provided*, That no commercial steamship company transporting Filipinos to Manila, P.I., under the provisions of this resolution shall be required to pay Federal tax upon the passage and maintenance charged for such transportation.

Amend the title so as to read: "Joint resolution to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States or the Territories thereof, to authorize appropriations to accomplish that result, and for other purposes."

House Joint Resolution 549

Joint resolution to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes

Whereas there are large numbers of natives from the Philippine Islands residing in continental United States who have fallen into financial distress, are not employed, have been and are beneficiaries of public and private charity; and

Whereas the removal of these Filipino wards of public and private charitable organizations and these unemployed Filipinos would relieve the local burden now borne by the cities and communities in which they live; and

Whereas there is a growing and wide-spread desire among these unemployed and financially distressed Filipinos to return to the Philippine Islands if a way could be provided for their passage, transportation, and maintenance en route from continental United States: Therefore be it

Resolved, etc., That any native of the Philippine Islands residing in the continental United States on the date this resolution is enacted, who has fallen into financial distress and is not employed, and who desires to return to the Philippine Islands, may, without regard to the date of last entry into continental United States, voluntarily apply to the Secretary of Labor, through any office of the Immigration Service for removal from the United States at Government expense pursuant to the provisions of section 23 of the Immigration Act of February 5, 1917, as amended. After an investigation of the facts and approval by him of the application, the Secretary of Labor shall certify to the Secretary of the Navy and to the Secretary of War all names of Filipinos eligible to be returned to the Philippine Islands under the terms of this resolution.

SEC. 2. Every native of the Philippine Islands who is named in a certificate from the Secretary of Labor, to either Secretary of the Navy or the Secretary of War, shall be entitled to passage and maintenance on either Navy transports or Army transports, whenever space is available, for continuous journey from a port on the west coast of continental United States to the port of Manila, P.I.

SEC. 3. Concurrently authority is granted to the Secretary of the Navy and the Secretary of War to use their discretion regarding distribution and sailing dates for transports available for natives of the Philippine Islands eligible to the benefits of this resolution.

SEC. 4. Authority is hereby granted to appropriate, from moneys in the Treasury not otherwise appropriated, necessary amounts to carry out the purposes of this resolution and to pay the actual expense to the United States for the transportation from their present residence in continental United States to the port of Manila, P.I., and maintenance en route, of every native of the Philippine Islands found eligible to the benefits of this resolution.

SEC. 5. Authority is granted to the Legislature of the Philippine Islands to initiate necessary procedure to appropriate from the treasury of the Philippine Islands sufficient funds to reimburse the Government of the United States such amounts as may be expended from the United States Treasury for the purpose of carrying out the provisions of this resolution.

SEC. 6. Appropriations to carry out the provisions of this resolution shall be administered by the Secretary of Labor, and all disbursements shall be from a special fund set aside for this purpose.

SEC. 7. No application for the benefits of this resolution shall be accepted by any office of the Immigration Service after December 1, 1934; and all benefits under this resolution shall finally terminate on December 31, 1934, unless an application is approved and journey has been started before that date; in that case the journey to Manila shall be completed.

SEC. 8. Nothing in this resolution shall be construed as authority to deport any native of the Philippine Islands, and no native of the Philippine Islands removed from continental United States under the provisions of this resolution shall hereafter be held to have been deported from the United States.

SEC. 9. The Secretary of Labor is authorized to use the general immigration fund now available, in his discretion, for the purpose of carrying out the provisions of this resolution until such time as Congress shall appropriate a separate fund for this purpose.

SEC. 10. This act shall take effect upon its acceptance by concurrent resolution of the Philippine Legislature.

STATEMENT OF HON. CAMILO OSIAS, RESIDENT COMMISSIONER FROM THE PHILIPPINE ISLANDS

Mr. OSIAS. Mr. Chairman and gentlemen, I am in favor of the object and purpose of House Joint Resolution 549, and wish to express my appreciation for the spirit that is behind the presentation of this measure. It is calculated to relieve suffering here and to benefit countrymen of mine in the United States who are unemployed and in distress.

I should like to state for the record, and for the information of my own people, that in the 4 years I have served in Congress, during which I have at different times appeared before this Committee on Immigration and Naturalization, the decision has invariably, without exception, been fair and just to our interests. The passage of this resolution, perhaps with certain amendments, would be a happy sequence to that record established by this committee. Let it be made clear that the return of Filipinos to the islands according to the measure would be voluntary, not compulsory.

Mr. Chairman, before the American occupation of the Philippines there were practically no Filipinos in the United States. By 1920 there were about 5,600. When I testified before congressional committees in 1931 I made a very careful check of all the available data and under oath said that there were in the neighborhood of 55,000 in the United States. The estimate of the Secretary of Labor this morning was about 51,000 in the whole country, although the estimate of the assistant to the Secretary of Labor who testified was that there were 60,000 in Los Angeles County alone. I am inclined to think that the latter figure is too high, but I do not want to engage in a dispute. I have, however, Mr. Chairman, made a study of this, as it is my duty to do, and I wish to give estimates from the most exhaustive work published dealing with Filipino immigration, by Mr. Bruno Lasker. On page 349 I find this statement:

We thus arrive at the following estimate of the total number of Filipinos on the mainland of the United States:

Resident Filipinos enumerated in 1920, 5,603.

Excess of arrivals over departures of steerage passengers from and to the Philippines and Hawaii, 1920–29, 48,480.

Excess of arrivals over departures from and to other ports, 1920–29, 2,000.

Total, 56,083.

I naturally must respect the official estimates of governmental agencies in the United States Government, and according to the last census there were in the neighborhood of 45,000. According to the report of the Secretary of War, the next to the last one published, there were 45,000. I should say that now, if those figures are accurate, the number ought to be less, because there have been more returning to the Philippines and less coming in, owing to the knowledge that a wide-spread depression exists in the continental United States.

Furthermore, there are in the neighborhood of 65,000 Filipinos in Hawaii, and I am quite certain that the number in the continental United States must be considerably less.

I should like to leave with the committee a little picture, if I may, Mr. Chairman. In the early part of the American occupation, in the beginning, the number of Filipinos here was practically negligible. Then came the American occupation and its direct and indirect influence upon us. We were schooled under American teachers; we had American officials; we used American books that depicted the glories of America as the wonderful land of opportunity. Then our government, in cooperation with the American administrators who were interested in fostering better relations between the two countries and to hasten our preparation for self-government, adopted the policy of sending Filipino students to the United States at the expense of the Filipino people and the Philippine government.

The first group of students came in 1903. They were welcomed with open arms in California. Many of them stayed in the schools and colleges there, and, of course, because of their just and fair treatment, they wrote glowing letters to the Philippine Islands praising the spirit of America and the hospitality of the American people.

The coming of Filipino students continued for several years, and I myself belong to the group that came to the United States in 1905. Many of those students have since returned. Some of them have achieved a little measure of success.

Naturally, the influence of all these has contributed toward inviting or toward influencing young Filipinos to come here in search of new culture and to familiarize themselves with America and things American.

Not only that, Mr. Chairman, but the steamship companies in fostering their own business waged a nation-wide campaign in the Philippines to encourage Filipinos to come to America, and, statements to the contrary notwithstanding, there were commercial interests that labored to induce Filipinos to come here and be employed at low wages. These account for the influx of Filipinos here.

A little change in sentiment came about in the United States of late with respect to the attitude toward Filipinos. That gained publicity in the islands, and our people have not been encouraged to come here as they once were. You can see, therefore, Mr. Chairman, the forces that have operated to bring in a number of Filipinos to this country.

When they settled in large numbers in different localities, especially on the Pacific coast, a new problem was created, economic and social, now accentuated by the world-wide depression, and, for the information of my people as well may I say for the record, that they may later read it, the estimates of the number of Americans unemployed have, from the accounts that I have read, varied from 10 to 13 million.

Now, once the Philippine people learn of the passage of this resolution they will avail themselves of its provisions. I want to say that the Commissioners here, Mr. GUEVARA and myself, will cooperate in the enactment of the resolution and in carrying it out into practice.

I should like to make a minor suggestion that in section 7, lines 5 and 6, you strike out "1933" and in lieu thereof put "1934."

I have reasons for making the suggestion, Mr. Chairman. Listening to the representatives of this Government here today I find that even if we would expedite the working out of this legislation it would take some little time to transport Filipinos from the United States to Manila; and I think if we put this amendment in, we will be in a better position to carry out the purpose of the law.

Mr. JENKINS. What would the gentleman think of this kind of amendment: *Provided*, That the law should operate for 1 year after the date it went into effect?

Mr. OSIAS. I think the remarks of the gentleman tend toward the same end, and I would abide by his judgment, knowing his better knowledge of the wording of legislation.

Mr. JENKINS. In other words, you think a year would be sufficient, do you not, to meet the emergency?

Mr. OSIAS. Mr. Chairman, I have watched the processes of enacting legislation in both Houses of the Congress of the United States [laughter], and I think that more could be accomplished if you make it 1934 instead of 1933.

I should like to invite the attention of the committee, also, to section 5. If it is contemplated that the government of the Philippines shall reimburse the amount of expense that is incurred in whole or in part, it would be necessary to add a new section, say, section 10, reading somewhat as follows:

"This act shall take effect upon its acceptance by a concurrent resolution of the Philippine Legislature."

The two reasons for the suggestions are: First, that under our laws the auditor cannot authorize the expenditure of a single cent from Government funds unless expressly authorized by law.

Secondly, there is a principle involved. If some amount of money is to be expended by the Philippine government, it is but fair that the Philippine Legislature concur in it, or we would be establishing a very bad precedent. However, if that is not contemplated in the law, then I should say the section suggested would not be necessary.

The CHAIRMAN. We felt that if the Philippine people feel themselves morally obligated in some way to the United States, this would give them the right to present that to their legislature, but that of itself does not stop the procedure, you understand. The American Government will proceed along the lines as outlined by the resolution, to give every unemployed Filipino who makes application an opportunity to depart. At the same time this section 5 simply provides that if the Philippine government is willing to reimburse the United States, we will not have any objection to taking it.

Mr. OSIAS. With that understanding I simply throw out the suggestion and abide by the combined wisdom of the members of this committee.

The CHAIRMAN. We appreciate the thought and take it into consideration.

Mr. OSIAS. In closing, Mr. Chairman, may I just leave this as a last picture? The object of returning Filipinos to the Philippine Islands, especially in the midst of these hard times, is a most laudable one, and I can say to you that the Filipinos in our homeland would certainly be better off than they are in the United States. The rigors of the climate and our social customs argue in support of my statement.

I should like to quote in closing one short paragraph from this book that I hold in my hand. Speaking of the problems of destitution that obtain in the United States, after analyzing the habits of the Filipinos and their custom of taking care of themselves and their close relatives and friends, the author makes this statement:

"In short, frequent statements to the contrary notwithstanding, it may be said with certainty that under present circumstances, that is, with the given aids and sex composition of the group, the Filipinos in America do not tend to become a public charge and do not throw a heavy burden upon organized charity."

That was more true, of course, before these unusual and extraordinary times came upon the world.

The CHAIRMAN. I think each individual member of the committee will agree with me that we do not want to go into that question, but we do feel that there is an unusual condition existing at this time and that the Filipinos seem to have more difficulty than any other group in the situation in which they find themselves; and in view of the fact that the Filipinos want to get their independence and everything else that goes with it, we thought it would be an act of kindness to alleviate their condition by giving them an opportunity to go back to their homeland and at the same time they are removed from the need of charity and the dangers that go with their present situation.

Mr. OSIAS. The chairman's remarks oblige me to reiterate my appreciation. Of course, we are very happy that the prime purpose of having Filipino Resident Commissioners here was to have them work for an independence act, and that having been accomplished I think it is well that we should follow it with a piece of legislation like this, which I trust may be the precursor of a series of acts that will enhance the friendship between the United States and the Philippine Islands.

The CHAIRMAN. Thank you very much, Commissioner. We will now hear Commissioner GUEVARA.

JANUARY 5, 1934.

Hon. SAMUEL DICKSTEIN,
House of Representatives, Washington, D.C.

MY DEAR MR. DICKSTEIN: I was in the Philippine Islands for several months while the Congress was not in session, and I found the sentiment favorable to your bill for the voluntary repatriation of Filipinos in the United States who are unemployed and in distress. On my return I stopped at Honolulu and conferred with representative elements of the Filipinos in Hawaii to get their reaction on the measure you presented, and they unanimously favored the enactment of your bill for the relief of unemployed Filipinos in the continental United States and in Hawaii. You and your Committee on Immigration and Naturalization know my views as I spoke in favor of your bill when you conducted hearings on it.

The purpose of my writing you is to transmit views I gathered among my countrymen in the Philippines and in Hawaii, and to urge that the Dickstein bill in question be pushed to final passage because I am convinced that its enactment would be beneficial to labor and the laborers, both in the United States and in the Philippines.

Very sincerely yours,

CAMILO OSIAS.

CATTLE AS A BASIC AGRICULTURAL COMMODITY

Mr. JONES. Mr. Speaker, I yield to the gentleman from Texas [Mr. THOMASON] such time as he may desire.

Mr. THOMASON. Mr. Speaker, there are as many, and, perhaps, more, cattle grown in my district than in any other one district in the United States. Ninety-nine percent, I am sure, of the cattlemen in my section are broke if their debts

were paid. These men think as I do—that this is the only way they can get relief.

There is no industry in the United States that has been hit as hard as the cattle-producing industry of the country, and every other business that I know has shown some improvement, perhaps with Government help, during the last year.

This bill, you will recall, passed the House at the last session and cattle were eliminated by another body. There is all the more reason now for its passage, and I sincerely hope and believe that the measure will receive the vote of an overwhelming majority of the Members of this House. I am strongly in favor of this bill. I wish time were allotted in order that we may go into some of the details, but that is not necessary. Everybody seems to realize there must be prompt and effective action. [Applause.]

Mr. HOPE. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Mrs. KAHN].

Mrs. KAHN. Mr. Speaker, with me it is not a question of the merits or the demerits of this bill, but I have sat here appalled at the fact that practically without discussion, with no opportunity to amend, with the proponents of some of these bills acknowledging they have no idea how they are going to work out, in 3 hours we have appropriated $1,185,000,000—in 3 hours, mind you—above and beyond the proposed Budget of the President as submitted to us less than 30 days ago.

It seems to me it is just about time that we stopped, thought, and considered. [Applause.]

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, let me add in the short time allotted to me a few words in support of what the lady from California has just said.

It seems to me we are listening to a very strange philosophy of government when it is enough to have someone get up here and say that a particular industry needs the money; that a large percentage of the people in that industry need the money; and without more consideration or justification we ask the Federal Government to appropriate $200,000,000 for that industry.

I have no doubt but that many other activities are in the same condition, whether they are agricultural activities or manufacturing activities, and if it were merely enough of a showing that the people in a particular line of business are to a great extent bankrupt—if that is enough to get the money, then there certainly would never be an end to Federal expenditure.

I say very solemnly that the time is coming, the time is really here now, when we must hesitate before we go into the expenditure of hundreds of millions of dollars without any thought of where the money is coming from.

Mr. Speaker, it is our children and our children's children who are going to be paying the bill for the expenditures we are making today. Make no doubt about that. This money has to be paid for in some way. We are spending it day after day with a liberal hand, but we do not know where it is coming from when the time comes to pay it. [Applause.]

Mr. JONES. Mr. Speaker, I yield the remainder of my time to my colleague [Mr. KLEBERG].

Mr. KLEBERG. Mr. Speaker, in deference to my good friend, Mrs. KAHN, from California, and the gentleman from Ohio, Mr. HOLLISTER, particularly, I call attention to this book of hearings which were had before the Committee on Agriculture on the amendment now before us from January 4 and concluded on January 26. As a matter of fact, this should show that there has not been any desire on the part of the committee to rush anything through here except insofar as it pertains to meeting the emergency in this way.

When you consider this amendment and the facts involved, you will find, in reviewing the condition of the beef-cattle industry and the dairy-cattle industry, that there is no group in more dire distress than these two industries embrace.

Mr. HOLLISTER. Will the gentleman yield?

Mr. KLEBERG. Yes.

Mr. HOLLISTER. What does the gentleman say about the manufacturing industries of the country, where there is practically nothing left but bankruptcy?

Mr. KLEBERG. To what industry does the gentleman refer?

Mr. HOLLISTER. Well, the machine-tool industry, for instance; would the gentleman be in favor of appropriating $100,000,000 to that industry?

Mr. KLEBERG. I do not know about that. What the Committee on Agriculture has tried to do is to bring about a condition of affairs where the tools the gentleman refers to will again be employed and those who wield the tools at least will be paid for their labor.

As a matter of fact, in the history of this country there has never been a condition where the basic industry has been confronted by such a situation as it is today—where all other industry in industrial lines of endeavor find themselves in the deepest depression and despair.

The purpose we have in offering this amendment under suspension of the rules is to enable us to take the most immediate step possible to formulate a program under this amendment to relieve these great industries referred to.

I should like to call attention to the fact that the four basic crops—cotton, corn, wheat, and tobacco—utilized 191,000,000 acres. By comparison with these four crops the cattle and dairy industries, represented in this bill, utilized 1,300,000,000 acres.

The SPEAKER. The question is on the motion of the gentleman from Texas to suspend the rules and pass the bill.

The question was taken, and, two thirds having voted in favor thereof, the rules were suspended and the bill was passed.

Mr. CARPENTER of Nebraska. Mr. Speaker, ladies and gentlemen of the House, I rise in behalf of the now pending bill which will authorize an appropriation of $200,000,000 direct from the Treasury of the United States for the immediate and necessary relief of the cattle industry, both for dairy- and beef-cattle producers.

It is my information and understanding that if cattle are made a basic commodity, which is a provision of this bill, that the money to be spent as the above appropriation will not be raised from a processing tax at the present time. The money is to be a direct grant from the Treasury and is to be paid back at some time in the future when and if the price of cattle reaches a point where the cattle raisers will receive the cost of production plus a reasonable profit.

I would not support this bill if I did not have definite assurance that this would be done. It is my understanding that the Government will proceed to purchase and kill canner cattle and cows at an approximate price of not less than $17.50, with a fair prospect of paying as much as $20 a head. It will also be the intention to pay to the producers in the form of a bounty for the spading of heifer calves.

This measure was formulated and sent to Congress after an extensive study and exhaustive hearings, during which time practically every representative of the cattle industry was allowed to present his views. It is a foregone conclusion that a great many people will disagree with what is being done and undertaken in the bill; but it is also a matter of fact that the cattle industry, under the present prices and demoralized conditions, cannot survive except for a very limited period of time. Everyone concerned, while they may not agree upon the details of the legislation, must agree and are unanimous in the opinion that the Government must take some step to improve present conditions in the cattle industry.

If this legislation does not produce the desired results, the bill gives wide and discretionary powers to the President and the Secretary of Agriculture which will enable them, after a fair trial has been had, to change the course of efforts. The measure is at least a start in the right direction. I believe that after a reasonable trial it will produce

at least a portion of the desired benefits which we, who represent the cattle industry, are striving to obtain.

I am greatly disappointed that the amendment which I proposed to introduce to the measure, making sugar beets a basic commodity also, was adjudged not germane to the legislation we are now considering by the rules of the House.

It was my intention to offer an amendment to appropriate a sum of $25,000,000 from the Federal Treasury, immediately, in order to enable the Department of Agriculture to pay a bonus of $1.50 per ton on all sugar beets and cane grown and delivered to the processors during the year 1933.

I believe I am familiar with the conditions prevailing at the present time among the sugar-beet-raising farmers. They have been forced, by unfair and unreasonable contracts, to grow and produce sugar beets at a price which is far below the cost of production until they now find themselves, after years of hard and honest work, practically without funds to continue further activities. They have been unable to cope and contract, with any degree of success, with the sugar processors of their respective territories. They have been the victims of unfair, dishonest, and unreasonable contracts which enabled the sugar manufacturers to pay a multitude of cash and stock dividends to the detriment and impoverishment of the beet growers themselves.

The amendment which I intended to propose would guarantee on all further contracts under the prevailing cost of production at the present time that the beet farmers receive not less than $6.50 per ton for their beets, and would also make it mandatory for the Secretary of Agriculture to act as an arbiter to see that all further contracts relating to prices, tares, and sugar contents are fair and reasonable and that if in the future the cost of production should rise above this figure, the farmers' price would rise in proportion. This would protect the domestic sugar growers in the matter of quotas and would enable him to expand the present production to 2,000,000 tons per annum.

I am quite hopeful in regard to such legislation as it is my understanding that in the very near future the administration intends to offer at least a part of the ideas embodied above for the consideration of Congress. While this legislation does not meet with my entire approval, it is at least a step in the right direction and from all indications will eventually bring benefits to both the cattle and sugar-beet industries.

Mr. WEARIN. Mr. Speaker, the fact that the American cattle industry is in a very serious condition is scarcely debatable. It is a matter of common knowledge that both the dairy-cattle and the beef-cattle men have suffered terrifically during the last few years. The United States Government has even made extensive loans in the western sections of the country in an effort to save the business from a complete collapse. Prices have continued to drop. The foreclosure of obligations long past due has left the rancher in a pitiful condition, while the price of finished beef has been such that the feeder could not pay his notes.

The Omaha Daily Journal Stockman said in the issue of January 1, 1934, that—

> For the fifth consecutive year cattle prices averaged lower during 1933 than they had been in the preceding 12 months. Closing declines were not great, less than a dollar in most instances, but they carried values on the various classes to the lowest levels in between 30 and 40 years.

There are at least two dominant causes of this situation. In the first place, the demand for meat products has been extremely narrow, due to the panic that has swept the land during the last few years.

Furthermore, in the face of a widespread economic collapse that has occasioned the decreasing demand, our productive capacity in terms of numbers of animals is on the increase, which only serves to occasion further complications. Beef-cattle numbers began to increase in 1928. Milk cows have also been increasing since about 1927. Moreover, the increase has extended up into the North Atlantic States, where the number had previously been on the decline for many years.

It is perfectly evident from this sketchy picture that it is only fitting and proper for the Congress of the United States to consider the plight of the cattlemen. The method to be followed in relieving the situation is one that has been very difficult to determine. This much we know to be a fact.

We have an established policy of agricultural relief that should be given a trial. The administration during the extra session of Congress adopted what is known as the "Agricultural Adjustment Act." If we are to grant the fact that the situation of cattlemen is unusually difficult and endeavor to map a program for their relief, it would seem only natural that cattle should be included as a basic product under the provisions of the three A's, as provided in H.R. 7478. With this thought in mind I desire to call a few specific angles of the situation to the attention of the country and of the Congress, especially with reference to beef.

In this field it is the man who produces cattle on the range and likewise the man in the Middle West who fattens them in his feed lots who deserve consideration. In my district we have hundreds of the latter group who are now faced with an extremely severe problem. My continuous residence on an Iowa farm since birth has placed me in an advantageous position to observe this particular angle of the problem. Today there are thousands of cattle on feed in southwest Iowa that went into the lots at prices ranging as high as 6 cents or better that today would not bring 4 cents per pound. When we begin to talk about relief of cattlemen I think we should take this particular group into consideration. That is why I am making these remarks in connection with my affirmative vote on the bill under discussion.

In the first place, that man is faced at present not only with the low price of his finished product but also the fact that the price of corn has been set at 45 cents a bushel. Every single one of us who is in the farming game is delighted to see the price of the grain at that level and hope it goes higher. But we also want the price of finished meat products on the hoof to be at such a level that it will warrant the feeding of the 45-cent corn.

I understand the principle of this measure to be a reduction in the number of range cows, with the thought in mind that the supply of calves and cattle can thereby be reduced. The theory also goes on to indicate that a scarcity of such livestock going into the feed yards of the country will have a tendency to increase the price of finished beef. That is probably true. At this juncture, however, I am particularly interested in the farmers of my district who have invested their money in feeding cattle at a price substantially higher than can be realized for the finished product on the present market and who will not receive the benefit of such a program in time. I feel justified in urging upon the administration the necessity of incorporating provisions that will take care of this particular group of men who are facing financial annihilation within the next few months. They cannot feed their 45-cent corn to the cattle they have in their yards, sell them at present prices, and make out. Furthermore, they cannot balance their books by discontinuing their feeding operations. That act would necessitate the sacrifice of their half-finished product at ruinously low price levels.

When the Secretary of Agriculture prescribes regulations for the application of this proposed act, provision must be made for the relief of the group I have just described if the cattle-feeding business is to return to a healthy condition. It is possible that benefits can be paid to feeders on the basis of an adjustment per bushel of corn fed, as between the loan value of 45 cents and the price received for it as beef, in return for reductions in the number of cattle going back into the farmers' lot or reductions in the number of calves grown on the farm, or both, where the latter is insignificant.

I also want to suggest another very important angle to the cattle problem that applies both to beef and dairy products. It should be considered as an integral part of the program

to be mapped out under the provisions of the bill now before the Congress.

I have always been a firm believer in the advantages of advertising. I have noticed that many manufacturers have built up a tremendous trade through a well-planned program of Nation-wide, and sometimes world-wide, advertising. At this juncture I make bold to say that some manufacturers have even gone so far as to use meat products as a stepping stone for realizing their ambition of greater sales. I dare say it would be rather difficult to prevent the insertion in an advertisement of such statements as "more sustaining than meat", but certainly the practice is extremely selfish and would not be tolerated in a code of fair competition.

I think a portion of the funds we are appropriating for the relief of the cattle industry along with portions of others under the Agricultural Adjustment Act should be devoted to a well-organized and carefully planned Nation-wide program of advertising for the purpose of selling to the American people the merits of meat and dairy products. I am confident such action would serve to arrest the steady decline in the per capita consumption of beef that has occurred in recent years. That program should include appeals through the channel of daily and weekly newspapers, magazines, trade journals, radio broadcasts, and educational programs extending over a long-time period.

If we could increase the per capita consumption of meat 3 pounds annually, which I dare say you will admit is a comparatively small amount, it would mean a total increase in consumption in the United States of more than 500,000,000 pounds of such products. Increased demand should have a beneficial effect upon the market prices, particularly for cattle, hogs, and sheep, on the open markets.

The Department of Agriculture and various organizations, such as the National Livestock and Meat Board, have been endeavoring to conduct some extensive research programs with reference to the value of meat from the standpoint of its nutrition. Meat charts and much data of that nature have been prepared and should be made available to the public, especially in the populous areas of our country.

A special effort should be exerted to contact doctors, dentists, and dietitians who are in positions that afford them an opportunity to increase the consumption of meat.

As stockmen and cattle feeders, most of us do not stop to consider the vital importance of our Nation's housewives in relation to the industry in which we are interested. The housewives perform the stupendous task of preparing and serving a great portion of the Nation's meat supply. Every 24 hours more than 41,000,000 pounds of meat are placed on the family table by Mrs. American Housewife. The extent to which meat is used on the American breakfast, dinner, and supper tables is of great concern to the producers of livestock in all parts of our country. I was reminded of that fact by the remarks of my colleague the Honorable JENNINGS RANDOLPH, of West Virginia, favoring the passage of this bill that makes cattle a basic product under the Agricultural Adjustment Act. We would not normally think of that State as being an interested producer of cattle.

Another phase of this advertising program should include instructions as to ways and means of cooking meats. Many a good steak or roast has been completely ruined through improper handling over the fire. I dare say that every efficient housewife will welcome assistance and information of this kind, especially when it is issued through official channels as part of the program to increase the consumption of meat with a view to improving the financial condition of American farms and ranches.

I mention these important angles to the cattle situation because I want to impress them upon everyone who may be concerned with the operation of the bill that is about to be enacted into law. They should be incorporated in the finished picture. I trust that after the passage of this measure all of the various phases of the industry will cooperate in an effort to draw up as satisfactory a series of regulations as possible. There will undoubtedly be portions of the program that will not meet with the approval of everyone. We must realize, however, that a uniform program for agricultural relief is necessary if we are to succeed in our herculean undertaking. Cattle constitute a major product and thus are of the utmost concern to producers. It seems only reasonable that they should be included in the Agricultural Adjustment Act if we are to advance along all fronts simultaneously. Personally I feel confident that we will be able to develop the proposed relief measure in such a manner that it will serve the dairy interests, the beef producer, and the feeder of beef cattle, all of whom deserve consideration and proper assistance at this critical period.

Mr. TAYLOR of Tennessee. Mr. Speaker, I regret very much that the majority leadership of the House has seen fit to have this very important piece of legislation considered under suspension, which, of course, limits debate to 40 minutes and bars amendments, regardless of their merit. The absurdity and the travesty of this performance can be appreciated when it is realized that few more important pieces of legislation have been considered in this Congress, and that, notwithstanding the fact that practically the entire Membership of the House is vitally interested in the measure, the procedure under which it is considered will allow practically no discussion whatever.

Mr. Speaker, there are 435 Members of the House, many of whom would like to speak on this bill, and among them there are 27 members of the Committee on Agriculture that reported the bill, all of whom would doubtless like to have time in which to debate its provisions, and yet we have only 40 minutes to discuss it. Mr. Speaker, the whole proposition is a melancholy farce! I have gone to both sides of the Chamber and solicited time and was unable to secure even 30 seconds, and, therefore, I am reduced to the necessity of availing myself of the privilege to revise and extend, if I am to appear in the RECORD at all on this subject. I want to repeat, with all the emphasis that I can command, that this method of considering legislation of such vital and far-reaching importance is a sad reflection upon parliamentary procedure.

Now, Mr. Speaker, I have always entertained grave doubts as to whether substantial benefits to industry can result from this sort of artificial stimulation. I have always been a stanch subscriber to the immutable laws of supply and demand. I have never been an apostle of the subsidy school. However, Mr. Speaker, I realize that if there is any industry in this country that is prostrated to the point of paralysis, it is the dairy- and beef-cattle industry. With choice beef cattle in my section selling at from 2 to 3 cents a pound, and a first-class milk cow and calf, which 2 years ago would have easily brought from $50 to $100, going at from $15 to $20, you can appreciate my anxiety and concern on this subject. And, since this bill gives some promise of relief, I am cheerfully supporting it in the hope that some material benefit may result therefrom to this industry, the recovery of which is so essential to our national welfare and prosperity.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, it was expected that the Unanimous Consent Calendar would be called today, but it is now getting late and it will be possible to call the calendar tomorrow with the consent of the House. I therefore ask unanimous consent that it shall be in order to call the Unanimous Consent Calendar tomorrow immediately after the disposition of the appropriation bill now pending, and which, I understand, will not take more than an hour's time.

The SPEAKER. Is there objection?

Mr. GOSS. Reserving the right to object, and I shall not object, I want to ask the gentleman if there will be any opportunity to consider the Private Calendar?

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Now, in reply to the gentleman from Connecticut, I will say that if the House is willing there will be an opportunity to consider the Private Calendar on Thursday next. I ask unanimous consent that it shall be in order to call bills unobjected to on the Private Calendar on

Thursday next after the reading of the Journal and the disposition of matters on the Speaker's table.

Mr. BLANTON. Mr. Speaker, I want to ask the majority leader, the gentleman from Tennessee, when will the tax bill be taken up?

Mr. BYRNS. I am not able to say. It will not be taken up before Thursday. Of course, the tax bill has the right-of-way and will be taken up and disposed of promptly.

Mr. BLANTON. This unanimous-consent order would not put it aside?

Mr. BYRNS. Oh, no; not at all. I am simply asking that it be made in order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Mr. BYRNS. May I also say it is expected to call the committees on Calendar Wednesday? I give notice so that the chairmen of committees may understand now that that will be the order of procedure on Wednesday.

EXPLANATION OF VOTE

Mr. FLANNAGAN. Mr. Speaker, when the vote was taken on the bill H.R. 7527, amending the Emergency Relief Act and extending the C.W.A., I was unavoidably absent attending a meeting of the Sky Line Drive. I wish to state that if I had been present I would have voted "aye."

INVESTIGATION OF MILK SHEDS

Mr. KOPPLEMANN. Mr. Speaker, on Wednesday last I gave to the House certain information based upon investigation and audit made by the A.A.A. with reference to milk sheds in four of the largest cities of this country. Based upon that investigation I desire to offer a resolution, and I ask unanimous consent that the resolution may be read at this time.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. KOPPLEMANN]?

There was no objection.

The Clerk read as follows:

Whereas an audit made by the Agricultural Adjustment Administration has revealed that distributors in four of the largest milk sheds in the United States, for the 5 years ending December 31, 1933, made a net profit of 25.71 percent on their net plant investment; and

Whereas this audit shows the net profits of distributors in each of the milk sheds for the 5-year period to be: Philadelphia (distributors handling 85 percent of volume), 30.76 percent; Boston (distributors handling 75 percent of volume), 22.45 percent; St. Louis (distributors handling 67 percent of volume), 14.64 percent; and Chicago (distributors handling 90 percent of volume), 25.84 percent; and

Whereas during this same 5-year period the wholesale price of milk sold by farmers declined 50 percent resulting in severe hardships and suffering to milk producers throughout the United States and strikes and violence in many rural and metropolitan centers; and

Whereas the aforesaid audit by the Agricultural Adjustment Administration has revealed net profits of milk distributors which tends to establish that similar conditions exist in other milk sheds throughout the United States; and

Whereas an investigation in the District of Columbia, pursuant to Senate Resolution 76, Seventy-third Congress, first session, revealed testimony which abundantly sustains the contention that over a period of years large milk distributors have attempted to create a monopoly in the District of Columbia, and, largely as a result of these efforts, farmers producing milk for the District of Columbia milk shed have received low returns for their product and have been placed at a serious disadvantage; and

Whereas the testimony adduced at hearings in the aforesaid investigation in the District of Columbia tends to prove that similar monopolistic efforts likewise exist in other milk sheds in the United States; and

Whereas there is reason to believe that there exists a close tie between certain leaders of milk producers' cooperatives and milk distributors, which tie is unbeknown to milk producers and detrimental to their interests; and

Whereas the continuation of the practices now engaged in by milk distributors and certain leaders of milk cooperatives seriously endangers the efforts of the Agricultural Adjustment Administration and of the several States to alleviate and remedy the distress now wide-spread among dairy farmers in the United States, which distress, if permitted to continue, will result in the destruction of the already sorely pressed agricultural industry: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Federal Trade Commission is authorized and directed to investigate conditions with respect to the sale and distribution of milk and other dairy products within the territorial limits of the United States by any person, partnership, association, cooperative, or corporation, with a view to determining particularly whether any such person, partnership, association, cooperative, or corporation is operating within any milk shed of the United States in such a manner as to substantially lessen competition or to tend to create a monopoly in the sale or distribution of such dairy products, or is a party to any conspiracy in restraint of trade or commerce in any such dairy products, or is in any way monopolizing or attempting to monopolize such trade or commerce within the United States or any part thereof, or is using any unfair method of competition in connection with the sale or distribution of any such dairy products, or is in any way operating to depress the price of milk sold by producers. The Federal Trade Commission shall report to the House of Representatives as soon as practicable the result of its investigations, together with its recommendations, if any, for necessary remedial legislation.

CALENDAR WEDNESDAY

Mr. SNELL. Mr. Speaker, I should like to ask the majority leader, in calling the committees on Calendar Wednesday, if it is intended to start with the Committee on Banking and Currency?

Mr. BYRNS. That is the committee which has the first call.

Mr. GOSS. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. GOSS. Did not the Committee on the Judiciary have 1 day on its call, and still has another day, from the last session, that holds over?

Mr. BYRNS. I am not sure. I am reading from the calendar, which says the call rests with the Committee on Banking and Currency.

Mr. GOSS. Can the gentleman inform us how it got that way?

Mr. BYRNS. I suppose that the Committee on the Judiciary, which had the call on June 12, exhausted its time.

Mr. GOSS. Did it not have 1 day remaining?

Mr. BYRNS. A committee has only 1 day, unless a bill is carried over.

Mr. BLANTON. Mr. Speaker, may I ask the majority leader a question? Inasmuch as the Committee on Banking and Currency will have the call on Wednesday, I wish to state that the banks over the country are becoming alarmed about the report that this Congress may change the law so that there could be checking on postal savings accounts. I am against the Government's entering any such general banking business.

I understand from members of the committee that while there is such a proposition before the committee, no such bill will be reported to this Congress. Does the majority leader understand that to be the case? The bankers are wiring and writing and wanting to know about it. It would stop all this present uneasiness if the majority leader could assure us that there will be no such proposition before the present Congress.

Mr. BYRNS. I am not in position to give the gentleman any assurance about it, but so far as I know there is nothing of that kind.

Mr. BLANTON. Several members of the Banking and Currency Committee who have charge of such bills assure me there is no such proposition brought before the House in this Congress.

Mr. BYRNS. I can assure the gentleman there are bills before the committee on which the committee may hold hearings; but what disposition will be made of the bills I do not know.

Mr. BLANTON. I take it, then, there is no likelihood of any such bill being reported out.

Mr. OLIVER of New York. If I were betting on the matter, I would bet 10 to 1 that no such bill would be reported out.

Mr. BLANTON. That is enough assurance for me. The country banks have been hit hard enough already. They could not survive competition by the Government. I am against the Government's competing in private business. I sincerely hope that before we adjourn, this Congress will repeal the law requiring a 2-cent tax on each bank check. This has hurt all the banks everywhere and helps the Government very little. I hope that all of us will make a special

effort to repeal this check tax law and take this 2-cent tax off the bank checks. And we must first reduce first-class postage to 2 cents.

REREFERENCE OF BILL TO COMMITTEE

Mr. EICHER. Mr. Speaker, I ask unanimous consent that there may be re-referred from the Committee on Claims to the Committee on Rivers and Harbors the bill (H.R. 6573) to authorize the Secretary of War, upon the recommendation of the Chief of Engineers, to adjust, settle, and pay claims of drainage districts and levee districts for damages on account of increased seepage and/or increased cost of drainage resulting from certain improvements on the Mississippi River, which was erroneously referred to the Committee on Claims. I have here the written consent of each of the committees concerned to such reference.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this morning and to insert therein a few short tables.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

USE OF DAIRY PRODUCTS IN C.C.C. CAMPS

Mr. HENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a resolution adopted by the Wisconsin Dairy Campaign Committee relative to the use of butter, cheese, and milk in the C.C.C. camps.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions of the Wisconsin Dairy Campaign Committee.

Whereas many complaints have been made that in the C.C.C. camps and Federal forestry camps operating in this State during the past year sufficient milk, butter, and other dairy products were not available for the men stationed in those camps; and

Whereas the supplying of necessary milk, butter, and other dairy products for such purposes would aid in reducing the now-claimed surplus of such products: Now, therefore, be it

Resolved by the Wisconsin Dairy Campaign Committee assembled in the city of Madison on this 24th day of January 1934, That we respectfully urge the national administration to take prompt steps to make available in these various camps milk, butter, and other dairy products in sufficient quantities to supply the normal needs therein; be it further

Resolved, That a copy of this resolution, duly attested by the presiding officer and secretary of said committee, be sent to Hon. Robert Fechner, Director of the Emergency Conservation Work at Washington D.C., and to each Representative from Wisconsin in the Congress of the United States.

WISCONSIN DAIRY CAMPAIGN COMMITTEE,
GEORGE L. MOONEY, *President.*

CROP PRODUCTION AND HARVESTING LOANS

The SPEAKER. Without objection, a similar Senate bill having been passed by the House, the bill H.R. 7521, to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes, will be laid on the table.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TERRY for today on account of illness.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 6, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

340. A letter from the Secretary of War, transmitting, pursuant to section 1 of the River and Harbor Act approved January 21, 1927, and section 10 of the Flood Control Act approved May 15, 1928, a letter from the Chief of Engineers, United States Army, dated September 30, 1933, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of Missouri River, for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H.Doc. No. 238); to the Committee on Rivers and Harbors and ordered to be printed, with 79 illustrations.

341. A letter from the Clerk of the House of Representatives, transmitting monthly reports of the Federal Emergency Relief Administration for the periods ended June 30, 1933, July 31, 1933, August 31, 1933, September 30, 1933, and October 31, 1933; also the monthly report of the Administration for the period ended November 30, 1933 (H.Doc. No. 239); to the Committee on Ways and Means and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEROUEN: Committee on the Public Lands. H.R. 7304. A bill to amend the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914, and for other purposes; without amendment (Rept. No. 560). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 5905. A bill to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State Park System, approved March 3, 1933; with amendment (Rept. No. 561). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'MALLEY: Committee on Indian Affairs. S. 2152. An act granting certain property to the State of Michigan for institutional purposes; without amendment (Rept. No. 562). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVANS: Committee on Ways and Means. H.R. 7599. A bill to provide emergency aid for the repair or reconstruction of homes and other property damaged by earthquake, tidal wave, flood, tornado, or cyclone in 1933 and 1934; without amendment (Rept. No. 563). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 2763. A bill for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen; with amendment (Rept. No. 525). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 2764. A bill for the relief of the estate of Harry F. Stern; without amendment (Rept. No. 526). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2997. A bill for the relief of Powell & Goldstein, Inc.; without amendment (Rept. No. 527). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3161. A bill for the relief of Henry Harrison Griffith; without amendment (Rept. No. 528). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3236. A bill for the relief of A. Randolph Holladay; without amendment (Rept. No. 529). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3300. A bill for the relief of George B. Beaver; without amendment

(Rept. No. 530). Referred to the Committee of the Whole House.

Mr. ELLZEY of Mississippi: Committee on Claims. H.R. 3302. A bill for the relief of John Merrill; with amendment (Rept. No. 531). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3345. A bill to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost; without amendment (Rept. No. 532). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H.R. 3551. A bill for the relief of T. J. Morrison; with amendment (Rept. No. 533). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3579. A bill for the relief of O. S. Cordon; without amendment (Rept. No. 534). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3580. A bill for the relief of Paul Bulfinch; without amendment (Rept. No. 535). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3611. A bill for the relief of Frances E. Eller; without amendment (Rept. No. 536). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3614. A bill for the relief of Clara C. Talmadge; with amendment (Rept. No. 537). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3636. A bill for the relief of Thelma Lucy Rounds; with amendment (Rept. No. 538). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3705. A bill for the relief of Julia E. Smith; with amendment (Rept. No. 539). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3725. A bill for the relief of Capt. Guy M. Kinman; with amendment (Rept. No. 540). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3748. A bill for the relief of Mary Orinski; without amendment (Rept. No. 541). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3749. A bill for the relief of Hunter B. Glasscock; without amendment (Rept No. 542). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3868. A bill for the relief of Arabella E. Bodkin; without amendment (Rept. No. 543). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H.R. 3936. A bill for the relief of R. A. Williams; without amendment (Rept. No. 544). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3952. A bill for the relief of Grace P. Stark; with amendment (Rept. No. 545). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3992. A bill for the relief of C. A. Betz; without amendment (Rept. No. 546). Referred to the Committee of the Whole House.

Mr. BLACK. Committee on Claims. H.R. 4060. A bill for the relief of Ellen Grant; with amendment (Rept. No. 547). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4475. A bill for the relief of George L. Stone; without amendment (Rept. No. 548). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4516. A bill for the relief of B. Edward Westwood; without amendment (Rept. No. 549). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4519. A bill for the relief of C. W. Moonery; with amendment (Rept. No. 550). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky. Committee on Claims. H.R. 5299. A bill for the relief of Orville A. Murphy; without amendment (Rept. No. 551). Referred to the Committee of the Whole House.

Mr. CLARK of North Carolina: Committee on Claims. H.R. 5940. A bill for the relief of the Herald Publishing Co.; with amendment (Rept. No. 552). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. H.R. 7026. A bill to credit certain services as cadets at the United States Military Academy; without amendment (Rept. No. 553). Referred to the Committee of the Whole House.

Mrs. CLARKE of New York: Committee on Claims. H.R. 7064. A bill for the relief of Alfred W. Kliefoth; with amendment (Rept. No. 554). Referred to the Committee of the Whole House.

Mr. BURNHAM: Committee on Naval Affairs. H.R. 5310. A bill for the relief of John P. Seabrook, without amendment (Rept. No. 555). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 5689. A bill providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy; without amendment (Rept. No. 556). Referred to the Committee of the Whole House.

Mr. BURNHAM: Committee on Naval Affairs. H.R. 6246. A bill granting 6 months' pay to Annie Bruce; with amendment (Rept. No. 557). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. H.R. 6863. A bill for the relief of W. B. Fountain; without amendment (Rept. No. 558). Referred to the Committee on the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H.R. 6871. A bill for the relief of Austin L. Tierney; without amendment (Rept. No. 559). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H.R. 6573) to authorize the Secretary of War, upon the recommendation of the Chief of Engineers, to adjust, settle, and pay claims of drainage districts and levee districts for damages on account of increased seepage and/or increased cost of drainage resulting from certain improvements on the Mississippi River, and the same was referred to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FISH: A bill (H.R. 7644) to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System; to the Committee on Banking and Currency.

By Mr. DIMOND: A bill (H.R. 7645) to authorize the incorporated city of Juneau, Alaska, to issue bonds in any sum not exceeding $100,000 for municipal public works, including regrading and paving of streets and sidewalks, installation of sewer and water pipe, construction of bridges, construction of concrete bulkheads, and construction of refuse incinerator; to the Committee on the Territories.

By Mr. YOUNG: A bill (H.R. 7646) to guarantee the principal of Home Owners' Loan Corporation bonds, reduce the interest thereof, and for other purposes; to the Committee on Banking and Currency.

By Mr. MARLAND: A bill (H.R. 7647) to amend Public Law No. 2, Seventy-third Congress, entitled "An act to maintain the credit of the United States Government", and Public Law No. 78, Seventy-third Congress, entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on World War Veterans' Legislation.

By Mr. CROSSER: A bill (H.R. 7648) limiting the hours of service of common carriers; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 7649) to amend the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 7650) to relieve the existing emergency in relation to interstate railroad transportation, to provide for the prompt disposition of disputes between carriers and their employees, and to amend sections 1, 2, 3, 5, and 6 of the Railway Labor Act, approved May 20, 1926; to the Committee on Interstate and Foreign Commerce.

By Mr. COLDEN: A bill (H.R. 7651) to increase tariff duties on tuna fish; to the Committee on Ways and Means.

By Mr. ELLENBOGEN: A bill (H.R. 7652) to amend the law regulating Postal Savings by providing that postal savings shall be accepted at every Postal Savings depository office up to $10,000; to the Committee on the Post Office and Post Roads.

By Mr. VINSON of Georgia: A bill (H.R. 7653) to establish the Ocmulgee National Park in Bibb County, Ga.; to the Committee on the Public Lands.

By Mr. ELLENBOGEN: A bill (H.R. 7654) to amend the Postal Savings law by providing that Postal Savings deposits shall be exempted from taxation, now or hereafter imposed by any district, Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing municipal authority; to the Committee on the Post Office and Post Roads.

By Mr. SIMPSON: A bill (H.R. 7655) providing for an examination and survey of the coast of Lake Michigan, Ill.; to the Committee on Rivers and Harbors.

By Mr. MARTIN of Oregon: A bill (H.R. 7656) to authorize the acquisition of land for industrial sites in the vicinity of the Bonneville Dam in Columbia River; to the Committee on Rivers and Harbors.

By Mr. McSWAIN (by request): A bill (H.R. 7657) to promote the national air defense, to establish and reorganize within the Army of the United States an air reserve to provide for the supply, equipment, and training of an air reserve, and for other purposes; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H.R. 7658) to amend an act known as the "Tennessee Valley Authority Act of 1933", so as to provide that the Tennessee Valley Authority reimburse certain counties on account of loss of taxable values, and keep equalized the county indebtedness therein; to the Committee on Military Affairs.

By Mr. LEWIS of Maryland: A bill (H.R. 7659) to raise revenue by levying an excise tax upon employers, and for other purposes; to the Committee on Ways and Means.

By Mr. FISH: A bill (H.R. 7660) providing for commercial and industrial loans to small industries by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. CONNOLLY: A bill (H.R. 7661) to permit radium to be accepted in payment of war debts due from Belgium, and to provide for the distribution of such radium; to the Committee on Ways and Means.

By Mr. FADDIS: A bill (H.R. 7662) to authorize the issuance of a medal and ribbon for members of the Army of Occupation of Germany; to the Committee on Military Affairs.

By Mr. FULMER: A bill (H.R. 7663) to authorize payment of farm-loan mortgages with bonds issued by joint-stock land banks, and for other purposes; to the Committee on Agriculture.

By Mr. FERNANDEZ: A bill (H.R. 7664) to provide for the examination and survey of certain waterways in the State of Louisiana, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. VINSON of Georgia: A bill (H.R. 7665) to amend the United States Cotton Futures Act of August 11, 1916, as amended, to provide for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by further regulating transactions on cotton-futures exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. KOPPLEMANN: A bill (H.R. 7666) providing for commercial and industrial loans to small industries by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. LEA of California: A bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MUSSELWHITE: A bill (H.R. 7668) to authorize the continuance of temporary or emergency star-route service for a period not exceeding 4 years, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MEAD: A bill (H.R. 7669) to authorize the purchase for postal purposes of abandoned bank buildings; to the Committee on Public Buildings and Grounds.

By Mr. BRUNNER: A bill (H.R. 7670) relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only; to the Committee on the Post Office and Post Roads.

By Mr. PIERCE: A bill (H.R. 7671) to add certain lands to the Ochoco National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mr. KLEBERG: A bill (H.R. 7672) to promote the conservation of wild life, fish, and game, and for other purposes; to the Committee on Agriculture.

By Mr. FISH: A resolution (H.Res. 250) requesting information in regard to war debts; to the Committee on Ways and Means.

By Mr. O'MALLEY: Concurrent resolution (H.Con.Res. 31) to establish a joint committee to investigate the activities of reorganization committees, known as "liquidating", "bondholders", "reorganization", or "trust" committees; to the Committee on Rules.

By Mr. KOPPLEMANN: Concurrent resolution (H.Con.Res. 32) authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk and other dairy products in the United States; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact legislation establishing a 30-hour week and a living wage; to the Committee on Labor.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact necessary legislation for the continuation of the Civil Works Administration; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNHAM: A bill (H.R. 7673) for the relief of Joseph Michael McDougall; to the Committee on Naval Affairs.

By Mr. CARDEN of Kentucky: A bill (H.R. 7674) granting a pension to Simpson Pennington; to the Committee on Invalid Pensions.

By Mr. CHAPMAN: A bill (H.R. 7675) granting a pension to Marguerite Thomas; to the Committee on Pensions.

By Mr. CUMMINGS: A bill (H.R. 7676) granting an increase of pension to Polly Tippetts; to the Committee on Invalid Pensions.

By Mr. DIMOND: A bill (H.R. 7677) for the relief of Archie P. McLane and Hans Peter Jensen; to the Committee on Claims.

By Mr. EDMISTON: A bill (H.R. 7678) for the relief of John Albert Farne; to the Committee on Naval Affairs.

Also, a bill (H.R. 7679) granting a pension to Thomas W. Haymond; to the Committee on Pensions.

By Mr. EICHER: A bill (H.R. 7680) for the relief of Marie Linsenmeyer; to the Committee on Claims.

By Mr. FERNANDEZ: A bill (H.R. 7681) for the relief of Thomas J. Moran; to the Committee on Invalid Pensions.

By Mr. GIFFORD: A bill (H.R. 7682) for the relief of James Jorgenson; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H.R. 7683) granting a pension to Rachel Malott; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H.R. 7684) granting a pension to Frank C. Tyson; to the Committee on Pensions.

By Mr. HAMILTON: A bill (H.R. 7685) granting a pension to Miles S. Catchings; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H.R. 7686) for the relief of Mrs. Charles L. Reed; to the Committee on Claims.

By Mr. McDUFFIE: A bill (H.R. 7687) for the relief of J. W. Hearn, Jr.; to the Committee on Claims.

By Mr. McSWAIN: A bill (H.R. 7688) for the relief of Earnest Gary Hughes; to the Committee on Naval Affairs.

By Mr. MOTT: A bill (H.R. 7689) for the relief of Norris R. Wentworth, Lloyd J. Wentworth, J. K. Wentworth, Jr., and George Finley; to the Committee on Claims.

By Mr. PIERCE: A bill (H.R. 7690) granting a pension to Thomas A. Rinehart; to the Committee on Pensions.

By Mr. REECE: A bill (H.R. 7691) granting a pension to Annie E. Jackson; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H.R. 7692) granting a pension to Joseph Kotrsal; to the Committee on Pensions.

Also, a bill (H.R. 7693) for the relief of Tony Krenc; to the Committee on Claims.

Also, a bill (H.R. 7694) for the relief of Joseph Sustowski; to the Committee on Claims.

Also, a bill (H.R. 7695) for the relief of the legal heirs of the late William Hushka; to the Committee on Claims.

Also, a bill (H.R. 7696) for the relief of Anna Kotjek; to the Committee on Claims.

Also, a bill (H.R. 7697) for the relief of William Chinsky; to the Committee on Claims.

Also, a bill (H.R. 7698) for the relief of Louis Zagata; to the Committee on Claims.

By Mr. SMITH of Washington: A bill (H.R. 7699) to authorize the presentation to Harry W. Deegan of a Distinguished Service Cross; to the Committee on Military Affairs.

By Mr. VINSON of Georgia: A bill (H.R. 7700) for the relief of Thomas W. Moxley; to the Committee on Naval Affairs.

Also, a bill (H.R. 7701) granting a pension to Mary Wyse Benson; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H.R. 7702) for the relief of Harry P. Leu; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2081. By Mr. BOYLAN: Resolutions unanimously adopted at a convention of the National Guard Association of the State of New York, regarding appropriation for the National Guard; to the Committee on Appropriations.

2082. Also, letter from Professor Allen, of Cornell University, Ithaca, N.Y., opposing the reduction of the appropriation for the Biological Survey; to the Committee on Appropriations.

2083. By Mr. BRUNNER: Petition urging the President of the United States to amend paragraph 10, regulation 10–B, of Public Law No. 2, Seventy-second Congress, and to amend such regulations that the veterans will not suffer the reductions of their pensions because of employment with the Civil Works Administration and the Public Works Administration; to the Committee on Appropriations.

2084. By Mr. BUCHANAN: Petition of George D. Fitzsimmons and others, regarding the discriminatory methods employed by the major broadcasting systems; to the Committee on Merchant Marine, Radio, and Fisheries.

2085. By Mr. CELLER: Petition protesting against interference with the rights of citizens by the National Broadcasting Co., the Columbia Broadcasting System, the Roman Catholic hierarchy, and others in preventing the broadcasting of the message of Judge Rutherford, signed by approximately 1,800 citizens of the Tenth Congressional District of New York; to the Committee on Merchant Marine, Radio, and Fisheries.

2086. By Mr. CARPENTER of Kansas: Petition of Carl D. Byrd and 48 others living in the city of Emporia, Kans., protesting against the Vinson naval building bill; to the Committee on Naval Affairs.

2087. By Mr. CULLEN: Petition of the Legislature of the State of New York, regarding the tax on gasoline; to the Committee on Ways and Means.

2088. By Mr. GILCHRIST: Petition of 1,605 citizens in his district, asking for freedom of speech over the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2089. By Mr. GUEVARA: Petition of numerous Philippine citizens, supporting the bill introduced by Senator KING for Philippine independence; to the Committee on Insular Affairs.

2090. By Mr. GOODWIN: Petition of Mothers Laundry, Kingston, N.Y., opposing 5-cent excise tax on soap; to the Committee on Ways and Means.

2091. Also, petition of Sullivan County Steam Laundry, Woodridge, N.Y., opposing the 5-cents-a-pound excise tax on soap; to the Committee on Ways and Means.

2092. Also, petition of Women's Republican Club, town of Thompson, Monticello, N.Y., urging to uphold the Constitution and republican ideals by insisting that justifiable adverse as well as favorable criticism of recent policies be permitted through the radio and newspapers; to the Committee on Merchant Marine, Radio, and Fisheries.

2093. Also, petition of Kingston Laundry, Kingston, N.Y., opposing sales tax on soap; to the Committee on Ways and Means.

2094. Also, petition signed by Levenson Steam Laundry and Liberty Steam Laundry, Liberty, N.Y., opposing the imposition of a 5-cent excise tax on soap-making oils and fats as proposed in the new revenue bill; to the Committee on Ways and Means.

2095. Also, petition of Sullivan County Laundry Owners Association, Monticello, N.Y., opposing the 5-cents-a-pound excise tax on soap-making oils and fats included in the revenue bill; to the Committee on Ways and Means.

2096. Also, petition of Thompson's Laundry, Kingston, N.Y., opposing the 5-cent tax on soap; to the Committee on Ways and Means.

2097. Also, memorial dated Albany, N.Y., January 29, 1934, in senate, State of New York, whereby it is resolved, if the assembly concur, that the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline tax and to surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

2098. Also, resolution of National Guard Association of the State of New York, whereby it is resolved that the members of the National Guard Association of the State of New York, in convention assembled, most solemnly recommend that the Appropriation Committee in Congress grant such allowances for the National Guard, the Naval Reserve, and the Marine Reserve as will provide pay for 48 drills and 15 days' training per annum as a minimum basis for a training program; to the Committee on Appropriations.

2099. By Mr. HESS: Petition of various citizens of Hamilton County, Ohio, asking for the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

2100. Also, petition of various citizens of Hamilton County, Ohio, asking for the immediate repeal of the economy act; to the Committee on Expenditures in the Executive Departments.

2101. By Mr. HOIDALE: Petition of the city of St. Paul, Minn., praying for continuation of Civilian Conservation Corps activities; to the Committee on Appropriations.

2102. Also, petition of the City Council of the City of Minneapolis, Minn.; to the Committee on Appropriations.

2103. By Mr. KNIFFIN: Petition of Leah Thomas, secretary of Hicksville Grange, No. 2500, urging the enactment of legislation lowering the wage rate of Civil Works Administration workers; to the Committee on Appropriations.

2104. By Mr. LAMBERTSON: Petition of the Woman's Christian Temperance Union of Bendena, Kans., urging the passage of House bill 6097, providing for higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2105. By Mr. LINDSAY: Petition of Committee of Five, Glenn H. Speece, chairman, Brooklyn, N.Y., urging support of measures to curb the use of power-driven machinery and to restore the antitrust laws; to the Committee on the Judiciary.

2106. Also, petition of National Guard Association of the State of New York, granting allowances for National Guard, the Naval Reserve, and Marine Reserve; to the Committee on Naval Affairs.

2107. Also, petition of the Association of State Civil Service Employees of the State of New York, Albany, to obtain another grant for State highway departments; to the Committee on Appropriations.

2108. Also, petition of Parents' League of New York, opposing block booking and blind selling, which prevails in the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

2109. Also, petition of Chamber of Commerce of the State of New York, New York City, concerning Government control of subversive activities; to the Committee on the Judiciary.

2110. Also, petition of Chamber of Commerce of the State of New York, New York City, urging the passage of necessary legislation to establish universal registration of all citizens and aliens in the United States; to the Committee on Immigration and Naturalization.

2111. Also, petition of Chamber of Commerce of the State of New York, New York City, urging restoration of Executive Order No. 6548; to the Committee on the Judiciary.

2112. Also, petition of New York Naval District Lodge, No. 36, Brooklyn, N.Y., favoring full restoration of pay cut to all Federal employees; to the Committee on Appropriations.

2113. Also, petition of the Senate of the State of New York, Albany, urging speedy legislation to abolish the Federal gasoline tax and to surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

2114. Also, petition of Chamber of Commerce of the State of New York, New York City, concerning continuation of guaranty of bank deposits; to the Committee on Banking and Currency.

2115. Also, petition of William M. Beach, New York City, favoring passage of House bill 5632, the "duck stamp" bill; to the Committee on Agriculture.

2116. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, that the Congress of the United States give favorable consideration for granite in Federal construction projects; to the Committee on Appropriations.

2117. By Mr. MARSHALL: Petition of 2,987 citizens of the State of Ohio, and particularly the Seventh Congressional District, protesting against censorship of the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2118. By Mr. MARTIN of Massachusetts: Memorial of the General Court of the State of Massachusetts, favoring proper consideration for granite in Federal construction projects; to the Committee on Appropriations.

2119. By Mr. MEAD: Petition of New York State Legislature, regarding a tax on gasoline; to the Committee on Ways and Means.

2120. Also, petition of the National Guard Association of the State of New York; to the Committee on Appropriations.

2121. Also, petition of Civil Works Administration workers in East Aurora, N.Y., protesting against the reduction in hours of work and pay; to the Committee on Appropriations.

2122. By Mr. PARKER: Petition of Mrs. L. H. Taylor and 105 other citizens of the First Congressional District of Georgia, urging the enactment of an old-age pension bill; to the Committee on Pensions.

2123. By Mr. RUDD: Petition of William N. Beach, 551 Fifth Avenue, New York City, favoring the passage of the "duck stamp" bill, H.R. 5632; to the Committee on Agriculture.

2124. Also, petition of the Chamber of Commerce of the State of New York, opposing the guaranty or insurance of bank deposits; to the Committee on Banking and Currency.

2125. Also, petition of the Chamber of Commerce of the State of New York, favoring Government control of subversive activities; to the Committee on the Judiciary.

2126. Also, petition of the Chamber of Commerce of the State of New York, favoring that the Director of the Budget should audit emergency expenditures; to the Committee on the Judiciary.

2127. Also, petition of the Chamber of Commerce of the State of New York, favoring the passage of legislation to establish universal registration and preservation of permanent identification records of all citizens and aliens in the United States; to the Committee on Immigration and Naturalization.

2128. Also, memorial of the Legislature of the State of New York, favoring the repeal of the Federal gasoline sales tax, and to surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

2129. Also, petition of the Association of State Civil Service Employees of the State of New York, favoring an additional $20,000,000 allowance to the State highway department for the construction of roads and streets and the caring for 1,000,000 men who are certain to be out of employment on September 1, 1934; to the Committee on Appropriations.

2130. Also, petition of Glenn H. Speece, chairman the Committee of Five, Brooklyn, N.Y., favoring the restoration of the antitrust laws, etc.; to the Committee on the Judiciary.

2131. Also, petition of National Guard Association of the State of New York, favoring appropriation to provide pay for 48 drills for the National Guard, the Naval Reserve, and Marine Reserve; to the Committee on Appropriations.

2132. Also, petition of Parents League of New York, opposing block booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

2133. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, urging that Members of Congress from Massachusetts continue their efforts to secure proper consideration for granite in Federal construction, insomuch as Massachusetts is the leading granite-producing State of the Union; to the Committee on Public Buildings and Grounds.

2134. By Mr. SABATH: Petition of the Women's Democratic Club of San Diego County, Calif., relative to the Chandler-Burnham contest in the Twentieth Congressional District of California; to the Committee on Elections No. 2.

2135. By Mr. SINCLAIR: Petition of numerous residents of Fargo, Williston, Sheldon, La Moure, and other points in North Dakota, that Congress act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2136. By Mr. WOLCOTT: Memorial of Robert J. Kern, supervisor, East Detroit, and representatives of all municipalities of Macomb County, Mich., requesting a continuance of the Civil Works Administration; to the Committee on Ways and Means.

2137. Also, petition of Walter Salisbury, of Marlette, and 5,658 other residents of the Seventh Congressional District of Michigan, respectfully petitioning the Congress to act at once to safeguard the inherent rights of the American people relative to the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2138. By the SPEAKER: Petition of Phi Delta Kappa, Alpha Pi Chapter, Rutgers University, New Brunswick, N.J.,

asking support of legislation that has for its purpose the saving of educational opportunity for the youth of the Nation; to the Committee on Education.

2139. Also, petition of the Associated General Contractors of America, Inc., pertaining to House bill 7527; to the Committee on Appropriations.

2140. Also, petition of William M. Cox and others, against the passage of House bills 1608, 1643, 1659, 1722, Senate bills 885, 1301, and 14 similar bills; to the Committee on Interstate and Foreign Commerce.

2141. Also, petition of the Women's Democratic Club of San Diego County, Calif., regarding Chandler-Burnham contest, Twentieth Congressional District of California; to the Committee on Elections No. 2.

2142. Also, petition of the Jefferson Club of San Diego County, Calif., regarding the contest for the seat in Congress for the Twentieth Congressional District of California; to the Committee on Elections No. 2.

2143. Also, petition of the Congregational Church of Jacksonville, Ill., supporting the pure food and drug bill; to the Committee on Interstate and Foreign Commerce.

2144. Also, petition of the City Council of the City of Chicago, regarding the coal industry; to the Committee on Interstate and Foreign Commerce.

2145. Also, petition of the National Recovery Administration, regarding a tax on natural gas and oil; to the Committee on Ways and Means.

2146. Also, petition of J. P. Toomey and others, regarding the passage of House bill 4231; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, FEBRUARY 6, 1934

Rev. Harry Lee Doll, assistant rector of the Church of the Epiphany, Washington, D.C., offered the following prayer:

Almighty God, who art the source of all goodness, because Thou art life, teach us to live in Thee always in all things. Redeem our timid souls from the tyranny of self. Build up in us Thine own nature. Help us to live nobly. Let there be no satisfaction for us until we are more and better than we are. Grant unto us the courage to work with Thee as builders of a world where righteousness, justice, and love shall reign and triumph over hate and strife. Through Jesus Christ our Lord, to whom, with the Father and the Holy Ghost, be all honor and glory, world without end. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 1975) to provide loans to farmers for crop production and harvesting during the year 1934, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Bulow	Clark
Ashurst	Black	Byrd	Connally
Austin	Bone	Byrnes	Coolidge
Bachman	Borah	Capper	Copeland
Bankhead	Brown	Caraway	Costigan
Barbour	Bulkley	Carey	Couzens
Cutting	Hatch	McNary	Shipstead
Davis	Hatfield	Metcalf	Smith
Dickinson	Hayden	Murphy	Steiwer
Dieterich	Hebert	Neely	Stephens
Dill	Johnson	Norris	Thomas, Okla.
Duffy	Kean	Nye	Thomas, Utah
Erickson	Keyes	O'Mahoney	Thompson
Fess	King	Overton	Townsend
Fletcher	La Follette	Patterson	Tydings
Frazier	Lewis	Pittman	Vandenberg
George	Logan	Pope	Van Nuys
Gibson	Lonergan	Reed	Wagner
Goldsborough	Long	Robinson, Ark.	Walcott
Gore	McAdoo	Robinson, Ind.	Walsh
Hale	McCarran	Russell	Wheeler
Harrison	McGill	Schall	White
Hastings	McKellar	Sheppard	

Mr. HEBERT. I desire to announce the necessary absence of the Senator from South Dakota [Mr. NORBECK].

Mr. LEWIS. I desire to announce that the Senator from Florida [Mr. TRAMMELL], the senior Senator from North Carolina [Mr. BAILEY], and the junior Senator from North Carolina [Mr. REYNOLDS], are necessarily detained from the Senate on official business.

I regret to announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate on account of illness.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

REPORT OF THE NATIONAL ACADEMY OF SCIENCES

The VICE PRESIDENT laid before the Senate a letter from the president of the National Academy of Sciences, transmitting, pursuant to law, the report of the academy for the fiscal year ended June 30, 1933, which, with the accompanying report, was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

Joint resolution memorializing the Congress of the United States to enact necessary legislation for the continuation of the Civil Works Administration

Whereas it is reported that the funds available for the continuation of the Federal Civil Works Administration will soon be exhausted; and

Whereas drastic cuts have already been made in the quotas assigned to Wisconsin and its political subdivisions; and

Whereas the Congress apparently has so far failed to take any steps toward providing funds for the continuation of the Civil Works Administration; and

Whereas the curtailment of the Civil Works program until February 15, 1934, will have serious economic effects in this State, and its abandonment after that date would be disastrous to the State of Wisconsin: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully urge the Congress of the United States to take immediate steps to provide the necessary appropriations to finance the continuation of the Civil Works Administration upon such basis as will provide jobs for unemployed citizens in distress during such period as the need therefor exists; be it further

Resolved, That properly attested copies of this resolution be sent to President Roosevelt, Federal Administrator Hopkins, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
O. S. LOOMIS,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate petitions of sundry citizens of the States of New Jersey and Pennsylvania, praying for the passage of legislation to abolish the 15-percent reduction in the pay of Government employees under the so-called "Economy Act", which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of Charles Forney, of Norfolk, Va., praying for the passage of legislation defining cost and profit under the National Industrial Recovery Act, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the McKinley Square Section, Bronx Division of the American

Jewish Congress, of New York City, protesting against the mistreatment of the Jews in Germany, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a letter from Mrs. M. Willson, of New Orleans, La., relative to propaganda against Hon. HUEY P. LONG, a Senator from Louisiana, which was referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter from the Secretary of War, transmitting a resolution and memorial adopted at Manila, P.I., by the national convention of the Palihan ng Bayan, favoring complete independence of the Philippine Islands, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate an order of the City Council of Chicago, Ill., petitioning the enactment of proper laws and regulations providing for the control of natural resources of the coal industry, its sale, quality, and prevailing prices, which was referred to the Committee on Mines and Mining.

He also laid before the Senate a resolution adopted by the Council of Cleveland, Ohio, favoring the ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which was ordered to lie on the table.

He also laid before the Senate the petition of Mrs. Jessie Simpson, of Utica, N.Y., praying for the revaluation of gold, the restoration of silver for use as money with gold, and the use of new currency to cancel interest-bearing bonds, which was ordered to lie on the table.

He also laid before the Senate a telegram from the national secretary of the Federation of Architects, Engineers, Chemists, and Technicians, of New York City, urging an appropriation substantially larger than $950,000,000 for the continuance of the Civil Works program beyond May 1, which was ordered to lie on the table.

Mr. TYDINGS presented petitions of members of the faculty and student body of the Maryland State Normal School, praying for the passage of the so-called "Copeland pure food and drug bill", which were referred to the Committee on Commerce.

Mr. FESS presented a resolution endorsed by 18 of the 21 members of the council of the city of Toledo, Ohio, favoring the making of prompt appropriation providing additional funds for C.W.A. work, which was ordered to lie on the table.

He also presented a letter from the Fritz-Rumer-Cooke Co., of Columbus, Ohio, favoring the making of provision from public funds for a large scale railroad grade-separation program, which, with the accompanying editorial from the Cincinnati (Ohio) Enquirer, entitled "Lasting Improvements", was referred to the Committee on Finance.

Mr. COSTIGAN presented the following memorial of the Legislature of the State of Colorado, which was referred to the Committee on Appropriations:

Senate Memorial 7 (by Senators Ammons, Healy, Herrin, Quiat, Houston, and Hill)

Whereas at the American Legion Convention held in Chicago last October a four-point program was adopted which was a minimum legislation asked of the Congress of the United States in behalf of the ex-service men of the World War; and

Whereas many of the ex-service men are now in serious financial trouble and need of the necessities of life because of lack of employment and many of them are in need of hospitalization; and

Whereas the present laws are inadequate to properly take care of the ex-service men and the regulations provided under the present laws are forcing many ex-service men to seek charity from the counties, from the State, and from their Government: Now, therefore, be it

Resolved by the Twenty-ninth General Assembly of the State of Colorado in extraordinary session assembled, That it ratify and approve the principle of the American Legion's four-point program, to wit:

1. That no war veteran disabled in line of duty suffer any reduction of those benefits granted such veterans in the World War Veterans' Act as in effect prior to March 20, 1933.

2. That hospitalization under Federal Government auspices be afforded all veterans not dishonorably discharged who require hospital treatment and who are not able to reasonably pay for their own treatment;

3. That perpetuation of service connection for all veterans properly granted such service connection, under laws in existence prior to March 20, 1933, be recommended as an item of Legion policy;

4. That the benefits provided for dependents of veterans as established in the World War Veterans' Act be resumed and maintained as the Government's policy, and that in no event shall widows and/or dependent children of deceased World War veterans be without Government protection; and be it further

Resolved, That the Senators and Representatives of the State of Colorado to the United States Congress be requested to work for the passage of such a measure; and be it further

Resolved, That a copy of this memorial be transmitted to the President of the United States and to the Senators and Representatives of the State of Colorado to the United States Congress.

Mr. COSTIGAN also presented the following memorial of the Legislature of the State of Colorado, which was referred to the Committee on Finance:

Senate Joint Memorial 6, concerning the importation of foreign meat and meat products (by Senator Headlee)

Whereas it has come to the attention of the General Assembly of the State of Colorado that large quantities of meat and meat products are being imported into the United States from foreign lands and that such meat and meat products are being sold in the State of Colorado and the United States generally; and

Whereas producers of livestock in the United States have been operating at a loss for more than 3 years, and the general condition of the livestock industry is the most deplorable in the history of this country, and if such industry is to survive, it must receive relief in some form and be fully protected against foreign and unfair competition; and

Whereas, instead of renewing loans and increasing mortgages as an attempt to relieve this situation, the prohibition of the importation of all kinds of fresh and canned meats until at least the livestock industry in the United States has an opportunity to obtain cost of production would have a more permanent and beneficial effect on the industry: Now, therefore, be it

Resolved by the Senate of the Twenty-ninth General Assembly of the State of Colorado (the house of representatives concurring herein), That the President of the United States is hereby respectfully requested to exercise his authority to stop the importation of meat and meat products from foreign countries; or if by reason of the lack of such authority he is unable to comply with the request herein set forth, he is respectfully requested to cause the Federal Tariff Commission to raise the import duties upon such meat and meat products to the utmost limit in order that the importation of such meat and meat products may be effectively discouraged; and be it further

Resolved, That copies of this memorial be sent to the President of the United States and Federal Tariff Commission and to the Representatives and Senators from the State of Colorado in Congress.

Mr. COSTIGAN also presented the following memorials of the Legislature of the State of Colorado, which were referred to the Committee on Irrigation and Reclamation:

Senate Joint Memorial 4 (by Senators Tempel and Hunter) concerning the approval of the proposed Caddoa Dam project

Whereas at the first extraordinary session of the Twenty-ninth General Assembly of the State of Colorado, held in August 1933, the following House Joint Memorial No. 2 was passed:

"Whereas various governmental agencies and interested parties now have under consideration the construction of a public-works project known as the "Caddoa Dam", at or near Caddoa, Colo.; and

"Whereas if such dam were built, it would constitute an important element in the flood-control problem of the Arkansas and Mississippi River Basins, would be a vital asset to the irrigation interests of Colorado and Kansas in the Arkansas River Basin, and would forever settle the long-existing water-rights controversy between the two States of Kansas and Colorado, and would constitute a most important public-works project for the relief of the unemployed and destitute: Now, therefore, be it

"*Resolved by the house of representatives of the twenty-ninth general assembly in extraordinary session assembled (the senate concurring herein),* That His Excellency the Honorable Franklin D. Roosevelt, President of the United States, be, and he hereby is, petitioned and urged to give his consideration and approval to the construction of the proposed Caddoa Dam, at or near Caddoa, Colo., in order that the purposes herein set forth may be realized without further delay; and be it further

"*Resolved,* That a copy of this memorial be forwarded to President Roosevelt, to the Honorable Harold L. Ickes, Secretary of the Interior, as the Federal Emergency Administrator of Public Works, and to the Senators and Representatives of the State of Colorado in Congress."

And

Whereas the application for the approval of the Caddoa Dam project is still pending before the Public Works Administration in Washington, D.C.; and

Whereas the desirability of the project still obtains and the urgency of some immediate action on the matter still exists; and

Whereas the Army engineers have given the proposed Caddoa Dam project their approval; and

Whereas the proposed dam would be located in or near the drought area in southeast Colorado where the unemployment and relief problem has become extremely grave because of the 3-year drought and crop failures in that area: Now, therefore, be it

Resolved by the senate of the twenty-ninth general assembly, assembled in the second extraordinary session thereof (the house of representatives concurring herein), That His Excellency the Honorable Franklin D. Roosevelt, President of the United States, and the Honorable Harold L. Ickes, Secretary of the Interior, as the Federal Emergency Administrator of Public Works, be, and they hereby are, respectfully petitioned and urged to give their consideration and approval to the construction of the proposed Caddoa Dam at or near Caddoa, Colo., in order that the purposes set forth in the memorial quoted herein may be realized without further delay; and be it further

Resolved, That a copy of this memorial be forwarded to President Roosevelt, to Secretary Ickes, and to the Senators and Representatives of the State of Colorado in Congress.

Senate Joint Memorial 7 (by Senator Warren), protesting the construction by the Federal Government of the Casper-Alcova and the Seminoe Reservoir projects in the State of Wyoming

Whereas the special board for public works of the Federal Government has approved the projects commonly referred to as the "Casper-Alcova" and the "Seminoe Reservoir" projects, and is about to or has begun the construction thereof; and

Whereas there has existed for several years and still exists an acute controversy between the State of Colorado and the State of Wyoming concerning the equitable division of the waters of the North Platte River as between said States and the respective citizens thereof; and

Whereas repeated efforts have been made for and on behalf of the States of Colorado and Wyoming by their duly accredited officials to settle the existing controversy by defining by compact their respective equitable rights in and to the waters of said North Platte River, but that all such efforts to the present time have failed; and

Whereas the construction of the aforesaid projects by the United States, without reference to the rights, interests, and equities of the State of Colorado and of its citizens in and to said North Platte River would tend greatly to aggravate the said controversy and lessen the chance for any permament settlement thereof by compact and lead to prolonged and costly litigation; and

Whereas this whole controversy has been more fully set forth in Senate Joint Resolution No. 3, passed at the first extraordinary session of the twenty-ninth general assembly: Now, therefore, be it

Resolved by the Senate of the Twenty-ninth General Assembly of the State of Colorado in special session assembled (the house of representatives concurring herein), That it does hereby resist and protest against the approval of said projects and the construction thereof unless and until the rights and interests of said States and of their respective citizens in and to said waters of the North Platte River be defined and determined, by compact or otherwise; and that it does hereby respectfully pray that the Public Works Administration of the Federal Government be ordered by the President of the United States to cease and desist from further construction of said projects or the expenditure of any moneys in connection therewith; and that the Congress of the United States may likewise make no appropriations of the public funds in connection with the construction thereof; be it further

Resolved, That copies of this memorial be forwarded for personal delivery to the President of the United States and to the Secretary of the Interior, as the Administrator of Public Works, and that copies hereof be also forwarded to the Senators and Representatives in Congress, respectively, from the State of Colorado.

USE OF GRANITE IN FEDERAL CONSTRUCTION

Mr. WALSH. Mr. President, I present and ask to have printed in the RECORD and appropriately referred copy of resolutions which were adopted by the Massachusetts General Court, memorializing Congress in favor of proper consideration for granite in Federal construction projects.

There being no objection, the resolutions were referred to the Committee on Public Buildings and Grounds and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress in favor of proper consideration for granite in Federal construction projects

Whereas Massachusetts is the leading granite-producing State of the Union; and

Whereas granite is a building stone of the highest quality, lending itself to beauty, dignity, and permanency, characteristics particularly desirable in all public buildings; and

Whereas distressing conditions of unemployment have been needlessly aggravated by the general use of machine-fabricated Indiana limestone in recent Federal construction projects; and

Whereas it is apparent from its wide-spread use in Federal buildings that this Indiana stone has enjoyed undue favor; and

Whereas it is neither desirable nor proper for a substantial portion of benefits arising out of expenditures for public buildings to be confined to one State through the specification and purchase of a material, the production of which is largely monopolized by that State: Now, therefore, be it

Resolved by the General Court of Massachusetts, That Members of the Congress of the United States from Massachusetts be and are hereby urged to continue their efforts to secure proper consideration for granite in Federal construction; and be it further

Resolved, That a copy of these resolutions be sent by the Secretary of the Commonwealth to each Member of the Congress from Massachusetts.

In house of representatives, adopted, January 25, 1934.

In senate, adopted, in concurrence, February 1, 1934.

A true copy.

Attest:

[SEAL] F. W. COOK,
Secretary of the Commonwealth.

REMOVAL OF TABLETS FROM MILITARY CEMETERIES

Mr. LOGAN. Mr. President, I present and desire to have printed in the RECORD and appropriately referred a resolution adopted by Philip Preston Johnson Camp, No. 56, Sons of Confederate Veterans, at Lexington, Ky., protesting against removal by the War Department of tablets of a certain nature from various military cemeteries.

There being no objection, the resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Whereas the War Department has removed and is now removing from the military cemeteries, tablets upon which are engraved Theadore O'Hara's immortal poem, The Bivouac of the Dead; and

Whereas such action seems to have been taken without consulting the wishes of any patriotic organization or those most vitally interested in honoring our heroic dead: Now, therefore be it

Resolved by the members of the Philip Preston Johnson Camp, No. 56, Sons of Confederate Veterans, at Lexington, Ky., at a meeting held on January 18, 1934, That we unanimously go on record as protesting against the removal of said tablets from said military cemeteries and that we favor that those removed be placed back again in their respective places and that a copy of this resolution be forwarded to our Senators and Congressmen from the State of Kentucky, with the request that they take this matter up with the proper authorities at once and have carried out the purpose of this resolution.

R. E. LEE MURPHY,
VILEY MCFARREN,
O. B. KELLER,
Committee.

FARM FINANCING

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed or noted in the RECORD and appropriately referred 2 resolutions and 11 petitions, all dealing with agricultural financing.

The first resolution is concurrent resolution no. 8, adopted by both branches of the Kansas Legislature in special session last November. It urges the early passage by Congress of the so-called "Frazier bill" for the refinancing of farm mortgages.

The second matter is in the shape of a number of petitions from local Farmers' Union organizations and citizens in Kansas counties also urging the passage of the Frazier bill. I favor the enactment of this legislation.

The other resolution is one adopted by the American National Live Stock Association in its annual convention at Albuquerque, N.Mex., urging lower rates of interest on loans by governmental agencies on livestock. Their appeal has my hearty approval.

Mr. President, it will be noted that all these resolutions and petitions point out the urgent need of loans for agricultural purposes at lower rates of interest. I do not believe that cheaper financing by itself is the answer at all to the farm problem. Better prices for farm products are more necessary than everything else, but I do believe that cheaper financing is absolutely necessary. I urge every Senator to give serious consideration to this question, and may I express the hope that worth-while action will be taken in this direction before the present session shall adjourn.

I send the resolutions to the desk with the request they be printed in the RECORD and then referred to the Committee on Agriculture and Forestry.

I ask that the petitions be noted in the RECORD and also properly referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 8, memorializing the Congress of the United States to pass the Frazier bill and place American agriculture on a basis of equality with other industries

Whereas Kansas is largely an agricultural State and largely dependent on that industry; and

Whereas prices of agricultural products, both crops and livestock, are now and have long been so low that the farmers are unable to pay taxes, interest, and upkeep and to secure a living return for their capital and labor; and

Whereas interest rates on farm-mortgage indebtedness from both private and public funds have not decreased in proportion to the decreases in prices of agricultural products; and

Whereas there has been introduced in the Congress of the United States a bill known as the "Frazier bill", which provides that the Federal Government with Treasury notes shall refinance farm mortgages at an interest rate of 1½ percent and an amortization rate of 1½ percent, making a total of 3 percent, the Treasury notes being retired as the mortgage debt is paid; and

Whereas such legislation is necessary in order to rehabilitate American agriculture: Therefore be it

Resolved by the senate (the house of representatives concurring therein), That the Congress of the United States is urged to enact into law as soon as possible the Frazier bill; be it further

Resolved, That the secretary of state be, and is hereby, directed to transmit copies of this resolution to the President of the United States, and to the Senate and House of Representatives of the United States, and to each of the Members of the Kansas delegation in both House and Senate.

I hereby certify that the above concurrent resolution originated in the senate and passed that body November 8, 1933.

CHAS. W. THOMPSON,
President of the Senate.
CAIN M. MILLER,
Secretary of the Senate.

Passed the house November 8, 1933.

N. H. VERNON,
Speaker of the House.
W. T. BISHOP,
Chief Clerk of the House.

RATE OF INTEREST ON LIVESTOCK LOANS

Whereas the crisis through which the cattle business is now passing is well known to Government officials; and

Whereas it would be to the ultimate advantage, not only of the livestock producer but of the Government as well, if interest upon all livestock loans made by the various Federal agencies were substantially reduced: Therefore be it

Resolved, That we ask that the interest upon all Government livestock loans be reduced to not more than 5 percent per annum.

[Resolution adopted by the American National Livestock Association, in annual convention assembled at Albuquerque, N.Mex., Jan. 10–12, 1924.]

The petitions presented by Mr. CAPPER from sundry citizens of the counties of Barton, Cloud, Cowley, Crawford, McPherson, Marshall, Riley, Stafford, and Trego, and of members of the Farmers Unions of Dickinson and Nemaha Counties, all in the State of Kansas, praying for the passage of the so-called "Frazier farm refinancing bill", were referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

Mr. BYRNES, from the Committee on Appropriations, to which was referred the bill (H.R. 7199) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1935, and for other purposes, reported it with amendments and submitted a report (No. 263) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 1484) for the relief of Miles Thomas Barrett, reported it without amendment and submitted a report (No. 264) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 1820) to amend the Code of Law for the District of Columbia, reported it with an amendment and submitted a report (No. 265) thereon.

He also, from the same committee, to which was referred the bill (S. 316) relative to the qualifications of practitioners of law in the District of Columbia, reported it with amendments and submitted a report (No. 266) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 2635) granting a pension to D. H. Waide; to the Committee on Pensions.

A bill (S. 2636) for the relief of James Slevin (with accompanying papers); to the Committee on Claims.

A bill (S. 2637) for the relief of Margaret A. Douglas; to the Committee on Finance.

(Mr. WALSH introduced Senate bills Nos. 2638 and 2639, which were referred to the Committee on Immigration, and appear under a separate heading.)

By Mr. CLARK and Mr. PATTERSON:

A bill (S. 2640) authorizing the Reconstruction Finance Corporation to make loans to certain hospitals; to the Committee on Banking and Currency.

By Mr. KING:

A bill (S. 2641) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

(Mr. KING also introduced Senate bill 2642, which was ordered to lie on the table, and appears under a separate heading.)

By Mr. DUFFY:

A bill (S. 2643) restoring citizenship to Harry A. Prudome; to the Committee on Military Affairs.

By Mr. LOGAN:

A bill (S. 2644) for the relief of Mary Seeley Watson; to the Committee on Military Affairs.

A bill (S. 2645) to provide for an additional district judge for the eastern and western districts of Kentucky, and to amend section 83 of the Judicial Code, as amended; to the Committee on the Judiciary.

By Mr. STEIWER:

A bill (S. 2646) granting a pension to George W. Newman; to the Committee on Pensions.

By Mr. ASHURST (by request):

A bill (S. 2647) prescribing the procedure and practice in condemnation proceedings brought by the United States of America, conferring plenary jurisdiction on the district courts of the United States to condemn and quiet title to land being acquired for public use, and for other purposes; to the Committee on the Judiciary.

By Mr. TYDINGS:

A bill (S. 2648) to authorize the purchase of certain parcels of land in squares 3182 and 3184 in the District of Columbia, by the Commissioners of the said District, and for other purposes; to the Committee on the District of Columbia.

By Mr. CAPPER:

A bill (S. 2649) to fix the rates of postage on certain periodicals exceeding 8 ounces in weight; to the Committee on Post Offices and Post Roads.

By Mr. BORAH:

A bill (S. 2650) amending the Agricultural Adjustment Act of May 12, 1933; to the Committee on Agriculture and Forestry.

By Mr. DILL (by request):

A bill (S. 2651) to provide for the prompt disposition of disputes between carriers and their employees, and to amend sections 1, 2, 3, 5, and 6 of the Railway Labor Act approved May 20, 1926; to the Committee on Interstate Commerce.

By Mr. BYRD:

A bill (S. 2652) to include peanuts as a basic agricultural commodity under the agricultural adjustment act; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

A bill (S. 2653) for the relief of Henry Charles O'Dell; to the Committee on Finance.

A bill (S. 2654) for the relief of J. Worrall Henry; and

A bill (S. 2655) for the relief of Floyd Heytz (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 2656) granting a pension to Mamie Northrup (with accompanying papers);

A bill (S. 2657) granting a pension to Effie Welsh (with accompanying papers); and

A bill (S. 2658) granting a pension to Elizabeth Winscott; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 2659) granting compensation to Joseph M. Burr; to the Committee on Claims.

(Mr. DILL introduced Senate bill 2660, which was referred to the Committee on Interstate Commerce and appears under a separate heading.)

By Mr. OVERTON:

A bill (S. 2661) for the relief of Clayton M. Thomas; to the Committee on Military Affairs.

By Mr. McCARRAN:

A bill (S. 2662) authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors for material and labor furnished in the construction of a post-office building at Las Vegas, Nev.; to the Committee on Claims.

IMMIGRATION AND NATURALIZATION FEES

Mr. WALSH. Mr. President, I introduce two bills seeking to bring about a reduction in naturalization fees and fees for records of registry under the immigration laws.

A very exhaustive report on this subject was made by the National Council on Naturalization and Citizenship. In connection with the two bills, I ask that this report, together with a statement by myself and letters upon the same subject which were printed in the RECORD in the last Congress when similar bills were presented by me, be again printed, and the matter referred to the Committee on Immigration.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 2638) to reduce certain naturalization fees; and

The bill (S. 2639) to reduce the fee for records of registry under the immigration laws; were read twice by their titles and referred to the Committee on Immigration.

The statement prepared by Mr. WALSH is as follows:

These two bills would reduce by 50 percent the fees required under the naturalization and immigration laws for naturalization and registry.

At the present time an alien who came to the United States before June 23, 1921, of whose arrival no record is found, must pay $20 for a certificate of registry, in order to have his admission legalized so that he can apply for citizenship. By the provisions of my bills this fee would be reduced to $10.

In addition, the present fee required for certificate of arrival would be reduced from $5 to $2.50; the fee for receiving and filing a declaration of intention would be reduced from $5 to $2.50; the fee for filing and docketing a petition for citizenship and final hearing would be reduced from $10 to $5. Also, the fee for the issuance of new certificates of citizenship or declarations of intention in place of those lost, mutilated, or destroyed would be reduced from $10 to $5.

I have been endeavoring for several years to secure a reduction in the naturalization fees, as I have long considered that the present rates put naturalization beyond the reach of the average applicant; that the desirability for citizenship should not be measured by an ability to pay an exorbitant fee, but that the true test should be an individual's merit, etc.

During the Seventy-first Congress I presented a bill (S. 3697) which provided for the reduction of the fee for record of registry from $20 to $10, and for making, filing, and docketing petition for citizenship and final hearing thereon from $10 to $5.

Mr. WALSH. Mr. President, during the Seventy-second Congress I presented S. 3217 to reduce certain naturalization fees and S. 3218 to reduce the fees for records of registry, but no action was taken by the Senate Committee on Immigration on either of these measures. Therefore, I am reintroducing them both, as I am hopeful that relief of this nature can be granted to those in more or less straitened circumstances who are unable to meet the excessive fees now demanded.

The report of the National Council on Naturalization and Citizenship, with related data, presented by Mr. WALSH, was referred to the Committee on Immigration, to accompany the bills, and ordered to be printed in the RECORD, as follows:

FOREIGN LANGUAGE INFORMATION SERVICE,
New York City, January 20, 1932.

Hon. DAVID I. WALSH,
United States Senator from Massachusetts,
Washington, D.C.

MY DEAR SENATOR WALSH: I have been asked to forward to you a report from the National Council on Naturalization and Citizenship dealing with the subject of naturalization fees and the effect of the increased fees. I think you will find in this report a wealth of important material on this subject. We are all hoping that you can make effective use of it in support of your bill to cut naturalization fees 50 percent.

You are privileged to use this report or the material it includes in any way that you feel will be effective. I may say that the report as sent you is a first draft which the committee in charge has rushed in order that you might have the material at the earliest possible moment. The National Council hopes to be able to print the report. Before this is done some minor changes may be made, but it will stand substantially as I am sending it.

With assurances of our cooperation, I am,

Sincerely yours,

READ LEWIS, *Director.*

FOREWORD

The National Council on Naturalization and Citizenship is composed of member organizations and of individual men and women affiliated with national and local civic bodies representing every part of the United States. Its purpose is to promote coordinated effort in behalf of assimilation of the alien and education for good citizenship. It is designed to be of practical help to agencies interested in prospective citizens by assembling information and acting as a clearing house.

The large decrease in the number of persons applying for citizenship following the passage of the amendment to the naturalization law which increased the fee for naturalization, caused the National Council on Naturalization and Citizenship to undertake a Nation-wide study to determine the effect of the increased fee.

The report now presented has been prepared with much care and thought. The evidence gathered shows that the present fee of $20 seriously discourages the naturalization of our alien population. After a review of the data secured, the National Council on Naturalization and Citizenship at its annual meeting held in 1931 unanimously adopted a recommendation that the high fee for naturalization be reduced.

Thanks are due the many civic agencies throughout the country who have assisted in assembling material for this report. Let us hope their efforts will aid in the correction of a situation which works a disadvantage to the alien and to the entire country, and that the emphasis in the requirements of citizenship will be transferred from a monetary to a more idealistic plane.

Respectfully submitted.

ROBT. C. DEMING,
Chairman Executive Board.

JANUARY 15, 1932.

HANDICAPS IN NATURALIZATION—A STUDY OF THE EFFECT OF HIGH FEES UPON THE NATURALIZATION OF ALIENS IN THE UNITED STATES

(This study was conducted under the auspices of the National Council on Naturalization and Citizenship, New York City, by a committee consisting of Mrs. Kenneth F. Rich, director of immigration of the Immigrants' Protective League of Chicago; Mary O'Donnell Turner, director of the Americanization Bureau of Detroit (this organization has recently been disbanded); Florence Cassidy, of the national board of the Young Women's Christian Association, New York City; Thomas Mulholland, of the National Catholic Welfare Conference, New York City; and Cecilia Razovsky, executive director of the department of service for foreign born of the National Council of Jewish Women, chairman.)

In the 10 years, 1920 to 1929, an average of over 175,000 aliens became American citizens each year. As the years went by the number receiving their final naturalization certificates had steadily increased until in 1929, 224,197 aliens became citizens. In the fiscal year 1930 this number suddenly dropped and in 1931 fell further to 143,495. There was an even more startling decrease in the number of declarations of intention and petitions filed.

Here was a situation of deep concern to all interested in the assimilation of our alien population and their incorporation into the common life of our Nation. What was the reason for this sudden unprecedented decrease of over 81,000 (or more than one third) in the number of aliens naturalized? It was this question that the National Council on Naturalization and Citizenship undertook to study and to answer. The present report is a result of its investigations.

On March 2, 1929, the naturalization law was amended by a provision increasing the fees for naturalization from $5 to $20. The new fees went into effect July 1, 1929. The inference that this radical increase in fees was the cause for a striking decrease in naturalization was thus obvious and natural. The National Council on Naturalization and Citizenship was not, however, satisfied with any such easy conclusion.

There might be other factors responsible for this sudden decline. Were our restrictive immigration laws responsible? What was the situation in each of the 12 naturalization districts into which the country is divided? How were the different States affected by the new law? What was the testimony of competent civic and educational organizations throughout the Nation? The results of this inquiry show conclusively that the high fee is responsible for the decrease in naturalization during the past 2 years.

The reports submitted from a number of large cities contain so much significant data that there is great temptation to quote them in full. Because of lack of space, the National Council on Naturalization and Citizenship is limiting the report to a condensed summary of the material received, which is believed to be representative of conditions throughout the country.

Up to 1929 the progressive growth in the naturalization of the aliens in this country (table I of exhibits) shows how slowly but steadily the incorporation of the alien into our citizenry was being accomplished. In 1910 out of an alien population of approximately five and a half millions about 1 percent were naturalized that year. In 1920 the proportion of aliens naturalized in relation to the total alien population, according to the census figures for that year, had increased to 3.3 percent. By 1929 this

proportion had increased to 4.5 percent. This increased proportion was only affecting slightly a practically stable alien population of over 5,000,000 persons. To put it in another way, while the alien bloc remained practically stationary (see United States census figures in table I), the progress in naturalization took care roughly of all new alien admissions to the population accruing through immigration and including a few of those already in the country. For example, in 1929 the total number of immigrant aliens over 16 years of age admitted amounted to 200,923. (Report of Commissioner General of Immigration, 1929. Figures for aliens 21 years of age and over are not available from the reports of the Commissioner General of Immigration.) The number of aliens naturalized that year amounted to 224,197. Thus it can be seen that, however slight, an impression was being made on the solid alien bloc, since the naturalization figures were greater than the number of new aliens admitted.

The passage of the amendment to the Naturalization Act in 1929, increasing the cost of naturalization from $5 to $20, resulted in the following year in a drop in the proportion of the number of aliens naturalized to the alien population to 3.3 percent—back to the 1920 figure. In 1931 there was a further drop in naturalization to 2.8 percent in relation to the alien population.

IS DECREASE IN IMMIGRATION RESPONSIBLE FOR DECREASE IN NATURALIZATION?

It may occur to some that the great decrease in declarations of intention issued is to be credited to our restrictive immigration laws, but this presumption is obviously groundless in the presence of over 5,000,000 of aliens, of whom, according to the United States census of 1930, 3,342,837 had not yet declared their intention to become citizens. The very restrictive nature of our immigration laws which makes traffic back and forth from Europe difficult for aliens, should have stimulated many of those residing in the United States for years to a new attempt to become citizens. Then, too, the deportation laws, the increased deportation activities of the Government, the threat of registration of aliens so greatly feared by them, should, it would seem, have induced many to declare their intention to become citizens or to complete their naturalization. Discrimination in many branches of industry, in the employment of public works, in membership in trade unions, in employment in private industries, should have created a scramble for the filing of declarations and petitions. In inducting 124 applicants into citizenship in New York City recently Judge Cotillo was quoted as having made the following remarks regarding the effect of the fee:

"The fee of $20 for naturalization was exorbitant in these times of depression, and that to get a job easily the alien was compelled to become a citizen because industry closes 3 of every 5 jobs to aliens." (New York Times, Dec. 31, 1931.)

But what do we find? With but few exceptions the naturalization of the alien has declined in practically every part of the country since 1929, and this despite the advantages and privileges, material as well as spiritual, which, particularly at this time, citizenship confers upon the alien. Two factors impose themselves for consideration—the high fee and the unemployment situation, which weighs particularly heavily upon the alien population. Table II (see exhibits) shows a decided decline in the number of petitions filed and the number of final certificates issued in 1930 and 1931 as compared with the numbers for 1929. The figures speak for themselves.

HOW HAVE THE VARIOUS STATES BEEN AFFECTED?

Before proceeding with a discussion of the replies received to the questionnaire sent out by the committee, attention is called to table III (see appendix), which shows the figures for naturalization by States for specified years, together with the total alien population over 21 years of age for each State, as given by the United States census of 1930, and the percentage of aliens naturalized in 1931 as compared with this total alien population. The figures for alien population for each State were obtained by subtracting from the total foreign-born population over 21 the number reported as being naturalized citizens. It will be noted that all the States show a large decrease in 1930 as compared with 1929 for declarations of intention issued, petitions filed, and final certificates granted. The drop in declarations of intention filed for each State in 1930 as compared with 1929 is indeed startling.

While it is true that by 1931 all the States, with the exception of Kentucky, show an increase in the number of declarations filed, as compared with the preceding year 1930, none of them approaches the figures for 1929, the year before the law was amended. Similarly, in 1931 the number of petitions filed in all the States shows an increase over 1930, but again the petitions do not reach the 1929 figures. It should be remembered that it was during this period that there developed a growing discrimination against aliens in industry, and in the granting of public relief and employment relief to aliens. Undoubtedly because of this discrimination, many aliens hastened to make declarations or to file petitions for naturalization.

The conclusions reached by an interested group in Los Angeles are:

"The increased fee makes a difference which is offset by the added advantage that citizens have over aliens in obtaining work. The fee works an undue hardship upon the prospective applicant. The fee should not become a test of citizenship because * * * economic barriers are unfair * * *."

However, the final certificates issued in 1931 as compared with 1930 show a further decrease so that there is a considerable decline in 1931 over the peak year 1929 in final papers granted. The year 1931 shows the smallest number of persons naturalized since the year 1917. (See table II.) The following 35 States show this continued decrease in naturalization during 1931:

Alaska, Arkansas, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, and Wyoming.

The variation between the States as shown in table III is obviously the result of several factors, such as differences in the depth of the depression, differences in educational facilities offered by State and city, variations in the legislation regarding employment of aliens on public works, etc.

Since the percentage of aliens naturalized in 1931 for the United States as a whole amounted to 2.8 percent, a column is included in table III showing the percentages of aliens naturalized by States in relation to their respective alien population. A map has been prepared—table IV—in an attempt to show more graphically the unevenness of the progress of the naturalization of the alien in different sections of the country.

HAVE RURAL DISTRICTS BEEN EQUALLY AFFECTED BY THE FEE?

Data were secured from certain urban and rural communities in answer to the questionnaire sent out by the committee. It is evident from the reports that even within any one individual State the rate for naturalization is spotty, depending again upon local conditions and activities.

Let us take Sullivan County, N.Y., as an illustration. This is a rural district consisting of rural farm population, rural nonfarm, small towns, and villages. The entire rural population is 28,395. Of this number, 6,324 are foreign-born whites over 21 years of age, 1,995 of whom are not yet naturalized. In the year 1930, 6 people in Sullivan County applied for declarations of intention as compared with 89 in 1929. For the past fiscal year, 1931, 17 persons applied for declarations of intention in this county. In 1929, 95 aliens received their final papers, whereas in 1930 the number had decreased to 74, and in 1931 there was a further decline to 35.

A similar report was received regarding the situation in Ulster County, N.Y., where the rural people find it exceptionally difficult to apply for papers, as they must pay witnesses for their transportation and also must pay for extra labor on the farm and the use of teams when they take their own teams to the naturalization office. According to Miss Bessie Myers, educational supervisor of the farm and rural department of the National Council of Jewish Women, her experience in assisting aliens to make out applications leads her to believe that the high cost of the fee has deterred them from filing and completing their applications.

A report from Los Angeles states that while the urge to become citizens has been sufficient in the urban sections to overcome the hardship of paying the extra fee (because of pressure from employers), the increased fee has resulted in a hardship in the agricultural districts in the San Joaquin Valley; that is, in Fresno and Kings Counties.

According to a Minneapolis report, "The present unemployment situation and the high cost of fees are responsible for the decrease in naturalization, but it is possible this is only a temporary situation."

An outstanding instance of the effect of local conditions is that in the case of Detroit, where the number of aliens naturalized jumped tremendously in 1931, increasing to 11,295 declarations of intention from 6,794 in 1930, and where the number of certificates granted in 1931 amounted to 11,116 as compared with 10,055 in 1930. In 1930 the Detroit district had reacted as normally as the other districts to the effect of the fee.

The number of declarations of intention issued in 1930 amounted to 6,794, as compared with 22,852 issued in 1929. Similarly there had been a decrease in 1930 as compared with 1929 in the total number of certificates granted, 10,055 having been issued in 1930 as compared with 12,331 in 1929. The cause for the increase in 1931 is attributable to the alien ruling adopted in the city of Detroit in March 1930, which removed from city pay rolls all alien employees. The pressure from employers who preferred citizens to aliens is also responsible for the increase. To quote from the report sent in by Miss Mary O'Donnell Turner:

"Pressure from employers and the fact that the city of Detroit requires its employees to be citizens have increased the demand for citizenship. Aliens believed that citizenship would assist them in securing and keeping employment. The ban on alien employees adopted by the city of Detroit and the removal of city employees from city employment caused the aliens to apply for papers in greater numbers."

The passage of the Michigan registration act (recently declared unconstitutional) was undoubtedly an additional cause for the increase.

IS THE HIGH FEE PRIMARILY RESPONSIBLE FOR THE DECREASE IN NATURALIZATION?

In answering one of the questions which called for factors responsible for the slowing-up of the process of naturalization the following interpretations were elicited:

High fees are given as the first factor in the effect on naturalization by agencies reporting from the following States and cities:

Boston, Mass.; Chicago district; Connecticut, including Bridgeport, Hartford, Meriden, New Haven, Middletown; Colorado; Dayton, Ohio; Erie County, Pa.; Oakland, Calif.; Portland district, Maine; San Francisco, Calif.; Seattle, Wash.; Syracuse, N.Y.; and western counties of Massachusetts.

High fees plus unemployment are given by the following sections and cities as being the two most important factors:

Brownsville, Tex.; Chicago, Ill.; Cincinnati, Ohio; Cleveland, Ohio; Denver, Colo.; Massena, N.Y.; Oneida County, N.Y.; Ulster and Sullivan Counties, N.Y.; Utica, N.Y.; and Yonkers, N.Y.

Among other factors mentioned are higher educational requirements, itinerant labor, delay experienced by the local bureaus of naturalization in securing necessary supplies of new blanks, uncertainty as to procedure, and "red tape."

WHY MUST THE ALIEN PAY FOR AN OMISSION FOR WHICH HE IS NOT RESPONSIBLE?

Certificates of registry required by the law have caused the alien many difficulties and hardships. While the provision in the law permitting aliens who arrived before June 3, 1921, to legalize their residence by securing certificates of registry where they cannot recall the date of arrival or name of steamer, or have entered without inspection, is excellent and greatly appreciated, it should be remembered that the fee for a certificate of registry is $20, in addition to the $20 further required for naturalization. Very few aliens who arrived in the United States before June 29, 1906, are able to recall the name of the steamer on which they sailed or the date of their arrival. On the other hand, at very few points of arrival were adequate records kept by the Government before 1906. One of the comments made in the report of the Commissioner of Naturalization (1931) refers to such certificates of arrival. According to this report—

"The records prior to 1906 have been imperfectly kept, and attempts to make use of them have disclosed the impossibility of administering the requirement of the March 2, 1929, law that 'a certificate of arrival be furnished from the records for those aliens who entered the United States prior to June 29, 1906.'"

Even after June 29, 1906, and until some time in 1908, there were 90 points of arrival on the United States borders where no records were officially kept. To require certificates of arrival from aliens within this category is to tax them for an omission for which they cannot be held responsible. To secure a certificate of registry is for many aliens an expensive as well as a very difficult matter. In some instances the applicants must pay for the wages and transportation and luncheons of their two witnesses to the nearest immigration station where they are called for examination. It has been stated on good authority that the cost of certificate of registry mounts sometimes to as much as $100, taking into consideration loss of time and wages of the witnesses and of the applicant together with other necessary expenses.

One community center in New York City reports that there are quite a number of cases in their files of aliens who entered before 1906 and who are unable to obtain proof of their legal entrance because Ellis Island records were destroyed in a fire. An instance is cited of one woman who came to the United States in 1898 when she was only 2 years old. She was educated in this country and is thoroughly American. There is no record of her arrival. She wants to become a citizen, but cannot afford the cost of a certificate of registry in addition to the naturalization fee, because her husband is out of work and because they belong to that group in our population that has definite and immediate use for every penny earned and no chance to save.

The State director of adult education of Connecticut has a long list of aliens who arrived before 1906 and who are not responsible for their failure to secure verification of their arrival.

WHAT ABOUT NATURALIZATION OF WOMEN?

That women are also seriously affected by this change in the naturalization law is obvious from table V (see exhibit). With the passage of the Cable Act in September 1922, when married women were granted the privilege of independent citizenship, the number of women taking advantage of this opportunity became gratifyingly larger each year.

In 1929, 57,063 women had become naturalized in their own right. In 1930, after the change in the law, the number had decreased by 8,258, a drop of 14.5 percent for women. Incidentally there had been a drop of 28.1 percent for men in 1930. In 1931 the effect was reversed and we find that the decrease for women was 24.6 percent of the 1930 figures, whereas for men the drop was but 11.5 percent of the figures for 1930. In 1931 there were 20,287 fewer women who had become citizens as compared with the 57,063 who had become naturalized in 1929—a total drop of 35.6 percent. The percentage of decrease for men in 1931, as compared with the number of men naturalized in 1929, amounts to 36.4 percent; there were 60,950 fewer men naturalized in 1931 than in 1929.

Many agencies called attention to the fact that a greater proportion of women than men living in their communities were deterred from completing naturalization because of the high fee. A visiting nurse in one city reported that nurses are often called in to aid families that have spent every cent on the father's citizenship and are therefore destitute. Their gas and electricity are turned off, they have no money left to purchase food after their grand naturalization splurge. As between father and mother, the naturalization of the father seems to be more urgent and the mothers are obliged to postpone taking any steps until there is more money in the family exchequer.

SOME ILLUSTRATIVE CASES FURNISHED BY AGENCIES

The following cases are given by various agencies as examples of hardship dependent upon the increase in fee:

"Mrs. T. was left a widow last March. The 4 children, 2 boys and 2 girls, range in age from 8 to 15. Mrs. T.'s health will not permit her to work and the children are too young. There was a little insurance, but only sufficient to pay the funeral expenses and debts accumulated during Mr. T.'s illness. The only income now is the small amount which Mrs. T. receives from her brother-in-law, who lodges with her, the newspaper-route earnings of one of the boys, and some groceries contributed by charitable organizations.

"Mr. T., a native Italian, became an American citizen a few years before his death. He intended to remain in this country and rear his children here, and so he bought a small home, putting into it the few hundred dollars he had managed to save and borrowing the balance. In the ensuing years he was able to pay back part of this, but there is still a mortgage on the place, and it is quite a problem for his widow to meet the interest due every 6 months. Mrs. T. wants her children to be educated and bitterly regrets that the eldest, a girl, had to leave high school when her father died.

"Mrs. T., like her husband, Italian by birth, is anxious to become a citizen, for, she says, she considers this country her home and will never leave it; her children are its citizens, and surely their mother ought not to be an alien. She has been in this country since 1914, speaks English quite well, and earnestly believes that she can pass the citizenship test with the help of the International Institute, which is only too willing to lend its assistance. But how is she to pay the increased fees? That is the question she has asked of the social worker interested in her problem, but as yet no answer has been found." (McKeesport, Pa.)

"John J., employed as storekeeper in State institution for past 20 years. He arrived prior to head-tax period from Canada. He recrossed border many times, but has been admitted on basis of his State employment. He cannot see his way clear to invest $20 for record of registry." (Boston, Mass.)

"M. C., Hartford, Conn., came to the United States as a baby in 1902; lived at Hartford and attended school there. Could not make application for first papers until 18 years of age, which he did; joined the Army and served 2 years in the Philippines and has honorable discharge. His first papers lapsed, and another declaration was taken out in 1926. In April 1929 he applied for second papers and heard nothing until October, when told his record of arrival could not be found and to apply at the Immigration Department. Here he was told to secure a record of registry, at a cost of $20. Mr. C. will be unable to proceed at present, hoping that the law will be modified so as to recognize his entrance, without the payment of $20 in addition to the twenty for naturalization." (Hartford, Conn.)

"Fairly prosperous Italian family, consisting of mother, father, and three children. Sickness and unemployment. Low salary now. Waiting for better salary to pay fee." (Washington, D.C.)

"Seventeen years ago an ambitious husband and father came to America, with the idea in mind of finding work and establishing a home, so that after his position became secure he might send for his wife and family in Czechoslovakia. While building for this future possibility he kept in close touch with his family and sent quite large sums of money for their support. The World War was declared the year he landed in the United States, so that for 4 years there was no possibility of his wife and children joining him in this country. Then it became difficult to secure steady employment and consequently difficult to put money away for the passage of his family, as well as support them in Czechoslovakia.

"In 1921 immigration quotas were established under the new Federal policy, and it became especially difficult for families from southern European countries to secure admission to the United States. Then the Immigration Act of 1924 went into effect, and full citizenship was required before a man's wife and children could enter outside the quota. This man had not had the advantage of education in his country, and so a long period of study and preparation became necessary before his plans could be accomplished. His declaration of intention had been properly filed, and in September 1930 he was called for the examination on his petition. He successfully answered all the questions and passed the examination, but could not be given his petition card because he did not have the necessary $10 fee. Economic depression had again meant the loss of his job, and the consequent lack of money. In the meantime his children will soon be past the age when they are entitled either to preference or nonquota status. Full citizenship, especially at so high a cost, is often an impossible price to ask of families as the basis of reunion.

"There is a young widow in Chicago with six children under 16 years of age. She came to the United States a year or two before the war with her husband, but has been so busy with her large family that she has learned very little English. Her husband had taken out his declaration of intention in 1922, but died before citizenship was completed. He had served in the American Army during the World War. This mother is anxious to qualify for a pension from the juvenile court by completing citizenship upon the basis of her husband's first papers. When she attempted to file a petition she found they had expired, and that she must begin the process all over again. She hopes to learn English and civics before the time of the examination. It will be very difficult for her to pay the $20 now required to complete the process of naturalization. Her situation raises a grave question as to whether citizenship should be required as the price of a mother's pension.

"One of the women who finds the new naturalization fees hard to meet is a widow with six children, the oldest of whom is a girl of 13. There were bills amounting to $440, and funeral expenses of $500, met by the subscription of their friends. In order to keep her family together this mother has applied for a juvenile court pension. In order to secure it she must be a citizen of the

United States. As a matter of fact, she was born in Chicago and has never been out of the country. But she married an Italian, who had come to America many years ago, but who had not become naturalized. Since the marriage took place (before the passage of the Cable Act in 1922) she had lost her citizenship in the United States. In order to regain it she need not take out first papers to be sure. But she must file a petition and pass the examination in civics. She has not the $10 necessary to meet the fee for second papers." (Chicago, Ill.)

THE HISTORY OF THE FEE

Up to 1906 there was no uniformity in the fees charged for naturalization. The fees varied considerably in the different States. From a report on the history of naturalization (F. G. Franklin, Legislative History of Naturalization in the United States) we find that in 1840—

"Fees varied greatly, being much higher in Federal than in State courts. They were often reduced by arrangements with political committees. The local fees ranged from 50 cents to $3 for naturalization and from 20 cents to $1.25 for a declaration of intention. In some States the total fee amounted to $3; in others it amounted to $10."

In the report of the House Committee on Immigration that accompanied the naturalization bill (Feb. 26, 1906) it was stated that the average amount charged throughout the United States for naturalization amounted to $11—$1 for declaration of intention, $5 for filing of petition, and $5 for issuance of certificate. It was not until 1906 that Congress for the first time passed a law calling for a uniform naturalization fee. When the report of the committee was discussed in the House the chairman, Mr. Bonynge, in answer to a question as to how the committee arrived at the figures for fees, replied:

"We endeavored * * * to ascertain as near as we could, and it was largely a matter of conjecture, what the expenses of the national supervision of naturalization would be * * *. Upon further consideration, we have concluded that the fees provided by the amendment which we will offer [this amendment reduced the total fee to $5, and was adopted in conference.—C. R.] will be sufficient to pay the expenses, and it is our desire to charge only a sufficient amount to cover the expenses of naturalization." (United States CONGRESSIONAL RECORD, 1906, p. 7035.)

We quote further from the United States CONGRESSIONAL RECORD, 1906, page 3647:

"Mr. JAMES. If a man in good faith wants to become a citizen of this country, it ought to be possible for him to do so without the clerk collecting from him an exorbitant fee in order to obtain the right to become an American citizen.

"Mr. BONYNGE. We do not desire that he should collect an exorbitant fee.

"Mr. GOLDFOGLE. You cannot improve the quality of citizenship by an increase in the present fees for naturalization" (p. 7043).

ARE THE PRESENT FEES NECESSARY TO DEFRAY THE COST OF OUR NATURALIZATION SERVICE?

According to the annual report of the Commissioner of Naturalization, the excess of net receipts of 1929 as compared with the cost of administering the naturalization law amounted to $192,911.88. In 1930, after a year under the new law, the excess of net receipts increased to $1,648,101.71; that is, 8½ times over that in 1929—854 percent. In 1931 the excess of net receipts over cost of administration increased over 10 times that of 1929, or 1,026 percent, to $1,981,933.63. As against this remarkably high excess of net receipts over expenditures, we find that the increase in the cost of administration in 1930, as compared with 1929, was only $143,396.22, or 11½ percent. For 1931 the cost of administration, as compared with the cost in 1929, shows only a little over 12 percent. The excess income from naturalization from 1907 to 1930 amounted to $1,098,926.37. In the last 2 years only it amounted to $3,629,135.34.

If the fee is only to cover cost of naturalization, it is extremely exorbitant; if it is to pay for the privilege of becoming a citizen, then who is willing to set the price of such a precious prerogative, whose value is inestimable? To quote Judge McCoy, of Washington, D.C.:

"If the fee is to be measured by the value of the privilege, the privilege is going cheap at $5 or $10. If the privilege is one which we desire the immigrant to exercise, both for his own good and ours, weren't the previous fees high enough?"

WHAT THEY DID IN SOUTH AFRICA

The situation in South Africa with respect to increase of fees might well be cited. Originally the fee in that country was a little over £2 6s. ($10). In July 1921 it was increased to £10, then reduced in December 1921 to £5. In December 1924 it was again reduced, this time to £2 10s., because it was felt that the fee was a material consideration to applicants who are not in a financial position to incur the outlay involved.

SOME OPINIONS FROM INTERESTED CITIZENS

Many of the figures in the questionnaire received were supplemented by opinions, from which are quoted the following. It is evident from these statements that many teachers, social workers, judges, directors of adult education, etc., believe that the fee is too high and is responsible for the decrease in naturalization and its disastrous social consequences.

Mrs. Kenneth F. Rich, of the Immigrants Protective League of Chicago, states: "We expected a decrease in naturalization, but we were not prepared for the immense drop in the Chicago district. The leading reasons are increase in fees, delay in supply of blanks, discouragement of the alien over the technicalities and obstacles on the long, long trail of the applicant."

Mr. Robert C. Deming, supervisor of adult education, Hartford, Conn.: "Americans believe in equality of opportunity and that 'a man's a man' regardless of his worldly wealth. When Congress radically increased the cost of naturalization in a time of depression, putting the emphasis upon wealth and not upon character and educational requirements, it ran contrary to our traditional ideals of democracy and lost a great opportunity to place citizenship on a spiritual rather than a material basis. How must citizenship be looked upon by our prospective citizens when it is a barrier and obstacle toward an economic, social, or immigration objective rather than an envied objective through educational and spiritual qualitative requirements? Somehow the lamp of citizenship has been dimmed."

Miss Clara L. Soule, director of Americanization, Portland, Maine, says: "My experience has been that the increased naturalization fee has proved a great hardship to many, even causing indefinite postponement."

Mr. Clarence L. Hewitt, director of adult education, Syracuse, N.Y., states: "I do not believe that the expense of naturalization demands the high fees. The high fees cause a postponement of the declaration and a consequent delay in preparation for citizenship. Even in good times the high fees will be a burden. In these hard times the high fees are an indirect tax on the community by reducing the petitioner's ability to take care of himself. In many cases the fees are loaned to petitioners by their friends. In a few instances private charitable agencies have paid the fees. This has had to cease on account of exhaustion of funds. They have caused resentment on the part of foreign born and have served to perpetuate the mass of alienage. In the cases of some the expiration of the 7 years allowed for the life of a declaration has come when the alien could not possibly raise the money to pay the fees for a petition, so the money and time expended on the declaration became a total loss."

Rev. John C. Carr, Catholic Charities, Buffalo, N.Y.: "The fees are too high for even normal times, and unemployment makes the fees doubly hard and prohibitive. I now know a number of worthy people who are not financially able to get their final citizenship papers."

Miss Maude E. Aiton, administrative principal of public schools, Washington, D.C., writes: "I believe the fee for naturalization is too high, and I also believe your study will show that to be the general feeling among workers with adult foreign born. No fee can be commensurate with the gift of citizenship. A fee that covers the cost of naturalization to our Government so that our own citizens will not bear the financial burden seems to me to be an ample charge. As I understand it, this was so before the larger fee was legislated for. The larger fee is denying to the economically handicapped man and woman, even though of high qualizations and real loyalty to the Government, its protection, and rights."

Miss Irene Siachta, director Catholic Immigrant Aid, New York City, states: "I am very much in favor of the reduction in naturalization fees. We have quite a number of clients who, like those enumerated in your statements, must defer their naturalization because of the charges. A smaller fee would be a blessing for them."

Mr. Read Lewis, director Foreign Language Information Service, New York City, writes: "The increased fees for naturalization are in our experience a serious deterrent. Many aliens who desire American citizenship cannot afford what it now costs. This seems particularly unfair during the present period of unemployment. We discriminate against the alien on the one hand and on the other increase the difficulties of his becoming a citizen. What is to be gained by such a policy? Naturalization should, it seems to us, be encouraged as soon as the alien has a sincere desire for it. If the former fees are not restored, the high fees now in force should, we believe, be substantially reduced.

Capt. Fritz Nelson, secretary immigration and Americanization department of Salvation Army, New York City: "The number of cases handled by the immigration and Americanization section has decreased since the July 1929 act which increased the fees for naturalization. People are prevented from becoming citizens because of the high fees. Of course, the present depression and hardship of obtaining money is also responsible for the decrease in the number of applications for citizenship. People who are having a hard time keeping body and soul together need their money for necessities. Citizenship is not a necessity. It is a duty and privilege, and therefore is a second consideration in times like these. The fee should not exceed the actual expenses incurred by the Government in the necessary progress of examination and issuance of certificate, etc."

Mrs. Maurice L. Goldman, chairman department of service for foreign born of the National Council of Jewish Women, says: "In this organization's experience with aliens who are applying for citizenship in practically every section in the country, the high fee is causing great hardships. Some of our local branches have undertaken to assist the aliens by having them deposit a small weekly sum until the full amount is made up with which the fee may be covered. The efforts of our organization to stimulate interest among foreign-born women to become naturalized as a part of their participation in community life are unfortunately frustrated by the increased fee, since most women are obliged to sacrifice their personal desires in order to take care of the urgent needs of their families."

Mrs. Edith Terry Bremer, executive, department of immigration and foreign communities, National Board of the Young Women's Christian Association, states: "To acquire American citizenship has always been important and has been held by successive thousands to be a precious privilege. To acquire it now is not only important, it often constitutes a family's one hope of remaining together or of maintaining independence. The excessively high fees required now have become a block to the fulfillment of naturalization hopes. To permit, in these times, a monetary figure to constitute a deciding factor in the business of qualifying for citizenship, amounts to casting the idealistic value of American citizenship over into the shadows of cynicism. I believe the fees connected with naturalization process should be immediately and materially lowered."

Mrs. Oscar Geballe, National Council of Jewish Women, San Francisco, Calif., says: "The applicants who apply to our organization for aid in naturalization find the high fees the most important factor which prevents them from completing their naturalization."

Mr. Henry Fruchter, Naturalization Aid League, New York City: "The high fee is the primary factor in the reduction of naturalization. Besides the high fee there are two other factors causing the decrease in the number of applications for naturalization—the depression. This is, of course, a very important factor. It is very difficult for an alien earning about $18 a week to afford citizenship. But when that alien is out of work the hardship is even greater. The educational requirements for citizenship eliminate approximately 5 percent of the people who apply."

Mrs. Joseph Skwirsky, chairman Newark Americanization Classes of the National Council of Jewish Women, reports: "Many of the women are ready for citizenship but have not the money with which to pay the fee. Our own experience has shown that many people are not able to pay the fee, but it is not certain if this is due to the present situation or that it might have been the same were conditions better."

Mrs. Joseph Kohn, of the Council of Jewish Women, and Miss Jeannette Kaner, of the Jewish Charities, Duluth, Minn. state: "The increase in fees makes it difficult for many of our people to think of getting their papers."

Miss Sara C. Clapp, Kips Bay Neighborhood Association, New York City, adds in her report: "Many people who come here for information concerning citizenship procedure and rates believe that they are being misinformed when they are told about the new fees. They go from one organization to another asking whether the fees could really have been raised to the extent they have been advanced. The old-age pension law, which came into effect on January 1, 1931, in New York City, has brought many inquiries about citizenship, inasmuch as it will benefit citizens. However, the inquiries are not followed up with applications for citizenship because of the new high cost of naturalization which very few can afford."

Mr. A. L. Sluger, Hebrew Sheltering and Immigrant Aid Society, New York City, says: "The reasons for the decrease may be the combined factors of the increased fee as well as the present scarcity of money, with possibly the strict curtailment of immigration under the National Origins Quota Act."

Mr. Harold Fields, executive director National League for American Citizenship, New York City, states: "It is absurd to assume that the higher fees we charge, the more assured are we of a better grade of citizen. In the 1860's, when Carl Schurz and others became naturalized, the fee was $1 and the resultant product has become publicly known as 'our pioneers.' * * * These higher fees have already been the cause of a painful decrease in the number seeking citizenship and the number being granted citizenship. * * * These increased fees coming at a time of depression have caused a definite slow-down in the whole process of naturalization. That leaves us faced with the fact that the fees can only be paid out of income and that the income of aliens is being curtailed because in many cases they are losing their jobs, or are without jobs, because of their very alien status. If one cannot get work unless naturalized, and one cannot become naturalized unless one has work—a circle that actually exists today—the situation calls for correction. I speak for myself and for the National League for American Citizenship when I say that we will look upon the reduction in fees for naturalization as a very sensible form of legislation and a very wise act in Government policy."

CONCLUSIONS

The data submitted in this report show that there had been a steady growth of progress in the naturalization of aliens up to 1929.

There were more aliens naturalized in 1929, before the new law went into effect, than the admission of new aliens over 21 into this country. Since the passage of the new amendment increasing the fee there has been a definite decline in the process of incorporation of the alien throughout the country.

Whereas since the passage of the Cable Act in 1922 women were becoming naturalized in increasing numbers each year up to 1929, the high fee has affected them very markedly and fewer women are now being naturalized.

Practically all observers agree that the present fee for naturalization is entirely too high.

Many civic agencies agree and insist that the present fee is responsible for the decrease in naturalization.

Many observers believe that the present economic situation undoubtedly aggravates the detrimental effect of the high fee on aliens who desire to become citizens.

The present cost of administering the naturalization law has increased by only 11½ percent more than the cost in 1929. The excess in receipt of fees amounts to 1,052 percent more than in 1929. There is, therefore, no need for the high increase in fee to balance the Budget.

COMMENTS

Naturalization is in a sense a part of the educational and assimilation process of the alien in this country. The effort to make a citizen out of an adult alien is analogous to the education required in teaching civics and citizenship to a native child. We do not expect any revenue from the education of the child who is to be our future citizen. Why should we require revenue for incorporating the alien into our community life?

One of the most potent arguments that made restriction of immigrants acceptable to the country was that we would be able to assimilate the alien already within our gates. The economic argument for restriction of immigration was by itself a debatable one and by many considered fallacious. The World War had taught us that there were great groups of unassimilated aliens in our country and a great post-war Americanization movement was inaugurated to hasten the assimilation process of the aliens.

Now are we going to retard the assimilation of the very alien whose bulk loomed large and whose future assimilation was planned when our Government adopted the restricted-immigration program?

We have a bloc of aliens in this country amounting to over 5,000,000 people. At the rate we are going at present, it will take more than a generation to naturalize them. Economically, socially, and culturally they are isolated. Are we going to put greater obstacles in their path than they experienced before?

We have cut their cultural bridges to their old fatherlands behind them by our restrictive immigration measures. Shall we at the same time build a Chinese wall around them here so that the new fatherland is closed to them? It must not be forgotten that the effect of alienage is not confined to the actual 5,000,000 but to their immediate descendants as well. Particularly grave hardships are imposed in making naturalization difficult for those aliens whose families are still abroad.

There can be only one effect in this increase of cost which with unemployment is deterring many aliens from becoming naturalized. That effect is the perpetuation of a permanent body of noncitizens who will constitute an alien bloc of the population, which history shows has always led to a serious social problem.

The high fees should be reduced.

Respectfully submitted.

CECILIA RAZOVSKY,
Chairman Subcommittee on Effect of Increased Fee on Naturalization, National Council on Naturalization and Citizenship.

JANUARY 15, 1932.

EXHIBITS

TABLE I.—*Rate of naturalization in the United States*

	1910	1920	1929	1920	1931
Total alien population over 21 years of age	[1] 5,585,691	[1] 5,777,015	[2] 5,010,207	[2] 5,010,207	[2] 5,010,207
Total naturalized in year mentioned	39,448	177,683	224,728	169,377	143,495
Percent naturalized	[1] 1	[1] 3.3	[1] 4.5	[1] 3.3	[1] 2.8

[1] United States census figures.
[2] United States census figures for 1930.
[3] Percentage estimated by correcting naturalization figures for 1910 and 1920 to allow for the citizenship status of married women who became citizens automatically by the naturalization of their husbands.

TABLE II.—*Naturalization figures for the entire country*
(Reports of the U.S. Commissioner of Immigration)

Year	Declarations	Petitions	Civilian certificates	Military certificates	Total
1907	73,658	21,113	7,941		7,941
1908	137,571	44,032	25,975		25,975
1909	145,745	43,141	38,374		38,374
1910	169,348	55,750	39,448		39,448
1911	189,249	74,740	56,683		56,683
1912	171,133	95,661	70,310		70,310
1913	182,095	95,380	83,561		83,561
1914	214,104	124,475	104,145		104,145
1915	247,958	106,399	91,848		91,848
1916	209,204	108,767	87,831		87,831
1917	440,651	130,865	88,104		88,104
1918	342,283	105,514	87,456	63,993	151,449
1919	391,156	128,523	89,023	128,335	217,358
1920	299,076	166,760	125,711	51,972	177,683
1921	303,904	177,898	163,656	17,636	181,292
1922	273,511	153,170	160,979	9,468	170,447
1923	296,636	158,059	137,975	7,109	145,084
1924	424,540	166,947	140,340	10,170	150,510
1925	277,218	162,258	152,457		152,457
1926	277,539	172,107	146,239	92	146,331
1927	258,295	235,298	195,493	4,311	199,804
1928	254,588	238,328	228,006	5,149	233,155
1929	280,645	254,799	224,197	531	224,728
1930	62,138	111,209	167,637	1,740	169,377
1931	106,272	142,249	140,271	3,224	143,495
Total	6,028,517	3,270,442	2,853,660	303,730	3,157,390

TABLE IV.—*Percentage of alien population naturalized in 1931, by States*

(Report Bureau of Naturalization, 1931, U.S. Census Reports, 1930)

UNDER 2 PERCENT	
Alabama	1.7
Arkansas	1.0
Colorado	1.3
Connecticut	1.9
Georgia	1.9
Idaho	1.3
Kansas	1.8
Louisiana	1.5
Maine	.7
Nevada	1.9
New Hampshire	.9
North Dakota	1.9
Oregon	1.7
Utah	1.3
Vermont	1.1
West Verginia	1.7
2 TO 3 PERCENT	
Arizona	2.5
California	2.6
Delaware	2.0
Florida	2.3
Indiana	2.5
Kentucky	2.4
Maryland	2.0
Massachusetts	2.4
Minnesota	2.9
Mississippi	2.0
Missouri	2.4
Montana	2.2
Nebraska	2.7
New Jersey	2.8
New Mexico	2.1
Ohio	2.3
Oklahoma	2.0
Pennsylvania	2.5
Rhode Island	2.5
South Carolina	2.6
South Dakota	2.5
Tennessee	2.6
Texas	2.5
Virginia	2.0
Washington	2.4
Wisconsin	2.3
Wyoming	2.5
OVER 3 PERCENT	
District of Columbia	3.5
Illinois	3.5
Iowa	5.0
Michigan	3.1
New York	3.5
North Carolina	3.0

TABLE V.—*Women applying for citizenship*

(Reports of U.S. Bureau of Naturalization)

Year	Declarations of intention	Petitions	Certificates of naturalization
1924	49,291	17,255	14,771
1925	51,927	22,526	18,576
1926	56,983	28,392	24,770
1927	55,017	44,474	33,971
1928	56,037	55,391	51,280
1929	73,496	69,903	57,063
1930	14,534	29,320	48,771
1931	22,798	36,773	36,720

The letters referred to by Mr. WALSH, protesting against naturalization and registration fees, were referred to the Committee on Immigration, to accompany the bills, and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF EDUCATION,
Fall River, January 24, 1930.

Hon. DAVID I. WALSH,
Senator from Massachusetts, Washington, D.C.

MY DEAR SENATOR: As you are no doubt aware, the Massachusetts Bureau of Immigration is directly interested in the subject of naturalization, since practically 90 percent of all those that have gained American citizenship during the past 10 years have been assisted and advised at each step in the process of our organization.

Because of our intimate connection with this work, I desire to bring to your attention one particular clause of the new regulations that apparently works a grave hardship on a large group of people in this vicinity.

I refer especially to that section of the law which makes it mandatory that a record of arrival be produced for each candidate for citizenship, regardless of the date of entry.

Since the system of recording arrivals at our seaports began more than half a century ago, such persons are not affected by the recent law, to the same extent as those who entered from Canada prior to June 1906, the date on which formal inspection at the Canadian border line was inaugurated.

In this city especially are great numbers of Canadians who entered this country long prior to the year 1906, and consequently are not in position to satisfy the requirements anent record of entry.

For the most part, the group in question are not in financial circumstances to permit of their availing themselves of the legalization privilege, and I find it quite an impossible task to explain the necessity for such action. Within a week at least six persons of the class in question were informed of the necessity of legalization as a requisite for citizenship, and I am certain that in no instance will they proceed further. When we consider that frequently these persons, with great sacrifice, have attended evening schools for several years in preparation for a naturalization examination only to be confronted with the prohibitive fee of $40, I am sure that you will agree with me that their particular cases warrant your earnest consideration.

I am aware that our laws are frequently enacted with the retroactive feature, but I feel that this law is retroactive to the extent that it exacts an impossibility from a considerable group of people.

To be concise, the law now permits an arrival from Europe who entered at a seaport, such as Boston or New York in the year 1900, to acquire his citizenship at a cost of $20, while, on the other hand, a Canadian who crossed the land border in the same year must undergo the difficulty and expense of legalization in addition to the fee for citizenship.

May I respectfully request that you have the kindness to favor me with an opinion on this phase of the law, and also advise as to the possibility of any action that might be taken looking toward an amendment to correct this seeming injustice.

Very truly yours,

DIVISION OF IMMIGRATION AND AMERICANIZATION,
PATRICK J. HURLEY, *District Immigration Agent.*

SOMERVILLE, MASS.

DEAR MR. WALSH: I would appreciate very much if you would tell me what I could do in the following case: I was born in Canada, coming to this country at 6 months of age with my entire family. In 1927 I took out my first papers, and the second papers are now ready, but find that I will have to pay $35 before I can receive them, as they claim that there is no record of my entering this country. My parents claim at that time no record of entry was taken. I have my birth certificate and the date of my entry. I desire very much to become a citizen, but am not in a position to pay the extra $20 that they claim I must pay to the Immigration Bureau. Hoping that you might be able to help me, thanking you, I remain,

Yours truly,

ARTHUR M. HYDE,
158 Albion Street, Somerville, Mass.

THE SALVATION ARMY,
New York, N.Y., April 10, 1930.

Senator WALSH of Massachusetts,
Washington, D.C.

MY DEAR SENATOR: The fee I referred to in my previous letter is the one paid by all applicants for (first papers) declaration of intention to become an American citizen, in the past $1, now $5.

In order to enlist in the United States Army aliens must have such first papers, and very frequently the recruit is without funds and unable to raise the fee. In such cases private organizations are asked by the recruiting officers to do so, and we have always done so cheerfully.

I feel that any alien recruiting for the Army should receive his first papers without any fee whatsoever.

I enclose Form A–2213, stating the sum payable.

Sincerely yours,

Capt. FRITZ NELSON.

BOSTON, MASS., *December 14, 1931.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D.C.

MY DEAR SENATOR: As you know, the fees for naturalization are outrageous, as the result of Republican legislation. I presume that the time is not opportune for a change in the charges because of the narrow Democratic margin in both Houses. However, I believe a start should be made, and it would not hurt the party in this State any to have these new citizens know that efforts were being made to reduce these charges to their original status, which was fair and reasonable, $1 for primary declaration, $4 for final papers, and $1 for duplicate of last paper, instead of the present charges of $5, $20, and $10 for the same papers.

Very faithfully yours,

JOHN J. BUTLER.

BROOKLYN, N.Y., *December 8, 1930.*

Senator WALSH,
Washington, D.C.

MY DEAR SENATOR WALSH: As a former Bostonian, I am asking for your advice on a matter important to me. I should like to

have introduced in Congress a bill to lower by at least 50 percent the fees for naturalization (especially the $10 fee for second papers). The general antialien reaction has raised a barrier to naturalization in these huge fees. Even though these were intended to be a part of permanent law, they can and ought to be changed.

As an example of the injustice they work, take my mother's case. She came here in 1897 and never could afford naturalization. I started the process in 1927 as a patriotic duty with my own money. Now, I have spent over $8 and still require $10 to pay the final fee, and I'm out of a job and broke. If the fee were reduced to $2, it would be a great help. Now, my mother could die happy without being a citizen, but why should naturalization be discouraged? Do you notice the outlaw condition of the Chinese here? Don't you think such a condition will exist among the foreign born if the policy of treating the alien as badly as possible is continued?

I hope you will introduce and press to a vote a bill reducing by at least 50 percent all fees for naturalization.

Yours very truly,

MARTIN FALL.
(M.A., HARVARD)

REGULATION OF STOCK EXCHANGES

Mr. KING. Mr. President, several years ago, and upon one or two occasions since, I introduced measures, which were referred to the Committee on Banking and Currency, and which, in my opinion, if they had been enacted into law, would have prevented the debacle of 1929 so far as the stock exchange, stock sales, and so forth, are concerned.

Unfortunately, no action was taken with respect to those measures. I am now introducing a bill to establish a Federal stock exchange and securities commission, to regulate transactions in securities on the various stock exchanges, and for other purposes. If the measures which I formerly offered had been enacted into law, this rather drastic measure would not have been necessary. I ask that the bill may lie on the table for the present.

The bill (S. 2642) to establish a Federal Stock Exchange and Securities Commission to regulate transactions in securities on the various stock exchanges, and for other purposes, was read twice by its title and ordered to lie on the table.

AMENDMENT OF THE RADIO ACT

Mr. DILL. I introduce a bill amending the radio law, to prevent the setting up of studios in the United States which are connected with radio stations in foreign countries that broadcast back into this country. I ask to have the bill referred to the Committee on Interstate Commerce.

The bill (S. 2660) to amend the Radio Act of 1927, approved February 23, 1927, as amended (44 Stat. 1162), was read twice by its title and referred to the Committee on Interstate Commerce.

HOUSE BILL REFERRED

The bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. DUFFY submitted an amendment intended to be proposed by him to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 39, line 14, to strike out "$51,310" and insert "$56,310"; and strike out "$5,000" and insert "$10,000."

On page 39, line 21, strike out "$346,835" and insert "$351,835."

STUDY OF LIQUIDATING AND TRUST COMMITTEES

Mr. McCARRAN submitted the following concurrent resolution (S.Con.Res. 8), which was referred to the Committee on the Judiciary:

Whereas the present national economic crisis has resulted in an emergency due to an abnormal decline of business enterprise and a corresponding decrease in the market value of real estate and other collateral securing issues of stocks, bonds, and mortgage notes; and

Whereas all such issues so secured were originally made in conformity with State laws regulating, defining, and restricting the pledging of collateral as security for such issues; and

Whereas great numbers of American people invested their life savings in such issues in reliance upon the protection guaranteed by incorporation act and acts regulating the issuance of securities; and

Whereas the economic situation has resulted in a "freezing" of the assets of many enterprises financed by such issues, resulting in a suspension of dividend and interest payments and a general depreciation in the market value of collateral pledged for such issues; and

Whereas in a great majority of such enterprises minority groups controlling large blocks of securities have organized "liquidating", "bondholders'", "reorganization", or "trust" committees, and have solicited proxies from minority stockholders and bondholders for the stated purpose of liquidating or refinancing defaulted issues, or otherwise reducing or reorganizing the capital structure of the enterprise; and

Whereas such committees have caused, through hasty liquidation, doubtful adjustment and questionable insolvency proceedings, the loss of much, if not all, of the investment of holders of a security interest in such enterprise; and

Whereas these methods of hasty liquidation through the medium of such committees are matters of tremendous disproportionate expense and result in bewilderment to the average small investor in such enterprises: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint committee of the Congress to be composed of 4 Senators, to be appointed by the President of the Senate, and 3 Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The committee is authorized and directed to make a general study of the organization and activities of reorganization committees, known as "liquidating", "bondholders'", "reorganization", or "trust" committees, organized by minority groups controlling large blocks of securities of business enterprises, with a view to determining particularly the desirability of such reorganization committees and the integrity of the members thereof. The committee shall report to the Congress, as soon as practicable, the results of its studies, together with its recommendations for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

INVESTIGATION OF SENATORIAL CAMPAIGN EXPENDITURES, ETC., 1934

Mr. CLARK. Mr. President, I submit a resolution, which I ask may be read for the information of the Senate.

The resolution (S.Res. 173) was read, as follows:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of the various candidates for the United States Senate, in all parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in November, 1934.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and contests before primaries and conventions and the contests and campaign terminating in the general election in November, 1934: *Provided*, That where complaint in writing, supported by affidavit of probable cause upon information and belief by any candidate of any party, or his authorized manager, is filed at least 20 days before the date of the primary or convention, the committee or duly authorized subcommittee shall immediately investigate the charges made in the complaint.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee under oaths by any person, persons, candidate, or political committee, setting forth allegations as to facts which under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon said complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpena or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and clerical and other

assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $25,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the first session of the Seventy-fourth Congress.

The VICE PRESIDENT. Does the Senator from Missouri desire the resolution referred to any committee?

Mr. CLARK. I ask unanimous consent that it be referred to the Committee on Privileges and Elections.

Mr. LONG. Just a moment, Mr. President. I wish to object. I desire to make a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. There are not going to be any elections in the State of Louisiana this year, so this resolution is wholly unnecessary. I am sure the Senator from Missouri did not take that into account. Louisiana holds no elections to the Senate this year, so this would just be passing an unnecessary resolution. I hope the Senator will think that matter over before pressing the resolution.

The VICE PRESIDENT. The resolution will be referred to the Committee on Privileges and Elections.

SENATOR FROM LOUISIANA—EXPENSES OF INVESTIGATION

Mr. CONNALLY. I submit a Senate resolution requesting an additional appropriation to pay the deficit of the Louisiana election-expenditures committee.

The VICE PRESIDENT. The resolution will be received and properly referred.

The resolution (S.Res. 174) was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the special committee authorized and directed to investigate the campaign expenditures of the various Presidential and Vice Presidential candidates, and candidates for the United States Senate, and other matters thereto related, in primaries, conventions, and general elections in 1932 is hereby authorized to expend from the contingent fund of the Senate the sum of $6,000, or so much thereof as may be found necessary, in addition to the amount heretofore authorized for said purpose.

INFORMATION FROM NATIONAL RECOVERY ADMINISTRATION

Mr. NYE. Mr. President, I submit a resolution, which I ask to have read. I invite the attention of the Senate to it, since I intend to ask for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S.Res. 175) was read, as follows:

Resolved, That the National Recovery Administration is requested to transmit to the Senate, at the earliest practicable date, the following information:

(1) The names of all persons who have been or are now employed by such Administration, either in a regular or advisory capacity, whether or not they receive compensation, together with the residence addresses of such persons and the designation of the positions held by them with the Administration.

(2) The present and past business connections of all persons described in paragraph (1) who have held or are now holding positions (other than positions as stenographers, clerks, or messengers) on any National Recovery Administration department or board.

(3) A list of all industrial codes, either pending or approved, with which each person designated in paragraph (2) has been connected in any capacity, either official or advisory.

(4) The positions now held by all employees, deputies, attorneys, and advisers who have severed their connections with such Administration, such information to contain particularly the statement as to whether any such employees, deputies, attorneys, or advisers are now, or have been at any time, employed as members, officers, or agents of code authorities named under approved National Recovery Administration codes.

(5) A list of all codes handled by each administrator, deputy, or assistant deputy of such administration.

(6) The names of all members of each code authority, together with the name of the firm or other business connection of each such member.

Mr. ROBINSON of Arkansas. Mr. President, a resolution comprehending a part of the subject matter of this resolution has already passed the Senate. I have not had an opportunity of examining this resolution, and I ask that it go over under the rule.

Mr. NYE. Mr. President, I will state to the Senator from Arkansas that I am well aware of the resolutions for information which have already passed the Senate. There is no repetition in the pending resolution, as I am sure the Senator will find upon studying it.

Mr. ROBINSON of Arkansas. The resolution will go over under the rule, Mr. President?

The VICE PRESIDENT. The resolution will go over under the rule.

SPECIAL ASSISTANT TO INTERSTATE COMMERCE COMMITTEE

Mr. DILL submitted the following resolution (S.Res. 176), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interstate Commerce hereby is authorized to employ a special assistant, to be paid from the contingent fund of the Senate at $3,600 per annum, from March 1, 1934, until otherwise provided by law.

HEARINGS BEFORE COMMITTEE ON TERRITORIES AND INSULAR AFFAIRS

Mr. TYDINGS. Mr. President, there are pending before the Committee on Territories and Insular Affairs some 15 bills, many of them of major importance. Hearings are desired upon some of them, and there is no provision for having the testimony taken down by stenographers so that it can be preserved.

I have in my hand a short resolution of four lines only, authorizing the employment of a stenographer. I ask that it be read, and then I shall ask for action upon it at this time.

The VICE PRESIDENT. The resolution will be read.

The resolution (S.Res. 177) was read, as follows:

Resolved, That the Committee on Territories and Insular Affairs or any subcommittee thereof be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during sessions or recesses of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. TYDINGS. I ask unanimous consent for the immediate consideration of the resolution. That was done the other day for a Senator who had a similar situation.

Mr. McNARY. Mr. President——

Mr. TYDINGS. I am satisfied, however, to have the resolution referred to the committee.

The VICE PRESIDENT. The only question in the mind of the Chair was whether he was authorized, under the rules, to recognize a request for unanimous consent on a resolution of this kind. It seems to the Chair that anything can be done by unanimous consent.

Mr. McNARY. No, Mr. President; the practice has always been to have these resolutions referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. TYDINGS. In order to cut the matter short, I consent to the reference of the resolution.

Mr. ROBINSON of Arkansas. Under the law, the resolution has to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The Chair understands there is a statute which requires that course to be taken.

Mr. McNARY. Yes, Mr. President.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. BYRNES subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which the foregoing resolution (S.Res. 177) was referred, reported it without amendment, and it was ordered to be placed on the calendar.

EXPENSES OF INVESTIGATOR FOR THE JUDICIARY COMMITTEE

Mr. McCARRAN submitted the following resolution (S. Res. 178), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof appointed to consider the nomination of Judge Frank H. Norcross to the United States Court of Appeals for the Ninth Circuit, is authorized to expend not to exceed $2,500 out of the contingent fund of the Senate for the purpose of defraying the traveling and other necessary expenses of an investigator to be appointed by said Committee on the Judiciary, or subcommittee thereof.

STUDIES OF THE GREAT LAKES-ST. LAWRENCE SEAWAY

On motion of Mr. PITTMAN, it was

Ordered, That 100 copies of Senate Document 116, parts 1, 2, 3, and 4, relating to the Great Lakes-St. Lawrence deep waterway, be printed, with illustrations, for the use of the Senate.

J. G. BRICKEL—WITHDRAWAL OF PAPERS

On motion of Mr. JOHNSON, it was

Ordered, That the papers filed with the bill (S. 2182) granting a pension to J. G. Brickel, Seventy-second Congress, be withdrawn from the files of the Senate, no adverse report having been made thereon.

REGULATION OF INTERNATIONAL MESSAGE COMMUNICATION RATES (S.DOC. NO. 127)

Mr. DILL. Mr. President, I ask unanimous consent to have made a public document a memorandum on the subject of the regulation of international communication rates prepared by Mr. Irvin Stewart, of the Treaty Division of the State Department.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

FEDERAL BANK DEPOSIT INSURANCE

Mr. VANDENBERG. Mr. President, one of the most thoughtful and usefully analytical discussions which I have ever read respecting Federal bank deposit insurance is an address by William P. Chapman, Jr., of the New York City bar, delivered on January 26, 1934, before the savings division of the American Bankers Association. I am particularly struck by the calculations which Mr. Chapman has scrupulously made respecting the actuarial problem involved in deposit insurance. He has pretty well disposed of the hostile argument that there is no actuarial base upon which to figure our deposit insurance. Indeed, in this aspect, he has carried his investigations much farther than my own, although he fully verifies the mathematics upon which I asked the Senate to rely when I was pressing the Federal deposit insurance law 1 year ago. These figures of Mr. Chapman's are so valuable that I want them to be a part of the RECORD for the information of Congress.

Mr. Chapman has compiled the complete record of our banking mortality from 1862 to 1932, inclusive. He finds that the grand total of all bank deposits for this period was $1,136,042,630,000. The total deposits in all suspended banks was $5,861,061,000. Then he made his computation on the theory that 90 percent of the deposits are insured; that is, 90 percent in money volume, and that 40 percent represents the average deficiency resulting from the liquidation of assets. Thus he finds that a Federal deposit insurance fund operating through these 68 years would have had to suffer net losses of $2,109,981,960. Then he figures that if all these banks during all this period had paid a modest annual insurance premium of one quarter of 1 percent, the fund at the end of 1932 would have a net favorable balance, after paying all losses, amounting to the tremendous sum of $730,124,615.

This is utterly convincing proof of the validity of the new Federal deposit insurance law. Mr. Chapman's 40-percent figure, in respect to the average liquidation deficiency, certainly is conservative. I believe it is more likely to be as low as 35 percent. On the basis of recent experience it might go as high as 45 percent. But the 40-percent average certainly is sound.

Meanwhile, it is to be noted that Mr. Chapman figures on a 90-percent coverage in his calculations, whereas our present deposit insurance law, stopping with the insurance of deposits up to $2,500, while covering 97 percent of our depositors in numbers, actually involves only about 30 percent of our total deposits in dollars. Call it 35 or 40 percent. Still it would involve but half the risk upon which Mr. Chapman has figured. In other words, based on 68 years of our banking experience, a hazard fully twice as great as that involved in our present insurance law would require annual premiums of but one quarter of 1 percent in order to produce a favorable margin of safety amounting to nearly three quarters of a billion dollars.

These figures furthermore include no initial capital in an insurance fund, and our capital is in the neighborhood of $200,000,000. The inevitable conclusion is that we are proceeding upon absolutely sound ground with the new Federal deposit insurance law, which became effective last New Year's. It is with both pride and consolation that I present this actuarial vindication of the new law.

I ask that Mr. Chapman's general conclusions in this admirable address may lie on the table and be incorporated in the RECORD.

There being no objection, the matter referred to was ordered to lie on the table and to be printed in the RECORD, as follows:

CONCLUSIONS

I believe that the following deduction is more than amply sustained by the figures that I have gathered, namely: Whether the deposit-guaranty system proves in the long run to be useful or otherwise, there are no rational grounds for denouncing it as inherently and necessarily unsound or for believing that it is fraught with the possibilities of disaster or grave and insupportable losses to the solvent banks. My belief is that the system is entirely workable in principle, and so far as the commercial banks are concerned may prove to be a revolutionary utility which will avoid the necessity of instituting a Nation-wide system of branch banking. Changes in the law can be made which should be effective in removing any reasonable feeling of apprehension on the part of the commercial banks.

My own further conclusions are:

1. Since the savings banks in 69 years have contributed less than 0.8 percent to the total bank losses, they should not be required to contribute over 25 percent to the cost of insurance, and the law should be amended so as to treat the savings banks as a special risk with a much smaller annual charge against them than is applied to the commercial banks.

2. The law should be amended to require an annual contribution of at least one fourth of 1 percent from the commercial banks until a fund has been accumulated which, together with the initial contribution, amounts to at least 2½ percent of the total deposits and which should thereafter be maintained at that relative level.

3. The United States should insure the payment of any deficiency in the fund in the even of the happening of any unusual calamity upon such terms as may be worked out.

4. Such insurance being given, a reasonable limit should be placed upon the rates of the charges that may be assessed upon the banks that are members of the fund within any period of 1 year, 2 years, and 3 years.

5. The mutual savings banks should join the temporary fund and use their efforts to obtain amendments to the law on the lines above indicated, and, if such amendments are obtained, it would be unwise for the mutual savings banks to remain outside of the permanent fund.

THE TARIFF, RECIPROCITY, AND N.R.A.—ADDRESS BY WILLIAM L. MONRO

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD a recent address delivered by Mr. William L. Monro, of Pittsburgh, Pa., president of the American Tariff League, at the Forty-ninth Annual Meeting of the American Tariff League in the city of New York, January 18, 1934. The address is entitled "The Tariff, Reciprocity, and N.R.A." Mr. Monro is a careful student of tariff problems.

In his address Mr. Monro indicates that at the present time we have a tariff problem in this country in every way more acute than at any time during the past 50 years; that very few people realize the flood of imports produced under labor and wage conditions far lower than our own which threaten to undermine our own living standards; that there is little purpose in seeking to eliminate cut-throat competition in our domestic markets through the N.R.A. unless we protect ourselves from the menace of cut-throat competition

from abroad; that only an adequate protective tariff stands between our wage levels and living standards and those of the rest of the world; that higher prices for American-made goods, toward which we are moving, are a direct invitation to increase importations of competitive foreign-made products, and that the passage of the Recovery Act makes tariff reciprocity with foreign countries out of the question. Mr. Monro urges every industry in the United States to be on its guard against the adoption of what may be termed a "tariff-scuttle policy."

The PRESIDING OFFICER (Mr. MURPHY in the chair). Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We have rounded out another year in the record of the Tariff League, and with this meeting the league enters upon its fiftieth year. By a singular coincidence, as the league approaches its half-century mark, the country is confronted with a tariff situation which is in many respects similar to the situation in the midst of which the league was founded. The league was organized in 1885, the same year which brought a Democratic administration into power in Washington under President Cleveland. The tariff act in force at the time was the act of 1883, the first major revision which had been made in our tariff since the Civil War period. In the 49 years that have elapsed since 1885 the country has operated under eight different tariff laws, in the formation of all of which the league has taken an active part. I shall make no attempt here to discuss even the outstanding features in the league's tariff record for the past 49 years, but shall simply say that it is a record of achievement on which I believe we can all stand.

AN IMPORT MENACE CONFRONTS AMERICAN INDUSTRY

With these few backward glances, I turn now abruptly to the all-important present situation. That this is serious, insofar as the tariff is concerned, is or ought to be obvious to all. In my former annual reports to you I have attempted to outline the principal features in the tariff situation confronting us at the beginning of each year. I shall do so again this year, particularly because in the tariff situation confronting us today I believe we are confronted with an import menace which only a very few people appreciate. I have referred on more than one occasion in the past to the attitude of complacent indifference with which many of our people have come to regard the tariff. I suppose this is to be expected, for it seems to be an inherent characteristic of human nature to "lock the door after the horse is stolen." Nothing in our whole national history has emphasized this fact more than our experience over the past 14 years with the prohibition question. Fourteen years ago there was much the same attitude of indifference on the part of the country at large toward prohibition as there is today toward the tariff. After the passage of the Volstead Act people began to realize the full effect of the prohibition amendment, with the resultant interference with personal habits and the shocking defiance of law that followed. Storms of protest arose against it, and 14 years of bitter, costly agitation were required to repeal it.

This same attitude of indifference applies with respect to the tariff. The existence of a protective tariff law on our statute books breeds a false sense of security on the part of our people. They seem to regard that tariff law as fixed and unchanging as a law of the Medes and Persians. They overlook the fact that it changes, as it did in 1894, as it did in 1913, and as it will again—perhaps this year. And it almost seems as though nothing but such a change as we had in 1894 and 1913 will arouse our people to the economic necessity of a protective tariff for this country. A major activity of the Tariff League, in season and out, is to drive home this fundamental truth: Only an adequate protective tariff stands between our wage levels and living standards and those of the rest of the world. To maintain these the tariff must be sufficient at least to equalize the difference between production costs in this country and those of foreign countries.

I said that we are confronted with an import menace—an import menace which very few of us appreciate, partly because for the past 6 months it has been held in check by the depreciation in our dollar in international exchange. I am thoroughly convinced that were it not for the depreciation in our dollar our import statistics would be running into figures which would convince even the most skeptical of the seriousness of the tariff problem confronting us. I believe this to be so in view particularly of the upward movement in our import statistics which has occurred despite the depreciation in our dollar. Furthermore, when the dollar is finally stabilized on an inflated basis, it must be expected that foreign countries will take adequate steps to offset any advantage in foreign trade that we may temporarily secure by such inflation. They are certain to fight for their share of the world's markets, and for as large a share as possible of the market in this country, the most highly prized market in the world.

INCREASING IMPORTS—1933 VERSUS 1932

For the last 5 months of 1933 for which statistics are available, July through November, our total imports were valued at $724,000,000 as compared with $478,000,000 for the same 5 months of 1932. This is an increase, as between the two periods, of 51 percent in the value of our imports despite the depreciation in our dollar. A considerable part of this increase is due to increased importations of crude and raw materials, many of which are on the free list, but the increase is by no means confined to these products. Take finished manufactures, for example, practically all of which are covered by the dutiable schedules in our tariff law.

For the 5 months, July through November of 1933, our imports of finished manufactures were valued at $163,000,000. For the same 5 months of 1932 they were valued at $128,000,000. This is an increase as between the two periods of 27 percent. These, of course, are value figures, and as such reflect changes in the unit prices of the imports. The volume figures tell much the same story, however. Using the Tariff League's index number of the volume of imports, which takes out of the figures all influence of price increases and decreases, the volume of our total imports of all commodities increased 30 percent as between the period July through November 1932, and July through November 1933. In the case of finished manufactured imports, the volume increase between the two 5-month periods of 1932 and 1933 amounted to 22 percent.

Before leaving this subject of import statistics, I should like to refer to one other significant showing made by the Tariff League's volume index. Our index uses the average monthly importations for the 3 years 1923–25 as a 100 base. According to the league's index, the volume of our total imports for the 5 months, July through November 1933, averaged 95 percent of the 1923–25 base. For finished manufactured imports only, the league's index for the 5 months, July through November 1933, stands at 83 percent of the 1923–25 base. Such figures as these, especially when they are compared with the shrinkage in the volume of our domestic business, indicate, it seems to me, the seriousness of the import menace confronting us. The story is even more striking as regards imports of individual commodities. I shall refer briefly to a few that are typical of a great many more, using for comparison in each case the imports for the 5 months, July through November 1932, and July through November 1933. As between these two periods dutiable acids and anhydrides increased from less than 8,000,000 pounds to over 21,000,000 pounds. Printed cotton cloth increased from 4,000,000 square yards to over 7,000,000 square yards. Imports of bleached cotton cloth increased from less than 2,500,000 square yards to over 6,000,000 square yards. The bleached cotton cloth story is even more striking than these figures would indicate. For the 11 months of 1933 just short of 19,000,000 square yards of imported bleached cotton cloth came into this country. This 11-month figure is higher by more than 5,000,000 square yards than the total for any full year in the last decade.

Such is the situation from the statistical standpoint. I turn now to certain other factors in the tariff outlook which, in my opinion, increase greatly the seriousness of the import menace confronting us.

THE FLEXIBLE-TARIFF THREAT

The first of these has to do with the Tariff Commission and with section 336—the so-called "flexible-tariff provision." Since last March only three tariff-rate changes have been proclaimed by the President under section 336. One of these changes was made on fish and resulted in an increase in duty. The other two changes were made on what I believe may fairly be called industrial products—velvets and velveteens and agricultural hand tools. The rates on twill-back velveteens and on agricultural tools were cut the full 50 percent allowable under the law. I am not going to say that these slashes may not have been indicated by the Commission's statistical analysis. However, I do say that both of these rate reductions were made on the basis of cost data compiled before the National Recovery Act went into operation; and that therefore neither of these reductions could have taken into consideration the increased American costs resulting from the operation of the Recovery Act.

I mean no unfair criticism of the Commission or of the President, but I believe both of these rate reductions were unwarranted at the time at which they were made. I shall go further, and say that I believe the President would be fully justified in making section 336 a "one-way tariff street"—a one-way street leading up only. Our whole industrial recovery program is designed to increase American costs and prices, and while this program continues in force, and to the extent that it is successful, I believe rate reductions which are made under the flexible tariff on the basis of domestic costs taken from 6 to 12 months prior to operations under the N.R.A. are wholly unwarranted and unjustified. Until and unless some such policy is adopted, the flexible-tariff provision constitutes a very real part of the import menace confronting American labor and industry. How real this is can very well be indicated by a reference to the fact that the Commission's own statistics in its seventeenth annual report indicate that it now has 35 flexible-tariff investigations in various stages of completion and pending applications for 49 more.

N.R.A. AND THE TARIFF

So much for the Commission and the flexible tariff. Let us consider next how the tariff is affected by the whole industrial recovery program. Let me make it clear at the very outset that in what I say I intend no adverse criticism of the Recovery Act itself, nor the program carried out pursuant thereto. It has undoubtedly done much to improve business—in fact, more than

was ever believed possible. By its proper administration it is certain to bring about still further improvement. It is remarkable what has been accomplished in solving a problem of this magnitude in such a short space of time. In his efforts to revive industry through the administration of the National Recovery Act, the President deserves the enthusiastic support of everyone. I wish to discuss only the effects and accomplishments of the Recovery Act and program insofar as they have a bearing on our tariff problem. From the best information I have been able to secure one result of the Recovery Act to date has been an increase in industrial labor costs of from 15 to 40 percent. With labor cost so important a factor in the production cost of all products, the increased labor costs resulting from the operation of the Recovery Act have resulted in higher costs of production, which inevitably mean higher prices for American-made products. Higher prices for American-made products are a direct invitation to increased importations of competitive foreign-made products. In other words, to the extent that the National Recovery program is successful, it will raise the whole level of costs and prices in this country still higher above what these are in foreign countries. To the extent that this happens, to that extent must industries secure increased tariff protection, limited, however, as previously stated, at least to the difference in the costs of production in this country and abroad.

THE WEAKNESS IN SECTION 3 (E) AND A REMEDY

It will be said that the Recovery Act provides in section 3 (e) its own means for preventing increased importations of foreign-made competing merchandise, the effect of which would be to undermine our whole industrial recovery program. It is true that section 3 (e) was intended to control the menace of increased imports, and if used promptly it can be made an effective control. I do not wish to seem to prejudice section 3 (e) or the Recovery Administration's use of it, but I am nevertheless compelled to say that the developments to date surrounding section 3 (e) give little promise of its prompt and effective use to restrict competitive imports, and if these are not restricted they will disrupt our whole recovery program. Section 3 (e), it seems to me, is defective in one respect. According to the present plan for its administration, an American industry operating under a code making an application for relief from increased imports must file a statement of supporting evidence in great detail.

The industry's application is subject to a preliminary analysis and check by the N.R.A. import division, and if the complaint is found to be justified, the next move is an investigation by the Tariff Commission into the facts of the case. All the while this is going on, the American industry which has made the valid complaint, and whose costs have been greatly increased under the N.R.A., must await the outcome of the Commission's investigation and meet as best it can the competition from the imported merchandise. By the time all this has been done the industry requiring assistance will probably have succumbed. This obviously is neither right nor fair, and the remedy is simple. Provision should be made that the day the N.R.A. import division decides that the complaint filed by an American industry under section 3 (e) is valid, from that day on, all further imports of the commodity in question should be suspended pending the outcome of the Tariff Commission's investigation, or the importer should be required to give bond to pay such duty as the Commission shall find warranted. This would help close the door before the horse is stolen, even though it did not lock it, and it would afford the American industry a measure of relief under section 3 (e) which is now no part of the plan. Section 3 (e) was written into the Recovery Act for the benefit of American industry. Unless some such plan as I have suggested is adopted, the recovery of many industries will be impossible, and to that extent the purposes of the N.R.A. will be defeated.

THE ADMINISTRATION'S TARIFF ATTITUDE

All of which brings me to the subject of the administration's attitude toward our tariff problem. In the last analysis, section 3 (e) of the Recovery Act will be effective or ineffective depending upon the attitude adopted toward its administration, and so it is with our tariff problem as a whole. The Democratic Party came into power last spring, pledged not only to a revision in our existing tariff law but to a change in the underlying principle of our whole protective-tariff policy by the inauguration of a system of tariff bargaining and reciprocity. To date this policy has not been made effective.

The passage of the National Recovery Act with its organization of industry on a higher cost level makes tariff reciprocity for this country out of the question, unless it is intended deliberately to sacrifice some industries in order to increase export trade for other industries. The adoption of such a policy can be justified only on the theory that we can bring about economic recovery in the United States by developing and expanding our export trade, and that this result will justify sacrificing many of our industries for the benefit of foreign countries in return for tariff concessions by those countries to our export trade.

Such a policy then arouses concern as to the basis for determining what industries are to be sacrificed on the altar of export trade. Are the owners of those industries to be compensated for the destruction of their investments? Are their employees to be shifted to other industries or forced to join the army of unemployed? Are the smaller industries to be sacrificed for the larger? These and many similar questions must be satisfactorily solved before any industry can complacently contemplate a tariff policy which means its extinction.

That such a plan is under consideration by some of the President's advisors is unquestionable. That the President will adopt such a ruthless policy to secure such uncertain and meager results is almost unbelievable. Nevertheless, it behooves every industry to be on its guard against the adoption of what may be termed a "tariff-scuttle policy."

Here are the principal features in the tariff problem confronting us, and here, too, are the principal details in the import menace which confronts us today. If, in the midst of this situation, the administration at Washington abandons our protective tariff policy in favor of a policy of tariff bargaining in the avowed attempt to expand our export trade, then many industries are confronted with a most critical situation.

INTERNATIONALISM VERSUS NATIONALISM

Such is the trend here in our own country, while in every foreign country of any importance the whole program is one of extreme nationalism. Does our Government, in other words, propose to launch forth on a program of internationalism at the very time when the whole foundation of the economic program in foreign countries is first and foremost one of protecting their own industries and their own labor? In the last analysis, except for the actual shedding of blood, there is little difference between economic warfare and military warfare—the one is fully as destructive of the independence of a country as the other. Believing this, I cannot help but feel that if we now abandon our policy of protecting our industries and our labor against unlimited foreign competition we shall be doing exactly the same thing that we would do if we were to disarm this country and strip it of its national defenses in the face of a world-wide program of increasing armaments.

I am not recommending that we do not develop and expand our export trade as much as possible, but I am recommending that we do not sacrifice a portion of our great domestic market for a mess of export porridge. Furthermore, as I said a year ago, we can only increase our export trade by engaging in a battle of prices in the world's markets with foreign producers who have always had a tremendous competitive advantage over us as a result of their lower labor and production costs, and whose competitive advantage is today greater than it ever has been as a result of the increase in our wages and production costs made necessary by the National Industrial Recovery program. I believe this latter fact deserves all the emphasis which can be placed upon it. When on June 16 last our President signed the National Industrial Recovery Act, he shoved into the background the whole plan of expanding our export trade by a policy of tariff bargaining. The whole industrial recovery program is inconsistent and completely out of tune with the proposal of increased foreign trade, and if persisted in, it will be at the expense of the industrial recovery program.

Is it not a great mistake to talk reciprocity with countries whose exportable products are largely the same as those of which we have an enormous surplus? Can a reciprocal tariff policy be justified that will let in those products for which the Government is paying large bonuses in the effort to reduce unwieldy surpluses and maintain prices that will assure a livable return to the raisers of those products? Can any reciprocal tariff policy be justified that brings into competition with the shorter working hours and higher labor rates paid in this country under the NRA, the pittance paid labor, toiling from morning to night, of various foreign countries? With our ability to absorb in normal times 90 percent of what we produce, our first care should be the protection of our own market for our own industries before we seek to share our market with others.

THE ROLE OF THE AMERICAN TARIFF LEAGUE

I have been amazed and astonished at the frequency with which during the past few years I have encountered an attitude on the part of some manufacturers and merchants to the effect that we no longer have a tariff problem in this country. In my opinion we have a tariff problem in this country in every way more acute than that problem has been during the past 50 years. I have tried to indicate to you my reasons for believing this to be the case, and in doing so, I have intended to indicate why I believe at no time since it was founded in 1885 have we had as much need for the American Tariff League as we have today. It should not be necessary for me or anyone else to have to justify the league's existence. Every word I have said concerning the tariff problem and the import menace confronting us is an argument for American industry's support of the American Tariff League. The league has aptly been called "the holding company for the protective tariff policy." Not in my lifetime has that policy needed a holding company as it needs it today.

For well over a hundred years we have paid, and paid dearly, every time we have abandoned the protective tariff policy, and its abandonment has brought retirement to those who caused it. I close by telling you of a significant incident reported to me by a friend of mine who happened to be an intimate advisor of the late Theodore Roosevelt. In a conversation with my friend, just before the close of his administration in 1909, President Roosevelt said: "Jim, as I look back over the last 7 years, I can see some mistakes I have made, but, by gad, there is one mistake I didn't make. I didn't open up the tariff."

OPERATIONS OF FEDERAL LAND BANKS

Mr. McKELLAR. Mr. President, I desire to have printed in the RECORD a tabulation of the operations of the several Federal land banks. I think the information contained in the table will be of interest to all Members of the Senate.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Federal land banks and agents of Land Bank Commissioner—All banks, week ended Jan. 10, 1934

Bank	Applications received	Pending end of week	Appraisals made	Titles examined	Total number of loans closed	Increase or decrease from previous week	Total amount of loans closed	Increase or decrease from previous week
Springfield	423	11,848	351	561	363	+50	711,600	−2,400
Baltimore	448	10,714	564	853	534	+141	1,154,400	+265,200
Columbia	1,347	37,076	1,805	1,379	1,473	−260	2,329,103	−723,843
Louisville	852	48,138	1,666	2,286	2,414	+62	5,376,400	+553,400
New Orleans	913	24,980	1,257	912	649	−12	662,950	−65,100
St. Louis	1,220	28,276	1,191	599	856	0	2,421,200	−329,400
St. Paul	1,585	71,858	1,533	307	1,584	−631	3,321,100	−2,076,200
Omaha	2,746	62,819	2,018	3,364	1,318	+139	4,991,050	+561,350
Wichita	1,103	41,218	1,343	643	554	+56	1,310,900	+168,500
Houston	945	27,858	987	1,297	1,187	+166	3,221,550	+132,400
Berkeley	717	16,071	1,182	883	788	+21	2,426,800	−592,000
Spokane	460	21,957	899	661	360	−217	718,750	−664,500
Total	12,759	402,813	14,796	13,745	12,080	−485	28,645,803	−2,772,593

ATTITUDE OF THE BAR TOWARD SOCIAL AND ECONOMIC CHANGES—ADDRESS BY WILLIAM HEALY

Mr. POPE. Mr. President, I ask unanimous consent that an address by Mr. William Healy, president of the Idaho Bar Association, delivered at the meeting of that association at Boise, Idaho, on July 14, 1933, be printed in the RECORD. It is a remarkably clear view as to the proper attitude of the bar toward the profound social and economic changes being attempted by the administration in our national life.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I shall not undertake anything so formidable as an address. I should like, instead, to suggest a question for the consideration of the bar. It has to do with the subject upon which Judge Ailshie indirectly touched in his remarks just now. I do not pretend to know the answer to this question.

It might be framed in this manner: What is to be anticipated as the probable attitude of the bar toward the profound social and economic changes that are being attempted in our national life? It may be said that there is no general answer to a question such as this; that lawyers are individuals like other people and that the attitude of the individual lawyer is determined by his outlook on life rather than by force of his membership in the legal profession. But I am thinking of the bar as an institution—as an institution with traditions and settled habits of thought, possibly indeed possessed of certain inhibitions. And I am wondering whether those traditions, inhibitions, and habits of thought may not prove to be in serious conflict with the spirit of the time.

In a recent opinion Justice Brandeis took judicial notice of the widely prevalent view that our economic system and practices have fostered a rapid and undue concentration of wealth, and that the resulting disparity in incomes was a major cause of the great depression. It is widely believed that the malady from which the country has suffered for the past 4 years was brought on in considerable measure by the ravages of uncontrolled greed. It is felt that economic health cannot permanently be restored and that equality of opportunity is not possible without fundamental changes in many of our old concepts. These convictions are wide-spread and they are deep and they have found their most rapid growth during the past few years. Ideas as to methods and remedies are tentative, even to the point of vagueness, but the will to act upon these convictions dominates the country. The philosophy underlying these ideas obviously did not originate with the bar. It had its origin, or at least its vocal expression, in large measure, in the universities. Where does the bar stand with respect to it?

Lawyers, of course, have long been familiar with the power of Government in respect of business affected with a public interest. But the underlying thought of the Industrial Recovery Act is that all business is affected with a public interest, and that social ends take precedence over the freedom of private contract. The profit motive, hitherto reigning in solitary grandeur in the field of private enterprise, is asked to move over and make room for considerations of public service and the welfare of labor. The end of enterprise is thought to be not merely the making of profits, but rather the making possible of finer and happier living conditions for all.

Thus emphasis is being transferred from property rights to what are deemed to be human needs. Old concepts thought unchangeable are no longer held necessarily valid. Many barriers erected by lawyers and courts in the field of constitutional law must be surmounted or ignored.

The notion is expressed in many quarters that these changes are temporary only and are intended merely for the purpose of pulling us out of the slough of depression; and that once embarked on the high road to prosperity they will be discarded, and the old unrestrained scramble for profits will be resumed in all its pristine vigor. These notions are, to my way of thinking, in the last degree fantastic. If these ideals are valid, if they contain within themselves the germ of essential truth, as even these commentators seem to concede, then they are with us to stay. The probable impact of ideas such as these upon the bar of America is at least an interesting subject for speculation. In any suggestions that I may put forward with respect to the matter, I hope you will not consider that such suggestions are made in a bumptious or critical spirit, because I discover within myself the traits which I believe to be common to the profession. We lawyers in our thinking are largely circumscribed by the rule of stare decisis. The legal mind tends to look backward over highways already traversed rather than forward to new fields or byways where no path is discernible. We are, perhaps, better equipped as guardians of established institutions than as guides in a wilderness of experiment.

The legal mind is not accustomed to appraising a new idea with sole reference to its utility. Indeed its utility is frequently lost sight of in our attempt to reconcile the idea with what we conceive to be established principles. We have built a majestic temple of law and we desire humanity to adapt itself to the structure. We are apt to be nonplused if humanity, deeming the structure a dwelling house and not a prison, undertakes to make it over in some unorthodox way. We are inclined to insist that the changes shall at least conform to the traditional architecture, even though the utility of the changes may suffer in the process.

Bench and bar are, to a degree, the victims of their own technique. It is a common charge of the laity that the bar has an irresistible habit of substituting the fictions of precedent for the facts of life; and there is considerable truth in the charge. It seems at times as though we were in the service of some alien deity who is indifferent to the hot problems of mankind and preoccupied only with maintaining the integrity of a pattern or a tradition. We have only to read many modern opinions dealing with social and economic legislation to mark how the court labors with matters that are beside the point and often from beginning to end of the opinion fails to come to grips with the real question involved.

In some such way as this we may seek to forecast the probable attitude of the bar toward the tendencies of the age. It is not possible for us to remain aloof from this movement of which I have spoken. The very terms of our employment require us to come to grips with it. The only question is what is to be the spirit of our approach. Will it be in the traditional manner by seeking to confine the movement to old channels which, as many are persuaded, lead back inevitably to the swamps of yesterday; or shall we glimpse the movement for what it really is, the gropings of a people, perplexed and in extremity, striving to set their feet on the path to better days. Shall we put ourselves in harmony with the spirit which animates this movement and help as best we can to guide it wisely toward the ideals which it has set for itself; or shall we undertake to saddle and bridle it and ride it to futility?

There is room for wide divergence of opinion with respect both to the wisdom and practicability of these ideas. I am not now discussing either their wisdom or their practicability. There can be no difference of opinion as to their profound significance. Nor is there room for difference of opinion that the problems out of which they grow are problems crying aloud for solutions. James Truslow Adams recently remarked that if we cannot measurably solve these problems we cannot be said to have a civilization, but only a mere existence. I am not suggesting either that the bar embrace or that it reject these ideas. I am suggesting only that it approach the consideration of them, not on a plane of cold legalism, but on a plane of realities.

The task which the country has imposed on itself is a colossal one. It may well prove to be one impossible of accomplishment. I understand Al Smith to say that the job is not one for the lawyer and the legislator at all, but rather one for the priest, the philosopher, and the doctor. But the art of the priest and of the philosopher is long, and time is fleeting. There may be need for haste. He cannot be called an alarmist who calls attention to the ominous warnings we have had that the fabric of things may collapse before our eyes. The lawyer and the legislator cannot abdicate and leave the task to philosophy and religion, although they may well study with profit the precepts of both.

SENATOR FROM LOUISIANA

Mr. GEORGE. Mr. President, out of order I desire to make a statement with reference to the Louisiana case. On the 10th of January the distinguished Senator from Arizona [Mr. ASHURST], Chairman of the Judiciary Committee, asked to have referred to the Committee on Privileges and Elections certain petitions and communications received by the Vice President and by him referred to the Committee on the Judiciary. That motion was concurred in by the Senate, and certain petitions and other documents were transferred to the Committee on Privileges and Elections.

That committee has had more than one meeting, and at its last meeting the chairman of the committee was au-

thorized to fix a date for a hearing of the issues raised by the petitions. The Judiciary Committee has reserved, however, two questions originally referred to that committee; that is to say, whether or not the petitions should have been received by the President of the Senate and whether or not the petitions or matters and things therein contained were privileged. It is obvious, I think, that the Privileges and Elections Committee will deal with some embarrassment with the petitions in the case until that question has been answered by the Judiciary Committee.

I am advised that the Judiciary Committee has made no formal response to the inquiry propounded by the Senate at the time the petitions were referred to it; that is to say, the Judiciary Committee has not answered whether the petitions should have been received or, having been received, whether they are privileged, and until the committee decides that matter the Privileges and Elections Committee, for reasons which it is wholly unnecessary to detail, will find itself in a somewhat embarrassing position.

It is obvious, I think, that we cannot undertake to say that the petitions do or do not raise issues of which the Senate should take cognizance unless in fairness to the committee and in fairness to the petitioners, indeed in fairness to the whole Senate, we are able to say what the charges are; in other words, unless we are able specifically to set out the charges contained in the several petitions.

It may be that the reference to the Privileges and Elections Committee would authorize the committee to proceed to lay upon the record the full charges. Certainly the committee would desire to do that if it expresses its opinion either one way or the other upon the sufficiency of the petition. But obviously it is not the proper thing for the Committee on Privileges and Elections to do until the Judiciary Committee has answered the questions propounded to it originally.

Mr. KING. Mr. President, I am not quite in accord with my distinguished friend, the Chairman of the Committee on Privileges and Elections. Several months ago, indeed at the last session of Congress, a number of communications in the form of petitions forwarded by citizens of Louisiana were presented to the Vice President and by him laid before the Senate. Upon motion of the Senator from Arkansas [Mr. ROBINSON] those petitions and communications were referred to the Judiciary Committee for two purposes and two purposes only: First, to determine whether or not the Vice President or the Senate should have received the petitions or memorials or communications and, secondly, if so received, whether they were privileged.

As stated, upon motion of the Senator from Arkansas, those particular petitions, memorials, or communications were referred to the Committee on the Judiciary. Later, and at this session of the Congress, while those same petitions and memorials are in the custody of the Judiciary Committee, other petitions, perhaps similar in character containing similar allegations or charges, were presented to the Senate and by the Vice President laid before the Senate and were referred to the Committee on Privileges and Elections.

Mr. President, it seems to me that we can distinguish between those petitions, though they may cover the same ground in part, that were referred to the Judiciary Committee at the last session of Congress and the petitions and memorials which were presented at this session and referred to the Committee on Privileges and Elections. Therefore—and in that respect I differ with my friend from Georgia—I do not see any embarrassment in the Committee on Privileges and Elections proceeding to the consideration of those petitions which were sent to it.

May I say that at the time the latter petitions to which I have referred were referred to the Committee on Privileges and Elections, the Chairman of the Committee on the Judiciary [Mr. ASHURST] specifically stated that with respect to the petitions and matters before the Judiciary Committee it was not intended to deprive that committee of the consideration of the same.

A statement which I made at the time in effect was that the petitions referred to the Judiciary Commitee were referred to a subcommittee, of which I was chairman, that I prepared the report, which I did, analyzing the various legal questions involved and the subcommittee considered the report. I am sorry the Senator from Louisiana [Mr. LONG] is not here. The Senator from Louisiana raised some question with respect to the report and desired to be heard, after the subcommittee had referred the matter back to the full Judiciary Committee. Thereupon it was suggested that the matter go back to the subcommittee, where it now lies.

Sometime ago I called the attention of the Senator from Louisiana to the fact that the subcommittee is very anxious to get the matter disposed of. I asked him to be ready to appear and make such suggestions as he might see fit with respect to the report. I have conferred with the Senator this morning and it is my purpose, if I can get the subcommittee together this afternoon, to take up the report which I prepared months and months ago and ask for its approval, so it may be submitted to the full committee, and, after it shall receive the approval of the committee, if that shall be had, it will be reported back to the Senate.

I make this statement in order that the Senate may know there has been no neglect in the consideration of the matter.

Mr. GEORGE. Mr. President, my statement was in no sense critical of the Judiciary Committee. I was merely calling attention to the situation which actually exists. I think the Senator from Utah is quite right in saying that with respect to the petitions which have been presented at this session of the Congress the Committee on Privileges and Elections may proceed without the slightest embarrassment; but I may say to the Senator from Utah that the petitions presented at this session by reference make a part thereof the petitions originally presented and on which the original question of privilege arose, and they are substantially all the petitions filed at this session.

Mr. President, I repeat there was no disposition to be critical, but to invite the Judiciary Committee, if possible, to dispose of the question of privilege and the other question as well, because as Chairman of the Privileges and Elections Committee I have been authorized to fix the date for the hearings and commence investigation of the petitions, and under that authority have decided to fix the first hearing for Wednesday of next week, February 14. For that reason I was bringing the matter to the attention of the Senate at this time.

CONTROL OF BANK CREDIT

Mr. NYE. Mr. President, I think we are all greatly interested in the matter of bank credit and the way the general public, and the farmers in particular, have suffered during the last few years in the matter of concentration of bank deposits. I can hardly believe most of us realize how great this concentration has been. An editorial appeared in the Philadelphia Record of February 1 under the title of "Who Controls the Bank Credit?" reminding us that at the end of 1932 the 200 largest banks in the country controlled only 58 percent of all commercial deposits, while at the end of 1933 the 100 largest banks controlled $17,000,000,000 out of the $33,000,000,000 involved in banks, leaving only $16,000,000,000 which was out of the hands of the few.

I ask unanimous consent that the editorial may be printed in the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record, Feb. 1, 1934]

WHO CONTROLS BANK CREDIT?

The big banks are getting bigger; the small banks are getting smaller and fading from the picture.

The American Banker reports that the Nation's 200 largest commercial banks controlled 63 percent of all deposits in commercial banks, or $20,000,000,000, at the end of 1933.

Only 37 percent, or $13,000,000,000, were left to be divided among 14,000 smaller banks.

At the end of 1932 the 200 largest banks controlled only 58 percent of all commercial deposits.

Concentration of control in banking proceeds at a relentless pace. The 100 largest banks controlled $16,000,000,000 of a total

of $40,000,000,000 of commercial deposits at the end of 1926. Twenty-four billion dollars of deposits were out of their hands.

At the end of 1933 the 100 largest controlled seventeen billions out of thirty-three billions. Only sixteen billions were out of their hands.

These larger banks, with their growing monopoly of bank resources, dominate the smaller banks, dominate the Federal Reserve banks, and hold a dictatorship over American bank credit.

The 200 largest by no means represent 200 separate interests. They are joined in groups with similar backing, leaving control of bank credit actually in the hands of a very small number of men.

These men, through their domination of the 12 Federal Reserve banks, have actually usurped the Government's sovereign function of dictating the national credit policy. Credit is expanded and contracted as they decide—not as the administration wants or as the national good demands.

That is why the administration must, in the very near future, merge the Federal Reserve banks into a single central bank of issue. It must manage the central reservoir of national credit, expand and contract the quantity of credit to keep the dollar stable in purchasing power.

We shall never have a stable dollar while the money changers possess the power to inflate or deflate credit at pleasure for their own private profit.

INFORMATION CONCERNING CERTAIN GOVERNMENTAL CORPORATIONS

Mr. STEIWER. Mr. President, I desire at this time to call up Senate Resolution 151, which was submitted by me some days ago and now lies upon the table.

The VICE PRESIDENT. The clerk will read the resolution by title.

The LEGISLATIVE CLERK. A resolution (S.Res. 151) requesting information concerning the creation of certain corporations in connection with the administration of acts of Congress.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Let the resolution be read.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution submitted by Mr. STEIWER on January 22, 1934, as follows:

Whereas it appears that certain corporations have been set up by various agencies of the United States Government in connection with the administration of acts of Congress, and among others the following:

Federal Surplus Relief Corporation, in connection with the administration of the Agricultural Adjustment Act and the Federal Emergency Relief Act of 1933;

Commodity Credit Corporation, in connection with the administration of the Agricultural Adjustment Act, the Reconstruction Finance Corporation Act, and the Executive order reorganizing agricultural credit agencies of the United States, dated March 27, 1933;

Federal Emergency Housing Corporation, in connection with the administration of title II of the National Industrial Recovery Act;

Electric Home and Farm Authority, Inc., in connection with the administration of the Tennessee Valley Authority Act of 1933; and

Whereas detailed information with respect to the organization of such corporations is not available to the Members of Congress, and no reports have been made concerning the operations of any of such corporations; and

Whereas no act of Congress specifically authorized the organization of any of such corporations: Therefore be it

Resolved, That the several agencies of the United States Government having supervision over the operations of the corporations named above are hereby requested to transmit to the Senate, at the earliest practicable date, a statement showing (1) the authority for the organization of the corporations in connection with the administration of such agencies; (2) the functions performed or intended to be performed by such corporations; (3) the amount of money, if any, which has been received and expended by such corporations, together with a general statement of the sources of all receipts and the purposes for which the money has been expended; (4) the number of officers and employees of such corporations and the salary received by each officer or employee, together with copies of the articles of incorporation, bylaws, and other pertinent matter relating to the incorporation of such corporations.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. ROBINSON of Arkansas. Mr. President, what are the several agencies of the United States Government having supervision over the operations of the corporations named, and why does not the Senator expressly set forth in his resolution those agencies?

Mr. STEIWER. Mr. President, they are set forth in the recital in the preamble of the resolution. The agencies are the Agricultural Adjustment Administration, the Reconstruction Finance Corporation, and the National Industrial Recovery Administration.

The only purpose of the resolution is to provide for the use of the Senate certain pertinent information which, in my opinion, can be furnished without any expense at all to the Federal agencies, and which will make a rather valuable contribution to the information which is before us.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none.

The resolution was considered by the Senate and agreed to.

The preamble was agreed to.

THE CALENDAR

The VICE PRESIDENT. The calender, under rule VIII, is in order.

The first business on the calendar was the bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, I think that bill had better go over.

The VICE PRESIDENT. The bill will be passed over.

REDUCTION OF SUBSIDIES

The bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. ROBINSON of Arkansas. Mr. President, I do not object to the consideration of the bill, but I think an explanation of its provisions should be made by the author of the bill, the Senator from Tennessee [Mr. MCKELLAR].

Mr. MCKELLAR. Mr. President, it will be seen that this bill was introduced on March 13, 1933. Since that time the Black committee has been appointed and has already made in part, and is continuing to make, a thorough examination into these air mail and ocean mail contracts.

The developments concerning those contracts are remarkable, indeed. They show that when some of us, a year or two ago, were informing the country through speeches in this body that scandalous operations were being carried on in connection with these subsidies, we were exactly right.

There is no particular necessity for the passage of this bill at this time, and I see no reason why it may not be indefinitely postponed. However, in order to be extremely careful, I am going to ask that it stay on the calendar until after a full report is made by the Black committee.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. MCKELLAR. Yes; I yield.

Mr. KING. I should not want any inference to be drawn, and none could be properly drawn, from the statement made by the able Senator, that the President of the United States does not now have the authority to abrogate any of those contracts which fall within certain categories.

Mr. MCKELLAR. That is entirely true. In another measure the President was given that authority. I am quite sure the President will use that authority. I think the developments in relation to these subsidy contracts are such as to show to us here in the Senate, and to the American people, that those contracts are all fraudulent—fraudulent in fact as well as in law—and I have no doubt that at the proper time the President will take steps under the authority he now has.

The VICE PRESIDENT. Without objection, the bill will be passed over.

BILLS, ETC., PASSED OVER

The joint resolution (H.J.Res. 93) to prohibit the exportation of arms or munitions of war from the United States under certain conditions was announced as next in order.

Mr. REED. Mr. President, this joint resolution involves matters of such great moment that I do not think a measure of this importance ought to be passed under the 5-minute rule. Therefore, I ask that it go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 1403) to authorize the merger of the Georgetown Gaslight Co. with and into Washington Gas Light Co., and for other purposes, was announced as next in order.

Mr. KING and Mr. LA FOLLETTE. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 583) relating to the classified Civil Service, was announced as next in order.

Mr. VANDENBERG (and other Senators). Let that go over.

The VICE PRESIDENT. The bill will be passed over.

MIGRATORY BIRD CONSERVATION

The bill (S. 1658) to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes, was announced as next in order.

Mr. WALCOTT. Mr. President, I ask unanimous consent that there be substituted for Senate bill 1658 Senate Bill 2633, being Order of Business 288, containing some amendments which I think will entirely elucidate, explain, and do away with any objections that have been found to the bill by any of the Senators. I will explain in just a moment what those changes are.

First, the original bill provided for the purchase of sanctuaries. The amended bill provides for the purchase of inviolate sanctuaries; that is, sanctuaries on which there can be no shooting.

Second. The original bill provided that 75 percent of the fund raised would be used for the purchase of sanctuaries. The amended bill provides that 90 percent of the fund raised will be so used.

Third. The original bill provided that 20 percent of the amount raised would be used for enforcement. The word "enforcement" has been entirely taken out of the bill. The amended bill cuts out that feature entirely, the suggestion of the Secretary of Agriculture being that it was the duty of Congress to provide enforcement personnel to police the Migratory Bird Treaty regulations. That would mean that the Biological Survey, for instance, would have no Federal enforcement agents within the State interfering with the State jurisdiction.

Mr. KING. Mr. President, may I suggest to the Senator from Connecticut that we pass over Calendar No. 170, being Senate bill 1658, and when the other bill is reached on the calendar, the matter which the Senator has just now presented may be discussed. May I say that the bill to which the Senator has just called attention is not in my file.

Mr. WALCOTT. If the Senator from Utah objects, I will have to yield; but I hope the Senator will not object.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire what is the calendar number now in order?

The PRESIDING OFFICER (Mr. CLARK in the chair). Calendar No. 170.

Mr. ROBINSON of Arkansas. I did not hear any objection to Calendar No. 169, being Senate bill 583. I assume objection was made, but I did not hear it.

The PRESIDING OFFICER. The Chair has been informed that the Senator from Michigan [Mr. VANDENBERG] asked that no. 169 be passed over.

Mr. ROBINSON of Arkansas. Mr. President, I think the request of the Senator from Connecticut is in order, Order of Business 170 having been reached.

The PRESIDING OFFICER. The Senator from Connecticut asks unanimous consent that Calendar No. 288, being Senate bill 2633, be substituted for Calendar No. 170, being Senate bill 1658. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. I ask that this bill be passed over for the present. The Senator from Washington [Mr. DILL], as my friend knows, is very much interested in the bill, and I should also like to have an opportunity to examine it before I consent to its consideration.

The PRESIDING OFFICER. Under the unanimous-consent agreement Senate bill 1658 will be indefinitely postponed, and Senate bill 2633 will be passed over.

RELIEF OF CAPT. GUY M. KINMAN

The bill (S. 163) for the relief of Capt. Guy M. Kinman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Guy M. Kinman, captain, United States Army, Washington, D.C., the sum of $1,582.70, in full satisfaction of his loss on account of damage by water to his household goods on August 18, 1931, while temporarily in authorized storage in a Government warehouse at Fort Myer, Va., in connection with authorized change of station.

FIRST CAMDEN NATIONAL BANK & TRUST CO., OF CAMDEN, N.J.

The bill (S. 172) for the relief of the First Camden National Bank & Trust Co., of Camden, N.J., was announced as next in order.

Mr. KING. Mr. President, will the Senator from New Jersey [Mr. KEAN] make an explanation? I have read the report which was submitted by Mr. Secretary Mills, and the report would indicate that this case is similar to many others, and that a large number of other claims will be urged if we open the door now and make an appropriation for this claimant, who insists, as I understand, that through mistake of fact—there was no misrepresentation, as Mr. Mills states in his report—an overpayment was made. If we open up this case I see no reason why other cases may not be presented, and the Senate, acting upon this precedent, will be required to make very large appropriations for other claimants.

Mr. KEAN. Mr. President, the difference is that they accepted the report of an official examiner of the Government, they took his statement, and when he said, "Sign on the dotted line", they signed on the dotted line. The difference between this case and other cases is that the claimants in this case did not make up their own statement; the statement was made up by an official of the Government. I hope that under the circumstances, inasmuch as it was a mistake of the United States Government, the Senator will not object to the passage of the bill.

Mr. KING. Mr. President, I am not quite clear that the Senator from New Jersey has followed the record—and I am sure if he did not, he failed to do so through inadvertence. I find nothing in the report made by Secretary Mills indicating that the representative of the Government prepared the report.

Mr. KEAN. That is my advice, Mr. President.

Mr. KING. Mr. Mills states:

Later it appears that the taxpayer had its accounts audited, the result indicating that the tax had been overpaid. Thereupon the taxpayer filed a claim. * * * The Commissioner of Internal Revenue then caused a careful investigation to be made, and while it was found that the tax liability had been overstated in the return and overpaid.

Then he added:

Provision for final closing agreements has been an administrative feature of the internal revenue laws for a number of years, it being first adopted by section 1312 of the Revenue Act of 1921 and reenacted—

And so on.

The law providing for closing agreements, like statutes of limitations, is not based upon equitable considerations, and the taxpayer in this case is in no different position from other taxpayers similarly situated, and indeed in no different position from that in which the Government finds itself at times in not being able to assess and collect taxes barred by closing agreements.

The Treasury Department, therefore, is opposed to the enactment of the bill.

It would seem to me, Mr. President, in view of the statement made by Secretary Mills, and his attitude, that his opposition should receive consideration.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kentucky?

Mr. KING. I yield.

Mr. LOGAN. I think that perhaps a brief explanation will help the Senator from Utah. The bank in question made its tax report, checked up on it, and paid its taxes. It paid $10,000 or $11,000 more than was due. No one disputes that fact; it is admitted by the Treasury Department. Some time later the Treasury Department, in trying to close out accounts, to get the agreements signed, presented one at the bank in question, and the officials of the bank formally signed what is called a "closing agreement." A little while after that, in making an examination, it was discovered that in taking over another bank during the previous year this bank had become confused and had submitted reports which showed that it owed about $11,000 more in taxes than it really did owe.

The bank then made application to the Treasury Department for a return of the money, which it clearly did not owe. The Treasury Department based its objection solely upon the ground that the bank had signed this formal agreement, the closing agreement, which the taxpayers have a right to sign, and that ended the matter. But the Committee on Claims, considering the case and finding that there was no question that the Government had collected from the bank money to which the Government was not entitled, and that it was a clear mistake on the part of everyone, reported that the money ought to be refunded.

Mr. KEAN. I thank the Senator from Kentucky.

Mr. KING. Mr. President, I shall not object to the consideration of the bill. I felt it my duty, having read the report, to call the attention of the Senate to the situation. Undoubtedly, as suggested by Mr. Mills, we will have similar cases presented here. It seems to me that it is rather an unwise way of dealing with these tax problems. I shall not object to consideration of the bill, but under all the circumstances I do feel constrained to vote against it.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed.

WALTER J. BRYSON PAVING CO.

The bill (S. 1504) for the relief of Walter J. Bryson Paving Co., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Walter J. Bryson Paving Co., out of any money in the Treasury not otherwise appropriated, the sum of $3,500.50, in full and final settlement of all claims against the Government for certain dredging work performed by said company in the improvement of the channel in the Anclote River, Fla.

STANDARD DREDGING CO.

The Senate proceeded to consider the bill (S. 1683) for the relief of the Standard Dredging Co., which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "$3,362.50" and to insert "$2,531.25", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Standard Dredging Co., owner of the dredge *Long Beach* and pipe line thereto attached, out of any money in the Treasury not otherwise appropriated, the sum of $2,531.25, or so much thereof as may be necessary, to fully reimburse said owner of said dredge and pipe line for damages suffered for loss of earnings or fair rental value of its said dredging plant for the period operation of same was stopped as a result of collision with its pipe line by the United States dredge *Chinook*, at Astoria, Oreg., May 1, 1916, under circumstances which were held after due investigation to have been such that the Government was responsible.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MILBURN KNAPP

The bill (S. 256) for the relief of Milburn Knapp was announced as next in order.

Mr. KING. Mr. President, let us have an explanation from the Senator from Oregon.

Mr. STEIWER. Mr. President, this bill, in the same form, and I think in the same amount, was passed by the Senate in the Seventy-second Congress, and was reported again favorably by the Committee on Claims, the report having been made by the chairman of the committee.

The basis for the relief is a contract made in 1913 by Mr. Knapp and the Interior Department, with respect to the removal of certain Indian stumpage and the construction of a sawmill upon Indian property. In the contract no provision was made for the transportation of logs from the mill down to the railroad, but it is disclosed by the correspondence had between Mr. Knapp and the Interior Department that it was assumed by everyone that he would use the Williamson River. He built the mill, he proceeded in good faith, he incurred heavy obligations, and after he had done so, upon the complaint of certain sportsmen from San Francisco that the use of the river would destroy their trout fishing, the Secretary of the Interior took away from Mr. Knapp the right to use the river for the transportation of the logs. Subsequently the right to use the river for transportation of logs was recognized by the Interior Department, and other users were permitted to employ the stream for the transportation of their logs.

The Department in a review of the case recognized the equitable claim of Mr. Knapp, and in their report to the committee suggested that there were two ways of figuring his equitable claim. One brought the result to $22,600; the other to $16,000. The committee in its consideration of the matter amended the bill by inserting the smaller sum in lieu of the larger sum and recommends that the bill pass with the smaller sum.

Does that answer the question which the Senator from Utah has in his mind?

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$22,960" and to insert "$16,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Milburn Knapp, out of any money in the Treasury not otherwise appropriated, the sum of $16,000 in full settlement of all claims against the United States for losses sustained by him as the result of the revocation by the Department of the Interior, on November 12, 1913, of a permit granted for the use of the Williamson River in connection with a contract for the cutting and removal of certain timberlands in the Klamath Indian Reservation, in the State of Oregon, entered into on January 24, 1913, by Milburn Knapp and the Commissioner of Indian Affairs on behalf of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF GEORGE B. SPEARIN

The Senate proceeded to consider the bill (S. 1680) for the relief of the estate of George B. Spearin, deceased.

Mr. COPELAND. Mr. President, this bill is identical with bills which were passed in the Sixty-ninth, Seventieth, and Seventy-first Congresses.

The facts involved relate to one Spearin, who successfully prosecuted a claim against the Government before the Court of Claims, where he secured a judgment. The Supreme Court affirmed the judgment, but about 3 years passed before final action was taken. In the meantime Spearin collected interest on the judgment for a part of the period, but there was a longer period for which no interest was collected. Spearin died, and his executor appealed to Congress, claiming that the neglect was by reason of Spearin's attorney's failure to comply technically with the statute, that the claimant was not a resident of Washington, and therefore not in a position to become acquainted with the facts; that it was his counsel who failed to take action within the proper time, and the War Department has advised that it is a proper claim. I therefore hope the Senator will withdraw his objection.

Mr. KING. I do not understand, Mr. President, why, when the judgment which the Senator says was obtained from the Court of Claims was paid, the interest was not also paid, because the interest would, doubtless, be a part of the judgment.

Mr. COPELAND. It appears that in this case the transcript of judgment was not filed with the Treasury Department until April 11, 1917, and when the Supreme Court of the United States affirmed the judgment of the Court of Claims in December 1918, the mandate of affirmance issuing January 14, 1919, the amount of interest allowed was $9,948.42, being at the rate of 4 percent from April 11, 1917, to January 14, 1919, whereas, had the transcript of judgment of the Court of Claims been filed with the Treasury on April 13, 1916—and it was not done because of the death of the attorney—the interest which would have been included in the judgment, after affirmance thereof by the Supreme Court of the United States, would have amounted to the sum of $5,616.29 more than was actually received by Mr. Spearin.

The record in this case is, I think, quite conclusive. I am merely touching the high points of it as I understand the case; but a similar bill was previously passed by the Senate three times and passed by the House twice and the pending bill has now been recommended by the committee.

Mr. KING. Mr. President, this is a case which it seems to me is not appealing, but I shall not object to its consideration. It is stated that the lawyer failed to file a proper certificate of judgment with the Treasury Department, and now, after years have gone by, it is contended that by reason of that failure interest which might have been collected was not collected. If that be true, there is no finality to any judgment for or against the Government of the United States. Of course, it is a maxim of the law that the negligence, if there be negligence, of the lawyer is attributable to the client—a sort of vicarious atonement, so to speak.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. LOGAN. I merely want to state to the Senator that as I recall the record in this case Mr. Spearin lived far away from the city of Washington. He had an attorney here who became incapacitated in some way or other, probably mentally unbalanced, and because of that fact did not comply with the simple technicality of filing the judgment as he should have done. Spearin did not know anything about that until long afterward when he discovered that, because of the mental aberrations of his attorney, the necessary steps had not been taken. As I recall, that is what the facts in the record disclose.

The PRESIDING OFFICER. The question is, Shall the bill be ordered to be engrossed for a third reading and read the third time?

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANKLIN SURETY CO.

The bill (S. 1076) authorizing adjustment of the claim of the Franklin Surety Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Franklin Surety Co. for extra work performed in connection with the completion of contract of April 10, 1929, between the United States and the Wiglan Building Co., Inc., for remodeling the Government warehouse at New York, N.Y., and to allow thereon not to exceed $11,725.71 in full and final settlement of all claims by the said Franklin Surety Co. against the United States arising out of said contract. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $11,725.71, or so much thereof as may be necessary, for payment of said claim.

MIGRATORY BIRD CONSERVATION

Mr. PITTMAN. Mr. President, by unanimous consent, when Calendar No. 170, being Senate bill 1658, was called up by the Senator from Connecticut [Mr. WALCOTT], it was passed over in the absence of the Senator from Washington [Mr. DILL]. I should like now to recur to that bill.

The PRESIDING OFFICER. The Chair will state to the Senator from Nevada that by unanimous consent Calendar No. 288, being Senate bill 2633, was substituted for Calendar No. 170. Now, as the Chair understands, the Senator from Nevada desires unanimous consent to return to Calendar No. 288?

Mr. PITTMAN. That is the request.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON of Arkansas. The Senate should return to Calendar No. 170 if Calendar No. 288 were substituted for that order of business.

The PRESIDING OFFICER. The request is to return to Calendar No. 170 for which Calendar No. 288 has been substituted by unanimous consent. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2633) to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, and for other purposes.

Mr. KING. Mr. President, will the Senator from Connecticut explain the amendments which have been suggested and the general terms of the bill? It is a very important measure.

Mr. WALCOTT. Mr. President, the substitute bill makes three changes as follows:

First, the original bill, Senate bill 1658, provided for the the purchase of sanctuaries. The new bill adds the word "inviolate" before the word "sanctuaries", making the sanctuaries inviolate so that no shooting at any time may be permitted on such sanctuaries. The second change is that, while the original bill provided that 75 percent of the fund raised should be used for the purchase of sanctuaries, the new bill provides that 90 percent shall be so used. It is proposed to use practically all the money, instead of three fourths of it, for the purchase of resting, breeding, and feeding grounds for migratory waterfowl under the provisions of the treaty with Canada.

The third change is that the original bill provided that 20 percent of the amount raised should be for enforcement.

Mr. KING. That is too much.

Mr. WALCOTT. We have stricken out the enforcement feature altogether, so that under the bill no Federal wardens may go in and enforce this law within a State. It is, in other words, up to the State to enforce it, and 90 percent of the fund is going to be used for the purchase of sanctuaries, leaving only 10 percent for maintenance. The word "enforcement" is specifically eliminated from the bill.

The duck stamp bill seeks to provide revenues for the purchase, maintenance, and operation of migratory-bird sanctuaries and refuges. Every migratory-waterfowl hunter must purchase, at a convenient post office, a $1 waterfowl stamp, which he must attach to his State hunting license.

The waterfowl shooter thus bears the cost of this restoration program. This bill has been endorsed by all of the State conservation agencies, all of the great national groups engaged in conservation, including the American Game Association, the Izaak Walton League, More Game Birds in America, and the National Audubon Societies. More recently it was endorsed by a conference held by this committee, at which representatives of practically every conservation agency in the country appeared. It also has the approval of the President of the United States.

I shall be glad to answer other questions regarding the bill.

Mr. DILL. Mr. President, let me call attention particularly to another amendment to the original bill. I refer to the proviso on page 4, line 17, which reads:

Provided, That the protection of said inviolate migratory-bird sanctuaries shall be, so far as possible, under section 17 of the Migratory Bird Conservation Act, passed February 18, 1929.

The section referred to provides that, so far as possible, the act shall be administered through State game wardens and State officials, and thereby avoid the appointment and use of Federal game wardens within the various States. I understand, however, that there might be some instances where the States could not provide for wardens, and, for that reason, the words "so far as possible" are used.

Mr. WALCOTT. I may add, Mr. President, in reply to the Senator's suggestion, that the use of Federal officers would be upon the advice of the Secretary of Agriculture and only upon his advice and recommendation and with the consent of the State authorities.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Nevada?

Mr. WALCOTT. I yield.

Mr. PITTMAN. And none of the funds accruing could be used for that purpose.

Mr. WALCOTT. None of these funds could be used for that purpose. Whatever was available previously remains after the passage of this bill; but none of these funds can be used for the purpose of enforcing this measure.

Mr. DILL. I objected to this bill previously; in fact, I have had much to say about legislation of this kind in the years I have been in the Senate. As a matter of principle I am strongly opposed to any Federal tax for hunting purposes. I recognize, however, that it is a condition which confronts us; we have been unable since the passage of the migratory bird act of some years ago to secure money from the Treasury for the purchase of migratory bird sanctuaries, and this measure seems to provide probably the least objectionable kind of Federal tax that can be laid upon hunters. With the amendments which have been placed in the bill and which I hope and believe will prevent these sanctuaries from ever being used for slaughtering purposes, as was the original plan under the old legislation on this subject, and that it will also prevent the use of Federal game wardens in large numbers throughout the country, I am not going to object to the bill.

Mr. KING. Mr. President, may I ask the Senator from Connecticut a question?

Mr. WALCOTT. Certainly.

Mr. KING. Has the Senator estimated the approximate amount that may be received annually for the purchase of land for sanctuary purposes?

Mr. WALCOTT. The amount which may be received can, of course, be merely estimated, but the best guesses range from $750,000 to $1,250,000. In the report we have stated that possibly $1,000,000 might be derived under the bill. There are about six and one half million licensed hunters in the United States. Just how many may want to continue shooting migratory water fowl—and they are the only ones who will have to pay the dollar tax—is a question, of course; but we believe that it will provide a revenue of approximately a million dollars a year, which, of course, is a very substantial sum and one which will put this whole program on its feet again.

Mr. KING. May I ask the Senator whether any portion of the fund to be obtained will be available to pay the expenses of operation—the overhead?

Mr. WALCOTT. Yes; 10 percent would be available for maintenance, to provide against the possible wearing out of the marsh areas or for whatever may be needed in the marsh areas to keep them as inviolate sanctuaries.

Mr. KING. Would any part of the compensation of the personnel come out of this fund?

Mr. WALCOTT. That might come under the head of maintenance.

Mr. KING. I should like to ask the Senator another question. Do the States have any voice in the selection of the bird sanctuaries?

Mr. WALCOTT. There has been made a preliminary survey by the Biological Survey with reference to the program which it is proposed to arrange. The program has not been definitely decided upon by the President, but the President is enthusiastically for this bill, he believes in its provisions, and says that it will supplement his larger program admirably. That, of course, provides only a temporary fund for the purchase of sanctuaries. He has appointed a committee of three to suggest a plan for the purchase of large areas for this same purpose. Under this bill there will be an annual contribution for the same purpose. This bill fits in admirably with the proposal of the so-called "Beck committee."

Mr. KING. Does the Senator believe that the States should have some voice when large areas of land are being segregated from the public domain or are being acquired by the Federal Government and withdrawn from taxation under the policy which is being pursued, and also some voice in ratifying or approving the purchase of these lands?

Mr. WALCOTT. We have had very elaborate hearings on this measure, and all the organizations interested in any way in this matter have been here or have been represented. They have raised every conceivable point with reference to this measure, including the point which the Senator now raises, which has been thoroughly discussed. It is believed that the Federal Government will never act without the advice, at any rate, of the States. All the surveys that have been made up to date have been carried on largely with the advice and consent and aid of the States, and every single State commissioner of fish and game and every commissioner of conservation has approved the provisions of this bill and is satisfied with the various hearings which we have had on the bill.

Mr. KING. The Senator has greater faith in, shall I say the virtue of the Federal Government and its officials, than I have. The Senator knows that we had to pass laws to prohibit the Federal Government—that is, the Executive—from withdrawing large areas of land from entry and locking them up indefinitely.

Mr. WALCOTT. I am familiar with that, and I will not yield even to the Senator from Utah in my allegiance to State rights.

Mr. ROBINSON of Arkansas. I merely wish to say, in view of what has already been stated, and the questions which have been raised that, in my judgment, this bill represents a substantial and important part of a well-considered program for the conservation of migratory bird life, and I hope it will pass.

The PRESIDING OFFICER. The question is, Shall the bill be ordered to be engrossed for a third reading and read the third time?

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC SERVICE COORDINATED TRANSPORT OF NEWARK, N.J.

The bill (S. 1084) authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N.J., was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to settle and adjust the claim of the Public Service Coordinated Transport of Newark, N.J., arising out of the removal by the War Department during the late war of certain tracks, car house, storage tracks, etc., belonging to said company or its predecessor, from their original locations to new locations, and the War Department's failure to restore same to their original location in accordance with an informal arrangement respecting the matter, and to allow in full and final settlement of any and all claims arising out of said transactions an amount not exceeding $122,442.43. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $122,442.43, or so much thereof as may be necessary, for the payment of said claim.

UNION SHIPPING & TRADING CO., LTD.

The bill (S. 1192) for the relief of the Union Shipping & Trading Co., Ltd., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the claim of the Union Shipping & Trading Co., Ltd., against the United States of America for damages alleged to have been caused by a collision on April 25, 1918, near Pauillac, in the Gironde River, France, between the Spanish steamship *Consuelo* (at the time of the collision the British steamship *Reims*) and the American steamship *Berwind*, then in the transport service of the United States War Department, may be sued for by the said Union Shipping & Trading Co., Ltd., in the District Court of the United States for the southern district of New York, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine said suit (in accordance with the principles of libels in rem and/or in personam), and to enter a judgment or decree for the amount of such

damages (including interest) and costs, if any, as shall be found to be due against the United States in favor of the said Union Shipping & Trading Co., Ltd., or against the said Union Shipping & Trading Co., Ltd., in favor of the United States upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That at the trial of said suit the written report or reports concerning said collision made by the pilot, master, any officer or member of the crew of the steamship *Berwind*, who is not available to testify because he is dead or cannot be found, may be admitted in evidence: *Provided further*, That such notice of the said suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within 4 months of the date of the passage of this act.

ADJUSTMENT OF CLAIM OF THE PENNSYLVANIA RAILROAD CO.

The bill (S. 1082) authorizing adjustment of the claim of the Pennsylvania Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Pennsylvania Railroad Co. for the cost of repairing the damages to freight car no. 89713 (owned by the Central Railroad of New Jersey) which were caused by an accident due to condition of Government-owned rails or roadbed while such car was in the Government's care and custody, and to allow in full and final settlement of said claim not to exceed the sum of $468.82. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $468.82, or so much thereof as may be necessary, to pay said claim.

FAIRMONT CREAMERY CO., OF OMAHA, NEBR.

The bill (S. 749) for the relief of the Fairmont Creamery Co., of Omaha, Nebr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioner of Internal Revenue is hereby authorized and directed to receive, consider, and determine, in accordance with law, but without regard to any statute of limitations, any claim filed not later than 6 months after the passage of this act by the Fairmont Creamery Co., Omaha, Nebr., for the refund of Federal income and profits taxes collected from the said Fairmont Creamery Co. for 1918 in excess of the amount properly due: *Provided*, That in the settlement of said claim there shall be no allowance of interest.

WALTER THOMAS FOREMAN

The bill (S. 1075) for the relief of Walter Thomas Foreman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Walter Thomas Foreman, former employee of the United States Shipping Board, who now resides at Albermarle, N.C.: *Provided*, That compensation, if any, shall commence from and after the date of the passage of this act.

GREAT AMERICAN INDEMNITY CO., OF NEW YORK

The Senate proceeded to consider the bill (S. 356) for the relief of the Great American Indemnity Co., of New York, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$20,000" and insert "$18,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Great American Indemnity Co., of New York, the sum of $18,000, representing the amount paid by such company as surety on the forfeited bail bonds of four defendants in criminal proceedings brought by the United States, who surrendered the day after the entry of the judgments upon such bonds and were subsequently tried, convicted, and sentenced.

Mr. KING. Mr. President, I should like an explanation of that bill.

Mr. COPELAND. Mr. President, there is a very clear description of the facts involved in this bill in the report. It seems that the claimant, the indemnity company, as surety became responsible for four bail bonds in the sum of $5,000 each. The condition of the bonds was that the defendants should appear in certain criminal proceedings which were pending in the District Court of Virginia. The trial of the defendants was set for the early part of December 1927. They failed to appear on December 20, 1927, and their bonds were declared forfeited. On May 31, 1928, judgment was entered against the surety on the bonds and on the following day, June 1, 1928, the defendants appeared in court and entered a plea of guilty to the indictments, and were sentenced.

Under the circumstances the committee feels that it is not conscionable for the United States to retain the amount, and recommends that the bill, which would refund the amount of $18,000, be passed. Upon this basis the Government will have received the sum of $3,634, covering the expenses and costs to which the Government was put for the purposes for which the bonds were given, and this amount of money would then be returned to the company.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUXILIARY BARK "QUEVILLY"

The bill (S. 1934) conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the four-masted auxiliary bark *Quevilly* against the United States, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the claim of Compagnie Maritime Normande, formerly known as "Société Anonyme du Quevilly", owner of the four-masted auxiliary bark *Quevilly*, against the United States for damages alleged to have been caused by collision between said four-masted auxiliary bark *Quevilly* and the United States destroyer *Sampson* on January 26, 1917, may be determined in a suit to be brought by said claimant against the United States in the United States District Court for the Southern District of New York, sitting as a court of admiralty and acting under the rules governing such court in admiralty cases, and that said court shall have jurisdiction to hear and determine said suit and to enter a judgment or decree for the amount of such damages, and costs, if any, as shall be found due against the United States in favor of the said Compagnie Maritime Normande, formerly known as "Société Anonyme du Quevilly", or against the said Compagnie Maritime Normande, formerly known as "Société Anonyme du Quevilly", in favor of the United States, by reason of said collision, upon the same principles and under the same measures of liability as in like cases between private parties, and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and upon such notice it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That such suit shall be begun within 4 months of the date of the approval of this act.

STEAMSHIP "W. I. RADCLIFFE"

The bill (S. 1935) to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of Congress (H.R. 11698), approved March 2, 1929 (Private, No. 480, 70th Cong.), entitled "An act conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes", be, and the same hereby is, amended by deleting therefrom the words "Wynstay Steamship Co., Ltd., a British corporation, owner", and substituting in the place and stead thereof the words "Wynnstay Steamship Co., Ltd., and W. I. Radcliffe Steamship Co., Ltd., British corporations, owners", and that said act be further amended by deleting therefrom wherever they may appear the words "Wynstay Steamship Co., Ltd., and substituting in the place and stead thereof the words "Wynnstay Steamship Co., Ltd., and W. I. Radcliffe Steamship Co., Ltd."; and that the suit heretofore commenced in the United States District Court for the Southern District of New York, under the said act of March 2, 1929, may be continued in the names of Wynnstay Steamship Co., Ltd., and W. I. Radcliffe Steamship Co., Ltd., as parties libelant.

JOHN Z. LOWE

The bill (S. 1405) for the relief of John Z. Lowe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the accounts of John Z. Lowe, former collector of internal revenue for the second district of New York, in the sum of $3,500, said sum representing the amount of an alleged shortage in the count of stamps charged as having been sent to and received by him during the fiscal year 1916.

CHERAW INDIANS, NORTH CAROLINA

The Senate proceeded to consider the bill (S. 1632) providing for the recognition and enrollment as Cheraw Indians of certain Indians in the State of North Carolina, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 5, after the word "designated" to strike out: "Cheraw Indians and shall be recognized and enrolled as such; but such designation, recognition, and enrollment shall not in any manner affect the present status or property rights of any of such Indians or prohibit the attendance of children of such Indians at Government Indian Schools. The provisions of this act shall not be construed to give to such Indians any rights in or to the tribal lands or moneys of other bands of Indians in the United States" and to insert in lieu thereof the following: "Siouan Indians of Lumber River and shall be so recognized by the United States Government: *Provided*, That nothing contained herein shall be construed as conferring Federal wardship or any other governmental rights or benefits upon such Indians", so as to make the bill read:

Be it enacted, etc., That those Indians in Robeson and adjoining Counties, N.C., who were formerly known as "Croatan Indians", shall hereafter be designated Siouan Indians of Lumber River and shall be so recognized by the United States Government: *Provided*, That nothing contained herein shall be construed as conferring Federal wardship or any other governmental rights or benefits upon such Indians.

The amendment was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, this is rather an important bill. I should like to have an explanation of it. I do not object to its consideration if any Senator is prepared to explain it.

The PRESIDING OFFICER. The bill was introduced by the Senator from North Carolina [Mr. BAILEY] and reported by the Senator from Montana [Mr. WHEELER], neither of whom is present at the moment.

Mr. ROBINSON of Arkansas. Let it be passed over for the present then.

The PRESIDING OFFICER. The bill will be passed over for the present.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 229, Senate bill 1632, which a few moments ago I asked to have passed over temporarily. It appears that the bill has the unanimous approval of the Committee on Indian Affairs and also of the Department of the Interior. Therefore I ask that the bill may be considered.

The PRESIDING OFFICER. The amendment to the bill was agreed to. The question is on the passage of the bill as amended.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the recognition as Siouan Indians of Lumber River of certain Indians in the State of North Carolina."

FRED G. CLARK CO.

The Senate proceeded to consider the bill (S. 377) for the relief of the Fred G. Clark Co., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fred G. Clark Co. the sum of $7,586.61, being the amount agreed upon in accordance with the decision of the Board of Contract Adjustment, War Department, in full settlement for losses suffered by reason of forced compliance by said company with orders of the War Industries Board preventing said company from disposing of its stock of wool grease during the late war with Germany.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. BULKLEY. Mr. President, the bill provides payment to the Fred G. Clark Co. of an amount determined many years ago by the Board of Contract Adjustment of the War Department to be due on account of losses sustained by refusal of the War Industries Board to permit the sale by the claimant of certain qualities of wool grease during war time. It has been considered by the Committee on Claims of the Senate and also by the Committee on War Claims of the House, and favorably reported in both instances.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. C. MESSLER CO.

The bill (S. 503) to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Court of Claims of the United States be, and hereby is, given jurisdiction to hear and determine the claim of the A. C. Messler Co., of Providence, R.I., notwithstanding lapse of time or any statute of limitations, and to award said company compensation for additional material furnished the Government under contract dated April 17, 1918, for the manufacture and delivery of cartridge clips.

REMISSION OF CERTAIN COAL-LEASE RENTALS

The bill (S. 606) to authorize the waiver or remission of certain coal-lease rentals, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to waive and remit all rentals due the United States and charged against the Alaska Matanuska Coal Co., holder of Anchorage, Alaska, coal-land lease no. 04794–05236, between April 3, 1926, and May 3, 1929, during which period the lessee company was out of possession and prevented from operating said mine because same was in the hands of a receiver appointed by the United States Court for the District of Alaska; also between July 10, 1931, and August 10, 1932, during which period the Alaska Railroad was in possession of said mine and operating same, reimbursing itself therefor by mining, removing, and using coal.

PAYMENT OF LOST AND MATURED GOVERNMENT BONDS

The Senate proceeded to consider the bill (S. 1528) to amend section 3702, Revised Statutes, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, to strike out the word "maturity" and insert in lieu thereof "it has matured or has become redeemable pursuant to a call for redemption", so as to read:

Be it enacted, etc., That section 3702 of the Revised Statutes is hereby amended by adding at the end thereof the following paragraphs:

"(2) Whenever it appears to the Secretary of the Treasury by clear and unequivocal proof that any interest-bearing bond of the United States, fully identified by number and description, has, without bad faith on the part of the owner, been lost to such owner under such circumstances and for such period of time after it has matured or has become redeemable pursuant to a call for redemption as in the judgment of the Secretary would indicate that it had been destroyed or irretrievably lost, is not held by any person as his own property and will not be presented by a bona fide holder for value, the Secretary of the Treasury is authorized to make payment of the amount which would have been due on such bond had it been presented at the time it became due and payable. But no payment shall be made on account of interest represented by coupons claimed to have been attached to a missing coupon bond at the time of its loss or destruction, unless the Secretary of the Treasury is satisfied that such coupons have not been paid and are in fact destroyed or can never be made the basis of a claim against the United States: *Provided*, That where relief is authorized under the provision of this paragraph the bond of indemnity required by section 3703 of the Revised Statutes shall be in a penal sum of double the amount to be paid and shall be executed by an approved corporate surety. The Secretary of the Treasury is further authorized to make from time to time such regulations and restrictions as he may prescribe with respect to the administration of this paragraph.

"(3) The term 'bond' wherever used in this section and in sections 3703, 3704, and 3705 of the Revised Statutes shall be deemed, for the purposes of these sections, to include any interest-bearing obligation of the United States or those issued on a discount basis."

Mr. KING. Mr. President, this seems to be a matter in which the Treasury would be vitally interested. However, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WHITE BROS. & CO.

The bill (S. 1088) authorizing adjustment of the claim of White Bros. & Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the White Bros. & Co., a partnership composed of John W. White, Jr., Will J. White, A. P. White, and Madison White, for a refund of an advance payment of rent for the property known as the "Little Rock Air Depot", Little Rock, Ark., under their War Department lease no. W–766–qm–291, dated May 23, 1930, rent having been paid in advance for the period ending February 22, 1932, and the War Department having exercised its option to terminate the lease effective December 31, 1931, and to allow in full and final settlement of said claim not to exceed the sum of $341.92. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $341.92, or so much thereof as may be necessary, to pay said claim.

RIO GRANDE SOUTHERN R.R. CO.

The bill (S. 1859) authorizing adjustment of the claim of of the Rio Grande Southern Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Rio Grande Southern R.R. Co. for reimbursement of its expenditures for labor and expenses in repairing the damages to the Western Union telegraph line on its right-of-way at milepost no. 85 (between Dolores and Rico, Colo.) and between mileposts nos. 94 and 96 (near Stapleton, Colo.), which line was damaged in 1931 by the blasting during the Government's construction of the Dolores-Rico Forest highway project in Colorado, and to allow in full and final settlement of said claim not to exceed the sum of $23.01. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $23.01, or so much thereof as may be necessary, to pay said claim.

C. J. MAST

The bill (S. 1949) for the relief of C. J. Mast was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. J. Mast, of Charlo, Mont., the sum of $255 in full satisfaction of his claim against the United States for damages on account of injury to his crops in the years 1924 to 1928, both inclusive, by reason of breaks in a lateral dike in connection with the Flathead irrigation project.

PETROLIA-FORT WORTH GAS-PIPE LINE

The bill (S. 2315) to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to transmit to the General Accounting Office for payment, in accordance with the approved findings contained in the report rendered by Lt. Ira P. Griffin, Civil Engineer Corps, United States Navy, to the Navy Department under date of July 29, 1921, all unpaid claims for rights of way and damages to private property sustained in connection with the construction on behalf of the United States during the years 1918 and 1919 of a gas-pipe line extending from Petrolia to Fort Worth, Tex.

SEC. 2. That the Secretary of the Navy is also authorized to transmit to the General Accounting Office for payment the claim of W. S. Wakeman in the sum of $65 in addition to the sum for said claimant approved in the above-mentioned report.

SEC. 3. That acceptance by any claimant of an amount offered for settlement pursuant to this act shall be deemed to be in full settlement of his claim against the United States.

SEC. 4. No payment shall be made to any claimant under the provisions of this act who has received satisfaction from any other source for the damages sustained due to the laying of said gas-pipe line.

SEC. 5. That there is hereby authorized to be appropriated for the purposes of this act, out of any money in the Treasury not otherwise appropriated, the sum of $7,356.75.

R. B. MILLER

The Senate proceeded to consider the bill (S. 2278) for the relief of R. B. Miller, which had been reported from the Committee on Claims, with amendments, on page 1, line 5, to strike out "$9,407.54, said amount representing the principal sum of $6,336.38 overpayments in freight on" and insert in lieu thereof "$2,500, in full and final settlement of all claims or demands of whatsoever nature, kind, or character against the Government, on account of shipments of", and on page 2, line 6, after the word "law", to strike out "and the interest on said sum from the respective dates of shipment to April 1, 1926", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to R. B. Miller, out of any money in the Treasury not otherwise appropriated, the sum of $2,500, in full and final settlement of all claims or demands of whatsoever nature, kind, or character against the Government, on account of the shipment of 75 carloads of manganese ore shipped over the Norfolk & Western Railroad from Suter, Va., Rocky Gap, Va., and Graham, Va., to Reading, Pa., Harrisburg, Pa., and Birmingham, Ala., during the period that said railroad was operated by the Director General of Railroads, and which said amount was in excess of the regular freight rates published and allowed by law.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KARIM JOSEPH MERY

The Senate proceeded to consider the bill (S. 2317) for the relief of Karim Joseph Mery, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$5,000 as compensation for" and insert in lieu thereof "$3,000, in full settlement of all claims against the Government on account of", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to Karim Joseph Mery, of San Antonio, Tex., out of any money in the Treasury not otherwise appropriated, the sum of $3,000, in full settlement of all claims against the Government on account of the death of his son, Joseph Karim Mery, a minor, who was killed at San Antonio, Tex., on July 10, 1923, by the negligent driving of a United States Army truck.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANK SPECTOR

The bill (S. 1086) authorizing adjustment of the claim of Frank Spector, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust a claim of Frank Spector for refund of a deposit of $1,700 made in connection with the purchase of certain surplus property at an auction sale held February 9, 1922, at the Philadelphia quartermaster depot, and to allow in full and final settlement of all claims arising out of the transaction the sum of not to exceed $1,700. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, the sum of $1,700, or so much thereof as may be necessary, to pay said claim.

HARRY HARSIN

The Senate proceeded to consider the bill (S. 176) for the relief of Harry Harsin, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out "Postmaster General" and insert in lieu thereof "Comptroller General of the United States", so as to read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby authorized and directed to credit Harry Harsin, postmaster at Asbury Park, N.J., in his accounts with the sum of $28,022, the amount of money and postage stamps lost in the burglary of the post office at Asbury Park, N.J., on July 6, 1929.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. KEAN. Mr. President, the postmaster at Asbury Park suffered a loss by burglary, the post office having been robbed. The post office being in his charge, he was charged by the Post Office Department with $28,022 because of the robbery. He had nothing to do with the robbery. Burglars broke into the post office and robbed it of stamps and cash and whatever else of value there was in the post office.

Mr. McKELLAR. Mr. President, may I ask the Senator from New Jersey if the postmaster was under bond?

Mr. KEAN. He had a bond which partially covered the loss.

Mr. McKELLAR. Does this include what the bonding company paid, too?

Mr. KEAN. I cannot answer that question.

Mr. McKELLAR. Unless we collect these amounts from the bonding companies, it would seem to me of no benefit to the Government to put the postmasters under bond.

Mr. KEAN. I think they are all under bond.

Mr. McKELLAR. The amount of the bond should not be included in the bill, I believe.

Mr. KEAN. I think the committee looked into that matter. The robbery occurred on the 6th of July 1929, and this man has been suffering ever since trying to get reimbursement. The Postmaster General under date of December 10, but I do not know of what year, urged the Congress to no longer delay in making the award. I have a clipping from a newspaper stating that fact. The poor man went out of office on the 28th day of January and is very anxious that the claim should be settled.

Mr. KING. Unfortunately the report does not state, or at least if it does I have not found it, whether or not any part of the loss had been paid by the bonding company. I think the measure ought to be amended so that that loss should not be reimbursed.

Mr. KEAN. I assume the amount provided in the bill is above the amount of the bond.

Mr. McKELLAR. Mr. President, I think the amount of the bond ought to be deducted. If the Senator is willing to deduct the amount of the bond which the bonding company paid, then if the postmaster himself has sustained a loss of money without fault of his own, it would be all right to reimburse him; but if the postmaster's bond covers the amount of the loss and the bonding company has paid it, of course, then, the postmaster has already paid the bonding company a fee or premium to cover that liability and the bonding company ought to pay it without appealing to the Government for reimbursement. The bonding company ought not to be reimbursed these funds where such losses occur.

Mr. DICKINSON. Mr. President, as a matter of fact if the bond was collected it would be payable to the Government and would go back into the Treasury, and, therefore, no deduction should be made from the amount of the claim here.

Mr. McKELLAR. It does not appear what the bond was.

Mr. KEAN. I assume the $20,000 is above the amount of the bond. That is the amount the Government has held the postmaster liable for and I suppose the poor fellow has mortgaged his house and everything else to pay it.

Mr. DICKINSON. Let me suggest, as a matter of fact, what would happen if the bonding company would pay the amount of the bond to the Government, is that the postmaster would be compelled to pay any balance over and above that. This is for the relief of the postmaster only.

Mr. KEAN. That is all.

Mr. McKELLAR. Let the bill go over today until the Senator from New Jersey can get the facts about the bond.

The PRESIDING OFFICER. The bill will be passed over.

WALLACE E. ORDWAY

The Senate proceeded to consider the bill (S. 258) for the relief of Wallace E. Ordway, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out "$7,500" and insert "$4,000", and in line 10, after the word "Oregon", to insert the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money not otherwise appropriated, the sum of $4,000 to Wallace E. Ordway, of Klamath Falls, Oreg., as administrator. Such sum represents compensation to Wallace E. Ordway in his personal right and as administrator for the death of his son, Harry Ordway, who was drowned September 1, 1927, in the United States Irrigation Canal at Klamath Falls, Oreg.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELSIE SEGAR, ADMINISTRATRIX

The Senate proceeded to consider the bill (S. 1331) for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen, which had been reported from the Committee on Claims with amendments on page 1, line 6, to strike out "$4,700" and insert "$1,200"; on page 2, line 5, to strike out "$1,955" and insert "$800"; and in line 8, after the word "destruction", to insert the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted, etc., That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated: Payment to Elsie Segar, administratrix of C. M. A. Sorensen, the sum of $1,200 for loss on September 1, 1924, of a boathouse, engine parts, tools, electric fittings, marine supplies, and clothing belonging to C. M. A. Sorensen, at Bayou St. John, city of New Orleans, La., while said boathouse was being used by and in the sole occupancy of Government prohibition agents, pursuant to rental privileges granted by C. M. A. Sorensen to prohibition agents of the United States Government, at New Orleans, La.; and payment to Holger E. Sorensen, the son of C. M. A. Sorensen, the sum of $800 for loss to Holger E. Sorensen of personal property and belongings in the said boathouse at the time of said boathouse destruction: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELIZABETH BUXTON HOSPITAL

The bill (S. 1531) for the relief of Elizabeth Buxton Hospital was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth Buxton Hospital, of Newport News, Va., the sum of $224.80 for services rendered to late Pvt. Frederick Loyal Kerl, United States Marine Corps, from February 9 to February 15, 1930, while on furlough.

S. G. MORTIMER

The bill (S. 1600) for the relief of S. G. Mortimer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the accounts of S. G. Mortimer, postmaster

at Belle Fourche, S.Dak., in the amount of $178.92, such sum representing certain amounts charged against the said S. G. Mortimer by reason of his deposit of funds of the United States in the First National Bank of Belle Fourche, S.Dak., and the subsequent closing of such bank.

MANUEL MERRITT

The Senate proceeded to consider the bill (S. 552) for the relief of Manuel Merritt, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$40.30" and insert "$40.20", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $40.20 to Manuel Merritt in payment of amount of loss sustained in postal funds by the failure and closing of the First National Bank of Roff, Okla.

Mr. KING. Mr. President, I should like to ask someone familiar with it how the Government of the United States is responsible for losses by reason of the failure of a bank.

Mr. COOLIDGE. Mr. President, there are several bills of the same tenor. The Government in substance says to the postmaster, "Deposit your funds for safekeeping in some institution that is safe." There are seven or eight bills of the same character involving cases where the postmasters deposited money taken in at their post offices. Then the banks closed. Some of those banks have repaid only a portion of the deposits to their depositors. The small amount authorized in the bill is the difference between that which was paid to the postmaster as a depositor and the amount the postmaster deposited. The postmaster, I think, should be reimbursed and should be held immune because of the fact that he had been instructed and told he must put his funds in some safe depository.

Mr. KING. I ask the Senator for information whether the Government directs the postmasters where to make deposits of postal savings and, if they do make them accordingly, whether the evidence shows that the Government was derelict or those in authority were derelict in indicating the depositories which failed instead of indicating solvent banks. It seems to me the Government of course in inviting postal deposits, is really a guarantor or insurer, and for that reason it ought to make ample provision for the safekeeping of the funds of its depositors. Was there anything before the committee to indicate whether the Government was derelict in this respect?

Mr. COOLIDGE. I know in a general way that the Government does say where postal deposits shall go, and I think in a general way they do say where the daily receipts from business shall go. These were all small towns and the postmasters had to go in some cases quite a distance to deposit the money so it would be fairly safe. But this all came about during the bank holiday when very many of the small banks simply suspended business and many of them never reopened. Some of the depositors were paid 60 or 70 percent in the way of dividends and the Government came in the same category. I hope that all of the bills of this nature, which have the unanimous report of the Committee on Claims, may be passed.

Mr. KING. Let me ask the Senator whether provision is made in these bills—and I have not read them—that the Government may be subrogated to any rights that the depositors may have in any funds hereafter to be paid by the defaulting banks.

Mr. LOGAN. Mr. President, if the Senator from Massachusetts will pardon me, I may say to the Senator from Utah that the situation is this:

The postmaster is required to deposit the funds temporarily in a bank, but it is at the risk of the postmaster; and if the bank fails, and the money is lost, it is charged up to the postmaster by the Government.

These bills are to relieve the postmasters of that charge which has been made against them. The Post Office Department says that is correct and as it should be. I do not know myself. I suppose the Government makes good the postal deposits that are lost.

Mr. KING. Mr. President, it seems to me there ought to be a wiser and a safer and a better method of handling these postal funds than that indicated by these bills. Of course the Government is responsible unless the postmasters were negligent, and violated instructions which were given to them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE J. BLOXHAM

The Senate proceeded to consider the bill (S. 1118) for the relief of George J. Bloxham, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the word "the", to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and is hereby, authorized and directed to credit the account of George J. Bloxham, postmaster at Sheldon, Iowa, in the sum of $53.90, due the United States on account of the loss resulting from the closing of the First National Bank of Sheldon, Iowa.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRED A. ROBINSON

The Senate proceeded to consider the bill (S. 1119) for the relief of Fred A. Robinson, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the word "the", to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and is hereby, authorized and directed to credit the account of Fred A. Robinson, postmaster at Estherville, Iowa, in the sum of $65.05, due the United States on account of the loss resulting from the closing of the First National Bank of Estherville, Iowa.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMERICAN BONDING CO., OF BALTIMORE

The Senate proceeded to consider the bill (S. 252) for the relief of the American Bonding Co., of Baltimore, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$1,500" and insert "$750"; and in line 7, after the word "bail", to strike out "bonds of Dan Shea, the case against whom was dismissed, and" and to insert "bond of", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to the American Bonding Co., of Baltimore, out of any money in the Treasury not otherwise appropriated, the sum of $750, representing the amount paid by the said company as surety on the forfeited bail bond of John Madden, the forfeiture of whose bail was ordered by the court to be set aside.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDGAR STIVERS

The Senate proceeded to consider the bill (S. 1460) for the relief of Edgar Stivers, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the word "the", to strike out "Postmaster General" and insert "Comptroller General of the United States", and in line 6, after the words "sum of", to strike out "$444.69" and insert "$240.45", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Edgar Stivers, postmaster at Dodge Center, Minn., in the sum of $240.45, due the United States on account of loss of postal funds resulting from the failure of the Farmers National

Bank of Dodge Center, Minn.: *Provided*, That the said postmaster shall assign to the United States any and all claims he may have to dividends arising from the liquidation of said bank.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. W. HOLLAND

The bill (S. 551) for the relief of A. W. Holland was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $900 to A. W. Holland in payment of extra services as postmaster at Drumright, Okla., a post office of the fourth class.

SULTZBACH CLOTHING CO.

The bill (S. 1191) for the relief of the Sultzbach Clothing Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Sultzbach Clothing Co. the sum of $6,000. Such sum represents the amount of a fine paid by Sultzbach Clothing Co. pursuant to a conviction for violating certain provisions of the Lever Act of August 10, 1917, as amended, prior to the declaration by the Supreme Court of the United States of the unconstitutionality of such provisions.

COMPAGNIE GENERALE TRANSATLANTIQUE

The bill (S. 1692) for the relief of the Compagnie Generale Transatlantique was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the Compagnie Generale Transatlantique, to reimburse said company for penalties which were assessed and collected but not actually incurred under the immigration laws of the United States, and so found by the Circuit Court of Appeals for the Second Circuit on July 7, 1931 (51 Fed. (2d) 1053), the failure of said company to file suit within the statutory period of limitation for the recovery of said sum being hereby waived.

INTERNATIONAL MERCANTILE MARINE CO.

The bill (S. 1693) for the relief of the International Mercantile Marine Co. was considered by the Senate and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,400 to the International Mercantile Marine Co., to reimburse said company for penalties which were assessed and collected, but not actually incurred, under the immigration laws of the United States; and so found by the Circuit Court of Appeals for the Second Circuit on July 7, 1931 (51 Fed. (2d) 1053), the failure of said company to file suit within the statutory period of limitations for the recovery of said sum being hereby waived.

Mr. KING. Mr. President, I see a number of these measures introduced by my friend from New York [Mr. COPELAND]. Apparently, the Government is called upon to waive the statute of limitations.

It seems to me there are too many cases in which the statute of limitations has run in behalf of the Government where claims are presented, perhaps, after the evidence is beyond the reach of the Government. Between individuals the statute of limitations is not waived in their behalf by the Government. Of course, the defendant who is sued, if he fails to plead the statute of limitations, and answers, is held to respond if he is liable; but the statute of limitations is one of repose, and the Government certainly ought not to be called upon constantly to waive the statute unless there is some pressing and highly moral ground which would demand it.

Mr. COPELAND. Mr. President, I think the answer to the very just criticism of my friend is found on the second page of the second bill—the one which is now immediately before the Senate—because the two bills are practically identical.

There were some controversies here which were delayed until there was a judgment rendered by the United States District Court. The matter has been pending along; and it was not until February 8, 1930, that the United States District Court entered judgment in accordance with the provisions of these two bills. The statute of limitations did run as regards the time of collection; that is conceded; but it was not until this decision was rendered that the claims of these two companies were justified.

That is the reason for the delay. It was not due to any lack of diligence or alertness on the part of the company.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time and passed.

BILL PASSED OVER

The bill (S. 1184) for the relief of Amos D. Carver et al. was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that bill.

Mr. VANDENBERG. Mr. President, this bill appears to have the disapproval of the Shipping Board. In the absence of the author of the bill, I suggest that it go over.

The PRESIDING OFFICER. The Senator from Michigan objects, and the bill will be passed over.

R. S. HOWARD CO., INC.

The Senate proceeded to consider the bill (S. 2002) for the relief of R. S. Howard Co., Inc., which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$32,827.51" and insert "$20,827.51", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $20,827.51 to R. S. Howard Co., Inc., of New York City, as just compensation and in full settlement and satisfaction of the damages and/or losses incurred and suffered by it in complying with United States Navy order no. N-3255, dated June 18, 1918.

Mr. KING. Mr. President, I should like an explanation of this bill.

Mr. COPELAND. Mr. President, the facts are as follows:

At the onset of the war it was found necessary to commandeer buildings in New York City. I was embarrassed myself, as commissioner of health, by certain demands made upon us. In this case, however, under order of Mr. Roosevelt—who was then Assistant Secretary of the Navy—certain properties in connection with the Bush Terminal were taken away from the R. S. Howard Co., who had a lease until May 1921. The property was taken over in 1918, as I recall.

On May 3, 1921, a bill was introduced to make an appropriation to pay this account. Then, by Senate resolution, the Court of Claims was requested to hear the case, and you will find the conclusions on page 4 of the report:

Upon the facts found, the court concludes and reports that the plaintiff has no claim, either legal or equitable, in a juridical sense, against the United States, and that any compensation to it because of the facts recited rests in the discretion of Congress.

That subsequent to the report of the Court of Claims, wherein the court held as a conclusion of law that R. S. Howard Co. had no claim, legal or equitable, growing out of the commandeering of the Bush Terminal loft buildings, the Supreme Court of the United States decided the case of *A. W. Duckett & Co.* v. *United States* (266 U.S. 149, 45 Sup. Ct. Rep. 38), appealed from the Court of Claims, wherein the Supreme Court held, reversing the Court of Claims, that a tenant of property commandeered was entitled to compensation for his leasehold interest.

And it is because of that decision of the Court that this company is here asking for relief.

Mr. KING. Mr. President, this was away back in 1917, 1918, or 1919, probably. At this late date the claim is presented. Why the long delay?

Mr. COPELAND. Because of the fact that in order to get the matter into the court it had to come here, and the matter was delayed here to give permission to bring this case in the Court of Claims. That was the reason. They were pressing the claim all the time; and, as it afterward developed, it was a just claim. Of course it was pending in the court for some time.

Mr. KING. If the case was brought in the Court of Claims, and a judgment there was rendered adverse to the

plaintiff, which was reversed by the Supreme Court of the United States, obviously the matter would be remitted to the lower court. Why should it not go back to the court to have judgment entered upon the facts presented, or, if all the facts were there, to enter such a judgment as was indicated in the mandate of the Supreme Court?

Mr. COPELAND. Of course, I am not competent to discuss that question with the Senator. He is too well versed in the law; but one of our most conservative Senators, the Senator from Alabama [Mr. BLACK], made this report from the Committee on Claims, after going very thoroughly into the matter. He took the position that with certain amendments, striking out "$32,000" and inserting "$20,000", the bill should pass; and, of course, I know that so careful a lawyer as the Senator from Alabama would have gone thoroughly into the claim.

Mr. KING. With the understanding and agreement with my friend that if, upon examination, it should be found that the Supreme Court remitted the matter to the lower court for consideration, and that the lower court ought to have acted in the matter, the Senator will consent to setting aside the action today, and that notice of the passage of the bill shall not be transmitted to the House until we get this information, I shall not oppose the passage of the bill.

Mr. COPELAND. That is entirely satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NOXUBEE RIVER, MISS.

The bill (S. 2337) to declare Noxubee River in Noxubee County, Miss., to be a nonnavigable stream was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That that portion of the Noxubee River in Noxubee County, in the State of Mississippi, be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States.

SEC. 2. That the right of Congress to alter, amend, or repeal this act is hereby expressly reserved.

BILL PASSED OVER

The bill (S. 254) for the relief of Fred H. Cotter was announced as next in order.

Mr. KING. Let that bill go over. I desire to look into it.

The PRESIDING OFFICER. The bill will be passed over.

EDITH N. LINDQUIST

The Senate proceeded to consider the bill (S. 413) for the relief of Edith N. Lindquist, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$936.75" and insert "$600", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise approprated, to Edith N. Lindquist, chief nurse, United States Navy, the sum of $600 in full satisfaction of her claim against the United States for reimbursement for the loss of certain clothing and other personal effects during the earthquake and fire at Yokohama, Japan, on September 1, 1923.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LUECO R. GOOCH

The bill (S. 1077) for the relief of Lueco R. Gooch was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Lueco R. Gooch, of Henderson, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $516.28, in full satisfaction of all claims against the United States on account of expenditures made by him in the medical treatment of his son, Lueco R. Gooch, Jr., private, Company C, One Hundred and Twentieth Infantry, North Carolina National Guard, who was injured in the line of duty on July 16, 1929, at Camp Glenn, N.C., during the field-training period July 7 to July 21, 1929.

FIRST GRANITE NATIONAL BANK, AUGUSTA, MAINE

The bill (S. 1853) to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine, was considered by the Senate and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to execute, in the name of the United States, and deliver to the First Granite National Bank, Augusta, Maine, upon receipt from such bank of $8,547.83, an agreement of indemnity binding the United States to make reimbursement to such bank upon condition that such bank is required to make payment to bona fide holders upon presentation of check no. 21874, and dated July 1, 1926, in the amount of $8,547.83, drawn by the First Granite National Bank, Augusta, Maine, on the New York Trust Co., of New York, payable to George W. Wood, president of the board of managers (post fund) at the request of the eastern branch, National Home for Disabled Volunteer Soldiers, Augusta, Maine: *Provided*, That the Secretary of the Treasury shall, upon receipt of $8,547.83, as hereinbefore provided, credit the general post fund of the Veterans' Administration in that amount.

Mr. KING. Mr. President, referring to the preceding bill, I should like to ask if it is conceded that there is any liability upon the part of the Government for damages caused by persons in the National Guard or injuries to persons in the National Guard.

Mr. COPELAND. There is. I happen to know that. This is not my bill; but we have discussed that matter time and time again in the Appropriations Committee, and I find that there is such liability.

Mr. KING. I do not agree with it.

Mr. HARRISON. Mr. President, has any objection been raised to Senate bill 1853?

The PRESIDING OFFICER. There has not been yet.

Mr. HARRISON. I do not want to say anything, then. The bill is recommended by the Treasury Department.

The PRESIDING OFFICER. The question is upon the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONCRETE ENGINEERING CO.

The bill (S. 1540) for the relief of the Concrete Engineering Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Concrete Engineering Co., of Houston, Tex., the sum of $4,304.61, or so much thereof as may be necessary, to fully refund to said company the difference between the rate of customs duties erroneously assessed and collected from it on steel building forms at Houston, Tex., between February 23, 1926, and September 30, 1927, under paragraph 304 of the act of 1922, and the rate of duty assessed and collected on the same class of merchandise in the same customs district, at Houston, Tex., during the same period, under paragraph 312 of said act, without the knowledge of said company, and which latter rate subsequently was decided to be according to law.

WILLIAM W. DANENHOWER

The Senate proceeded to consider the bill (S. 2496) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower, which had been reported from the Committee on Claims with an amendment, on page 2, line 4, after the word "session", to insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to William W. Danenhower, out of any money in the Treasury not otherwise appro-

priated, the sum of $34,260 for damages caused by the depreciation in value of his property situate in square 737 in the city of Washington, D.C., which said damages were caused by the elimination of the grade crossings of railroads in pursuance to the act of Congress approved February 12, 1901 (31 Stat.L. 774), and acts supplemental thereto, as found by the Court of Claims and reported in Senate Document No. 2, Sixty-seventh Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. ASA CASWELL HAWKINS

The Senate proceeded to consider the bill (S. 1078) for the relief of Mrs. Asa Caswell Hawkins, which had been reported from the Committee on Claims with an amendment, on page 1, line 11, after the word "act", to insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Asa Caswell Hawkins, widow of Asa C. Hawkins, of the county of Lenoir and the State of North Carolina, the sum of $5,000 in full compensation for the death of said Asa C. Hawkins, who was killed while employed by and assisting Federal prohibition agents in the enforcement of the National Prohibition Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES F. LITTLEPAGE

The Senate proceeded to consider the bill (S. 1258) for the relief of Charles F. Littlepage, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$7,500" and insert "$50 per month from December 14, 1931, in an amount not to exceed $3,000"; and in line 11, after "1931", to insert "*Provided*, That before any payment is made to the claimant, Charles F. Littlepage, a trustee be appointed, and that reimbursement be made to the Mountain State Hospital, Inc., Charleston, W.Va., in full satisfaction of all hospital and medical expenses incurred by Charles F. Littlepage", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles F. Littlepage, of Charleston, W.Va., the sum of $50 per month from December 14, 1931, in an amount not to exceed $3,000, in full satisfaction of his claim against the United States for injuries suffered when struck by a United States mail truck at Charleston, W.Va., on December 14, 1931: *Provided*, That before any payment is made to the claimant, Charles F. Littlepage, a trustee be appointed, and that reimbursement be made to the Mountain State Hospital, Inc., Charleston, W.Va., in full satisfaction of all hospital and medical expenses incurred by Charles F. Littlepage.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FISH AND GAME SANCTUARIES IN NATIONAL FORESTS

The Senate proceeded to consider the bill (S. 2277) to establish fish and game sanctuaries in the national forests, which had been reported from the special committee on conservation of wild-life resources with amendments, on page 1, line 3, after the words "breeding places for", to strike out "game animals" and insert "game birds, game animals"; and on page 2, line 2, after the words "increase of", to strike out "game animals" and insert "game birds, game animals", so as to make the bill read:

Be it enacted, etc., That for the purpose of providing breeding places for game birds, game animals, and fish on lands and waters in the national forests not chiefly suitable for agriculture, the President of the United States is hereby authorized, upon recommendation of the Secretary of Agriculture and the Secretary of Commerce and with the approval of the State legislatures of the respective States in which said national forests are situated, to establish by public proclamation certain specified and limited areas within said forests as fish and game sanctuaries or refuges which shall be devoted to the increase of game birds, game animals, and fish of all kinds naturally adapted thereto, but it is not intended that the lands included in such fish and game sanctuaries or refuges shall cease to be parts of the national forests wherein they are located, and the establishment of such fish and game sanctuaries or refuges shall not prevent the Secretary of Agriculture from permitting other uses of the national forests under and in conformity with the laws and the rules and regulations applicable thereto so far as such uses may be consistent with the purposes for which such fish and game sanctuaries or refuges are authorized to be established.

SEC. 2. That when such fish and game sanctuaries or refuges have been established as provided in section 1 of this act, hunting, pursuing, poisoning, angling for, killing, or capturing by trapping, netting, or any other means or attempting to hunt, pursue, angle for, kill, or capture any wild animals or fish for any purpose whatever upon the lands of the United States within the limits of said fish and game sanctuaries or refuges shall be unlawful except as hereinafter provided, and any person violating any provision of this act or any of the rules and regulations made under the provisions of this act shall be deemed guilty of a misdemeanor and shall upon conviction in any United States court be fined in a sum of not exceeding $100 or imprisonment not exceeding 6 months, or both.

SEC. 3. That the Secretaries of Agriculture and Commerce shall execute the provisions of this act, and they are hereby jointly authorized to make all needful rules and regulations for the administration of such fish and game sanctuaries or refuges in accordance with the purpose of this act, including regulations not in contravention of State laws for hunting, capturing, or killing predatory animals, such as wolves, coyotes, foxes, pumas, and other species destructive to livestock or wild life or agriculture within the limits of said fish and game sanctuaries or refuges: *Provided*, That the present jurisdiction of the States shall not be altered or changed without the legislative approval of such States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSERVATION OF WILD LIFE, FISH, AND GAME

The bill (S. 2529) to promote the conservation of wild life, fish, and game, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, is not this the bill that was passed a short time ago?

Mr. WALCOTT. No; that was the duck stamp bill.

The PRESIDING OFFICER. The Chair will state to the Senator from Utah that that was Senate bill 2633, which was substituted for Senate bill 1658.

Mr. KING. Yes; but does not this bill cover the same ground, in part?

Mr. WALCOTT. No; this bill does not authorize the expenditure of any money. It merely insists upon a reasonable coordination and cooperation between the various departments in considering new projects, so that the interests of our wild-life resources may be taken into account to some extent. This bill passed the Senate without objection last spring, but was held up at the last moment by the jam in the House.

Mr. KING. May I ask the Senator just how far this bill goes in authorizing activities by the departments of the Government, and what the cost is going to be to the Treasury of the United States?

Mr. WALCOTT. It is not going to cost a cent; and it only urges reasonable cooperation. For instance, suppose the Chief of Engineers were trying to work out a plan for deepening the channel of the upper Mississippi, as was the case some years ago.

Under the terms of this bill, when he works out the type of dam which he thinks is necessary, or, instead of one dam, several wing dams, he takes the matter up with the Secretary of Agriculture, in this case to see whether that would conflict in any way with the wild-life refuge up there, which extends some 300 miles down the Mississippi. If it does, he tries to make his plants fit in with the saving of the native wild life that is there. If he cannot, well and good; there is nothing compulsory about it. It is merely a spirit of cooperation that is urged upon the various departments with reference to the saving of our natural resources.

Mr. KING. Mr. President, if the Senator from Kentucky will pardon me, I invite his attention to section 5, wherein

> The Bureau of Biological Survey and the Bureau of Fisheries are hereby authorized to make surveys of the wild-life resources of the public domain, or of any lands owned or leased by the Government, to conduct such investigations as may be necessary for the development of a program for the maintenance of an adequate supply of wild life

in various areas. That is a sort of an unlimited authority to make surveys in any part of the United States.

Mr. WALCOTT. Mr. President, let me state the purpose of the surveys in question. The Biological Survey now has the authority to make such surveys as it may deem wise, but these particular surveys would be made in the event of some other department attempting in any way to encroach. In such case the Biological Survey is asked to make a study of the situation and see to what extent it interferes with our wild-life resources. There is nothing but a spirit of cooperation which is insisted upon by this bill. There is nothing mandatory about the bill.

Mr. KING. The Senator knows that when there is an authorization so general in terms, giving unlimited authority to make surveys anywhere and everywhere in the United States, there will be activities, great expense will be incurred, and demands will be made for huge appropriations.

Mr. WALCOTT. I quite agree with the Senator, provided there is any money involved; but in this case they get no other appropriations, and the bill does not authorize anything except the establishment of certain principles with reference to the cooperation of various governmental bodies. I am quite sure that on further study the Senator will be satisfied with this part of the bill. There is a universal call for the enactment of a measure of this sort. We have reviewed this matter before the President, and he is heartily in sympathy with all three bills relating to this subject we are attempting to pass today. I hope the bill may prevail.

Mr. McNARY. Mr. President, may I make a statement to the Senator from Utah? Several years ago, when I was chairman of the Senate Committee on Agriculture and Forestry we had occasion to investigate matters of this kind, and I will say that the Biological Survey has the same power vested in it now that is attempted to be vested in the two agencies in question. I agree with the Senator from Connecticut that it broadens the power, makes it more accurate in its administration, and in every way is an improvement over the existing statute.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2529) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That the Secretary of Agriculture and the Secretary of Commerce are authorized to provide expert assistance to and to cooperate with Federal, State, and other agencies in the rearing, stocking, and increasing the supply of game and fur-bearing animals and fish, in combating diseases, and in developing a Nation-wide program of wild-life conservation and rehabilitation.
>
> SEC. 2. The Secretary of Agriculture and the Secretary of Commerce are authorized to make such investigations as they may deem necessary to determine the effects of domestic sewage, trade wastes, and other polluting substances on wild life, with special reference to birds, mammals, fish, and shellfish, and to make reports to the Congress of their investigations with recommendations for remedial measures. Such investigations shall include studies of methods for the recovery of wastes and the collation of data on the progress being made in these fields for the use of Federal, State, municipal, and private agencies.
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> SEC. 3. (a) Whenever the Federal Government, through the Bureau of Reclamation or otherwise, impounds water for any use, opportunity shall be given to the Bureau of Fisheries and/or the Bureau of Biological Survey to make such uses of the impounded waters for fish-culture stations and migratory-bird resting and nesting areas as are not inconsistent with the primary use of the waters and/or the constitutional rights of the States. In the case of any waters heretofore impounded by the United States, through the Bureau of Reclamation or otherwise, the Bureau of Fisheries and/or the Bureau of Biological Survey may consult with the Bureau of Reclamation or other governmental agency controlling the impounded waters, with a view to securing a greater biological use of the waters not inconsistent with their primary use and/or the constitutional rights of the States and make such proper uses thereof as are not inconsistent with the primary use of the waters and/or the constitutional rights of the States.
>
> (b) Hereafter, whenever any dam is authorized to be constructed, either by the Federal Government itself or by any private agency under Government permit, the Bureau of Fisheries shall be consulted, and before such construction is begun or permit granted, when deemed necessary, due and adequate provision, if economically practicable, shall be made for the migration of fish life from the upper to the lower and from the lower to the upper waters of said dam by means of fish lifts, ladders, or other devices.
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> SEC. 4. The Office of Indian Affairs, the Bureau of Fisheries, and the Bureau of Biological Survey are authorized, jointly, to prepare plans for the better protection of the wild-life resources, including fish, migratory waterfowl and upland game birds, game animals and fur-bearing animals, upon all the Indian reservations and unallotted Indian lands coming under the supervision of the Federal Government. When such plans have been prepared they shall be promulgated by the Secretary of the Interior, the Secretary of Commerce, and the Secretary of Agriculture, who are authorized to make the necessary regulations for enforcement thereof and from time to time to change, alter, or amend such regulations.
>
> SEC. 5. The Bureau of Biological Survey and the Bureau of Fisheries are hereby authorized to make surveys of the wild-life resources of the public domain, or of any lands owned or leased by the Government, to conduct such investigations as may be necessary for the development of a program for the maintenance of an adequate supply of wild life in these areas, to establish thereon game farms and fish-cultural stations commensurate with the need for replenishing the supply of game and fur-bearing animals and fish, and, in cooperation with the National Park Service, the Forest Service, or other Federal agencies, the State agencies, to coordinate and establish adequate measures for wild-life control on such game farms and fish-cultural stations: *Provided*, That no such game farm shall hereafter be established in any State without the consent of the legislature of that State.
>
> SEC. 6. In carrying out the provisions of this act the Federal agencies charged with its enforcement may cooperate with other Federal agencies and with States, counties, municipalities, individuals, and public and private agencies, organizations, and institutions, and may accept donations of lands, funds, and other aids to the development of the program authorized in this act: *Provided, however*, That no such donations of land shall be accepted without consent of the legislature of the State in which such land may be situated: *Provided*, That no authority is given in this act for setting up any additional bureau or division in any department or commission, and shall not authorize any additional appropriation for carrying out its purposes.

NAVAL CATEGORIES UNDER THE LONDON TREATY

The bill (S. 2493) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, was announced as next in order.

Mr. POPE. Mr. President, this is a very important measure, and more consideration should be given to it than is possible under the 5-minute rule. I suggest that it go over.

The PRESIDING OFFICER. The bill will be passed over.

PAUL J. SISK

The Senate proceeded to consider the bill (S. 85) for the relief of Paul J. Sisk, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert the following:

That the Comptroller General is authorized and directed to settle and certify for payment to Paul J. Sisk, a clerk in the post office at Spokane, Wash., out of any money in the Treasury

not otherwise appropriated, the amount of $60, on account of an erroneous payment by him on money order no. 234886, for that amount, issued at Payette, Idaho, on September 5, 1931.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CAPT. L. P. WORRALL, FINANCE DEPARTMENT, UNITED STATES ARMY

The bill (S. 2053) for the relief of Capt. L. P. Worrall, Finance Department, United States Army, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of L. P. Worrall, captain, Finance Department, United States Army, the sum of $956.40, said amount being public funds for which he is accountable and which were lost when a safe in the Finance Office at Fort Douglas, Utah, was dynamited and robbed at approximately 11 p.m., October 28, 1932.

C. F. COLVIN

The bill (S. 1804) to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office site litigation, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States district attorney representing the United States in the condemnation proceedings for the procurement of a site (including the Colvin tract of 22 feet by 66 feet) for the post office at Northfield, Minn., is authorized to enter into a written stipulation with C. F. Colvin, and his wife and other persons, if any, having any interest whatever in such tract, providing for the acceptance by the said C. F. Colvin of $1,540 in full payment for the north portion of the Colvin tract such portion being the north 12 feet of the west 66 feet of lot 2, block 34, of the town, now city, of Northfield, Rice County, Minn. and in full satisfaction of all claims, and any judgment in favor of the said C. F. Colvin, his wife, and such other persons, or any of them, arising out of the condemnation of such tract, and providing for the transfer to the said C. F. Colvin by the United States of all right, title, and interest of the United States in the south portion of the Colvin tract, such portion being the south 10 feet of the west 66 feet of the north 22 feet of such lot 2. The Secretary of the Treasury is authorized and directed, upon the filing of such stipulation in the court in such proceedings, to transfer to the said C. F. Colvin all the right, title, and interest of the United States in the south portion of the Colvin tract described in this act.

NAVAL CATEGORIES UNDER THE LONDON TREATY

The bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

CHANGE OF NAME OF B STREET SW.

The bill (S. 194) to change the name of B Street SW., in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in honor of the Declaration of Independence of the United States of America, the thoroughfare now known as "B Street SW.", running west from South Capitol Street in the District of Columbia, and as it may at any time be extended, widened, or otherwise changed, shall hereafter bear the name "Independence Avenue."

DEGREE-CONFERRING INSTITUTIONS IN THE DISTRICT OF COLUMBIA

The bill (S. 193) to amend sec. 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929, be, and the same is hereby, amended by adding at the end of such section the following: "*Provided*, That no institution heretofore incorporated under the provisions of this act, and carrying on its work exclusively in any foreign country with the consent and approval of the Government thereof, shall if otherwise entitled to be licensed by the Board of Education, be denied the same solely because of the inclusion in its name and as descriptive of its origin of any of the specific words the use of which is by this section forbidden to incorporations under the provisions of this act."

DELLA D. LEDENDECKER

The bill (S. 2006) for the relief of Della D. Ledendecker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commission on Licensure to Practice the Healing Art in the District of Columbia is hereby authorized to license Della D. Ledendecker to practice chiropractic in said District under the provisions of the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929, notwithstanding the provision therein requiring applications from candidates for licenses to practice chiropractic to be filed within 90 days from the date of the approval of said act, and on condition that said Della D. Ledendecker shall otherwise be found by said Commission to be qualified to practice under the provisions of said act.

RECORDING OF DEEDS OF TRUST AND MORTGAGES

The bill (S. 866) to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia, and for the releasing thereof, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc.,

DEFINITIONS

SECTION 1. When used in this act the following terms shall, unless the text otherwise indicates, have the following respective meanings:

"Recorder" shall mean the recorder of deeds of the District of Columbia or anyone authorized by law to act for him.

"Court" shall mean the Supreme Court of the District of Columbia or one of the justices thereof.

"Deed of trust" means a deed of trust, a mortgage, or any other instrument conveying or pledging real estate in the District of Columbia as security for a debt.

"Note" shall include any note or notes, bond or bonds, or other evidence or evidences of debt secured by a deed of trust.

"Release" shall mean a deed of release or other instrument which releases real estate from the effects of a deed of trust.

"Trustee" shall include trustees under a deed of trust, a mortgagee or mortgagees, or anyone having power of sale under a mortgage pledging or conveying real estate in the District of Columbia as security for a debt.

ADDITIONAL DUTIES OF RECORDER

SEC. 2. That the recorder, except upon order of the court, shall not accept for record nor record any deed of trust nor any release thereof except in accordance with the provisions of this act.

IDENTIFYING NOTES

SEC. 3. (a) No deed of trust, except as otherwise provided herein, shall be accepted for record or recorded by the recorder unless the note secured thereby shall have been identified by him by stamping or imprinting thereon over his signature the words:

"This is (one of) the promissory note(s) described in a deed of trust to the trustee(s) named hereon, said deed of trust being recorded _____ as instrument no. ___.

"Recorder of Deeds, District of Columbia."

(b) All notes presented to the recorder for identification as provided herein shall be identified by him in the manner prescribed in this section, and said notes shall be identified and available for return on the same day they are presented.

(c) The fee to be charged for said identification shall be $1 for the first note secured under any one instrument with an additional charge of 10 cents for each additional note secured thereunder: *Provided, however*, That the fee herein provided for shall be in addition to the established fee now charged for recording deeds of trust.

PRESENTATION OF CANCELED NOTES

SEC. 4. (a) No release, except as otherwise provided herein, shall be accepted for record or recorded by the recorder unless the note secured by the instrument being released shall be presented to the recorder marked "Paid" and duly canceled: *Provided, however*, That where any note is lost, destroyed, or otherwise unavailable for presentation to the recorder upon affidavit as to the facts in reference thereto filed with the recorder and the posting with said recorder of a bond, approved by the court, assuring the payment of such note in full, or upon evidence that a sufficient amount of money to assure the payment of such note in full has been deposited in the registry of the court as hereinafter provided, the recorder shall accept for record and record said release.

(b) Partial releases may be accepted for record and recorded by the recorder upon presentation to him of evidence satisfactory to him that the amount required by the terms of the deed of trust authorizing such release in part has been paid and that such

payment has been endorsed upon the note secured by said deed of trust: *Provided, however,* That if the recorder shall refuse to record any such release, such refusal shall be subject to review by the court by bill in equity: *And provided further,* That where any note is lost, destroyed, or otherwise unavailable for the endorsement of said payment thereon, upon affidavit as to the facts in reference thereto filed with the recorder and the posting with said recorder of a bond, approved by the court, assuring the payment of the amount required by the terms of the deed of trust authorizing such release in part, or upon evidence that a sufficient amount of money to assure the payment of the amount required by the terms of the deed of trust authorizing such release in part has been deposited in the registry of the court as hereinafter provided, the recorder shall accept for record and record said partial release.

(c) In accordance with the provisions of this section the clerk of the court shall accept and deposit in the registry of the court any moneys presented to him for such deposit to assure the payment of any note unavailable for presentation to the recorder as provided for in this section; and upon request said clerk of the court shall certify to the recorder the fact that such moneys have been so deposited for said note.

(d) Upon petition to the court by any party or parties claiming any money deposited in the registry of the court as provided for in this section, the court upon satisfactory proof shall order the payment of said funds so deposited to the party or parties entitled thereto, without poundage or commission.

(e) The fee to be charged for examining any paid and canceled note or notes or evidence of payment presented in connection with recording any release as herein provided, shall be 50 cents for the first note or evidence of payment examined in connection with any release, with an additional fee of 5 cents for each additional note or evidence of payment examined in connection with such release: *Provided, however,* That the fee herein provided for shall be in addition to the established fee now charged for recording any release.

(f) In any case where the owner and holder of a note shall consent to the release, in whole or in part, of real estate from the effect of a deed of trust, under conditions not provided by the terms of said deed of trust, the owner of said real estate may file a bill in equity in the court setting forth such facts, and if said court finds that the owner and holder of said note did so consent to the recording of said release, said court shall enter an order directing said recorder to accept and record said release.

(g) In any case where the owner of real estate is entitled to have the same released, in whole or in part, from the effect of a deed of trust, in accordance with the terms thereof, which said terms involve the doing of any act or thing or the performance of any condition other than the payment of money, said owner may file a bill in equity in said court setting forth that he has complied with the terms of said deed of trust, and if said court finds that said owner has so complied, said court shall enter an order directing said recorder to accept and record said release.

PUBLIC UTILITIES EXEMPT

SEC. 5. Deeds of trust executed by any corporation operating under the supervision, control, or regulation of the Interstate Commerce Commission or any public-utilities commission or like body of any State or possession of the United States or of the District of Columbia, or any release thereof, shall be exempt from the provisions of this act.

CORPORATE TRUSTEES EXEMPT

SEC. 6. (a) The provisions of this act, except as to section 7 hereof, shall not apply to any deed of trust or release in which the trustee, or one of the trustees, named is a banking institution authorized by its charter or by law to act as trustee and doing business under the supervision of the Comptroller of the Currency: *Provided,* That said banking institution has signified its willingness to act as such trustee by its signature and seal to the deed of trust before the same is recorded.

(b) If an individual shall be named as cotrustee with such banking institution and the individual trustee shall die before all the terms and provisions of the deed of trust have been executed, all the powers, estate, and duties conferred and granted by the deed of trust shall, upon the death of said individual trustee, vest in such banking institution with like force and effect as if such institution had been originally named as sole trustee.

(c) In the event such banking institution is named in a deed of trust as sole trustee or as cotrustee with an individual trustee, the recorder, upon request, shall identify the note secured by said deed of trust in the manner provided and for the fees prescribed in section 3 of this act.

BANKING DEPOSITORY

SEC. 7. No clause or provision contained in any deed of trust hereafter executed providing for the payment or redemption in part or in whole of the indebtedness secured thereby, by deposit of funds for that purpose, shall be valid unless the depository so named shall be a banking institution doing business under supervision of the Comptroller of the Currency and the banking institution so named shall have signified its willingness to act as such depository by its signature and seal to the deed of trust before same is recorded, and if such payment or redemption by deposit shall be made pursuant to a privilege of anticipation reserved in the deed of trust, 30 days' previous notice of the time of such payment or redemption shall be given, which notice shall be published twice a week in a newspaper having general circulation in the District of Columbia for 3 successive weeks during said 30-day period, and such notice shall specify the serial number or numbers of the note or notes to be redeemed or paid and the date at which it is intended to redeem or pay the same. When such banking institution shall certify to the recorder that it holds on deposit the sum required by the deed of trust to be paid for the release in whole or in part of said deed of trust, the recorder shall accept for record and record such release.

SEC. 8. The duties of the recorder as now defined by law are hereby enlarged to embrace and include all the duties imposed by this act. The recorder is authorized to employ such additional personnel as may be necessary to carry out the duties imposed upon him by this act within appropriations authorized for his office, the salaries of such personnel to be fixed in accordance with the Classification Act of 1923, as amended.

SEC. 9. The provisions of this act shall become effective 90 days after its passage: *Provided, however,* That this act shall not apply either to deeds of trust recorded prior to the date this act shall become effective or to any subsequent release thereof.

SAVING CLAUSE

SEC. 10. If any section, subsection, sentence, clause, phrase, or requirement of this act be for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions thereof. The Congress of the United States hereby declares that it would have passed this act, and each section, subsection, sentence, clause, phrase, and requirement thereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, phrases, or requirements thereof may hereafter be declared unconstitutional or invalid.

SALE OF PROPERTY IN THE DISTRICT OF COLUMBIA

The bill (S. 2057) authorizing the sale of certain property no longer required for public purposes in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and empowered to sell and convey to the highest bidder, at public or private sale and at such time as in their opinion may be most advantageous to the District of Columbia, the old Potomac School property, known as "lot 802 in square 327", containing 5,837 square feet of land, more or less, and the proceeds from such sale shall be deposited in the United States Treasury to the credit of the District of Columbia.

MARCELLA LEAHY M'NERNEY

The bill (S. 1753) for the relief of Marcella Leahy McNerney, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Marcella Leahy McNerney, widow of Gerald Francis McNerney, late Foreign Service officer, State Department, the sum of $2,500, being 1 year's salary of her deceased husband, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

CHARLES C. BENNETT

The Senate proceeded to consider the bill (S. 2552) for the relief of Charles C. Bennett, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after "$5,000", to insert the words "in full settlement of all claims against the Government", and on page 2, line 2, to insert the following proviso: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles C. Bennett, of the city of Candor, N.C., the sum of $5,000 in full settlement of all claims against the Government for bodily injuries sustained by him on December 16, 1927, when an automobile in which he was riding was in collision with a reconnaissance truck of the United States Army, the said truck being one of a fleet of trucks traveling toward Fort Bragg, N.C., driven by Pvt. Thomas C. Robertson, of Fort Bragg, N.C.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof

shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RULES OF PRACTICE AND PROCEDURE IN CRIMINAL CASES

The Senate proceeded to consider the bill (S. 2461) to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict", which had been reported from the Committee on the Judiciary with amendments. The first amendment was, on page 2, after line 12, to insert a proviso as follows:

Provided, That nothing herein contained shall be construed to give the Supreme Court the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application be made within 10 days after entry of such plea, and before sentence is imposed.

The amendment was agreed to.

The next amendment was, on page 2, line 22, to strike out the quotation marks after the word "allowed".

The amendment was agreed to.

The next amendment was to insert a new section at the end of the bill, as follows:

SEC. 3. The Supreme Court may fix the dates when such rules shall take effect and the extent to which they shall apply to proceedings then pending, and after they become effective all laws in conflict therewith shall be of no further force.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of February 24, 1933 (ch. 119), entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict" (U.S.C., title 28, sec. 723a), be, and the same is hereby, amended to read as follows:

"That the Supreme Court of the United States shall have the power to prescribe, from time to time, rules of practice and procedure with respect to any or all proceedings after verdict, or finding of guilt by the court if a jury has been waived, or plea of guilty, in criminal cases in district courts of the United States, including the District Courts of Alaska, Hawaii, Puerto Rico, Canal Zone, and Virgin Islands, in the Supreme Courts of the District of Columbia, Hawaii, and Puerto Rico, in the United States Court for China, in the United States Circuit Courts of Appeals, in the Court of Appeals of the District of Columbia, and in the Supreme Court of the United States: *Provided*, That nothing herein contained shall be construed to give the Supreme Court the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application be made within 10 days after entry of such plea, and before sentence is imposed.

"SEC. 2. The right of appeal shall continue in those cases in which appeals are now authorized by law, but the rules made as herein authorized may prescribe the times for and manner of taking appeals and applying for writs of certiorari and preparing records and bills of exceptions and the conditions on which supersedeas or bail may be allowed.

"SEC. 3. The Supreme Court may fix the dates when such rules shall take effect and the extent to which they shall apply to proceedings then pending, and after they become effective all laws in conflict therewith shall be of no further force."

STOCK OWNERSHIP BY DIRECTORS OF FEDERAL RESERVE BANKS

The bill (S. 2601) to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of section 31 of the Banking Act of 1933 as relates to stock ownership by directors of member banks of the Federal Reserve System is hereby repealed.

MISSOURI RIVER BRIDGE, MISSOURI

The Senate proceeded to consider the bill (S. 2308) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo., which had been reported from the Committee on Commerce with an amendment, on page 1, line 9, after "1932", to insert the words "and January 19, 1933", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the Missouri River at or near Randolph, Mo., authorized to be built by the Kansas City Southern Railway Co., its successors and assigns, by the act of Congress approved May 24, 1928, heretofore extended by acts of Congress approved March 1, 1929, May 14, 1930, February 6, 1931, and May 6, 1932, and January 19, 1933, are hereby further extended 2 and 4 years, respectively, from May 24, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YOUNGS BAY BRIDGE, OREGON

The bill (S. 2372) granting the consent of Congress to the State of Oregon to maintain a bridge already constructed across Youngs Bay near the city of Astoria, Oreg., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oregon, and its successors and assigns, to maintain and operate, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable water", approved March 23, 1906, a bridge and approaches thereto already constructed across Youngs Bay near the city of Astoria, Oreg., which bridge is hereby declared to be a lawful structure to the same extent and in the same manner as if it had been constructed in accordance with the provisions of said act of March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

MARION K. GRIGGS

The resolution (S.Res. 153) to pay a gratuity to Marion K. Griggs was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Marion K. Griggs, widow of Walter H. Griggs, late a member of the Capitol Police under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CONTINUATION OF CIVIL WORKS PROGRAM

The bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, I inquire whether that is the bill which carries an appropriation of nearly a billion dollars.

Mr. McKELLAR. The bill carries an appropriation of $950,000,000.

Mr. McNARY. I think we should have a quorum before we proceed to consider that bill.

Mr. ROBINSON of Arkansas. Mr. President, I think this bill will have to be considered independently of the procedure under the 5-minute rule. I think the Senator from Tennessee agrees to that.

Mr. McKELLAR. Yes, Mr. President.

Mr. ROBINSON of Arkansas. Therefore I suggest that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over. That completes the calendar.

LIMITATION OF JURISDICTION OF UNITED STATES DISTRICT COURTS

The Senate resumed the consideration of the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Black	Byrnes	Copeland
Ashurst	Bone	Capper	Costigan
Austin	Borah	Caraway	Couzens
Bachman	Brown	Carey	Cutting
Bankhead	Bulkley	Clark	Davis
Barbour	Bulow	Connally	Dickinson
Barkley	Byrd	Coolidge	Dieterich

Dill	Hebert	Murphy	Smith
Duffy	Johnson	Neely	Steiwer
Erickson	Kean	Norris	Stephens
Fess	Keyes	Nye	Thomas, Okla.
Fletcher	King	O'Mahoney	Thomas, Utah
Frazier	La Follette	Overton	Thompson
George	Lewis	Patterson	Townsend
Gibson	Logan	Pittman	Tydings
Goldsborough	Lonergan	Pope	Vandenberg
Gore	Long	Reed	Van Nuys
Hale	McAdoo	Robinson, Ark.	Wagner
Harrison	McCarran	Robinson, Ind.	Walcott
Hastings	McGill	Russell	Walsh
Hatch	McKellar	Schall	Wheeler
Hatfield	McNary	Sheppard	White
Hayden	Metcalf	Shipstead	

Mr. LEWIS. I desire to announce that the junior Senator from Florida [Mr. TRAMMELL], the senior Senator from North Carolina [Mr. BAILEY], and the junior Senator from North Carolina [Mr. REYNOLDS] are necessarily detained from the Senate on official business.

I regret to announce that the senior Senator from Virginia [Mr. GLASS] is detained from the Senate on account of illness.

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, there is a quorum present.

[Mr. AUSTIN resumed and concluded the speech begun by him yesterday. His speech entire is as follows:]

Monday, February 5, 1934

Mr. AUSTIN. Mr. President, I am opposing the pending bill because it abridges human rights. If it should be enacted into law, it would deprive the American people of some of those simple common rights of which their ancestors had been deprived by tyrants before the Magna Carta. As a matter of fact, America rose as a champion of liberty out of that very experience.

Those rights were so commonplace that they were omitted from the Constitution of the United States by the descendants of those very patriots who had given their lifeblood to have them firmly established. These rights were so precious, however, that the people of the several States insisted upon having them written down in the Bill of Rights and added to the Constitution of the United States. They are therefore expressed in the fundamental law.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AUSTIN. I yield.

Mr. ROBINSON of Arkansas. May I ask the Senator a question for information? The Congress has the power to create such inferior Federal tribunals as it seems fit and it has the power to limit and define the jurisdiction of the tribunals which it creates. Why does the Senator say then that to limit or restrict the jurisdiction of the Federal district courts is a deprivation of a right, since it is discretionary with Congress, first, whether such courts shall exist and, second, what shall be their jurisdiction.

Mr. AUSTIN. Mr. President, the question assumes a decision upon the very matter that I intend to discuss here. I could not accept the assumption that Congress has the right to change the powers that are inherent in the district courts of the United States by virtue of the first clause of the second section of the third article of the Constitution, and I shall debate that question as I reach it in the presentation of the subject.

I am undertaking to present what I have to say to bring out the human side of the question, to attract notice through the fact that when one lays his finger upon one of these fundamental rights, he is touching the very heart of humanity, he is touching the very heart of the society of the United States of America.

It will not do to pass upon this question as if it concerned only corporations and corporate property. One must look through the bill and see the real significance of it. One of the most important considerations of the measure is the fact that it comes at a time when there has already developed in the country a philosophy absolutely inimical to those human rights. Strong men and women, people of equal morality and virtue, people of equal intelligence and thoughtfulness hold directly opposing views of American government today and American ideals.

The pending bill tends to promote one of those philosophies. The pending bill abridges in the particular class mentioned, first, the right of private ownership of property; second, the right to due process of law; third, the right to compensation when private property is taken for public use; and, fourth, equal protection of the law without discrimination. These rights—and there can be no debate about their being human rights—could no longer be enforced or secured if this bill should be enacted into law save in those States alone which have provided for a stay of a confiscatory order pending appeal. Why, the assertion that the bill deprives no one of rights is answered by a mere glance at the terms of the bill itself. When a bill in so many words deprives every individual within the class affected by it of the right to bring to a Federal court the decision of a Federal question, one of the most vital rights of society, in the United States at any rate, has been taken away.

It is fair to point out in terms how these rights are expressed. The fifth amendment to the Constitution relates to rights of persons. In that regard it is distinguished from the fourteenth amendment, because that refers to rights of citizens. Rights of persons are human rights. They are rights which the Congress by the very organs of government should hold sacred and defend in letter and in spirit.

Article V declares that—

> No person—

I omit a part of it to get to the pertinent portion of the fifth amendment—

> No person * * * shall be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation.

This is a prohibition upon the United States of America. It is a prohibition upon the Congress. These rights are so necessary to a free people that they are also expressed in two places as rights of citizens—one in the Constitution itself and one in the fourteenth amendment. Article IV, section 2, of the Constitution provides:

> The citizens of each State shall be entitled to all the privileges and immunities of citizens in the several States.

The fourteenth amendment, after providing for other things, provides that—

> No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the law.

This prohibition in the fourteenth amendment is a prohibition on the State, but it is applicable here under the terms of the pending bill because it includes the word "enforce." The prohibition is, "no State shall enforce", and the pending bill prevents the Federal courts saying to a State tribunal, "You cannot enforce." That is a direct result and effect of the bill, and therefore the bill takes away that right which is guaranteed under the fourteenth amendment to the Constitution.

The bill would expressly deprive a class—understand, Mr. President, the class named in the bill, and no other person, citizen, or corporation—of that great bulwark of liberty, the injunction of Federal courts against confiscatory orders in violation of the Constitution of the United States. It is, therefore, discriminatory. Any man who has practiced in the courts of the country knows that there is no other remedy to prevent confiscation in those cases where it becomes necessary or expedient to apply to the Federal court for an injunction to stay the enforcement of an order pending the decision of the question whether it is repugnant to the Constitution of the United States.

The bill specifically undertakes to amend section 24 of the Judicial Code. That section, which is referred to also as section 41, chapter 2, title 28, volume 44, of the United States Code, part 1, page 866, also supplement 6, page 601, confers and defines the original jurisdiction of the United States district courts. The first paragraph of section 24 which is supposed to be amended gives this jurisdiction:

Where the matter in controversy exceeds, exclusive of interest and cost, the sum or value of $300 and (a) arises under the Constitution or laws of the United States or treaties made or which shall be made under their authority, or (b) is between citizens of different States, or (c) is between citizens of a State and citizens of a foreign State or subject.

Subject to certain limitations expressed in the paragraph, what I have quoted represents the largest part of the grant of authority contained in that section which is supposed to be amended here. Indeed, all that is left of the jurisdiction conferred by that paragraph is the following:

First, of all suits of a civil nature at common law or in equity, brought by the United States, or by any officer thereof authorized by law to sue, or between citizens of the same State claiming lands under grants from different States.

Senate bill 752, which is the pending bill, picks out a narrow class of citizens and deprives them of privileges and immunities to which all citizens in the several States are now entitled, notwithstanding section 2 of article IV of the Constitution, providing, as I have called attention to the fact, that "The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States."

Public utilities and other citizens affected by an order of an administrative board or commission of a State, fixing rates, would be deprived of the right, enjoyed by other citizens, to action by district courts of the United States "to enjoin, suspend, or restrain the enforcement, operation, or execution of an order of an administrative board or commission of a State, or to enjoin, suspend, or restrain any action in compliance with any such order", though such orders may be repugnant to the Constitution of the United States.

You will observe that the report of the majority filed in this matter, and here on your desks, does not deal with that ground of jurisdiction; and the debate thus far has not considered that ground of jurisdiction. I shall undertake to discuss that more fully later.

The sole question in this connection, then, becomes whether the Congress of the United States should discriminate against those millions of investors in public-utility securities who have made their investments in reliance on rights which have been theirs since public-utility regulation began.

If there is any one thing that has been a traditional policy of the American Government throughout its history, regardless of which party has been in control, it is that all persons should be given equal protection under the law and have equal rights to resort to the courts duly established.

Parenthetically, let me comment that the learned Senator from California [Mr. JOHNSON] was in error in omitting to include a distinguished Democrat in the report of the minority which is filed here. The Senator from Mississippi [Mr. STEPHENS] joined with the Senator from Vermont in making the minority report.

Whether this policy should now be abandoned is a fundamental issue presented in connection with this bill. In the absence of controlling reasons, I submit that the fact that the bill is highly discriminatory alone demands the conclusion that the bill is not in the public interest.

Now, is it not worth while to present some picture of the effect of this measure if passed?

A brief has been filed here by the American Telephone & Telegraph Co., prepared by Harvey Hoshour and Roscoe T. Holt, attorneys for that corporation. Of course, I cannot quote at length from that brief, but I should like the consent of the Senate to file it and perhaps have it printed in the RECORD. I call the attention of the Senate to the following quotation from it, which is brief:

Millions of people in this country have invested their savings in public-utilities securities. The following quotation from the report for 1932 of the directors to the stockholders of the American Telephone & Telegraph Co. shows in detail the investment in the stock of that company and its distribution among the stockholders:

"For the 18,662,000 shares of stock which are outstanding the company has received $2,135,000,000, or an average of $114 per share. Thus the company has received $268,000,000 more than the par of $100 per share, the opposite of 'watered' stock. * * * No stockholder owns as much as 1 percent of the stock outstanding, the average holding per stockholder being 27 shares. The number of stockholders was 700,851 at the end of the year, a net increase of 55,948 during the year.

"The stock investment in the American Telephone & Telegraph Co. is, of course, only a part of the total investment in the securities of the Bell system companies, but it illustrates both the type of investment that has been made in utility securities as well as the wide distribution of such securities. The fact that investors in this stock paid 14 percent above par for their shares indicates their confidence that they would not be discriminated against by legislation. The distribution of ths stock among so many stockholders, no one of whom owns so much as 1 percent of the stock outstanding, shows how wide-spread this confidence has been."

Twenty-five years ago the United States Supreme Court said, in the case of *Ex parte Young* (209 U.S. 123), at page 165:

"Over eleven thousand millions of dollars, it is estimated, are invested in railroad property, owned by many thousands of people who are scattered over the whole country from ocean to ocean, and they are entitled to equal protection from the laws and from the courts, with the owners of all other kinds of property, no more, no less. The courts having jurisdiction, Federal or State, should at all times be open to them as well as to others, for the purpose of protecting their property and their legal rights.

"It is now proposed by this bill to abandon this policy, and to place the 700,000 stockholders in American Telephone stock, together with millions of investors in the securities of other utilities, in a class by themselves, and to deny them rights granted to all others. We submit that there ought to be very compelling reasons for any such move on the part of the Congress of the United States."

Of course, the picture is not complete without consideration of all other public utilities and their stockholders, but sufficient is shown to emphasize the gravity of the pending question.

The right to protection from discrimination is one of the most valuable of human rights. The business woman with a mother to support—many of whom we know, all of us—and no other assistance, depending solely upon herself, providing the necessities of life and building up a little safety fund against the unhappy accident of misfortune or depression, as we all know may be the case, is entitled to the same rights of protection against confiscation of her modest property as any other citizen. If she is fortunate enough to own a little block of public-utility stock—and how many of them we know who have bought this wonderful stock of the American Telephone & Telegraph Co., for example—but whether it be a telephone stock or whether it be railroad, express, hydroelectric, or gas stock, that person is guaranteed by the Constitution the equal protection of the laws with the person who owns a small block of industrial stock, Government bonds, or any similar property.

This is a human right. This is a right upon which liberty depends. This is a right upon which depends peace and good order and harmony among the people of this country. Let this proposed discrimination once be set up and what other discrimination can we not expect?

The proposed measure would destroy this right, for it directly deprives that vast number of modest people who are the holders of the preferred stock of public utilities of the right to apply to the Federal courts of their country for an injunction against a confiscatory order.

It appeared that there were only four States in the Union that by statute expressly provide for a stay in the case of an order of this character by a public utility commission. In 44 of the States the only remedy that is provided by statute is the remedy which this bill is designed to destroy, namely, application to the Federal courts in cases where human rights that are guaranteed by the Constitution of the United States are in jeopardy. This is not a mere case of removing jurisdiction in diversity of citizenship, as is asserted by the majority. If there were no other cause for defeating this bill, this attack upon human rights, this attack upon equal rights by all citizens, would be adequate cause for refusing to enact it.

The whole text of the bill is narrow in its application, not only to a class of cases but also to a class of people, a class of citizens.

As this legislation bears upon recovery from depression, it must be realized in all candor that it does not breed confidence and does breed fear. It would deter those having money to lend or invest in private enterprise and employment of labor from investing it at all in utilities if the Federal courts were deprived of this jurisdiction without any other protection of law being substituted for it.

Another ground of objection to the bill is that it impairs the sovereignty of the Federal Government, which is necessarily exclusive and absolute.

From the brief of Hon. Edmund F. Trabue, of Louisville, Ky., member of the Commission of the United States Circuit Court of Appeals, Sixth Circuit, to revise the Federal equity rules in 1911, I take the following very brief quotation:

The spirit of the Constitution, and of our institutions, is nowhere better expounded than in *The Exchange* (7 Cranch, 116, etc.), where the Court—

The great Chief Justice Marshall speaking, said:

The jurisdiction of courts is a branch of that which is possessed by the Nation as an independent, sovereign power. The jurisdiction of the Nation, within its own territory, is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. Any restriction upon it, deriving validity from an external source, would imply a diminution of its sovereignty to the extent of the restriction and an investment of that sovereignty to the same extent in that power which could impose such restriction.

Not strictly—

Judge Trabue said, speaking of a grandfather bill to this bill, which was S. 4357, but he could have said it of this bill, S. 752—

but in spirit, the proposal of the bill S. 4357 is to do exactly what the Supreme Court so well said would impair the sovereignty of the Federal Government and correspondingly invest the States with that sovereignty. Also, it would diminish the jurisdiction of the Nation, which was said by the Court, speaking through the great Chief Justice, to be "necessarily exclusive and absolute."

I quote from 13 Cornell L.Q. No. 4, page 500:

Like all courts, the Federal courts are instruments for securing justice through law. But unlike most courts, they also serve a far-reaching political function. They are a means, and an essential one, for achieving the adjustments upon which the life of a federated Nation rests. The happy relation of States to Nation—our abiding political problem—is in no small measure dependent on the wisdom with which the scope and limits of the Federal courts are determined.

It is a fundamental principle that the jurisdiction of the Federal courts is commensurate with every right and duty created, declared, or necessarily implied by and under the Federal Constitution and laws.

The pending bill is not limited to diversity of citizenship. It extends to "repugnance of such orders to the Constitution."

The express language of the bill respecting jurisdiction is this:

No district court shall have jurisdiction * * * where jurisdiction is based solely upon the ground of diversity of citizenship, or the repugnance of such order to the Constitution of the United States.

Of course it has been stated that this subject matter has been before the Senate for years. I submit, that is not so, The amendments made in prior texts of bills created a distinction which identifies this bill as different from any of its predecessors. There have been many of them, but never before has the Senate of the United States been confronted with a proposition to take away from the Federal courts jurisdiction based solely on the repugnance of orders to the Constitution of the United States. That is what the pending bill proposes to do.

The people ordained this Constitution to form a more perfect union. The sovereignty which they vested in a Federal Government was intended to be employed for the protection of their rights as citizens of an indissoluble union. They foresaw and guarded against diverse and different schools of thought which might be concentrated sporadically in diverse and widely separated regions of this great continent. They prevented the dissolution of the Union which might result from different constructions of the Constitution by the different States.

To be sure, a war occurred in which this protection from dissolution was insured and by which the vitality of the Constitution was galvanized into life.

The specific machinery devised for this protection was the Federal court. One of its most important tools was the injunction for the purpose of preventive justice, which is just as essential—indeed, more essential than any other kind of justice. All the judicial power of the Union was vested in the Federal courts.

I now come to the answer to the question proposed by the Senator from Arkansas. I quote from article III, section 1, of the Constitution:

The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may, from time to time, ordain and establish. The judges, both of the Supreme and inferior courts, shall hold office during good behavior, and shall, at stated times, receive for their services a compensation, which shall not be diminished during their continuance in office.

Section 2, paragraph 1:

The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; to all cases affecting ambassadors, other public ministers, and consuls; to all cases of admiralty and maritime jurisdiction—

And now we come to a change in the language—

to controversies between two or more States; between a State and citizens of another State; between citizens of different States; between citizens of the same State claiming lands under grants of different States; and between a State, or the citizens thereof, and foreign states, citizens, or subjects.

The origin of this machinery establishes the lack of validity of the pending bill. It proves the inability of Congress to essentially impair the judicial department.

The Judiciary Act of 1789, that great statute designed to develop and put into operation the judicial power confided by the Constitution to the United States, created the framework of this coordinate branch of government which we are asked to emasculate. The few changes which have been made are not in the structure, except as made by the eleventh amendment of the Constitution, and have been made along the lines and in the directions drawn and pointed out in this remarkable statute.

The act of 1789 was drawn by Oliver Ellsworth, afterwards Chief Justice, and has all the authority of a contemporaneous exposition of that part of the Constitution with which it is concerned.

The memorandum of the American Bar Association filed in opposition to Senate bills 939, 937, and 3243, lineal ancestors of this bill, prepared by Paul Howland, chairman of the Committee on Jurisprudence and Law Reform, points out, referring to the case of *Levin* v. *United States* (128 Fed. 826);

Mr. Justice Sanborn, at page 829, says:

"With respect to the judicial power granted by section 1, and defined by section 2 of article 3, the better opinion now is that the judicial power granted by the former section, which may be vested in the national courts only, is defined in the latter section and that it necessarily extends only to the trial of all cases in law and equity arising under this Constitution and to the trial of the other nine classes of cases named in that section. The sections neither expressly or impliedly prohibit the Congress from conferring judicial power upon other courts, territorial courts, legislative courts, and even devolved judicial powers—"

Notice the word—

"devolved judicial powers upon executive or other officers where necessary."

We also in this connection cite *Myers* v. *United States* (272 U.S., 52, 71 L.ed., p. 160, par. 10) of the syllabus where the following language is used:

"A contemporaneous legislative exposition of the Constitution when the founders of our Government and the framers of our Constitution were actively participating in public affairs, acquiesced in for a long term of years, fixes the construction to be given its provisions.

"This brings me to the very particular application of the principle of construction enunciated by Mr. Justice Sanborn and approved in the Myers case. The act of Congress, passed September 24, 1789, creating the Federal judiciary in full compliance with the commands of the Constitution and in full recognition of every order or direction therein contained, recognizing diverse citizenship as one ground of Federal jurisdiction, is, in the language of Mr. Justice Sanborn, a contemporaneous construction of a provision of the Constitution by the men who framed it, and the concurrence of the statesmen, legislators, and judges of that day in that construction, demonstrates that in their opinion and in the opinion of Congress, article 3, sections 1, 2, and 3, were mandatory and imperative, and Congress in full recognition of a public duty obeyed the constitutional command at the earliest possible moment. This construction has been continuously followed by the legislative branch in the various acts of Congress

relating to the judiciary down to the present time and in the entire history of this subject the only limitation that has been put upon section 2 of article 3 with reference to the extent of judicial power has been by the eleventh amendment to the Constitution."

No attempt by Congress has ever been successful to put a limitation on that power.

The comment in *R. Company* v. *Whitton* (13 Wall. 270) shows the importance of this jurisdiction:

Such a jurisdiction is necessary for the preservation of the acknowledged powers of the Government. It is essential, also, to an uniform and consistent administration of national laws. It is required for the preservation of that supremacy which the Constitution gives to the General Government by declaring that the Constitution and laws of the United States made in pursuance thereof, * * * shall be the supreme laws of the land, and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

The pending bill is in conflict with that principle; it is in conflict with the express provision of the Constitution which I have read.

Two classes of cases which are included in the judicial power of the Federal courts by the Constitution would be excluded from their jurisdiction by the pending bill. First, those of which the jurisdiction arises from the character of the parties; that is, citizens of different States. Second, those of which the jurisdiction arises from the subject matter of the cases, that is, some right, claim, or authority arising under the Constitution of the United States. In the former the court is called upon to administer the local law; in the latter—and that is the interesting fact in this debate—the Federal court is called upon to prevent confiscation, to administer the supreme law of the land, and to safeguard those human rights which are expressed in the Bill of Rights and to which I have alluded.

I refer to a brief filed by Alfred P. Thom, general counsel of the Association of Railway Executives, sometime ago in connection with a very remote ancestor of this bill, and particularly to that part of the brief, page 29, where he refers to these two classes of cases, these two differing classes of cases, which have not been recognized in the report of the majority on the pending bill and have not been recognized during the debate on it. He says:

In *Martin* v. *Hunter* (1 Wheat. 327) attention is drawn to the difference in the language of the Constitution between that class of cases arising under the Constitution, laws, and treaties of the United States, etc., where the language of the Constitution is that "the judicial power shall extend to all such cases", and the class illustrated by controversies between parties of different citizenship, where the word "all" is dropped and the judicial authority is expressed to extend to "controversies between citizens of different States", etc., and not to "all controversies."

This difference of wording in the Constitution is also adverted to by Chief Justice Fuller in the case of *Stevenson* v. *Fain* (195 U.S. 167), as follows:

"The use of the word 'controversies', as in contradistinction to the word 'cases', and the omission of the word 'all' in respect to controversies, left it to Congress to define the controversies over which the courts it was empowered to ordain and establish might exercise jurisdiction and the manner in which it was to be done."

The distinction, therefore, must be borne carefully in mind between that class of cases where the Constitution made it imperative on Congress to vest the judicial power in courts of the United States, such as all cases arising under the Constitution and laws of the United States and that class of cases in which it might confer jurisdiction or in which it might withhold it, such as controversies between citizens of different States.

If the Senator from Arkansas [Mr. ROBINSON] were here now, I should ask him to pay particular attention to that distinction coming from such high authority. This is not a novel distinction. It is historically recognized; and when the proponents of this bill struck out the conjunctive "and" between these two grounds of jurisdiction and left the disjunctive "or", they probably knew that they were trying to do away with two grounds of jurisdiction instead of one, and they should have known that one of them they might tinker with but the other one they could not touch and do so constitutionally.

I call attention to the statement in the Constitutional History of the United States, published in 1889—just 100 years after the adoption of that great statute of 1789 which created the structure which this bill now tries to emasculate. I refer to the Constitutional History of the United States as Seen in the Development of American Law, by Judge T. M. Cooley, of Ann Arbor, Mich.; Hon. Henry Hitchcock, of St. Louis; Hon. George W. Biddle, of Philadelphia; Prof. Charles A. Kent, of Detroit; and Hon. Daniel H. Chamberlain, of New York. The part to which I refer was edited by the last-named distinguished man, and on page 259 reads as follows:

The jurisdiction conferred on the United States by the Constitution embraces two classes of cases—those of which the jurisdiction arises from the subject matter of the cases; that is, some right, claim, or authority arising under the Constitution or laws of the United States; and those of which the jurisdiction arises from the character of the parties as aliens or as citizens of different States.

Before laying down this estimable work, I call attention to something here which should be considered, and that is this author's view of the supremacy of the Constitution, for in this day and time the supremacy of the Constitution is merely smiled at, if I properly estimate the current trend of a certain political philosophy. I quote:

In other words, our political system, in its nature and true intent, looks to the supremacy of the Constitution and statutes of the United States as interpreted by the courts of the United States, and to the supremacy of the State constitutions as interpreted by the State courts, wherever the Constitution and statutes of the United States do not apply; while within the domain of law not covered either by the Federal Constitution or statutes, or by the State constitutions or statutes, the two courts shall exercise independently the judicial power belonging to each.

In a summary of the business that has heretofore been given to the Federal courts a sharp line must be drawn between (1) cases arising under the Constitution, laws, and treaties of the United States, and (2) controversies deriving significance solely from the citizenship of the parties.

Different considerations led to the deposit of power in the Constitution over these two broad groups of litigants. Different considerations have evoked its exercise by Congress from time to time in varying degrees and under varying circumstances.

I omit many authorities which I have collected for the purpose of emphasizing what I regard as an absolutely unanswerable reason why the pending bill should not pass, namely, that it undertakes to reduce the inherent power of the Federal courts, absolutely and expressly granted by the Constitution in that part of the Constitution which gives jurisdiction of all cases arising under the Constitution, but I call attention to the fact that, regardless of parties a case arising under the Constitution or laws of the United States, is cognizable in courts of the Union whoever may be the parties to that case and an exception does not exist in those cases in which a State may be a party.

The authority on that doctrine is Cohen against Virginia, a Kentucky case of 1821, reported in Sixth Wheaton 383, Fifth Lawyers' Edition 225. Of course it must be recognized that the ground of equitable intervention with this preventive remedy is always inadequacy of a legal remedy anywhere else or in any other way.

The Federal courts have been compelled to entertain jurisdiction in suits of this character because the States do not provide adequate legal remedies through their own courts. The legal procedure of the States has not sufficiently accommodated itself to the consequences of their regulatory legislation. We have already held out an invitation to the States to reserve unto themselves all of this litigation if they desire to do it. We have already enacted a statute preventing the issuing of an injunction by Federal courts where a State court issues such an injunction. As we have seen under the proviso of section 266 of the Judicial Code, Federal suits to restrain State laws or orders can be set up before final hearing and appropriate action is brought in the State court to enforce such statute or order accompanied by a stay in such State court of the proceedings under such statute or order pending the determination of such suit by such State court.

From 1913 through the 1926 term 108 cases only came to the Supreme Court from the district courts in suits praying for preliminary injunction against the enforcement of State legislation and State administrative orders. If the States

had had a State procedure sufficiently effective to require jurisdiction and State officers alert enough to exercise it, those cases could and should have first been considered by the State courts. The States' failure to put into operation their power to subject State legislation to the sifting process of State courts has needlessly swollen the business of Federal courts and cast upon the Supreme Court some of its most burdensome labors.

In the hearings dated March 18 and 19, 1932, at page 59, there appears a tabulation of court appeals from decisions of commissions showing the number of such appeals is so low that only about 1 percent of all the cases were taken into the Federal court.

Section 24, which the bill undertakes to amend, so far as the subject matter involved in it goes, is the representative of that great statute of 1789. The circumstances expressed in the bill in the nature of a condition upon which district courts shall be deprived of this jurisdiction are as follows, and I am quoting from the pending bill:

> Where such order (1) affects rates chargeable by a public utility, (2) does not interfere with interstate commerce, and (3) has been made after reasonable notice and hearing and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such State.

Now, of course, that last sentence was written there in good faith, and my challenge of its meaning does not impugn the good faith of the gentlemen who put it in there. But I say that seeds of all kinds of litigation are sown in that last paragraph, some of which have been disclosed by interrogatories addressed to the Senator from California [Mr. JOHNSON] during his discussion of the measure. I invite attention to the fact that it does not expressly provide for an adequate remedy, which is the customary expression in the law as it has come to us through Anglo-Saxon jurisdiction. That was called to the attention of the proponents of the bill, and the fact that an adequate remedy included preventive justice was brought to their attention, and I now bring it to the attention of the Senate. An amendment was offered in the committee as follows:

> Page 2, line 10, change the period after the word "States" to a comma, strike out the quotation marks, and insert the following: "which remedy shall include the right of such public utility to a stay of such order pending final adjudication as to the repugnance of such order to the Constitution of the United States."

What became of it? It was disagreed to. Obviously if it was intended that adequate remedy should be provided in the bill, the amendment should have been unanimously, freely, and immediately adopted. What is the significance of the refusal to accept the amendment? I claim that it was not intended to have that provision read as meaning an adequate remedy, and it is not intended to have the measure have any other effect than to destroy those human rights to which I have called attention. The ultimate tendency of the bill is to tear down and destroy ownership of property by individuals and to support and increase and advance and promote and make flourish the policy of public ownership of utilities.

The bill is designed as cunningly and effectively as it can be in the scheme for confiscation of private property. What will occur if a railroad tomorrow is ordered to transport passengers or freight a thousand miles for 1 cent? Anyone knows that is a confiscatory order, does he not? And yet if the bill passes without such an amendment to it, in forty-odd States of the Union that order cannot be stayed and must be carried out during all the time of an appeal and consideration clear through all of the State courts and up to the Supreme Court of the United States on the question whether that order is repugnant to the Constitution of the United States. Yet it is said that this bill deprives no one of any rights. There is no remedy in the appeal that is effective to stop this destruction of private ownership of property if we take away this sole protection against a confiscatory order.

Mr. LONG. Mr. President, since the Senator pauses, let me ask him whether that does not rather indicate that there is a deplorable condition existing in the courts of the State?

Mr. AUSTIN. I do not understand the Senator's question.

Mr. LONG. I mean, if there is to be no remedy for these patently arbitrary and unconstitutional orders unless the Federal courts should intervene, that has to be based, I take it, upon the assumption that the courts of the State are rather in a deplorable condition, because evidently we would assume that there is process in the courts of the State for granting the relief. I know that in my State—and I think our code is fashioned after the codes of some of the other States—where an injunction is not granted by the lower court, the plaintiff has a right to a speedy writ from the supreme court where the showing is sufficient to compel the granting of writs in certain cases. It is rather speedy in our State.

Mr. AUSTIN. Mr. President, I am glad to have that contribution. It does not touch the outer rim of the point I am making, which is that this inherent power of Federal courts to interpret the Constitution and pass upon Federal law, and administer Federal law in Louisiana uniformly as it is administered in Vermont, and give a uniform interpretation of the laws of the United States in every section of this country, is affected by such a deprivation of the courts of the United States of their exclusive Federal jurisdiction, and turning it over to a State court, even assuming that such as the State of Louisiana, as asserted by the Senator from Louisiana, have power to administer the Federal law to interpret the Constitution of the United States.

Mr. NORRIS. Mr. President——

Mr. AUSTIN. I yield to the Senator from Nebraska.

Mr. NORRIS. As an example to illustrate the Senator's point he has stated that if a State through a court should provide that a ton of freight must be carried a thousand miles for a cent, there is no remedy until the matter gets to the Supreme Court.

If our State courts are so unreasonable that they cannot be trusted, if they go as far wrong as the Senator has intimated they might, what is to be said about the same courts in the States having jurisdiction over which the Federal courts cannot trespass to try a man for murder, where human life is at stake? Does the Senator think it is more sacred to save that cent than it is to save a human life? Ought we not to amend the Constitution and let a man who has been tried for murder or some other alleged crime have a right to be heard by the Federal courts, and see that he gets justice?

Mr. AUSTIN. Mr. President, I will answer that question by asking one. Assuming either an affirmative or a negative answer—it matters not which—to that particular question, what is wrong with providing in this measure that if an injunction is granted, and a stay pending appeal is allowed, then and thereupon the Federal court shall not step in and grant that stay?

Mr. NORRIS. I shall be glad to answer the question as I understand it. One of the very objects of this bill is to prevent the very thing that the Senator wants; that is, to enable men or corporations to delay litigation, wear out their opponents by expense, or wear out the public by time, until we have a real Jarndyce against Jarndyce; and when we get to the end of it everybody realizes, perhaps, that the judgment then rendered does not apply to the case as it originated.

Mr. JOHNSON. Mr. President——

Mr. AUSTIN. I will yield to the Senator in a moment.

I wish time would allow me to read a brief by Hon. Edward W. Everett, of the firm of Winston, Strong & Shaw, which was filed with the committee on this bill, relating to the procedural aspects of the bill, because that brief—which I ask consent to have printed in the RECORD—undertakes to show that the procedure in the Federal court is much more expeditious than the procedure in the State court, primarily because there are less divisions of the court to go through. You go straight to a district court and apply for your injunction without any intermediate loss of time.

Speaking of the case to which allusion has been made—the Montana case—of course, that is a horrid example of the law's delays, and I do not criticize the characterization

of it that has been made, Jarndyce against Jarndyce; but on examination of that record, as I have made it, I discover that that is a very unusual case, and, like all unusual cases, it had an unusual experience up and down the ladder of both courts.

In that case the company had reduced its rates so low, as a competitive measure, that the public-utility commission was trying to make it lift them up. The occasion for an injunction was never asserted in the lower courts; and in the State courts the question of repugnance to the Constitution of the order was not raised or passed upon at all. That case does not apply to this situation. It does not afford any reason whatever for supporting this bill. If anything, I think the inference to draw from that case is the need of a more effective State statute, and more expeditious handling of State business.

Mr. NORRIS. Mr. President——

Mr. AUSTIN. I yield first to the Senator from California [Mr. JOHNSON], who first asked to interrupt me.

Mr. JOHNSON. Mr. President, I simply wanted to recall the discussion to what was suggested by the Senator from Nebraska and what was said by the Senator from Vermont a moment ago. As I understood the Senator from Vermont, he made the flat-footed statement that if a public-utility corporation had its rate fixed at a cent for hauling a thousand miles, it was utterly remediless if we took away the peculiar jurisdiction that we seek to take away from the Federal court. I think either I misunderstood the Senator or the Senator was indulging in a statement a little at variance with his own thought.

Mr. AUSTIN. Perhaps I made such a statement. I thought I had limited it to those States in which there is no statute granting a stay pending appeal.

I have here a reference, in the brief of the American Telephone & Telegraph Co., to four such statutes:

Chapter 84, section 2, Arizona Laws of 1931.

Chapter 79, Nebraska Laws of 1929.

Chapter 773, New York Laws of 1930.

Chapter 280, Wisconsin Laws of 1931.

Since this particular bill came up for consideration, Mr. President, and while it was being considered by the committee, the District Court for the Western District of Wisconsin, on December 28, 1932, made a decision based upon that remedy which the State of Wisconsin provided, to stay the effect of one of these orders pending the decision of the repugnancy of the order to the Constitution. This is important new evidence to be considered by the Senate on the question of diversity of citizenship. Of course, I think that it matters not what other considerations the Senators may choose to look into; that the absolute vesting of jurisdiction and power in the Federal courts of all cases arising under the Constitution itself needs nothing to support it, and no experience in any State, and that it cannot be changed save by an amendment of the Constitution similar to the eleventh amendment.

The order made by the court in Wisconsin was this:

It is hereby ordered that all proceedings in this court to restrain the execution of the order of the Public Service Commission of Wisconsin dated November 10, 1932, be, and the same are hereby, stayed pending the final determination in the courts of the State of Wisconsin of the suit begun in the circuit court of Dane County, State of Wisconsin, on December 27, 1932, by the defendants herein against the plaintiffs herein, to enforce said order of said Public Service Commission of Wisconsin. This stay may be vacated upon proof made after hearing and notice of 10 days served upon defendants herein that the suit in the said court is not being prosecuted with diligence and good faith.

In other words, here was a district court of the United States of America for the Western District of Wisconsin which refused to interfere in the process and procedure of the Wisconsin courts dealing with such an order as is included in the class of the pending bill.

Mr. NORRIS. Mr. President, is the Senator complaining about that order of the Federal courts?

Mr. AUSTIN. Not at all. I claim——

Mr. NORRIS. Then, I wonder why the Senator is opposing the enactment of the pending bill? There is a court, to use the Senator's language, whose action was unusual, which refused to restrain, under the circumstances. The proposed law makes that refusal law by taking away some of the jurisdiction of the Federal courts.

Mr. AUSTIN. Yes, Mr. President; the pending bill does, and it does it when there is no other remedy. It does it, although there is no stay in the State court. That is the trouble with it.

Since that time the New York courts have acted under their statute to which I have referred, and they acted in a way similar to the State of Wisconsin. This is in Consolidated Water Co. of Utica against Maltby and others, Supreme Court, Albany County, special term, July 1933.

Stay granted pending review by Appellate Division on certiorari proceedings against enforcement of committee order requiring water company to put into effect revised schedule of rates so as to produce annual revenue of at least $120,000 less than an average for the years 1930 and 1931. Because less than 6-percent return may be confiscatory, it does not follow that return in excess thereof is unfair and unreasonable. Company held to have made prima facie case of irreparable loss in event of reversal of order by Appellate Division.

That ruling, Mr. President, went up to the Appellate Division, and there it was sustained, showing that in a State where it is desired to enforce the State's statutes and to treat litigants in the courts of that State with fairness and not confiscate their property pending the decision of the issues in the case, that one can have ample and adequate justice, and also pointing out that the proponents of the pending measure could well afford to have accepted, and could well afford now to accept the amendment proposed in the committee, that when such procedure as occurred in Wisconsin and New York takes place, when a State by its own procedure saves human rights guaranteed by the Constitution, that then and only then are the courts of the United States deprived of jurisdiction to step in and say, "Here, we will not allow you to destroy this property pending the decision of the constitutionality of these acts."

When a stay order issues out of a State court the rate payers are protected as they are when the Federal courts enjoin the order by the State regulatory body, because the excess rates collected are impounded and held for refund if the order of the State regulatory body is finally approved.

On the other hand, if the bill S. 752, should be passed, the utility could never recover the difference between fair rates and the rates fixed by the regulatory body which are finally adjudged to be confiscatory. Under these circumstances the investors in public-utility securities stand to lose their property while the case is going through the State courts unless a stay of the order is made mandatory.

To be sure, if the bill as it is proposed contained the amendment I referred to, then the complaint which we make about it would not have the same force that it now has, for if in every case where the question of whether the supposed or alleged confiscatory order shall be so held by the Supreme Court of the United States, a stay is granted, then it would not be necessary for the Federal court to step in and grant this extraordinary power which rests solely upon the supposition that the remedies afforded by the States are inadequate. That is the very foundation of this right.

Mr. President, it is obvious that it is not intended by the bill to include a restraining order as one of the remedies that are described as "effective." It is obvious that clause 3 was not intended to include adequate remedy. If it were so intended, and if it might be asserted now that that can be interpreted to include adequate remedy, including a stay of orders, then the pending bill is wholly unnecessary, because the Judicial Code, section 266, as amended, provides:

No interlocutory injunction suspending or restraining the enforcement, operation, or execution of any statute of a State by restraining the action of any officer of such State in the enforcement or execution of such statute, or in the enforcement or execution of an order made by an administrative board or commission acting under and pursuant to the statutes of such State, shall be issued or granted by any Justice of the Supreme Court, or by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge—

In other words, when there is an adequate remedy they do not need this bill, because section 266 of the Code already provides that this Federal court shall not intervene in such circumstances unless it finds that the State courts are not proceeding and that their dilatory practices are such that they amount to confiscatory tactics.

And I call attention to the following pertinent provision of section 266 of the Judicial Code:

> It is provided that if before the final hearing of such application a suit shall have been brought in a court of the State having jurisdiction thereof under the laws of such State, to enforce such statute or order, accompanied by a stay in such State court of proceedings under such statute or order pending the determination of such suit by such State court, all proceedings in any court of the United States to restrain the execution of such statute or order shall be stayed pending the final determination of such suit in the courts of the State.

I have already called attention to the fact that the report of the majority deals largely with one class only—diversity of citizenship. It does allude to the other class, but it merely alludes to it. There is no discussion to fortify it or support it. There is not a single case cited. There is not a distinguished man's opinion employed in the report that supports the doctrine that the Congress of the United States, by the simple passage of a bill, can deprive the Federal courts of their inherent jurisdiction granted by article II, to which I have alluded, namely, vesting all jurisdiction of cases in which repugnancy to the Constitution is an issue.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Nebraska?

Mr. AUSTIN. I yield.

Mr. NORRIS. Is it the contention of the Senator that Congress has no right under the Constitution to take away jurisdiction of the Federal courts on account of diversity of citizenship?

Mr. AUSTIN. No; that is not what I said. That illustrates the difficulty. I am shooting at one thing, and the learned Senator from Nebraska is shooting at another. We are not at issue here.

Mr. NORRIS. The Senator from Vermont is objecting at least to taking away jurisdiction of Federal courts because of diversity of citizenship. I am very much in favor of it.

Mr. AUSTIN. Yes, that is true; but the point I am making is that the taking away of jurisdiction or attempting to do it is on the other ground. The distinction is very great. The other grounds are the ground of unconstitutionality, the ground that an order is repugnant to one of the guaranties found in the Bill of Rights, namely, that it deprives a man of the right to hold property, the ground that it takes his property for public use without just compensation, the ground that it discriminates against him and puts him in a position much to his disadvantage as he is set up against his neighbor. Whenever one of those claims is made between two parties, then the jurisdiction of the courts of the United States is inherent, and no act of Congress can diminish it or remove it. It is another question, I admit, when we are debating the other ground of diversity of citizenship. I have discussed that ground before. I should like to refer to the record on that if I may. I have called attention to cases, particularly the case of Hunters Lessees, showing that the Supreme Court has recognized this great distinction between those two classes of jurisdiction always. That has obtained ever since that splendid statute of 1789 was put into effect and has continued unchanged to this date.

The case of Kline and others against Construction Co., cited in the report of the majority, never touches human rights, never touches the ground I have been insisting upon so strenuously. Indeed, when it refers to diversity of citizenship, it is doing something that is obiter and was not required to be done by the court. But it does not undertake to say, and in no case has the Supreme Court ever undertaken to say, that Congress may deprive the courts of the United States of their inherent jurisdiction under that clause of the Constitution vesting jurisdiction and power over all cases that come under the Constitution of the United States.

In other words, what has been argued, what has been reported, all that goes before, relates to but one ground, and that the most insignificant ground of jurisdiction contained in the bill. When the word "and" was struck out between the two grounds and the word "or" left there, so the bill could be read and must be read that when the jurisdiction is based solely upon repugnance of such order to the Constitution, the bill was made so plainly unconstitutional that no man can support it with success. Possibly it can be done in the Senate. It remains to be seen whether it can be done.

But the important class is that very class where jurisdiction arises over subject matter rather than over character of the party, where some right or claim of authority arising under the Constitution of the United States is involved. This class is merely mentioned and not debated in anything that I have seen relating to the bill. Yet repugnance to the Constitution is the most important class to which the judicial power is expressly extended by the Constitution. Their silence upon this class must mean something. Either it means the bill is not understood or there is nothing that can be said to support it.

It is a very popular pastime of professors and "brain trusters" to sneer at those who have regard to the preservation of the Bill of Rights and for the Constitution. It is popular today for careless men and complacent men to say that we who stand in defense of the Constitution treat it as a museum freak. I say, however, that when the Senate is confronted with a bill which boldly, frankly steps right out to deprive one of the coordinate branches of government of its chief function, it is time that somebody should raise a trumpet and try to awaken the conscience and the patriotism of the people of this country.

I do not regard the Constitution as a museum piece. I have always taken notice of the fact that it bends and yields to adapt itself to extraordinary conditions. This has been proven so many times that I only need to allude to the decision of January 8, 1934, in the Minnesota moratorium case, to show that the Constitution may be so interpreted by the courts of this country that it will fit an emergency and yet come out the sacred fount of the liberty of these people. We cannot afford, as a free people, to allow that instrument, which is the covenant between us and our Government, to be torn down piece by piece, a little here and a little there, especially when we see the trend of all of these different modifications attempted to be made by Congress in this fundamental instrument.

The vitality and the necessity of the Constitution has ever been safeguarded as the indispensable covenant of the people with their Government to protect their liberties and to protect the Government from the brain storms of "brain trusters" and from the mad surges of emotional mobs in times of temptation.

On the one hand its sanctity and power as a fundamental law has been always, and will be ever, a repression upon government against the temptation to extricate itself from political and economic embarrassment by sudden and whimsical usurpation of power to manage business, control credit, abrogate contracts, curtail freedom, and, on the other hand, against the temptation of the people to make violent alterations in the form of government suddenly and by direct action by an act of the Congress.

This power to grant injunctions in the cases excluded by the proposed bill is an essential part of the judicial power now possessed by the courts, and yet we undertake to take it away by a mere act of Congress!

The sole method of enforcing the Bill of Rights authorized by law and adopted by the Federal courts in most cases is by way of injunction; and yet that is the instrument that we are trying to take away from these courts, not in general, not with respect to all men, but with respect to a certain class of men, discriminating against them to their very great damage.

It is obvious that if these courts are deprived of this power, and they cannot intervene in those States where such a remedy is not mandatory by the State law or granted by its courts, irreparable damage would be suffered, and the number of those States is very, very great.

The freedom expressed by the Bill of Rights and secured by the Constitution, as interpreted by the Federal courts, has been the most creative force in our social and economic life since our separation from Great Britain.

The relief of all men from a selfish ruler, whose tyrannical levies of taxes and whose confiscatory and repressive commercial measure discouraged enterprise, set free that incentive, initiative, and purposeful work which lifted the American people out of a condition of the gravest depression and bankruptcy as well as social demoralization to become the leading nation of the earth, to do that very rapidly, and to hold that position until the present time. Other factors entered into it, of course; but one of the most effective of all stimuli of this progress was the unity and harmony of interpretation of the Constitution obtained by having constitutional questions decided by Federal courts. The delicate balance in the relations between the Federal and State Governments necessary to avoid conflicts between the various sovereignties never could have been maintained if the power now sought to be destroyed had not been in force throughout our history. Various interpretations of the Constitution would have been made by the various courts of the several States with reference to their peculiar and specific domestic problems, and with little regard for the maintenance of an indissoluble Union.

High authority for this view is found in the lives of George Washington and Thomas Jefferson, whose leadership in the creation of this Federal system of government emphasizes the need for strength in the Federal sovereignty so far as it was created by the people, as well as preservation of the vigor of State sovereignty so far as it was retained by them.

Of course, the most emphatic evidence of the soundness of this doctrine was the War between the States, and the subsequent firm adherence to the powers which were Federal on the one hand, and to the jealous retention of the authority which was State on the other hand.

The right of a widow and her children to the insurance of the deceased husband and father, paid for by the sweat of the brow and brought together through a lifetime of self-sacrifice, should not be taken from them today by legislation which tends to destroy the insurance company whose promise to pay is the sole representative of all that toil and sacrifice.

The right of the laboring man to the humble deposit in his savings bank should not be damaged by legislation passed today which has a tendency to destroy the solvency of the bank in which he has deposited his money. Yet it is perfectly obvious that the passage of this bill, depriving public utilities of the right to appeal to the jurisdiction of Federal courts for protection from confiscatory orders, will directly injure insurance companies and the banks of this country, whose securities consist largely of the stocks and bonds of utility companies.

Human rights include the right to own property without confiscation by a ruling class or by a despotic government. Human rights include the right to faith that industrious, law-abiding, orderly living in our communities will be awarded sufficient property on which to live decently, to maintain churches, schools, hospitals, comfortable homes, sanitary public works, efficient lighting companies, rapid and comfortable transportation systems, means of speedy communication, and all that contributes to the remarkably fine environment in which an individual may have the opportunity for the greatest exercise of his powers and highest development of the spirit and intelligence.

Human rights cannot be narrowed down to rates alone. Legislation of this character should be viewed with reference to the general welfare, because the general welfare consists of the well-being of all individuals in society.

(At this point Mr. AUSTIN yielded the floor for the day.)

Tuesday, February 6, 1934

Mr. AUSTIN. Mr. President, before proceeding with my remarks begun on yesterday, with reference to S. 752, I desire to correct a statement to which my attention was very courteously called, and very appropriately called, at the time by the Senator from Louisiana [Mr. LONG] and the Senator from Nebraska [Mr. NORRIS] and the Senator from California [Mr. JOHNSON]. I appreciate their very great courtesy to me on yesterday in their endeavor to get me on the track, which I supposed I was was following all the time, and I now hasten to acknowledge that courtesy and to correct the statement which provoked the interrogatories.

I read that statement so it can be understood.

> What will occur if a railroad tomorrow is ordered to transport passengers or freight a thousand miles for 1 cent? Anyone knows that is a confiscatory order, does he not? And yet if the bill passes without such an amendment to it—

That is to say, the amendment that I offered in the committee and that I intend to offer at the close of the debate on the Senate floor—

> And yet if the bill passes without such an amendment to it in forty-odd States of the Union that order cannot be stayed and must be carried out during all the time of an appeal and consideration, clear through all of the State courts and up to the Supreme Court of the United States on the question whether that order is repugnant of the Constitution of the United States

I should have included in that statement what I think I have included in every other one throughout the argument, this condition—

> In States where injunctive relief should not be granted.

Of course, that is the intent of that statement; and although I was reminded and should have remembered what I had said, I did not do so. I think I made it clear that my meaning was such, for later, in response to the Senator from Louisiana, I said that the claim I was making was—

> That this inherent power of the Federal courts to interpret the Constitution and pass upon Federal law and administer Federal law in Louisiana uniformly as it is administered in Vermont, and give a uniform interpretation to the laws of the United States in every section of this country is affected by such a deprivation of the courts of the United States of their exclusive Federal jurisdiction and turning it over to a State court.

Today I reiterate that statement as corrected, namely, that where it is discretionary only in a given State, where there is no statute making it mandatory in that State, and where the statutes of that State prohibit a stay, but, on the contrary, expressly provide for the execution of the order, the deprivation of the rights of citizens of the class limited in this bill is unconstitutional, for the reason that their property is taken without due process of law, and for the further reason that it discriminates against them and does not provide an equal protection of the law with other citizens who are similarly situated.

I wish to state that the background of the statutes may be readily obtained from the report of the hearings held in 1932, March 18 and 19, and which are set forth at page 127 and following, showing what a vast diversity there is of statutes in the several States relating to the matter of preventive remedy pending an appeal.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield to the Senator from Louisiana.

Mr. LONG. I do not want to distract the Senator from his argument or line of thought, but I desire to say that in many, if not most, of the States when a man is indicted for murder in the district court, he is incarcerated and held without the right of bail pending trial. In other words, that is one of the things that is in the hands of those charged with the administration of justice. A man accused of murder is arrested and indicted. He may be held in jail for several months awaiting trial. That is a matter of human rights and human liberty. There can, of course, be some miscarriage; but I ask, Is that any worse than the miscar-

riage in the matter of property rights ad interim, we might say, or pendente lite?

Mr. AUSTIN. If I were to answer the Senator's question in the affirmative or in the negative, it would not furnish a logical reason for undertaking, by a simple act of Congress, to remove from the jurisdiction of courts of the United States a power vested in them by the Constitution of the United States for the very purpose mentioned by the Senator from Louisiana, namely, to protect life, liberty, and property from being taken away from the people and citizens of this country without due process of law.

I want to say that in no sense can the remarks which I have made here be interpreted as a reflection upon the dignity and ability of the courts of the several States. If the time has arrived when a Senator of the United States may not stand on the floor of this great deliberative body and present his views with respect to a bill which he thinks proposes to deprive a department of the Government of one of its most essential functions without being accused of casting reflections upon the courts of his own State or any other department of his own State government or that of other States, then it is a sad situation.

On the other hand, I desire to say that I have the highest regard for the judges whom I know who preside over the courts certainly in my own State and of those of other States about whom I have the honor to know something. I cannot imagine my remarks being interpreted here as reflection upon Chief Justice George M. Powers, of the Supreme Court of the State of Vermont, or any other of the justices of that court, for whom I hold the very highest regard and for whose sense of justice and learning I have profound respect. Indeed, I have such respect and regard for our great chief justice that I was one of a delegation that recommended him to the President of the United States for appointment as a justice of the Supreme Court of the United States on a recent occasion when there was a vacancy.

No; my own State has a statute under which an appeal from the decision of a regulatory body automatically stays the execution of the order and protects the person and citizen from the confiscation of his property pending decision on the appeal and until the question of repugnance to the Constitution of the United States has been decided unless the courts order otherwise. So the statutes of other States provide in a similar way, but some of them provide directly opposite. For example, at page 132 of the hearings, I find that Nevada has provided that—

> All rates fixed by the commission shall be deemed reasonable and just and shall remain in full force and effect until final determination by the courts having jurisdiction.

Let me ask what possible protection, what possible stay, what possible assertion of that sovereign power which the Constitution has vested in the courts of the United States for the purpose of saving of the rights of its citizens and its people could intervene if we, by an act of Congress, undertake to change the present system in such a way that no petition may be taken to any court of the United States for preventive relief?

Viewing the statutory situation of the several States generally, I think it may be said that in most States discretionary power of a court to order or not to order a stay in the case of an appeal from such a board as a public utility commission obtains under the rule of equity that a man who seeks equity must do equity, and if he comes into the court of equity and calls for the enforcement or the prevention of the enforcement of an order of a public utility, the court can so adjust affairs under that order as that property shall be saved and life shall be saved and liberty shall be saved if such are in danger. But, as I have pointed out, there need not be any confusion about the interpretation of this law; there need not be any question about the words "effective remedy"; there need not be anything left to the discretion of the court that has to consider this matter, as to whether what has gone before amounts to an adequate remedy at law or whether the statutes of a given State afford an adequate remedy at law, if the proponents of this measure and the Senate should see fit to adopt an amendment which would definitely incorporate in the definition of jurisdiction the words "which remedy includes the right of such public utility to a stay of such order pending final adjudication as to the repugnance of such order to the Constitution of the United States."

Such an amendment in this bill might not save it, but it would make the measure greatly less obnoxious, because it would narrow the class upon which it would fall. Such an amendment adopted to this bill would make mandatory a stay to oust the Federal court of its jurisdiction, because the sole foundation upon which any citizen or any person appeals to the Federal court for injunctive relief would be absent, namely, no other adequate remedy at law or in equity being available. Such an amendment would afford that remedy.

Mr. President, I now proceed to conclude my remarks. The laboring man has the right to the protection of his job from the confiscatory orders which jeopardize the soundness of his employer's business and his ability to continue to operate. The number of laboring men is not a mere handful in this country; they are the people of this country as much as are the lawyers or any other class of people, however they may be engaged or in whatever way they may seek to earn their living. In this host are included the railroad employee, the shopman, the section man, the flagman, the engineman, the conductor, the lineman, the telephone mechanic, and the great number of office-staff workers in public utilities of all kinds. Do they not represent a worthy and important number of the people who ordained this Constitution and whose rights are supposed to be insured by it and to be enforced by the courts whose jurisdiction is sought to be taken away by this bill? Mr. President, the pending bill, if passed, would destroy this right so far as it relates to the subject matter of the bill and the class of citizens limited in it. This right of protection for a man's job is an important human right which we strive to save. Human rights include the right to contract and to have contracts sustained and enforced by their Government; human rights among American citizens include the right of deliberation and judgment upon any change in the fundamental contract which created their form of government.

The people are entitled to pass upon amendments to the Constitution. Amendments of the fundamental law in an irregular and informal manner deprive the people of their rights without due process of law. This particular right is of the greatest importance, because without this right we cannot have a government of the people.

Attempts to reform and remold our system of government without the people being aware of it should be blocked at every step. Reform of our system of government under the guise of recovery has an added danger in it of purchasing complacency with lavish expenditure of money. The proposed measure has the effect, if enacted into law and sustained, of amending the Constitution by a mere act of Congress. This type of amendment of the Constitution lacks two safeguards of liberty: First, the two-thirds vote of both Houses in proposing an amendment; and second, ratification by the people in three fourths of all the States of the Union.

Vigilance has always been the price of liberty. The encroachments upon the rights of the people have generally been made a step at a time, and it is historically true that once liberty is lost it is not regained by the same generation that lost it. The lesson of the struggle forward to constitutional government is that every attempt to deprive the people of their constitutional rights must be resisted. There is a grave danger in complacent inattention or lack of diligence.

Since the bill is discriminatory; since it is a step toward the abolition of Federal courts; since it is unnecessary if a stay of the order complained of is granted by State courts; since States which choose to surrender the protection of Federal jurisdiction may do so by passing a stay order in such cases; since other States ought not to be compelled by Congress to surrender this protection; since the bill could result in a denial of a review of the facts found by the State courts;

since, pending litigation, a confiscatory order could destroy private property because of a lack of stay; since a stay should be provided for to do justice to all parties in interest; since the bill puts in hazard the workman's job; since it tends to destruction of private ownership and establishment of public ownership of utilities; since it reduces the sovereign power of the Federal Government to interpret and enforce the Federal Constitution and laws; since it abolishes an essential part of the judicial power now possessed by the Federal courts and therefore an essential part of the sovereignty of the Nation, I claim that the bill ought not to pass.

Mr. ROBINSON of Indiana. Mr. President, I do not care to discuss the measure in detail nor shall I attempt to do so. I shall content myself with simply mentioning the fact that I was a member of the subcommittee of the Committee on the Judiciary that first considered the advisability of the enactment of a statute of this kind. I think perhaps it was as much as 2 years ago.

The subcommittee held hearings. Witnesses were invited to come before the subcommittee and testify and give evidence both for and against the measure. Many witnesses attended on both sides of the controversy. Those who were opposed to the bill were there in great force. The opponents were represented by some of the most eminent lawyers in the country. Brilliant counsel testified. But in not a single instance, as I remember now, was any witness able to suggest one case where any injustice could have been done in the past to those whom they represented if the bill then had been a law. Members of the subcommittee pressed witnesses to catalog cases that had been adjudicated in the past, instances where some harm might have come to their clients if there had been a statute in existence then such as is proposed in the pending measure. Notwithstanding the fact they were given every opportunity to mention any such case, not one single instance was brought to the attention of the subcommittee.

I think it was the unanimous opinion of those serving on the subcommittee of the Committee on the Judiciary of this body that it was a more or less one-sided question. There was every reason to believe that the bill, if enacted into law, would result in a greater degree of justice to the people of the country and there was no real good valid argument presented against it. Because of that fact, I was glad to vote in the subcommittee to report it favorably to the Committee on the Judiciary. In that committee I again voted to report it favorably to the Senate. Now that it is before the Senate I shall just as cordially support it here.

Mr. President, I have no more to say on this subject. I rose primarily to submit a very brief observation with reference to another matter.

PREPAREDNESS THE BEST INSURANCE FOR PEACE

Mr. ROBINSON of Indiana. Mr. President, with war clouds hovering over the earth today, so clearly indeed that they are unmistakable and within the vision of everybody, I thought it might be timely to invite the attention of the Senate to some of the horrors of war and to some of the methods of escaping those horrors. One need not go further than the first street corner to find evidences of the casualties of the last war: Disabled American veterans, some sightless, some armless, some mentally dark and blind. If there is any way to avoid war it seems to me that we should find that method and follow it, because God knows the American people, and, indeed, the world, are sick of war.

To reemphasize the ravages of war—to reemphasize the horrors of it all—the Hearst newspapers and others recently have been publishing a series of pictures of scenes in the last armed conflict in which this country engaged, graphically portraying the tragedy and the misery and the stark terror of the thing called war. I believe these graphic illustrations have convinced every thinking person in the land—if, indeed, they were not convinced theretofore—not only of the futility of war, but of the tragedy and the terror of the thing called war.

The question arises, How may we avoid it in the future? I have an opinion that has been voiced by distinguished Americans, by the founders of the country, and by those who have succeeded them in the most responsible official positions of the land, right up to the present time, to the effect that adequate preparedness is the best way to avoid armed conflict. If a nation is prepared for war, we shall find few if any aggressors undertaking to tempt that nation into conflict. In human relations if one is endowed with fistic and pugilistic powers, the average passer-by on the street is prepared to let him alone. One never attempts to pick a fight with one who is able to defend himself. In the broader world scale it works the same way among nations.

If America is prepared to defend herself, then indeed may we escape the ravages of war; but if we are hopelessly unprepared, there are aggressor nations envious of us and our possessions who would not hesitate for a moment to attack us.

Because of that fact, it seems to me that ever since the Washington Conference we have pursued a very foolish policy—to such an extent, indeed, that we have allowed our Navy, for instance, to deteriorate so that now undoubtedly both Great Britain and Japan surpass us enormously in naval strength and efficiency.

We do not desire anything that any other country possesses. We want war with no land. All we ask is that we may be left alone with our own institutions, to conduct our own affairs as we may see fit; but, unfortunately in this connection, we are unable to direct the thought of other nations. It is impossible for us to know what they may do, or to anticipate attack; and in case war should break out in Europe or in the Far East we have our neutrality to safeguard. Not necessarily do we care to take sides with either party to a controversy; but we must be prepared to safeguard our shipping and American interests. That is the safe and sane policy. Accordingly, we must be prepared at all times with a Navy second to none in the world; an Army, as it has ever been, man for man the equal of any on the face of the globe; and keep abreast of the times in the air and under the sea.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Louisiana?

Mr. ROBINSON of Indiana. If the Senator will wait just 1 second, I will gladly yield.

Because of the necessity for preparedness, I thought it timely to make these observations here today, and to invite the attention of the Senate to the words of illustrious Americans of the past bearing on this subject.

Now I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I was about to ask the Senator if he did not think we ought to make some preparation against another naval conference sinking our ships about the time we got well along in building them.

Mr. ROBINSON of Indiana. Mr. President, I am in entire accord with the Senator's position. I think the Washington Conference was a grievous mistake. We yielded our supremacy then—and we had supremacy over all other nations on the sea—and while they were destroying blueprints we scrapped the finest navy any nation ever had.

The conference at Geneva in 1927 was disastrous from every standpoint. We were willing over there to agree on a limitation of tonnage with reference to cruisers, for instance, say, an aggregate of 300,000 tons. We were willing to take 300,000 tons and give Great Britain 300,000 tons and let Japan have the same tonnage on a basis of 5 to 3. The trouble was that other nations then insisted on telling us the kind of cruisers we should build. We insisted on the largest cruisers permitted by the Washington Conference, namely, 10,000 tons as the extreme upward limit, with 8-inch guns. But Great Britain especially insisted that we join her in building light cruisers, which are utterly useless to us, since we have few naval bases. We have only one, for instance, in the Pacific, at Pearl Harbor, while Britain has at least 36, one on every trade route in the world. So the conference broke up and the then Chief Executive directed our representatives to come home.

The last naval conference, in London, was a complete failure from the American standpoint. I know there are those here—those who are good friends of mine and in whose

judgment I frequently concur—who take an opposite view; but, in the light of what has transpired since, it seems to me everyone must agree that the London Conference was utterly disastrous from the standpoint of American defense.

Mr. REED. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield to the Senator from Pennsylvania.

Mr. REED. Does not the Senator think it is significant that the London Treaty was so regarded in Japan that it led to the assassination of two of her prime ministers and the most bitter opposition to its ratification? Does he not think it is significant that its ratification was bitterly opposed by the British Navy and all the big navy men in Great Britain? Does not the Senator think perhaps that would justify a more tolerant view of it through American eyes?

Mr. ROBINSON of Indiana. Mr. President, I know that my esteemed friend was an American representative at that conference. I have the highest regard for my friend from Pennsylvania. I did not agree with him then, and I do not agree with him now, on that question. If I remember rightly, there were only nine of us in the Senate who voted to oppose ratification of the treaty. The difficulty is to know how much of what the Senator has just suggested is fact and how much of it is propaganda. Propagandized as we are by other nations throughout the world, I am inclined to think that much of the alleged dissatisfaction of the British Navy and of the Japanese Navy with the London Treaty was propaganda. I am inclined to believe that they were very well pleased with the outcome of that conference.

Mr. REED. The Senator does not think the assassination of two Prime Ministers is propaganda?

Mr. ROBINSON of Indiana. No; but that has nothing to do with the major issue. They have local problems in Japan, as the Senator knows if he has visited that country.

Mr. REED. I have; but the assassination of those two men——

Mr. ROBINSON of Indiana. There are local questions that have to do entirely with matters outside of the London Naval Conference; and the assasination of the two officials to whom the Senator refers, in my judgment, had little to do directly with what transpired at the Naval Conference. That is my own opinion.

Mr. REED. And yet the men who committed the assassinations stated that that was their reason—that Japanese rights had been given away at London.

Mr. ROBINSON of Indiana. So far as the Japanese are concerned they would like to have a navy three or four times as large as ours, and today, largely as a result of the London Conference, their navy is superior to ours.

Mr. REED. The Senator does not really believe that, does he?

Mr. ROBINSON of Indiana. I believe that is true, Mr. President. I know, or at any rate I learn from sources of authority that I think are reliable, that they have fortified the Caroline Islands. They have undoubtedly fortified Rota, of the Marianne Group, and others which they hold by mandate of the League of Nations, though they have left the League of Nations itself and now refuse to surrender these mandates. In other words, I am of the opinion—the Senator may not agree with me—that we can place utterly no confidence in anything the Japanese say or do. That is my notion.

Mr. REED. I readily admit that there is a very strong jingo party in Japan, and that they have built up to the limits permitted them under these treaties. The great fault I find is that we have not exercised our rights under the treaty. If we had, the question of the relative strength of the two Nations would be beyond any question.

Mr. ROBINSON of Indiana. Mr. President, let us see about that. Suppose we had built up to the London Treaty. Then we should have on our hands now many light cruisers which the best counsel of the United States Navy say are practically useless to us, I think with one exception—Admiral Pratt, Chief of Operations. All of the other naval authorities testified before the Committee on Foreign Relations that these light cruisers were utterly useless to us, and this is the reason:

Take the Pacific Ocean, for instance. We have only one naval base on that vast sea. That is at Pearl Harbor, in the Hawaiian Islands.

Mr. REED. The Senator does not mean to say that we have nothing on the Pacific coast of this country.

Mr. ROBINSON of Indiana. Oh, well, on the Pacific coast what have we outside of Seattle?

Mr. REED. We have a very fine base at San Diego, another one at Bremerton, and a fairly good one at San Francisco.

Mr. ROBINSON of Indiana. We have a base at Bremerton, Mr. President. That is an excellent base, but it is away up in the northwestern extremity of continental United States.

Mr. REED. And that much closer to Japan.

Mr. ROBINSON of Indiana. But so far as Japan is concerned, the Senator does not think it is anywhere near Japan. Let me suggest to the Senator that Japanese liners constantly ply between Seattle and Yokohama, and use the great northern track, going through the Aleutian Islands, perhaps some 4,000 miles. They are thoroughly familiar with all of the Alaskan waters up there—waters which have not been adequately charted by our Navy—and the westernmost island of the Aleutian group is only some 700 miles from Japan, and it is 2,800 miles from Seattle. So the relative distance is of no advantage to us.

But let me pursue the other thought for a moment.

Bremerton is a naval base——

Mr. REED. Let me interrupt the Senator to say that the northern Pacific has been thoroughly charted.

Mr. ROBINSON of Indiana. Mr. President, I deny that statement; and I have it from excellent authority and from those who are in a position to know. As a matter of fact, much of the charting there is what remains of the work done by the Russians, from whom we purchased Alaska in 1867. But let me pursue the other thought.

Bremerton is in the northwest corner of continental United States. That is a splendid base, though difficult of access. It is more or less landlocked. It is a day's trip into Bremerton. That is all we have.

Mare Island, at San Francisco, is 19 miles up the bay. The water there is shallow. A fleet could easily be bottled up in there, as a matter of fact; and it is difficult to use that as a base in any sense of the word, because it is utterly unfitted for such use. It has been there for years. There is a great deal of local pride out there in its retention; but I think most of those in authority in the Navy would readily concede that it is practically useless to us.

Reference is made to San Diego. The Senator may call that a base; but, in my judgment, it is anything but an effective naval base against attack from the sea.

What else have we on the Pacific coast? Bremerton, Seattle, Mare Island, San Francisco, San Diego.

Mr. REED. Pearl Harbor.

Mr. ROBINSON of Indiana. That is the one I am talking about. That is the only base we have in the Pacific, 2,100 miles west of San Francisco, and some 5,000 miles from Japan.

Mr. REED. That is a pretty good base.

Mr. ROBINSON of Indiana. Yes; but it requires an expenditure of $40,000,000 in order to make it effective.

Mr. REED. That is a pretty good base right now; is it not?

Mr. ROBINSON of Indiana. It is an excellent base; yes; and if we should spend $40,000,000 additional we could make a thorough base out of it by straightening the channel into the harbor and by submerging the oil tanks, which stand out like sore thumbs.

Mr. REED. That is only about 1 day's deficit these days.

Mr. ROBINSON of Indiana. I am not talking about the amount of the deficit. I agree with the Senator that in these days we might as well spend $40,000,000 and call it an hour's work; but it ought to be done. That is the important thing. Then we would have at least one real base in the

Pacific. But if we use a 7,500-ton cruiser with 6-inch guns, having little fuel-carrying capacity and no gun superiority over other ships of either the British Navy or the Japanese Navy, we are at a terrific disadvantage, for in going west Pearl Harbor is its only friendly haven, with the Philippines an additional 5,000 miles away. So what good is a light cruiser of that kind to our national defense?

Mr. REED. Does the Senator mind interruptions? If he would rather I should not interrupt him, I will not do so.

Mr. ROBINSON of Indiana. No; I am very glad to be interrupted.

Mr. REED. There is nothing in the treaty that limits our 6-inch gun cruisers to 7,500 tons. On the contrary, we are building a lot of them of 10,000 tons.

Mr. ROBINSON of Indiana. But they are limited to 6-inch guns.

Mr. REED. That is true.

Mr. ROBINSON of Indiana. That is the whole story, Mr. President. We have 6-inch guns when, with no bases to which we may go back and forth, as the British have and as the Japanese have now in the Pacific, we should have the largest guns we are permitted to carry under the Washington Treaty.

Mr. REED. The matter of tonnage is important in view of the absence of bases. The caliber of the guns has nothing to do with the presence or absence of naval bases.

Mr. ROBINSON of Indiana. Mr. President, if our Navy, those charged with the responsibility of defending our country in an emergency, insisted that 8-inch guns are necessary for our defense, and we were permitted under the Washington Conference Treaty to carry 8-inch guns, why should our representatives at the conference have given way to the British view and accepted 6-inch guns, when, as a matter of fact, our experts all insist they are inadequate for our defense?

Mr. REED. There are two answers to that. In the first place, the experts did not all insist. They disagreed, as experts usually do. In the next place, we did not give way to either British or Japanese, but we have the right to build eighteen 8-inch-gun cruisers, against the British limit of 15, and the Japanese limit of 12.

We have 180,000 tons allowed us in the 8-inch-gun cruisers against 108,000 tons for the Japanese and 150,000 tons for the British. We have more of that kind of cruisers than any nation on earth.

Mr. ROBINSON of Indiana. Mr. President, the point is, why should we not have held out for our viewpoint, to build all of our cruiser strength in 10,000-ton-capacity ships with 8-inch guns, if they are essential to our proper defense, and if the smaller cruisers, the lighter cruisers, and the smaller guns, are inadequate for our defense? It is on that point that the Senator from Pennsylvania and I are unable to see the question in the same light.

Mr. REED. Very well, we can hold out for the American viewpoint. We received a larger allowance of that kind of cruisers than any other nation, and if we had demanded any more we would not have had a treaty.

Mr. ROBINSON of Indiana. That is just the point, Mr. President. We got no treaty in Geneva, either, because we insisted on our demands, and Mr. Coolidge told our representatives to come on home. If Great Britain and Japan are going to tell us the kind of cruisers we are to be allowed to build, when we have no naval base in the Pacific, except Pearl Harbor, we should say to our representatives, "Come on home and let the treaty fail." It would have been better if our representatives in London had come home and not become intoxicated with the British viewpoint. There were intimations as to the entertainment that was going on and all that sort of thing; but I shall not go into that. We would have been better off without a treaty, far better off, and then we could have built the kind of ships we need, as long as they are in accord with the Washington Treaty.

Mr. REED. I should like to assure the Senator, in the first place, that the treaty was not affected by the meals we were served in London. All of us who went over there were perfectly able to buy our own lunches, though I do not think that any entertainment that was offered affected the terms of the treaty.

In the next place, and seriously, if we had had no treaty, and if the three countries had remained in the frame of mind in which they have been for the last 4 years, Japan and Great Britain would have built so far beyond us that we probably never would catch up. Our country did not want to build any more ships. We have been willing, until the present time, to build up our Navy to less than our treaty allowance, whereas the other two countries have built up their navies, and have built right up to the limits of the treaty. They would have gone far beyond it if we had not restrained them by having the treaty in effect.

Mr. ROBINSON of Indiana. Surely the Senator from Pennsylvania does not think international relationships have improved any since the time of the London Conference, does he? I think Europe today is on the verge of another great war, and there is no question about the Far East.

Mr. REED. That is why we ought to have built our Navy up to the limit allowed us.

Mr. ROBINSON of Indiana. Certainly; and we ought to have reserved the right to build the kind of ships that satisfy our needs, and not have surrendered to the Japanese and British viewpoint; and then, if we did not build the ships, it would have been our own fault. Today we have no right to build those ships. The treaty has strictly limited us so that we must build ships of a certain type which the best authorities, the authorities I choose to believe in most, say are useless to us, or practically so—the smaller type.

Mr. REED. I do not believe this is the place for a public discussion of the relative merits of the two types of ship. What little we may know about that we had better keep to ourselves.

Mr. ROBINSON of Indiana. Everybody else knows it. Every chancellory on earth knows about all the ships we have—perhaps even more than the Senator or I may know.

Mr. REED. I am not so sure. The fact is that without the treaty we would have had a naval race instead of a treaty limitation.

Mr. ROBINSON of Indiana. We have a naval race now.

Mr. REED. We have it only within the limits of the treaty. If we had had a naval race for the last 3 or 4 years, this country would have been hopelessly outdistanced.

Mr. ROBINSON of Indiana. I challenge that statement.

Mr. REED. Very well.

Mr. ROBINSON of Indiana. Why does the Senator say that? Does not the Senator believe that if Great Britain and Japan had started a great race for naval supremacy the people of this country would have also looked after their own interests?

Mr. REED. I doubt it, because they have not sanctioned the building of the ships we were allowed to build.

Mr. ROBINSON of Indiana. They are doing it now.

Mr. REED. The bill has not yet been passed.

Mr. ROBINSON of Indiana. We are not doing it because of the London Naval Treaty; we are doing it because of the danger that lurks on all sides, and that is the point to which I am addressing my remarks at this time. If we are to avoid war and have peace, it will be necessary for us to prepare to defend ourselves.

Mr. LONG. Mr. President, I wonder whether the Senator has made any research to find out just how a Senator might be invited to England to one of these conferences. I would like to go to one.

Mr. ROBINSON of Indiana. I have not gone into the question, I will say to the Senator from Louisiana.

Mr. LONG. I just want to put my claim on record so that I will have proper preference.

Mr. ROBINSON of Indiana. Another conference is to be held in 1936, and I suggest to the Senator that he get his request in to the White House. The Senator is on good terms with the present occupant of the White House, and perhaps the President will invite him to go to the next conference. Some one must represent us; usually one or more Members of this body go, and I see no reason why the Senator from Louisiana should not be preferred for such a mission.

Mr. LEWIS. Mr. President, I might ask the able Senator whether he does not think the foreign countries, England and others, would be very glad to see the Senator from Louisiana.

Mr. ROBINSON of Indiana. I am not so certain about the foreign countries, but I think the President would like to see him over there. [Laughter.] Yet I cannot forget that from all we were given to understand in the press a little more than a year ago, it was the able speech of the Senator from Louisiana on the floor of the Chicago convention in the first struggle which came, testing out the Roosevelt and anti-Roosevelt strength, which turned the tide in favor of the present Chief Executive and his nomination. So I should think he would grant any favor, in reason, the Senator from Louisiana might ask.

Mr. LONG. Mr. President, will not the Senate have a copy of the Senator's remarks transmitted to the White House? [Laughter.]

Mr. ROBINSON of Indiana. Mr. President, I have already taken more time than I had expected, but permit me to read from an editorial published in the Washington Herald of Saturday, February 3, the following words from General Washington, the first President of the United States:

To be prepared for war is one of the most effectual means of preserving peace.

The safety of the United States, under divine protection, ought to rest on the basis of systematic and solid arrangements, exposed as little as possible to the hazards of fortuitous circumstances.

There is more along the same line. I shall ask to have it all incorporated in the RECORD at the conclusion of my remarks. I shall not read more from that source at this time.

John Adams, when President, discussing our relations with France, used these words:

But in demonstrating by our conduct that we do not fear war in the necessary protection of our rights and honor, we should give no room to infer that we abandon the desire of peace. An efficient preparation for war can alone secure peace. We ought, without loss of time, to lay the foundations for that increase of our Navy to a size sufficient to guard our coasts and protect our trade.

Then I quote from Thomas Jefferson:

If war be forced upon us, in spite of our long and vain appeals to the justice of nations; rapid and vigorous movement at the outset will go far toward securing us in its course and issue and toward throwing its burdens on those who render necessary the resort from reason to force.

A very brief quotation from the late Gen. Leonard Wood, an American patriot of the first order:

It is better to be ready for war and not have it than to have war and not be ready for it!

Mr. President, I can sum up all I have attempted to say in these few words—that if we would avoid the horrors of war we ought to overlook no opportunity to prevent them. The best way to prevent war, in my judgment and, I think, in the judgment of the majority of the American people, is to be prepared for any emergency that might arise; to be prepared to defend ourselves against attack at all times.

I believe that the newspapers which are giving the country an opportunity to look at the war pictures—actual photographs of the tragedy, the misery, the horror of war—are performing a useful service and should receive the commendation of the American people.

I ask, Mr. President, that the editorial entitled "America's Greatest Patriots Warned of Dangers and Disasters of Unpreparedness", appearing in the Washington Herald of last Saturday, be inserted in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER (Mr. MURPHY in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

[The Washington Herald, Feb. 3, 1934]

AMERICA'S GREATEST PATRIOTS WARNED OF DANGERS AND DISASTERS OF UNPREPAREDNESS

Let us lift our eyes unto the hills from whence cometh our help.

In times of danger, of distracted counsels, of conflicting preoccupations, when our energies are wearied by exertions which abnormal conditions put upon them, it is well for us to emulate the wisdom of the psalmist—and lift up our eyes to the great men of the past—men of patriotism and foresight—to those human summits in which our history is so rich.

Their words are preserved to us. Let us pore over them, take to heart and keep them in mind as a call to duty—the vital, nay the primary, duty resting upon us of maintaining our country in a state of rational—and that means adequate—preparedness and defense.

The horrors of war—so graphically portrayed in the uncensored war photographs now appearing in the Hearst Sunday papers—war's carnage and waste, and its peril to our survival as a nation, have at all times been clearly envisaged by the Nation's founders and the great Americans who came after them.

They were lovers of peace, but they did not propose to brook injury. They were ready to meet force with force if necessary.

These were the words of Washington in his first message to Congress:

"To be prepared for war is one of the most effectual means of preserving peace.

"The safety of the United States, under Divine protection, ought to rest on the basis of systematic and solid arrangements, exposed as little as possible to the hazards of fortuitous circumstances."

In a subsequent message to Congress, the warning is repeated:

"I cannot recommend to your notice measures for the fulfillment of our duties to the rest of the world without again pressing upon you the necessity of placing ourselves in a condition of complete defense and of exacting from them the fulfillment of their duties toward us.

"The United States ought not to indulge a persuasion that, contrary to the order of human events, they will forever keep at a distance those painful appeals to arms with which the history of every other nation abounds.

"There is a rank due to the United States among nations which will be withheld, if not absolutely lost, by the reputation of weakness. If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, it must be known that we are at all times ready for war."

In a later message Washington returned to the subject, saying:

"Will it not then be advisable to begin without delay to provide and lay up materials for the building and equipping of ships of war, and to proceed in the work by degrees in proportion as our resources shall render it practicable without inconvenience, so that a future war in Europe may not find our commerce in the same unprotected state in which it was found during the present?"

John Adams, when President, discussing our relations with France, used these words:

"But in demonstrating by our conduct that we do not fear war in the necessary protection of our rights and honor, we should give no room to infer that we abandon the desire of peace. An efficient preparation for war can alone secure peace. We ought, without loss of time, to lay the foundations for that increase of our Navy to a size sufficient to guard our coasts and protect our trade."

Thomas Jefferson spoke to the same effect.

"If war be forced upon us", said he, "in spite of our long and vain appeals to the justice of nations, rapid and vigorous movement at the outset will go far toward securing us in its course and issue, and toward throwing its burdens on those who render necessary the resort from reason to force."

A modern soldier and patriot, the late Gen. Leonard Wood, expressed the philosophy of preparedness in a sentence which might well serve as a national slogan:

"It is better", said he, "to be ready for war and not have it than to have war and not be ready for it."

And he reminds us that war is with us today, as it was with us yesterday, and has been a part of man's lot through all the years since history began.

"Peace leagues struggle to prevent it", said he, "and great alliances attempt to abate it."

But it will disappear, he reminds us, only when absolutely unselfish justice marks international relations; when trade is equitably shared among competing peoples; and when competition, greed, selfishness, race interest, prejudice, and religious intolerance pass away.

These are stirring thoughts of great men. We must cherish them. We must act upon them.

They are a chart of national safety.

In tomorrow's Herald another 4-page installment of uncensored World War pictures will be published.

These pictures should bring home to every American who sees them the imperative necessity for heeding the advice and the warnings of our great leaders of the past.

We must do as they would have us do: Keep foreign wars out of America, and keep America out of foreign wars.

LIMITATION OF JURISDICTION OF UNITED STATES DISTRICT COURTS

The Senate resumed the consideration of the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

Mr. HEBERT. Mr. President, I desire to consider briefly the merits, or perhaps I might say the demerits, of the pending bill, Senate bill 752, to amend section 24 of the

Judicial Code. Before I do so, I think I ought to suggest some corrections so as to keep the record straight, at least so far as I myself am concerned.

I observed in the very able argument of the distinguished Senator from California, published in the RECORD this morning, the statement that a minority report upon this measure had been filed by the Senator from Vermont and myself. The fact is that I did not join in that report. I was not a member of the subcommittee of the Committee on the Judiciary considering the measure. The minority report, it happens, was made by the Senator from Vermont [Mr. AUSTIN] and the Senator from Mississippi [Mr. STEPHENS] who, I understand, were members of the subcommittee.

Again, notwithstanding that, in the argument of the Senator from California the statement appears that not one State has expressed its opposition to this measure, I find in the published hearings before the subcommittee of the Committee on the Judiciary of March 18 and 19, 1932, at page 110, in the course of the testimony of John E. Benton, general solicitor, National Association of Railroad and Utility Commissioners, this statement. The chairman of the committee asked the question of the witness:

What are those two commissions?

The witness having stated that two commissions had expressed opposition to the bill, and Mr. Benton is reported to have replied as follows:

However, the number of commissions which he had heard from was only a small part of the whole, being only those nearest to Wisconsin. The two which had expressed the view that action should not be taken were the commissions of Rhode Island and Massachusetts.

The fact that the public-utility commission of the State which I have the honor in part to represent has expressed its opposition to the provisions of this measure is, to my mind, sufficient justification to express at this time views which are not in accord with the views of the proponents of the bill. I shall not discuss the constitutional phases of the measure, contrary to the expectations of the distinguished Senator from the State of California.

Mr. JOHNSON. The Senator deprives me of a great pleasure.

Mr. HEBERT. I think that question has been covered so wonderfully well by the distinguished Senator from Vermont [Mr. AUSTIN] that it would be a work of supererogation for me to repeat the arguments he has so well advanced on that point in its relation to the pending bill. I want, however, to say that I consider this measure discriminatory in the extreme as against one particular group of citizens of this country. I speak of the public utilities. Of course, under the decisions of our Supreme Court they, and, indeed, all corporate organizations of this country, are vested with citizenship, and so such utilities, in the eyes of the law, are citizens just as human beings are citizens.

Article IV, section 2, of the Constitution provides:

The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

That clause of the Constitution has often been quoted here, but I think it will bear repetition lest the importance of that provision be overlooked. A part of amendment XIV reads:

Nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Mr. President, if we are to single out one group of the citizens of this country and say that it alone may not have the protection of the law, may not have the right to present evidence in support of its contentions before the courts of the land, then, it seems to me, we might as well say to the American Bankers' Association, which, as we all know, comprises a very large number of the banking institutions of the United States, "You may not be privileged to appear before the Federal courts in your respective States in matters affecting your interests, and, although you are incorporated under Federal law, whatever affects your interests in the several States where you are domiciled shall be determined before the tribunals of that State and in no other way." We might as well say that the milk dealers of the United States, those farmers who are engaged in the production of milk, shall not have access to the Federal courts; that the farm cooperatives, made up of large numbers of agriculturists in many sections of our country, shall be denied the right to appear before the Federal courts.

We are apt to look upon public utilities as power trusts, and financial and other gigantic institutions as entities, comprising great aggregations of wealth, organized to injure the ordinary individual citizen. We do not stop to realize that the public utilities of this country are, after all, but the holders, as trustees, for the savings of millions of people of the United States. We do not stop to realize, for example, Mr. President, that the savings of 39,267,000 citizens of the United States as represented in our savings institutions are invested in the stocks and the bonds and other obligations of public-utility concerns.

We do not stop to realize that in one company alone there are as many as 2,000,000 stockholders, the average holding being less than 30 shares, and, on the basis of $100 a share, representing an investment per stockholder of somewhere in the neighborhood of $3,000. We do not stop to realize that the number of life-insurance policies in force on January 1, 1932, in American insurance companies was 121,761,000. Prudent, careful, far-seeing American citizens have placed their earnings in the custody of those institutions, in order that those who are dependent upon them may be protected in time of adversity. Those funds are invested in public utilities. Life-insurance companies, I dare say, are among the largest investors in the country in the securities of railroads. The savings banks have literally billions of dollars invested in public utilities. So, anything which will work to the disadvantage of the public utilities will work to the detriment of the millions of depositors in our savings banks and the millions of holders of policies in our life-insurance companies.

It is urged as a reason for the enactment of this bill that there has been an abuse of the injunctive process. I observe in reading the report of the hearings held before the Judiciary Committee a table of cases that have been collated, and I find that the cases which had been heard in the several States which reported to those who conducted the investigation numbered 142,704; at any rate, that number of cases was under observation. Of that vast number of 142,704 cases, 154 reached the Supreme Court of the United States. In 86 of them the contentions of the utilities were affirmed; in 59 the contentions of the utilities were not affirmed. Of the 154 cases that came before the Supreme Court 74 alone came from State courts. So, Mr. President, it does not seem to me, from this record, that there has been any abuse of the injunctive process up to this time.

It is further urged that those cases which are taken into the Federal courts are the important cases, the very cases which lead to the conclusion that there should be some legislation to remedy the existing evils in that respect. Well, Mr. President, as has been well said, should we, because a very small percentage of cases which are tried in the State and Federal courts every day in this country go to the Supreme Court of the United States, abolish the Supreme Court? Of course, those of us who have practiced law know that literally thousands of law cases are tried in the courts of this country every day. We also know that relatively few, in fact, a very small percentage, ever reach the Supreme Court of the United States. If we follow the logic of the argument advanced in support of this bill to the effect that the remedy which is now provided in the Federal courts is not needed because there is such a small number of cases going to the Supreme Court, it would be as logical to do away with appeals to the highest tribunal under the Government of our country because of the few cases that reach it. Those very difficult cases provide us with a reason why we should maintain the jurisdiction of the Federal courts over the questions affecting public utilities.

I observed in the public prints this morning an article which, I think, throws much light on the situation at this time, and what may happen in the event the pending bill shall be enacted into law. I have before me an article which I take from the Washington Post of this morning, entitled:

Georgia bars eight phone firms in State offices. Governor calls on public to oust judges who enjoin rate cuts.

The Associated Press despatch under that heading reads as follows:

ATLANTA, February 5.—Governor Talmadge, himself beyond the reach of State courts, today ordered all telephones removed from State institutions served by eight companies enjoining reduced rates.

The Governor also put other companies operating in Georgia on notice that if they enjoined the public service commission from forcing reductions, their business would be discontinued by the State.

Determined to bring about lower utility rates, the Governor several months ago ousted all five members of the public service commission and placed men of his own choosing in their places. Since then a number of orders have been handed down cutting rates.

The Governor has called on the people to defeat at the polls—

Mark this, Senators:

The Governor has called on the people to defeat at the polls all judges who grant injunctions against reductions in utility rates. The question has not come before State judges, but a three-judge Federal court at New Orleans last week granted temporary restraining orders to the eight independents against whom the Governor acted today. The Southern Bell Telephone & Telegraph Co., largest in the State, is unaffected.

Mr. President, it must be remembered that when the utility rate cases reach the State courts, those courts will not go back of the record as made by the public utilities commission. It must be remembered, too, that the making of the investigation by the public-utilities commission is not a judicial proceeding. It is true that in most cases the utilities affected are notified that hearings will be held and that they may submit evidence in support of their contention; but the fact is that the record is made up by the commission itself, and when that record is made up and presented to the court, then it is conclusive of the facts in the case. That is not so in the Federal courts. The Federal courts have gone beyond that record.

In the State of New York one may well conceive of a situation which would deny to a public utility the right of review in the Supreme Court of the United States. Under the law of the State of New York, where a public utility is aggrieved, its appeal is to that branch of the judiciary known as the "supreme court." An appeal from the decision of that court goes to what is known as the "appellate division." But under the laws of that State one cannot go from the appellate court to the supreme court of the State unless there is a unanimous decision of the appellate court. Assuming that a case of that kind should arise, then one cannot, unless the appellate court wills it, go to the Supreme Court or the Court of Appeals of the State of New York, and manifestly until one's case has been heard by the supreme court of the State—in the case of the State of New York by the court of appeals—he cannot go to the Supreme Court of the United States.

The fundamental vice of the pending bill lies in the fact that it deprives a single class of citizens in a special kind of proceeding of normal recourse to the Federal courts in enforcing the rights reserved to all citizens under the Federal Constitution. In this respect the bill is discriminatory and unfair. Whether or not actually unconstitutional, it is repugnant to the American principle of equality for all citizens before the courts.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Minnesota?

Mr. HEBERT. I yield.

Mr. SCHALL. Can one go to the Supreme Court of the United States from a State court without the consent of the Supreme Court?

Mr. HEBERT. Yes. Every man has the right of appeal to the Supreme Court of the United States.

Mr. SCHALL. Is it not necessary to first obtain the consent of the Supreme Court to take an appeal to that Court?

Mr. HEBERT. No. There is a right of appeal under the statute.

Mr. SCHALL. I understood it was necessary to get the consent of the Supreme Court to take a case of this kind to that Court.

Mr. HEBERT. They may refuse to review, but one can get into the Supreme Court of the United States from the supreme court of any State.

Mr. SCHALL. Can one get in there with the facts in the case, or does he merely get in there with a proposition of law?

Mr. HEBERT. I understand when the constitutionality of the law is involved.

The Senator from Vermont [Mr. AUSTIN] has discussed at some length the provisions of section 380, or, in other words, section 266 of the Judicial Code providing that where a State affords a stay against orders of public-utility commissions, then the Federal courts do not have jurisdiction.

Section 380, Judicial Code, section 266 amended, reads as follows:

No interlocutory injunction suspending or restraining the enforcement, operation, or execution of any statute of a State by restraining the action of any officer of such State in the enforcement or execution of such statute, or in the enforcement or execution of an order made by an administrative board or commission acting under and pursuant to the statutes of such State, shall be issued or granted by any justice of the Supreme Court, or by any district court of the United States, or by any judge thereof, or by any circuit judge acting as district judge, upon the ground of the unconstitutionality of such statute, unless the application for the same shall be presented to a justice of the Supreme Court of the United States, or to a circuit or district judge, and shall be heard and determined by 3 judges, of whom at least 1 shall be a justice of the Supreme Court or a circuit judge, and the other 2 may be either circuit or district judges, and unless a majority of said 3 judges shall concur in granting such application. Whenever such application as aforesaid is presented to a justice of the Supreme Court, or to a judge, he shall immediately call to his assistance to hear and determine the application 2 other judges: *Provided, however,* That 1 of such 3 judges shall be a justice of the Supreme Court, or a circuit judge. Said application shall not be heard or determined before at least 5 days' notice of the hearing has been given to the Governor and to the attorney general of the State, and to such other persons as may be defendants in the suit: *Provided,* That if of opinion that irreparable loss or damage would result to the complainant unless a temporary restraining order is granted, any justice of the Supreme Court, or any circuit or district judge, may grant such temporary restraining order at any time before such hearing and determination of the application for an interlocutory injunction, but such temporary restraining order shall remain in force only until the hearing and determination of the application for an interlocutory injunction upon notice as aforesaid. The hearing upon such application for an interlocutory injunction shall be given precedence and shall be in every way expedited and be assigned for a hearing at the earliest practicable day after the expiration of the notice hereinbefore provided for. An appeal may be taken direct to the Supreme Court of the United States from the order granting or denying, after notice and hearing, an interlocutory injunction in such case. *It is further provided that if before the final hearing of such application a suit shall have been brought in a court of the State having jurisdiction thereof under the laws of such State, to enforce such statute or order, accompanied by a stay in such State court of proceedings under such statute or order pending the determination of such suit by such State court, all proceedings in any court of the United States to restrain the execution of such statute or order shall be stayed pending the final determination of such suit in the courts of the State. Such stay may be vacated upon proof made after hearing, and notice of 10 days served upon the attorney general of the State, that the suit in the State courts is not being prosecuted with diligence and good faith.* The requirement respecting the presence of three judges shall also apply to the final hearing in such suit in the district court; and a direct appeal to the Supreme Court may be taken from a final decree granting or denying a permanent injunction in such suit. (June 18, 1910, c. 309, sec. 17, 36 Stat. 557; Mar. 3, 1911, c. 231, sec. 266, 36 Stat. 1162; Mar. 4, 1913, c. 160, 37 Stat. 1013; Feb. 13, 1925, c. 229, sec. 1, 43 Stat. 938.)

The italicized proviso applies only where an interlocutory injunction is sought, restraining the action of any officer of a State in the enforcement of a State statute or of an order made by an administrative board or commission acting under the statutes of the State. It does not apply where a permanent injunction alone is sought or where the State action which is attacked is manifested in some way other than by such a statute or order, i.e., as by local ordinance.

Where an application for such an interlocutory injunction has been made to a Federal court, all proceedings in any court of the United States to restrain the execution of such statute or order shall be stayed, provided that before the final hearing of such application a suit shall have been brought in a State court having jurisdiction, to enforce such statute or order, accompanied by a stay in such State court of proceedings under such statute or order, which apparently means a stay of all other proceedings, except those in the State suit in question.

The practice of going to the Federal courts in utility rate cases originated in the State of New York. The objection which was made by the representatives of the States was that it took away the rights of the State to consider its own internal affairs. In the case of Prendergast against New York Telephone Co. (262 U.S. 43), reported in 1923, Mr. Justice Sanford made this remark:

The application for the injunction was heard by the district court upon the pleadings and affidavits relating to the cost and value of the company's property, its revenues, and expenses. It was not necessary that the company offer in evidence the voluminous testimony that had been taken by the commission on the legislative question prior to making the orders in question. The bill did not challenge the orders of the commission on the ground that it had acted arbitrarily, without any evidence. * * * The sole issue presented was whether or not the orders were confiscatory; which was to be determined by the court upon the evidence submitted to it.

Again, after the principle of the right of the State to regulate public utilities was established by the eventful decision in Munn against Illinois, some of the progressive States saw the necessity of delegating the rate-making power to an expert body or commission. That gave rise to a further decision sustaining the right of the Federal court to entertain motions for restraining orders. I find, as a part of the record of the hearings before the subcommittee on this measure, in the appendix, that there are collected excerpts from the utility laws of practically all the States. An examination of these will reveal that in but two instances do public utilities have absolute stay in case they consider that a rate is confiscatory. As I recall, one of these States is the State of Nebraska, whose laws provide as follows:

(a) The review is obtained by an action in the Supreme Court.
(b) "The evidence presented before the railway commission, as reported by its official stenographer and reduced to writing, shall be duly certified to by the stenographer and the chairman of the railway commission as the true bill of exceptions, which, together with the pleadings and filings duly certified in the case under the seal of the railway commission, shall constitute the complete record and evidence upon which the case shall be presented to the appellate court."
(c, d) The procedure shall be governed by the same provisions now in force with reference to appeals and error proceedings from the district courts to the Supreme Court of Nebraska.
(e) The order of the commission may be stayed by the filing of a supersedeas bond pending the review.

So far as I know, that is the only absolute guaranty of a stay in any of the statutes of the several States affecting public utilities and the rates which they shall charge.

It will be noted that under that statute nothing need be done by the public utility, if it be aggrieved by a ruling of the commission having control over its affairs, except to file a supersedeas bond; and thereupon there is a stay automatically until the case is finally determined by a decision of the Supreme Court.

In most of the States there is a provision to the effect that the court may grant a stay, but not as a matter of right; only as a matter of discretion within the judgment of the court itself. I do not know of any other State that has an absolute right, as is the case in the State of Nebraska.

Mr. President, there is a way in which States may protect themselves against what is termed "the interference of the Federal courts" if they care to do so. The State of Virginia has availed itself of that means. The State of Virginia some years ago passed a statute requiring that all public utilities should be domiciled in the State of Virginia before they could do business there. The right to pass such a statute was questioned in the case of Railway Express Agency, Inc., against Virginia. That case was heard in the Supreme Court of Appeals of Virginia in 1929, and thereafter went to the Supreme Court of the United States, and is reported in Two Hundred and Eighty-second United States Reports, page 440. The decision was handed down on February 2, 1931.

I think it will be interesting to include in the body of my remarks the opinion in that case, written by Mr. Justice Holmes. It reads as follows:

This is an appeal from a judgment of the Supreme Court of Appeals of Virginia affirming an order of the corporation commission that denied to the appellant a certificate of authority to do an intrastate express business in Virginia (153 Va. 498). The appellant was incorporated in Delaware in December 1928 and was given by its charter not only power to engage in international, interstate, and intrastate express business but other most extensive ones to own personal and real property and to engage in other collateral undertakings. Its stock was to be owned by railroad corporations. It has bought the business and assumed the liabilities of the American Railway Express Co. and is an agency of railroads throughout the United States. The appellant's right to do interstate business is not questioned, but it was held by the supreme court of appeals that being a foreign corporation created since the constitution of the State went into effect in 1902, it was prohibited by that instrument from doing intrastate express business by the plain words of section 163. The appellant says that, so construed, the prohibition is a direct burden upon the interstate commerce, which is its principal business, and therefore is void. It also invokes the fourteenth amendment for some help.

The Court goes on to say:

There is not here, as there was in *Western Union Telegraph Co.* v. *Kansas* (216 U.S. 1), and *Pullman Co.* v. *Kansas* (216 U.S. 56), a deliberate attempt to use the State's powers as a means for attaining the unconstitutional result of taxing property outside the State. *Western Union Telegraph Co.* v. *Foster* (247 U.S. 105), 114. Virginia is not attempting to go beyond its power by indirection or to take anything from anybody. It simply is refusing to grant a foreign corporation a permit to transact local business without taking out a charter from the jurisdiction within which that business must be done. There is no substantial evidence that the refusal would impose a burden on interstate commerce, and it is presumed to be constitutional. *O'Gorman & Young, Inc.*, v. *Hartford Fire Insurance Co.*, ante (p. 251). We may add that as suggested by the State court the difficulties created by the constitution of Virginia probably will not prove hard to overcome when it is found that they must be met.

The objection based on the fourteenth amendment is that the requirement of the Virginia Constitution deprives the appellant of its right to sue in the Federal courts and to remove suits to them on the ground of diversity of citizenship. This plainly is inaccurate. The appellant is not deprived of any rights. It can do all that it ever could. If it sees fit to acquire a new personality under the laws of Virginia, it cannot complain that the new person has not the same rights as itself. Of course, there can be no suggestion here that the clause in the State constitution was adopted for a sinister end. And, unless it was, the inability of the new State corporation to do all that the appellant could have done is only the legitimate incident of a legitimate act.

Judgment affirmed.

Mr. President, for these reasons I have felt constrained to oppose the passage of this bill.

I listened with more than ordinary interest to the exposition of the constitutional questions involved in the consideration of this measure as it was made by the Senator from Vermont [Mr. AUSTIN] on yesterday, and again today. It seems to me that the bill violates the due-process clause of the Constitution; that it violates the provisions of the fourteenth amendment to the Constitution; that it takes away from one group of citizens of this country, setting them apart from any other group, those rights which they have been accustomed to have, which have been recognized for all time since the question has ever arisen in the Federal courts.

I submit that to prevent the confiscation of the property of the millions of men and women of this country who have invested in those public utilities the bill should not pass.

Mr. VANDENBERG. Mr. President, I send to the desk a telegram which I ask to have read. It bears upon the pending bill.

The PRESIDING OFFICER. The telegram will be read.

The legislative clerk read as follows:

LANSING, MICH., *February 6, 1934.*

Hon. A. H. VANDENBERG,
United States Senator:

As chairman of the Michigan Public Utility Commission and also chairman of the Legislative Committee of the National Association of Railroad and Utilities Commissioners I desire to let you know we whole-heartedly endorse the Johnson bill amending section 24, Judicial Code. I am authorized and directed by the

national association representing all but one of the State commissions to urge you and all other Members of the Senate to favor this measure, because out of our experience we know that it is urgently needed for the speeding up and fair determination of important rate controversies. Our national association believes our experience and knowledge warrants our endorsement and our plea for its adoption.

K. F. CLARDY,
Chairman Michigan Public Utilities Commission and Chairman National Association Railroad and Utilities Commissioners.

Mr. NORRIS. Mr. President, if this bill should be enacted into law, the effect of it would be to take away the jurisdiction of the United States district court to issue an injunction against putting into effect any order of a State commission having charge of public-utility matters where the jurisdiction is claimed by reason of diverse citizenship. It will take away jurisdiction from the Federal court on the ground of diverse citizenship to issue an injunction restraining the enforcement of a rate or order made by a State public-utility commission. It will also take away the jurisdiction of the Federal court to issue an injunction on other grounds if the State, where the order is made by the State commission, has provided for a remedy of appeal by which any party to the suit can pass to the supreme court of the State, and from there to the Supreme Court of the United States.

All this talk about taking away the rights of individuals disappears. There is no one, not even a widow or orphan, who will be deprived of her or its day in court if this bill passes. The savings banks of the country which have invested their property in public-utility bonds or stocks will not be deprived of the right to go into court and eventually to reach the Supreme Court of the United States.

A great deal was said, particularly on yesterday, about denying corporations the right to go into the Federal court on the ground of diverse citizenship, so I am going to discuss that question first. Before I do it, however, I desire to give to the Senate very briefly the history of this litigation.

This bill was first introduced in the last Congress. It was referred to the Committee on the Judiciary. I happened to have the honor at that time of being the chairman of that committee. The Judiciary Committee referred the bill to a subcommittee to hold hearings. I happened to be the chairman of the subcommittee. The Senator from Arizona [Mr. ASHURST], the present Chairman of the Judiciary Committee, was a member with me of the subcommittee and the Senator from Indiana [Mr. ROBINSON] was the other member. We held hearings without limit, public hearings, where everybody and anybody had the right to be heard. After full hearings, the subcommittee were unanimous in their favorable recommendation of the bill to the full committee.

The full committee discussed the bill, and it was reported to the Senate by a very large majority of the committee and was on the calendar of the preceding Congress. When that Congress died, the bill not having been acted on by the Senate, it was reintroduced in the next Congress by the Senator from California [Mr. JOHNSON], again referred to the committee, and after a great deal of debate the committee reported it to the Senate, and it is here now. No snap judgment was taken of anybody. Every person interested and every corporation in the United States had a perfect right to be heard, and they were heard without any limitation.

I say that much in order that the Senate may understand that this bill from its inception has never been acted on with any idea of curtailing anybody's rights, or shutting off anybody or any corporation from his or its day in court.

Now let me take up the question of diverse citizenship as it applies to this bill.

At the present time most of the public utilities, in one way or another subsidiary to some corporation, sometimes in the fourth, fifth, or sixth degree, are organized in some State where they do not do business, where they have no property, where none of their officials live. That seems clear. There is but one object; it is in order to let them come into the Federal courts instead of the State courts in case they are sued or in case they sue anybody else. In other words, the corporation is always a resident of a State other than the State in which it does business. That is a suspicious circumstance to begin with. That on the face of it does not look right.

Let me tell the Senate of an instance that happened to come under my observation. It was in connection with the Nebraska Power Co. That company supplies Omaha and several surrounding cities in Nebraska with electric lights. It is incorporated in the State of Maine. It has no property in the State of Maine. It does not do any business in the State of Maine. The people who own the company and own its stock are not citizens of the State of Maine. Why is the company incorporated in the State of Maine? To give it an advantage under our law. When it is sued in the courts of Nebraska it can stay in the State courts, go clear through to the Supreme Court of the State of Nebraska, and if it is finally defeated in the Supreme Court of the State of Nebraska, before the edict or the order of the supreme court can be sent down to the lower court, because that court can take it up and render a judgment according to the decision of the supreme court, the company can dismiss the suit, absolutely dismiss it, and no final judgment has been rendered.

The next day or the same day the company can commence another suit in the Federal court, get an injunction on the allegation that the corporation is a citizen of the State of Maine, and consequently under the laws of Congress has a right to go into the Federal court. Having lost out all the way along through State courts, being dissatisfied, it commences at the very bottom of the ladder in the Federal district court, and from there it travels the weary way to the Supreme Court of the United States.

What kind of a proceeding is that? What justice is there in that? No citizen of the State is entitled to do that. The citizen of the State has to commence his action and maintain his rights in the courts of his State. But here is a concern doing business of, perhaps, the same nature as that of the citizen of the State—in the same State but incorporated in the State of Maine—and it has the choice of going into either the State court or the Federal court under our law.

If the pending bill is passed, that cannot be done. Will it be an injustice to such concerns?

If the Senator from Arizona [Mr. ASHURST] and I were engaged in the grocery business in the State of Arizona, with our businesses side by side on the same street, and I was incorporated under my name in the State of Maine and doing business in Arizona, and he was not incorporated in the State of Maine, I would have the choice when I commenced a suit of going into the State courts of Arizona or the Federal courts, and if anybody sued me in the State court, I could take the action out of the State court and go with it into the Federal court.

Is that justice? Is that fair? Is any right taken away from me in that case if the law says, "You cannot have such choice of courts, because you are engaged in business in Arizona. You selected your place. Your property is there. You live there. You are doing business there. Your customers are there. You have nothing up in Maine. You ought to be satisfied with the courts of Arizona, the same as your competitor across the street or next door who cannot go out of those courts. You did not have to go into business in Arizona. You could have gone to Maine if you liked Maine better than Arizona, where you are incorporated, and have done business there. You did not choose to do it. The reason you did not choose to do it is because under the laws of the United States you have a special privilege if you incorporate yourself in some State other than that in which you do business."

Is it an injustice to compel the Nebraska Power Co. to resort, if it has any difficulty, to the courts of Nebraska? They do not have to be in Nebraska. They voluntarily located there and they are doing business under a Nebraska law. Yet a Federal court is their haven of refuge—I will not say it is so considered because they get more favorable consideration there—I will say it is because when they have the Federal courts to go to they have the opportunity to go into either one of two courts to try one for a while, and if they

do not like it, to stop there and commence in the other court, an advantage that the citizen of the State does not possess.

So when Senators talk about taking away a right from the sacred utility companies, that are afraid to be incorporated in the State where they do business, where they live, where they own their property, and that incorporate in some other State, I cannot agree. My contention is that if the pending bill is passed, we will merely take away a privilege which they now have.

I am assuming for the sake of my argument that there is justice both in the Federal courts and in the State courts; I am not condemning either one of them; but I am saying that a delay of justice is often a denial of justice. An expense that is unnecessary is occasioned by the present law; an expense by reason of which an ordinary man and many municipalities will be worn out before they get to the end of the litigation.

The Senator from Vermont [Mr. AUSTIN] yesterday referred to the Montana case, that is contained in the majority report, as an exceptional case. Mr. President, it is a typical case. It is not an exception. I can bring cases by the hundreds, so can anyone else, to show that it is the average case. It is the Jarndyce against Jarndyce, of former days, which has crept into our civilization, by reason of which justice is denied because of delay and expense. Let us see about that case.

When the majority report was written, I think about a year ago, the Montana case had not yet been disposed of. We had carried it through several years, and it was still undisposed of. I do not know whether it has been finished since or not. Perhaps it is still pending. At the time the report was written it had been 6 years since the beginning of the suit. It had been twice to the Supreme Court of the United States. It had been to the Supreme Court of Montana. It was reheard by the court of Montana, heard by the Federal district court, and the Montana district court. In that case the people were successful. Justice came.

But justice will not do any good if everybody is dead before it arrives. That is what happened in the Montana case there. There had been 6 years of delay. How much does the Senate suppose it cost the people? I do not know. But the State of Montana had a provision of law by which the State commission investigated, as most State boards do, the cost of public utilities, took evidence, went out in the field and examined conditions, and finally fixed a rate, and the last I heard of that case was when the Supreme Court of the United States sent it back to the district court and told them to try it over. They held that the amount fixed originally by the board was right, and I said at that time on the floor of the Senate, and I repeat it now, that it had been so long since the beginning of the case that I anticipated the first thing which would happen when it got back would be that the publicity utility would say, "So many years have passed since we commenced the action that the conditions existing then do not apply now, and we ought to have a new trial."

Six years, and still the litigation is not ended.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. BONE. I do not wish to appear cynical, but I am sure the able Senator from Nebraska understands that the sort of business he has been discussing is simply now an integral part by a practice of the so-called "systems of State regulation" that have been impressed on the people of this country. That this delay which is as old, as the Senator said, as humanity——

Mr. NORRIS. Yes, sir.

Mr. BONE. And that Hamlet referred to in his protest, is now simply a part of a technique of power companies. If they cannot whip the public and skin them out of their lives in high rates they go into the courts of the land, utilizing both the State and the Federal courts, and wear out the public in litigation. I am sure the Senator recognizes that legislatures have made it very difficult to get appropriations through to enable State regulatory boards to fight such cases in the courts.

In my own State of Washington it is almost impossible, with the power company control over the State legislature there, to get an appropriation which will permit the public-service commission of that State to make a definite investigation of power rates. We have one or two big power companies there who profess all the time to be regulated by the public—a statement wholly false. The companies claim that their rates are regulated, and yet there has never been a regulatory order enacted in that State, and the legislature will not even appropriate the money to make an investigation thereof.

With that condition being superimposed on the racket used and employed in preventing the disposition of cases in the courts, of course, the public remains helpless, and we have such things as the Insull abortion which occurred in this country not long ago. I have heard some of the discussion in the Senate, but I have not seen the shedding of tears here for the widows and orphans of those who lost $2,000,000,000 by the manipulations of Sam Insull and the gentlemen who like Mr. Insull have been guiding the power industries of the country in paths of glory by their transcendent genius; I have never seen any shedding of tears for those people. I should like to hear, by way of change, from some of the gentlemen who so ardently defend the power companies concerning the practices of men like Sam Insull. I will have something to say about that later in the course of the debate, if it shall continue, but I am sure the Senator from Nebraska agrees with me that they not only make it impossible to have a real investigation of the power companies, but saddled on to it is this practice which the Senator is discussing.

Mr. NORRIS. Mr. President, I thank the Senator. He reminds me of one thing I had forgotten. Never let us forget for one moment that all these expenses are paid for by the public. The public pays the public-utility board, their salaries and the salaries of their clerks at an enormous expense. All that, when the case goes into a Federal court is thrown aside, and a Federal judge appoints a master to appraise the property. The master may be a good man, but he appraises it. He hires experts galore to do it; he fixes their salaries; he reports to the judge and the public pays every cent of that expense. It is paid in rates; in the other case the expense is paid in taxes; but it all comes out of the pockets of the public, just the same. The public utility does not pay taxes; it is merely a tax collector; that is all; and the only difference between that tax collector and the county or the State treasurer who collects the public taxes is that the citizen pays the public utility for the collection of the tax which it denominates its own and pays a fabulous price for the collection. So there are two collectors; one the treasurer of the county who is paid a nominal salary, a small commission; but the public utility hires lawyers of the most expensive kind; secures experts who are educated with one idea only; it gets them by the hundred, and scatters them all over the United States. There is scarcely a village under the dominion of the United States flag where practically all the attorneys are employed in one way or another by the public-utility corporations, not as lawyers—because they do not try lawsuits and the corporations have good lawyers to try their lawsuits—but they have been admitted to the bar; they have a political influence, and that is what the corporations buy. They occasionally send them to the Congress, even to the United States Senate.

Mr. BONE. Mr. President, I hope the Senator would not suggest that a man would be a Senator and an attorney for a power company at the same time, and attempt to speak for the power company?

Mr. NORRIS. Oh, no.

In the Montana case the people of Montana paid the cost of both sides of that litigation. One part of it, the smaller part, they paid in taxes to the State treasurer; the other part, the much larger part, they paid in increased rates, and some the revenue thus obtained was used by the power companies with which to pay their taxes.

It was stated today by the Senator from Rhode Island [Mr. HEBERT] in arguing this case, that when a public utility seeks an injunction or an order under the Federal law against the enforcement of a rate, it is necessary that three Federal judges sit. That is true. The law providing that requirement was passed with the idea that it was going to give relief. As a matter of fact, I think it has been harmful rather than beneficial. Let us take as evidence the Montana case, which, it is said, is exceptional. The counsel for the Public Service Commission of Montana, in his letter, which is in the report submitted with the bill, says that after this restraining order had been issued he undertook to have the case tried by three judges as the law provided. He called upon the senior judge, under the Federal statute, to hold court consisting of three judges. I do not know what happened except what he says:

> Counsel was informed by the senior district judge that because, in his opinion, the commission had prevented the case from being heard upon final hearing on the same day and upon the same record as the application for interlocutory injunction was heard (incidentally, an opinion not at all borne out by the transcript of the proceeding), it would be a "cold" day before the senior district judge would reconvene the special court to try this action.

Delay! That is what the corporation wanted. By delay in the hearing the injunction could be kept in force.

> It will be a cold day before I will call court under the law.

So this weapon given by Congress and cited by the Senator from Rhode Island as a benefit for municipalities where rates are in controversy, that very law, has been used in the case before us to delay action. I read further from this letter:

> When it was suggested to the senior district judge that the right to trial upon its merits was one accorded by the statute, the rejoinder was made that "probably"—

That word "probably" is in quotation marks—

> the case would be heard in "2 or 3 years."

Delay! That is the object of having the right to go into the Federal courts and State courts at the same time or one after the other. Delay; wear your opponent out; spend your money; compel him to spend money until he has not any left. The utility companies can spend more money than anybody else, because, if they run short of money, all they have to do is to raise their rates and make the people pay a little more. It is not difficult. The people foot the bill; the people give them the right, under the laws of Congress, to go into the State courts or the Federal courts, and the people then pay the expenses—all of them, every cent of them. The utility corporation has no means of income except what the people pay for rates. If it is a gas company the people pay gas rates; if it is a water company they pay water rates; if it is an electric company they pay rates for light or power. So, unless the municipality or the individual has an abundance of money, there is not any hope for the municipality or an individual in ever going into court. The individual is going to be worn out sooner or later somewhere along the line; he is going to die of old age; and the corporation that is fighting him will still be young and go on and wear out his children and his children's children with litigation; and when it is over, the rate they have established is 10 years old. The utility corporation has been getting those rates all the time on account of the injunction and has made enough profit, by exorbitant rates in the meantime, so that it is profitable for it to litigate.

The Montana case, to recur to that, disclosed a remarkable condition. The Senator from Vermont said it was exceptional. The report shows up a good many other cases and I ask unanimous consent at this point to print as part of my remarks, at their conclusion, the majority report submitted on this bill.

The PRESIDING OFFICER (Mr. POPE in the chair). Without objection, permission is granted.

(See exhibit A.)

Mr. NORRIS. There will be found in that report, Mr. President, a great many instances—and I can give others—in connection with diverse citizenship. One of the cases referred to in the report came up from Kentucky. At Louisville, Ky., there was a taxicab company——

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. LOGAN. I should like to correct the Senator. It was not Louisville, Ky., it was Bowling Green, Ky. I do not want to take the honor away from my home.

Mr. NORRIS. I stand corrected; it was at Bowling Green, Ky.; at least, it was in Kentucky. As I understand—and if I get this wrong I wish the Senator would correct me—the taxicab company—I have forgotten its name—wanted the privilege of parking its taxicabs at the depot of the Louisville & Nashville Railroad. The railroad had given the exclusive right to park taxicabs on their property to another taxicab company, the competitor of the company which wanted to use the space as a taxicab stand. It was well known what the public-utility commission would have done and what the Supreme Court of Kentucky would have done. They would have compelled the railroad company to give to the other taxicab company the right to park their cars at the depot; in other words, they would have held that the railroad company did not have the power to issue an exclusive contract to one taxicab company.

The taxicab company that held the right to the parking privilege was chartered under the laws of the State of Kentucky; it was incorporated under the laws of Kentucky; its property was in Kentucky; those who owned it lived in Kentucky; it had no business outside of Kentucky; but it wanted to be the resident of another State in order that it might go into the Federal court. So the company proceeded to incorporate itself in the State of Tennessee and to dissolve the corporation under the laws of the State of Kentucky.

The new corporation under the laws of Tennessee had the same name, the same property, the same officials; it was owned by the same men and was doing the same kind of business at the same place; but now it was a nonresident of the State of Kentucky under the law. So it went into the Federal court and it succeeded in getting what it wanted by going from the Federal district court on up through the Court of Appeals to the Supreme Court of the United States. The Supreme Court held differently from what the Kentucky Supreme Court would have held. It held that this exclusive right was legal and confirmed it and held it valid. That is what the taxicab company wanted, namely, to shut its competitor out. The Kentucky Supreme Court would not have done that.

We are talking now, Mr. President, about justice; we are talking about what is right. It has been stated here that this bill will take away the sacred rights of citizens of the United States. Who was right there—the Kentucky court or the Supreme Court of the United States? Here was a corporation in Kentucky, whose property was in Kentucky, whose office was in Kentucky, whose owners were in Kentucky, whose managers were in Kentucky; and yet the corporation was incorporated in Tennessee and, under the law, it was a nonresident of Kentucky, even though everybody who owned it lived in Kentucky. The courts of Kentucky would hold that a railroad company had to permit rival companies to have a reasonable opportunity to park their cars at their depot and compete for a part of the traffic. The Supreme Court held that the railroad company had the right to give an exclusive privilege and shut out everybody else. I will compare the Kentucky view with the Supreme Court view before any honest-minded man and not be afraid of the result of his decision.

Talk about justice! Those who are talking about getting justice for the poor widows and orphans under this bill ought to go somewhere else than the United States Senate to shed their crocodile tears. Justice! How long will the people of the United States submit to the kind of justice they are getting now and which this bill seeks to remedy? How long are we going to proceed before we realize what

is going on over the country, that there is dissatisfaction with the delay in Federal courts, that there is unnecessary expense in the Federal courts? How long are we going to live before we realize the iniquity of these injunctions prohibiting a State from enforcing orders that apply to property within the State? How long are we going to hide our heads in the sand and not know what is actually taking place?

This is one of the elements that enter into the cost of living in every home in the land. In my judgment the time is not far distant when in one way or another the people are going to stop this duplication of courts, are going to prevent a process by which a corporation may drag some matter out in long litigation, and wear out its opponent with expense and delay. Honest people will not submit much longer to this injustice. They are crying alound; and if we do not hear the cry, it will be the worse for us when it gets so loud that it can no longer be denied.

It is one of the well-known facts from the Atlantic to the Pacific that justice in the United States very often costs more than it is worth and that we cannot get it even at the end of a long lawsuit unless there is some way to bridge over from life into eternity. I have just cited another case. I suppose it would be said to be "exceptional." I say it is difficult. There are not very many power companies in the United States doing business in the State where they are incorporated. They are all taking advantage of the law of diverse citizenship in order that they may wear out their opponents with expense and delay.

Is there anything wrong about setting up a State institution of experts, as most of the States have, to pass on rates that shall be made effective in the State for public utilities? Is not their judgment just as good as the judgment of a commission of experts selected by a Federal judge? Is it unfair to say, "You can have one source of trial as everybody else, but not two"? Is it unfair to say "We cannot afford two; we cannot pay the expense; we cannot await the outcome"?

The Senator from Vermont [Mr. AUSTIN] called attention yesterday to an amendment which he offered in the Judiciary Committee and which he read here on the floor of the Senate. It was practically an amendment which would provide for a supersedeas bond. The effect of it, if agreed to, would be to keep the old rate in force until the case is finally disposed of. It would be a further reason for a public-utility corporation to delay by every means possible the final judgment in their cases, because during that time of delay the injunction would operate and the old rates would have to apply, if they were lowered by the public-utility commission; so that instead of a year of delay, if it were possible they would have 2 or 3 or 4 years and in some cases 5 or 6 years. "Exceptional", said the Senator from Vermont.

Let me invite attention to another exceptional case from the State of New York. Litigation has been pending there with the telephone company for the fixing of rates. It is a difficult thing, a technical thing. It is a matter that requires the services of experts, the services of men who have studied it for years. Federal district judges are not experts. Commissions are more apt to be, but they are not always experts. They select men who are experts. The work is done, no matter where the appraisement takes place, mainly by experts. I am not going to read all of it because it is quite long, but I want to read from Felix Frankfurter's book entitled "The Public and its Government." He traces this litigation from the beginning, giving dates, giving it in chronological order all the way through, and sums it up as follows, the question involved of course being the fixing of definite rates:

> There the matter rests, but only for the immediate present. Further appeal to the courts in the future is left open by the company's announcement that "no further application to the court is contemplated at this time." Thus, one need be no pessimist to anticipate that the rate determination arrived at by the commission is likely to give rise to another litigation, while the old one is now on its way to the Supreme Court of the United States.

Now, listen to his story of the expense involved:

> Down to the special master's report of last year, the record of this controversy contained 62,864 pages.

That is just one lawsuit! No wonder that lawyers do not want to have a simplified way of trying lawsuits. Think of it—62,864 pages of testimony! That one case is a means of income for a lifetime for a lawyer. What is going to be the fee in that case? They have taken testimony and have 62,864 pages. What about the exhibits?

> The number of exhibits filed is 4,323.

How long does it take to read them? How many times have they been studied and analyzed and fought over by the lawyers? More than 62,000 pages of testimony, more than 4,000 exhibits. What are the stenographers' fees? How many witnesses have been examined? How many experts have made a study which, outside of their testimony, has cost thousands and thousands of dollars? The case is not ended yet. Do not forget that. It is still going on, like Tennyson's brook—

> Making a shelf of books about 10 times as long as President Eliot's famous library.

That library has been advertised for a number of years. I have it myself, incidentally. In the ordinary life of a busy man like one of us it is pretty nearly the task of a lifetime to read it through. The evidence in this one case is 10 times as extensive as Dr. Eliot's 5-foot shelf library, being more than 63,000 pages of testimony and more than 4,000 exhibits, comprising a library 10 times as long as President Eliot's famous library of classics. What does anyone suppose that cost the taxpayers? Mark you, the taxpayers have paid every cent of it. They have paid the high-priced lawyers in this case and they have no voice in their selection. They paid the high-priced experts, whether they had a voice in selecting them or not. They could not get away from it. The company charged it all to expense and included in the rates every penny of the expense.

Now let us see what the author of this book said about the expense:

> The company alone has spent $5,000,000 in this fight.

One more suit not yet finished and $5,000,000 spent by one of the parties! Is there any wonder that there is a feeling among the common people of the United States that our Government is too expensive? Is there any wonder that there is a prejudice against the public-utility corporations? The people know they pay the bill. They know, too, that when a lawsuit is started, it is never ended until the public-utility officials want it ended.

Mr. BONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. BONE. The very thing the Senator is now saying makes it obvious to every thoughtful person that it is a practical impossibility for the average American community to get justice in the courts in one of these rate cases because of the frightful cost. The average community would not undertake it, knowing the expense involved.

Mr. NORRIS. Absolutely. Not only that, but the ordinary individual in a community or in a municipality, if he is going to undertake to get some reform or attempt to get a lower rate, wants it effective before he dies. He has not any assurance that he is going to live to be as old as Methuselah; and he knows—he can easily find out if he will look into some of these cases—that there is not a hope on earth of getting a remedy during his lifetime.

Is it any wonder that the people are tired of this burden? Is it any wonder that they are overburdened by these public utilities, with the terrible rates that are imposed upon them? The wonder is that they have not risen in their might and destroyed these outfits that are living off the fat of the land, paid for by the sacrifices of those who toil and those who are poor.

Let me read on some more of this:

The company alone has spent $5,000,000 in the fight—

Says the author—

but the more significant cost is the bitter feeling which the controversy has engendered between the telephone company and the public.

Did you ever think of that? There is something beyond mere money. When a people realize that they have been abused, that they have been robbed, that they have been treated in a way that is unmercifully cruel, a feeling arises between them and the public-utility corporation that is more than can be measured by money. I should like to see that feeling disappear. I should like to lessen the possibility of the existence of such a feeling. I should like to simplify this legal procedure without doing any injustice to anybody.

This bill to a degree will do it. This bill proposes that when you come to my State voluntarily and invest your money, and go on with your business, whatever it may be, you shall, as a good citizen, subject yourself to the laws of the State and the courts of the State and the bureaus and boards of the State. You did not have to go into a State and set up a public-utility function; but if you did, honesty requires that you should be satisfied, as other people of that State have to be satisfied, with the laws, the rules, and regulations of the courts that are provided for everybody alike.

This bill does not deprive a single corporation of a right to reach the Supreme Court of the United States if a Federal question is involved. It does not deprive it of the right to try it even if a Federal question is not involved. It simply says, "You cannot have two remedies at once." It simply says, "You cannot wear us out."

As this writer says there is a feeling between public utilities and the public that is more significant than the money they pay.

It may be said that this case is extraordinary. The Senator from Vermont [Mr. AUSTIN] called it an unusual case; but the trouble is there are more unusual cases than can possibly be enumerated in this discussion. Everything is unusual. And who gets the benefit? Is it a fair benefit? The public-utility corporation gets the benefit; and, I submit that it is unfair. It is cruel. It ought not to be given to them by law. If they were honest and wanted nothing but justice, they would not be here fighting this bill.

The author says, going back to this New York case:

After 10 years of regulation New York and its telephone company are still in the throes of conflict over what the public may fairly be asked to pay for its telephone service and what the company is fairly entitled to earn for rendering it.

Ten years! Not through yet! One side has spent $5,000,000. If they had to pay it, it would not be so bad; but the public of New York has paid every cent of it; and every dime that was paid for the entertainment of their experts and their attorneys in this case has been paid by the farmer, the small-business man, the laboring man, who has a telephone in his house. They are paying the bill.

Ten years! Not through yet! Ten years of litigation! Suppose the other side spent the same amount of money. That would mean $10,000,000 spent, paid for by God's poor, and the end not in sight. Ten years more may not see the end.

The Senator from North Dakota [Mr. NYE] says, "The first hundred years are the hardest." That may be true; but before the hundred years have passed away, the people who entered this lawsuit as babes will have died of old age, and a new generation of men and women will have come up to bow their shoulders to this unjust burden.

One of the Senators—I think it was the Senator from Rhode Island [Mr. HEBERT]—today, in arguing this matter, said that this bill denied to citizens of the United States, all the citizens of the United States, a fair deal before the courts.

What do they have now? They have an unfair advantage. They are entitled to go into one of two courts, or to go into both of them. They are entitled to go through one until they find that the decision is going against them, and, if they find that, to stop, dismiss the suit, and commence in the other court. That is unfair. That right is taken away from them by this bill. It does not deny anything that is fair or just. I deny that there is anything in the bill that denies to any honest citizen, or even a dishonest citizen, the right to be heard in court; the right, if a Federal question is involved in his case, to reach the Supreme Court of the United States.

Two or three years ago I made a study of the number of cases based on diverse citizenship in the Federal courts. After writing to the clerk of every district court in the United States, and getting a report from most of them of an entire year in their particular jurisdictions, I found that practically one third of the civil cases tried in the Federal district courts were tried because the plaintiff or the defendant, the corporation, had claimed diverse citizenship. In a great many, I think the majority of the cases over electric-light injunctions, the Federal district court got jurisdiction by virtue of the company's incorporating in one State and doing business in another.

Something has been said about the widow and the orphan, and about the poor savings bank. How are they hurt in this bill? Why drag in the poor widow and the orphan?

More tears have been shed by great, big, wicked corporations about the poor widow and the orphan than about anything else I know of. They say, "Do not take away the investment of the widow and the orphan who own some of the stock!" But they did not shed any tears when Insull took it away. They did not shed any tears when Insull and his brother escaped from the clutches of the United States courts into foreign courts. How many pennies belonging to the widows and the orphans did Insull take over to Greece? These corporations have not told us. They have not shed a single tear for those widows and orphans. But they say, "Here, you will injure the investment, you will destroy the property of the widows and the orphans and the savings banks!"

I do not know how. I do not know how they come in here. They are not denied the right to enter any court. Are you afraid to let them come into a State court, where the people of the State have to go whether they like it or not? Do you get an advantage by going to the Federal court? Everybody knows it costs much more money to go into the Federal court, and the litigation lasts a good deal longer. That, in the main, is why they want the privilege. That is why they want the right to wear out the widow and the orphan who have telephones, who have electric lights, who cook by gas. Those are the widows and orphans that I am talking about. Those are the widows and orphans that are hurt.

Nobody knows just how many widows and orphans own the stock and bonds of public-utility companies, or what their names are, or where they live; but if there is 1 widow and 1 orphan for every tear that the public-utility corporations have shed in their behalf, the census of the world's population must be taken over again, because we have not nearly reached the limit. According to their cry, there are more widows and orphans than there are people of all other classes; and it is in their behalf that the public-utility corporations want the right to wear out the other widows and orphans by litigating them to death!

Mr. BONE. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. BONE. I am sorry to interrupt a discussion so interesting and entertaining as this; but the Senator's reference to the widows and orphans who are being "skinned" by power companies reminds me of a little incident that happened in the West which probably may serve to illustrate the Senator's point. It has to do with some of the widows and orphans who are using electric ranges and accessories, who are paying the price for all this funny business.

A power company in that part of the country that frequently resorts to the mechanism of the Federal courts to protect its peculiar manner of doing business built a little power plant on a river in that region, called the "White Salmon River." It filed on the water power of the river. That cost only a tiny filing fee; and the company built a

plant on the river that cost $1,230,000. That is a rather interesting figure—$1,230,000 for a 15,000-horsepower plant. This power company that is now owned in the East, a wing of the Electric Bond & Share Corporation, got the water for nothing. Against this bare water right that cost nothing, the company issued $10,424,000 in common stock, which is probably "hocked" with some insurance company now.

It would have been bad enough if the company had merely issued the stock; but I want to tell the Senator from Nebraska that that outfit, which denied repeatedly through the press that it was paying interest or dividends on its stock, for years and years out there was paying not less than 12 percent a year on that $10,424,000 of "phony" stock which was wind and water and hokum. At 12 percent a year, that would amount to $1,250,000 in dividends on the stock; and that $1,250,000 annual dividend, stripped out of the hides and the pocketbooks of the people of my State and the neighboring State of Oregon, was more than the total cost of the hydroelectric plant itself!

If anyone in this body can find any racket like that which can be beaten by anything that Al Capone or any other racketeer in this country ever did, I should like to have such Senator rise and tell me about it now. Ten and one half million dollars of "phony" stock issued against a water right, and the interest gouged out of the people of my State and the neighboring State of Oregon! That was crooked, plastered all over by fraud, but sanctified by this thing we call State regulation and protected by the courts. They did try to protect that sort of thing, and the company denied that it existed, until in a State regulatory hearing it was brought out.

That sort of thing, Mr. President, is what the public utilities of this country have tried to defend and protect; and I share the able Senator's view that the utilities, by their activity, by putting over such monstrous things as that, by committing great crimes against the people of the States, are building against themselves a Frankenstein monster which some day will be their destroyer.

There is no apology made on the part of utilities for the losses to the homes and to the widows and the orphans in that part of the country who pay every year in excess charges more than the cost of the power plant, a fact which I have asserted on hundreds of platforms in my State. No one will try to deny that statement, because it is true; and because it is true, I will name the public utility in question—the Northwestern Electric Co., in my State. Not long ago the public-utilities commission in that State struck out the phantom earnings, but they struck out only the part allocated to the State of Oregon.

I am sorry to take so much of the Senator's time, but this is just one of hundreds and hundreds of cases where power racketeers have done that sort of thing, have literally jammed it down the throats of the people, and tried to sustain it in the courts; and when the little communities have tried to protest against it, as in this case and in hundreds of cases I have followed through the courts, there resulted the tragedy of the expenditure of hundreds of thousands of dollars—perhaps, as in the case the Senator mentions of the telephone utility, I believe, of millions of dollars—to meet and resist that sort of thing.

Why should the people of my State remain helpless and have to go into the Federal courts and try such cases through the Federal courts, and be the victims of fakery jammed down their throats by people who claim to be respectable? I desire to tell the Senator from Nebraska that the men who did this occupied places of respectability, but I also wish to say that Al Capone was a gentleman compared to them.

Mr. NORRIS. There is one of them living over in Greece now, enjoying the results of his labors, and 1 or 2 other such "respectable" men now living in Canada.

Mr. BONE. There was no due process of law. One did not hear any of that clatter when they walked into the homes of southern Washington and took out in earnings every year more than the cost of the whole plant. There was no equal protection of the laws there for the little orphan and widow in southern Washington, nor were any of the fantastical theories we have heard in connection with the utilities raised there to protect their homes. This company was paid under the rates there in existence, as I said, in the course of a year, more than the cost of the whole plant; and this money went to enrich a little handful of men as a return on ten and one half million dollars of common stock which had been issued on a water power that cost $1,230,000. It represented what we lawyers call "the return on the venture." That was the gravy, the velvet, that went to the insider whose ability and genius was such that it enabled him to go and file on the water right down there, and translate that filing into a plant of real value. That gave him the control of the company; and he could go out and peddle a lot of his preferential, pluperfect, superheterodyne A and B stock out there to the people, and rake in the money and collect interest—12 percent a year, at least—which was more than the whole power plant cost!

That is a sample of the sort of thing in which the power companies are protected. I know of cases where there have been at least 100 percent write-ups by the power companies in that section of the country; and, for one, I desire to see removed the power whereby these "honorable" people can get through with their hokum and fakery.

I submit to those gentleman that they had better not continue such practices and press this kind of crown of thorns down on the people of America too long, because patience may cease to be a virtue, and the people may do what they do in my part of the country—adopt public ownership. That is the answer. If they want to hide behind the legal barriers, there is a way to reach them. The most effective way is public ownership. I hope the Senator from Nebraska agrees with me concerning that.

Mr. NORRIS. I agree with it.

Mr. BONE. That is the way to reach it.

Mr. NORRIS. I might say that the case which the Senator from Washington mentioned would be, I presume, called "unusual" by the Senator from Vermont.

Mr. President, when I was interrupted, I was about to call attention to what seems to me to be an unusual and unfair, almost criminal, disrespect being paid to State courts and State boards by those who want the double opportunity of going into Federal courts or State courts at their choice, in places where the people of the communities in which they do business, their own customers, do not have the same privilege. I find in the testimony that was taken at the hearings what I have found in the thousands of letters which have reached me from all over the United States, from attorneys who were opposing this kind of legislation, that it is claimed that they cannot get justice in the State courts. I have, for instance, one letter from an attorney from which I am going to quote now. He says:

> We do not want to try our cases before a judge who has to depend upon the will of the people to hold his position.

That is very frank. That fellow is honest. He is telling his real objection.

> We have no confidence in State courts.

Then, for God's sake why do they not keep out of the States where those courts exist? There is no compulsion to invest their money in the utility business in any State or in any other business. If they do not want to abide by the law of the State where they are going to do business, then let them stay out.

I will say, Mr. President—and I think it cannot be successfully contradicted—that as far as justice is concerned, there is nothing but poppycock in the claim that they cannot get justice. That is not their reason. They want to wear their opponents out with their litigation. They want to wear their opponents out with expense.

Let us see what another man writes:

> We want to try our cases before judges who hold their positions for life, and who, therefore, will not be inclined to be swayed in any degree by the fact that he must go back to the people for reelection.

If we do not like a democracy, if we do not like to let the people of this country rule the country, then let it be ruled

by injunction. That is what is being attempted. Let the Federal judges rule this country by injunction. They might do a good job. I have not anything to say against the Federal judges. They are like the State judges; some of them are human, and some of them are inhuman. But any man who has a life position is, in my opinion, getting away from the people, where the human touch does not affect him, where mercy is not considered, where poverty and suffering have no appeal. I want a condition where the judges, and the Senators, and the President, all officials, shall come from the people of the United States. We profess in every platform we adopt, in every political party, that we believe in democracy. Let us practice what we preach.

Another one writes:

State judges are too close to the people who elect them.

Get somebody away from the people to make the laws and to enforce the laws.

Federal judges, who hold their positions for life and who are not indebted to the voter for their positions, are more satisfactory.

Let us see. Suppose someone goes into my State and kills one of our citizens. There is no law by which that murder case can be taken into the Federal courts. It is nothing but human life involved; that is all. You may come from Maine, you may come from Rhode Island or Massachusetts, into Nebraska, or Kansas, and murder a man, and you have to go before the courts of Nebraska or Kansas and be tried. But suppose there is some property involved, and you come from Maine or Rhode Island; the law says you have your choice. You do not have to submit to the courts of the States. You can go into Federal courts if you want to. Money is at stake; therefore, we are going to guard and protect you to the utmost, give you the advantage of the citizens of the State. If human life is at stake—oh, that is nothing. Go there and be tried. You cannot help yourself.

I want to put property on the same basis with human life. It is above it now. Property is far above human life. Let us take some of the air out of property and let it down on a basis that is sacred because it is in the same court where men are tried for murder, where people must go for redress if the pending bill passes. There is not any intention to do a wrong to anyone. It will not do a wrong to anyone. It ought to pass.

While the bill was pending, I received a copy of a circular letter sent by a very large interstate corporation to its attorneys in different places. One of those attorneys sent one of the letters to me. It winds up this way:

I am therefore writing to you and some other influential members of the bar in an effort to enlist your assistance in requesting our Senators to oppose the bill, and I should be glad to learn your views thereon.

He knows that lawyers are at times employed, not because they have been admitted to the bar, not because they know how to try lawsuits, but they are employed because of their influence.

Listen to this honest confession from another attorney:

The present law gives us the privilege of making a choice between two courts. We have had that privilege since the beginning of our Government, and there is no reason now why it should be taken away.

That is the whole thing in a nutshell. There are those who say: "We have been a privileged class since the beginning of the Government. We do not want equality. We want to be above the common man. We want to be away above the common people. We do not believe in democracy. We believe in a monarchy, with officials holding positions for life. We have had the privilege ever since the beginning of government of going into 2 courts instead of 1. We know it is a privilege which other people and other citizens do not have. We want that privilege continued now." That, Mr. President, is one of the things that is going to drive our civilization and our Government to destruction. It is only one, maybe a little one, but it has its effect.

I am pleading now that this special privilege be taken away from these corporations.

"I am writing you", says this letter, "and other influential members of the bar to solicit your assistance in requesting the Senators from your State to oppose this bill." That is why they are employed. They have an excuse to employ an attorney. I presume that if they could fix up any way by which they could have farmers used somewhere in the operation as farmers, they would employ farmers; but they would always get men with political influence. The farmers would not necessarily have to know how to try a lawsuit or to know the difference between a statute book and a wheelbarrow, just so they had political influence.

Another one writing a letter, speaking of the choice of two courts, uses this language:

This, to my mind, is a very important privilege—

He is right about that.

which is now enjoyed by companies like our own, and it seems to me most unfair to have any law passed which will take it away.

In other words, they say, "For 100 years we have enjoyed a privilege that the citizens of the State could not enjoy; we have enjoyed the privilege of a choice that goes to no one except those like us, and we think it unfair to take it away. We do not want justice. We are afraid of justice." That is the cry to which it at last simmers down. These letters only illustrate the truth of the assertion that the real reason why many of the interested parties want to retain the present law is that they may also retain the privilege which the present law gives them. They are unwilling to try their lawsuits in the States where they do their business and under whose laws they are making their money.

Mr. President, I have detained the Senate much longer than I expected to do. I want to say in conclusion that in my opinion, having studied this question for years, I believe there is no injustice anywhere in the pending measure. There is injustice now existing which it will remedy. The bill will simply give justice to all alike. No honest man ought to want more. No fair corporation will demand more. That much we ought to give them as lawgivers, but not more. Equal rights to all alike with special privileges to none.

EXHIBIT A

JURISDICTION OF THE DISTRICT COURTS OF THE UNITED STATES OVER SUITS RELATING TO ORDERS OF STATE ADMINISTRATIVE BOARDS

Mr. NORRIS, from the Committee on the Judiciary, submitted the following report (to accompany S. 752):

The Committee on the Judiciary, to which was referred the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over controversies relating to orders of State administrative boards, having had the same under consideration, beg leave to make a favorable report thereon and to recommend the passage of the bill.

This bill is practically the same as S. 3243, introduced in the Seventy-second Congress, first session. That bill, in the Seventy-second Congress, was referred to the Committee on the Judiciary, and the Committee on the Judiciary referred the same to a subcommittee. The subcommittee held unlimited hearings on the bill; both those who favored and those who opposed it were given opportunity without limit to express their views. Among those who opposed the bill was the American Bar Association. This association was represented at the hearing and made an extended argument in opposition to the bill. At the conclusion of the hearings the subcommittee unanimously made a favorable report to the full committee. The matter was then taken up in the full committee, and, on the 18th day of May 1932, the Committee on the Judiciary ordered the bill favorably reported to the Senate. On account of the crowded condition of the Senate Calendar, the bill was never reached for Senate consideration and died on the calendar at the expiration of that Congress.

In the Seventy-third Congress, on the 23d day of March 1933, the bill was again introduced in practically the same form. The Committee on the Judiciary thereupon again referred the bill to a subcommittee. The subcommittee, after due consideration, reported the bill back to the full committee with a favorable recommendation. Afterward, before the full committee had acted upon this report of its subcommittee, the American Bar Association requested of the Chairman of the Committee on the Judiciary that it again be given an oppertunity to be heard in opposition to the bill, and, upon consideration of this request, the full committee again, for the third time, referred the bill back to the subcommittee with instructions to hold further hearings. In compliance with the orders of the full committee, the subcommittee granted further hearings, and the American Bar Association, together with others, appeared in opposition to the bill. At the conclusion of the hearings a majority of the subcommittee

again reported the bill back to the full committee, recommending that the bill be favorably reported to the Senate. The full committee took up the report of the subcommittee, and after a lengthy discussion the committee (a majority of the full committee voting therefor) ordered the same to be reported again to the Senate with a favorable recommendation.

It will thus be seen that the bill has been considered by the Committee on the Judiciary in two Congresses; it has been three times referred to and considered by the subcommittee of the Committee on the Judiciary, and at two of these times hearings were had. One cannot escape the conclusion that those who are opposing the bill are resorting to tactics that can have but one effect, and that is to delay final action by the Congress. The American Bar Association was given full opportunity to express its ideas at the first hearings. Nothing new was presented at the subsequent hearing. It was simply a rehashing of the old argument made over and over again, but by waiting until the Committee on the Judiciary was about to act, and then securing a third reference of the bill to a subcommittee with directions to hold hearings, those opposed to the bill succeeded in delaying action until it is undoubtedly impossible to get action at the present session of Congress.

This bill has for its object the taking away of jurisdiction of Federal district courts to enjoin, suspend, or restrain the enforcement of any order of an administrative board or commission of a State or to enjoin, suspend, or restrain any action in compliance with such order, where the jurisdiction is based solely upon the ground of diversity of citizenship, or where jurisdiction is claimed on an alleged repugnance of such order of such board to the Constitution of the United States, and where such order affects the rates chargeable by a public utility, does not interfere with interstate commerce, and has been made after reasonable notice and hearing, and where a plain, speedy, and efficient remedy is provided for by the laws of the State.

In practically all the States of the Union the legislatures of the various States have sent up State commissions, giving to such commissions jurisdiction to hear and determine just and equitable rates to be charged by public-utility companies. In most cases these commissions have built up the machinery necessary to make the proper investigations to determine the fairness or unfairness of any rate or proposed rate to be applied to the people of the State by the various public-utility corporations.

Provision is made for an investigation by the experts of the commission, and the commission is authorized to hear evidence and to give the utility corporation an opportunity to be heard either for or against any contemplated change in rates or other matter over which the commission has jurisdiction.

The laws then provide for an appeal in case either party is dissatisfied with the decision made in the controversy. This appeal is taken to the courts of the State, thus giving to both sides of any controversy which may arise a full hearing and judicial determination of the controversy.

It is quite a common practice for the utility corporations to go into the Federal district court and allege that the rates fixed by the commission violate the fourteenth amendment to the Constitution and secure from that court an injunction restraining the commission from putting the proposed rate into effect.

It will be seen that these utility companies have a choice not granted to the State of going into either one of two tribunals. If they have a hearing before the State commission and the controversy is taken on appeal through the State courts to the supreme court of the State and if the final decision of the State supreme court is unsatisfactory, the utility company can carry the case to the Supreme Court of the United States. On the other hand, the utility company can ignore the action of the commission and go directly into the Federal district court and secure an injunction, and that case can be carried from the Federal district court to the Supreme Court of the United States.

If the utility company goes into the Federal court in the first instance, it is the practice of these judges to try the case de novo and to pay no attention to the investigation made by the State commission and to ignore the findings of this commission. In most cases where a valuation of the property is necessary, a complete examination of the question by experts is resorted to, thus greatly increasing the expense, delaying the settlement of the question, and entirely ignoring the work of the commission in its investigation and its findings.

Indeed, the utility company may pursue these two remedies concurrently. The Supreme Court of the United States had held that State and Federal courts have concurrent jurisdiction in such cases and a utility company can proceed in both State and Federal courts until a final judgment is rendered in one of the two proceedings. This gives the utility an opportunity, as the case progresses, to ascertain the views of the State authorities and the Federal authorities; and when it once ascertains these views, and finds it will probably be defeated in one of the proceedings, it can dismiss the case in that proceeding and rely upon the other. It seems quite plain that to give the utility this advantage is unreasonable and unfair. It is likewise exceedingly expensive and always means long delay. All the expenses in the end must be borne by the people who pay the rates to the public-utility company. It all comes out of the ultimate consumer.

If the proposed bill becomes a law, this advantage of the utility company will be taken away. It will be required, in all cases where a State has set up a public-utility commission, to proceed before that commission if it has any complaint. It can appeal from this State board to the State courts; and if it is dissatisfied with the final judgment of the supreme court of the State, it can take an appeal to the Supreme Court of the United States. This is no injustice to the utility company. It is fair to all parties concerned. It would save time and a large amount of money.

The writer of this report, in reporting the bill in the Seventy-second Congress, then no. S. 3243, gave an illustration of an actual case then pending in the Federal courts of the State of Montana. I quote from that report, as follows:

"I desire to call attention to an actual case now pending in the Federal courts of the State of Montana. This is a case between the Great Northern Utilities Co. and the Public Service Commission of the State of Montana. On the 21st day of September 1927 the Public Service Commission of Montana, on its own motion, instituted an inquiry into the reasonableness of the rates charged by the Great Northern Utilities Co. for natural gas at Shelby, Mont. This case, it will be seen, was begun in September 1927. The utilities company appeared and a hearing was had before the commission, but that hearing was not had until in December 1928—a delay of a little more than 1 year before a hearing was had. Three days of public hearings were held in the matter, and the order of the commission after this hearing was to the effect that the commission rejected the proposed schedule of the utilities company and required it to establish a specific schedule of rates. The order provided that the rates should become effective on February 1, 1929.

"The Great Northern Utilities Co. then began proceedings in the State court of Montana to have the order of the commission declared null and void. Upon the hearing of this case the State court of Montana granted the plea of the utility. The commission then appealed to the Supreme Court of the State of Montana. The Supreme Court of Montana, on July 29, 1930, reversed the lower court and remanded the case to the lower court for judgment in accordance with the opinion of the supreme court. The utilities company applied in the Supreme Court of Montana for a rehearing and, on November 25, 1930, the petition for a rehearing was denied. In due time the matter was taken up by the lower Montana court, whereupon the company dismissed the case.

"It will be noted that after all this delay and after all this expense and after going through all the courts of Montana—the company having been defeated and no final judgment having yet been rendered—this utilities company, having ascertained that the views of the Montana court were adverse to its contention of the law, decided to proceed no further in the Montana courts.

"While this case was pending in the State courts and before its dismissal by the utilities company, the company commenced an action in the Federal district court of Montana, praying for an injunction against the enforcement of the rate of the commission on the ground that such rate was in violation of the fourteenth amendment of the Constitution of the United States. Incidentally it should be said here that this was the same ground urged by the utilities company in the State courts and upon which theory, as we have seen, it was unsuccessful in the State courts.

"This action in the Federal court was commenced on the 22d day of December 1930 and an interlocutory injunction was issued by the Federal court on the 19th day of August 1931. In the meantime the commission had filed in the Federal court a motion to dismiss the case in that court. When the Federal district court allowed the interlocutory injunction and denied the motion of the State commission to dismiss the case, the State commission took an appeal. This appeal was argued in the Supreme Court of the United States and, on February 29, 1932, the action of the lower court in issuing the interlocutory injunction was affirmed by the Supreme Court of the United States 'without prejudice to the consideration and determination at final hearing of all questions of law and fact * * *.'

"It will be observed that the decisions of the United States Supreme Court affirmed the lower court only insofar as it allowed the interlocutory injunction issued by the Federal district court of Montana. The case was thereupon remanded to the lower court for a trial upon the merits of the case.

"It will be seen, therefore, that this case, commenced on the 21st day of September 1927 has wound its weary way through the courts of Montana and then, because the utilities company was dissatisfied with the judgment of the Supreme Court of Montana, it was dismissed and commenced again in the Federal court; that it has wound its way through the Federal court and is back again to the lower court in Montana, having been returned to that court by the order of the Supreme Court issued on February 29, 1932. From September 1927 to February 1932 the case has been to the supreme ccurt of the State and back and to the Supreme Court of the United States and back and still remains undecided.

"Such procedure makes a hollow mockery of the Montana laws. It is practically a denial of justice. Four years and seven months have elapsed since the beginning of the case and it is yet untried in the Federal court. It is such injustices as the one illustrated by this case that this bill seeks to remedy. In this instance, we are not talking about an imaginary case. We are considering an actual case. It is only a sample of what can occur in every State of the Union where the State has set up a State commission for the settlement of disputes with utility companies. There still remains, in the case illustrated, a trial before the Federal District Court of Montana and then another appeal to the Supreme Court of the United States; but if the Supreme Court of the United States, upon that appeal, finds error, the case will again be sent back to the lower court for another trial—and so on, until final judgment is eventually rendered by the Supreme Court of the United States.

"The history of this case is so well outlined by Mr. Francis A. Silver, counsel for the Public Service Commission of Montana, in a letter addressed to Senator JOHNSON, the author of the bill, that I quote it in full, as follows:

BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF MONTANA, EX OFFICIO PUBLIC SERVICE COMMISSION OF MONTANA, MONTANA TRADE COMMISSION

HELENA, MONT., *March 21, 1932.*

Hon. HIRAM JOHNSON,
United States Senate, Washington, D.C.

DEAR SENATOR JOHNSON: Through the courtesy of Hon. A. R. McDonald, of the Wisconsin Railroad Commission, chairman of the committee on legislation of the National Association of Railroad and Utilities Commissioners, we have been furnished with a copy of Senate bill 3243, introduced by yourself on January 25, 1932, being a bill to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards. We have read the bill and warmly support the measure as highly desirable legislation.

We believe that as a matter of principle there exists no justification for the procedure that permits Federal judicial interference with the orders of a State administrative board until such time as adequate remedies available within the State have been exhausted. Public utilities do not serve the public as a matter of constitutional right. The Supreme Court of the United States has affirmed the doctrine that a franchise to operate a public utility is not, like the general right to engage in lawful business, part of the liberty of a citizen. It being true that a public utility operates in a given State only by reason of a sovereign grant from the State, there appears to be no valid reason why disputes arising between the grantor of the franchise or privilege—the State—and the recipient thereof—the utility—should not be handled within the jurisdiction of the grantor, at least until the matter in controversy has been passed upon, on its merits, by the tribunal of the State having the final say, i.e., the highest appellate court. Then, if the utility is dissatisfied, it should have the right to a review of the strictly Federal question involved by the Supreme Court of the United States.

The Montana commission is at present in the midst of an experience in connection with a public-utility rate order which fairly illustrates the incongruities of the present situation and the desirability of such legislation as you propose. With the thought in mind that a short history of our particular experience might be of informative interest to you, we are appending a summary of the principal features of the controversy. It will be noted that before the rate order in question was promulgated, the commission held three public hearings upon the issue as to the reasonableness of the rates for the service in question; that the utility first resorted to the State courts in testing the validity of the commission's order and was successful in the trial court in securing an injunction against the commission; that the commission appealed to the Supreme Court of Montana and secured a reversal; that the utility having unsuccessfully petitioned for a rehearing by the Supreme Court of Montana, filed a suit in the district court of the United States for the district of Montana, setting forth the identical facts that were pleaded in the case in the State court and urging the same identical alleged violations of the Federal Constitution as were urged in the case in the State court; that thereafter, when the case in the State court was set for trial at the instance of the commission, the utility took a voluntary dismissal thereof, thus preventing any final judgment on the merits from being entered in the case in the State court; that the utility successfully prosecuted an application for interlocutory injunction in the Federal district court and that an appeal was taken by the commission to the Supreme Court of the United States where the interlocutory injunction was affirmed without prejudice to the consideration and determination at final hearing of all questions of law and fact.

This case illustrates how under present procedure the utility can play hide-and-seek with a State regulatory board. It is, as you know, the presently approved doctrine of the Supreme Court of the United States that State and Federal courts have concurrent jurisdiction of cases of this sort and that a utility can proceed concurrently in both State and Federal courts until a final judgment is entered in one when that judgment becomes conclusive in the other as res adjudicata. In other words, a public utility has the right to proceed concurrently in both State and Federal tribunals until such time as it ascertains the views of the respective courts on questions of law involved and then it may discontinue proceedings in the tribunal where the rulings have been adverse or unfavorable. The usual grounds for abatement of an action that there is another action pending between the same parties involving the same questions is of no avail nor does the doctrine of election apply. Irrespective of the annoyance and expenses that such procedure causes a State commission, the doctrine that permits it is unsound. In the instant case, the Supreme Court of Montana, in a unanimous opinion, overruled the utility's contention with respect to the commission's order violating the fourteenth amendment to the Federal Constitution in the particulars charged. The court considered the contention at great length and disposed of it by sound logic and with the support of able precedents. Because there was a question of fact involved that had not been determined in the lower court, the case was remanded to the trial court for proceedings consistent with the views expressed by the Supreme Court. The utility, having ascertained that the views of the Supreme Court of Montana were adverse to its contentions on the Federal questions, immediately jumped into an inferior court—inferior in the sense that the Federal District Court of Montana is a trial court and not an appellate court—taking the chance of there obtaining a different interpretation. Obviously it had all to gain and nothing to lose. Ultimately, the 3 judges constituting the special district court, revised and reversed, in effect, the 5 members of the Supreme Court of Montana—an anomalous spectacle, 3 judges of a district court reversing 5 members of an appellate court.

The last chapter of this legislation has not yet been written, when it will be written is a matter of doubt. The writer hereof, as counsel for the Public Service Commission of Montana, consulted the senior district judge in this district in his chambers within the past fortnight to ascertain from him the probable date of trial of this cause upon its merits. Counsel was informed by the senior district judge that because, in his opinion, the commission had prevented the case from being heard upon final hearing on the same day and upon the same record as the application for interlocutory injunction was heard (incidentally, an opinion not at all borne out by the transcript of the proceeding), it would be a "cold" day before the senior district judge would reconvene the special court to try this action. When it was suggested to the senior district judge that the right to trial upon its merits was one accorded by the statute, the rejoinder was made that "probably" the case would be heard "in 2 or 3 years." Of course, the State of Montana will not cool its heels outside the doors of this tribunal for 2 or 3 years or until that particular cold day arrives. If the expressed attitude of the senior district judge is persisted in and the right of the State of Montana to a reasonably speedy determination of this controversy is ignored, appropriate steps will be taken in the Supreme Court of the United States to bring about a trial.

The above illustrates the extent to which a lower Federal court can go in paralyzing a State function, embarrassing regulation of public utilities, and humiliating a sovereign State. It is, we submit, contrary to sound public policy and makes for disconsonance between State and Federal Governments. Senate bill 3243 will preserve to the utility its full rights and at the same time maintain the dignity of the State tribunals. We trust that it will pass.

Yours very truly,

FRANCIS A. SILVER, *Counsel.*

"It will be interesting, also, to read a summary of the proceedings in this case, arranged in chronological order, as follows:

"SUMMARY OF PROCEEDINGS IN RE: CONTROVERSY BETWEEN GREAT NORTHERN UTILITIES CO. AND PUBLIC SERVICE COMMISSION OF MONTANA

"September 21, 1927: Commission, on its own motion, institutes inquiry into reasonableness of rates charged by Great Northern Utilities Co. for natural gas at Shelby, Mont.

"November 29, 1927: Public hearing at Shelby, Mont., on issues involved.

"October 1, 1928: Further public hearing at Shelby, Mont., on issues involved.

"December 20, 1928: Public hearing upon reasonableness of new schedule of rates proposed by Great Northern Utilities Co. for competitive purposes.

"January 22, 1929: Order of commission rejecting proposed schedule of utility and requiring utility to establish a specific schedule of rates effective February 1, 1929. (P.U.R. 1929–B, 176.)

"February 8, 1929: Action instituted by utility in State court to have order declared null and void and enforcement thereof enjoined.

"November 15, 1929: Second amended complaint of utility filed.

"November 22, 1929: Answer of commission filed.

"November 30, 1929: Motion for judgment on pleadings filed by utility.

"February 4, 1930: Motion for judgment on pleadings granted.

"February 4, 1930: Judgment rendered against commission declaring order null and void and permanently enjoining its enforcement.

"February 8, 1930: Commission files appeal to Supreme Court of Montana.

"April 3, 1930: Commission files motion to advance appeal on docket. Granted. Argument on appeal set for June 9, 1930.

"June 9, 1930: Appeal argued and submitted.

"July 29, 1930: Supreme court reverses lower court and remands cause for proceedings not inconsistent with views expressed. (88 Mont. 180; 293 Pac. 294.)

"September 2, 1930: Utility petitions for rehearing.

"September 9, 1930: Commission files objections to petition for rehearing.

"November 25, 1930: Petition for rehearing denied. (88 Mont. 232.)

"December 22, 1930: Utility files action in Federal court (U.S. Dist. for Montana) alleging same identical facts as in State case and requests injunctive relief on theory order violates fourteenth amendment to Constitution of United States. (Same grounds urged, inter alia, in State courts.)

"December 22, 1930: Utilty moves for injunction pendente lite.

"January 2, 1931: Commission moves State court for setting of State case for trial. Granted and case set for trial for January 23, 1931.

"January 15, 1931: Commission files motion to dismiss in Federal court case.

"January 21, 1931: Utility files praecipe for dismissal of case in State court.

"June 29, 1931: Application of utility for interlocutory injunction comes on for hearing before Sawtelle, circuit judge, and Bourquin and Pray, district judges, at Helena, Mont.

"June 29, 1931: At suggestion of court cause is submitted on final hearing with the right of commission to file its answer to bill of complaint on same date.

"June 29, 1931: Answer of commission filed raising the same identical issues of fact as were raised in the State case.

"July 22, 1931: Stipulation between parties agreeing that the case is submitted on application for interlocutory injunction only and not on final hearing.

"August 18, 1931: Decision of three-judge court filed (Bourquin and Pray award interlocutory injunction to plaintiff—Sawtelle dissents). (52 F.(2d) 802.)

"August 19, 1931: Interlocutory injunction issued against commission.

"September 15, 1931: Petition for appeal filed and order of allowance made.

"September 28, 1931: Sawtelle, C. J., files special concurring opinion (52 F. (2d) 805).

"February 24, 1932: Appeal argued in Supreme Court of United States.

"February 29, 1932: Per curiam order affirming action of special court issuing interlocutory injunction 'without prejudice to the consideration and determination at final hearing of all questions of law and fact * * *.' (United States Daily, issue of Mar. 1, 1932, p. 5, col. 1.)

"It is proper to say that the time will come, sometime in the dim, distant future, when this case will reach an end. Those who are now in the case and who were in it at the beginning will, perhaps, have passed away; many of them will have died of old age; new attorneys and new life will have come into the case, with new and additional motions for more delay, and the final judgment will probably be rendered long after the original participants have passed away and been forgotten."

The above quotation from the report of the committee on this bill pending in the Seventy-second Congress was written more than a year ago. It is interesting to know that since that time two additional chapters have been written in the Montana case above referred to. In that case, on the 5th of October 1932, the lower Federal court issued a permanent injunction restraining the enforcement of the commission's order. The Montana commission promptly appealed to the Supreme Court of the United States, and on April 10, 1933, the Supreme Court of the United States reversed the Montana Federal District Court and upheld the order of the commission. At this writing (June 6, 1933) no further action has been taken by the lower Federal court upon the mandate of the Supreme Court, but it is reasonable to suppose that within a short time the Federal District Court of Montana will obey the mandate of the Supreme Court of the United States and enter final judgment upholding the Montana commission, and thus will end a modern American Jarndyce against Jarndyce. It is not an isolated case. It is an illustration of what has been going on for years. It is an illustration of how States, in the management of their own affairs, are interfered with. As President Roosevelt, when Governor of New York, said in his official message on January 27, 1930, it "brings to the fore in a striking way the whole question of interference by the United States courts with the regulatory power of our public service commissions."

A delay of justice is very often an absolute denial of justice. These orders of State commissions are entered as and apply to the date when the findings are made. Before these great corporations get through with litigating in State courts and Federal courts, and by the time final judgment is rendered, the people for whose benefit the original order is made have nearly all died of old age; the order when finally entered may have no application whatsoever to the conditions existing at the time the order is entered. What should have been a proper rate at one particular time may be too high or too low if applied to a date several years later. This Montana case illustrates existing practice—a practice that this bill would to some extent change. It must be remembered that this case in Montana commenced on the 21st day of September 1927, and now, on the 6th day of June 1933, practically 6 years afterward, the end is in sight, and probably within a few months judgment will be rendered upholding the order of the commission as originally made. Here is a case where the great public-utility corporation was afraid of State courts. It tried its case out in State courts. It was unsuccessful. And then, because of prejudice that it is claimed existed on the part of State judges who were elected by the people and who were elected for a specific term and not for life, it went into Federal court and the judgment of the State court that was supposed to be so prejudiced rendered by men who had been elected by the people was upheld by the Supreme Court of the United States. It is a demonstration that this claim of prejudice on the part of State judges and State officials does not exist, and that such claim is simply a sham and a delusion. The real object is to wear its opponents out by delay; the real object is not to get justice but to prevent justice being done to them. In this Montana case, after 6 years of litigation, the case is finally won for the benefit of the people of Shelby, Mont.

I presume after this mandate is carried out by the lower Federal court in Montana it would not be surprising if this same corporation should begin a new case, alleging that the conditions of 6 years ago would have no application to existing conditions and that, therefore, it was entitled to another injunction. Such a claim would be as reasonable as the original claim, and if it were made, the cry would go up from these great corporations and from their representatives that a great injustice was being done to investors in Montana property and that the only way to get justice was to get into Federal court and again wind the weary way to the Supreme Court of the United States. How long, oh how long, will a suffering people stand for such injustice being done in the name of justice? How long are the people's representatives in Congress going to listen to this corporation cry that they are suffering from the injustices of State officials elected by the people? The delay in court seems to be a precedent for a delay in legislation. The history of this bill illustrates it. One Congress after another, one delay after another—all on the ground of an alleged claim to save the foreign corporate monopoly from an injustice which might be inflicted upon it by State officials elected by the people.

This bill, pending for several years, has not yet been enacted into law. It cannot be enacted at this session of Congress. The claim for hearings and other technical claims, always bringing delay, have made it impossible for the Senate or the House to get an opportunity to consider this legislation on its merits. Every step that has been taken to bring about this delay, on the face of it, has been under the guise of asking for justice for a corporation which has never done justice and has never tried to do justice in its lifetime. Every step has been to prevent the people of a State from holding control over their own officials. And when we combine the delay in the courts with the delay in legislation, as illustrated by this bill, we begin to realize why it is that the people of the United States—honest, thinking citizens everywhere—are losing confidence in our courts and in Congress. They are beginning to realize the enormous power of great corporations—not because the courts are corrupt but because of the machinery of our jurisprudence, which enables them to delay and to delay and to delay, until their opponents are worn out. The fault, after all, lies more with Congress than anywhere else. Then, too, we ought not forget that all this expensive delay, all this injustice brought about by procrastination, is exceedingly extravagant and that, in the end, the people pay the bill. In the Montana case somewhere, some place, this great corporation is going to get every penny of its expense, every penny of its cost expended, out of the pockets of consumers of gas and electricity. The poor will pay the entire expense in pennies. From every fireside, from every home, contribution will be levied. It matters not what the expense has been in the way of paying for attorneys' fees, court costs, and expert witnesses, the people pay the bill. The people not only pay the bill of the power company but they pay the expense of the defense to which their State authorities are put in defending the action of State boards. The people pay one side by increased local taxation; they pay the other side by increased prices for electricity, gas, water, and telephone rates. It all comes out of the people. It is remarkable that they have patiently submitted for so many years to this unjust tribute. If such conditions are to continue indefinitely, the people of the country, bowed down to earth by burdens of unjust taxation and exorbitant rates for the necessaries of life supplied by these utilities, will eventually rise in their might and overthrow any party or any set of men who have the power, but who nevertheless refuse, to give relief by way of remedial legislation.

DIVERSITY OF CITIZENSHIP

The bill also provides that Federal courts shall be denied jurisdiction in these utility cases where the ground for jurisdiction is diversity of citizenship.

THE REAL OBJECTIONS AND THE REAL OBJECTORS

At the time of the adoption of the Constitution there were undoubtedly jealousies existing between the several States. It must be remembered that at that time every State was supreme and entirely independent. Each State, at the conclusion of the Revolutionary War, was an independent nation. When the Constitution was adopted, Federal courts were established. The jealousies in some instances, in that day, were quite pronounced, and in order to meet that condition it was provided in the Constitution that Congress should have the right to give to Federal courts the authority to try cases in which the dispute "is between citizens of different States." It was believed then that such a provision was necessary in order to give the citizen of one State complete justice when he became involved in a legal dispute in another State. Whatever reason existed at that time for such a provision of law has long since passed away.

No one of experience will seriously contend at this time, for instance, that a citizen of Maryland is not able to get justice in the courts of the State of Virginia. Thousands of people live in the State of New Jersey and do business in New York City, just across the Hudson River. Would it be seriously contended that a citizen of New Jersey could not get justice in the New York courts simply because he lived on the west side of the river which separates New York from New Jersey? Is there any citizen of New York who is willing to admit that the courts of New York will discriminate between citizens of New York and citizens of New Jersey?

While the real reason for this provision of law has long since disappeared, there has grown up under the practice a system of jurisprudence which gives an advantage to the nonresident of the State in litigation which is not possessed by the resident of the State where the controversy arises. A citizen of Iowa, doing business in Nebraska, has a privilege under present laws not accorded to the citizen of Nebraska. The Iowa citizen, in such a case, if he desires to sue a citizen of Nebraska, has the choice of going into the Federal court or into the State court. And if in the course of his business in Nebraska, he is sued by a Nebraska

citizen in the State courts of Nebraska, he has the right—not possessed by his opponent—of taking the case out of the Nebraska courts into the Federal courts.

An examination of the testimony taken before the subcommittee of the Judiciary Committee will show that some of the witnesses very honestly and frankly admitted that this was a "privilege" they had always possessed and they wanted to retain it. There is no doubt but that it is a privilege of great value. When a citizen of one State goes into another State and engages in business in the other State, under the laws of that State, and he gets into a controversy with a citizen of that State, why should he not be required to submit his controversy to the courts of that State, the same as every citizen thereof is compelled to do? This privilege of having the choice of going into one of two different courts is not only of great value, but it is often of extreme hardship and detriment to the other party to the litigation.

LITIGATION IN FEDERAL COURTS MORE EXPENSIVE THAN IN STATE COURTS

It is much more expensive to litigate in Federal courts than in State courts. Attorney fees are usually higher and the other expenses connected with the litigation are, as a rule, many times higher in Federal court than in the State court. The wealthy individual or corporation is thus often enabled to wear out his opponent and compel him to settle or submit to an unjust judgment for the very reason that his opponent is not financially able to follow him through the tortuous and expensive route through the Federal court to the Supreme Court of the United States at Washington. And all the time in this dispute there is no Federal question involved. There is a dispute arising under a State statute or law of other origin and nothing more. There are many places in the United States where litigants must travel several hundred miles to attend the place of trial if they are sued in Federal court.

It is not argued that the Federal court will be unjust. For the purpose of our illustration we can assume that the Federal court will be just as fair and as just as the State court. But, when sued in a Federal court, the defendant will be required to take his attorneys and his witnesses long distances where the Federal court sits. If the case is continued they must come again. And, when the case is finally decided, the poor defendant may be successful, but his opponent, because he is a nonresident, has taken him into Federal court and he appeals the case to the Federal court of appeals. Then he must send his attorneys several hundred miles to the place where the Federal Court of Appeals sits. This means again a very much increased expense and, in almost every case, a much larger attorney fee. He may win his case in the Court of Appeals, but, if so, his opponent may possibly take the case to the Supreme Court of the United States and he will have to send his attorneys perhaps a thousand or two thousand miles, paying the expenses and again a much larger attorney fee than he would pay in the State courts.

It means, therefore, that a person taken against his will into the Federal court for the purpose of settling a State question is worn out before he reaches the end. He is financially unable to follow the case to the end. Therefore, at the beginning, he perhaps submits to an injustice because he knows it means financial ruin to pursue the case to its final determination.

It is easy to be seen, therefore, that while perhaps there was some basis for this kind of a law when our Constitution was adopted, the purpose for which this provision of law is now used was never dreamed of by our forefathers when they adopted the Constitution. The effect of this provision of law is now entirely different from what it was then. First adopted to bring about justice, it has, as a matter of practice, very largely resulted in injustice and discrimination. Originally intended for the protection of the nonresident, it has become a weapon of destruction and injustice in his hands.

Those who favor the continuance of this unjust discrimination base their reason upon the original claim of jealousies existing between citizens of different States. But the real reason is that they want to protect the privilege which this law gives them. They desire to have the right in their litigation to choose between two tribunals. What was originally intended to protect them in a right has become a privilege which they use to give them an advantage over their adversaries.

OPPOSITION TO PROPOSED LEGISLATION COMES MOSTLY FROM LARGE CORPORATIONS

It will be found that most of those who are opposed to taking away this jurisdiction as proposed in this bill are, as a rule, extremely wealthy people or powerful corporations. Nearly every witness who appeared at the hearings before the subcommittee in opposition to the proposed legislation was an attorney for some large and powerful corporation. The American Bar Association, whose representatives appeared in opposition to the bill as everyone knows, is composed of many of the leading, brightest attorneys in the United States. Most of these attorneys, especially those who in reality have charge of the operations of the association, are, in their practice, attorneys for great corporations and do a great deal of their business, especially the most remunerative part of it, in the Federal courts. Their ability and their patriotism and their interest in good laws is conceded and recognized. But they are all human. If this bill should become a law it would affect the financial income of many of these leading attorneys. Their fees in Federal courts, being higher than the fees in State courts, would have a direct effect upon their financial returns. Their business likewise would be somewhat curtailed. If all lawsuits involving only State questions were tried in the State courts there would be less legal business for foreign attorneys and more legal business for local attorneys. It is, therefore, only fair to take this matter into consideration and it is only natural that it should be taken into consideration when we find that a large majority of the members of the bar opposing this legislation are, in fact, not only attorneys for corporations and wealthy individuals who would lose the right to choose between courts in their litigated matters, but who would likewise lose a portion, at least, of their most valuable professional work.

PRESENT LAW LEADS TO DISCRIMINATION AND INJUSTICE

Since the Supreme Court has decided that a corporation is a citizen and since the doing of business under corporate names has greatly increased, it has become a common practice for corporations to be incorporated in one State while they do business in another. And there is no doubt but that it often occurs simply for the purpose of being able to have the advantage of choosing between two tribunals in case of litigation.

A corporation is often organized under a State where it has no property, where none of the incorporators live, where they do no business and have no intention of doing business. The incorporators usually live in the State where they do business, where their property exists, and yet if they desire to commence an action against any citizen of the State where they do business, they can commence it in a Federal court and thus greatly increase the expense which the opposite party will be subjected to when, as a matter of fact, no Federal question is involved and when the action is based entirely upon State law where both the plaintiff and the defendant live and actually do business. Illustrations without number could be given to show that this has become a common practice and that, in reality, this is the reason why many corporations and wealthy men are opposed to any change in the present law.

This was well illustrated by a case which arose in Kentucky, where the Brown and Yellow Taxicab & Transfer Co. was plaintiff and the Black and White Taxicab & Transfer Co. was defendant. The plaintiff, in that case, was a corporation of the State of Tennessee. Prior to being incorporated in Tennessee the plaintiff was a corporation in the State of Kentucky. The defendant was also incorporated in the State of Kentucky. The Brown and Yellow Taxicab Co. and the Black and White Taxicab Co. were competitors. The Brown and Yellow Taxicab Co. and the Louisville & Nashville Railroad Co. were about to enter into a contract by which the Louisville & Nashville Railroad Co. gave to the Brown and Yellow Taxicab Co. certain exclusive privileges connected with their passenger station. It was known, however, that the courts of Kentucky would not sustain the contract which they contemplated making. It was known that the courts of Kentucky had already declared such contract as they contemplated making with the railroad company null and void. It was known also that the Federal courts had held such contracts to be valid.

Both of these corporations were incorporated in the State of Kentucky. In any controversy between them, they would be required to go into the State courts of Kentucky. Knowing this, the Brown and Yellow Taxicab Co. went across the line and incorporated in the State of Tennessee. The incorporation in the State of Tennessee was under exactly the same name as they had incorporated under in the State of Kentucky. They went through the formality of the Kentucky corporation, transferring all its property of every kind to the Tennessee corporation and the Kentucky corporation thereupon went out of business. The result was that the Brown and Yellow Taxicab Co., of Kentucky, had become the Brown and Yellow Taxicab Co., of Tennessee. The business was just the same as it had been before. The property was all in Kentucky. The business was all in Kentucky. But the corporation, under the same name, was incorporated in the State of Tennessee.

It, therefore, became a nonresident of the State of Kentucky, and, under the clause of the Federal statute which this bill would repeal, litigation between this taxicab company of Tennessee and the other taxicab company in Kentucky could be taken into the Federal court, although there was no Federal question involved. The question was entirely a State matter and the courts of Kentucky had settled the question so far as Kentucky was concerned. But the Federal courts had a different rule. As soon as this transfer of property had taken place and the plaintiff became incorporated under the laws of the State of Tennessee, it entered into the contemplated contract with the Louisville & Nashville Railroad Co. by which the railroad company gave to the plaintiff certain exclusive rights and thereby excluded the defendant, the Black and White Taxicab Co., from enjoying the exclusive privileges given to the other taxicab company; and the Brown and Yellow Taxicab Co., as soon as it had incorporated in Tennessee, commenced the action against the Black and White Taxicab Co. to prevent that company from interfering with its contract with the railroad company.

This action was commenced in the Federal court. It was admitted that the only object which the Brown and Yellow Taxicab Co. had when it incorporated under the laws of Tennessee was to enable it to go into Federal court in litigation with its competitor, the Black and White Taxicab Co. of Kentucky. It was admitted that the plaintiff did no business in Tennessee. It had no property in Tennessee. Its offices, officials, and employees were all in the State of Kentucky, but, by the means above outlined, it was enabled to commence its action in the Federal courts and maintain a position which it is conceded it could not have maintained under the laws or the rulings of the Kentucky courts. In a dissenting opinion written by Justice

Holmes and concurred in by Justices Brandeis and Stone, it is stated:

"It is expressly recognized that the decisions of the Kentucky courts held that in Kentucky a railroad company could not grant such rights, but this being a 'question of general law', it went its own way regardless of the courts of this State. (15 F. (2d) 509, *Black and White Taxi Co.* v. *Brown and Yellow Taxi Co.*, 276 U.S. 518, 532.)"

This case is a glaring illustration of the injustice which is brought about by the law which this bill seeks to repeal, so far as orders of State commissions are concerned. Here is a case where a citizen corporation of Kentucky, in a controversy with another citizen corporation of Kentucky, was enabled to violate the laws of Kentucky as laid down by the Supreme Court of Kentucky, by the simple device of going across the line and incorporating in another State, thus enabling it to get an advantage which no citizen or corporation of the State of Kentucky could have obtained.

This statute, coming down from our forefathers, to correct an evil which perhaps existed in their day, but which does not exist in ours, thus enables a foreign corporation to enjoy a privilege in a State which is denied to every corporation and every citizen of that State. It shows the injustice which comes about under this ancient statute—a statute which has outlived its usefulness—a statute originally enacted to bring justice, but which has become a weapon of injustice. And it is defended on the ground—and the only ground—that when a nonresident goes into a State court he cannot get justice because it is alleged there is a prejudice in the State against nonresidents. Here were two taxicab companies doing business in the same town, under the same State laws. Neither one of them had been forced to go into this State to do business. They went there voluntarily. One of them, when it had an opportunity to make an unjust contract with the railroad company, knowing that the courts of that State would not sustain this kind of a contract, went into another State and incorporated before it began its action. This taxicab company was not thinking of prejudice. It knew that such a thing did not exist as between itself and its competitor. The question of prejudice never entered the minds of its attorneys when they gave this company the advice to cross over the line and incorporate in another State. They were seeking solely to get an undue advantage, an unfair advantage, over their only competitor.

PRESENT LAW MAKES PROPERTY RIGHTS MORE VALUABLE THAN HUMAN RIGHTS

Under existing law the nonresident is given an unfair advantage for his property, an advantage which does not accrue in favor of his personal liberty. His property rights, in other words, are given more consideration and are surrounded with more safeguards than are the rights of life itself.

If his business is incorporated in a foreign State and he has a personal dispute or a controversy with his neighbor which leads to litigation, and the amount involved is more than $3,000, he is given the advantage denied to his opponent of taking his controversy into the Federal court. If, on the other hand, an inhabitant of one State crosses the line and commits a crime, murder for instance, the law does not consider even his life as valuable as it would consider $3,000 of his property. After he has committed a crime he escapes to his own State, but he is extradited. He is taken by force across the line, back into the State where it is alleged the crime was committed. He can not then plead in court that he is a nonresident of the State where he is to be tried. If his property were at issue he could make this plea and have the case removed to the Federal court. But nothing but his life is at stake and the law, as it now exists, does not consider that valuable enough to give him the privilege of going into Federal court. He cannot plead that as a nonresident criminal who is to be tried for crime, he will face a jury which has a prejudice against him because he lives in another State. He is compelled, when his life is at stake, to disregard this sacred right. He must stand trial before a State judge—a judge perhaps not appointed for life, but elected by the people, a fact which these fortunate corporations so often say they do not like. In other words, he has violated a State law and he is to be tried under the laws of the State where it is alleged he violated the laws. He is tried before a jury, and the question of State prejudice never arises. Indeed, it is never thought of, for the very reason that it does not exist.

These people who are so jealous of the rights of property on account of State prejudice when a nonresident is involved, have never yet proposed that when a man commits murder in a State where he does not reside, he should have the same right which they ask for property, the right to transfer his case to the Federal courts. These gentlemen who are so much afraid of State prejudice when it comes to property have never yet given a thought to that terrible prejudice as it might affect human freedom or human life. Where nothing but a human life is at stake, no transfer to Federal courts can take place. Such a blessed privilege and unfair advantage is given only to property.

RELIEF OF FEDERAL COURTS FROM CONGESTION

The congestion in our Federal district courts is acknowledged by all. That of itself is often a denial of justice. All classes of our citizens have recently become interested in various proposals for the relief of the congestion in our Federal district courts. The President of the United States has sent official messages to Congress on the subject. He has appointed a commission composed of eminent jurists and other able, patriotic scholars. The question has received the attention of the leading members of the bar throughout the entire country. Federal judges from the Supreme Court down have lent their assistance in trying to devise some plan by which the Federal courts can be relieved from a large amount of the work now upon Federal judicial dockets.

Why not do this by letting State courts settle State controversies and confine Federal courts to the settlement of Federal questions? When a State question arises under a State statute, why not let the courts of that State settle that controversy, whether the controversy is between citizens of one State or citizens of two different States? Why not be logical and let the State courts try controversies arising under State laws within their borders instead of permitting a few privileged persons who do business in a State to take their controversies into Federal courts and thus burden Federal judges with the settlement of State questions and the control of lawsuits arising entirely and solely out of controversies under State laws?

Of all the suggestions which have been made from any source there is none which will bring as much relief as would the enactment of this proposed bill. It is estimated that the work of the Federal judiciary would be decreased from 25 to 40 percent if this bill should be enacted into law. Not only would this relief for the Federal judiciary take place, but it would do it without any injustice of any kind coming to any person or corporation.

We are continually met with the demand for more judges, and if we provided for enough district judges to do all the work of the district courts and keep the dockets of these courts up to date, it would require a very large number of additional judges, prosecuting attorneys, United States marshals, and all other officials which necessarily go to the establishment and maintenance of courts of justice.

If all the cases involving diverse citizenship should be left for the State courts, where they fairly and honestly belong, this congestion in Federal courts would be relieved, the demand for more Federal judges would disappear, and all this would occur without any injustice to anyone. Every logical reason seems to point to the step which this bill proposes to take, and there is no reason now existing why the jurisdiction which this bill would take away from Federal courts should be retained. Many of the matters which the United States courts are trying, arising entirely within the jurisdiction of a State, and controversies coming up exactly the same as controversies arise between citizens of the same State, would, if this bill becomes a law, be left to the State courts for adjudication. There is no good or logical reason why this proposed bill should not become a law.

The Judiciary Committee of the Senate has twice reported favorably to the Senate a bill identical or very similar to S. 939, recommended for passage.

In order to get definite and first-hand information as to just how much relief would come to Federal courts if such a bill as is now proposed were enacted, the writer wrote to every district judge in the United States. The following is a copy of that letter:

WASHINGTON, D.C., *May 29, 1930.*

Hon. ———,
United States District Judge, ———.

MY DEAR JUDGE: The Judiciary Committee of the Senate has twice reported to the Senate bills proposing to take away from the Federal courts jurisdiction in cases arising solely under the diversity of citizenship clause of the Federal law (U.S.C., title 28, sec. 41, par. 1).

Considerable discussion has arisen in regard to the number of cases which get into Federal courts on account of this provision of the statute. In order to get direct, first-hand information on this subject, I am writing this letter to all of the district judges in the United States.

Will you please let me know how many civil cases were filed in your court during the calendar year 1929, and how many of these cases were in your court on account of the diversity of citizenship clause in the law?

Thanking you in advance for your attention to this matter, I am,

Very truly yours,

G. W. NORRIS,
Chairman Judiciary Committee.

This law, as will be observed, eliminates criminal cases and all civil cases except such as arise under that clause of the statute which the proposed bill would eliminate.

From the replies which I have received from these letters I have had compiled the following table, showing how many civil cases were filed in the various district courts of the United States during the calendar year 1929, and of these cases how many came into the respective Federal district courts by virtue of the diversity of citizenship clause, the one which this proposed bill would repeal. The first column in the table gives the entire number of civil cases filed during the calendar year 1929. The second column gives the number of these cases which were filed under the statute which this bill proposes to repeal.

State	District	Total number of cases	Diversity of citizenship
Alabama	Northern district	212	141
Do	Southern district	43	11
Arizona	Prescott and Phoenix division.	197	70
Do	Tucson and Globe division	240	77
Arkansas	Western district	275	144
Do	Eastern district	439	150
California	Southern district	852	338
Do	Northern district	780	196

State	District	Total number of cases	Diversity of citizenship
Colorado		352	123
Connecticut		122	17
Delaware		91	24
Florida	Northern district	39	31
Do	Southern district	985	421
Georgia	Northern district	133	80
Do	Middle district	254	88
Do	Southern district	230	66
Idaho		287	79
Illinois	Eastern district	2,449	492
Do	Southern district	434	68
Indiana	do	300	126
Do	Northern district	333	84
Iowa	do	217	58
Do	Southern district	146	84
Kansas		356	118
Kentucky	Eastern district	112	89
Do	Western district	198	62
Louisiana	Eastern district	483	97
Do	Western district	181	41
Maine		128	17
Maryland		511	51
Massachusetts		431	216
Minnesota		2,090	213
Michigan	Western district	145	36
Do	Eastern district	1,553	185
Mississippi	Northern district	90	70
Do	Southern district	147	47
Missouri	Eastern district	446	243
Do	Western district	579	192
Montana		1,319	53
Nebraska		436	217
Nevada		96	23
New Hampshire		59	22
New Jersey		1,892	670
New Mexico		147	72
New York	Northern district	229	25
Do	Eastern district	1,072	100
Do	Southern district	2,587	504
Do	Western district	575	95
North Carolina	Eastern district		74
Do	Middle district	75	33
North Dakota		85	40
Ohio	Southern district	359	172
Do	Northern district	1,784	726
Oklahoma	do	285	158
Do	Western district	318	201
Oregon		421	116
Pennsylvania	Middle district	172	50
Do	Western district	520	199
Do	Eastern district	1,150	293
Rhode Island		144	23
South Carolina	Western district	110	35
Do	Eastern district	177	97
Tennessee	Western district (incomplete)	150	45
Do	Eastern district	275	64
Do	Middle district	149	26
Texas	Western district	410	130
Do	Northern district	207	140
Do	Eastern district	243	89
Do	Southern district	404	106
Utah		142	34
Vermont		314	17
Virginia	Western district	125	40
Do	—— district	101	33
Washington	Eastern district	601	122
Do	Western district	477	95
West Virginia		381	84
Wisconsin	Western district	161	14
Wyoming		95	33
Total		34,774	9,630

In this connection, and as bearing directly on this point, quotations made from a letter written by Hon. William Clark, one of the Federal district judges in the State of New Jersey, is exceedingly illuminating. Judge Clark says:

"I would estimate the percentage of reduction which will be effected by the passage of the bill as about 33⅓ percent. I say this because our work is about equally divided between the law, equity, and admiralty matters. As most of our equity work is in the patent law, the contemplated reductions on that side would be approximately equal to the present constitutional and admiralty work.

"It has always seemed extraordinary to me that in all this somewhat uninformed talk with respect to congestion in the United States courts, the question of abolition of the diversity jurisdiction is never emphasized."

It must be remembered that Judge Clark was writing in reference to a bill that proposed to take away all the jurisdiction conferred on Federal courts by the diversity of citizenship clause in the law. The bill under consideration does not go that far; it applies only to orders made by State boards and commissions having to do with the fixing of utility rates, but it is illuminating, nevertheless, as showing what a large percentage of the cases that are being tried in our Federal courts have no relation whatsoever to any Federal question. Federal courts, in other words, are devoting about one third of their time to trying cases arising entirely under State statutes, cases which, as a matter of fact, have nothing to do with any Federal question. According to Judge Clark, about one third of the time of our Federal judges is consumed in controversies arising under State matters and in construing State statutes.

In another letter Judge Clark says:

"I am making herein a short classification of and commentary on the work of the April civil term over which I have just finished presiding."

In that term the judge tried 17 civil cases. It is remarkable that every one of these 17 cases was in his court by virtue of the diverse citizenship clause of existing law. It should be noted that in every one of these 17 cases it was the law of New Jersey which Judge Clark was called upon to administer. Every dispute and every case should have been tried in the State courts.

Of these 17 cases, 7 were automobile accidents and 1 the death of a little girl to whom an anæsthetic had been administered, 1 was a suit for commissions on the sale of underwear; 1 was for the construction of a water-supply system; and 1 for the recovery of an amount claimed to be due for flooring in a public building; 3 cases were grade-crossing accidents; 1 attractive nuisance; 1 for platform injury; and 1 a slander suit.

It is perfectly apparent to every student of the subject that some relief must be sought for the congested condition of our Federal courts. We cannot go on continually adding more judges. If we can divide the judiciary power of the country, giving to State courts jurisdiction over State matters and Federal courts jurisdiction over Federal matters, we will rapidly approach a proper division of the jurisdiction which will give the necessary relief.

This bill does not, of course, go so far as to take away the jurisdiction of Federal courts in all diversity of citizenship cases, but it is a step in that direction. If it is passed, it will assist very materially in relieving the congestion now existing in practically all Federal courts.

An illuminating presentation of this subject from a very high source is an article entitled "Distribution of Judicial Power Between United States and State Courts", contained in the Cornell Law Quarterly for June 1928. This article was written by Hon. Felix Frankfurter, professor of law in the Harvard Law School. In this article Professor Frankfurter says:

"One hundred and forty years ago there began a great debate concerning the functions of the national courts under the new Union. What should be the scope of their authority? What their relation to the State courts? Intermittently that debate has continued throughout our history, and now * * * we are at the beginning of another important stage of the discussion. Nothing but good can come from a reexamination of the purposes to be served by the Federal courts. Their historic contributions, above all their share in molding the loosely knit States into a nation, have rooted the United States courts deeply into our national consciousness. They need not fear fair scrutiny.

"It is proper to inquire into the appropriateness of the existing distribution of judicial power, just as the substance of law is revised from time to time in response to new needs. Whatever survives such an inquiry can only help to strengthen the judicial system. Especially is this true of the Federal judiciary. * * * The happy relation of States to Nation—our abiding political problem—is in no small measure dependent on the wisdom with which the scope and limits of the Federal courts are determined.

"* * * They are not technical issues, nor within the special province of lawyers. The formulation of the compromises demand legal skill, and of a high order. But the bases of adjustment must be evolved by statesmen, and ought both to enlist and to satisfy public understanding.

"* * * For example, efforts at relief of congestion in the Federal courts can hardly escape inquiry into the sources of their business, and that inevitably leads to scrutiny of the allotment of the common fund of litigation available for distribution between State and United States courts. * * *

"For 40 years there has been no organic reconsideration of the scope of business intrusted to the lower Federal courts. Recently a few isolated measures have made some significant contraction of jurisdiction. There have been also some abortive efforts at major restriction. But, in truth, for more than 50 years there has been no comprehensive revision. For the act of 1887–88 largely took for granted the jurisdictional assumption which underlay the Judiciary Act of 1875.

"A division of judicial labor among different courts, particularly between a dual system of Federal and State courts, is especially subject to the shifting needs of time and circumstance. That the wisdom of 1875 is the exact measure of wisdom for today is most unlikely. * * *

"Of these, the profoundest need is that the Supreme Court may be free to adjudicate great issues of government. 'The most important function of the court', the present Chief Justice has told us, 'is the construction and application of the Constitution of the United States.' All other purposes are subsidiary; all other litigation must be subordinated. To this end Congress has translated into law the court's own views upon the duties and powers appropriate to its functions. The Judiciary Act of 1925 and the energetic labors of Chief Justice Taft and his associates have enabled the court to remove arrears and to reach in regular course cases docketed this term.

"But the present equilibrium of Supreme Court litigation will not long be maintained. The volume of the Supreme Court's business will again increase, as it has in the past increased after every measure for the relief of congestion. * * *

"Most important of all, however, the stream of Supreme Court litigation is conditioned by its feeders. Interstate controversies, to be sure, are apt to raise not only grave issues, but involve a mass of intricate facts, thereby occasioning considerable inroad upon the Court's time. But such controversies are infrequent and other demands upon the Court's original jurisdiction are negligible. What matters is its appellate jurisdiction. With few exceptions, the cases that come to the Supreme Court come from other courts. The volume of Supreme Court cases and the nature of their issues are largely predetermined by the volume and nature of the business of the feeding courts.

"If diversion from the lower Federal courts of controversies which State courts can settle adequately enough would help save the Supreme Court for its more essential labors, this would be a gain of moment. * * *

"In a summary of the business that has heretofore been given to the Federal courts a sharp line must be drawn between cases arising under the Constitution, laws and treaties of the United States, and controversies deriving significance solely from the citizenship of the parties. Different considerations led to the deposit of power in the Constitution over these two broad groups of litigation; different considerations have evoked its exercise by Congress from time to time in varying degrees and under varying circumstances."

Professor Frankfurter then proceeds to give the history of various acts of Congress running over a series of years, by which Congress in various ways took away from Federal courts jurisdiction which had been before permitted, and in several instances he calls attention to the fact that Congress has conferred upon State courts jurisdiction in Federal matters and over corporations incorporated by acts of Congress.

Professor Frankfurter takes up the question of diversity of citizenship, and says:

"Thus far we have been considering the role State courts may play in the disposition of Federal rights. What of the converse—State litigation in the Federal Courts? The availability of Federal tribunals for controversies concerning matters which, in themselves, are outside the domain of Federal power and exclusively within State authority, is the essence of diverse citizenship jurisdiction. * * *

"This jurisdiction, particularly in its modern manifestations through corporate litigation, has aroused strong division of opinion, both judicial and professional, and repeated congressional attempts at curtailment. With a view to circumventing this use of jurisdiction by foreign corporations, States have resorted to every variety of legislation, frequently frustrated by the Supreme Court. Altogether, diversity jurisdiction has deeply weakened attachment to the Federal courts over a wide area and has unhappily given rise to measures calculated to impair their usefulness.

"According to Marshall's classic justification for diversity jurisdiction, the Constitution entertained apprehensions lest distant suitors be subjected to local bias in State courts, or, at least, it viewed with indulgence, the possible fears and apprehensions of such suitors. Whatever may have been true in the early days of the Union, when men felt the strong local patriotism of the politically nouveaux riches, has not the time come now to reconsider how justifiable the apprehensions, how valid the fears? The Civil War, the Spanish War, and the World War have profoundly altered national feeling, and the mobility of modern life has greatly weakened State attachments. Local prejudice has ever so much less to thrive on than it did when diversity jurisdiction was written into the Constitution. * * *

"Certainly the obvious abuses of diversity jurisdiction should be promptly removed by legislation, on plain grounds of policy and to relieve the overburdened Federal dockets. In the absence of an adequate system of Federal judicial statistics, we are without an exact basis for analyzing the scope and nature of Federal court business. That the diversity cases represent one of its heaviest items is common knowledge. According to the usual estimate they constitute one third of the business of the district courts. An examination of 10 recent volumes of the Federal Reporter shows that out of 3,618 full opinions 959, or 27 percent, were written in cases arising solely out of diversity of citizenship. In 716 of these cases, or 80 percent, a corporation was a party.

"At best, diverse citizenship jurisdiction has elements of unfairness. A resident of a State when suing another resident of the same State is compelled to sue in the State court; a nonresident suing the same defendant has a choice in two courts. The situation is aggravated by the freedom of the Federal courts to make local law in accordance with their notions of general jurisprudence, in complete disregard of the declared law of the State. The unfairness is increased in the various situations in which Federal courts are not even bound to follow State court decisions on a State statute or a State constitution. When these doctrines are applied in suits between citizens of a State and a corporation which does all or part of its business in that State, the unfairness to residents who are thus made litigants in the Federal court, as well as to resident parties in similar actions, is unmitigated. Public as well as private interests are sacrificed. The system leads to evasion of State legislation embodying legitimate State policies. Thus foreign corporations which do business in a State without complying with constitutional conditions imposed by the State, bar themselves from enforcing rights in the State courts, but they may sue in the Federal courts of that State. (Citing *David Lupton's Sons Co.* v. *Automobile Club of America*, 225 U.S. 489, 32 Sup. Ct. 711 (1911).)

"The temptations for abuse of the doctrine of 'indisputable citizenship' were too obvious; needless to say, they have been richly exploited. A very large part of the business of corporations is done in States other than that of their incorporation. To a considerable extent, corporations do all of their business in such other States. They enjoy the privileges and advantages of the laws of these States and the benefits of business relations with their citizens. Yet, without the corporate consent, a nonchartering State has not the power to adjudicate through its own courts disputes between these corporations and its own citizens, although such disputes arise wholly from the activities of the corporation within the State and in no wise impinge upon matters of Federal concern. This jurisdiction has been consciously abused. Men incorporate in a foreign State solely to avoid subjection to the laws of the State in which they carry on business and to obtain the advantages of Federal jurisdiction.

"The operation of a double system of conflicting laws in the same State is plainly hostile to the reign of law. Janus was not a god of justice. Litigation in the Federal courts is apt to be more expensive and otherwise more burdensome than in the State courts. The justification, if any, for these evils and burdens in suits between citizens of different States disappears when the suit is between a citizen of a State and a corporation which does business within that State.

"The various types of diversity litigation call for concrete scrutiny in the light of present-day conditions and the demands upon Federal courts by peculiarly Federal litigation. The right to remove to the Federal court a litigation between two nonresidents in a State court will not survive analysis."

MANY LARGE CORPORATIONS FEAR JUDGES ELECTED BY THE PEOPLE

The usual objection made to this proposed legislation is based, as before stated, upon the alleged prejudice of the people against nonresident litigants. Another reason, however, seldom given publicly but often referred to privately, is that these large corporations do not want to try their cases before judges who have been elected by the people; and, in confidence, their attorneys often state frankly that they want to try their cases before a judge who has not been elected by the people but who has been appointed and who holds his office for life. They say that a judge who must be elected by the voters and whose reelection depends upon the favor of the people often is thinking about his reelection and does not give the corporation or the man of great wealth proper consideration.

One letter from such an attorney, addressed to the writer, frankly states:

"We do not want to try our cases before a judge who has to depend upon the will of the people to hold his position."

Another equally frank letter says:

"We want to try our cases before judges who hold their positions for life, and who, therefore, will not be inclined to be swayed in any degree by the fact that he must go back to the people for reelection."

Another statement from an attorney whose clients consist mostly of gigantic corporations, reads:

"State judges are too close to the people who elect them. Federal judges, who hold their positions for life and who are not indebted to the voter for their positions, are more satisfactory."

Other letters state, as some of the witnesses at the hearings in effect stated, that—

"The present law gives us the privilege of making a choice between two courts. We have had that privilege since the beginning of our Government and there is no reason now why it should be taken away."

There has always been contention between those who believe in an appointed judiciary and those who believe in an elected judiciary. If we add to the elected judiciary a life tenure of office, then we have given to the trial judge a power within the scope of his duties as great as has ever been extended in history to any monarch, king, or potentate. These attorneys and corporations who are standing for life tenure of trial judges and the appointment by the President of such judges do not realize that they are trespassing upon dangerous ground.

In a democracy such as ours the consent of the governed is presumed, and however beautiful may be the theory of a life tenure for trial judges and the appointment of such judges regardless of the wishes of the people, the practical effect of such a claim is far from satisfactory.

Our institutions, to be stable and lasting, must have the confidence of the general public. The judiciary is no exception to this rule, and when the people lose confidence in the judiciary, our governmental fabric is at once weakened and such lack of confidence goes a long way in definitely and permanently injuring the very foundation of government itself. When the people lose confidence in any system of jurisprudence, the warning is at once blazoned upon the canopy of civilization and unless it is heeded by men and corporations of great wealth and great influence, they will themselves in the end be the victims of a destruction which their own conduct will bring down upon their heads. There can be no doubt whatever but that in the minds of millions of our people there is already a prejudice against Federal judges interfering in their official capacity with local matters which should be handled and disposed of entirely by the courts of the several States.

The American Bar Association has taken an active part in opposition to the proposed legislation. Briefs almost without number have been written, but it might be well to call the attention of members of that association to the fact that even they have received warning from their own membership. In the hearing there is printed in full a letter addressed to Hon. Paul Howland,

chairman of the committee on jurisprudence and law reform, American Bar Association, Cleveland, Ohio, by Hon. Charles E. Clark, of the Yale University School of Law. I am making several quotations from that letter as follows:

"There is a tendency to view all proposals for any limitation of Federal judicial jurisdiction in cases of diversity of citizenship as an attack on the Federal court system. On the contrary, however, supporters of that system, cherishing its historic and present functions in our Government, may well view with something akin to consternation the rapid expansion and dilution of that jurisdiction by all sorts of cases, petty as well as important. They may well study with considerate care any proposals which might serve to make that jurisdiction more respected and more worth while. It must be safeguarded even from its friends who would so overwhelm it that it cannot serve its proper function as a unifying arm of the Central Government. The business now placed upon it is such as in many districts to compel it to sacrifice its deliberative functions to the merely mechanical disposition of countless cases unimportant to a national court. Further expansion of the judicial establishment and consequent lowering of its prestige seems quite undesirable. Public sentiment responded adversely even to the suggestion of adding judicial powers to the United States commissioners. The opposite way, that of limiting jurisdiction, is the better one. The Supreme Court of the United States has shown how respect for a tribunal, which might easily have been overwhelmed by trivialities, is preserved and enhanced by sound restrictions on its jurisdiction. * * *

"Opposition to such change apparently comes down to a belief that local prejudice of State courts would operate as a denial of justice to nonresident litigants. Observers of some competence deny that such prejudice exists in serious form. Here is an issue of fact where the need of a dispassionate ascertainment of the real situation and perhaps of some experimentation to test the results of slight modifications of existing rules would seem apparent. This committee, given some wider scope of its powers, would be an excellent body for such purpose. In the absence of a careful factual study, I venture to believe that the charge of prejudice, turning exclusively upon nonresidence and affecting an appreciable number of cases, is not proven, while the present terms of the diversity of citizenship jurisdiction result in a selection of Federal cases in many ways unfortunate as giving the appearance of another sort of prejudice in the Federal tribunals. * * *"

Added to Professor Clark's letter is a postscript reading as follows:

"Since writing the above I received copy of Mr. Everett's letter of March 4, 1932. I cannot read into *Crowell* v. *Benson* all that he does. Moreover, I regret the suggestion that this committee use its influence to fight the proposed legislation at Washington. The American Bar Association and its members can hope to have little influence in public life if it and they consistently, and, as I believe, without careful and impartial consideration of the opposing views, strike out against judicial reform believed to be necessary by large groups of our citizens."

I invite attention to the warning which is contained in these quotations. They were written by a man having no selfish motive, but who is moved only by a desire to protect the judiciary itself.

Suppose we admit for argument's sake that there is a prejudice among the common people against great corporations. Can any student of our history or of political economy claim for one moment that this prejudice is not justified by our past history? As a practical proposition, does not everyone know that many of our Federal trial judges have been appointed for political reasons or for the very reasons that it was known by those who make the recommendations and who are really responsible for the appointments that the views of the appointee on social and economic questions were favorable to those held by respresentatives of corporate wealth.

The President cannot personally know the views of all the appointees he is called upon to name. As a matter of practical politics, it is well known that many Federal judges are appointed because they have recommendations from men and corporations of great wealth and power, institutions which are able, or supposed to be able, to control large numbers of votes; or, what is perhaps still worse, men and institutions who have already controlled the votes, and who are, by these appointments, paid for their influence in controlling conventions and elections.

In theory our system may be ideal, but as it has worked out in practice it has given an advantage to men and corporations who have great political influence; and it is not to be wondered at that such men and such institutions should want to try their cases before judges whom they, themselves, have been instrumental in placing upon the bench.

PROPAGANDA

That there has been a Nation-wide propaganda in opposition to this legislation, coming mostly from large corporations, mainly through their attorneys, there can be no doubt. This propaganda began in a preceding Congress, when a bill similar to the present one was favorably reported from the Judiciary Committee of the Senate. Many of the circular letters sent out stated in effect that the proposed legislation was unconstitutional and interfered with the constitutional rights of the people.

As a matter of fact, no lawyer on either side of the question, so far as I know, who has given the matter close and definite study, has any doubt about the constitutionality of this legislation. So plain is its constitutionality to lawyers generally that it is not necessary to argue that question at any great length. Nevertheless, many of these circular letters, without stating the real objection, clothe their statements in language which would have a tendency to make the ordinary citizen believe that his constitutional rights were invaded.

One instance of this misleading propaganda was demonstrated by the manner in which many organizations of colored people became excited and worked up in the belief that the bill struck at the colored race and interfered with the rights granted to that race under the thirteenth amendment to the Constitution. And yet no one who wishes to be fair will make the claim that the proposed legislation has any effect one way or the other upon the rights of the colored people, or any other class of people.

In the preceding Congress, when the same bill had been reported to the Senate, an attorney for one of the great interstate railroads wrote to local attorneys and other attorneys asking them to write to their Senators and demand that they make a fight against the passage of this terrible legislation. Omitting the name, the following is a copy of this letter:

"Senate bill 4357, introduced by Senator NORRIS, of Nebraska, calendar day May 5, was reported favorably by the Judiciary Committee on the 19th ultimo. This bill amends section 24 of the Judicial Code of the United States, omitting the provision authorizing the removal of suits between the citizens of different States to Federal courts where the jurisdictional amount exceeds $3,000. A favorable report was made without a hearing by the Judiciary Committee, Senator NORRIS representing that it would relieve the Federal courts of congestion and that there was little opposition except from corporations.

"While it is true that corporations are much interested in this proposed legislation, it is equally true that litigants of all classes or groups are equally interested. It would, in effect, suspend the constitutional provision extending the jurisdictional power of the United States to controversies between citizens of different States, certainly a very radical and dangerous proposition.

"I am therefore writing to you and some other influential members of the bar in an effort to enlist your assistance in requesting our Senators to oppose this bill, and I should be glad to learn your views thereon."

Another letter written by the general agent of an insurance company to a Member of the Senate is, in part, as follows:

"United States Senate bill 939, recently introduced into the present Congress by Senator NORRIS, would amend section 24 of the United States Judicial Code by eliminating diversity of citizenship as a ground for removal of suits from State courts to United States district courts, and Senate bill 937, also recently introduced in the present Congress by Senator NORRIS, would have exactly the same effect, so far as corporations are concerned.

"At the present time, if the corporation or the American Employers' Insurance Co. or the Employers' Fire Insurance Co., should be sued in Vermont by a Vermont citizen in the State courts, those companies have the right to remove the case from the State court to the United States district court. The purpose of this is to guarantee absolute justice to an outsider. If tried before some local or county court, the jury may be made up obviously of friends and neighbors of the plaintiff, who naturally would sympathize with him to the prejudice of the out-of-State defendants, whereas if brought into the Federal court the jurors, as a rule, are drawn from all over the State or all over the judicial district, if there happens to be more than one judicial district where the United States district court sits.

"This, to my mind, is a very important privilege which is now enjoyed by companies like our own, and it seems to me most unfair to have any law passed which would take it away."

It will be noted that this writer is afraid of local prejudice of jurors. The local prejudice of jurors, while often existing, is a two-edged sword. If the interested party in a community is generally known and bears a good reputation in the neighborhood where he lives, he would naturally be benefited if any such prejudice existed. On the other hand, if he were a man of disreputable character or otherwise believed by the people of his community to be a dishonorable person, his reputation would be to his detriment. And why should this not be so? The man who lives an honorable life and who is known to be an honest man in the neighborhood where he lives is entitled to the benefit of such a reputation. On the other hand, the man who is of such a character in the neighborhood where he lives that his neighbors and acquaintances look upon him with suspicion, will perhaps suffer if his character becomes an issue before a jury of his community.

It will be noted, also, that in this letter this general-insurance agent says:

"This, to my mind, is a very important privilege which is now enjoyed by companies like our own, and it seems to me most unfair to have any laws passed which would take it away."

Why should this insurance company or any other corporation or individual have a "privilege"? The object of this law is to take away this privilege, a privilege which gives to the corporation outside of the State an advantage over the corporation within the State, a privilege which exists in favor of the nonresident litigant as against the resident litigant.

Another letter from an attorney in a Western State is, in part, as follows:

"Some of the loan companies, because of diversity of citizenship, are bringing all of their foreclosure actions in the Federal courts. * * *

"When the various loan companies now start a foreclosure in the Federal court, it has a tendency toward intimidating the mortgagor, who is already in a hard-pressed condition or foreclosure would not have been necessary. He is then faced with the

necessity of either securing counsel at the distant point where Federal court is held or of securing local counsel and having them attend court there. This makes it very difficult for him to properly protect his rights in the foreclosure. It also places the attorney practicing in a county where there is not a Federal court division at a disadvantage in this line of practice, since, from a distance, he must compete with the attorneys who are living where the court is held."

A letter from Mr. Lester B. Johnson, a prominent attorney in the city of Philadelphia, not only shows the existence of a Nation-wide propaganda, but it is a very concise and logical argument in favor of the passage of this proposed bill. Particular attention is called to the statements in this letter. There exists in Philadelphia a Rapid Transit Co., a street-railway corporation. It is incorporated under the laws of Pennsylvania, so that if it is sued in the State courts of Pennsylvania it is not able to have the case transferred to the Federal court because it is a corporation of the same State wherein the plaintiff in such a case resides. The Rapid Transit Co., however, has organized the Yellow Cab Co., which is incorporated in another State. The Yellow Cab Co. is owned by the Rapid Transit Co., so that a suit against the Yellow Cab Co. is, in reality, a suit against the Rapid Transit Co. By incorporating the Yellow Cab Co. in a different State they are able to take advantage of the diverse citizenship clause and transfer their cases into the Federal court. There can be no possible question of prejudice in this case. The Yellow Cab Co. does business only in the State of Pennsylvania. Its property is there. Its offices are there. Its officials are there. But it incorporates in another State in order to transfer into Federal court all suits which may be commenced against it. The object of incorporating in another State is to enable it to go into Federal court. In other words, the Rapid Transit Co. organizes a separate company in order to obtain this blessed privilege of going into Federal court rather than trying its lawsuits in the State where it does business and where the cause of action likewise arises. The letter from Mr. Johnson is printed in full, as follows:

JUNE 27, 1930.

Hon. GEORGE W. NORRIS,
Chairman Senate Judiciary Committee,
United States Senate, Washington, D.C.

MY DEAR MR. NORRIS: I have received a circular from the secretary of our law association in reference to Senate bill No. 4357.

The circular asks us to protest against a proposed amendment to section 24 of the Judicial Code so as to take away from the United States district courts original jurisdiction based on diversity of citizenship.

I am unwilling to make such a protest because I am strongly impressed with the necessity of making some amendment to the code that would keep the United States District Court from being flooded with damage cases which are obviously transferred from the State courts for the purpose of delay and with the thought that the juries in the Federal court may return lower verdicts.

We have a very excellent illustration in the United States district court for this district. I enclose you one of our recent trial lists and you will find that there are 17 cases listed for trial against the Yellow Cab Co. You will find that in most instances these are cases that were started in the State courts to recover damages for injuries and that the defendant has transferred them to the United States district court.

That these transfers are not made in the spirit of the provision of the Judicial Code in question is made very plain when it is understood that Yellow Cab Co. is a subsidiary of the Philadelphia Rapid Transit Co. The suits against the Philadelphia Rapid Transit Co. are brought and tried in the State courts, while parties having claims against the Yellow Cab Co. are subjected to a transfer to the United States district court.

It is absurd to say that one class of citizens, injured by the operations of the Rapid Transit Co., have their claim satisfactorily adjudicated in the State court, while another class, injured by the subsidiary company, in the same city, must have their cases adjudicated in the United States district court.

I also call your attention to the transfer by the Atlantic & Pacific Tea Co. of its cases to the United States district court. This company is no more entitled to transfer its cases to the United States courts than any other store carrying on business in the city.

I do not pretend to say what the remedy should be, but call your attention to the real need of amending the code to take care of this situation. The fact is that litigants in the United States district court cannot get their cases heard because of these and other conditions which are familiar to you.

Very truly yours,

LESTER B. JOHNSON.

A letter from a prominent firm of attorneys in Kansas City, Mo., shows conclusively that the idea of transferring cases to Federal court is not on account of any prejudice in State courts, but is for the purpose of obtaining an undue advantage over an opponent in a lawsuit. This letter, in part, is as follows:

"I appreciate the force of any argument advanced to give speedy trials to litigants, but I do not believe another judge is needed in this district or in any other district in the United States. The cure is a restriction of the jurisdiction of the Federal courts, not enlargement of the judiciary or its jurisdiction. It is claimed that the cause of the congested condition in the Federal court is the enforcement of the prohibition law. It is true that the prohibition law has increased the number of cases in the Federal courts, but the increase is largely due to the fact that corporations from other States enter the different States and receive license to transact their business, and receive all of the benefits flowing therefrom, and when sued in the State courts, if the amount involved is sufficient, promptly remove them to the Federal courts.

"If Congress wants to work in the interest of the average citizen, the bill introduced by you at the last session should be passed, forbidding the removal of cases where the corporation has entered the State and is sued in a State court by a resident of the State.

"A great injustice is done to a citizen of Missouri suffering a fire loss, when insured for more than $3,000 in a nonresident insurance company, where the company came into his town, appointed an agent, transacted its business with him, and then when he brings a suit in the State court they promptly remove it to the Federal court, and the insured is compelled to go to a distant place to try his case, not only incurring almost prohibitive expense by way of employment of additional counsel, as the average small-town lawyer is unfamiliar with Federal practice, but the plaintiff is also placed to a disadvantage, being required to take his witnesses to a place far removed from the scene of the loss at further trouble and expense. Under the laws of Missouri a 9-man verdict is sufficient, but under the Federal practice a unanimous verdict is required.

"The remedy that will appeal to any fair-minded man is a limitation and restriction of the jurisdiction of Federal courts and not an increase of judges."

Another letter from a prominent firm of attorneys in New Jersey reads, in part, as follows:

"We trust, however, that you will use every possible effort to see that this bill is passed. If not, at least that the amount involved be raised from the present sum of $3,000 to at least $25,000 or more, before the case can be removed. There is no good reason why corporations coming into a State and doing business for the people of that State should not submit to the jurisdiction of the courts of that State when controversies arise.

"The situation in this State is that these cases are removed to the United States district court, where, either due to insufficient number of judges or other reasons, it is impossible to get a speedy trial. Aside from that fact it is a hardship bringing witnesses from the vicinity of the trial court, a considerable distance, and then have to perhaps travel back and forth many days before the case is actually reached."

A representative of a firm engaged in the handling of surety bonds in the city of Seattle, Wash., in protesting against this proposed legislation, refers to the important privilege which is now possessed by the nonresident in having the choice of two courts. He winds up his letter as follows:

"As stated before, to my mind this is an important privilege now enjoyed by companies doing business nationally, and it seems to me most unfair to have any law passed which would take it away."

The American Bankers Association has been active in circularizing the banks of the country in opposition to the proposed legislation. Among much correspondence with banks on the subject is a letter from a bank in the State of Nebraska which illustrates the fear created by these circulars in the minds of bankers as to just what the bill would do. The letter from this Nebraska banker says:

"There may be a good reason for this legislation that we do not know of, but we are informed that it would affect our own interests adversely if any shyster outfit can sue us in any other State than our own, as would seem to be the purpose of this bill.

"For example, this bank is now about to be sued by a shyster outfit in New York City that exploited the banks of the entire country recently (among them our own) with a deceptive contract for distributing the hearings before the House committee on branch banking. The contract was so deceptively drawn that one of the officers of this bank misread it and thought it was contracting for a dollar's worth of mimeographed reports, whereas he discovered very shortly that he had contracted for $1,200 worth of it. Upon further investigation our own opinion of the fraudulent character of the outfit was confirmed.

"Now, if this concern can get jurisdiction on us in New York City and compel us to go there to prevent ourselves from being robbed, we certainly would be put at a great disadvantage and a very great expense."

In a second letter from this banker, after the report on a similar bill in a preceding Congress had been sent to him, it is stated:

"* * * It is not what I understood it to be at all. It is probably a result of my careless reading of the original letter which you refer to and which was sent out by the American Bankers Association."

This banker had been led to believe that the bill would have an entirely opposite effect to what it would have if enacted. His first letter shows he was led to understand that if this bill should pass his bank in Nebraska could be sued in some other State and the bank compelled to go into that State to make a defense.

A letter from Mr. George Donart, an attorney at Weiser, Idaho, shows what injustice the present law brings about. It is more or less a common practice for persons who are about to sue some foreign corporation or nonresident of the State to limit the amount asked to less than $3,000, although in reality claiming they are entitled to much more, in order to prevent the nonresident or foreign corporation from taking the case into Federal court where they will be compelled to go to the extra expense of following the litigation all the way through the Federal courts to the Supreme Court of the United States. In referring to the bill, Mr. Donart says:

"I sincerely hope that you will succeed in getting it enacted into law. The present situation is particularly vexatious in the State of Idaho, where half of our business is done by foreign corporations who can remove to the Federal court any case involving more than $3,000. To people living in those counties in which sessions of the Federal court are held this is, of course, no inconvenience, but to persons living in the more remote counties it is not only inconvenient but expensive.

"The class of cases most generally transferred to the Federal court in this State are cases against fire-insurance companies and against common carriers, and so unsatisfactory is this arrangement to the litigants that I have actually known of instances where residents of the State having lost their property by fire and being so unfortunate as to be compelled to sue for their insurance, and where their damage considerably exceeds $3,000, have remitted the excess and sued for $2,999 in order to keep the case in the State court. * * *

"We have in this State one power company controlling all of the electrical energy for the southern part of the State, which, by virtue of the fact that it is organized under the laws of the State of Maine, can take any of its litigations into the Federal court."

These letters only illustrate the truth of the assertion that the real reason why many of these interested parties want to retain the present law is that they may also retain the privilege which the present law gives them. They are unwilling to try their lawsuits in the State where they do business and under whose laws they are making their money.

It is proper to say at this point that these quotations likewise have reference to a bill then pending which took away from the Federal courts jurisdiction in all cases where the jurisdiction was obtained by virtue of the diversity-of-citizenship clause in the law. They have, however, a direct application to the pending bill, insofar as that bill takes away from the courts jurisdiction on account of diversity of citizenship in all cases where an order of a State commission or board is in controversy.

CONSTITUTIONALITY OF THE PROPOSED ACT

The constitutionality of the proposed bill has been called into question by at least one of the lawyers appearing in opposition to the proposed bill. Other suggestions of a similar nature have been made in some of the briefs which have been filed. It is hardly necessary to discuss this question. Even those who are opposed to the proposed legislation, as a rule, admit that the proposed bill is constitutional. It seeks to take away the jurisdiction of Federal courts only in cases where the litigation is between citizens of different States.

The objection of the legislation, as it has been distinctly stated, is to take away jurisdiction from the district courts of the United States. It is not intended to take away and does not take away any jurisdiction of the Supreme Court of the United States. The Supreme Court is the only Court where jurisdiction is conferred by the Constitution. All the inferior courts—which means all the courts of the United States except the Supreme Court—obtain their jurisdiction from statute. It would be perfectly constitutional for Congress to pass an act which would abolish every Federal court in existence except the Supreme Court. All the jurisdiction which such inferior courts have has been conferred upon them by statute, and the Supreme Court of the United States has repeatedly held that it is within the power of Congress to add to that jurisdiction within the limits of the Constitution, and to take away any part or all of it.

In the case of *Kline* v. *Burke Construction Co.* (260 U.S. 226 (1922)), the Supreme Court said:

"The right of a litigant to maintain an action in the Federal court on the ground that there is a controversy between citizens of different States is not one derived from the Constitution of the United States, unless in a very indirect sense. Certainly it is not a right granted by the Constitution. The applicable provisions, so far as necessary to be quoted here, are contained in article III. Section 1 of that article provides: 'The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.' By section 2 of the same article it is provided that the judicial power shall extend to certain designated cases and controversies, and, among them 'to controversies * * * between citizens of different States * * *.' The effect of these provisions is not to vest jurisdiction in the inferior courts over the designated cases and controversies, but to delimit those in respect of which Congress may confer jurisdiction upon such courts as it creates. Only the jurisdiction of the Supreme Court is derived directly from the Constitution. Every other court created by the general Government derives its jurisdiction wholly from the authority of Congress. That body may give, withhold, or restrain such jurisdiction at its discretion, provided it be not extended beyond the boundaries fixed by the Constitution."

This question was passed upon directly by the Supreme Court in an early day. In *Turner* v. *Bank of America* (4 Dall. 8, 10 (U.S. 1799)), the Supreme Court, speaking through Mr. Justice Chase, said:

"The notion has frequently been entertained that the Federal courts derived their judicial power immediately from the Constitution; but the political truth is that the disposal of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this Court, we possess it—not otherwise; and if Congress has not given the power to us, or to any other court, it still remains at the legislative disposal. Besides, Congress is not bound, and it would, perhaps, be inexpedient, to enlarge the jurisdiction of the Federal courts to every subject in every form which the Constitution might warrant."

It is perfectly clear that this bill cannot be successfully attacked on constitutional grounds. Congress, in legislating on that subject, has always acted on that theory.

In the first judiciary act, passed in 1789, jurisdiction was extended to the lower Federal courts in cases arising between a citizen of the State where the suit is brought and a citizen of another State when the dispute exceeded $500. In other words, where the amount in dispute was less than $500, the Federal courts had no jurisdiction. Thus, Federal courts, in the history of our country, have never had jurisdiction in diverse citizenship cases where the amount in dispute is less than $500. The scope of this jurisdiction remained unchanged for about 80 years.

By the judiciary act of 1887–88, the restrictional amount to give the Federal courts jurisdiction in diverse citizenship cases was raised to $2,000, thus taking away from the Federal courts in all such cases the jurisdiction which had before been given by the first act where the amount was between $500 and $2,000.

In 1911 Congress again changed this amount and provided that Federal courts should not have jurisdiction in such cases unless the amount involved was $3,000 or more.

All of these acts, insofar, at least, as the amount in controversy is concerned, were constitutional if the present act is constitutional. In other words, each one of these acts illustrates the proposition that so far as the jurisdiction of inferior courts is concerned, Congress can give such jurisdiction within the limits of the Constitution as it pleases and, having thus given jurisdiction, it is likewise within the power of Congress to take it away either in whole or in part.

INVESTMENTS

It has sometimes been urged that if this jurisdiction is taken away from Federal courts it will make it sometimes impossible and often difficult, especially in the West and South, to secure eastern capital for investment in the development of the country.

This argument is purely theoretical. It has no real application, as a matter of fact. The argument, even if true, is not based upon any logic or with any idea of justice. In a great many instances the West and South would be better off today if they had not been able to borrow the large sums of money which they have borrowed from foreign countries and from the eastern part of the United States.

The floating of bonds for the building of railroads, the issuing of bonds and certificates of indebtedness, and sometimes the release of invested capital from taxation for a number of years, has been, upon the whole, a detriment rather than a benefit. The taxpayers in many localities have learned, from bitter experience, that such indebtedness, agreed to by the people of various localities, has resulted in increased taxation in many cases without any return. The floating of bonds for the building of new railroads (which in many cases were not built), stand as milestones in many western localities to the error of the days when it was too easy to borrow money.

An investor who refuses to invest unless he is able to select the tribunal to which he will go in case of dispute is not only asking an unfair and illogical advantage of the local borrower but, in addition to that, the country where the investment is made would, almost without exception, be much better off if such an unfair investor kept his money in his own locality.

When we realize that during the last several years investors of hundreds of millions of capital in foreign countries and in foreign business undertakings have turned out to be not only reckless investments but absolute business losses, it is hard to believe that those who have money to invest would stay out of some State other than their own simply because the privilege which has been given them in the past of choosing their tribunal where they shall settle their controversies has been taken away from them.

The man who invests his money in Central or South America, for instance, realizes when he makes the investment that in case of controversy or dispute he must go into the foreign country, half-way around the world, to litigate his controversy certainly would not shy away from the purchase of a mortgage on land in Illinois, Iowa, or any other Western State.

History shows that investment of capital in the West and in the South, where it is conservatively and honestly made, has been a paying venture. No risk has been taken if the investor is careful in making his investment not to enlarge his loan more than the real value of the property.

Some of the witnesses, as shown by the hearings, representing large investment corporations have shown from tables and memoranda which have been incorporated into the record that these foreign corporations seldom take advantage of the law by going into the Federal district court instead of trying their cases in State courts. They claim that it is only in a very small proportion of the cases that they resort to the Federal courts and thus take advantage of the privilege which they have under existing law. Taking their claims at 100 percent correct, it is a practical demonstration, from their own statements and their own viewpoint, that they have greater confidence in the State courts than they do in the Federal courts. This is no doubt often true as a matter of practice. If they have a good case, they are not afraid to go before the State court and litigate it. However, when they wish to wear out the defendant, drag him across the country and cause him a great deal of expense, and then obtain indirectly what they could not get directly, they resort to the Federal courts. Or if we assume that they always choose the court most friendly to their

theory, then it must follow that they have found litigation in the State courts to be satisfactory. In any case, their showing is to the effect that they do not need this blessed privilege which they are so strenuously trying to retain.

DEMAND FOR THIS LEGISLATION COMES FROM NEARLY ALL OF THE STATES

The State public service commissions of most of the States are earnestly urging the passage of this bill. From all over the United States these commissions are pleading for action. They realize that under present conditions, where the utility corporations have the choice of two courts, the commissions are greatly handicapped.

Opponents of the bill have striven to make the country believe that only the West and the South favor legislation such as is proposed in this bill. The demand for this legislation comes from the East and the North, as well. As an illustration of that, let us take the State of New York.

President Roosevelt, while Governor of the State of New York, on January 27, 1930, sent a special message to the New York Legislature, then in session, from which I quote:

"The recent decision of the Federal court in the southern district of New York, permitting the New York Telephone Co. drastically to raise its telephone rates, brings to the fore in a striking way the whole question of interference by the United States courts with the regulatory powers of our public service commission. * * *

"It means that hearings and trials which rightfully should be held before our public service commission or before State courts are, by a scratch of the pen, transferred to a special master appointed by the Federal court. The State regulatory body * * * is laughed at by the utility seeking refuge with a special master, who is unequipped by experience and training, as well as by staff and assistants, to pursue that searching inquiry into the claims of the company which the consuming public is entitled to demand. The special master becomes the rate maker; the public service commission becomes a mere legal fantasy.

"This power of the Federal court must be abrogated. Only the Congress can give the remedy. Legislation has been introduced in the Congress to carry out this purpose. * * * I recommend to your honorable bodies that you memorialize the Congress to pass this legislation."

This recommendation of President Roosevelt has reference to this particular legislation now pending. The bills to which I refer were practically the same as this bill which the majority of the Committee on the Judiciary now ask Congress to enact into law. President Roosevelt, referred to interference by the United States courts with the regulatory powers of our public service commission, from his experience as Governor of the State of New York. The same story could be told by nearly every other governor. It is the jurisdiction which Congress has given to Federal courts to pass on matters of State regulation which holds up the laws of the States, prevents the officials of the States from doing their duty, and robs the people of the benefit which would accrue to them, if the commissions which they have set up by law in the various States were permitted to perform their duty, giving to every party in interest the right to appeal to the court, and, if that party claimed that any of his constitutional rights were being infringed, he could appeal from the decision of the supreme court of the State to the Supreme Court of the United States.

This is no denial of justice. This is preserving to every corporation all the privileges that it has an honest right to demand. Under existing conditions, these corporations drag out the litigation through the State courts, then through the Federal courts, until, by delay alone, justice is denied the common people, justice is denied the users of electricity and other public utilities. This bill takes away no honest right. It deprives no person or corporation of due protection of the law, but it puts all persons and all corporations upon an exact equality. There would still be long delay, even if this bill were enacted, but, under our Constitution, it would be a delay which probably could not be avoided. These great corporations which now take advantage of the privilege given them by Federal law to wear out their opponents in long years of litigation do not realize that a suffering people will not always submit to this injustice.

Most of the States have appropriated large sums of State funds to set up their commissions. They have equipped them with experts and investigators for the sole and only purpose of reaching a just settlement where disputes arise between utility companies and municipalities in the various States. They realize unless something of this kind is done by Congress that, to a great extent, their work in trying to regulate rates of utility companies will be completely nullified. Their investigations made at great expense will be of no consequence. The ratepayers of gas and electricity will be compelled to bear an expense which is conceded by everyone to be unfair and unjust.

REVOCATION OF SECTION 18 OF EXECUTIVE ORDER NO. 6166 (H.DOC. NO. 240)

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, ordered to lie on the table, as follows:

To the Congress:

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1489, 1517), as amended by title III of the act of March 20, 1933 (ch. 3, 48 Stat. 8, 16), I am transmitting herewith an Executive order revoking section 18 of Executive Order No. 6166 of June 10, 1933, heretofore transmitted to the Congress, the purpose of which was to abolish in part the functions of: Cooperative vocational education and rehabilitation; payments for agricultural experiment stations; cooperative agricultural extension work; endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 6, 1934.*

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

As in executive session,

Mr. REED. Mr. President, I send to the desk a telegram received by me from former Governor Fisher, of Pennsylvania, who is now president of the Pittsburgh Chamber of Commerce. I ask that it may be read by the clerk to appear in the RECORD as a part of my remarks.

There being no objection, the legislative clerk read as follows:

PITTSBURGH, PA., *February 2, 1934.*

DAVID A. REED,
United States Senate:

At a public hearing on the St. Lawrence seaway project held today at the Pittsburgh Chamber of Commerce, at which the trade, industrial, transportation, and power interests were fully represented strong protest against ratification of this treaty was unanimously recorded; pending full report of our meeting will you not call attention of the Senate to action taken?

JOHN S. FISHER,
President Pittsburgh Chamber of Commerce.

Mr. LA FOLLETTE. Mr. President, in the Washington Herald of this morning, in the column conducted by Mr. Arthur Brisbane, there appeared several paragraphs which I wish to have inserted in the RECORD, relating to the St. Lawrence waterway. It should be noted that in the column of yesterday Mr. Brisbane pointed out that certain statements had been made by Canadian newspapers and today he completely answers those statements.

I also ask that an article appearing in this morning's New York Times entitled "Unfairness Denied in Seaway Treaty" may be printed as a part of my remarks, following the quotations from Mr. Brisbane's column.

There being no objection the matter was ordered to be printed in the RECORD as follows:

[From the Washington Herald, Feb. 6, 1934]

In this column you read, perhaps, statements made by a Canadian newspaper about the proposed American-Canadian treaty for building a waterway via the St. Lawrence from the Great Lakes to the ocean. The Canadian editor said America would bear the greatest part of the expense, and get only 1,000,000 horsepower, against 4,000,000 horsepower for Canada.

Mayor Daniel W. Hoan, of Milwaukee, interested, as many millions of Americans are, in connecting the Great Lakes with the ocean, telegraphs:

"Toronto Mail statement completely refuted by United States official documents and records. We do not bear the major part of the expense, or abandon sovereignty over Lake Michigan. We get one half of all the horsepower developed."

To establish and connect the Great Lakes and the ocean, enabling products from midwestern farms and factories to go by ship direct to Europe and Asia, would be of greatest value to this country. To have the canal is more important than any little details of the bargain driven. In addition, President Roosevelt is said to desire that the treaty be approved by the Senate and the canal dug. If he wants it, it will be done. That is a safe prediction.

[From the New York Times, Feb. 6, 1934]

UNFAIRNESS DENIED IN SEAWAY TREATY—STATE DEPARTMENT BRANDS AS FALSE TORONTO PAPER'S ASSERTION IT PUTS MAIN COST ON US—THIS WAS QUOTED BY FOES—CANADA AND UNITED STATES WOULD GET SAME AMOUNT OF POWER, IT IS STATED

WASHINGTON, February 5.—Statements made in the Toronto newspaper Mail and Empire and made use of by American opponents of the St. Lawrence Waterway Treaty to the effect that Canada would contribute much less to its cost and derive far greater advantages from it than the United States were answered by State Department officials today.

These statements were made on July 19, 1932, the day after the St. Lawrence Waterway Treaty was signed. Although the attack made on the treaty in the United States on the basis of such contentions was answered in detail by Senator VANDENBERG in his

speech on the subject during the special session of Congress, it has been revived during recent Senate consideration of the treaty's ratification.

State Department comment today on the alleged facts contained in the Mail and Empire was as follows:

"The statement that 'the cost of the undertaking will be borne mainly by the United States', is completely false. The cost has been balanced as absolutely as possible between the two countries. The United States will pay $272,000,000 and Canada between $271,000,000 and $272,000,000.

"As to the statement that 'the United States abandons its ancient contention that Lake Michigan is an American lake', Lake Michigan is, as it always has been, wholly within the territory of the United States and this treaty does not surrender American sovereignty over it.

TREATY TERMS CITED

"In reference to the statement that 'the treaty puts an end to Chicago's ambition to drain the Great Lakes for the benefit of the Mississippi Valley', it needs only to be said that the treaty does nothing but include in its terms the substance of a decision of the Supreme Court of the United States, surely a firm foundation for any treaty.

"The only comment to be made on the statement that 'Lake Michigan belongs to the watershed of the St. Lawrence instead of to the Mississippi watershed', is that it seems geographically undeniable.

"The statement that 'no feature of the treaty is more surprising than the low cost to Canada at which the undertaking is to be carried out' calls for explanation. As stated, Canada pays half the total. Included in Canada's cost is $128,000,000 for the construction of the Welland Canal (which actually cost $130,000,000). Every report on the project from the international joint commission in 1923 to that of the board of engineers recommended that the Welland Canal be made part of it.

POWER DIVISION EXPLAINED

"In 1928 Secretary Kellogg, with President Coolidge's approval, said the United States would agree to include the cost of the Welland Canal. The Welland Canal was not completed until 1932. It was completed, strictly according to the engineers' specification, as an integral part of the waterways project.

"What may have been the ground for the Mail and Empire's statement was that the Canadians deducted from their figures what they expected to get back from the Province of Ontario for building their part of the waterway—$104,000,000. The United States Government also subsequently made a tentative agreement with New York State to receive $90,000,000, but this has not been deducted in American estimates.

"The statement that 'Canada is to obtain 4,000,000 horsepower and the United States 1,000,000 horsepower out of the whole St. Lawrence waterways development' is true so far as it goes, but gives an incomplete picture. The fact is that the St. Lawrence Treaty has been restricted to the international section of the waterway. The international section will develop 2,200,000 horsepower, of which Canada will get 1,100,000 and the United States 1,100,000.

"On the purely Canadian side of the river Canada will be able ultimately to develop 3,000,000 horsepower. This development will be entirely at Canada's own cost, the United States will not pay a cent toward it, and to develop it Canada has absolutely no need of any treaty with the United States. As a matter of fact, the Beauharnois Power Co. is now in process of completing plants for a considerable part of that power."

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McADOO, from the Committee on Patents, reported favorably the nomination of Richard Spencer, of Illinois, now holding recess appointment, to the position of First Assistant Commissioner of Patents.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the following nominations:

Hugh O'Neill, of Alaska, to be United States attorney, division no. 2, District of Alaska, to succeed Leroy M. Sullivan, resigned; and

Joseph W. Kehoe, of Alaska, to be United States attorney, division no. 3, District of Alaska, to succeed Warren N. Cuddy, term expired.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Harry T. Foley, of Yonkers, N.Y., to be surveyor of customs in customs collection district no. 10, with headquarters at New York, N.Y., to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

NOMINATION OF BLANCHE E. WHITE—RECOMMITTAL

As in executive session,

Mr. McKELLAR. Mr. President, yesterday Blanche E. White, of Chatsworth, Calif., was confirmed as postmaster at that place. I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered and that then the nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, the vote by which the nomination was confirmed is reconsidered, and, without objection, the nomination is recommitted to the Committee on Post Offices and Post Roads.

LIMITATION OF JURISDICTION OF UNITED STATES DISTRICT COURTS

The Senate resumed the consideration of the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

Mr. HASTINGS obtained the floor.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, if the Senator from Delaware will yield for that purpose, I desire to move a recess.

Mr. HASTINGS. I yield.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, February 7, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 6, 1934

UNITED STATES MARSHALS

John B. Keefe, of Iowa, to be United States marshal, northern district of Iowa, to succeed Don A. Preussner, term expired.

Henry L. Dillingham, of Missouri, to be United States marshal, western district of Missouri, to succeed Asa W. Butler, resigned.

COMMISSIONER OF EDUCATION FOR PUERTO RICO

José Padín to be Commissioner of Education for Puerto Rico, reappointment.

APPOINTMENTS IN THE REGULAR ARMY

CHAPLAINS

To be chaplains with the rank of first lieutenant

First Lt. Luther Weltmer Evans, Chaplains Reserve, with rank from December 26, 1933.

Rev. James William Elder, of Tennessee, with rank from December 27, 1933.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lt. Ralph Harris Bassett, Infantry (detailed in Ordnance Department), with rank from March 26, 1924.

Second Lt. John Dabney Billingsley, Field Artillery (detailed in Ordnance Department), with rank from June 9, 1928.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be captains

First Lt. William Henry Christian, Jr., Medical Corps, from January 29, 1934.

First Lt. Otto Leonard Churney, Medical Corps, from January 29, 1934.

First Lt. Henry Clay Chenault, Medical Corps, from January 29, 1934.

CHAPLAIN

To be chaplain with the rank of major

Chaplain (Capt.) Frank Burton Bonner, United States Army, from January 25, 1934.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 6, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, awake, asleep, in daylight and in darkness, Thou art our guardian angel, ministering unto us and revealing Thyself in abundant goodness and mercy. We come; we wait upon Thee in gratitude. Let us feel the silent power of prayer, learn its lessons, and know more of the quiet peace and comfort it gives. O deepen the serenity of our souls, which are so conscious of Thy Fatherhood. Satisfy our skylark instincts, for they seek affinity with the sunlight of God. O make them tremulous with an inner glory. Do Thou regard with great favor our President, our Speaker, and the Members of this Congress. Give them wisdom and direction which shall enable them to pierce the thickest cloud that ever stretched across our country's sky. O Prince of Peace, spare the old world from the ravages and the tragedies of war, which in its best estate is a wild forest fire that destroys the very country it would redeem and blights the force it would protect and cultivate. O continue to be with us for Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech on old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE NEED FOR A NATIONAL SYSTEM OF OLD-AGE PENSIONS

Mr. ELLENBOGEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by myself from Pittsburgh, Pa., Sunday, February 4, 1934:

I have been receiving so very many letters inquiring about the status of old-age-pension legislation and urging me to speak about old-age pension laws that I have decided to discuss this problem tonight.

Before I begin I should like to read to you a part of just one letter which came to me from an old-established family living in Pittsburgh, Pa.:

"I hope your next talk will be on old-age pensions. In my humble opinion, the best system for the country is a national system for all aged over 65 or 70 years of age. If our party can succeed in passing an old age bill, I feel sure it will be one of the greatest blessings ever bestowed by the United States Congress. I believe our dear President will be with us on such a merciful piece of legislation."

May I remark, by the way, that I have taken the liberty of sending this letter to the President of the United States, because I believe that it speaks for hundreds of thousands of people in this country.

The problem of the security of our old people springs from our modern industrial system. In an agricultural system this problem does not exist. As long as the American people were prevailingly engaged in agriculture old people could always look forward to spending their last years in peace and comparative comfort on the farm. Under our present system of modern industrial machine production the situation is entirely different. The specialization of work in modern large-scale industry, where each worker performs over and over again the same stereotyped operation, has largely dispensed with the need for the experience and skill of older workers, and the speed-up system of the modern industrial plant, with its ever-increasing nervous strain, demand younger and younger workers. As a result, most large-scale industries will not employ workers beyond the age of 40 or 45 years. In some plants the age limit is even as low as 35 years.

The adoption of private industrial pension schemes also has lowered the age at which the companies having such pensions will employ men. Most of these companies require that a man must be at least 65 or 70 years of age when he is pensioned and must have been employed from 20 to 30 years. Persons not fitting into the scheme are not employed, and thus these companies refuse to employ men beyond 40 to 45 years.

Also, modern public-health measures have tremendously increased the average span of life. In 1840 the average duration of life in the United States was 39 years, whereas in 1930 it had risen to about 60 years.

The growth of the average duration of life has increased not only the total number of aged people in the United States but also the proportion of old people as compared to the rest of the population.

In 1870 the total population of the United States was 38½ million people, of which 1,153,000, or about 3 percent, were 65 years of age or over.

In 1930 the total population was 122,755,000, of which 6,633,000 persons, or almost 5½ percent, were 65 years or over.

According to various studies made it appears that, owing to our modern industrial system, between 40 and 50 percent of all people 65 years and over are in need and dependent. That would mean that in 1930 about 2,700,000 out of 6,634,000 people 65 years of age and over in the United States were dependent.

Permit me to summarize these facts because they are extremely important:

First. The problem of old-age insecurity has been created by our modern industrial system of mass production.

Second. The total number of older people is steadily increasing.

Third. The percentage of old people in relation to the whole population of the United States is steadily and speedily growing.

Fourth. The number of dependents among our older people is steadily increasing.

Every student of the facts will admit that for these reasons the situation has reached a point where a permanent and adequate system must be established to care for our old people.

In most States the aged and older people were supposed to find a refuge in what are known as poorhouses or almshouses.

Here is how the New York State Commission, in its 1930 report, described conditions in poorhouses or almshouses:

"Worthy people are thrown together with moral derelicts, with dope addicts, bums, drunks, with whatever dregs of society happen to need the institution's shelter at the moment; sick people are thrown together with the well, the blind, the deaf, the crippled, the epileptic; people of culture and refinement with the crude and ignorant and feeble-minded.

"The large dormitory system prevails rather than the individual room or the roommate system. Privacy, even in the most intimate affairs of life, is impossible, so that despite the conscientious and often kindly efforts of the superintendents, the whole atmosphere of the almshouse tends to become more and more depressing, 'institutionalized', and dehumanized."

How much better would it be to take care of our people through pensions instead of herding them into poorhouses! How much more humane, more civilized to let these older people live a decent, quiet, and respectable life in their own community and in the same surroundings where they spent their younger years.

Human decency always pays, even from the point of view of dollars and cents. It is a known fact that old-age pensions are much cheaper than poorhouses. To illustrate:

The New York State Commission in 1929 found that the cost for an inmate of a poorhouse in New York State was $39.61 per month. Under the law of 1930, which established an old-age-pension system in that State, the average cost per person was only $23.80. Twenty-seven States have laws providing for old-age pensions of one sort or another, but the best and the most feasible system is a national one. Only a national system can protect all dependent persons of old age and can provide adequate and fair pensions without discrimination between the citizens of the various States at the expense of our old people.

There is now pending in Congress a bill which provides that the Federal Government shall contribute to each State which makes provisions for old-age care one third of the expenditures made by such State. Under that bill no State is eligible for such Federal funds unless its laws provide for an adequate old-age-pension system. For instance, Pennsylvania would not be eligible because the law which the Pennsylvania State Legislature passed in December of last year is in reality not an old-age pension law, but a pauper law. I predict that it will prove a great disappointment not only to our old people but to all those who fought for fair and adequate pensions for the aged in Pennsylvania.

There is also pending in Congress a resolution which I introduced, and which seeks to establish a national old-age-pension system on a contributory basis.

A contributory system is really a compulsory system of old-age insurance. Under it the employer and the employee must contribute a very small and almost insignificant sum of money from his salary or wages to a pension fund. In a good many countries the government also makes contributions to the central fund. The amount would be small. For instance, for a person of 18 years the weekly contribution from both employer and employee would be less than 28 cents. During periods of unemployment no contributions would be required. Under this system, when a person becomes 65 years of age, he is entitled to a pension which is paid out of these contributions.

The experience of foreign countries has proven that this is the most feasible plan to prove permanently for pensions for older people. Today 42 foreign countries have old-age-pension systems. Out of those 42 countries 31 have contributory systems such as I have proposed to the Congress.

The resolution which I introduced has attracted national attention. It has been endorsed editorially, and I received assurance from many of my colleagues in Congress that they will support it.

The United States is the only large industrial country in the world which does not have a national system of old-age security. The time has come for the enactment of such a system. The American people demand it, and I see hope that the Congress will heed the voice of the people and will take action.

But until that is done, I urge everyone of you to continue to fight for adequate old-age pensions in your own State. Those of you who live in Pennsylvania I urge to fight for a much better law on old-age pensions than the one passed at the last session of the State legislature.

Modern industrial conditions demand modern laws for the security of our people. Let us keep up the fight for them. It is a fight for a just and noble cause. It is a fight which we can win; it is a fight which in the end we shall win.

PERMISSION TO ADDRESS THE HOUSE

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Speaker, I am offering two resolutions, which I ask the Clerk to read.

The Clerk read the resolutions, as follows:

House resolution

Resolved, That the Governor of the Farm Credit Administration is hereby directed to furnish the House of Representatives with the following information: The names and addresses of the directors, officers, and employees of the Federal land banks, the positions held by such directors, officers, and employees, the salaries received by such directors, officers, and employees, and the political party affiliation of each of such directors, officers, and employees.

House resolution

Resolved, That the Speaker appoint a select committee of seven (7) Members of the House, and that such committee be instructed to inquire into the method and procedure in the appointments of appraisers and field representatives and other employees of the Federal land banks, standard of qualifications and fitness required in such appointments, particularly to inquire why in such appointments so little recognition has been given to training and experience in actual farming, and to inquire as to the basis of the appraisals made by the representatives of the Federal land banks, whether such appraisals have been made by competent persons, whether such appraisals have been reviewed by competent persons, whether such appraisals have been handled in a businesslike and expeditious manner, and whether such appraisals have been fair and just to the farmers, and to inquire as to the fees paid for such appraisals and particularly as to the amount of fees retained by the bank and its representatives where applications for loans have been denied, and to inquire as to favoritism and political discrimination in the matter of appointments and in the matter of loans. And for such purposes, it shall have power to send for persons and papers and administer oaths and shall have the right to report at any time. The expenses of said inquiry shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be immediately available.

SPANISH WAR VETERANS DISCRIMINATIONS

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to include in the RECORD a brief article which appeared in the periodical Army and Navy Advocate, in which I especially stress a letter written to me by Congressman MCSWAIN, the distinguished colleague of ours, in which he explains most fairly and humanly the Spanish War veteran question.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members of the House, as the editor of the Army and Navy Advocate, a periodical which is devoted to the interest of officers and men of the Army, Navy, Marine Corps, and Coast Guard, active and retired, it was my pleasure to have the opportunity to print in the columns of my periodical an excellent letter submitted to me by my distinguished friend and colleague, Congressman JOHN J. MCSWAIN, of South Carolina. Mr. MCSWAIN'S letter is outstanding and shows that he has a sympathetic and fair-minded understanding of the problems of this group of veterans who served in the first and only American war on foreign soil in which all who participated were volunteers. I am pleased to insert in the RECORD an extract from my periodical as a testimonial to a distinguished colleague who has presented an irrefutable argument in behalf of the boys of '98.

A TRUE FRIEND OF THE VETERAN—HUMAN, SYMPATHETIC, AND UNDERSTANDING

(The Honorable JOHN J. MCSWAIN, Member of Congress from the Fourth District of South Carolina and Chairman of the Military Affairs Committee, is a real friend of the military services and the veterans. His knowledge of the conditions confronting veterans, his appreciation of their service, and his humanitarian attitude and interest in their welfare are clearly shown in this letter to Congressman HOEPPEL, which follows:)

GREENVILLE, S.C.

Hon. J. H. HOEPPEL,
Arcadia, Calif.

MY DEAR COLLEAGUE: I acknowledge the receipt of the November number of the Army and Navy Advocate and commend you for the fine tribute which you paid to President Franklin D. Roosevelt, on the first page thereof.

What I like about Franklin D. Roosevelt is that which doubtless appeals to you very strongly, and it is that he does not truckle to the high and mighty in the financial or social world but is seeking, with courage and enthusiam, to promote the well-being of the ordinary citizens, such as you and I are. I thank God today that we have a man in the White House during this terrible crisis with human sympathy and equal vision and the moral courage of Franklin D. Roosevelt.

Of course, I do not agree with him in every detail, and I differ widely from some of the administrative measures that his subordinates and Mr. Douglas and General Hines have executed in the name of the President. I feel that when the full truth is finally brought to the attention of the President, he will repudiate the advice that these gentlemen have given him with reference to administrative regulations based upon the authority contained in the Economy Act, and that the President will do justice to the Spanish War veterans and to the World War veterans who are out of money, without jobs, and have dependent wives and children looking to them for support. If such ex-service men hold honorable discharges from the United States Army and are in need of assistance, they should obtain their assistance from the United States Government in the form of pensions, and hospitalization if necessary, and they should not be forced to line up at the door of local charity along with men of their own ages, but who never served the United States Government as soldiers in war. This matter of an honorable discharge as a soldier creates a classification among citizens and affects vitally and powerfully the duty of the United States to such honorably discharged soldiers.

Furthermore, it will not do to say that Spanish-American War soldiers, whose average age is now about 57, shall be required to make proof of service connection for their disability. We know the incompleteness of the medical records of that time, and we know that the typhoid fevers and the malaria fevers through which they all suffered were sufficient to rob them of vitality and to render their bodies subject to the attacks of various diseases in later life.

Furthermore, service connection is not now laid down as a test of the right of the soldiers of the Union Armies in the Civil War to receive pensions. It is safe to say that hardly one half of 1 percent of the 23,000 veterans of the Civil War now on the pension rolls have any disability of service origin. Their disabilities are incident to age and to human life generally, and yet no man would raise his voice or vote against granting them a pension. Furthermore, at least 206 of these Civil War veterans were not entitled to pensions under general laws on account of various circumstances, and perhaps most of them owing to a record of desertion. These desertion records and other disabling records have been corrected by acts of Congress. Of course, the 120,000 widows of Civil War veterans still on the pension rolls are not required to show that their husbands suffered any disability in the service or died of service-connected disability.

We people of the Southern States, whose fathers and grandfathers were in the Confederate armies, have for more than a quarter of a century been taxing ourselves to pay an absolute service pension to every Confederate soldier, irrespective of any service-connected disability. Service in the Army does not bring on age, but age brings on disability. Of course, not in such times as these, with the Treasury depleted and with Government functioning upon borrowed money, is it time to pay a pension to men who are well fixed financially.

Thus you will see one of the details in which I do not agree with the advisers of President Roosevelt. But still I assert that he is the friend of humanity; and when he sees this matter in the proper light, and not in the distorted light as presented by Douglas and Hines, he will know that the old Spanish War veterans, in order to receive justice, must be treated in the same way that the old Union soldiers and their widows are treated.

I do not mean to say that their pensions should now be as generous, but I say that the requirement for service connection should be abrogated.

With very kind personal regards, I am,

Yours truly,

J. J. MCSWAIN.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, FISCAL YEAR 1935

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 7513) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LOZIER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONNERY] is recognized for 3 minutes.

Mr. CONNERY. Mr. Chairman, I have discussed this matter pretty thoroughly, and in the 3 minutes I am merely going to read a letter which I received from Thomas Kirby, national legislative chairman of the Disabled American Veterans of the World War. This letter is as follows:

FEBRUARY 5, 1934.

Hon. WILLIAM P. CONNERY, Jr.,
Chairman Labor Committee, House of Representatives,
Washington, D.C.

MY DEAR MR. CONNERY: The membership of the Disabled American Veterans has been somewhat disturbed by reports that Congress is considering reductions of appropriations for the United States Employment Service. Of course, the assertion is made that the funds for the veterans' division will remain as they have been and the savings will be in other activities of the general employment set-up. Unfortunately, all of these activities are so interwoven that the veteran would be adversely affected were there curtailment in any regard. In other words, there are now offices in practically every section of the country, but the fact that these offices are not veterans' employment offices does not hinder the veteran in receiving assistance, whereas were some of these dropped the effect would be felt by the former service men seeking employment.

As you are aware, the Disabled American Veterans have consistently maintained that there are three distinctive factors in the rehabilitation of those who bear the scars of war. The first is hospitalization to cure, so far as cure is possible; the second is compensation, so far as compensation is possible for the disability; and the third, but equally important, is the placement of that disabled man in gainful occupation where he may catch his stride in civilian pursuit. Therefore any reduction of the employment set-up can but militate against the probabilities of employment for these disabled men, so the purpose of this letter is to urge appropriations consistent with the original provisions of the Wagner-Peyser bill.

Cordially yours,

THOMAS KIRBY,
National Legislative Chairman.

In this letter Mr. Kirby explains how the veteran would be affected. I may say in conclusion that we promised the States that we would appropriate $4,000,000 for all 3 fiscal years. The Appropriations Committee has cut this to $1,900,000. We want the $4,000,000. In other words, we want what was asked for in the Budget, namely, $3,700,000. This is what the President asked for, this is what Miss Perkins asked for, this is what the veterans are asking for, and this is what labor is asking for. I hope we will be able to put through this legislation.

Mr. KVALE. Mr. Chairman, yesterday this body in 40 minutes passed a bill which carried an appropriation of $950,000,000, to be expended as a temporary palliative to take care of the unemployment situation and provide moneys for relief costs.

Today we are attempting to cut in half the modest sum, in comparison, of $4,000,000, which is designed to make effective the expenditure of the $950,000,000. For one, I absolutely and utterly fail to understand such action. The incongruity of it, particularly since the gentleman from Massachusetts has pointed out that this appropriation of $4,000,000 is a pledge carried in the Wagner Act which was passed last year.

The appropriation is asked by the President, it is asked by the Budget, it is asked by the Director of this Service and by the Secretary of Labor; and its need is shown in one of the most concise, interesting, and intelligent statements that a public servant has ever put into a record of hearings before the committee. To those who have not taken the time to read this testimony of the Director of this Service, Mr. Persons, I invite their attention to the hearings, beginning on page 150.

Mr. MARTIN of Colorado. What is the number of the document?

Mr. KVALE. Page 150 of the hearings before the Appropriations Committee on behalf of the Department of Labor.

Mr. MAY. Will the gentleman yield for a question?

Mr. KVALE. I yield.

Mr. MAY. Do I understand that this sum of $4,000,000 has been recommended by the Director of the Budget and by the President?

Mr. KVALE. Yes; absolutely.

Mr. MAY. But has been changed by the Committee on Appropriations?

Mr. KVALE. Yes.

Let us understand what is being done here. The bill which created the Employment Service is the Wagner bill, which specifically states that $4,000,000 shall be appropriated annually, and specifically provides that three fourths of this money shall go to the various States on a population basis. In many of the States the legislatures have not yet had an opportunity to set up the necessary machinery required in section 4 of the act. Therefore your committee now states that they have not availed themselves of the act, that they will not need the funds, and that they are giving them all that will be required. It can easily be shown that this is not so. Section 10 of the same act provides—and I want you to pay special attention to this—that if and when States fail to avail themselves of this privilege, the Director of this Service is empowered and ordered to go into such States as do not avail themselves of the act, for some reason or other, or are slow to get the work under way, and set up a Federal division there until such time as the State can set up the necessary agency to cooperate with the Federal division.

Mr. O'MALLEY. If the gentleman will yield there, does not the law provide that they can give this money to the States up until July 1935 when the States have not had an opportunity of cooperating?

Mr. KVALE. It takes it up to this fiscal year and the next fiscal year, and no such provision is made thereafter. However, this year and next year the Director can go into such States and set up these agencies.

Now, what is being done? The Director is proceeding to organize offices designed not only to take care of reemployment, temporary employment, and placement but to weave the work into a permanent structure, so that wise and judicious opportunities are afforded all unemployed, and so that the permanent employment policy envisioned in the Wagner Act might become a reality.

At present there are 3,400 such agencies. There will be an effort made to cut the number down to about 500, that being the number estimated as necessary to afford the best character of service to the unemployed throughout the Nation.

Much has been said about how the veteran is affected here. Do you not realize if you deny them funds——

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, under leave to extend my remarks, I add the following quotations from the act of June 6, 1933, the so-called "Wagner Act":

SEC. 4. In order to obtain the benefits of appropriations apportioned under section 5, a State shall, through its legislature, accept the provisions of this act and designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the United States Employment Service under this act.

SEC. 5. (a) For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated (1) the sum of $1,500,000 for the fiscal year ending June 30, 1934, (2) $4,000,000 for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, (3) and thereafter such sums annually as the Congress may deem necessary. Seventy-five percent of the amounts appropriated under this act shall be apportioned by the Director among the several States in the proportion which their population bears to the total population of the States of the United States according to the next preceding United States census, to be available for the purpose of establishing and maintaining systems of public employment offices in the several States and the political subdivisions thereof in accordance with the pro-

visions of this act. No payment shall be made in any year out of the amount of such appropriations apportioned to any State until an equal sum has been appropriated or otherwise made available for that year by the State, or by any agency thereof, including appropriations made by local subdivisions, for the purpose of maintaining public employment offices as a part of a State-controlled system of public employment offices; except that the amounts so appropriated by the State shall not be less than 25 percent of the apportionment according to population made by the director for such State for the current year, and in no event less than $5,000. The balance of the amounts appropriated under this act shall be available for all the purposes of this act other than for apportionment among the several States as herein provided.

Mr. GLOVER. Mr. Chairman, may we not have the amendment again reported?

The Clerk again read the pending amendment, as follows:

Amendment offered by Mr. CONNERY: Page 107, line 20, after the word "expenses", strike out "$1,590,000" and insert "$3,700,000."

Mr. KVALE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KVALE. Are the proponents of this amendment required to use all their time before the opposition is heard?

The CHAIRMAN. Several gentlemen are seeking recognition and the Chair will recognize them as they rise and request recognition.

Mr. BACON. Mr. Chairman, no one wants more than I do to give the Employment Service sufficient money to function efficiently. Your committee went into this question more thoroughly than any other part of this appropriation bill. We had Mr. Persons with us at three different times. We told him we wanted to give him all the money he could effectively use, and we asked him how he proposed to spend the $3,700,000 that he had asked for. In the many hours he was before the subcommittee he could not tell how he was going to spend the $3,700,000. He admitted he did not know.

The money he had for this year he was unable to spend. He has $422,000 unexpended this year, which is automatically reappropriated for the next fiscal year under the terms of the act.

Mr. OLIVER of Alabama. I may state to the gentleman that he had five hundred and some odd thousand dollars on January 1.

Mr. BACON. Over $500,000, which if unexpended will be automatically reappropriated in addition to the amount that we have given him in this bill. We have been advised that a large part will be unexpended.

The net result will be that he will not only have as much money in 1935 as he had in 1934, but in addition thereto such unexpended balance as may remain from the present fiscal year.

Mr. KVALE. Will the gentleman yield?

Mr. BACON. I yield to the gentleman, gladly.

Mr. KVALE. Is the gentleman aware of the fact that the gentleman's own State of New York, by legislative act, has already appropriated $4,000,000 with which it is anticipated to meet its share of the money to be made available?

Mr. BACON. There is plenty of money in this appropriation.

Mr. KVALE. There is not, I will say to the gentleman; and the State will be disappointed and embarrassed.

Mr. BACON. It will not embarrass the State of New York one bit. There will be plenty of money in this appropriation for every State of the Union.

We did not cut in any way the farm placement service; we did not cut in any way the veterans' placement service, and we honestly and sincerely tried to give Mr. Persons every penny we thought he could possibly spend, and in the minds of the entire committee we believe we have given him more money than he will be able to spend, even if the appropriations are left at the figure the committee recommends.

This is a new enterprise and we must guard against an unwieldly bureaucracy here in Washington. The proposed salary roll they have set up is greater than the salary roll in similar activities in other departments. We have reduced the amount that can be spent for overhead in the District of Columbia. The amount to be spent in the States will be ample and sufficient.

Mr. CONNERY. Will the gentleman yield?

Mr. BACON. I yield.

Mr. CONNERY. The gentleman is forgetting that I am not blaming the committee for what the subcommittee or the Committee on Appropriations has done. But the Department of Labor, through Mr. Persons, has not obeyed the law. Mr. Persons told me that $4,000,000 would be needed to put a veterans' employment office in every place.

Mr. BACON. Mr. Persons did not give this opinion to our committee. If he had that information, he should have given it to the subcommittee. We called him before the committee on three different days, and he did not disclose that to us. He told us there was sufficient money to take care of the veterans, and we have given him every cent he asked for the veterans and farm placement services.

All I am trying to do is to convince the committee that the Subcommittee on Appropriations honestly and sincerely tried to go into the matter thoroughly, and tried to give this bureau every penny that he could possibly spend wisely. We are all sympathetic with the purposes of the act authorizing this employment service. None of us want to hamper it in any way. We all should want to guard against extravagance and waste. We believe we have provided more than sufficiently for this bureau. With the money we have given them we believe they can operate efficiently and effectively. I, for one, would not want to hamper them in any way. Your committee conscientiously and sincerely tried on the one hand to eliminate the possibility of wasteful expenditure, and on the other to give sufficient money to efficiently operate this important and essential service.

The CHAIRMAN. The gentleman from Indiana [Mr. GRISWOLD] is recognized for 4 minutes.

Mr. GRISWOLD. Mr. Chairman and gentlemen of the Committee, the report filed before the committee shows that by virtue of this cut the State of New York will be cut from $367,740 to $115,671, through the operation of this bill. You will find that on page 191 of the report. You will find there just how much each States loses.

Gentlemen, the whole proposition here shows that this amount is infinitesimal compared with what you are appropriating. We are spending billions to create jobs, and we want this small amount in comparison to connect these men with the jobs we have created.

Stop and think a minute. When the reforestation project was started it cost the Government more than $5,000,000 to get 450,000 people to their jobs. It took 20,000 civil employees at an average of $140,000 a month to get these few thousand boys on jobs already created and ready. This only asks for $3,700,000 to get approximately 10,000,000 men now unemployed on the job.

Mr. MEAD. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. MEAD. The gentleman is making a good argument, and I am in favor of the amendment. The gentleman is contending for a sufficient amount of money to enable a law that was passed by Congress to expend within the scope provided by that law, while the appropriation provided restricts it. In other words, it will not allow for further expansion in those States that have not yet come under the law. It provides, not for expansion, but for restriction.

Mr. GRISWOLD. That is true, and I am in accord with everything the gentleman from Massachusetts [Mr. CONNERY] had to say in connection with this act.

In addition to that, the Wagner-Peyser Act provided a certain set-up that we were to use to connect men with jobs—these jobs we have been spending billions to make. This appropriation that was asked for was asked for, for the purpose, if the Department of Labor intends to use it properly, of putting into full force and effect the Peyser Act. There is more than that to it. There is this keeping faith with the States, and they have a right to expect it. Most of the States have coordinated, under Federal control, their

employment bureaus in the hope of receiving the Federal aid promised.

Mr. KVALE. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. KVALE. The physical plans in many States have been subject to sharp revision and expense in anticipation of this cut?

Mr. GRISWOLD. They have been. That is one of the things the gentleman from Massachusetts brought to our attention. The veterans' end has been abolished.

Mr. MEAD. Will the gentleman yield there?

Mr. GRISWOLD. I yield.

Mr. MEAD. Owing to economic conditions, this is the time to increase rather than decrease appropriations of this nature, is it not?

Mr. GRISWOLD. Certainly, if we want to connect these men with jobs.

There is another thing from the standpoint of the man who is out of a job and down and out. This provides free employment agencies. It stops the blood-sucking tactics of private agencies.

These agencies are free to the employer and employee. They eliminate the chiseling tactics of the private employment agency. The private agencies levy their toll month after month on the salaries of the employees. We have recently heard of one of these agencies here in Washington that collected a toll from Government employees for obtaining for them a place with their Government. These Government employment agencies will not ask the already destitute man or woman in search of employment to mortgage his future for the sake of obtaining a job.

If it costs this Government more than $5,000,000 to connect a half million boys with jobs that were ready at hand how can we expect to place 10,000,000 in jobs at a cost of one and one half million dollars? Maybe the gentleman from New York [Mr. BACON] can do it by high finance but I think we had better get out of that realm and down to simple arithmetic. It could not be done by the rules of subtraction, addition, or division.

Let us be fair on this matter. Let us be sensible. We hope industry will revive. If it does not then all the billions that Congress has voted for that purpose are wasted. If these billions of dollars do cause a revival it is the best money Congress ever spent. Why not put our faith back of our billions and provide the machinery for connecting these men with jobs? Everyone admits that the Department of Labor has not carried out the intent of the Wagner-Peyser Act in the establishment of these agencies. It was the intent of that act passed on June 1 of last year to give special attention to the veteran in Government employment agencies. It was the intent of that act to take care of the thousands of veterans that were taken from hospitals and off the pension and compensation rolls by reason of the Economy Act. Many of these men suffered disabilities that did not allow them to go out and compete with the well man and the uninjured man, for a position. It was the intent of the Peyser Act to give special attention to these cases and to endeavor to find them jobs that they could fill despite their physical and mental disabilities.

The Department of Labor has not seen fit to follow the intent of Congress but that is not the fault of the law—rather of the administration. To cut this appropriation would merely give the Department of Labor further excuses to disregard the intent of Congress. The President has asked for this appropriation of $3,700,000. The Secretary of Labor has asked for it. Congress obligated itself to the States to give it. Justice demands it. The 10,000,000 unemployed need it. The destitute and injured veterans need it. Out of all the billions that we have been giving we should be able to give this pittance in such a cause.

Only last June the President requested Congress to pass the Wagner-Peyser bill to create these employment agencies. Congress passed the bill and it is now the law. If we allow this reduction and cut this appropriation from $3,700,000 to $1,590,000 then we are doing a back handspring. We are nullifying the Wagner-Peyser bill because of a lack of funds to make it operative. In the way of appropriations we have swallowed many camels and now we are straining at a gnat. If we support the Connery amendment to put this appropriation back to where the President requested it we will remedy the defect.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. GRISWOLD] has expired.

The CHAIRMAN. The gentleman from New York [Mr. PEYSER] is recognized for 4 minutes.

Mr. PEYSER. Mr. Chairman, I am in favor of the amendment offered by the gentleman from Massachusetts. Naturally I am very much interested in it, because I sponsored this particular bill. In my judgment, there is one thing which is being overlooked, and that is that in considering the recommendations by the Committee on Appropriations we have overlooked the fact that many States not as yet agreeing to cooperate with this Bureau, are setting up their plans to come along, and the provision would not necessarily be enough. We should give what the Budget Director has asked for, namely, $3,700,000 which the amendment we are discussing provides.

I have a letter before me from Mr. Persons, Director, which states that around 30 veterans' offices which previously existed in 27 States will be abolished, and under this law it is their intention to establish a veterans' bureau in each of the 48 States. If this cut should take place that would be impossible to carry out.

Mr. BEAM. Will the gentleman yield?

Mr. PEYSER. I yield.

Mr. BEAM. I am in sympathy with the argument which the gentleman is making, but I am also concerned about a statement which the gentleman from New York made relative to the expenditure of practically $500,000 that was appropriated and the Bureau was unable to spend. I should like to have some enlightenment along that line.

Mr. PEYSER. I was not at the hearing, but this law, which only became a law in June of last year, probably was not in operation until in August. If there were 14 States, which I understand, that came along in the early months of this bill, it is only natural there would be money left over from the previous appropriation. But if you take into account that there are 48 States which have an opportunity to cooperate under this bill, how is it possible to keep faith with them when by the passage of the law we have promised them cooperation along these lines?

I spoke to Senator WAGNER, who, I believe, is as familiar with this particular subject as any of our legislators, and who was terribly disappointed that this cut should have even been suggested in the House. I know if we should fail to pass this amendment, which I do not think we will, I feel sure there will be some action taken on it at the other end of the Capitol.

Mr. BOYLAN. Will the gentleman yield?

Mr. PEYSER. I yield.

Mr. BOYLAN. What does the gentleman suggest as a means to speed up or expedite the use of these funds? What plan does the gentleman have?

Mr. PEYSER. One plan that is in effect is that the legislatures in the States which have no employment bureaus are now in session, and they are probably arranging a plan to cooperate under this law; and until such time as they do, if the money is not used, it is not thrown out of the window; but it is fair that we should at least put ourselves on record to be prepared to keep our word with those States, under the provisions of the law.

Mr. BOYLAN. In the gentleman's opinion, does he not think that the Director of this service should be speeded, in order that he may open offices in the States that refuse to cooperate?

Mr. PEYSER. For the information of the gentleman, I will say that I spoke to the Director of this service, and it is the intention to speed up the service as quickly as possible and as quickly as he can get an affirmative reply from some of the States that are now willing to cooperate.

Mr. CONNERY. Will the gentleman yield?

Mr. PEYSER. I yield.

Mr. CONNERY. I should like to have the gentleman call attention to the fact that even if they do not put it in another State at all, if they speed up the law, they will need every nickel they have in the appropriation, regardless of this act.

Mr. PEYSER. I agree with the gentleman fully.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. PEYSER. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that at the present time veterans have a particularly difficult time securing positions due to the fact that many are disabled and not able to do hard work such as the C.W.A. usually entails? Owing to the cuts in compensation many who were able to keep body and soul together formerly must try in some way to get a livelihood for themselves and their dependents. In Massachusetts there is only one veteran to cover the entire State for the employment of veterans at the present time. He is giving his service but he needs assistance.

Mr. PEYSER. That is the point I brought out from the Director's letter, that he is endeavoring to have a veterans' bureau in every State, and also to provide them with some expenses for traveling, so as to cover the regions which are now outside of these districts.

Mrs. ROGERS of Massachusetts. And it will take care of all activities?

Mr. PEYSER. Yes.

[Here the gavel fell.]

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, February 2, 1934.

Hon. THEODORE A. PEYSER,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN PEYSER: In answer to your request, I submit the following statements which indicate briefly why it is important that the appropriation of $4,000,000 authorized for the fiscal year 1935 by the act of June 6, 1933 (Public, No. 30, 73d Cong.), be not reduced below $3,700,000.

Section 5 (a) of this act provides that—

"For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated (1) the sum of $1,500,000 for the fiscal year ending June 30, 1934, (2) $4,000,000 for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, (3) and thereafter such sums annually as the Congress may deem necessary."

Of the amount so authorized, section 5 (a) further provides that—

"Seventy-five percent of the amounts appropriated under this act shall be apportioned by the Director among the several States in the proportion which their population bears to the total population of the United States * * *."

This means that instead of a series of employment offices directly operated by the Federal Government the organization shall consist of a confederation of State services financed in part by the States and in part by the Federal Government.

The President's Budget submitted to Congress recommended an appropriation of $3,700,000 for the fiscal year 1935, which represented a reduction in the amount originally estimated of $300,000. Accepting this as the amount which should be appropriated for the United States Employment Service for the fiscal year 1935, this amount should be allocated as follows:

A. For apportionments to States on the basis of population	$3,000,000
B. For all other purposes	700,000
Total	3,700,000

A brief summary of the reasons why it is essential that $3,000,000 be provided for apportionment to States is set forth as follows:

1. The States which operated an employment service and which have already accepted the provisions of this act or are now in process of becoming affiliated with the United States Employment Service, have completely reorganized their respective employment services on the basis of the amounts which are available this fiscal year from the appropriation of $1,500,000 and with the understanding that there will be available for the fiscal year 1935 the sum of $3,000,000 (75 percent of appropriation authorized for the fiscal years 1935 to 1938, inclusive), on the basis of population.

2. While it is not expected that all of the 48 States will become affiliated with the United States Employment Service and participate in the distribution of this appropriation of $3,000,000, to reduce that amount would mean that the apportionments to those States which are and will become affiliated would be curtailed below the amount which is necessary to operate the services that have been organized.

3. The Legislature of the State of New York has already made available sufficient funds to match the Federal apportionment to the State of New York from an appropriation of $4,000,000 for the fiscal year 1935. It is no doubt true that other States will take similar action when their respective legislatures meet.

4. For those States in which there is no State employment service and which have not as yet taken active steps to participate in the Federal apportionment, section 10 of the act provides that for the fiscal years 1934 and 1935 "* * * the Director is authorized to expend in any State so much of the sum apportioned to such State according to population, and so much of the apportioned balance of the appropriation made under the provisions of section 5 as he may deem necessary, as follows:

"(a) In States where there is no State system of public employment offices, in establishing and maintaining a system of public employment offices under the control of the Director.

"(b) In States where there is a State system of public employment offices, but where the State has not complied with the provisions of section 4, in establishing a cooperative Federal and State system of public employment offices to be maintained by such officer or board and in such manner as may be agreed upon by and between the Governor of the State and the Director."

This means for the 2 fiscal years ending June 30, 1935, the Director is authorized to establish an Employment Service in such States either to be directly operated by the Federal Government or in cooperation with the State system if such system exists.

5. Since July 1, 1933, there has been created in each of the 48 States an Employment Service (the National Reemployment Service), which is now being financed from funds made available by the Public Works Administration and the Civil Works Administration. It was absolutely essential that these two emergency organizations finance the National Reemployment Service during the fiscal year 1934, due to the limited appropriation provided for the purpose of carrying out the provisions of the act cited above.

Beginning with the fiscal year 1935, an appropriation of 75 percent of $4,000,000 would make it possible to continue the essential parts of this Service which has already been established and in operation and which it is believed it will be necessary to carry on for an indefinite period.

6. Any curtailment of the amount authorized to be appropriated for the fiscal year 1935 and the succeeding fiscal years would not only be a disappointment to those States which have already affiliated but would also make it impossible for the Director to provide an adequate employment service under the authority granted to him in section 10 of the act and to continue the Service which has already been established in those States.

The necessity for $700,000 for expenditure for all other purposes is briefly summarized, as follows:

Departmental services	$290,000
District of Columbia Public Employment Center	37,000
Veterans' Placement Service	154,360
Farm Labor Placement Service	92,810
Regional offices	128,320
Total	702,490

These estimated expenditures are briefly justified, as follows:

1. It has been impossible during the fiscal year 1934 to reorganize the United States Employment Service as contemplated in the Wagner-Peyser Act, due to the restricted funds provided for this fiscal year. Of the amount of $290,000 estimated for departmental services, $190,000 will be required during the ensuing fiscal year for personal services in the District of Columbia. This leaves only $100,000 for all other current expenses.

2. By reference to the hearings it will be noted that it has been necessary to establish in the District of Columbia a branch employment office. The services for that office are now being paid from C.W.A. funds. Equipment for that office has been recruited or borrowed from the Government warehouse. A continuation of that service will require an allocation of $37,000 for the fiscal year 1935.

3. The process of reorganizing the veterans' placement service has been fully explained in the hearings. This reorganization contemplates that a veterans' placement representative will be provided for each State, rather than the 30 veterans' placement offices which previously existed in 27 States. This plan of reorganization also contemplates that the veterans' placement representative will travel throughout the State in the interest of veterans' placements and preferences requiring a larger amount for travel expenses in connection with this service.

4. With regard to the farm labor service, a reorganization is in progress, but the plan contemplated will not entail an expenditure greater than that which has been necessary in past years.

5. The amount of $128,320 estimated for the operation of regional offices is necessary for carrying out the provisions of the act wherein it is stated:

"The bureau shall also assist in coordinating the public employment offices throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the several States."

It is estimated, in order to comply with the provision, that approximately eight regional offices will be established for the purpose of supervising and coordinating the operations of the State services in their respective areas and providing a means of labor clearance between the States so represented.

Respectfully yours,

W. FRANK PERSONS, *Director.*

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that all parties who speak on this bill this morning be allowed to extend their remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. PEYSER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks by including these papers to which I have referred.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Alabama [Mr. OLIVER] is recognized for 15 minutes.

Mr. OLIVER of Alabama. Mr. Chairman, the committee hope they can make clear to the Members of the House the reasons which prompted them to make the recommendation they have, reducing the Budget estimate as to this item. It represents the sincere convictions of every member of the committee, after a much careful study.

Permit me to say that in the past Congress has often boasted of the fact that they have appropriated less money than the Bureau of the Budget recommended; and this is the first time I have understood that Members of the House were so extremely anxious to appropriate every dollar that the Budget Bureau recommended. I recall that the leaders on both sides of the aisle for the past 12 years have taken special pride in calling the country's attention to what the House has done in reducing Budget estimates. The claim was that the House in making such reductions had exercised wise and independent judgment, and as a result millions of dollars have been saved. I remember the distinguished gentleman from Illinois, now passed away, stating that the House had saved the Federal Treasury in a comparatively few years, more than $400,000,000 by refusing to approve Budget estimates.

Now, let me say I consulted the Director of the Budget after the committee was firmly convinced he had submitted too large estimates for this service, and he said: "No doubt you are right." Now, gentlemen, do not get it into your heads that officials in the administrative bureaus, often subordinates, should always be followed. You have wisely corrected mistakes in the past, do not now conclude they will be absolutely immune from like mistakes in the future.

Having made this general statement, I shall now discuss the amendment which seeks to increase this item by more than $2,000,000.

Mr. PEYSER. Mr. Chairman, will the gentleman yield for a question?

Mr. OLIVER of Alabama. No; not just now. I want to give some information to the House.

We now have in every county in America a Government employment agency; they call them reemployment agencies. What do you suppose this service costs, covering as it does every county in America? Less than half a million dollars; yet we are told the employment service for 1935 in this same Department will be destroyed unless they are given $3,700,000 to establish what they call employment bureaus at from 4 to 8 places in the 48 States.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. Not just now.

I ask you to examine the ambitious set-up of salaries for 1935, especially in the District of Columbia. My distinguished friend from Massachusetts [Mr. CONNERY] knows something of how this service has functioned, and on Thursday of last week he announced, with his accustomed frankness to the House, what he understood were the wishes of the Director of this Bureau, when he said:

> I am informed that the Director of this service will require, in 1935, $700,000 for the District of Columbia.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. Later; if I have time.

If we gave him $700,000 to spend in the District of Columbia, even if you appropriate $3,700,000, the director could only use for administrative purposes in the District and in the field, under the terms of the Wagner-Peyser Act, one quarter of that sum. Little would be left for the field if $700,000 is to be used for administrative purposes in the District.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. OLIVER of Alabama. I am sorry, but not just now.

I requested the gentleman to secure from the Director a statement as to how he expected to expend this money. He replied he would endeavor to secure it and put it in the RECORD; but the only statement I have found in the RECORD from the Director since that date was one setting out some provisions of the Wagner-Peyser bill. The Director has not submitted to the gentleman from Massachusetts, as he was required to do in the hearings before our committee, that statement which even the gentleman from Minnesota says is full, comprehensive, and complete. The committee required the Director to submit a table showing in dollars and cents where and how he expected to spend the $3,700,000 which he asked be appropriated. The committee, as the hearings disclose, required a statement in writing from the Director showing how, where, and for what purposes it was proposed to expend this large sum.

Mr. CONNERY. Mr. Chairman, if the gentleman will yield, I may say that my next amendment, an amendment perfecting the present one, calls for $190,000 for the District of Columbia.

Mr. OLIVER of Alabama. I knew that the gentleman, after looking into that, would recognize the wisdom of limiting such expenditures, and the sum he suggested does not materially differ from the amount recommended by our committee.

Mr. KVALE. Mr. Chairman, now will the gentleman yield?

Mr. OLIVER of Alabama. Not just yet. I desire to give some facts to the House. Many erroneous statements have been made due altogether to lack of accurate information.

Mr. KVALE. I know the gentleman wants to be fair.

Mr. OLIVER of Alabama. If I have time I shall be pleased to yield later. I am trying now to give information to all the Members. The gentleman says he read the report, and if he read it carefully I am unable to see how he could have reached some of the conclusions announced in his speech a few minutes ago.

Mr. KVALE. I read the report but could not reach any other conclusion, I may say to the gentleman from Alabama.

Mr. OLIVER of Alabama. Let us see. There was carried for 1934, $1,500,000, pursuant to the Wagner-Peyser Act. We carry for 1935, $1,590,000, and under the terms of the Wagner Act any unapportioned balance of the $1,125,000 which represents the 1934 apportionment to the States is automatically carried into the fiscal year of 1935 for the benefit of those States which could not affiliate because of inability to match their Federal apportionments.

Up to the last of December 1933 only 14 States had matched the apportionments they were entitled to receive in the fiscal year 1934; and while Mr. Persons, the Director, estimates that some additional States will likely be able to affiliate before July 1, 1934, the end of the fiscal year 1934, yet if his brightest forecasts are realized, at least $422,000 will be carried over into the fiscal year of 1935. Only $630,000 of the $1,125,000 due the States had been matched on December 30 last.

What more? No State affiliated for the first 2 months. Nearly all of the 14 affiliated States met the requirements in October, November, and December. They will have substantial balances at the end of the present fiscal year, since they were late affiliating, and the few States that may affiliate between now and July 1, 1934, will have expended but a small part of their 1934 apportionment on July 1, 1934, the beginning of the fiscal year 1935.

What more? Every State that did not match this year has carried for 1935 the same sum that they could have matched in 1934 plus their apportionment of an additional $1,125,000 carried in this bill for the fiscal year 1935. In other words, assuming that the bright forecast of Mr. Persons is realized that some other States may match before

July 1 next their apportionments, there will be available for establishing employment offices during the fiscal year 1935 in the several States, assuming the States match their apportionments, $2,250,000 plus $422,000, making $2,672,000 available for employment in the States in the fiscal year 1935, and plus the unexpended balances carried over by affiliated States in the fiscal year 1934. To this sum must be added the further sum of $456,000 carried in this bill for administrative purposes during the fiscal year 1935. When you consider that 3,300 reemployment offices are now being run at less than one half million dollars, I ask, are we justified in appropriating an additional $2,000,000 plus simply because the Wagner-Peyser Act authorizes the appropriation?

Mr. KVALE. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield to the gentleman from Minnesota for a question.

Mr. KVALE. Will not the gentleman add to that statement the fact that these reemployment offices are largely manned by volunteers and that they are being reduced in number and absorbed into this permanent system?

Mr. OLIVER of Alabama. These reemployment offices are being paid for out of $500,000 allocated by P.W.A. to C.W.A. and by C.W.A. to the Department of Labor. Every reemployment office is in charge of a representative from the Department of Labor, and have an engineer appointed by C.W.A., clerk help, and an advisory board of from 7 to 9 representative citizens of the county where such reemployment offices are maintained. Such boards supervise the reemployment registers and classify all names appearing on the unemployment registers, and seek to provide work for those on such registers. This service will likely be continued for sometime. Why? Because you will have Government work to do in 1935 and C.W.A. and P.W.A. will provide funds therefor.

The gentleman from Illinois [Mr. KELLER] ventured to declare the other day, and so did the gentleman from Massachusetts [Mr. CONNERY], I think, that the veterans' service was really better under the old system than it has been in 1934. That, however, is a matter about which many different opinions may be held.

Mr. CONNERY. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Under the old system they had one veteran to a State. Now they have two veterans to a State. They are not obeying the law. They should have a veteran in every office, and the gentleman knows if the law is obeyed it will take all of this money to take care of this situation.

Mr. OLIVER of Alabama. They have not one veteran in every State even now. The gentleman, if he has examined the hearings, will find that they have in his State two veterans, I think. They have only one in North Carolina. If there are any more throughout the country the Director has not disclosed it to us, but, said he, "We set up in North Carolina what we thought would be a try-out veterans' placement service there." The hearings disclose that Mr. Persons was very much pleased with this try-out veterans' service in North Carolina. He did not believe, as far as our hearings disclose, in doing what Mr. CONNERY says should be done, namely, put a veteran at every employment office. He reported that he felt very efficient veterans' placement service could be provided by following the method tried out in North Carolina. He estimated the cost of the veterans' placement service for the fiscal year 1935, even if the Budget estimate of $3,700,000 was approved. The committee has recommended for the veterans' placement every dollar that the Director requested for 1935.

Mr. CONNERY. Will the gentleman yield?

Mr. OLIVER of Alabama. Allow me to finish. This committee knew that the House was solicitous about the veterans' placement service, and we allowed every dollar requested therefor. As the gentlewoman from Arizona well said the other day, there is no partisanship when you come to deal with veteran matters. Members on both sides of the aisle want to do the right and just thing for our veterans.

The Wagner-Peyser Act vested the Director of the Employment Bureau with very broad, discretionary powers, and the hearings disclose in tables that cannot be misunderstood what the Director of the Employment Service asked for the veterans' placement service and for the farm placement service, and the committee allowed the full amounts estimated for these two services, and for the employment office in the District of Columbia. This bill carries more than twice the amount that will be expended for veterans' placement service this year under any system the Director has advised us of. Every dollar that he estimated would be expended in 1935 for veterans' placement service, even if he was given $3,700,000, I repeat has been allowed by the committee, and the hearings disclose it.

Mr. MAY. Will the gentleman yield?

Mr. OLIVER of Alabama. I yield to the gentleman from Kentucky for a question.

Mr. MAY. Did the gentleman's committee develop in its hearings the fact that all over this country discriminations, preferences, and political attitudes are taking place in the employment of people?

Mr. OLIVER of Alabama. I catch the gentleman's question. My understanding is that there have been many complaints registered of the kind that the gentleman refers to. It was not the province of our committee to inquire into complaints of that character, as the gentleman knows. We have heard such complaints rumored on the floor of the House, and elsewhere, and I think the gentleman from Massachusetts [Mr. CONNERY] has heard the same rumors. Our committee is not clothed with the power to investigate complaints of that character, and we have no information as to the correctness of the same. We have recommended to the House what, in our judgment, should be appropriated for the service for the fiscal year 1935.

[Here the gavel fell.]

The CHAIRMAN. All time has expired under the unanimous-consent agreement. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 77, noes 96.

Mr. CONNERY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. OLIVER of Alabama and Mr. CONNERY.

The Committee again divided; and the tellers reported that there were—ayes 87, noes 100.

So the amendment was rejected.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to return to pages 6 and 9 for the purpose of offering amendments to reduce the appropriation.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, there are two amendments which I am offering, and I send them to the desk.

The Clerk read as follows:

Amendment by Mr. OLIVER of Alabama: On page 6, line 8, amend the amendment which struck out $562,500 and insert $580,000 by striking out $580,000 and inserting $578,250.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to make a statement for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER of Alabama. Mr. Chairman, this amendment and a kindred amendment are offered for the purpose of correcting a mistake of the State Department in estimating the amounts carried for certain salaries. They failed to take into account as to such salaries the 10-percent cut carried in the bill as to all salaries, except alone in those two instances. This is in order to correct that mistake.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. OLIVER].

The amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER of Alabama: Page 9, line 29, amend the amendment which struck out "$1,953,000" and insert "$2,118,000" by striking out "$2,118,000" and inserting in lieu thereof "$2,101,500."

The amendment was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting a table which the gentleman from Texas requested and which I promised to insert, giving the average salaries in the State Department.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The matter referred to follows:

Basic salaries and allowances, American officers and employees, Foreign Service, 1934—All subject to 15-percent cut

	Number	Salary	Total	Rent allowances	Total	Average salary		Average salary plus rent allowance		
						Basic	After deducting 15 percent	Basic	After deducting 15 percent	After deducting exchange loss
Ambassadors	16	$17,500		[1] 37		$17,500.00	$14,875.00	$17,727.00	$15,067.95	
Ministers	2	12,000				12,000.00	10,200.00	12,227.00	10,393.00	
Do	36	10,000		[2] 17		10,000.00	8,500.00	10,227.00	8,693.00	
Total	54		664,000	54	12,240	[3] 12,296.30	[3] 10,451.85	[3] 12,522.96	[3] 10,644.52	$6,366.72
Foreign Service officers:										
Class I	32	9,000								
Class II	34	8,000								
Class III	47	7,000								
Class IV	55	6,000								
Class V	63	5,000		[1] 102						
Class VI	83	4,500		[4] 608						
Class VII	77	4,000								
Class VIII	58	3,500								
Unclassified	48	3,000								
	52	2,750								
	161	2,500								
Total	710		3,108,000	710	300,420	4,377.47	3,720.85	4,800.00	4,080.00	2,448.00
Clerks:										
Senior:										
Class 1	2	4,000								
Class 2	3	3,750								
Class 3	8	3,500		[1] 49						
Class 4	16	3,250								
Class 5	62	3,000								
Junior:										
Class 1	67	2,750								
Class 2	123	2,500								
Class 3	70	2,250		[5] 557						
	96	2,000								
	75	1,800								
	90	[6] 1,000–1,680								
	48	(7)								
Total	606		1,426,860	606	117,006	2,161.90	1,837.61	2,547.63	2,165.49	1,299.30
Contingent employees: Messengers, janitors, interpreters, translators, etc.	73	[5] 1,541		[1] 4						
				[8] 8						
				[9] 61						
Total	73		112,498	73	9,996	1,541.00	1,309.85	1,678.00	1,426.30	855.78
In addition to the above Americans, there are 907 foreign clerks, all but 10 of whom receive salaries of $1,080 or less, and 1,137 foreign contingent employees, which makes totals for all clerical and all contingent employees as follows:										
Clerks	1,567		2,178,920	1,567	117,006	1,390.00	1,182.00	1,464.00	1,244.00	746.40
Contingent employees	1,210		567,337	1,210	9,996	468.87	398.55	478.13	406.42	243.86

[1] In Government-owned or leased quarters.
[2] $720.
[3] Average.
[4] $494 average.
[5] $210 average.
[6] Average, $1,390.66.
[7] Below $1,000; average $837.50.
[8] Receive no rent.
[9] $164 average.

If further information is desired see fully itemized lists in Budget: Living quarters, p. 467; salaries, clerks, p. 468; contingent employees, p. 469.

Mr. OLIVER of Alabama. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 7513) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. OLIVER of Alabama. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. TABER and Mr. CONNERY rose.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: Page 12, line 14, strike out "$175,000" and insert in lieu thereof "$100,000."

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. OLIVER of Alabama, a motion to reconsider the vote by which the bill was passed was laid on the table.

By unanimous consent, the Clerk was authorized to correct all totals in the bill.

ADMINISTRATION OF THE NATIONAL INDUSTRIAL RECOVERY ACT IS PROMOTING AND PROTECTING MONOPOLY

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio speech delivered by Senator CAPPER.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. Mr. Speaker, my purpose in making these few remarks is to place before the Congress and the country a speech delivered today over the Columbia Broadcasting System by my friend the distinguished senior Senator from Kansas, Senator CAPPER.

In this radio address Senator CAPPER is discussing the National Industrial Recovery Act as it is being administered. This address of Senator CAPPER is most timely and points out two evils which are being fastened on the people of the United States by the Government through the administration of the N.I.R.A. There are two reasons why these remarks of Senator CAPPER should be given immediate and serious consideration by President Roosevelt and General Johnson, unless, indeed, they are so set in their ways that they will not brook any sincere and friendly criticism. The first reason is that these remarks of Senator CAPPER are, in the light of experience, the truth. They point out conditions which are being made possible by the Government and which completely and permanently place the American people in the grip of monopoly. The statements made by Senator CAPPER are so truthful that they should be accepted by the administration and the country, irrespective of who might have uttered them. The second reason justifying their acceptance is that Senator CAPPER, although a Republican, has been big enough to cast aside politics and do everything in his power to give this administration an opportunity to serve the true needs of this country.

Personally, I am glad to join whole-heartedly in these remarks which Senator CAPPER has made. I have been more than glad, as a Republican, to join with Senator CAPPER, as a Republican, and give the Roosevelt administration, a Democratic administration, every opportunity to serve the true needs of this country. Senator CAPPER and I, as Members of Congress during the Seventy-second Congress, saw a Democratic Congress, under the leadership of Speaker Garner, refuse to meet responsibility, refuse to do anything itself to serve the needs of the country and at the same time stubbornly tie the hands of Mr. Hoover, a Republican President, and refuse to give him any opportunity to serve the country, notwithstanding the fact that we were in the grips of the worst world-wide depression the modern world has ever suffered.

We had seen enough of partisan politics in Congress refusing to do anything itself except play politics and tie the hands of the President. We had seen the country drift from bad to worse as the result of the indecision made inescapable by a political Congress refusing to meet responsibility itself and refusing to permit the President to meet the responsibility growing out of the emergency. We had no desire to follow that course simply because the election had given to us a President of a political faith different from ours. We had no desire to follow the partisan example set by the Democratic Congress under the control of Speaker Garner. Therefore, we were glad, for the good of the country, to join with the Democratic President and give him every possible opportunity to be of service to this country. We voted to give President Roosevelt the extraordinary powers contained in the Agricultural Adjustment Act and the National Industrial Recovery Act. We fully realized that the power conferred by these acts permitted the administration to curb and control monopoly. At the same time we knew that the power of government to curb monopoly carried with it, if abused, the power to nurture and advance monopoly. We both believed that monopoly, through the concentration of the control of industry, was responsible for many of the ills from which the American people were suffering. We could not comprehend or believe that power placed in the hands of this administration would be abused so as to extend the control or grip of monopoly on the American people.

We do not believe now that it is the aim or desire of this administration actually to extend the grip of monopoly on American business. However, we are now firmly convinced that the N.I.R.A., as it is being administered through the codes, is actually extending monopoly and is giving monopoly the protection of Government. We believe this makes the monopoly evil worse than it has ever been. The spirit in which we voted for the N.I.R.A. and the A.A.A., we believe, justifies us in protesting against the manner in which the N.I.R.A. is now being administered. We offer this protest not in political or any other form of hostility toward the administration; we offer it in the hope that the administration will accept it and immediately change the manner in which it is administering the N.I.R.A. insofar as the extension of monopoly is concerned.

If the administration cannot or will not administer N.I.R.A. so as to guarantee fair and equal opportunity in business and to curb monopoly rather than to extend and protect monopoly, then we believe that it will be better to retain the two outstanding benefits of the N.I.R.A., namely, the shortening of the hours of labor and the abolition of child labor in industry, and then abandon the remainder of the program. We still believe that the N.I.R.A. can be administered for the true benefit of the country as a whole by curbing monopoly rather than extending and protecting it. However, we insist that the record up to date of the administration of the N.I.R.A. is that it is extending and protecting monopoly rather than curbing it.

With these remarks, I am more than glad to join with most whole-hearted approval in the most timely address which Senator CAPPER delivered today on a Nation-wide hook-up over the Columbia Broadcasting System. His address is as follows:

Friends in the radio audience, today I believe we will discuss the forgotten people. At least it seems to me that so far the small business man and the smaller industries over the country are the forgotten people in the new deal.

Now, it may be that they are to be protected and taken care of under this new deal. I certainly hope so. There is considerable talk that the code-making system is to be revised, and also that a way is to be worked out by which small industries may obtain loans from the Reconstruction Finance Corporation in the near future.

Both these changes seem to be necessary if the letters and reports and information coming to me from all the country are based on facts, and they seem to be based on facts.

Now, in what I am about to say I do not want to be misunderstood. I have been supporting the administration recovery program and supporting it in good faith. I expect to continue to do so just as long as that program is in the public interest. And there is no question in my mind that President Roosevelt and his advisers and associates in the new deal have as their goal the welfare of the average citizen of the United States. If I had not believed that, they never would have had my support.

But that does not mean that when some part of the program seems to be working in the wrong direction that I have to approve that. When that happens, I believe it is my job and my duty to try to correct it.

Four weeks ago today, in our opening talk over the Columbia Broadcasting System, I believe I called attention to the fact that there was grave danger in the immense powers given in the N.R.A. codes, if that power were wrongfully or even carelessly used or given to the wrong people to handle. It was pointed out also that the delegation of power to code authorities, giving these code authorities practically power to write codes, to interpret codes, and to enforce codes in their own industries, could lead to grave abuses.

For one thing, I pointed out at that time, the code authorities would be composed largely of "leaders in the industry." Now the leaders in almost all industries are what we have termed big business. And naturally they will have the attitude of big business, rather than of little business. And their codes may be written—already, in fact, some of them seem to have been written—in the interest of big business and against the interest of little business; against the interest of the smaller units of the industry.

At that time I pointed out the danger of this course of action. And my fears are increasing along this line as the situation is developing from day to day.

I get the following letter from a leading independent grocer in my home city of Topeka, Kans. I will merely say it is typical, except that it is much milder in tone than many others I have received. He says, in part:

"I want to bring to your attention the matter of fair practice code as it affects the retail grocer. Of course this thing has not gone far enough to determine just how it will work, but I can readily see that the real disadvantage under which the average independent retail merchant is working is not going to be changed. There is a widening price advantage in purchasing power to the big chains.

"The big chains are undoubtedly entitled to at least a part of this quantity price advantage, but as these chains buy and take over additional factories, packing plants, and so forth, this price differential becomes constantly greater.

"The only logical outcome of unlimited competition is the survival of one competitor, and this will undoubtedly be the outcome unless there is something done."

This groceryman whom I have just quoted, in other words, sees some good in the underlying principles of the N.R.A. and some justification for codes of fair competition. But it seems to him that the codes are in danger of being used to destroy what they are intended to preserve and build up.

From a grocer in Newton, Kans., I received a statement showing that the chain store in his neighborhood, operating under the N.R.A., is selling at retail many articles at the same price, or even less, than this independent grocer has to pay at wholesale. But he, the independent grocer, is told that under codes the amounts he requires cannot be purchased at less.

Whether it is in the code, I cannot say; but it looks as if someone has fixed prices on a sliding scale, allowing huge discounts for quantity production, so that the big business concern can undersell the little fellow and drive him out of business.

Now, you who buy groceries may think this is a good thing for you, but I tell you that it is signing the death warrant of the independent business man; and when that warrant is executed it also will be the death warrant for business and employment in your community.

My friends, that procedure has got to be stopped if we are to have a return of prosperity. If the abrogation of the antitrust laws for those who have signed the codes means that big business is going to grow still bigger; that ownership and control, instead of being more scattered over the country, is going to be centralized still more; then, either Congress made a terrible mistake in repealing the antitrust laws for that purpose or someone is making a mistake that amounts to an economic crime in administering the codes.

Complaints of this nature are not confined to the grocery business. I receive the same complaints from the small independent druggists, from the small millers, from small industries and businesses generally.

Here is another thing that has happened to the little business man who patriotically went into the N.R.A. set-up last summer. He, as a rule, went into his contract with the Government—he understood it was with his Government—in good faith. He shortened hours and held or increased his pay scale and increased the total of his pay roll considerably. That meant he lost money at the time, has been losing it in most cases ever since, because the increased purchasing power indicated has not materialized.

Also, the chains with their cutthroat prices sell for cash. He had to take the credit customers. And as a result too many of him have gone still deeper into debt. This applies to both the small industrial plant and to the retail merchant.

That means he needs credit as well as better prices. Also, he needs protection against monopoly more than ever before, perhaps, in our history. At least, that is the way it seems to most of the little business men and little industrialists from whom I hear and with whom I talk.

My understanding is that plans practically are completed to extend some credit through the R.F.C. and mortgage companies, organized for that purpose, to the small industries of the country. That is fine. That is necessary. I commend whoever is backing that plan. If the banks cannot or will not extend credit to these small industries, which are so necessary to the economic welfare and the economic freedom of our people, then the Government should do for them what it has done for the railroads, the insurance companies, the banks, for big business generally.

But I want to say right now, that unless the little industry, the little business man, is also given protection against big business and monopoly, the extension of credit will do him more harm than good.

We in the agricultural section have learned to our sorrow that the man or the industry or the business that is able to borrow money to continue conducting a losing business, in the long run has just plunged himself or itself deeper into debt, and finally reaches the place where he or it can never pay out.

Loans alone to small industries, necessary as they are and helpful as they can be, will not begin to solve the problem unless business and industry is freed from the centralization of wealth and power, from monopoly by big business. In fact, loans of themselves, without protection for little business and small industries, will only aggravate the situation and bring ultimate ruin.

There are one or two other things to which I believe attention should be directed this morning. In the first place, we thought that the Steel Trust completely dominated the steel industry long before the new deal and the N.R.A. were born. But it seems that under the codes written by the Steel Trust heads, and to all intents and purposes which are being enforced by the United States Government itself, that domination has simply been extended and made secure. It is now legal, it would seem, where before there was some question of its legality.

There also are complaints, and many of them apparently justified, about certain provisions of the electrical industry code. We find that the Federal Trade Commission, which is on the side of sanity and fair dealing for the people of the country, in my opinion, had this to say about the so-called "N.E.M.A. code", written for that industry by the General Electric Co., apparently. What I am about to quote was written before that code was approved. The Commission said:

"The price-fixing provisions of article 10 necessarily result in depriving the independent manufacturer or small enterprise of whatever economic advantage it enjoys by reason of its efficiency in operation, low overhead, including low executive salaries, and so forth.

"To the extent that this occurs there is a resultant increase toward monopoly."

The Federal Trade Commission also says of the general code for the electrical industry, as first approved:

"There are several provisions of the code for the electrical industry, as approved on August 4, 1933, which in practice may tend to eliminate or oppress small enterprises, discriminate against them, and thus promote monopolies, all of which results the N.I.R.A. expressly prohibits."

Then there is the proposed Power Trust code, which proposes to put publicly owned public utilities under a code authority completely dominated by the privately owned public-utility interests—the Power Trust, if you choose to call it that. And such a designation is justified, in my opinion. I am hoping that in some way this may be blocked. It should, and ultimately will, be blocked by Congress itself, unless the administration is able to take care of this situation in the public interest.

The danger to the public, and to those forgotten people, the small business man and the small industrialist whose plants and factories are essential to a well-balanced economic structure, and to the economic freedom of the American citizen, is looming so large that the Senate itself has had to take action.

Only last week the Senate approved, practically without dissent, the resolution by Senator BORAH, of Idaho, calling on the Federal Trade Commission for a report on the price fixing under the steel code and also on the increased price of gasoline.

Now, from what I have said I do not want you to get the idea that the N.R.A. has been turned over to big business for the purpose of fastening monopolies in basic industries upon the country.

I do not believe that the N.R.A. is so dominated or so intentioned. But what I do say is that unless the N.R.A. administration, the national administration, the Congress, and the people of this country stand continually on guard, that is what may happen under the code systems that are being drawn. And the danger is a real one, not just a possibility.

In closing, permit me to say that I am very hopeful that the national administration sees the danger, appreciates the danger, and is preparing to guard against it. And also to urge early and effective action by the administration to foster and protect the forgotten people, the small industrialists, and the small business men.

I thank you.

CONSENT CALENDAR

The SPEAKER. Under the previous order of the House, the Clerk will call the first bill on the Consent Calendar.

BRIDGE ACROSS LAKE SABINE, TEX.

The Clerk called the first bill on the Consent Calendar, H.R. 4870, a bill to extend the times for commencing and completing the construction of a bridge across Lake Sabine at or near Port Arthur, Tex.

Mr. DIES. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice. As I understand, there is no necessity for the bill at the present time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

UNEMPLOYED FILIPINOS RESIDENT IN CONTINENTAL UNITED STATES

The Clerk called the next joint resolution on the Consent Calendar, House Joint Resolution 118, to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, may I ask whether or not there have been any hearings on this bill in this session of the Congress?

Mr. DICKSTEIN. There were hearings in this Congress and the committee unanimously reported this bill with the unanimous recommendation that the bill pass.

If the gentleman will permit, I should like to explain what the bill proposes. I think the House ought to know this. It is an important measure and I should like to make an explanation of the bill unless the gentleman has some special question he desires to ask.

Mr. JENKINS of Ohio. Mr. Speaker, I yield to the gentleman for the purpose of making a statement or explanation.

Mr. DICKSTEIN. Mr. Speaker, this bill refers to about 22,000 or more Filipinos who are stranded in the United States. Some of them have no homes, some of them are out of prison, and many of them have no jobs. I just want to read to you one letter I have received which clearly shows the need for this legislation and indicates the good its enactment can do.

THE FILIPINO ASSOCIATED CLUBS,
347 EAST SIXTY-FIRST STREET,
Chicago, Ill., March 21, 1933.

Hon. SAMUEL DICKSTEIN,
Chairman Immigration and Naturalization Committee,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DICKSTEIN: The Filipino Associated Clubs of Chicago, composed of eight different Filipino organizations, with an approximate total membership of 3,000, are very much interested for the reintroduction and for the enactment of the former House Joint Resolution 549 or any legislation which will provide free transportation for Filipinos residing in the United States who are unemployed and are in distress.

The enactment of such legislation will, without question of doubt, help relieve local burden here as well as it will help to enlighten human suffering, hunger, and distress which are prevalent among the Filipinos in our community.

At present the Associated Clubs have received numerous requests from unemployed Filipinos who want to avail themselves of the free transportation to return to the Philippine Islands which your honorable committee and the American Congress may generously provide.

Of the 3,000 members we have only one-twentieth percent are employed. Some work part time or extras, others depend on public and private charities, but the majority is an army of unemployed Filipinos who are in actual need and want.

Several cases came to the attention of the Associated Clubs where Filipinos are refused relief by the State, county, and city welfare stations because they considered Filipinos as aliens. Consequently, even private charitable institutions stop giving relief to distressed Filipinos, most of whom are married and have families depending on them.

It will be indeed an act of mercy by the American Congress to extend its helping hands to these unfortunate Filipinos by acting upon any measure or legislation to provide for their free return to the Philippine Islands. I am sure the Filipino people will forever cherish such generous and merciful act.

The Filipino Associated Clubs of Chicago respectfully urge you and your honorable committee to either reintroduce the House Joint Resolution 549 to the present Seventy-third Congress or to consider any resolution with the same proviso of providing free transportation to distressed Filipinos.

Very truly yours,

JOSÉ M. ALBERTSON,
Executive Secretary.

The Delegates from the Philippine Islands have testified that they approved this bill. It proposes to let the Filipinos who desire to go home to go on a Government transport. They are not deported. It is not mandatory. The 22,000 or 23,000 who want to go back will have to make application to the Department of Labor. They have no means of support, they have no jobs, and they want to go back home. They will have to sign an application which the Department of Labor will have to approve. They will go voluntarily back home and stay there. It is not a mandatory deportation. It is a good investment and will save the Government money.

Mr. HASTINGS. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. HASTINGS. How much will it probably cost? Can the gentleman give an estimate?

Mr. DICKSTEIN. I think it would cost perhaps $100,000 or $150,000 to take them from the United States back to the Philippine Islands.

Mr. HASTINGS. Of what does the cost consist?

Mr. DICKSTEIN. Their maintenance on the Government transports.

Mr. HASTINGS. Will it cost anything to collect them together?

Mr. DICKSTEIN. Oh, no; they are all ready, and voluntarily go back home and stay there.

Mr. BLANTON. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. BLANTON. The gentleman says "they will go back home and stay there"; how does he know they will stay there?

Mr. DICKSTEIN. I think I have explained to the House that if he is a pauper and he has no job he would have to make application to the Department of Labor.

Mr. BLANTON. The gentleman is not answering my question. The gentleman said that he would go back to the islands and stay there. What would keep him from coming back again?

Mr. DICKSTEIN. When a pauper makes application to go home he goes out as a pauper and he cannot enter the country again under the rules and regulations of law. Therefore he is through, and you are going to relieve this country of their presence.

Mr. BLANTON. That applies to pauper aliens from foreign countries. I do not believe that such law will apply to Filipinos.

In the closing hours of the last session our friend from New York [Mr. DICKSTEIN] assured us that as soon as this session opened he was going to have hearings and help us to report the bill stopping immigration to this country from foreign countries. That is more important than any other question that has come before Congress. We ought to stop aliens from coming here. They are taking hundreds of thousands of jobs from Americans. We ought to stop all immigrants from coming here for the next 10 years.

Mr. DICKSTEIN. I have tried to render my country a service by investigating the smuggling of Japanese and Chinese over the border. I tried hard to get a resolution passed to investigate smuggling but I lost by only 25 votes. The very men who talk the loudest about restrictions voted against the resolution, which only required a small amount of $2,000 appropriation.

Mr. BLANTON. The gentleman will remember well the agreement I made and kept with him. He promised me an early hearing in this Congress on my bill to stop all immigration from all foreign countries. Why not stop immigration, not only from Japan and China and over the Rio Grande, but from every other foreign country? Then we would preserve jobs for Americans.

Mr. DICKSTEIN. If the gentleman will listen, I will say that I will give you honest restrictions and not restrict immigration at certain places on election time.

Mr. BLANTON. This is not election time. This is the time to stop all immigration.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. WEIDEMAN. I want to say that the Immigration Committee has been considering that question. I want to bring to the attention of the House something about this particular problem. If we are going to deport Filipinos, we are doing it——

Mr. DICKSTEIN. It is not a deportation, it is voluntary withdrawal. They are going of their own volition.

Mr. WEIDEMAN. If we do not pass this measure, they will be here month after month, and we will save money by sending them back to their own territory.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. BROWN of Kentucky. I see no reason why we should give free transportation to the Filipinos back to their own country. Would it not be setting a dangerous precedent?

Mr. DICKSTEIN. I do not expect every Member of this House to be acquainted with the immigration laws. As a matter of fact, 99 percent of the lawyers do not know anything about them, but the fact of the matter is that if the gentleman will look at section 23 of our present immigration law, an alien, legally in the country, who finds himself stranded within 3 years after his entry, can apply to the Department of Labor, and the Department of Labor can voluntarily send him back to his native country at Government expense. I am not speaking of Filipinos now. There is a bill on the Consent Calendar to bring that up to 5 years, so as to give the Department the right to send them back to their native country when they are stranded and when they make application for that purpose.

There are 32,000 or 35,000 Filipinos. We find upon a careful survey that about 23,000 or 24,000 of them are stranded, have no jobs, are walking the streets; they cannot even get a little charity.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BROWN of Kentucky. Is it not true that there are about 10,000,000 stranded people in this country; and if we start this, we will have to send all the rest of them back?

Mr. DICKSTEIN. May I say in this connection, the Legislature of the Philippine Islands has sanctioned and approved taking these people back to the Philippine Islands and taking care of them. For God's sake, why do you not relieve your communities from the burden of charity?

Mr. WEIDEMAN. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. WEIDEMAN. In reply to the gentleman from Kentucky [Mr. BROWN], in regard to my own city of Detroit, we have probably 500 Filipinos that must exist on public charity. They are getting into all kinds of crime; they are handicapped in getting positions. They will be the last ones to be reemployed. There is not anything vicious about this law, and I think you should bear with us in this.

Mr. BROWN of Kentucky. Are they worse than any other nationals?

Mr. WEIDEMAN. No. They are no worse and no better. As far as I am concerned, all people are equal, and I hope I never have to base my vote on a racial question or a religious question or a national question. I do not want to legislate that way; but we can perform an act of charity for our country and an act of charity for these individuals. I do not think the chairman of this committee is unreasonable in asking for this. It will save us a great deal of money that you and I and the rest of the taxpayers will have to pay.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BROWN of Kentucky. Both of the gentlemen have evaded the issue as to whether or not this will not impose upon us an obligation to send these other people back. There are millions of other nationalities here. Why not send them back?

Mr. KELLER. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. KELLER. I should like to state to the gentleman from Kentucky [Mr. BROWN] that if we could send them all back who are out of jobs and whose countries are willing to take them back, it would be the best piece of work that we could possibly do. [Applause.]

But in this case we have a peculiar condition. I say to you again that we may all understand it perfectly well; but if we could send back all who are out of jobs, it would be a great thing to do. But since we are not in a position to do it, since we have got no transports running to other countries, we ought to go as far as we can.

Mr. O'MALLEY. Why can we not send them back on these ships that are carrying such a small amount of mail?

Mr. DUNN. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Pennsylvania.

Mr. DUNN. In answer to the gentleman from Kentucky [Mr. BROWN], there is a difference between a Filipino and men from other countries, because the Philippine Islands are under the jurisdiction of the United States. May I also say that it is much more economical to send these men back to their own country to live than it would be for our would-be charitable agencies to support them. [Applause.]

Mr. GUEVARA. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. GUEVARA. I wish to direct the attention of the House to section 5 of this bill which authorizes the Philippine Legislature to appropriate a sum of money to reimburse whatever expenditure has been made for the transportation of the Filipinos from the United States to the Philippine Islands. [Applause.] Therefore, you are not giving free transportation to the Filipinos in the United States back to the Philippine Islands, you are only advancing a sum of money to transport those Filipinos to the Philippine Islands.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. DOCKWEILER. I have just looked up the record for the 1930 census. As far as the State of California is concerned, there are 28,000 Filipinos in my State, and only one thousand one hundred-and-some-odd are women, meaning that all those Filipinos, in fact, are men who are supplanting American labor. They have to live on something. They go up and down my State in the springtime trying to pick fruit, and they try to do the best they can. They cannot go home. Now, other countries have been mentioned. You ask why do we not send back the German and the Swede. Of course, we do not have transport service to those countries, and that is the answer to that situation.

We have a transport service, where many of the transports go to the Philippine Islands in regular sailings once every so many weeks, and there is ample space on those boats to send them back home. I do hope that nobody here will object to this resolution. Even though you cannot get the whole cake, let us have half of the cake or part of it and eat it, and it will be a great service to my State, where there are so many thousands of Filipinos.

Mr. STUBBS. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. STUBBS. I should like to give my endorsement to the remarks of the gentleman from California [Mr. DOCKWEILER]. This matter presents a social problem there, as well as an economic problem. I say to you that in my valley, in the valley of the gardens, there are 2,000 Filipinos who are taking work away from the taxpayers of that district.

Mr. DICKSTEIN. Then does the gentleman agree that the chairman of the committee as well as the members of this committee are rendering a real patriotic service both to this country and to the Philippine Islands, by proposing this measure?

Mr. STUBBS. Absolutely, I do.

Mr. DICKSTEIN. I now yield to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, it is a rather interesting thing how we sometimes get our judgment disturbed by the controversy that arises during the consideration of these bills. I do it; we all do it.

The practical situation as I see it is that we have in America some millions of idle people. When these people are to become employed nobody knows; but it is absolutely known that until they shall get employment they must eat bread that is earned by people who are working, by the taxpayers of this country. That is just a plain, practical proposition.

These Filipinos are not going to be permitted to starve in America. They, of course, make the task of taking care of the other unemployed more difficult. They constitute a competitive element in the labor market of this country.

What are we going to do about it? Gentlemen in whom we have confidence tell us that the American transports which of necessity must ply between this country and the Philippines have empty space sufficient to take these Filipinos back to their homes. Now, as a matter of practical common sense, what are we going to do about it? Are we going to use this vacant space to send them back or are we going to let them stay here to remain an additional burden on this country?

What is the common-sense thing to do? Let us reduce this question to simple proportions. If we had some person living in our home whom we had to feed, who wanted to go home; if we were going down the road to his home with an empty wagon, a wagon in which we could take him along just as well as not, if the man were willing to go, what would be the horse-sense thing to do? It would be to give him the empty seat on the wagon and take him somewhere where he could be fed without our having to feed him, at the same time taking him where he wanted to go. That is the proposition in this instance as I see it.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HOEPPEL. Another element that must be considered is that these men are in competition with 75,000 Americans in the matter of securing employment.

Mr. SUMNERS of Texas. I know. Let us take these boys home. We have the empty wagon going their way. We are having to feed them. They want to go home. Let us give them a ride home. [Applause.]

Mr. BROWN of Kentucky. Would not this be the equivalent of an invitation to other Filipinos to come to this country with the knowledge they would be sent home if they did not make good?

Mr. DICKSTEIN. The Filipinos desire this legislation. If we can save this burden to the United States, if these men are willing to take the pauper's oath, let us give them a free ride home.

Mr. SUMNERS of Texas. I shall answer the gentleman; that is a practical question. I would agree that under ordinary and usual conditions that would be true; but the gentleman is a practical man; he comes from a great State; he knows these are not usual conditions; he knows that if we keep these seventy-odd thousand people here, we are doing the American people an injustice. There is no doubt about that. We have this space in these ships; the ships must make the trips; these men want to go home; so, let us send them home.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield for a question?

Mr. SUMNERS of Texas. Yes.

Mr. BROWN of Kentucky. Is there anything in this bill that specifies that a Filipino having taken the pauper's oath cannot again return to this country?

Mr. DICKSTEIN. That is the rule; that is the law at the present time.

Mr. BROWN of Kentucky. And is it not further true that under the way we are considering this bill, it is not open for amendment?

Mr. DICKSTEIN. I do not know what amendments could possibly be offered.

Mr. BROWN of Kentucky. So, not being open to amendment, it means these Filipinos can come back again and still get the free ride home?

Mr. DICKSTEIN. That is not the case, I assure the gentleman.

Mr. BROWN of Kentucky. What about the residents of the Territories?

Mr. WEIDEMAN. Mr. Speaker, I may say to the gentleman from Kentucky, if he will bear with me just a minute, that aliens even having as much as $5,000 and $10,000 cash on deposit have a hard time getting into this country.

Now, it is a rule of the Immigration Department that if a man takes a pauper's oath and leaves this country at the expense of the Government, he can never return. It is part of our basic law. That feature does not enter into the consideration of this question.

Mr. BROWN of Kentucky. But are not the Filipinos subjects of this country and entitled to come here at any time they want to?

Mr. DICKSTEIN. No; they are not coming here. It is too expensive a trip.

Mr. BROWN of Kentucky. If they come over here, do they not have to be admitted?

Mr. GUEVARA. Mr. Speaker, I wish to disabuse the mind of the gentleman from Kentucky [Mr. BROWN] by assuring him that should this bill pass, those Filipinos taking advantage of the benefits of this law could not come back again. I wish to assure the gentleman from Kentucky and the House that those Filipinos who take advantage of the benefits of this law will never return to the United States. [Applause.]

May I say to the gentleman from Kentucky, however, that I am sure he does not want to do things which are contrary to the principles upon which this Government was founded. He does not want to curtail the right of the free movement of citizens or the rights of the individual under the American flag. But this is a way in which we can relieve the United States of that portion of the Filipinos who came to this country under the belief that the opportunities here were open to them for their own betterment. They have had a very sad experience, however, and I can assure the gentleman they will never come back.

Mr. DICKSTEIN. Let me say a word.

Mr. JENKINS of Ohio. Mr. Speaker, I yield to the chairman of the committee.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman has not the right to yield time to anybody. The gentleman can only reserve the right to object. When the gentleman uses up his time, he yields the floor. The gentleman has no right to yield a half hour or three quarters of an hour to anybody. If any Member should ask for the regular order, it would stop all debate. But I will not ask for the regular order.

Mr. DICKSTEIN. This is an important piece of legislation and we should hear every gentleman in this House.

Mr. BLANTON. But I think the gentleman should proceed according to the rules of the House.

Mr. DICKSTEIN. Mr. Speaker, may I say this to the House in all sincerity: The Committee on Immigration and Naturalization worked day and night to check the statistics in various communities. We are not trying to insult the Filipino people. They indicated to us, as a voluntary statement, to the effect that they want to go back. They want to go home. They are stranded. If we cannot feed them, then let them go home. It is worth to the Government a million dollars in the way of releasing jobs to American citizens.

What did our committee do in relation to this bill? If you will refer to section 5, you will find that we provided that the Filipino people will more or less pay back to our Government what we are expending to send them home. There is a bill before the Philippine Legislature today asking for an appropriation of $150,000, if I am correct, and the bill is known as H.R. 2647. It is now before their legislature. They are doing everything under the sun to take these people back and to keep them there. In answer to the gentleman from Kentucky, may I say that it stands to reason that no person can enter the country under the act of 1917, section 3, when the consul knows or has reason to believe that the person might become a public charge.

Mr. O'MALLEY. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. O'MALLEY. If they are coming from a Territory of the United States into the United States, the immigration laws that affect aliens do not affect them.

Mr. DICKSTEIN. They do. The gentleman will find that there is no quota from Canada or Mexico.

Mr. O'MALLEY. What is the quota for the Philippines and Hawaii?

Mr. DICKSTEIN. It makes no difference. The minute they seek to enter the mother country they have to prove they have sufficient means to take care of themselves in

these times of depression. If a man signs a pauper's oath, it naturally follows that he cannot carry the burden of proof that he will not become a public charge.

Mr. BLANTON. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Texas.

Mr. BLANTON. That answers one of the questions asked by the gentleman from Kentucky; that is, once he signs a pauper's oath he cannot come back, provided such law applies to Filipinos. But the gentleman from Kentucky raised another question that has not been answered; that is, that the other Filipino people undoubtedly can come over here whenever they get ready, with no quota, and the gentleman knows that to be a fact, and there should not be a muddying of waters on that question. They can come in whenever they want to come in.

Mr. DICKSTEIN. Then why not do the sensible thing? Why not start right now. Let them go out and then propose some legislation by which we can safeguard all these difficulties.

Mr. BLANTON. Certainly. And that is what the gentleman has been promising us for a long time, that he would give us a hearing on our bill to stop all immigration from all foreign countries.

Mr. DICKSTEIN. I will set the bill down for hearing right away.

Mr. BLANTON. Let him do that, because we are going to keep right after the gentleman until the gentleman does that.

Mr. LANZETTA. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. LANZETTA. This bill runs only up to December 31, 1934. The provision for the transportation of Filipinos only runs for about 1 year?

Mr. DICKSTEIN. That is right.

Mr. JENKINS of Ohio. Mr. Speaker, under my reservation I ask unanimous consent that this bill be passed over without prejudice.

Mr. DICKSTEIN. Mr. Speaker, I reserve the right to object.

Mr. JENKINS of Ohio, Mr. YOUNG, and Mr. BROWN of Kentucky objected to the consideration of the bill.

Mr. BEAM. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is not a quorum present. The Chair will count. [After counting.] One hundred and fifty-nine Members present, not a quorum.

Mr. DICKSTEIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 84]

Abernethy	Crowther	Kurtz	Snell
Allen	Darrow	Lee, Mo.	Somers, N.Y.
Auf der Heide	Doughton	Lewis, Md.	Steagall
Bankhead	Doutrich	McCarthy	Stokes
Beck	Edmiston	McFadden	Sweeney
Beedy	Fitzgibbons	Milligan	Taylor, S.C.
Britten	Fitzpatrick	Montague	Thom
Bulwinkle	Foss	Moynihan, Ill.	Treadway
Burke, Calif.	Foulkes	Norton	Turpin
Busby	Frey	Perkins	Umstead
Cannon, Wis.	Gillette	Peyser	Underwood
Carley, N.Y.	Hancock, N.C.	Prall	Vinson, Ky.
Carmichael	Harlan	Ramsay	Waldron
Cary	Hess	Rayburn	Weaver
Cavicchia	James	Reid, Ill.	Wilson
Claiborne	Jenckes, Ind.	Shannon	Withrow
Connery	Johnson, W.Va.	Simpson	Wood, Mo.
Crosser, Ohio	Kee	Sisson	

The SPEAKER pro tempore (Mr. SHALLENBERGER). Three hundred and sixty Members have answered to their names; a quorum is present.

On motion of Mr. O'CONNOR, further proceedings under the call were dispensed with.

STAGGER PLAN FAVORED FOR C.W.A.

Mr. CARPENTER of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks upon the C.W.A. and include therein a short letter I wrote to Harry L. Hopkins, Administrator of Federal Emergency Relief.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARPENTER of Kansas. Mr. Speaker, I had hoped to be able to offer an amendment to H.R. 7527, providing for the staggering or alternating system of employment, which plan gives the greatest amount of employment, which is so much desired at this time. After considering the bill and listening to the limited debate on the same, it appears that it would not be necessary to offer any such amendment, as this power is already within the hands of the Civil Works Administrator; therefore I have written him a letter urging the adoption of this plan, which I am herewith incorporating as part of my remarks upon this subject.

Hon. HARRY L. HOPKINS,
Administrator Federal Emergency Relief,
Washington, D.C.

DEAR MR. HOPKINS: I just had the pleasure of voting for H.R. 7527, appropriating funds for the continuation of the C.W.A. The C.W.A. program was a godsend to the people of my district and was much appreciated by them. I feel that the benefits of this work could be greatly extended to many in my district who have been unable to receive any of this work if the stagger system of employment could be adopted, and I might say there is a great demand in my district for the adoption of such a plan.

After listening to the debate in regard to this matter it is quite clear that the establishment of such a system is entirely within the hands of the Civil Works Administrator, and I therefore wish to urge this system upon you.

In this connection I wish to quote you a telegram I have just received from the mayor of Manhattan, Kans., which reads as follows:

MANHATTAN, KANS., *February 4, 1934.*

Congressman RANDOLPH CARPENTER,
House of Representatives, Washington, D.C.:

City of Manhattan appreciates your help on C.W.A. legislation. Randolph, any move toward staggering or dividing up the work among registered unemployed will be best way to finish up last months of program. Men who have been employed on C.W.A. feel so fairly treated they won't object to sharing others not employed, yet would have much better feeling towards everyone if they can get part time. Always call in any way I can help.

Mayor EVAN GRIFFITH.

Yours very truly,

RANDOLPH CARPENTER.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On January 30, 1934:

H.R. 6976. An act to protect the currency system of the United States, to provide for the better use of the monetary gold stock of the United States, and for other purposes.

On January 31, 1934:

H.R. 6670. An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes.

On February 2, 1934:

H.J.Res. 250. Joint resolution to provide appropriations to carry into effect the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934.

UNEMPLOYED FILIPINOS RESIDENT IN CONTINENTAL UNITED STATES

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to return to House Joint Resolution 118, a joint resolution to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States, to authorize appropriations to accomplish that result, and for other purposes, and consider the same at this time.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. BEAM. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. BROWN of Kentucky. I withhold it, Mr. Speaker.

Mr. BEAM. Mr. Speaker, this is a very meritorious bill and one that should be passed.

Mr. O'MALLEY and Mr. JENKINS of Ohio demanded the regular order.

Mr. BROWN of Kentucky. Mr. Speaker, I object.

Mr. BEAM. Mr. Speaker, I asked the gentleman from Kentucky to withhold his objection and the objection was withheld.

The SPEAKER pro tempore. A reservation of objection cannot be made when the regular order is demanded. The gentleman from Wisconsin [Mr. O'MALLEY], and the gentleman from Ohio [Mr. JENKINS] demanded the regular order, and the gentleman from Kentucky [Mr. BROWN] objected. The Clerk will call the next bill on the Consent Calendar.

Mr. BEAM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BEAM. As I understand the procedure, the gentleman from Kentucky [Mr. BROWN] was first recognized to interpose an objection. I obtained the floor on recognition by the Chair and the gentleman from Kentucky consented to reserve his objection. Upon the Speaker's recognition of me, I have the floor under a reservation of objection by the gentleman from Kentucky.

The SPEAKER pro tempore. There can be no reservation of objection when the regular order is demanded. The regular order has been demanded and objection has been heard.

Mr. BEAM. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BEAM. Mr. Speaker, I purposely interposed a point of no quorum for this particular reason. Only yesterday we passed a legislative measure providing $950,000,000 for the continuation of the C.W.A. We passed an appropriation of $35,000,000 for seed loans, and we passed a bill authorizing the expenditure of $200,000,000 to make cattle a basic agricultural commodity and bring about a curtailment of production in order to benefit agriculture.

Now, what do you intend to do here today? This morning we listened to an amendment argued on the floor of the House trying to increase the appropriation to obtain jobs for soldiers and for the unemployed people of America, and, by the same token, a bill comes up for consideration whereby you are eliminating from the industrial markets of America from thirty to thirty-five thousand Filipinos, and by the way of a peremptory objection someone objects and stops consideration of the bill. I do not see where there is any logic in such reasoning. Where is the sentiment against the enhancement of the chances of American labor by preventing the competition of 30,000 to 35,000 Filipinos? Is it from an economical standpoint? Let me refer you to section 5 of this joint resolution which provides that authority is granted to the Legislature of the Philippine Islands to initiate necessary procedure to appropriate from the Treasury of the Philippine Islands sufficient funds to reimburse the Government of the United States such amounts as may be expended from the United States Treasury for the purpose of carrying out the provisions of this resolution.

Mr. Speaker, I am pleading from a practical and commonsense viewpoint. I appeal to you from the viewpoint of the soldier. I appeal to you from the viewpoint of the industrial worker. I appeal to you from the viewpoint of American labor. I appeal to you from the viewpoint of the American farmer. Why, for parochial or any other reason, should we put 30,000 to 35,000 Filipinos in the industrial market today, when over 10,000,000 American citizens are unemployed? Where is the sense of this?

This measure has had serious definite consideration by the committee. It has been reported out unanimously, and why should we, in an archaic way, interpose an objection to the passage of the bill? [Applause.]

Mr. WEIDEMAN. Will the gentleman yield?

Mr. BEAM. I yield.

Mr. WEIDEMAN. In other words, there has been objection here by some of the same people who were in favor of getting more employment for veterans, for appropriating more money to continue the C.W.A., and while on the one hand they want more money for veterans and want veterans to get jobs, yet they will keep 30,000 veterans from getting jobs by not passing this measure. [Applause.]

Mr. BEAM. Why, certainly. I think we ought to reconsider our action and consider this bill. I believe it is an economical measure. I think it is beneficial for American labor. It is a measure for the soldier. It is a measure for the great State of California and all the Western States. I think this is a measure for the mining communities of our country and for the great metropolitan areas of our Nation and will make for the success of our labor program and will put American citizens back to work, so they will no longer be the subjects of charity.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. BEAM. I yield.

Mr. BROWN of Kentucky. I want to ask the gentleman how it will damage this bill to the slightest extent to allow it to be open for amendment so we can put an amendment in there so that once they accept this trip home, there will not be an open invitation for free boat rides to all the Filipinos who want to come over here, because there is not a word in that bill that will keep any of them from coming over here again.

Mr. BEAM. The basic law of our country provides that once they take the pauper's oath they cannot come in.

Mr. O'MALLEY. There is no such law.

Mr. BROWN of Kentucky. No.

Mr. O'CONNOR. If the gentleman will yield to me for a moment, of course, when the bill is read it is wide open for any amendment that may be offered.

Mr. BROWN of Kentucky. No; it is not open to amendment. That is what I want it to be.

Mr. O'CONNOR. When the bill is read, it is open to amendment.

Mr. BROWN of Kentucky. No; it is not.

Mr. O'CONNOR. Every bill on the Consent Calendar is wide open to amendment. The gentleman is confused.

Mr. BEAM. Mr. Speaker, let us analyze this matter from a common-sense point of view and for the benefit of American citizens and in order to promote a better standard of living in this country of ours let us return to the Philippine Islands these 30,000 or 35,000 Filipinos. Let us take our people off the charity roll and let us enact this measure, which is in the interest of American labor and for the benefit of American citizenship in this country. [Applause.]

Mr. WOODRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOODRUM. Is it not true that if unanimous consent is given for the present consideration of this bill it comes up open for amendment and open for a vote by the majority of the House?

Mr. JENKINS of Ohio. Unanimous consent was not given for the consideration of the bill.

The SPEAKER pro tempore. The bill would come up for consideration by unanimous consent and would be open for amendment and debate in the House as in Committee of the Whole.

Mr. WOODRUM. Unanimous consent was refused, but if unanimous consent is given the bill would be before the House for consideration, subject to amendment, either for an amendment or for passage of the bill.

Mr. JENKINS of Ohio. But no unanimous consent was given.

The SPEAKER pro tempore. Objection was heard.

REPEAL OF FEDERAL LIQUOR LAW IN HAWAII

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent that the bill (H.R. 6229) to repeal Federal liquor prohibition laws to the extent they are in force in the Territory of Hawaii be transferred from the Committee on Ways and Means to the Committee on the Territories. I have consulted the Chairman of the Committee on the Territories, the gentleman from Florida [Mr. GREEN], who says it is agreeable to him.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent for the present consideration of the Dickstein resolution, which has been objected to.

Mr. JENKINS of Ohio. I object.

TOLL BRIDGE ACROSS MISSISSIPPI RIVER BETWEEN IOWA AND ILLINOIS

The next business on the Consent Calendar was the bill (H.R. 5659) authorizing Charles N. Dohs, R. R. Hunt, their heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Mississippi River between the States of Iowa and Illinois at or near the junction of the Iowa and Mississippi Rivers.

The Clerk read the title of the bill, and it was objected to by Mr. ZIONCHECK, Mr. THOMPSON of Illinois, and Mr. MEEKS.

PREVENT LOSS OF TITLE OF UNITED STATES BY PRESCRIPTION TO LANDS IN TERRITORIES

The next business on the Consent Calendar was the bill (H.R. 6863) to prevent the loss of the title of the United States to lands in the Territories or Territorial possessions to adverse possession or prescription.

The Clerk read the title of the bill.

Mr. ZIONCHECK. Mr. Speaker, I think the chairman should explain this bill.

Mr. SUMNERS of Texas. Mr. Speaker, I should like to have the attention of the House to a brief explanation of the provisions of the bill and the necessity for it.

The bill in a sentence attempts to put into operation in the island Territories and possessions of the United States the law and policy which obtains in continental United States, which does not permit title being acquired against the United States either by limitation or prescription. The immediate demand for this legislation grows out of a condition in Puerto Rico.

When this Government came into possession of Puerto Rico the military government in charge, under what is known as "military law", provided that the Spanish law should be in operation in that island until changed by Congress. Under the Spanish law adverse title may be acquired by prescription. In 1902 the local government of Puerto Rico abolished the old Spanish law under which title could be acquired by prescription. But the Congress has never enacted legislation to supersede the portion of the old Spanish law under which title by prescription could be acquired.

The enactment of this bill would put into perfect harmony the local law of the island of Puerto Rico and the Federal Government and put into harmony the law of all other territory and continental United States.

Mr. LANZETTA. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. LANZETTA. Is this law retroactive?

Mr. SUMNERS of Texas. No.

Mr. LANZETTA. Would it affect the title to property in Puerto Rico already acquired by adverse possession?

Mr. SUMNERS of Texas. I do not think that could happen.

Mr. LANZETTA. If title has been obtained by adverse possession, will it be disturbed by the passage of this bill?

Mr. SUMNERS of Texas. I do not think it could be, because of the constitutional guaranty which is operative against retroactive legislation. Besides it is not a part of the policy of this Government to attempt to enact retroactive legislation, even if there were no constitutional prohibition.

Mr. LANZETTA. My solicitousness was in connection with cases where title has already been acquired.

Mr. SUMNERS of Texas. I do not think so. We are only attempting to harmonize the Federal law with the local law, operative in Puerto Rico, and to make the law elsewhere, if there be conflict, harmonize with the Federal law operative in continental United States.

Mr. ZIONCHECK. Would the gentleman have any objection to passing this over without prejudice until the next Consent Calendar, so that we can have an opportunity to look into the statutes and decisions upon this question?

Mr. SUMNERS of Texas. I hope the gentleman will not insist upon that. I cannot say that I have no objection, but while I have the floor and the patience of the House, I will be glad to explain anything with reference to the matter, and I think the gentleman is too good a lawyer to have any serious apprehension as to the possible consequences of this legislation.

Mr. ZIONCHECK. Is there still a military government in Puerto Rico? I do not know, really.

Mr. SUMNERS of Texas. I do not think so.

Mr. ZIONCHECK. Can the gentleman say whether there is, yes or no?

Mr. LANZETTA. It is a civil government.

Mr. SUMNERS of Texas. Yes. I know it is not a military government.

Mr. ZIONCHECK. Then there is no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter no prescription or statute of limitations shall run, or continue to run, against the title of the United States to lands in any territory or possession or place or territory under the jurisdiction or control of the United States, including the Philippine Islands; and that no title to any such lands of the United States or any right therein shall be acquired by adverse possession or prescription, or otherwise than by conveyance from the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

REMOVAL OF AMERICAN NATIONALS ACCUSED OF CRIME

The Clerk called the next bill, H.R. 5862, to provide for the removal of American citizens and nationals accused of crime to and from the jurisdiction of any officer or representative of the United States vested with judicial authority in any country in which the United States exercises extraterritorial jurisdiction.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the provisions of section 591 of title 18 of the United States Code, so far as applicable, shall apply within the jurisdiction of the United States in any country where the United States exercises extraterritorial jurisdiction for the arrest and removal therefrom to the United States, its Territories, Districts, or possessions, including the Panama Canal Zone and the Philippine Islands, or any other territory governed, occupied, or controlled by it, of any citizen or national of the United States who is a fugitive from justice charged with or convicted of the commission of any crime or offense against the United States, and shall also apply throughout the United States, its Territories, Districts, and possessions, including the Panama Canal Zone and the Philippine Islands, as well as to any other territory governed, occupied, or controlled by the United States, for the arrest and removal therefrom to the jurisdiction of any officer or representative of the United States vested with judicial authority in any country in which the United States exercises extraterritorial jurisdiction, of any citizen or national of the United States who is a fugitive from justice charged with or convicted of the commission of any crime or offense against the United States in any country where it exercises extraterritorial jurisdiction. Such fugitive first mentioned may, by any officer or representative of the United States vested with judicial authority in any country in which the United States exercises extraterritorial jurisdiction and agreeably to the usual mode of process against offenders subject to such jurisdiction, be arrested and imprisoned or admitted to bail, as the case may be, pending the issuance of a warrant for his removal to the United States, its Territories, Districts, or possessions, including the Panama Canal Zone and the Philippine Islands, or any other territory governed, occupied, or controlled by it, which warrant it shall be the duty of the principal officer or representative of the United States vested with judicial authority in the country where the fugitive shall be found seasonably to issue, and of the United States marshal or corresponding officer to execute. Such marshal or other officer, or the deputies of such marshal or officer, when engaged in executing such warrant without the jurisdiction of the court to which they are attached, shall have all the powers of a marshal of the United States so far as such powers are requisite for the prisoner's safekeeping and the execution of the warrant.

SEC. 2. Whenever the executive authority of any State, Territory, District, or possession of the United States, including the Panama Canal Zone and the Philippine Islands, demands any American citizen or national as a fugitive from justice who has fled to the jurisdiction of any officer or representative of the United States vested with judicial authority in any country in which the United States exercises extraterritorial jurisdiction, and produces a copy of an indictment found or an affidavit made before a magistrate of any State, Territory, District, or possession of the United States, charging the fugitive so demanded with having committed treason, felony or other crime, certified as authentic by the Governor, chief magistrate, or other person authorized to act as such from whence the fugitive so charged has fled, it shall be the duty of the officer or representative of the United States vested with

judicial authority to whom the demand has been made to cause such fugitive to be arrested and secured, and to cause notice of the arrest to be given to the executive authorities making such demand, or to the agent of such authority appointed to receive the fugitive, and to cause the fugitive to be delivered to such agent when he shall appear. If no such agent shall appear within 3 months from the time of the arrest, the prisoner may be discharged. All costs or expenses incurred in the apprehending, securing, and transmitting such fugitive to the State, Territory, District, or possession of the United States, including the Panama Canal Zone and the Philippine Islands, shall be paid by the executive authority making such demand. The agent who receives the fugitive into his custody shall be empowered to transport him to the jurisdiction from which he has fled, and every person who, by force, sets at liberty or rescues the fugitive from such agent while so transporting him shall be fined not more than $500 or imprisoned not more than 1 year.

SEC. 3. Whenever, under this act, it is desired to obtain the provisional arrest and detention of a fugitive in advance of the presentation of the formal proofs, such detention may be obtained by telegraph upon the request of the authority competent to request the surrender of such fugitive addressed to the authority competent to grant such surrender: *Provided*, That such request for provisional arrest and detention be accompanied by an express statement that a warrant for the fugitive's arrest has been issued within the jurisdiction of the authority making such request charging the fugitive with the commission of the crime for which his extradition is sought to be obtained: *Provided further*, That in the case of a request so made by a State, Territory, District, or possession, the expenses of obtaining a fugitive upon telegraphic request shall be borne by such State, Territory, District, or possession: *And provided further*, That no person shall be held in custody under telegraphic request by virtue of the provisions of this section for more than 90 days.

SEC. 4. The provisions of section 244 of title 18 of the United States Code are hereby made applicable to proceedings in extradition instituted in accordance with the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DISTINGUISHED SERVICE CROSS

The Clerk called the next bill, H.R. 715, to award the Distinguished Service Cross to former holders of the certificate of merit, and for other purposes.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Distinguished Service Cross shall be issued to all enlisted men of the Army to whom the certificate of merit was issued under the provisions of previously existing law in lieu of such certificate of merit.

SEC. 2. Those persons who have heretofore received the Distinguished Service Medal in lieu of the certificate of merit under the provisions of the act of July 9, 1918 (40 Stat. 870–872), shall be issued the Distinguished Service Cross provided the Distinguished Service Medal is first surrendered to the War Department.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EVERGLADES NATIONAL PARK

The Clerk called the next bill, H.R. 2837, to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Reserving the right to object, Mr. Speaker——

Mr. TABER. Mr. Speaker, I object.

Mr. WILCOX. Mr. Speaker, I was on my feet asking for recognition. I ask unanimous consent that this bill be passed without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. WILCOX]?

Mr. CHRISTIANSON. I object.

FEES IN NATURALIZATION PROCEEDINGS

The Clerk called the next bill, H.R. 3521, to reduce certain fees in naturalization proceedings, and for other purposes.

Mr. JENKINS of Ohio. Reserving the right to object, and I shall not. I am making this reservation, for I should like to make a statement relative to the bill that invoked so much discussion a few moments ago; that is, the bill providing transportation for Filipinos to the Philippine Islands. A great many Members who spoke upon that bill were moved by passion or interest, and probably without having read the hearings or being thoroughly advised with reference to the matter. Personally, I have no opposition to the passage of that bill, but if some who have spoken had read the hearings and had attended the hearings, and if they knew that the War Department was not in favor of this bill, they would be inclined to hesitate whether or not to vote for it. If you knew the Navy Department did not operate these ships empty, as the gentleman stated, and that the Navy men have stated it would cost a large amount of money to transport these people, and that the Government would be required to spend a great deal for repairs to the ships and would have to provide many new transportation facilities for these people, then they would probably change their minds with reference to whether this bill should be passed.

Now, this is the situation: As far as I am concerned, everybody who knows me knows that for years I have stood here as a restrictionist, and I stand that way now. I should be very glad to have these Filipinos sent back, but there is one phase of this question that I am not sure the Members have thought of today. This is important. We are about to grant independence to the Philippine Islands. Why complicate that matter with the enforcement of this bill? In this bill provision was made that if the Philippine Legislature cooperated and coincided with the views of Congress, that the Philippine Legislature would be permitted to appropriate money to pay for the transportation of these Filipinos. The Philippine Legislature has never done that. They have never said they would provide the funds to transport these people. We have to go to all that expense and all that trouble in order to effectuate the purposes of this bill. If it is the consensus of opinion of the Membership, free of passion and prejudice, that we should do that and enter upon this work, with this great expense, I, for one, am perfectly willing to coincide and fall in with the rest, and I will withdraw my reservation of objection.

I wish to state to the chairman that if later today he can work a satisfactory arrangement with the Members on his side to provide for consideration of this bill I will withdraw my objection, providing the gentleman puts in the bill the amendment which the gentleman from Kentucky [Mr. BROWN] insisted upon, and I think all objection from this side will be withdrawn.

I withdraw my reservation of objection to the bill under present conditions.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, I have two objections to this bill, which reduces the fee charged for naturalization papers and which also provides the amount that can be charged by attorneys who assist in securing citizenship papers for the alien.

First, I should like to know what the Department of Labor has to say about it? It is always the policy to have a report from the Department of Labor, and I do not find it in the report of the committee.

Mr. DICKSTEIN. To make sure we understand each other, what bill is the gentleman talking about?

Mr. COCHRAN of Missouri. I am talking about the bill before the House. The gentleman has a number of bills on the calendar, but my interest now is in the bill just reported by the Clerk.

Mr. DICKSTEIN. The Department of Labor approves it.

Mr. COCHRAN of Missouri. Where is the letter from the Department of Labor? It should be in the committee report. That is the general policy in reporting bills of this character.

Mr. DICKSTEIN. It is in the file. I assure the gentleman the Department of Labor came before the committee and gave its approval. We have not printed it in the report. I want to practice economy as well as to preach it, and I do not propose to print hearings on every little bill.

Mr. COCHRAN of Missouri. You could have used half of the fourth page of this report on which to have printed the letter from the Department of Labor. It would have cost nothing. No one asks that the hearings be in the report, but on a bill of this character the hearings should be on the floor and the Department letter in the report.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. CELLER. There was no objection to the bill at the hearings.

Mr. COCHRAN of Missouri. Yes; I have been so informed by the chairman. But I am talking about another matter. We are entitled to know what we are asked to vote for.

There is half a page here on page 4 on which the letter from the Department of Labor could have been printed. I do not question the chairman, but sometimes the letters say the Department is in favor of a bill if certain amendments are added. I think we have a new Commissioner of Immigration and Naturalization since the hearings were held.

My second objection is to section 5 of the bill. I am not going to let the bill go through with section 5 in its present form. I see no reason in the world why a man should have to pay $25 to a lawyer to take out naturalization papers. What we should do is protect the aliens and see that no charge is made unless it is necessary for an attorney to appear in court on behalf of the petitioner.

Now, if you want to amend section 5 to provide that no fee shall be charged except where legal action before a court is required, I will withdraw my objection; but I am not going to let it go through in such shape that the lawyers of the country can shake an alien down for $25 to get his naturalization papers.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. LANZETTA. Section 5 limits the amount an attorney may charge for services rendered in connection with naturalization. The gentleman's suggestion of prohibiting any fee to be paid an attorney will, I fear, work harm to the aliens. From time to time some aliens seeking citizenship must of necessity avail themselves of the services of an attorney.

Mr. COCHRAN of Missouri. When a man reaches the point where he cannot answer plain questions properly in court without the aid of an attorney he is not entitled to become a United States citizen. There are certain attorneys who prey upon these aliens. You seek to reduce the fee, taking money from the Government. This means they will have more to pay an attorney.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield further?

Mr. COCHRAN of Missouri. I can anticipate the gentleman's statement. Now, I come from a big city and I know how certain lawyers will prey upon aliens to get $25 out of them to prepare naturalization papers. The next thing you know we will have the Judiciary Committee of the House investigating lawyers who are charging aliens money to get their papers.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield further?

Mr. COCHRAN of Missouri. Certainly.

Mr. LANZETTA. The gentleman knows that aliens at times have difficulty with the Department in respect of certain matters and certain information.

Mr. COCHRAN of Missouri. I wish the gentleman would state the certain matters and the certain information to which he refers.

Mr. LANZETTA. The services of an attorney are not required in the matter of answering questions before a court; and the gentleman knows it; but for the purpose of straightening out certain difficulties which the alien may be confronted with, at any time between his first application and his final admission to citizenship.

Mr. COCHRAN of Missouri. Just a moment. In my city there is a naturalization office in which there are clerks whose duty it is to fill out applications for the alien. All it requires to take out first papers, is to know the name of the boat the alien came over on. Is not that true?

Mr. LANZETTA. Yes.

Mr. COCHRAN of Missouri. Do you need a lawyer for that?

Mr. LANZETTA. At times it has been very difficult for the Department to find the names of these aliens on the registry. The services of an attorney are often required to to clear up such difficulties, and many others which may come up.

Mr. COCHRAN of Missouri. Unfortunately the law now does not prevent an attorney from charging an alien who seeks his naturalization papers. What we should do is to amend the law so as to prevent this type of lawyer from taking money from aliens when there is no necessity for it. If you really want to protect an alien why not do it in the proper way by enacting legislation that will prevent him from being shook down?

Mr. LANZETTA. We are not paving the way for anything. Attorneys are being paid today for doing this work. In this bill we try to limit the fee to $25.

Mr. COCHRAN of Missouri. Well, if you cut it out altogether you do not protect the alien but you leave it open and the attorney is not limited. No one should want an alien to pay a lawyer $25 for becoming a citizen of this country. It is not necessary. Further, it will result in undesirables making applications, depending upon their attorney to put it over.

Mr. LANZETTA. We cannot prevent an alien from employing an attorney. Any such law might work a hardship on many who require legal services.

Mr. COCHRAN of Missouri. Yes; you can prevent him from employing if you provide no fee can be charged. Then the lawyer would not accept the case, because he would not be paid.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. DIES. The gentleman realizes that under present law there is no limitation on the amount of fee an attorney may charge an alien for assisting him in procuring his naturalization. This amendment was offered by me in the committee with a view to restricting and limiting the fees being charged in some of the large cities of the country.

Evidence before our committee indicated very strongly that in a number of instances there were attorneys who were charging exorbitant fees to certain aliens in order to assist them in procuring their naturalization.

The purpose of this amendment is to limit the fees attorneys may charge. In the first amendment I offered the limitation was $10; but the members of the committee were of the opinion that $10 was too low; that there are cases in which the alien must have the aid of competent counsel to protect him and to defend him in the naturalization court; and for that reason the committee increased the limitation.

Mr. COCHRAN of Missouri. The amendment reads $25 but it gives the court the power to grant a fee in excess of $25 in certain cases.

Mr. DIES. But now we have no limitation.

Mr. COCHRAN of Missouri. Let us so amend the law that unless the attorney goes before the court he gets nothing; then we will protect the alien, or limit the charge to $10. That will be a big improvement. The gentleman from Texas [Mr. DIES], and I, I think, understand the situation and are in agreement as to the proper cure. He took what he could secure. I am trying to get more protection for the alien.

Mr. WEIDEMAN. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. WEIDEMAN. I do not believe the gentleman quite understands the purpose of this amendment, laudable as his intention is.

Mr. COCHRAN of Missouri. Yes; I fully understand the purpose of it.

Mr. WEIDEMAN. I believe the testimony in the committee showed that attorneys were charging as much as $500 and $1,000 for the services that we are going to limit to $25.

If it is necessary that we appropriate hundreds of thousands of dollars for attorneys to serve the Government departments in handling legal questions, does not the gentleman think it is also possible that in the case of an alien a legal question may arise of such a nature and under such circumstances as to require the services of an attorney? We

have gone just as far as we could to prevent chiseling and racketeering, remembering also that these men who are entitled to be citizens are today on the welfare roll because they have not $20 to take out citizenship papers. We are proposing in this bill to limit the amount that may be charged an alien by attorneys; and I hope the gentleman from Missouri will not stand in the way.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. CELLER. I believe if the gentleman will examine this bill carefully he will see it is for the protection of the alien. There are two kinds of service that are likely to be rendered.

Mr. COCHRAN of Missouri. I understand both of them. One is where the service is rendered in the office of the Bureau of Naturalization. The other is when the attorney must appear in court in behalf of his client.

Mr. CELLER. We have a provision in the immigration law which provides that no attorney assisting an alien can charge more than $25.

Mr. COCHRAN of Missouri. Let us not cloud the issue with the immigration law. We all know that there is absolutely no comparison between the immigration law and the naturalization law. If you limit an attorney to $25 in an immigration case, you should limit him to $5 or less in a naturalization case.

Mr. CELLER. One is as important as the other. As to the court proceeding, it may be that a very intricate and cumbersome proceeding is involved. It may involve certiorari to the Supreme Court of the United States. You could not limit the fee to be paid an attorney to $25 in a case so important as that. So that when there is a court proceeding you should allow a wider latitude and not put a limitation upon it. Where the alien needs some protection is in the Naturalization Bureau, and there $25 is the limitation.

Mr. COCHRAN of Missouri. I will say to the gentleman from New York [Mr. DICKSTEIN] that if he wants to accept an amendment which will provide that the charge for an immigration case will not exceed $10, I will not object to the bill. I am willing to leave it to the court as to the fee if it is necessary for the attorney to appear in court. Now, that is fair to both the attorney and the alien. Personally, if I thought I could get the House to agree, I would provide a penalty if any charge was made unless the lawyer appeared in court. I say again, there is absolutely no reason that can be advanced why an alien needs a lawyer to handle an ordinary naturalization case. The trouble is there are too many who make the alien believe that they can bring about his naturalization through influence. I do not say they have influence, but nevertheless they will make the alien feel it is necessary to employ him if he wants his papers.

Mr. DICKSTEIN. Mr. Speaker, I move to strike out the last word.

Mr. COCHRAN of Missouri. Will the gentleman accept the amendment?

Mr. DICKSTEIN. Will the gentleman give me the opportunity to explain something? If the gentleman will give me a chance to explain, I think I can explain it to him.

Mr. COCHRAN of Missouri. Mr. Speaker, I reserve the right to object, pending the gentleman's statement.

Mr. DICKSTEIN. Mr. Speaker, the trouble in all of these matters is that I find people that can write a book about an alien who never saw an alien. I know people on the other hand that speak about naturalization who have never been in a naturalization court.

In 1929 under the old law the fee charged by the Government was $5 to become a citizen of the United States. In 1929 the administration thought there was a good chance to make more money from the alien, so they jammed through a bill jacking the naturalization fee up to $20. You even had to pay $10 for a certified copy of a document that cost about 10 cents. In other words, the Government has been making several million dollars profit on the aliens, in spite of the fact that we have had a very serious depression. These aliens, worthy people, men who are heads of families, could not become citizens because they could not possibly pay the required $20.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I would like to ask the gentleman this one question, and I am not going to object to the bill: Has the gentleman any report from the Department of Labor as to whether or not they favor this bill?

Mr. DICKSTEIN. They do.

Mr. JENKINS of Ohio. I did not get the remarks of the chairman, but, if I remember correctly, up until about 4 or 5 years ago, the fee was only about $5.

Mr. DICKSTEIN. Five dollars.

Mr. JENKINS of Ohio. And it was raised up to $20?

Mr. DICKSTEIN. Twenty dollars. A charge of $10 for a certified copy of a certificate, and $5 for a certified copy of a declaration, and so forth.

Mr. JENKINS of Ohio. May I ask the gentleman this: From the investigation made by the gentleman's committee, I take it you have a unanimous recommendation here that indicates your committee is in favor of the proposition?

Mr. DICKSTEIN. Yes.

Mr. JENKINS of Ohio. The committee has gone into the matter extensively?

Mr. DICKSTEIN. Absolutely. We are giving the Government a break; we are fixing it at $10. I will show you the effect upon fees by this bill.

	Prior to 1929	Present law	Under this bill
Certificate of arrival	(1)	$5.00	$2.50
Declaration of intention	$1.00	5.00	2.50
Certificate of citizenship	4.00	10.00	5.00
Total	5.00	20.00	10.00
Derivative certificate of citizenship	(2)	10.00	5.00
Duplicate of lost, destroyed—			
Declaration		5.00	2.50
Certificate		10.00	5.00
Certificate to veteran of World War		10.00	(3)

[1] None. [2] No provision. [3] Free.

Mr. JENKINS of Ohio. This fee will pay for all expenses?

Mr. DICKSTEIN. Not only pay all expenses, but it will leave a revenue in the hands of the Government of about $200,000 or $300,000 in connection with the charge of $10.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Is it not true, as a matter of fact, that at the present time the Bureau reports something like $1,800,000 in profits?

Mr. DICKSTEIN. More than that.

Mr. ADAMS. If the gentleman will permit, I think the report shows about $1,900,000.

Mr. DICKSTEIN. May I call the attention of the House to section 5 that the gentleman from Missouri [Mr. COCHRAN] is so much concerned about? We are very much interested in helping the alien who is here legally. We want to similate the alien with the American principles and the American doctrine. There are certain cases that were called to the attention of the committee in which they required some legal advice. Up to the present time there is nothing in the law that prevents a lawyer from charging $1,000 or up to $5,000. We thought we rendered a perfect service by adopting the amendment of the gentleman from Texas [Mr. DIES], a member of the committee. In favoring that amendment and placing a deadline on fees for services that may be rendered by an attorney in a court proceeding we thought we were rendering a real service. If the gentleman will read that amendment that is exactly what it says.

I have no objection to striking that amendment all out. I am calling attention and appealing to your good judgment that by doing so you are leaving the door open. If you want to leave it open, I have no objection.

Mr. COCHRAN of Missouri. I want to close the door.

Mr. DICKSTEIN. The gentleman says he wants to close the door? If the gentleman had voted favorably on House Joint Resolution 50 to investigate smuggling—and the gentleman was one of those opposed to that resolution—the gentleman would have kept thousands of aliens from being smuggled into the country who are here today. The gentleman took a very active part in objecting to an appropriation of $2,000.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. DICKSTEIN. Certainly, I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. I took an active part in objecting to an appropriation of $2,000, not to keep aliens out of the country but to keep some Members from having a joy ride.

Mr. DICKSTEIN. Look at the roll call on House Joint Resolution 50. The gentleman should read the newspapers of only a day or two ago in reference to the very thing I tried to do for this Government and this Congress a year ago. Partly through my instrumentality we have arrested at least a half dozen men on the border line of Canada, which includes a certain number of lawyers and chiselers.

Mr. COCHRAN of Missouri. I voted against the resolution and I spoke against the resolution, and I will take the responsibility for helping to beat the resolution. May I say to the gentleman that if he had such information he should have given it to the Department of Justice.

Mr. DICKSTEIN. If the gentleman wants the truth——

Mr. COCHRAN of Missouri. Give it to the Department of Justice. I do not want it.

Mr. DICKSTEIN. If the gentleman wants the truth, and the House is willing to listen to that tommyrot, may I say that our Department of Justice needs rejuvenation. [Applause.] Our Department of Justice is a tea-toy compared to that of the foreign governments, and I am going to present the evidence very soon when the Nazi resolution comes up. We cannot compete with these foreign spies, the foreign militia, and the foreign propaganda. We cannot compete with them. The whole of the Department of Justice has to be rebuilt. We have to have a Department of Justice that will keep spies out of this country, that will keep dope peddlers out of the country, and that will keep smuggling out of the country.

I just want to call your attention to an article that appeared in the New York Daily News of Sunday, February 4, 1934. Here it is:

UNITED STATES ALIEN QUIZ HITS LAWYERS FOR BEAUVAIS

A prominent Montreal attorney, who figured in the famous Stillman divorce, has been named to the Secret Service as the Canadian head of an international syndicate of smugglers, alien runners, and passport forgers which has operated for years with the aid of crooked customs and immigration officials on both sides of the border.

Evidence gathered by the picked company of Secret Service men marshaled by the President and Secretary of the Treasury Morgenthau to end corruption in the Federal service indicates that the syndicate, which also has headquarters in New York, operated an underground railroad for the transportation of aliens and criminals across the border from St. John, New Brunswick, to Calais, Maine.

Forged birth certificates and passports, gem thefts, the smuggling of alien girls across the international line, indictments against United States Government officials and a New York lawyer which were dismissed for lack of evidence form other facets in the bizarre tangle of circumstances which the Secret Service is uncovering.

Other ramifications of the evidence point overseas, and to the possibility that American consular agents have betrayed their trust, for employees of the band have been able to travel freely on their forged passports wherever and whenever they pleased.

I could have done that a year ago, and I could have exposed this racket a year ago, but the restrictionists of this Congress refused to support a resolution to investigate smuggling from Cuba, from Mexico, and along the border line, and I have the record vote right over here.

The purpose of my investigation at that time was that there were certain witnesses who wanted to give me a statement as to who in this country were responsible for cooperation with foreign spies in the smuggling of dope and aliens and they did not want to give this to the Department of Justice. This is the answer to that question.

Mr. ADAMS. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman.

Mr. ADAMS. As I understand the gentleman, the limit a lawyer may charge for services, no matter how great they may be, according to this bill, is the sum of $25?

Mr. DICKSTEIN. That is all; but if he goes into the higher courts or if his services are actually required and the court approves, only then can the court fix another fee, with the consent of the alien.

Mr. ADAMS. As I understand, at the present time, a lawyer is permitted to charge any amount?

Mr. DICKSTEIN. Any amount; yes. I have no objection to striking the amendment out if you want to strike it out. It is an amendment that was offered by the gentleman from Texas [Mr. DIES] and I had nothing to do with it.

Mr. WELCH. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. WELCH. What are the necessary qualifications for an alien to become a citizen of the United States?

Mr. DICKSTEIN. He has to be legally admitted in the first place; he has to produce a certificate of entry; he must have lived in the United States 5 years, and in the State where the application is made 1 year.

Mr. WELCH. That is all conceded.

Mr. DICKSTEIN. Yes; then he makes his application. There was a lot of difficulty for some people when they came to the country because they had a long name and some of the inspectors would shorten it for them by not using his regular name. If it was a long name he would shorten it and just write the short name. Then when the applicant goes to get his certificate of arrival he cannot find it because the inspector changed his name.

Mr. WELCH. The gentleman from New York is picking out isolated cases.

Mr. DICKSTEIN. Well, I will give the gentleman a general case.

Mr. WELCH. Generally speaking, the necessary qualifications are that a person must be of good moral character and have a knowledge of our Government and its institutions.

Mr. DICKSTEIN. They have to have such knowledge.

Mr. WELCH. Why should not a school-teacher be preferable to a lawyer?

Mr. DICKSTEIN. We simply say in section 5 that if a lawyer is in the picture or is necessary for the purpose of helping out the alien in a legal way, all he can charge is $25.

Mr. WELCH. As a general rule, what legal questions arise or what legal services are necessary with respect to an application for citizenship?

Mr. DICKSTEIN. The hearings on this measure were quite extensive, and the amendment which appears as section 5 was proposed by all the social service organizations of this country and of all religious denominations. There is not a community that does not want this bill, and they have recommended that there should be a deadline with regard to legal fees.

Mr. WELCH. In my city of San Francisco they have night schools where aliens are trained for citizenship.

Mr. DICKSTEIN. We do that now; yes.

Mr. WELCH. This is the first time in my experience I have ever heard of the services of an attorney being necessary except in an isolated case.

Mr. DICKSTEIN. I agree with the gentleman and I am in full sympathy with that position.

Mr. WELCH. The very fact you provide a fixed sum by law will create the impression that it is necessary in all cases that an applicant for citizenship shall retain a lawyer.

Mr. DICKSTEIN. No; it does not read that way at all.

Mr. WELCH. Therein lies the danger, it seems to me.

Mr. CROWE. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. CROWE. Was it not the purpose and intent of this amendment not to declare that an attorney is necessary,

but to take care of the cases where a shyster lawyer, we might say, did enter the picture and was getting a large sum of money from the applicant?

Mr. CARTER of California. Mr. Speaker, I demand the regular order.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, will the gentleman agree to striking out the first $25 and inserting $10?

Mr. DICKSTEIN. Strike it all out, if you want to.

Mr. COCHRAN of Missouri. If you want to do something for the aliens, why not agree to that, as it will protect them? Now any charge can be made. This limits the amount to $10.

Mr. DICKSTEIN. I will do that.

The SPEAKER. The regular order is demanded. Is there objection?

Mr. COCHRAN of Missouri. Mr. Speaker, I object.

PROTECTION OF CERTAIN ALIENS ON AMERICAN VESSELS

The Clerk called the next bill on the Consent Calendar, H.R. 1497, a bill to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subdivision "eighth" of section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide a uniform rule for the naturalization of aliens throughout the United States", as amended by section 1 of the act entitled "An act to amend the naturalization laws and to repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes", approved May 9, 1918 (U.S.C., title 8, sec. 376), is hereby repealed.

SEC. 2. This act shall take effect 90 days after its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AUTHORIZING POSTMASTER GENERAL TO HIRE VEHICLES FROM POSTAL EMPLOYEES

The next business on the Consent Calendar was the bill (H.R. 4224) to authorize the Postmaster General to hire vehicles from postal employees.

The Clerk read the bill.

Be it enacted, etc., That section 52 of title 39 of the United States Code is hereby amended to read as follows:

"No postmaster, assistant postmaster, or clerk employed in any post office shall be a contractor or concerned in any contract for carrying the mail."

With the following committee amendments:

Strike out lines 3, 4, 5, 6, and the words "in any contract for carrying the mail" in line 7 and insert in lieu thereof the following: "That the act entitled 'An act to authorize the Postmaster General to hire vehicles from village delivery carriers', approved June 18, 1930 (46 Stat. 782; U.S.C., Supp. VI, title 39, sec. 52), is hereby amended to read as follows:"

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I should like to ask the chairman of the committee a question.

I notice that there is nothing in the report that shows whether the present Postmaster General has made any statement in regard to it.

Mr. MEAD. The bill was sent to us at the beginning of the session in a batch of bills that came from the Postmaster General with his recommendations.

Mr. JENKINS of Ohio. I thought if it was a bill that came up under the former Postmaster General, Mr. Brown, someone should find out what the present Postmaster General thinks about it.

Mr. MEAD. It was recommended by the Postmaster General in 1933, but the present Postmaster General is in favor of the bill.

Mr. DONDERO. Does the bill cover contracts where the contract was abrogated and the carriers do not know whether they are to pay for it or not?

Mr. MEAD. Yes; it does cover that.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EXTENDING BENEFITS OF A RECORD REGISTRY UNDER ACT OF MARCH 2, 1929, TO ALIENS WHO ARRIVED PRIOR TO JULY 1924

The next business on the Calendar was the bill (H.R. 3522) to extend benefits of a record of registry under the act of March 2, 1929 (45 Stat. 1512), to aliens who arrived prior to July 1924, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. DIES. I object.

BRIDGE ACROSS THE MISSOURI RIVER AT OR NEAR SOUTH OMAHA, NEBR.

The next business on the Consent Calendar was the bill (H.R. 6370) to extend the time for completing the construction of a bridge across the Missouri River at or near South Omaha, Nebr.

The Clerk read the bill as follows:

Be it enacted, etc., That the time for completing the construction of a bridge across the Missouri River at or near South Omaha, Nebr., authorized by section 4 of the act of Congress approved June 10, 1930, is hereby extended 1 year from June 10, 1934.

SEC. 2. The right to alter, amend, or repeal this act is reserved.

With the following committee amendments:

Amend the bill as follows: Page 1, line 6, after the date "June 10, 1930", insert the following words: "heretofore extended by an act of Congress approved February 20, 1931"; page 1, line 6, after the word "hereby", insert the word "further."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS ST. LAWRENCE RIVER NEAR ALEXANDRIA BAY, N.Y.

The Clerk called the next bill, H.R. 6492, to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Reserving the right to object, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. CULKIN. Reserving the right to object, may I say to the gentleman from Washington it is rather important from the standpoint of labor and employment in that locality that speedy action be taken on this bill. This is not only a community proposition but it is a bill for which authority has been had from the Legislature of the State of New York. A commission has been appointed by the Governor, and this measure has the approval of all the State and local authorities. I cannot understand what conceivable objection there can be to it.

Mr. ZIONCHECK. The only conceivable objection is—I have no personal objection, but I should like to get a report from the Department of Agriculture as it is now constituted.

Mr. CULKIN. There is a report from the Department of Agriculture in the report of the committee. I am very familiar with it. I fought this out with the Department of Agriculture, and they have reported favorably on this bill on at least two occasions.

Mr. JENKINS of Ohio. If the gentleman will read the report, there is a report from the Department of Agriculture in the present administration.

Mr. ZIONCHECK. I have not seen that report. I ask that this be passed over without prejudice until I can see that report.

Mr. CULKIN. Well, the communication is in the committee report. I assume the gentleman will take his colleague's word for that.

Mr. JENKINS of Ohio. The letter is in the report.

Mr. CULKIN. I will read it to the gentleman.

Mr. ZIONCHECK. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. CULKIN. Well, reserving the right to object, I wish the gentleman would listen to me while I read this report to him from the Department of Agriculture.

Mr. ZIONCHECK. Who signed the report?

Mr. CULKIN. The report is signed by C. F. Marvin, Assistant Secretary.

Mr. ZIONCHECK. That is true.

Mr. CULKIN. Just a moment. Let us be fair about this. This proposition involves a great number of working people in my district. It involves public convenience. It is sanctioned by the Legislature of the State of New York and the county of Jefferson and every public body conceivably involved. The report dated January 13, 1934, states that the bill has the approval of the Department of Agriculture.

Mr. ZIONCHECK. May I ask if this bill is passed today would this bridge be started next week?

Mr. CULKIN. It involves the proposition of a loan from the P.W.A. That is what makes speed necessary.

Mr. ZIONCHECK. The Reconstruction Finance Corporation.

Mr. CULKIN. Of course, its situation is more or less precarious, as its funds are vanishing. I have answered the objection of the gentleman, showing that it has the approval of the Department of Agriculture. Has the gentleman any further objection?

Mr. ZIONCHECK. Only that it has not the approval of the present administration in the Department of Agriculture. Mr. Marvin was a member of the previous administration.

Mr. CULKIN. He must be in the present administration, because the report is dated January 13, 1934.

Mr. ZIONCHECK. May I say to the gentleman that Mr. Marvin has never objected to anything.

Mr. CULKIN. He has authority to speak for the Department of Agriculture.

Mr. ZIONCHECK. Mr. Speaker, I ask for regular order.

Mr. CULKIN. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK]?

There was no objection.

TOLL BRIDGE ACROSS DELAWARE RIVER BETWEEN EASTON, PA., AND PHILLIPSBURG, N.J.

The Clerk called the next bill, H.R. 6794, authorizing the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N.J.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I make the same request, that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK]?

There was no objection.

BRIDGE ACROSS MISSOURI RIVER NEAR WELDON SPRING, MO.

The Clerk called the next bill, H.R. 6799, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over.

Mr. LANZETTA. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Reserving the right to object, I should like some information relative to this bill if there is anyone here who can give it.

I should like to know whether or not this is a toll bridge.

Mr. ZIONCHECK. I think there has been objection to the bill to which the gentleman is referring. The gentleman from New York [Mr. LANZETTA] objected.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. LANZETTA. I withdraw my objection.

Mr. CARTER of California. Is there anyone here who can give me any information with reference to this bill?

Mr. ZIONCHECK. It is a toll bridge. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. COCHRAN of Missouri. Reserving the right to object, 7 years ago I started the fight in this House on toll bridges, private toll bridges, but there has never been any objection in this House from either side with reference to a toll bridge constructed by a municipality or a State. Whenever a municipality or a State desires to build a toll bridge, that means work for the people. For 7 years I have stopped bills where private people have desired to construct toll bridges. I have no interest in any bill on the calendar. I simply rise to make that statement. I withdraw my reservation of objection.

Mr. CULKIN. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. CULKIN. Of course, the people near the large rivers, especially on the international border, cannot have any transportation of this sort unless it is done by a toll bridge, is that not true?

Mr. COCHRAN of Missouri. I have no objection to the bill. I object to the construction of private toll bridges by private individuals and always have.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. WEIDEMAN. The gentleman from Missouri does not object to public toll bridges?

Mr. COCHRAN of Missouri. No, sir. I am not objecting where a State or municipality is attempting to build one, because it will in the end become a free bridge but not so when private individuals construct a toll bridge.

Mr. WEIDEMAN. I am wondering if the gentleman would object to a racketeering fee of $10,000 being paid certain lawyers for drawing up these contracts?

Mr. COCHRAN of Missouri. Indeed, I would object, and the gentleman knows it.

Mr. CARTER of California. Can the gentleman tell me whether this is a toll bridge?

Mr. COCHRAN of Missouri. I do not object to a toll bridge if a State or municipality is building the toll bridge. I do not have the bill before me. If it is to be built by a private individual, I do object.

Mr. CARTER of California. I assume exactly the same attitude. I am trying to find out whether it is a toll bridge fostered by a State.

Mr. COCHRAN of Missouri. Some of the States and some of the municipalities have toll bridges. For instance, Louisville has one of the largest toll bridges in the country, and I understand it is paying.

Mr. CARTER of California. What about this one?

Mr. COCHRAN of Missouri. New York has a toll bridge. I do not have the bill before me.

The regular order was demanded.

Mr. GRISWOLD. Mr. Speaker, I object.

BRIDGE ACROSS DES MOINES RIVER AT ST. FRANCISVILLE, MO.

The Clerk called the next bill, H.R. 6909, to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ROMJUE. Mr. Speaker, will the gentleman withhold his request for a moment?

Mr. ZIONCHECK. Mr. Speaker, I withhold my request to permit the gentleman to make an explanation.

Mr. ROMJUE. In the first place, Mr. Speaker, this is not a toll bridge. In the second place, a bill was passed by the House and the Senate to provide for the construction of this bridge a few years ago, but in raising money to construct it, it was found that there was some illegality about

the issue of the bonds of one of the counties involved. Since that time all this difficulty has been cleared up. I think Congress should let the people build this bridge.

Mr. MILLARD. It is not a toll bridge?

Mr. ROMJUE. It is not a toll bridge.

Mr. MILLARD. Is it a bridge built by two municipalities?

Mr. ROMJUE. It is a bridge built by the people of several counties.

Mr. MILLARD. Is any Federal money involved?

Mr. ROMJUE. Not at all in the way of any appropriation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the time for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo., authorized to be built by Roy H. Campbell, Charles H. Brown, G. H. Wilsey, and Dr. H. O. Strosnider, by an act of Congress approved February 14, 1933, are hereby extended 1 and 3 years, respectively, from February 14, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS ST. LAWRENCE RIVER AT ALEXANDRIA BAY, N.Y.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to return to Calendar No. 46, H.R. 6492, to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y., authorized to be built by the New York Development Association, Inc., a corporation organized under and by virtue of the membership corporation law of the State of New York, its successors and assigns, by an act of Congress approved March 4, 1929, and heretofore extended by an act of Congress approved February 13, 1931, and further heretofore extended by an act of Congress approved April 15, 1932, and heretofore further extended by an act of Congress approved February 14, 1933, are hereby further extended 1 and 3 years, respectively, from March 4, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSISSIPPI RIVER AT HANNIBAL, MO.

The Clerk called the next bill, H.R. 7291, authorizing the city of Hannibal, Mo., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the city of Hannibal, Mo., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Hannibal, Mo., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the city of Hannibal, Mo., its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said city of Hannibal, Mo., its successors and assigns is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. After the completion of such bridge, as determined by the Secretary of War, either the State of Missouri, the State of Illinois, any public agency or political subdivision of either of such States, within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property necessary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 5 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages of compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion costs, not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

SEC. 5. If such bridge shall at any time be taken over or acquired by the States or public agencies or political subdivisions thereof, or by either of them, as provided in section 4 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 6. The city of Hannibal, Mo., its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway departments of the States of Missouri and Illinois a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and upon request of the highway department of either of such States shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed, and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge; for the purpose of such investigation the said city of Hannibal, Mo., its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge shall be conclusive for the purposes mentioned in section 4 of this act, subject only to review in a court of equity for fraud or gross mistake.

SEC. 7. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the city of Hannibal, Mo., its successors and assigns, and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS DELAWARE RIVER AT TRENTON, N.J.

The Clerk called the next bill, S. 2029, to extend the time for completing the construction of a bridge across the Delaware River near Trenton, N.J.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, does the author of the bill desire to make a report on this matter?

Mr. WOLVERTON. The bill was introduced in the Senate by Senator KEAN. It has passed the Senate. A similar bill was introduced in the House by the gentleman from Pennsylvania [Mr. FREY], who is sitting near the gentleman from Indiana, and who represents the district where the bridge is to be located.

Mr. GRISWOLD. I notice from the report that authority to build the bridge has been granted since 1912, but they do not appear to have done anything. Are we just granting them an exclusive right in perpetuity against anybody else to build a bridge at this point?

Mr. WOLVERTON. I think if the gentleman will read the report he will understand the situation.

Mr. GRISWOLD. I have read the report.

Mr. WOLVERTON. Then the gentleman must have observed that over $2,000,000 has already been spent on this enterprise. It is part of a railroad construction project which up to the present time has been delayed because of conditions. The road is now being improved, and as soon as conditions permit, I assume construction of this bridge will be resumed.

Mr. GRISWOLD. As I understand the report they first acquired the right to build the bridge in 1912, prior to the World War. They also acquired some land, spending some money for it; but since that time they have not spent anything or made any progress and they have not started the bridge.

Mr. WOLVERTON. Of course, the gentleman will understand that since 1912 there has intervened a depression, then the World War, and then there was a Federal administration of railroads. These conditions, to a large extent, have accounted for the delay since that time. It is part of a construction project that has met with the approval of the different governmental departments having jurisdiction in the matter. It will undoubtedly be helpful in promoting better traffic conditions on that very important part of the Pennsylvania Railroad system.

Mr. GRISWOLD. Can the gentleman tell me the amount at which the company now carries this right—that is, the value at which they carry it for rate-making purposes in relation to what they have actually expended?

Mr. WOLVERTON. I cannot answer the gentleman's question.

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PRISON INDUSTRIES BOARD

The Clerk called the next bill on the Consent Calendar, H.R. 6974, to provide for the regulation of prison industry and the appointment of a prison industrial board, and for other purposes.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I would like to know if this is the prison board that was discussed the other day when we had under consideration a particular appropriation bill?

Mr. TARVER. This is a bill reported by the Committee on the Judiciary unanimously, and it has the consent, so far as I know, of manufacturers, of labor, and the approval, I am informed, of the President himself. This provides for the settling of this troublesome question of prison labor, with a view to reducing prison competition with private industry.

The first bill during this Congress on the subject was reported almost a year ago and is substantially the same as this, and, so far as I know or so far as the committee has been advised, no objection has ever been raised by any Member of Congress or by anybody else to the provisions of this bill, which provides for the creation of a commission that will serve without pay, and upon which there shall be representatives of labor, agriculture, manufacturers, vocational education, and of the general public interests, with the Director of the Budget and the Attorney General as ex-officio members, and which board shall have supervision over the question of prison industry. This board is directed to carry out the provisions of the act of May 27, 1930, which provided for the diminution of prison competition with free industry and for the diversification of prison industry with that end in view.

Mr. O'MALLEY. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. According to the report of the committee on this particular bill, it would seem to me that this is a very important board we are creating. There is nothing in here about the attitude of labor toward a board of this kind, or the attitude of industry in general toward a board of this kind.

Mr. TARVER. I beg the gentleman's pardon. The report does contain a statement relative to the attitude of labor and regarding the attitude of industry.

Mr. O'MALLEY. It contains a statement of the committee, but not of the people who may be affected one way or the other, of this board.

Mr. TARVER. May I call the gentleman's attention to the fact that the act of May 27, 1930, which this bill proposes to make effective, was passed after hearing labor and representatives of labor, and with their full approval. This proposal, as I stated a while ago, has been pending for almost a year and the proposal has never attracted the opposition of any individual, so far as I am informed.

Mr. BLANCHARD. Mr. Speaker, I demand the regular order.

Mr. COOPER of Ohio. Mr. Speaker, I think this is too important a bill to consider under unanimous consent, and I object.

Mr. TARVER. Will the gentleman withhold his objection for a moment?

Mr. COOPER of Ohio. I reserve my objection for a moment.

Mr. TARVER. May I state that the chairman of the committee has just been called to the telephone in order that he may confer with the President regarding this bill, the President himself having expressed a deep interest in it. I ask that the bill be temporarily passed without prejudice and with the object of asking that it be called up again after the chairman has returned.

Mr. COOPER of Ohio. Mr. Speaker, I object.

Mr. SUMNERS of Texas. Will the gentleman withhold his objection for a minute?

Mr. COOPER of Ohio. I will withhold it, but I am going to object to considering it on the unanimous-consent calendar.

The SPEAKER. Objection is heard.

TOLL BRIDGE ACROSS DELAWARE RIVER BETWEEN EASTON, PA., AND PHILLIPSBURG, N.J.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that we turn back to no. 47, a bill that was passed without prejudice, for the reason that the committee was under the impression that there had not been a favorable report from the Department of Agriculture on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the State of Pennsylvania and the State of New Jersey be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Delaware River, at a point suitable to the interests of navigation, at or near Easton, Pa., and Phillipsburg, N.J., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the State of Pennsylvania and the State of New Jersey all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operations of such bridge and its

approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said State of Pennsylvania and the State of New Jersey are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PRISON INDUSTRIES BOARD

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that I may have 3 minutes in order to make a statement with regard to the Tarver bill, which was just objected to.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for 3 minutes. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I want to make a very brief statement with regard to the Tarver bill which has just been objected to. I do it for the purpose of inviting you to give attention to the measure between this time and the time when we hope to have the bill again before you.

The bill deals with one of the most troublesome things that the Committee on the Judiciary has to do with, and that is what is to be done with the prison-labor population. Always the difficulty in this sort of legislation of giving the people who are in the penitentiaries something to do and at the same time not transgress too much upon the territory of free labor presents a very serious question. Everybody, I believe, who understands anything about trying to rehabilitate these prisoners realizes it is essential to give them some sort of employment. After a long time, confronted with much difficulty, the Tarver bill has been evolved, which, in the judgment of the committee, is perhaps the best possible arrangement.

The President just called me by telephone a moment ago and said he hoped the Tarver bill could be enacted. So this brings the judgment of the people in interest, the judgment of the Judiciary Committee, that has first responsibility, and the judgment of the Executive, that has the executive responsibility, in harmony.

Mr. PETTENGILL. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. PETTENGILL. How does the gentleman harmonize the implied purport of the bill—that it is to prevent competition with private free labor on the outside—with the statement in the report that it is necessary to broaden the field of occupation and carry on existing prison industries on a larger scale than now permitted? How are we going to carry on larger occupations and broaden the field of occupation without competing with free labor?

Mr. SUMNERS of Texas. Of course, you can broaden the field of operation without increasing the competition, do more different things—but if you consider that broadening the field of operation broadens the field of competition——

Mr. PETTENGILL. That does not mean anything to me.

Mr. SUMNERS of Texas. Oh, no; you cannot do it. We might just as well be sensible about it. If these men in the penitentiary are to do anything, they have to do something which somebody on the outside of the penitentiary could do. There is no use being foolish about it.

Mr. PETTENGILL. Then I favor the free man on the outside.

Mr. SUMNERS of Texas. But the point is that in attempting to do that which would help to rehabilitate the men on the inside you work out a plan that least interferes with the man on the outside.

The men who belong to organized labor are not inhumane people. They are not unpatriotic people. They are just as good people as you are and as I am, and just as sensible people. They want something done for the rehabilitation of the men in the penitentiaries just as much as anybody in this Congress or anywhere else and, carrying out the spirit of their patriotism, while wanting to protect their interests, they are in agreement with this plan, so I am advised. Naturally, they want just as little conflict with their interests as they can have, and so do I.

This is not what I would like to have; it is not what my friend here would like to have; but, as I understand, all the people having an interest in the matter finally got together and agreed they would work out the plan of this bill.

[Here the gavel fell.]

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 more minutes.

Mr. SUMNERS of Texas. Mr. Speaker, I do not want to get in the way of the other bills.

Mr. ZIONCHECK. I object, Mr. Speaker.

JAMES A. LOWELL, DECEASED

The Clerk read the next business on the Consent Calendar, House Resolution 226, as follows:

House Resolution 226

Resolved, That no further proceedings be had under H.Res. 120, agreed to April 26, 1933, providing for an investigation of the official conduct of James A. Lowell, United States district judge for the district of Massachusetts, and that the Committee on the Judiciary be discharged.

Mr. LUCE. Reserving the right to object, Mr. Speaker, and so doing wholly for the purpose of making a statement and a request, I would say that this is the formal conclusion of proceedings begun at the last session for impeachment of Judge James A. Lowell, who, according to the report accompanying the resolution, died on the 31st of last November.

Mr. ZIONCHECK. May I make the correction that there was no 31st of November?

Mr. LUCE. The 30th of November, I have no doubt the report should have read.

The public at large does not understand the significance of a proposal on this floor to impeach an officer of the Government. Many assume that of itself such a proposal indicates some misfeasance or guilt, while we, of course, here know that not anything of the sort is necessarily to be inferred. To permit the formal conclusion of the proceedings to go without any explanation inevitably leaves on the memory of a man a shadow that may grieve his friends, his family, and his descendants. The gathering at the funeral of Judge Lowell, a large concourse, included many of the leading members of the bar and other distinguished citizens, who, by their presence, attested their confidence in Judge Lowell, their admiration for his life, and their grief at his passing.

I feel sure that the chairman of the subcommittee who visited Boston in order to make preliminary inquiries will be glad to state the conclusions reached by the subcommittee so that the record of an honorable man, a highminded man, a righteous man shall not be in any way blurred or stained by lack of a statement of the facts. I ask that the chairman of the subcommittee inform the House on this matter.

Mr. BROWNING. Mr. Speaker, the gentleman from New Jersey [Mr. PERKINS] and I went to Boston to make a preliminary inquiry in regard to the charges against Judge Lowell.

We first contacted all Members of Congress we could reach who lived in that region, and then made inquiries of members of the bar, a considerable part of the bar. We spent 4 days in that work. We interviewed all the newspaper representatives, and I think it would be only fair to say that we did not find among the bar or the Members of Congress or the newspaper men anyone who did not have implicit confidence in Judge Lowell. They felt, as the subcommittee did, that the judge did some erratic things. He was a peculiar individual, as was reflected in some of the positions he took, but they were entirely typical of the man, as we learned, but in all he was thought to be honest.

He made mistakes in some decisions, as was shown by the decisions of the appellate court. But Mr. PERKINS and I came to the conclusion that there was nothing in what we found that would justify a formal hearing by the subcommittee. As far as I am personally concerned, I came to the conclusion that Judge Lowell was incapable of entertaining a dishonest impulse. [Applause.]

The resolution was agreed to.

A motion to reconsider was laid on the table.

CARE AND TRANSPORTATION OF SEAMEN FROM SHIPWRECKED FISHING AND WHALING VESSELS

The next business on the Consent Calendar was the bill (H.R. 7205) to provide for the care and transportation of seamen from shipwrecked fishing and whaling vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 (relating to the care and transportation of shipwrecked merchant seamen) of the act approved December 21, 1898 (U.S.C., title 46, sec. 593), entitled "An act to amend the laws relating to American seamen, for the protection of such seamen, and to promote commerce" shall apply to fishing and whaling vessels, notwithstanding the provisions of section 26 of such act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF WAR TO SELL TRACT OF LAND TO THE PLATTSBURGH NATIONAL BANK & TRUST CO.

The next bill on the Consent Calendar was the bill (H.R. 93) to authorize the Secretary of War to sell to the Plattsburgh National Bank & Trust Co. a tract of land comprising part of the Plattsburgh Barracks Military Reservation, N.Y.

The SPEAKER pro tempore. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, and I will object unless an amendment is adopted. The bill authorizes the sale to the Plattsburgh National Bank and no one else. There is to be no competitive bids—the War Department is required to sell to one concern.

Mr. SNELL. There is no one else that would bid for the land, but if the gentleman thinks that such an amendment would protect the Government I would be willing to consent to it.

Mr. ZIONCHECK. It is a matter of policy that there should be competitive bidding.

Mr. SNELL. Let the gentleman write out the amendment and I have no objection.

Mr. ZIONCHECK. The bill requires a sale to the Plattsburgh National Bank and to no one else.

Mr. SNELL. I do not see the advantage in the gentleman's amendment, but I will consent that he may put it in. That is a very small piece of land. The actual value of it is not 15 cents. It is the extreme end of the military reservation. As a matter of fact, that part of the land is separate from the reservation itself, and it is a little piece of land on the foot of a little slope.

Mr. ZIONCHECK. If the gentleman will let me interrupt for a moment, even if it was only worth 15 cents and it was being given to a bank, I would object to it.

Mr. SNELL. Now, the gentleman understands that this street railway property is in the hands of a receiver. They are trying to get what money they can to pay the creditors of the corporation. That is all. The Plattsburgh National Bank seems to be the organization handling the receivership for the railroad. It does not go to the bank. It goes to the creditors of the company.

Mr. ZIONCHECK. I thought there might be a hamburger joint that might want to buy the place.

Mr. SNELL. I do not know where they would sell hamburgers up in that country. If the gentleman will prepare his amendment, I am willing to have it put on the bill.

Mr. ZIONCHECK. If the gentleman will prepare the amendment——

Mr. SNELL. Oh, I do not want the amendment. If the gentleman has an amendment to offer, he should offer it.

Mr. ZIONCHECK. Just to strike out the Plattsburg National Bank.

Mr. SNELL. Those are the people who want the land.

Mr. MILLARD. Has the gentleman read the bill, which provides that the Secretary of War shall have the said tract appraised at the expense of the Plattsburg National Bank & Trust Co.?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. SNELL. Well, now, Mr. Speaker, I am willing to have the gentleman put his amendment in. It encumbers the bill and it is not so good as it was before, but if he desires the amendment to go in I have no objection to it.

Mr. ZIONCHECK. If the gentleman will offer his amendment, I will withdraw the request.

Mr. SNELL. In line 5, strike out, after the comma, down to and after the comma in line 7.

The SPEAKER pro tempore. When we reach that point after the bill has been reported, the gentleman can offer his amendment.

Is there objection to the present consideration of the bill?

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby authorized, in his discretion, to sell upon such terms and conditions as he considers advisable, to the Plattsburgh National Bank & Trust Co., of Plattsburgh, N.Y., or its nominee, a tract of land containing approximately one half acre, comprising a part of the Plattsburgh Barracks Military Reservation, N.Y., and situated in the northwest corner thereof, which said tract is no longer needed for military purposes, and to execute and deliver in the name of the United States and in its behalf, with and to the said Plattsburgh National Bank & Trust Co. any and all contracts, conveyances, or other instruments necessary to effectuate such sale; the proceeds of the sale of the property hereinbefore designated to be deposited in the Treasury to the credit of the fund known as the "military post construction fund": *Provided*, That the Secretary of War shall have the said tract appraised at the expense of the Plattsburgh National Bank & Trust Co.: *And provided further*, That the Secretary of War shall not sell said tract of land for a less consideration than the appraised value thereof.

Mr. SNELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SNELL: Page 1, line 5, after the word "advisable" strike out the comma and the words "to the Plattsburgh National Bank & Trust Co. of Plattsburgh, N.Y., or its nominee"; and on page 2, in line 3, after the word "behalf", strike out "with and to the said Plattsburgh National Bank & Trust Co."; and on page 2, line 10, strike out the words "at the expense of the Plattsburgh National Bank & Trust Co."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EXEMPTION OF PARENTS OF CITIZENS OF UNITED STATES

The Clerk called the next bill, H.R. 3519, to exempt from the quota parents of citizens of the United States, and for other purposes.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that that bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING SECTION 23 OF IMMIGRATION ACT

The Clerk called the next bill, H.R. 3524, to amend section 23 of the Immigration Act of February 5, 1917 (39 Stat. 874).

Mr. GRISWOLD. Reserving the right to object, and I shall not object if the gentleman is willing to accept an amendment on page 2, line 2, to insert—

Provided, That any alien removed under this act to his native country shall not be permitted to return to the United States unless he reimburse the Government for expenses incident to his removal.

Mr. DICKSTEIN. Now, this is a bill that was requested by the Department of Labor. If the gentleman is acquainted with section 23 of the act of 1917—and I doubt very much whether he is unless he has refreshed his memory—that section provides that an alien who has entered the country legally, finds himself stranded, who desires to return to his native country, may be sent out by the Department of Labor within 3 years after his entry. That is the present law. This simply advances that time from 3 years to 5 years; so it does not make any difference what amendment you put on there, because once he goes back as a pauper he cannot return, because he is already adjudged a pauper, and he cannot come back, because he is likely to become a public charge. Now, the Department of Labor wants this. If the gentleman wants something else, I do not know what it is. The amendment would be inconsistent with the policy of both the Department and the committee.

Mr. GRISWOLD. I cannot see where the amendment is inconsistent. I do not know what the provisions of the present law are. The Chairman may know, regarding the financial status of these people who come here, but it seems that every time we call the Private Calendar we are called upon to appropriate a few million dollars to deport them. I think there should be some provision made in every act that we pass, whether it is on this Consent Calendar or anywhere else, to keep these people from continually coming here and we provide the money to deport them.

Mr. DICKSTEIN. Oh, we are providing for nothing. There is no appropriation here. There is no expenditure here. I will just refer my friend from Indiana to the following part of section 23 of the act of 1917. Please notice this:

SEC. 23. That the Commissioner General of Immigration shall perform all his duties under the direction of the Secretary of Labor. Under such direction he shall have charge of the administration of all laws relating to the immigration of aliens into the United States, and shall have the control, direction, and supervision of all officers, clerks, and employees appointed thereunder; he shall establish such rules and regulations, prescribe such forms of bond, reports, entries, and other papers, and shall issue from time to time such instructions not inconsistent with law, as he shall deem best calculated for carrying out the provisions of this act and for protecting the United States and aliens migrating thereto from fraud and loss, and shall have authority to enter into contract for the support and relief of such aliens as may fall into distress or need public aid, and to remove to their native country, at any time within 3 years after entry, at the expense of the appropriations for the enforcement of this act, such as fall into distress or need public aid from causes arising subsequent to their entry and are desirous of being so removed; * * *—

You will notice that this existing law states that the Commissioner General of Immigration—

shall have authority to enter into contract for the support and relief of such aliens as may fall into distress and need public aid, and to remove to their native country, at any time within 3 years after entry, at the expense of the appropriations for the enforcement of this act, such as fall into distress or need public aid from causes arising subsequent to their entry and are desirous of being so removed; * * *.

You understand there is no smuggling or illegal entry connected with this bill. A man, within 3 years after his entry, may apply to the Secretary of Labor for permission to depart at Government expense. That is the present law and the appropriations for the Department provide for it. Now the Department of Labor wants to extend the time from 3 years to 5 years. What objection is there to that; and how will the gentleman's amendment aid what we are trying to do?

Mr. GRISWOLD. It appears from the report of the committee that it will cost $90 for each one of these men deported.

Mr. DICKSTEIN. That is exactly what it is costing now. We are simply extending the statute of limitations from 3 years to 5 years.

Mr. O'MALLEY. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. O'MALLEY. I do not see how the amendment of the gentleman from Indiana [Mr. GRISWOLD] would afford an additional protection. If anything, it would set a precedent to these people who went back.

Mr. DICKSTEIN. I may say to the gentleman from Wisconsin that one cannot sit here and legislate regulations by the Department. We legislate laws; we do not legislate regulations. The Department of Labor is not writing the laws for immigration in this country; Congress is doing that.

Mr. O'MALLEY. They, however, write the regulations under the laws we pass. So we want to pass laws in such a way that in writing the regulations they will have to stick to the law.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Speaker, I object.

Mr. DICKSTEIN. Mr. Speaker, I was on my feet.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice. If the gentleman now wishes to object, he is perfectly welcome to do so.

The SPEAKER pro tempore. Does the gentleman from Indiana insist on his objection?

Mr. GRISWOLD. Mr. Speaker, I object.

AMENDMENT OF LAW RELATIVE TO CITIZENSHIP AND NATURALIZATION

The Clerk called the next bill, H.R. 3673, to amend the law relative to citizenship and naturalization, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I wish to make a brief statement on this particular bill.

Be it understood that the substance of this bill was incorporated as an amendment to legislation which passed the Senate at the last session.

The bill seeks to do nothing more in its four provisions than to equalize the status between men and women so far as their capacity to transmit citizenship to children who are born outside the country is concerned.

We have this most anomalous situation: We provide equality of opportunity, privilege, and benefit for the seven very capable and intelligent ladies who are Members of this body in just the same proportion as those benefits and privileges are shared by the male Members of this body, yet the mother of a child that is born outside of the United States cannot transmit citizenship to that child, whereas the father can. A father at the present time can expatriate himself under the law. An American mother, however, cannot.

Now, it is a peculiar kind of inequality that amounts to a paradox in our citizenship and naturalization laws; and, manifestly, if we permit men and women to sit in legislatures, on school boards, in the House of Representatives, and in the Senate of the United States on terms of equality, is there any reason why this body should withhold from women the right to transmit citizenship, to expatriate themselves, and to give to their offspring all the benefits that they might at the present time derive from the father?

It adds nothing to an aggravated immigration or naturalization condition. It simply equalizes the status of men and women who are native-born or who enjoy citizenship in this country.

Having made this statement, if my good friend the gentleman from Ohio still insists upon his objection, it will be quite all right, but I do want the Membership to have a definite concept of the purport and object of this measure.

Mr. JENKINS of Ohio. Without any disrespect to the gentleman, I still insist on my request that the bill be passed over without prejudice.

Mr. DICKSTEIN. Mr. Speaker, reserving the right to object, I think the statement made by my colleague the gentleman from Illinois [Mr. DIRKSEN] probably went over

the head of somebody. This is a rather intelligent bill outside of the fact that it bears my name.

I would have no objection to the gentleman's request if anything could be accomplished by it; but from the practices certain gentlemen have indulged in before, this is the only motion they know how to make—let it go over without prejudice; and that is the end of it; it is just another week, another week, but time slips by and nothing is done. If the gentleman is against it, why does he not object? Then we will know how to conduct ourselves in shaping legislation.

Mr. JENKINS of Ohio. Mr. Speaker, I think the gentleman from New York knows my attitude well enough to know that I have always been able to say "no" when I want to say no with reference to a bill.

Mr. DICKSTEIN. May I ask the gentleman from Ohio if there is any hope for this bill?

Mr. JENKINS of Ohio. I made the request that the bill be passed over without prejudice, and I insist upon my request.

Mr. KRAMER. Does the gentleman know how to say no and mean it?

The SPEAKER pro tempore. Without objection the bill will be passed over without prejudice.

Mr. SUMNERS of Texas. In order to make some progress on this bill, Mr. Speaker, I object, because it will take three objections next time to prevent its consideration.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute with respect to this same bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. I wish to make this additional observation: Under the leadership of Cordell Hull, the Secretary of State, an international conference was held at Montevideo in South America. It appears that all of the countries in the Western Hemisphere with the exception of the United States of America have conferred an equal status upon women in conformity with the substance of this bill.

The United States happens to be the only country that has withheld this right of equal capacity to transmit citizenship.

GRANTING ABANDONED BUILDINGS AND GROUNDS AT SITKA, ALASKA, TO THE TERRITORY OF ALASKA

The Clerk called the next bill, H.R. 5745, granting abandoned public buildings and grounds at Sitka, Alaska, to the Territory of Alaska, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the following described public buildings and grounds at Sitka, Alaska, are granted to the Territory of Alaska, to be used by the said Territory as a home for aged, sick, and infirm pioneers and residents thereof at the expense of the Territory, to wit: A tract of land described hereafter by metes and bounds:

Beginning at a point common to corners no. 2, United States Forest Service reserve, and no. 3, United States reserve for public common; thence north 61°19′ east, 367.34 feet along north side of Lincoln Street to corner no. 3, United States reserve for public buildings; thence north 28°40′ west, 222.63 feet along west side of Barracks Street to corner no. 6, United States marine and military reserve; thence north 61°12′ east, 50.72 feet along north side of Barracks Street to corner no. 5, United States marine and military reserve; thence north 22°50′ west, 87.67 feet along west side of Barracks Street to corner no. 4, United States marine and military reserve, set on south side of Seward Street; thence south 68°33′ west, 164.04 feet along south side of Seward Street to a point common to corners no. 3, United States marine and military reserve, and no. 1, survey no. 407; thence south 29°10′ east, 64.11 feet along east boundary of survey no. 407 to a point common to corners no. 2, United States marine and military reserve, and no. 4, survey no. 407; thence south 58°19′ west, 70.37 feet along south boundary of survey no. 407 to a point common to corners no. 1, United States marine and military reserve, and no. 3, survey no. 407; thence north 41°8′ west, 25.84 feet along west boundary of survey no. 407 to the south boundary of the tract of land reserved for school purposes by Executive Order No. 4448, dated May 27, 1926; thence south 58°19′ west 121 feet along south boundary of tract of land reserved for school purposes to southwest corner of said tract; thence north 42°30′ west 108 feet along west boundary of tract of land reserved for school purposes to northwest corner of said tract; thence south 35° west 57.28 feet along north boundary of United States reserve for public common to corner no. 6 and meander corner, United States reserve for public common, on shore of Sitka Bay; thence with meanders along shore of Sitka Bay south 37°19′ east 57.09 feet, south 20°23′ west 43.43 feet, south 82°56′ west 31.56 feet, south 70°7′ west 29 feet, south 15°51′ east 19.37 feet, south 2°51′ east 36.17 feet, south 76°51′ east 14.59 feet to corner no. 5 and meander corner on the line between United States Forest Service reserve and United States reserve for public common; thence north 60° east 132.44 feet along north boundary of United States Forest Service reserve to a point common to corners no. 1, United States Forest Service reserve, and no. 4, United States reserve for public common; thence south 20°49′ east 237.66 feet along east boundary of United States Forest Service reserve to the point of beginning; containing 2.769 acres, and the buildings thereon.

SEC. 2. That the Territory of Alaska shall never sell or otherwise dispose of any part of said property; and if the same shall ever be abandoned for the uses herein declared the said premises shall revert to the United States.

With the following committee amendments:

On page 2, lines 13 and 14, strike out the words "and sixty-seven."

On page 4, line 21, insert, after the word "thereon", the following language: "*Provided*, That all oil, coal, or other minerals in the land, and the right to prospect for, mine, and remove the same, be reserved to the United States under such rules and regulations as the Secretary of the Interior may prescribe."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CONVEYANCE OF LAND BY THE UNITED STATES TO THE CITY OF NOME, ALASKA

The Clerk called the next bill, H.R. 6173, to authorize the conveyance by the United States to the City of Nome, Alaska, and certain land situated therein.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, I notice the committee report shows an amendment that does not appear in the bill.

Mr. LANHAM. That is correct. The amendment was inadvertently overlooked in the printing of the bill, but I have the amendment ready to offer, making the same proviso as in the preceding bill, in reference to the rights of the United States.

Mr. GRISWOLD. I withdraw my objection, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to convey to the city of Nome, Alaska, all right, title, and interest of the United States in and to lot 2, block 50, according to the official plat of the town site of Nome, on file in the office of the recorder of the Cape Nome mining and recording precinct, Territory of Alaska, for street purposes. Such conveyance shall contain the express condition that if said city of Nome, Alaska, shall at any time cease to use such lot for such purpose or shall alienate or attempt to alienate such lot, title thereto shall revert to the United States.

With the following committee amendments:

On page 1, line 3, strike out the words "Attorney General" and insert in lieu thereof the words "Secretary of the Interior."

On page 1, line 6, strike out the word "official."

On page 1, line 7, after the word "Nome", strike out "on file in the office of the recorder of the Cape Nome mining and recording precinct, Territory of Alaska, for street purposes" and insert "approved on April 13, 1905, by Porter J. Coston, town-site trustee, and now on file in the General Land Office."

The committee amendments were agreed to.

Mr. LANHAM. Mr. Speaker, by direction of the committee I offer an amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. LANHAM: Page 2, line 5, after the words "United States", insert a colon in lieu of the period and insert the following proviso:

"*Provided*, That all oil, coal, or other minerals in the land and the right to prospect for, mine, and remove the same be reserved to the United States under such rules and regulations as the Secretary of the Interior may prescribe."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

INTERSTATE AND FOREIGN COMMERCE TRANSACTIONS IN COTTON

The Clerk called the next bill, H.R. 1517, to provide for the use of net weights in interstate and foreign commerce trans-

actions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes.

Mr. BACON, Mr. FOSS, Mr. GOSS, and Mr. ZIONCHECK objected.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Expenditures in Executive Departments and ordered printed:

To The Congress:

Pursuant to the provisions of section 16 of the act of March 3, 1933 (ch. 212, 47 Stat. 1489, 1517), as amended by Title III of the act of March 20, 1933 (ch. 3, 48 Stat. 8, 16), I am transmitting herewith an Executive order revoking section 18 of Executive Order No. 6166, of June 10, 1933, heretofore transmitted to the Congress, the purpose of which was to abolish in part the functions of:

Cooperative vocational education and rehabilitation.

Payments for agricultural experiment stations.

Cooperative agricultural extension work.

Endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 6, 1934.*

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mrs. MCCARTHY, indefinitely, on account of illness.

To Mr. FITZPATRICK, indefinitely, on account of the death of his brother.

AMENDMENT OF PERISHABLE AGRICULTURAL COMMODITIES ACT

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the consideration out of order of the bill (H.R. 6525) to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, this seems to be a very important bill, consisting of 14 pages. Should we consider it under the unanimous consent agreement?

Mr. BUCK. It is a most important bill, I will say to the gentleman. It is a bill resulting from suggestions made to the Committee on Agriculture last spring by the Secretary of Agriculture, with the idea of correcting certain definite weaknesses in the Perishable Commodities Act which have developed in its operation.

The Perishable Agricultural Commodities Act was passed by the House and Senate and signed by the President in February 1930. It has, therefore, been in effect about 4 years.

The act requires the licenses of commission merchants, dealers, and brokers handling fresh fruits and vegetables in car-lot quantities in interstate and foreign commerce. It requires such dealers to obtain licenses from the Secretary of Agriculture, for which an annual fee of $10 is charged. For violations of the act the Secretary may suspend the licenses of offenders or revoke licenses for flagrant violations. While the act has had a wholesome influence in the wholesale marketing of perishables, during this time a number of loopholes have been discovered and it is the purpose of this bill, which has been drafted by the Department of Agriculture in connection with myself, to close up these loopholes. The bill has been submitted to all of the cooperative and independent organizations and associations of growers and shippers engaged in the perishable marketing industry in the United States, whose names appear in the hearings on the original act.

Mr. COCHRAN of Missouri. Have the commission merchants been given an opportunity to be heard with respect to this bill?

Mr. BUCK. The National League of Commission Merchants has been given an opportunity to be heard, and the measure has been endorsed by the Florida Citrus Union, the American Fruit and Vegetable Shippers Association, the Western Vegetable Growers Protective Association, the American Cranberry Exchange, the California Fruit Exchange, and various other growers' organizations. It has a unanimous report from the Committee on Agriculture and the endorsement of the Bureau of Agricultural Economics as well as the Secretary of Agriculture.

Mr. GLOVER. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. GLOVER. This bill was first submitted to a subcommittee of the Committee on Agriculture and was agreed to by every member of the subcommittee. It was then considered by the whole committee and unanimously endorsed by the committee, was it not?

Mr. BUCK. That is correct.

Mr. GLOVER. I think the gentleman's bill is well worked out and a wonderful improvement on what we have now.

Mr. COCHRAN of Missouri. Does the bill give the Secretary additional power?

Mr. BUCK. The chief changes are these: When the Secretary of Agriculture now issues a reparation award against an unscrupulous receiver or consignee of perishable goods he has no power to enforce the award. It devolves upon the complainant to enforce the award through a suit in court, the Secretary's order being merely prima facie evidence in such proceedings. This bill provides either party may take the matter to court and make clear the manner in which the person against whom an order has been issued may protect himself. It further provides that in the event that the reparation award is neither paid, nor is the matter taken to court within 5 days of the expiration of the period allowed for compliance with the Secretary's order, the license of the respondent shall be automatically suspended until he shows that the amount specified by the Secretary's order has been paid. These amendments correct the weakest point of the present act, and one that has been the subject of most complaints from members of the trade.

The bill also makes it possible for the Secretary, in issuing licenses, to take cognizance of previous offenses and to refuse a license if the applicant has, either individually or in connection with a partnership or corporation, been guilty of violations of the act at any time within 2 years previously. It further makes it possible for the Secretary to withdraw a license which has been obtained through false or misleading statements or misrepresentation.

It corrects two matters which were not intended to become law by the original framers of the bill, but which have been construed to be the law as the act now stands. In doing so, it exempts from the definition from the term "dealer" canners and processors buying only raw products within the State where canned or processed. It makes the inspection certificates issued by the Department, which are prima facie evidence in United States courts, also prima facie evidence in proceedings under the act. It also provides that when a complainant has brought suit to collect a reparation award in the United States district court the process may run throughout the United States, so that it will not be necessary for the complainant to follow the unscrupulous rejector of his goods to the point of delivery.

Mr. Speaker, perishable commodities are not made basic commodities under the Agricultural Adjustment Act, and the producers thereof are not asking that they be made such. They do ask, however, that this bill be passed so that they may be given the assurance of the support and protection of the Department of Agriculture of the United States Government. No producers of any form of agriculture are more subject to victimizing than are those men who produce the fruits and vegetables that must be marketed almost instantly or they perish. With my personal knowledge and experience in the production of fruits, I would be the last man in the world to condemn the commission merchants of the United States as a class. I was their guest at their banquet at their recent convention here. Many of them are my friends, and most, if not all, of them are known to me by name and reputation. Those who are honest, scrupulous in their dealings with the producers are, I am satisfied, in favor of this bill, and it will redown to

the credit of this Congress, which is doing so much to protect all forms of agriculture, to take affirmative action and strengthen the hands of the Department in dealing with those who are dishonest, unscrupulous, and victimizers of the producers of perishable commodities, who can look only to the strong arm of the Government of the United States to protect them.

Mr. COCHRAN of Missouri. With the gentleman's assurance that the commission merchants have not objected to this bill and have had an opportunity to be heard, I withdraw my reservation of objection. I might add, however, that such bills as this should not be on the Consent Calendar, in my opinion.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, be, and hereby is, amended as hereinafter set forth:

That subsection 6 of section 1 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(6) The term 'dealer' means any person engaged in the business of buying or selling in carloads any perishable agricultural commodity in interstate or foreign commerce, except that (A) no producer shall be considered as a 'dealer' in respect of sales of any such commodity of his own raising; (B) no person buying any such commodity solely for sale at retail shall be considered as a 'dealer' in respect of any such commodity in any calendar year until his purchases of such commodity in carloads in such year are in excess of 20; and (C) no person buying any such commodity for canning and/or processing within the State where grown shall be considered a 'dealer' whether or not the canned or processed product is to be shipped in interstate or foreign commerce. Any person not considered as a 'dealer' under clauses (A), (B), and (C) may elect to secure a license under the provisions of section 3, and in such case and while the license is in effect such person shall be considered as a 'dealer.' As used in this paragraph, the term 'in carloads' includes wholesale or jobbing quantities as defined for any such commodity by the Secretary;"

SEC. 2. That subsection 2 of section 2 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(2) For any dealer to reject or fail to deliver in accordance with the terms of the contract without reasonable cause any perishable agricultural commodity bought or sold or contracted to be bought, sold, or consigned in interstate or foreign commerce by such dealer;"

SEC. 3. That subsection 4 of section 2 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement in connection with any transaction involving or concerning the condition of the market for any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold, or contracted to be bought, sold, or consigned in such commerce by such dealer; or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account promptly in respect of any such transaction in any such commodity to the person with whom such transaction is had;"

SEC. 4. That paragraph (b) of section 4 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(b) The Secretary shall refuse to issue a license to an applicant if he finds (1) that the applicant has previously, at any time within 2 years, been responsible in whole or in part for any violation of the provisions of section 2 for which a license of the applicant, or the license of any partnership, association, or corporation in which the applicant held any office, or, in the case of a partnership, had any share or interest, was revoked, or (2) if he finds after notice and hearing that at any time within 2 years said applicant was responsible in whole or in part for any flagrant or repeated violations of the provisions of section 2, or (3) in case the applicant is a partnership, association, or corporation, that any individual holding any office or, in the case of a partnership, having any interest or share in the applicant, had previously, at any time within 2 years, been responsible in whole or in part for any violations of the provisions of section 2 for which the license of such individual, or of any partnership, association, or corporation in which such person held any office, or, in the case of a partnership, had any share or interest, was revoked, or if he finds after notice and hearing that at any time within 2 years said applicant was responsible in whole or in part for any flagrant or repeated violations of the provisions of section 2, or (4) that the applicant, subject to his right of appeal under section 7 (b), has failed, except in case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within 2 years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office, or, in case the applicant is a partnership, association, or corporation, that any individual holding any office, or in the case of a partnership, having any interest or share in the applicant, subject to his right of appeal under section 7 (b), has failed, except in the case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within 2 years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office. Notwithstanding the foregoing provisions, the Secretary, in the case of such applicant, may issue a license if the applicant furnishes a bond or other satisfactory assurance that his business will be conducted in accordance with the provisions of this act, and that he will pay all reparation orders which may previously have been issued against him for violations, or which may be issued against him within 2 years following the date of the license, subject to his right of appeal under section 7 (b), but such license shall not be issued before the expiration of 1 year from the date of such revocation, or from the date of the Secretary's finding that applicant has been responsible, in whole or in part, for any flagrant or repeated violation of section 2; "

SEC. 5. That a new paragraph lettered (c) and reading as follows is hereby added to section 4 of the Perishable Agricultural Commodities Act, 1930:

"(c) The Secretary may, after 30 days' notice and an opportunity for a hearing, revoke the license of any commission merchant, dealer, or broker, who after the date given in such notice continues to employ in any responsible position any individual whose license was revoked or who was responsibly connected with any firm, partnership, association, or corporation whose license has been revoked within 1 year prior to the date of such notice. Employment of such individual by a licensee in any responsible position after 1 year following the revocation of any such license shall be conditioned upon the filing by the employing licensee of a bond or other satisfactory assurance that its business will be conducted in accordance with the provisions of this act."

SEC. 6. That a new paragraph lettered (d) and reading as follows is hereby added to section 4 of the Perishable Agricultural Commodities Act, 1930:

"(d) The Secretary may withhold the issuance of a license to an applicant, for a period not to exceed 30 days pending investigation, if the Secretary believes that the application contains any material false or misleading statement or involves misrepresentation, concealment, or withholding of facts respecting any violation of the act by any officer, agent, or employee. If, after investigation, the Secretary believes that the applicant should be refused a license, the applicant shall be given an opportunity for a hearing within 60 days from the date of the application to show cause why a license should not be refused. If after hearing the Secretary finds that the application contains a material false or misleading statement made by the applicant or by its representative on its behalf or involves a misrepresentation, concealment, or withholding of facts respecting any violation of the act by any officer, agent, or employee, the Secretary shall refuse to issue a license to the applicant."

SEC. 7. That a new paragraph lettered (e) and reading as follows is hereby added to section 4 of the Perishable Agricultural Commodities Act, 1930:

"(e) If, after a license shall have been issued to an applicant, the Secretary believes that the license was obtained through a false or misleading statement in the application therefor or through a misrepresentation, concealment, or withholding of facts respecting any violation of the act by any officer, agent, or employee, he may, after 30 days' notice and an opportunity for a hearing, revoke said license, whereupon no license shall be issued to said applicant or any applicant in which the person responsible for such false or misleading statement or misrepresentation, concealment, or withholding of facts is financially interested, except under the conditions set forth in paragraph (b) of this section."

SEC. 8. That paragraph (c) of section 6 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(c) If there appear to be, in the opinion of the Secretary, any reasonable grounds for investigating any complaint made under this section, the Secretary shall investigate such complaint and may, if in his opinion the facts warrant such action, have said complaint served by registered mail or otherwise on the person concerned and afford such person an opportunity for a hearing thereon before a duly authorized examiner of the Secretary in any place in which the said person is engaged in business: *Provided*, That in complaints wherein the amount claimed as damages does not exceed the sum of $500 a hearing need not be held and proof in support of the complaint and in support of respondent's answer may be supplied in the form of depositions or verified statements of fact."

SEC. 9. That paragraph (d) of section 6 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(d) After opportunity for hearing on complaints where the damages claimed exceed the sum of $500 has been provided or waived and on complaints where damages claimed do not exceed the sum of $500 not requiring hearing as provided herein, the Secretary shall determine whether or not the commission merchant, dealer, or broker has violated any provision of section 2 ";

SEC. 10. That paragraph (e) of section 6 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(e) In case a complaint is made by a nonresident of the United States, the complainant shall be required, before any formal action is taken on his complaint, to furnish a bond in double the amount of the claim conditioned upon the payment of costs, including a reasonable attorney's fee for the respondent if the respondent shall prevail."

SEC. 11. That paragraph (b) of section 7 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"(b) If any commission merchant, dealer, or broker does not comply with an order for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within 1 year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the commission merchant, dealer, or broker, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. The orders, writs, and processes of the district courts may in these cases run, be served, and be returnable anywhere in the United States. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent state of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit."

SEC. 12. That a new paragraph lettered (c) and reading as follows is hereby added to section 7 of the Perishable Agricultural Commodities Act, 1930:

"(c) Either party adversely affected by the entry of a reparation order by the Secretary may, within 30 days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which said hearing was held. Such appeal shall be perfected by the filing of a notice thereof together with a petition in duplicate which shall recite prior proceedings before the Secretary, and shall state the grounds upon which petitioner relies to defeat the right of the adverse party to recover the damages claimed with the clerk of said court with proof of service thereof upon the adverse party. The clerk of court shall immediately forward a copy thereof to the Secretary of Agriculture, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima-facie evidence of the facts therein stated. Appellee shall not be liable for costs in said court, and if appellee prevails he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs. Such petition and pleadings certified by the Secretary upon which decision was made by him shall upon filing in the district court constitute the pleadings upon which said trial de novo shall proceed subject to any amendment allowed in that court; "

SEC. 13. That a new paragraph lettered (d) and reading as follows is hereby added to section 7 of the Perishable Agricultural Commodities Act, 1930:

"(d) Unless the licensee against whom a reparation order has been issued shows to the satisfaction of the Secretary within 5 days from the expiration of the period allowed for compliance with such order that he has either taken an appeal as herein authorized or has made payment in full as required by such order his license shall be suspended automatically at the expiration of such 5-day period until he shows to the satisfaction of the Secretary that he has paid the amount therein specified with interest thereon to date of payment; "

SEC. 14. That a new paragraph lettered (b) and reading as follows is hereby added to section 8 of the Perishable Agricultural Commodities Act, 1930:

"(b) In addition to being subject to the penalties provided by section 3 (a) of this act, any commission merchant, dealer, or broker who engages in or operates such business without an unsuspended and unrevoked license from the Secretary shall be liable to be proceeded against in any court of competent jurisdiction in a suit by the United States for an injunction to restrain such defendant from further continuing so to engage in or operate such business, and, if the court shall find that the defendant is continuing to engage in such business without an unsuspended and unrevoked license, the court shall issue an injunction to restrain such defendant from continuing to engage in or to operate such business without such license."

SEC. 15. That section 14 of the Perishable Agricultural Commodities Act, 1930, is hereby amended to read as follows:

"SEC. 14. The Secretary is hereby authorized, independently and in cooperation with other branches of the Government, State, or municipal agencies, and/or any person, whether operating in one or more jurisdictions, to employ and/or license inspectors to inspect and certify without regard to the filing of a complaint under this act, to any interested person the class, quality, and/or condition of any lot of any perishable agricultural commodity when offered for interstate or foreign shipment or when received at places where the Secretary shall find it practicable to provide such service, under such rules and regulations as he may prescribe, including the payment of such fees and expenses as will be reasonable and as nearly as may be cover the cost for the service rendered: *Provided*, That fees for inspections made by a licensed inspector, less the percentage thereof which he is allowed by the terms of his contract of employment with the Secretary as compensation for his services, shall be deposited into the Treasury of the United States as miscellaneous receipts; and fees for inspections made by an inspector acting under a cooperative agreement with a State, municipality, or other person shall be disposed of in accordance with the terms of such agreement: *Provided further*, That expenses for travel and subsistence incurred by inspectors shall be paid by the applicant for inspection to the disbursing clerk of the United States Department of Agriculture to be credited to the appropriation for carrying out the purposes of this act: *And provided further*, That certificates issued by such inspectors shall be received in all courts of the United States and in all proceedings under this act as prima facie evidence of the truth of the statements therein contained."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BOUNDARY LINE BETWEEN DISTRICT OF COLUMBIA AND VIRGINIA

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill introduced by our colleague, the gentleman from Virginia [Mr. SMITH], H.R. 6228, to provide for the appointment of a commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia, no. 63 on the Consent Calendar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to determine the boundary line between the District of Columbia and the State of Virginia, and to provide for settlement of claims to property along or affected by said boundary line, the President of the United States is hereby requested to designate and appoint one commissioner, who is hereby directed, authorized, and empowered to act in conjunction with a like commissioner to be appointed pursuant to an act of the Legislature of Virginia. The said two commissioners so appointed and a third person to be selected by them are hereby constituted a commission for the purpose of surveying and ascertaining the boundary line between the District of Columbia and the State of Virginia, and are hereby directed, authorized, and empowered to survey and fix said boundary line and to mark the said line when so determined by suitable monuments, acting within the limits of their authority and guided by the provisions herein set forth. The said commissioners so selected shall serve until the completion of their report or not later than March 1, 1935.

SEC. 2. In determining the true location of said boundary said commissioners shall take into consideration, amongst other things, the several decisions of the Supreme Court of the United States in relation thereto, the findings and reports of the Maryland and Virginia Boundary Commission of 1877, the compact of 1785 between the State of Maryland and the Commonwealth of Virginia, the claims of ownership of the United States and all private persons and corporations along the Virginia shore line, and the equitable and prescriptive rights, if any, of the United States and private claimants growing out of long, continued, and uninterrupted possession, and shall mark such line as they may recommend as the true boundary line and shall report their findings and recommendations to Congress and to the Legislature of Virginia for action to finally ratify and establish said boundary line.

SEC. 3. To provide for the settlement of titles to the property adjoining or affected by the determination of said boundary line, the said commissioners are further authorized and instructed to investigate all questions of title as between the United States and private citizens over such lands, all questions of equitable and prescriptive rights arising from long and continued possession and occupancy either on the part of the United States or private citizens, and all improvements of said lands either by the United States or private citizens made in good faith and upon belief of good title, and said commissioners shall report their findings and recommendations in this respect for the equitable settlement of all such disputed titles, including proposed payments to and from the United States, and such other recommendations as in their opinion may promote a just and reasonable settlement of the title to said property. Nothing contained in said recommendation with respect to title shall be binding upon either the United States or private claimants.

SEC. 4. Said commissioners shall receive compensation for such days as they may work at the rate of $15 per day, plus travel and subsistence expenses, and shall have authority to employ such assistants at such rates of pay as they may deem appropriate without regard for the Classification Act of 1923. The said commissioners may call upon all officers and agencies of the Federal Government and the District of Columbia for information and advice, and said officers are hereby authorized and directed to supply such information on request. Said commission shall make such surveys, hold such hearings, and conduct such other investigations as it may deem necessary and advisable to carry out the purposes of this act.

SEC. 5. For the purpose of carrying out the provisions of this act and the payment of salaries and compensation herein provided for, the sum of $15,000, or as much thereof as may be necessary, is hereby authorized to be appropriated from any funds in the Treasury not otherwise appropriated.

With the following committee amendments:

Page 2, line 12, strike out the word "true."
Page 2, line 24, strike out the word "true."
Page 3, line 22, after the word "may", insert the word "actually."
Page 4, line 11, strike out the sign and figures "$15,000" and insert in lieu thereof the sign and figures "$10,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

TO REDUCE FEES IN NATURALIZATION PROCEEDINGS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to return to bill (H.R. 3521) to reduce certain fees in naturalization proceedings, and for other purposes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 13 of the Naturalization Act of June 29, 1906 (34 Stat. 596), as amended (U.S.C., supp. VI, title 8, sec. 402), is amended to read as follows:

"SEC. 13. That the clerk of each and every court exercising jurisdiction in naturalization cases shall charge, collect, and account for the following fees in each proceeding:

"(1) For receiving and filing a declaration of intention and the issuing of a duplicate thereof, $2.50;

"(2) For making, filing, and docketing a petition for citizenship, and issuing a certificate of citizenship if the issuance of such certificate is authorized by the court, and for the final hearing on the petition, $5."

SEC. 2. Subdivisions (a) and (b) of section 32 of the act of June 29, 1906, and subdivision (a) of section 33 of the act of June 29, 1906, which were added thereto by section 9 of the act of March 2, 1929 (45 Stat. 1512), as amended (U.S.C., supp. VI, title 8, sec. 399(b) (a), (b), and (c), and sec. 399 (c) (a)), is amended as follows: Wherever in said subdivisions the words "a fee of $10" occurs they shall be amended to read "a fee of $5."

SEC. 3. Section 5 of the act of March 2, 1929 (45 Stat. 1512), as amended (U.S.C., supp. VI, title 8, sec. 380(a)), is amended to read as follows:

"SEC. 5. For every certificate of arrival issued for naturalization purposes a fee of $2.50 shall be paid to the Commissioner of Naturalization, which fee shall be paid over to and deposited in the Treasury in the same manner as other naturalization fees."

SEC. 4. Subdivision (a) of section 32 of the act of June 29, 1906, which was added thereto by section 9 of the act of March 2, 1929 (45 Stat. 1512), as amended (U.S.C., supp. VI, title 8, sec. 399(b) (a)), is amended by adding at the end thereof the following: "*Provided*, That an alien veteran as defined in section 1 of the act of May 26, 1926 (44 Stat. 654; (U.S.C., supp. VI, title 8, sec. 241(a)), shall not be required to pay the fee required by this subdivision."

With the following committee amendment:

On page 3, after line 5, add the following new section:

"SEC. 5. In all naturalization proceedings in which an alien applying for certificate of citizenship is represented by counsel, there is hereby established a limit of $25 for counsel's fees, except where legal action before a court requires extended legal service when the court may approve a reasonable fee in excess of $25."

The committee moves to further amend by striking out, in line 8 of the committee amendment, the figures "$25" and inserting in lieu thereof "$10." Also to strike out, in line 11, the figures "$25" and insert "$10."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to go back to House Joint Resolution 118.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

ELIMINATION FROM THE AGRICULTURE BUDGET OF APPROPRIATION FOR EXPERIMENTAL STATIONS MUST HAVE BEEN AN UNINTENTIONAL OVERSIGHT, FOR ITS ELIMINATION WILL BE A STEP BACKWARD

Mr. AYERS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to appropriations for experimental stations, and include in that a statement made by me to the Appropriations Committee on Saturday.

The SPEAKER. Is there objection?

There was no objection.

Mr. AYERS of Montana. Mr. Speaker, under leave to extend my remarks in the RECORD, I am submitting an address which I made Saturday, February 3, 1934, before the Agriculture Subcommittee of the House Committee on Appropriations on the subject of restoring to the Budget sufficient funds to maintain the experimental stations.

Mr. Chairman, the elimination of the item in the Agriculture budget for the carrying on of the experimental stations would indicate that the farmer's various problems are settled; whereas the permanent and ever-present problems of the farmer and rancher are increasing, and with all this they have the new and unsolved problems incident to the depression and the recovery program.

GAMBLE OF FARMERS AND RANCHERS

The farmers and livestock men of the West and Middlewest have always been the gamest of all gamblers. In pioneering the West, and before that the Middlewest, they started out in gambling on soil and climatic conditions. To begin with, they bet Uncle Sam their homestead right and the filing fee against 160 acres of untried soil that they could make a living on it and ultimately put it on the tax list for the support of the Government.

Up to the present time every farmer is betting his seed and his toil, every time he plants, that there will be sufficient rainfall to produce a crop; and if the rainfall does come, he is betting his crop that neither the grasshoppers nor the hail will get it before harvest time.

Every time the livestock man brings on a crop of calves or a crop of lambs he is betting all of them that nature will bring on sufficient grass for summer pasture and that nature will be kind enough that he may produce sufficient hay for winter, to the end that he may mature his livestock into an income from the sale of beef or mutton.

If and when the farmer has won to the harvesting of a crop of grain and the stockman has won to the production of beef and mutton, then they have to "call" the hardest bet of the entire game; they must load the product of their efforts and toil on the train and gamble on the market a thousand to fifteen hundred miles away, so far as the farmers and ranchers whom I represent are concerned.

WESTERN AGRICULTURAL PRODUCTS MUST BE HIGH CLASS

If the grain and livestock products produced out in Montana and in other States similarly located are not of the best so as to command a decent price, then the railroads, the elevators, the millers, the stockyards, and the packers take the "gross" and there is no "net" left for the producer, indeed with the best products there is little enough left.

Now, in the face of the fact that we must produce good grades of grain and livestock in order to live at all, it is unjust that under a misleading economy we shall eliminate some 18 dry-land and 8 irrigation experimental stations, as well as 15 field stations in 11 western States, situated as Montana is situated. To me, and I believe to all practical farmers and ranchers in these 11 States, this alleged economy can be classified only as pennywise to poundfoolish; and if you will bear with me, I believe I can prove this to those from all other States. Really, the seriousness of this situation leads me to believe that this appropriation was unintentionally omitted from the Budget.

WATER CONSERVATION, EFFICIENT CONTROL, AND USE

The most important problem today, in all the country west of the Mississippi River, is water conservation and its efficient control and use. Our Government is now spending hundreds of millions of dollars for this purpose. Indeed, in addition to the great flood-control program, the reclamation projects and the large storage reservoirs, it has a vast set-up, and is increasing it, for soil surveys, elimination of soil erosion, study on proper use of marginal lands, and the like. Now, would it not be foolhardy to abandon and destroy these experimental stations and their work when they are the very foundation stones for the information the Government must have if it goes on to a successful expenditure of these hundreds of millions of dollars for efficient water conservation, control, and use?

REMEDY, WHERE NOT SUFFICIENT RAINFALL

In these 11 States we do not have sufficient rainfall, and it is necessary to irrigate or to plant and cultivate under dry-land farming rules; therefore, with us the conservation, control, and efficient use of water is all-important in the first instance, and in the other, proper dry-land farming methods are equally important in order that we get the maximum results from the limited rainfall. If ever the dry-land stations were necessary to the farmers and ranchers of these States and to the general plan of the Government, they are more necessary at this instant.

Each station has been so located as to deal with particular subjects incidental to that particular locality, such as altitude, rainfall, growing season, duration of winter, erosion resultant from both water and wind, and soil conditions in general. No one of these stations can be substituted for the other and each locality be equally benefited; hence there can be no successful consolidation of stations, as has been suggested. Each station is

an individual unit peculiar to its own locality, and the problems to be determined by each of these stations are becoming greater every season.

MARGINAL LANDS AND THEIR USE

The Agriculture Department is now paying millions to take lands out of cereal-grain production, and proposes spending other vast sums in selecting and segregating marginal lands. Surely these stations will be necessary in the selection of these lands to be segregated; then I ask, in all fairness, can the Department under its present program consistently say we will abandon the stations by failing to put the expense for their maintenance in our budget?

I do not understand that it is the plan to abandon these western borderlands solely to the elements and to the coyotes, but rather to find out how to use all these various areas in the best possible way for the service of a high type of civilization. The people are there, and surely it is not the purpose, as I understand the plan, to drive them out, but rather to help them to a larger success.

Development under this plan must depend upon an ever-broadening knowledge of the resources of that great western country and how these resources may be best used for the present and future welfare of our people. We depend on what nature has provided in the way of soil, in the grass covering it and in the rainfall. Our problems are how these may best be improved, interwoven, and combined to serve more effectively the people of that area. Surely no one can say that this can be done by destroying the present service agencies; rather, I am sure, everyone will agree that they should be extended and broadened.

THE USE LINE DRAWN

A closer "use line" is being drawn every season. What lands are best fitted for pasture and what pasture grasses shall be used to assist the native grass is the problem on one side of the line; on the other side is the problem of tilling, planting, and cultivating the agricultural lands, to the end that they produce the grains and forages best adapted to them; and then comes the combined problem of a net profit by making each side of the line help the other, to the end that the farmer and rancher shall have a living above his cost of production.

For all these purposes it is necessary to have these stations. No one would say that the individual farmer or rancher could work out these matters by himself. Indeed, how helpless he would be in trying to work out all these things individually. No individual farmer or rancher or any ordinary group of them could afford to do it.

IRRIGATION STATIONS WORK WITH DRY-LAND STATIONS

The irrigation stations fit "hand in glove" with the dry-land stations. The livestock raised on dry-land pastures and the hard grains produced from dry-land agricultural land work with the products from the irrigated sections. The livestock are fattened there for market, and large numbers of them are wintered on the hay grown below the ditches. As I am speaking to you today, there are being fattened for market adjacent to one sugar-beet refinery in Montana, and on the products of the irrigated area there, 75,000 lambs; at another some 50,000, and at still another a like number.

These stations under the ditch are studying and experimenting on crop rotation, on the adaptability of certain crops to the area, and their studies and experiments are altogether practical. All classes of livestock, but more particularly sheep and beef cattle, are fed under the station's observation. These stations are also making actual experiments with their own—the Government's—dairy herds, beef herds on a small scale, as well as hogs and sheep. These experiments have to do with the feed most beneficial for dairy production, beef production, pork production, mutton and wool production, and it all extends to summer pasture as well as winter rations.

ALL STATIONS ASSIST LIVESTOCK INDUSTRY

Both the dry-land and irrigation stations in my State serve as centers for carrying on livestock studies within themselves, namely, the breeding of beef cattle, dairy cattle, dual purpose cattle such as milking shorthorns; also the breeding of sheep and hogs as well as poultry and bees, and the grades and breeds adapted to the locality.

In addition to the big things these stations do, they are a godsend to the small farmer, the dairyman, and the small livestock grower, and they fit into the very picture of the present agricultural program.

DEFENSE OF BOTH STATIONS

In defense of both classes of stations, the dry land and the irrigation, let me hit a high place or two on what they have already accomplished. Marquis and turkeyred wheat, Grimm and Ladak alfalfa, crested wheatgrass, and bisson flax are some newer developments, each having its beneficial place and purpose, and each of these names is synonymous with the words "experimental station."

In Montana, and I assume in all other Western States having agricultural colleges and land-grant colleges, or both, such colleges work in close cooperation with the experimental stations; in fact, there is joint maintenance and operation in many instances. Therefore a failure of this appropriation, in addition to the other injuries I have recited, will greatly impair the State agricultural research and general agricultural educational work.

FAILURE OF APPROPRIATION WILL BE A MOVEMENT BACKWARD

In the great progressive movement now being put forth by the Agriculture Department as a part of the new deal I do not believe that the appropriation to continue these stations was deliberately omitted from the Budget. Surely, we are not going backward. You know, the President said in his message on the state of the Union, "Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our duty to perfect, to improve, to alter when necessary, but in all cases to go forward."

Now, I warn you, we are not going forward if we omit or slight the advancement of agriculture, the basic industry of our country. To omit all kinds of pure seed grain, highly developed grasses and forage, fruits and vegetables, pure-bred livestock, improved cultivation, improved growing and feeding methods, and, in fact, every form of agricultural advancement is a serious step backward.

Indeed, Mr. Chairman, the elimination of this appropriation is a step that will take us backward by 2 or 3 decades.

I am going to believe—and I hope that immediate action will show that I am right—that this appropriation was left out of the Budget by inadvertence or mistake. It was not intentional. That it will be restored when this condition is called to the attention of the proper authorities, I feel confident.

We are going to do as the President suggested and as the people desire. We are not going to go backward; we are not going to stand still. We are a progressive people. We are going to improve and in all cases go forward. As an evidence of this fact, Mr. Chairman and members of this important committee, I urge that you reinstate in this Budget the item for experimental station maintenance.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 682. An act to prohibit financial transactions with any foreign government in default on its obligations to the United States; to the Committee on the Judiciary.

S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended; to the Committee on Interstate and Foreign Commerce.

S.J.Res. 80. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 12 to May 19, 1934, inclusive; to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 7, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE OF LABOR

(Wednesday, Feb. 7, 10 a.m.)

Hearings on bills pertaining to 30-hour work week; all old-age-pension legislation; and bill to provide for investigation of unemployment due to mechanism.

NAVAL AFFAIRS SUBCOMMITTEE ON AERONAUTICS

(Wednesday, Feb. 7, 10:30 a.m.)

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 4659. A bill for the relief of Carleton-Mace Engineering Corporation; without amendment (Rept. No. 564). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4793. A bill for the relief of Moses Israel; with amendment (Rept. No. 565). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4832. A bill for the relief of Edgar Sampson; without amendment (Rept. No. 566). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4846. A bill for the relief of Joseph Dumas; with amendment (Rept. No. 567). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4847. A bill for the relief of Galen E. Lichty; without amendment (Rept. No. 568). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4927. A bill for the relief of C. J. Holliday; with amendment (Rept. No. 569). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4928. A bill for the relief of the Palmetto Cotton Co.; without amendment (Rept. No. 570). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4929. A bill for the relief of J. B. Trotter; with amendment (Rept. No. 571). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4930. A bill for the relief of G. T. Fleming; with amendment (Rept. No. 572). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4958. A bill for the relief of Helena C. VonGroning and Stephan VonGroning; without amendment (Rept. No. 573). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4990. A bill for the relief of Alfred Harris; with amendment (Rept. No. 574). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5000. A bill for the relief of Sophie Carter; without amendment (Rept. No. 575). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5405. A bill for the relief of Nicola Valerio; without amendment (Rept. No. 576). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5415. A bill for the relief of Giuglio Zarella; without amendment (Rept. No. 577). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5416. A bill for the relief of Joseph Ricco; without amendment (Rept. No. 578). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5579. A bill for the relief of Julia Santiago; with amendment (Rept. No. 579). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5588. A bill for the relief of A. H. Marshall; with amendment (Rept. No. 580). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5674. A bill for the relief of the Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.; with amendment (Rept. No. 581). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5703. A bill to authorize the waiver or remission of certain coal-lease rentals, and for other purposes; with amendment (Rept. No. 582). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5855. A bill for the relief of Charles G. Johnson, State treasurer of the State of California; without amendment (Rept. No. 583). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5935. A bill for the relief of Oscar P. Cox; with amendment (Rept. No. 584). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6324. A bill for the relief of Mabel Carver; with amendment (Rept. No. 585). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6366. A bill making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government; without amendment (Rept. No. 586). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6386. A bill for the relief of Lucien M. Grant; without amendment (Rept. No. 587). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6890. A bill for the relief of Mrs. Pleasant Lawrence Parr; without amendment (Rept. No. 588). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6936. A bill for the relief of J. F. Hubbard; without amendment (Rept. No. 589). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7028. A bill for the relief of Mrs. Joseph Roncoli; without amendment (Rept. No. 590). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7067. A bill for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary; with amendment (Rept. No. 591). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7168. A bill for making compensation to the estate of Nellie Lamson; without amendment (Rept. No. 592). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7289. A bill for the relief of H. A. Soderberg; without amendment (Rept. No. 593). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H.R. 6229) to repeal Federal liquor prohibition laws to the extent they are in force in the Territory of Hawaii; Committee on Ways and Means discharged, and referred to the Committee on the Territories.

A bill (H.R. 7643) granting a pension to Annie S. Nealley; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BANKHEAD: A bill (H.R. 7703) to place the cotton industry on a sound commercial basis, and to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce; to the Committee on Agriculture.

By Mr. MILLARD: A bill (H.R. 7704) providing for an examination and survey of the harbor at Irvington, N.Y.; to the Committee on Rivers and Harbors.

By Mr. MALONEY of Louisiana: A bill (H.R. 7705) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. CULKIN: A bill (H.R. 7706) to amend section 19 of the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. Reece: A bill (H.R. 7707) authorizing an appropriation with which to pay part of the cost of paving and curbing an approach to the Veterans' Administration facility, where the approach abuts on the grounds of the facility; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H.R. 7708) to amend section 3 of the Inland Waterways Corporation Act, as amended May 29, 1926 (U.S.C., title 49, sec. 153); to the Committee on Interstate and Foreign Commerce.

By Mr. ZIONCHECK (by request): A bill (H.R. 7709) to secure to unemployed American citizens the right to work advantageously for themselves in the production and mutual exchange of food, shelter, clothing, and commodities; to the Committee on Ways and Means.

By Mr. HASTINGS: A bill (H.R. 7710) authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901; to the Committee on Indian Affairs.

By Mr. ROMJUE: A bill (H.R. 7711) to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. FISH: A bill (H.R. 7712) to reduce interest charges to not more than 2 percent upon loans made upon adjusted-service certificates; to the Committee on Ways and Means.

By Mr. HOWARD: A bill (H.R. 7713) to establish a farm borrowers' counsel for each Federal land-bank district; to the Committee on Agriculture.

By Mr. BURKE of Nebraska: A bill (H.R. 7714) to amend the Federal Farm Act, as amended, to make corporations under certain conditions eligible to become members of na-

tional farm-loan associations, and to obtain from Federal land banks loans secured by first mortgages on farm land, to permit loans for additional purposes, and for other purposes; to the Committee on Agriculture.

By Mr. LEHLBACH: A bill (H.R. 7715) to amend section 92, title 5, United States Code (Rev. Stat., par. 1778); to the Committee on the Judiciary.

By Mr. TRUAX: Resolution (H.Res. 251) providing for the appointment of a committee to inquire into the method and procedure in the appointments of appraisers and field representatives and other employees of the Federal land banks; to the Committee on Rules.

Also, Resolution (H.Res. 252) directing the Governor of the Farm Credit Administration to furnish certain information concerning the directors, officers, and employees of the Federal land banks; to the Committee on Agriculture.

By Mr. SIMPSON: Resolution (H.Res. 253) authorizing the Committee on the Judiciary to investigate the special, unwarranted, and unusual privileges and liberties accorded Federal prisoners at Federal penitentiaries; to the Committee on Rules.

By Mr. TARVER: Resolution (H.Res. 254) for the consideration of H.R. 6974; to the Committee on Rules.

By Mr. PETTENGILL: Joint resolution (H.J.Res. 260) directing the President of the United States of America to proclaim October 11 of 1934 General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. BAILEY: Concurrent resolution (H.Con.Res. 33) authorizing and requesting the President of the United States to proclaim a time for fasting and prayer; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H.R. 7716) for the relief of Carrie Price Roberts; to the Committee on Claims.

By Mr. BAILEY: A bill (H.R. 7717) to place David J. Fitzgerald on the retired list of the United States Army as a first lieutenant; to the Committee on Military Affairs.

Also, a bill (H.R. 7718) to place Drury L. Helm on the retired list of the Army as a captain; to the Committee on Military Affairs.

By Mr. BLACK: A bill (H.R. 7719) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7720) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7721) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7722) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7723) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7724) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7725) for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; to the Committee on Claims.

Also, a bill (H.R. 7726) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

Also, a bill (H.R. 7727) for the relief of Winifred Meagher; to the Committee on Claims.

Also, a bill (H.R. 7728) for the relief of James Slevin; to the Committee on Claims.

By Mr. BURKE of Nebraska: A bill (H.R. 7729) authorizing the Bankers Reserve Life Co., of Omaha, Nebr., and the Wisconsin National Life Insurance Co., to bring suit in the Court of Claims of the United States against the United States of America for a refund of taxes paid by said corporations into the Treasury of the United States and authorizing said Court to disregard the statute of limitation; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H.R. 7730) for the relief of Marie B. Neale; to the Committee on Claims.

By Mr. HOIDALE: A bill (H.R. 7731) for the relief of Charles D. Jeronimus; to the Committee on Naval Affairs.

By Mr. HOWARD: A bill (H.R. 7732) for the relief of Robert H. Tooker; to the Committee on Military Affairs.

Also, a bill (H.R. 7733) for the relief of G. G. Reber; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H.R. 7734) for the relief of John Randolph McCann; to the Committee on Naval Affairs.

By Mr. KOPPLEMANN: A bill (H.R. 7735) granting a pension to Hattie E. Clapp; to the Committee on Invalid Pensions.

By Mr. LANZETTA: A bill (H.R. 7736) for the relief of Rocco D'Amato; to the Committee on Claims.

By Mr. LLOYD: A bill (H. R. 7737) for the relief of Alta Melvin and Thomas Melvin; to the Committee on Claims.

By Mr. McGUGIN: A bill (H.R. 7738) for the relief of S. K. Plum; to the Committee on Claims.

By Mr. McMILLAN: A bill (H.R. 7739) granting a pension to Carl Wilhelm Janssen; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H.R. 7740) granting an increase of pension to Edgar C. N. Waldrop; to the Committee on Pensions.

By Mr. PERKINS: A bill (H.R. 7741) granting a pension to Michael J. Carroll; to the Committee on Pensions.

By Mr. VINSON of Georgia: A bill (H.R. 7742) for the relief of the present leader of the United States Navy Band; to the Committee on Naval Affairs.

By Mr. WILLFORD: A bill (H.R. 7743) for the relief of the J. H. Neil Creamery Co.; to the Committee on Claims.

By Mr. HILL of Alabama: Joint Resolution (H.J.Res. 261) granting permission to Col. Richard T. Ellis, Quartermaster Corps, United States Army, to accept decorations and medals bestowed upon him by the Government of the Republic of France; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2147. By Mr. FORD: Petition protesting against interference with the rights of citizens by the National Broadcasting Co., the Columbia Broadcasting System, the Roman Catholic hierarchy, and others in preventing the broadcasting of the message of Judge Rutherford, signed by approximately 25,000 citizens of the Fourteenth Congressional District of California; to the Committee on Merchant Marine, Radio, and Fisheries.

2148. By Mr. GOSS: Petition of residents of the Fifth Connecticut Congressional District to the Congress of the United States, protesting against certain interference through censorship of radio broadcasing; to the Committee on Merchant Marine, Radio, and Fisheries.

2149. By Mr. HILDEBRANDT: Petition of residents in the Central Northwest area of the United States, endorsing the Frazier bill and urge the passage of this bill as early as possible; to the Committee on Agriculture.

2150. By Mr. HOWARD: Petition of Eva Washburn and other members of the Foreign Missionary Society of the First Episcopal Church of Norfolk, Nebr., urging the pas-

sage of legislation to prevent war; to the Committee on Military Affairs.

2151. By Mr. JOHNSON of Texas: Petition of First National Bank of Corsicana; Citizens National Bank of Waxahachie; Citizens National Bank of Cameron; Waxahachie Bank & Trust Co., of Waxahachie; First National Bank of Bryan; the Citizens National Bank of Hillsboro; Planters & Merchants State Bank of Hearne; the First National Bank of Cameron; Farmers State Bank of Mexia; and State National Bank of Corsicana; all of the State of Texas, opposing legislation granting checking privileges to depositors in Postal Savings System (H.R. 3666); to the Committee on the Post Office and Post Roads.

2152. By Mr. KINZER: Resolution from the Society of Friends of West Chester, Pa., petitioning for higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2153. By Mr. LAMBERTSON: Petition of the Woman's Christian Temperance Union of Morrill, Kans., urging the passage of House bill 6097, providing for higher moral standards for films entering interstate and international commerce, and of members of the Methodist Episcopal Sunday School of Hiawatha, Kans., urging the passage of House bill 6097; to the Committee on Interstate and Foreign Commerce.

2154. By Mr. LEHR: Petition of Braun Arbor Local Farmers' Union of Ann Arbor, Mich., urging the passage of the Swank-Thomas bill, H.R. 3208, providing for Government regulation of the marketing of farm products, also the passage of the Frazier-Lemke bill, H.R. 2855, providing for the Government refinancing farmers at a rate of 1½-percent interest and 1½-percent payment on principal, also passage of the Wheeler bill, known in the Senate as "S. 70", providing for the remonetization and free coinage of silver; to the Committee on Banking and Currency.

2155. By Mr. MOYNIHAN of Illinois: Petition of the Watch Tower Bible and Tract Society and 10,000 residents of the Second Congressional District of Illinois, to make it unlawful for any person or corporation to use threats, boycotts, or other coercive methods to interfere with, interrupt, or prevent any radio station from broadcasting any and all programs that may be deemed for the good of the people; to the Committee on Merchant Marine, Radio, and Fisheries.

2156. By Mr. O'MALLEY: Memorial of the State of Wisconsin, urging the President of the United States and the national administration to take immediate action on the dairy situation; to the Committee on Agriculture.

2157. By Mr. PARKER: Petition of T. A. Lynn and 55 other citizens, of Tattnall County, Ga., asking enactment of legislation that will limit farmers to planting 25 percent of cultivated land in cotton; to the Committee on Agriculture.

2158. By Mr. PETTENGILL: Petition of W. F. Rohleder, of Mishawaka, Ind., and 10,000 other citizens of the Third Indiana District, for freedom of radio broadcasts; to the Committee on Merchant Marine, Radio, and Fisheries.

2159. By Mr. SADOWSKI: Petition endorsing the Great Lakes-St. Lawrence Waterway Treaty; to the Committee on Foreign Affairs.

2160. By Mr. SNELL: Resolution of the Senate and Assembly of the State of New York, to abolish the Federal gasoline sales tax and surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

2161. By Mr. STOKES: Petition of about 8,000 residents of the Sixth Congressional District of Pennsylvania, relative to the regulation of broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

2162. By Mr. STUDLEY: Resolution of the National Guard Association of the State of New York, Utica, N.Y., on January 20, 1934, recommending that the Appropriation Committee in Congress grant such allowances for the National Guard, the Naval Reserve, and the Marine Reserve as will provide pay for 48 drills and 15 days' training per annum as a minimum basis for a training program, etc.; to the Committee on Appropriations.

SENATE

WEDNESDAY, FEBRUARY 7, 1934

(Legislative day of Tuesday, Feb. 6, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. Mr. President, I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reed
Austin	Cutting	Keyes	Reynolds
Bachman	Davis	King	Robinson, Ark.
Bailey	Dickinson	La Follette	Robinson, Ind.
Bankhead	Dieterich	Lewis	Russell
Barbour	Dill	Logan	Schall
Barkley	Duffy	Lonergan	Sheppard
Black	Erickson	Long	Shipstead
Bone	Fess	McAdoo	Smith
Borah	Fletcher	McCarran	Steiwer
Brown	Frazier	McGill	Thomas, Okla.
Bulkley	George	McKellar	Thomas, Utah
Bulow	Gibson	McNary	Thompson
Byrd	Goldsborough	Metcalf	Townsend
Byrnes	Gore	Murphy	Tydings
Capper	Hale	Neely	Vandenberg
Caraway	Harrison	Norris	Van Nuys
Carey	Hastings	Nye	Wagner
Clark	Hatch	O'Mahoney	Walcott
Connally	Hatfield	Overton	Walsh
Coolidge	Hayden	Patterson	Wheeler
Copeland	Hebert	Pittman	White

Mr. LEWIS. I wish to announce the absence of the Senator from Virginia [Mr. GLASS], caused by illness, and also the absence of the Senator from Mississippi [Mr. STEPHENS] and the Senator from Florida [Mr. TRAMMELL], who are detained on official business.

Mr. HEBERT. I desire to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent from the Senate.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Appropriations:

Joint resolution memorializing the Congress of the United States to enact proposed legislation for the control of the grasshopper menace

Whereas since 1928 the grasshopper menace has developed and spread in the northwestern section of the United States to such an extent that it is more serious than it has been at any time since the invasion of 1873–76; and

Whereas the present grasshopper menace has now reached a point where it is completely beyond the control of the individual counties and States, indicating the necessity for Federal action; and

Whereas in 1933 the sum of $14,000 of State funds was used in the grasshopper-control campaign in Wisconsin, which sum was insufficient, necessitating the expenditure of a total of $24,385.09 of county funds by 13 counties in this State; and

Whereas because of the severity of the grasshopper pest a regional conference was held in November 1933, consisting of representatives from seven States, which conference made certain recommendations for a Federal control program: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully memorializes the Congress of the United States to enact legislation providing for Federal control of the grasshopper menace, substantially along the lines recommended by the regional conference on grasshopper control held in North Dakota in 1933; be it further

Resolved, That properly attested copies of this resolution be sent to Hon. Henry A. Wallace, Secretary of Agriculture, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

Joint resolution relating to unemployment in the State of Wisconsin and requesting extension of the Civil Works Administration and the increase of Wisconsin's C.W.A. quota to at least 160,000

Whereas in Wisconsin a total of about 160,000 persons have been employed under the Civil Works Administration; and

Whereas it is reported that Wisconsin's quota will now be reduced to 75,000 persons, which will necessitate the removal of approximately 85,000 persons from the Civil Works pay roll; and

Whereas the latest available figures show that, as of November 1, 1933, the unemployment-relief census in Wisconsin was 253,226; and in Milwaukee County alone there were, as of January 1, 1934, a total of 14,234 unemployment-relief cases, of which 8,972 are families and 5,262 are single persons; and

Whereas it is reported that, as of January 10, 1934, there were in the State in excess of 35,000 persons not under unemployment relief who had registered in unemployment offices and who had not been placed in jobs; and in Milwaukee County alone it is estimated that in excess of 50,000 persons, other than public-relief cases, are now unemployed; and

Whereas from the foregoing figures it is safe to conclude that there are now in Wisconsin in excess of 100,000 unemployed persons other than those now on C.W.A. pay rolls and those under unemployment relief, and with the proposed reduction of Wisconsin's C.W.A. quota to 75,000 such estimated number of unemployed persons in Wisconsin will be considerably increased: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully urges the Federal Civil Works Administration: (1) To extend the Civil Works program to at least May 1, 1934; (2) to reconsider its reported action in reducing Wisconsin's quota to 75,000 and to set the quota at least to 160,000, and that the quota as so increased be distributed among communities as the need therefor exists; that is in proportion to actual unemployment in the several communities rather than in proportion to population; be it further

Resolved, That properly attested copies of this resolution be forwarded to President Roosevelt, to Federal Administrator Harry L. Hopkins, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.
C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from Lawrence S. Cagno, of Brooklyn, N.Y., praying the passage of legislation to establish a weekly national lottery as a method of increasing Federal revenues and combating so-called "rackets", which was referred to the Committee on Finance.

He also laid before the Senate a resolution of the Muhlenberg Property Owners' Association, of Greenville, Ky., protesting against ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, and favoring the enforcement of the Sherman antitrust law in the interest of small merchants and business men, which was ordered to lie on the table.

REPORTS OF COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1506. An act to amend the United States mining laws applicable to the Mount Hood National Forest within the State of Oregon (Rept. No. 267);

S. 1981. An act to make cattle a basic agricultural commodity for the purposes of the Agricultural Adjustment Act (Rept. No. 268); and

S. 1982. An act to add certain lands to the Mount Hood National Forest in the State of Oregon (Rept. No. 269).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported favorably the nomination of José Padín to be commissioner of education for Puerto Rico (reappointment), which was ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONG:

A bill (S. 2663) to limit the effect of the regulations of commerce between the several States and with foreign countries; to the Committee on Interstate Commerce.

By Mr. DICKINSON:

A bill (S. 2664) for the relief of John F. Korbel; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2665) for the relief of Amy McLaurin; to the Committee on Claims.

By Mr. BARKLEY:

A bill (S. 2666) for the relief of Daniel Coakley; to the Committee on Claims.

By Mr. CAREY:

A bill (S. 2667) to amend section 25 of the Emergency Farm Mortgage Act of 1933, as amended; to the Committee on Banking and Currency.

By Mr. McKELLAR:

A bill (S. 2668) granting a pension to Maude Brindle; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 2669) for the relief of Allan W. Hartmann; to the Committee on Military Affairs.

By Mr. BYRNES:

A bill (S. 2670) to prohibit Senators, Members of Congress, Government officials, and national committeemen from representing persons in obtaining the award of contracts, the payment of claims, or the making of loans by the Government; to the Committee on the Judiciary.

By Mr. WHEELER:

A bill (S. 2671) repealing certain sections of the Revised Code of Laws of the United States relating to the Indians; to the Committee on Indian Affairs.

By Mr. SHIPSTEAD:

A bill (S. 2672) for the relief of Mabel Parker; to the Committee on Claims.

A bill (S. 2673) to correct the military record of Carl Lindow, alias Carl Lindo; to the Committee on Military Affairs.

By Mr. DIETERICH:

A bill (S. 2674) to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933; to the Committee on Agriculture and Forestry.

A bill (S. 2675) creating the Cairo Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.; to the Committee on Commerce.

A bill (S. 2676) to incorporate the United States Civil Legion; to the Committee on the Judiciary.

By Mr. KING:

A bill (S. 2677) for the relief of S. L. Wells; to the Committee on Claims.

REGULATION OF STOCK EXCHANGES

Mr. KING. Mr. President, yesterday I introduced a bill, Senate bill 2642, to establish a Federal Stock Exchange and Securities Commission, to regulate transactions in securities on the various stock exchanges, and for other purposes, and asked that it be not referred to a committee until I was able to confer with the Chairman of the Committee on Banking and Currency.

The bill, which provides for the control of stock exchanges, is rather an important measure. I was a little diffident about having it go to the Committee on Banking and Currency, because measures which I think would have prevented many of the abuses which have existed have been before that committee for years, and I was not sure whether

affirmative action would be taken. However, I now ask that the bill be referred to the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, the bill will be so referred.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 76, after line 4, to insert the following:

"Pursuant to the provisions of section 407 of title IV of part II of the Legislative Appropriation Act, fiscal year 1933, as amended, Executive Order No. 6586, dated February 6, 1934, revoking section 18 of Executive Order No. 6166, dated June 10, 1933, shall take effect on the date of approval of this act."

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 72, after line 9, to insert the following as a new paragraph:

"Hereafter the Office of National Parks, Buildings, and Reservations shall be known as the "National Park Service" and appropriations herein made for the Office of National Parks, Buildings, and Reservations shall be available to the National Park Service, and the services of the Director and personnel of the Office of National Parks, Buildings, and Reservations shall be continued in the National Park Service under their present appointments."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H.R. 93. An act to authorize the Secretary of War to sell to the Plattsburgh National Bank & Trust Co. a tract of land comprising part of the Plattsburgh Barracks Military Reservation, N.Y.;

H.R. 715. An act to award the Distinguished Service Cross to former holders of the certificate of merit, and for other purposes;

H.R. 1497. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H.R. 3521. An act to reduce certain fees in naturalization proceedings, and for other purposes;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 5745. An act granting abandoned public buildings and grounds at Sitka, Alaska, to the Territory of Alaska, and for other purposes;

H.R. 5862. An act to provide for the removal of American citizens and nationals accused of crime to and from the jurisdiction of any officer or representative of the United States vested with judicial authority in any country in which the United States exercises extraterritorial jurisdiction;

H.R. 5863. An act to prevent the loss of the title of the United States to lands in the Territories or territorial possessions through adverse possession or prescription;

H.R. 6173. An act to authorize the conveyance by the United States to the city of Nome, Alaska, of certain land situated therein;

H.R. 6228. An act to provide for the appointment of a commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia;

H.R. 6370. An act to extend the time for completing the construction of a bridge across the Missouri River at or near South Omaha, Nebr.;

H.R. 6492. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y.;

H.R. 6525. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930;

H.R. 6794. An act authorizing the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N.J.;

H.R. 6909. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H.R. 7205. An act to provide for the care and transportation of seamen from shipwrecked fishing and whaling vessels;

H.R. 7291. An act authorizing the city of Hannibal, Mo., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.; and

H.R. 7513. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes.

CHERAW INDIANS, NORTH CAROLINA—MOTION TO RECONSIDER

Mr. BAILEY. Mr. President, I desire to enter a motion to reconsider the vote by which, yesterday during my absence, Senate bill 1632 was read the third time and passed. It is a local bill.

The PRESIDING OFFICER. Without objection, the motion to reconsider will be entered.

SHARE-OUR-WEALTH SOCIETY

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD a circular letter.

There being no objection, the circular letter was ordered to be printed in the RECORD, as follows:

MY DEAR FRIEND: I am sending you herewith several copies of an appeal to the people of America to organize a share-our-wealth society in every community. I enclose some extra copies so that you may keep one and hand out the balance. After Congress adjourns I will make some speeches in a few of the places where these societies are organized.

The people can bring about relief and provide comfort and happiness to all. We are trying to show them what is necessary to give all of our people something to eat, clothes to wear, and homes in which to live. America is the land of too much to eat and too much to wear and too many houses, yet people are miserable, starving, and some are homeless, unless they get on some kind of Government relief dole, and some are more than half starved to death even on that.

The concentration of wealth into the hands of the very rich has become so bad that, like cannibals, the rich have begun to eat up one another. Here and there a rich man falls the victim, becoming poor himself, while some other rich man becomes richer, not only out of the blood of the poor but from the fall of another rich man.

I say in the enclosed article that I hope those interested in this work will have more of the circulars printed to hand out to their people, and that, if they desire, I can have them printed for them here at cost and mailed to them. Let me say that if anyone wants more of the circulars and does not feel able to pay the cost to print more of them that I will pay for them and send them free, not over 100 to a person.

When you have read the enclosed circular and handed out the extra copies, I will appreciate having you and your neighbors inform me, as well as their own Congressman and Senators in Washington, of their sentiments and action.

Yours sincerely,

HUEY P. LONG,
United States Senator.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. LEWIS. Mr. President, I desire to submit a proposition to the Chairman of the Foreign Relations Committee and others interested that the Senate vote on the matter of the St. Lawrence Waterway Treaty, so-called, on Wednesday, a week from today. I make the suggestion in order that my able friend, the chairman of the committee, may consider it, as it is the desire of many on this side to have the treaty disposed of, and many wish to speak and would like to know at what time they should speak. I suggest to the able chairman that we have an agreement to vote on the treaty on Wednesday, a week from today, if it is possible and convenient.

Mr. PITTMAN. Mr. President, when this matter was brought up last week, or week before last, at any rate several days ago by the Senator from Illinois, who, I may say, seems to be representing the opposition to the treaty, I suggested

the coming Saturday as probably a reasonable time to give Senators who desired to speak before voting on the treaty. At that time there was some objection on behalf of those who favored the treaty on the ground that they did not know then how many wanted to speak or what other matters might intervene. Later on, however, that particular objection was withdrawn, and again I submitted a proposed unanimous-consent agreement that the Senate vote on the coming Saturday. That was objected to by some of the opponents of the treaty.

As I stated at that time, as Chairman of the Foreign Relations Committee, I am only nominally in charge of the treaty, as is quite well known to those who are most interested in its ratification, as well as to those who are most interested in defeating it. I will be very happy to do all that I can to confer with those who favor it, while the Senator will do likewise with those who oppose it, and see if we cannot reach an agreement on a date for a vote.

Mr. LEWIS. I am able to inform the chairman of the committee that those who have objected to the previous arrangement, for whatever reason they then had, now concede and are pleased to join in the suggestion that if we can we arrange for a vote a week from today, giving a week in the meantime. So there is no objection on the part of those who heretofore made the objection.

Mr. PITTMAN. I am pleased that the Senator has made the suggestion, because it will permit me to take the matter up with those who are interested in the ratification of the treaty to ascertain how many of them desire to speak, what length of time they may take, and also I may find out from those in charge of legislation in this body what measures will absorb the attention of the Senate during the next few days.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H.R. 93. An act to authorize the Secretary of War to sell to the Plattsburgh National Bank & Trust Co. a tract of land comprising part of the Plattsburgh Barracks Military Reservation, N.Y.; and

H.R. 715. An act to award the Distinguished Service Cross to former holders of the certificate of merit, and for other purposes; to the Committee on Military Affairs.

H.R. 1497. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels; and

H.R. 3521. An act to reduce certain fees in naturalization proceedings, and for other purposes; to the Committee on Immigration.

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees; to the Committee on Post Offices and Post Roads.

H.R. 5745. An act granting abandoned public buildings and grounds at Sitka, Alaska, to the Territory of Alaska, and for other purposes; and

H.R. 5862. An act to provide for the removal of American citizens and nationals accused of crime to and from the jurisdiction of any officer or representative of the United States vested with judicial authority in any country in which the United States exercises extraterritorial jurisdiction; to the Committee on Foreign Relations.

H.R. 5863. An act to prevent the loss of the title of the United States to lands in the Territories or territorial possessions through adverse possession or prescription; to the Committee on the Judiciary.

H.R. 6173. An act to authorize the conveyance by the United States to the city of Nome, Alaska, of certain land situated therein; to the Committee on Public Buildings and Grounds.

H.R. 6228. An act to provide for the appointment of a commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia; to the Committee on the District of Columbia.

H.R. 6525. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930; to the Committee on Agriculture and Forestry.

H.R. 7513. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes; to the Committee on Appropriations.

H.R. 6370. An act to extend the time for completing the construction of a bridge across the Missouri River at or near South Omaha, Nebr.;

H.R. 6492. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y.;

H.R. 6794. An act authorizing the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N.J.;

H.R. 6909. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H.R. 7205. An act to provide for the care and transportation of seamen from shipwrecked fishing and whaling vessels; and

H.R. 7291. An act authorizing the city of Hannibal, Mo., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo.; to the Committee on Commerce.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. SCHALL. Mr. President, on last Wednesday the junior Senator from Illinois [Mr. DIETERICH] made a speech opposing the St. Lawrence Waterway Treaty and said that he thought this administration had been misled into lending its support to the treaty.

Judging by the measures recommended by the administration, I am inclined to agree with the Senator that it is or must be possible to mislead it, but its worthy stand upon this treaty, in its support of this great national undertaking which will usher in a new era to 23 States of this great Nation, if not to all 48, has not been brought about by misconception; and if the treaty shall be ratified, this action of the President will rehabilitate him to a large extent for his other numerous misleadings, in my opinion.

Mr. President, for over 100 years this Nation has sought what has been secured for it in this treaty. No one anywhere, with an understanding of the tremendous task, thought that it was possible for the former administration to secure this treaty. But the impossible was accomplished, and a Republican President has laid before the Senate the possibility of extending the Atlantic Ocean 1,500 miles west throughout the region of the Great Lakes into the very heart of our Nation, thus bringing to the use of 23 States, among which is my own State, the larger benefits to be derived by the services of vessels plying not only the Atlantic and the Pacific Oceans but every other ocean and sea in the world.

I feel that if the President shall give his usual industrious support to the ratification of the treaty, its approval will be assured. I do not believe the rumors I hear on all sides that his strenuous support of the treaty is only the voice of Jacob but the hand of Esau, and I, therefore, realize that the approval of the treaty is certain, for if the administration exercises only a fraction of the pressure for the ratification of this treaty that was exerted for the cutting of the compensation of the wounded veterans, the treaty will be approved, for only eight Democratic Senators then had the political hardihood to stand out against the President.

In the recent gold-dollar devaluation bill, in opposition to the majority report of the Banking and Currency Committee, in opposition to the opinion of all leading economists, there was required only a telephone message to the majority leader that the administration wanted that legislation, and immediately two thirds of the Senate humored him without the dotting of an "i" or the crossing of a "t", although it was the most tremendous bill in its possibilities that has

been before Congress in 70 years, and only one Democratic Senator had the courage to vote against it and one other Democratic Senator had the hardihood to pair against it. Therefore I take it that this Republican measure, having the support of our great Democratic President, cannot fail.

Highways are the arteries of commerce. It was Jim Hill, the great railroad builder, who said, "Give me control of the highways, and I care not who may own the land and the industries."

Speaking in behalf of the ratification of the St. Lawrence Deep Waterway Treaty, I shall attempt to be brief and to confine my argument largely to a presentation of the situation in my State, a representative State of the midcontinental interior, neither so rich in natural resources as some nor so handicapped in that direction as some others. And what I say will, I believe, correctly picture what all of these land-locked States of the interior feel and know to be a fact, that the handicaps placed upon the transportation of their goods from the point of production to the point of consumption stifle that production, whether agricultural or industrial.

A measure of permanent transportation relief must be found. Not even the great gift of the 9-foot channel of the Mississippi, which was extended to Minneapolis because of my amendment, will answer in full the demand of the Midwest for relief. Great as the influence of that avenue of commerce may be upon the future destinies of the midcontinent, it still remains the fact that it is a method of transportation to the sea, while the St. Lawrence seaway, by removal of the barriers in the St. Lawrence, brings the ocean itself directly into the heart of the continent and gives to us the most immediate, far-reaching and permanent transportation relief it is possible to obtain.

This bringing of the sea base into the heart of the continent will free the western railroad lines, those lines which base upon the Pacific and the Great Lakes, from the domination of the eastern carriers and from the overexactions made by them throughout railroad history upon the traffic moving from western lines through mideastern territory to the sea. The possession of ocean ports by Minnesota and by the other States bordering on the Great Lakes will give to us of the interior direct mercantile connection with our seaboards—Atlantic and Gulf and Pacific—and will enable us, as an agricultural and industrial area, comparable in extent of resources to none other in the world, to move forward along the lines of logical, sound, enduring development. That is a picture of the St. Lawrence seaway place and purpose in the planning which we are now making for the present and future generations that I would have Senators get clearly into their minds. I want to picture on the other hand, as briefly as I may, some of the handicaps endured by Minnesota and her sister States at the present time and the results that come therefrom.

In 1920, when the International Joint Commission held its hearings for and against the renewed proposal to jointly improve the channels of the St. Lawrence River, the State of Minnesota prepared a brief, showing the then existing position of the Midwest, and particularly of Minnesota, with reference to agriculture. At that time—and let me say that the relative percentages have changed but very little since—of the leading food necessities of the Nation, and including the nonfood staple of flax, there was produced in the seaway territory bounded by Pennsylvania on the east, by the thirty-seventh parallel on the south, and by the crest of the Rockies on the west, 70 percent of the total production of the entire Nation—all of the flax, 86 percent of the rye, 81 percent of the oats, 78 percent of the barley, 77 percent of the wheat, 69 percent of the corn, 51 percent of the potatoes, 53 percent of the hay, 46 percent of the pasturage, 48 percent of the sheep, 52 percent of the cattle, 54 percent of the dairy cows, and 63 percent of the hogs.

Taking acreages, the figures then prepared showed that Iowa devoted 83 percent of her area to such production; Illinois, 79 percent; Ohio, 74 percent; Indiana, 73 percent; Kansas, 57 percent; Missouri, 56 percent; Kentucky, 56 percent; Nebraska, 50 percent; North Dakota, 45 percent; Minnesota, 38 percent; Michigan, 35 percent; Wisconsin, 33 percent; South Dakota, 32 percent; Colorado, 6 percent; Montana, 4 percent; and Wyoming, 2 percent.

This economic survey of the agricultural resources of the seaway territory demonstrated that rather more than 50 percent of the entire area within the limits I have indicated was undeveloped and awaited the stimulus which only better transportation facilities permitting a broader marketing zone can secure. What was then said as to agriculture held, and still holds, substantially true for all industrial enterprise outside the agricultural field.

Since the figures I have recited were prepared our production, and our export as well, of wheat and other farming products of Minnesota has diminished very greatly. One of the outstanding causes for this reduction of exports lies in the fact that when we subtract the high transportation cost from the low market price we find there is nothing left for the producer. In that commodity we are undersold, largely by reason of freight differentials, by South America, Australia, India, and the Black Sea region. At that time, great as was Minnesota's apparent agricultural development, but 1 acre out of 6 of all her lands was under the plow; only 1 acre out of every 4 was in meadows and pasture; 57 percent of our entire area rated as agricultural was nonproductive.

Nearly a decade and a half has passed, and the stagnation then prophesied at these hearings has fallen upon us of Minnesota and of the entire midcontinental region with crushing weight. The Minnesota farmer, like the farmer of the Midwest generally, finds himself faced by difficulties he cannot entirely surmount by his own effort. The measures taken by the Government for his relief will themselves be ineffectual in the long run unless the permanent causes of the paralysis that has crept upon the agriculture and industries of the midcontinent are removed.

When shippers can move goods around from the Pacific through the Panama Canal to the Atlantic coast, or the other way about, more cheaply than they can move the same goods from Minnesota to either coast, it is self-evident that both the agriculture and the industries of my State stand under a cloud. So long as transportation charges exact a needlessly high toll on every ton of commerce moving into or moving out of Minnesota her prosperity will be delayed, and no Nation-wide uplift of agriculture, and no Nation-wide gift to agriculture, in the form of bonuses for reduced crops or in the refinancing of farm mortgages, will restore, or remotely attempt to restore, a parity not possible until we of the Midwest secure it by extending sea rates into the heart of the continent.

If I were to go into the matter of the agricultural handicaps placed upon my State, I should only weary the Senate by a repetition of much Senators have already heard voiced from the floor of the Senate during those hours when the agricultural problems of the Nation have been under discussion. I prefer to speak specifically of what is happening, not to the agriculture of my State but to its business, to those industries which manufacture for and serve the great agricultural areas of Minnesota and the entire Midwest. Without agriculture being prosperous these industries perish; and whether agriculture prospers or not, unless the transportation handicaps placed upon these industries, both in the obtaining and distribution of their goods, are removed so far as it may physically be possible to remove them, the industries cannot exist, certainly not under the handicaps which now obtain throughout the entire midcontinental area, as they have obtained since the opening of the Panama Canal.

I have clearly in my mind the picture of demotion of this entire region, but that picture becomes sharpened to our vision when concrete instances are taken. The demotion of agriculture, which I have already mentioned, together with the fundamental reasons for it, has reacted most disastrously upon those great enterprises which must and do find their cause for being in the agricultural life and needs of the Middle West.

It is a matter of common knowledge that the steady growth of Buffalo as a milling center, with a consequent diminution of milling in Minnesota, is directly attributable to two causes, the first being Buffalo's ability to draw Ca-

nadian wheat in bond and mill for export, thus avoiding the duty; second, because of its ability to draw, on low contract rates, supplies of wheat from the Northwest through Duluth and from the Southwest through Chicago and Milwaukee. It must be conceded that Buffalo's strategic location has something to do with this tremendous growth, but Buffalo's strategic location is solely on account of the fact that it may draw all of its supplies in the raw by use of the lowest contract water rates known on the face of the globe. Then, too, Buffalo is in the heart of a large consuming area, in which it may dispose of its surplus byproducts, whereas by-products shipped from Minnesota mills must move at high freight rates into this consuming area in competition with Buffalo.

In order to paint this picture of the true condition of my State I must remind the Senate that Minneapolis, once one of the greatest tractor-manufacturing centers in the Nation, is practically out of business in that line; that the Russell Grader Co., manufacturing road machinery, has been compelled to leave the State, bag and baggage, to engage in business elsewhere under more favorable conditions. Honesty compels me to admit the fact that the great manufacturing plant of the Minnesota Steel Machinery Co. situated in the Twin Cities stands practically idle; that the Twin Cities motor-accessory plants are doing very little; that in Duluth the Minnesota branch of the United States Steel Corporation, manufacturing nails for the midcontinental area, is operating only about 30 percent; that the great F. A. Patrick Mills in Duluth, manufacturers of woolen goods of international reputation, is completely closed down; that the Gogebic Boiler Works, that the National Iron Co., that the Clyde Iron Works, manufacturing plants employing from 300 to 1,000 people each, have all drawn their fires.

If I could take you through the great cities of my State, Minneapolis, St. Paul, and Duluth, I would be compelled to show you great buildings with vacant windows, and upon your inquiry I would have to tell you that these buildings once were occupied by jobbing houses doing a far-flung business from the banks of the Mississippi and Lake Superior out to the Rocky Mountains. Now their doors are either locked or their business has diminished to the vanishing point.

The railroads have thrown the entire weight of their great influence against the ratification of this treaty. I am here to say that by no stretch of the imagination can its completion injure any one of the railroads that serve my State nor any other of the States west of the Mississippi.

The interests of these roads are bound up, not with the fortunes of the trunk lines of the East, which, because of a short visioned and peculiar selfishness, see in the competition of the seaway a menace to their own immediate earnings, but rather the interests of the western roads march side by side with those of the farmer and the manufacturer and the general business of the region west of the Great Lakes. But under the selfish compulsion of the eastern carriers the western roads have been driven into acquiescence in the attack made by the eastern rail and terminal interests upon this treaty.

The western carriers have been, or at least they think they have been compelled to pursue a policy of attempted increase in rates.

It is a well-recognized fact that there is a saturation point beyond which freight rates may not go and still permit the free exchange of merchandise in transportation.

Every student of transportation has noted a complete stifling in the interchange of business when freight rates on the commodities involved have gone beyond the saturation point. This is exactly the status of affairs with rail transportation in the western part of the United States today.

Commencing with the period just prior to June 25, 1918, there has been a constant and steady advance in freight rates, with one exception, which contemplated a 10-percent reduction. This, coupled with an insane mania for increased motive power plus inflated equipment, with its resulting collapse of dispatch, is the primary reason for the pitiful condition of the American railroads today. They have completely lost sight of the fact that there is something in this world worse than low freight rates, and that is a lack of business.

Illustrating how freight rates have advanced, the key rate of all rates applying between eastern territory and central territory north of the Ohio River is the first-class rate applying between Chicago and New York. Every other rate in this section, with few exceptions, is related to this basic rate on a percentage relation. This first-class rate prior to 1918 and for many, many years was 75 cents per hundred pounds. That rate today is $1.52 per 100 pounds, an increase of more than 100 percent. The all-rail rate from New York to the Twin Cities and Duluth prior to 1918 was $1.15, which had been the rate for many, many years. That rate today is $2.12, an increase of approximately 100 percent. Taking local rates, for example, prior to 1918 the distance scale of rates for 150 miles in the State of Minnesota was approximately 40 cents first class. That rate today is 81 cents, an increase of more than 100 percent. These are simply illustrative of the general situation.

There has been a constant and steady successful attempt on the part of the railroads to increase freight rates, with the result that the all-rail rates of this country today are acting as a complete estoppel to the free interchange of traffic. This is particularly true with reference to the lucrative long-haul traffic, upon which admittedly the net earnings are much more favorable to the railroads than upon short-haul merchandise traffic. The net results of the railroads' activity in increasing these freight rates has been to drive long-haul traffic to short-haul traffic, and to drive short-haul traffic to the trucks.

In following this well-defined plan and in perfecting its execution the railroads have overlooked entirely the fact that they no longer have a monopoly in transportation. There was a time when, if a passenger sought to make a visit or if merchandise had to be transported even short distances, practically the only avenue for such transportation was by means of railroad. The railroads sitting in this very enviable position were in a position without impunity to dictate the fare or charge which they should receive for such transportation service. Those conditions of affairs no longer exist.

The railroads of the country do not operate as a monopoly in transportation because the trucks have entered the field and are making serious inroads, particularly in their merchandise traffic for short hauls, distances up to 250 miles. This inroad of a very active competitor was ignored completely by the railroads for the first 6 or 8 years of its advent into United States transportation, and during all this period, even though the handwriting on the wall was manifest, they did not deviate one iota from their well-set and fixed plan of increasing freight rates, maintaining extensive lobbies before State legislatures to legislate the trucks off the highways, and at the same time maintaining agencies throughout the United States for the dissemination of propaganda directed principally against three things: (1) Truck transportation; (2) water transportation; and (3) amending existing Federal legislation against the railroads.

Without taking up in detail any of the contentions of the railroads with reference to truck transportation and with reference to relief from unfavorable Federal legislation, it is manifest that the railroads have maintained and are maintaining today, not only within their own ranks and through their own labor organizations, but through certain organizations of shippers, a very effective and far-reaching propaganda for the sole purpose of preventing the people from securing the benefits of cheap water transportation.

Indeed, it is an unusual state of affairs when these same railroads have approached this administration through one group and have borrowed tremendous sums of money through the Reconstruction Finance Corporation for the rehabilitation of their financial structure, and at the same time are using—can it be possible?—some of this administration's money to defeat the recognized and admitted plans of the Government for the building and maintenance of all

avenues of transportation, which include not only railroads, but water lines and truck lines.

What the railroads of my State must have in order to exist is more tonnage movement, not higher freight rates. Railroads cannot exist on freight rates; they can only exist out of the income of actual commerce going back and forth, and unless the rates—and I refer to the total rate from the point of production to the open-marketing areas of the world—are sufficiently low to permit agriculture and industry to compete actively for the trade of the world, whether upon our own continent or elsewhere, then business cannot exist, and the railroads simply cannot get the traffic.

It was conservatively estimated by the State department of agriculture in the presentation of the Minnesota case, to which I have alluded, that in 1920 Minnesota, with a population of around 2,000,000 people, was producing the foodstuffs necessary to the existence of seven and a half million people. This brings to my mind the fact that there necessarily exists a tremendous outward flow of the products of Minnesota. It makes a most important difference to every farmer, to every manufacturer, to every business man, in my State, whether the distance at which his goods can reach an ocean rate is an average distance of 200 miles, as it would be if the St. Lawrence Channel were completed, or whether it is some 1,500 miles away, as it is at the present time.

The differential in cost between carrying goods by water and the cost of carriage by land is so great that it needs only to be mentioned. The Australian wool grower puts his wool into Boston cheaper than can the Minnesota wool grower. The canner on the Pacific coast lays his goods down at our Atlantic ports for less than the canner of the Minnesota Valley is able to do.

Some years ago there was instituted between Duluth and New York a refrigeration service by lake and rail, carrying principally eggs and butter. The result of the experimental shipments that were made about the year 1923 or 1924 is that today more than 70,000 tons are moved by that combined water and rail route rather than all-rail service, at a saving in freight and service charges of approximately $100 per car.

Need I explain that the benefits of this water-and-rail combined movement have gone back very largely to the farmers who stand behind the Minnesota creameries, and is it necessary that I should say that when these farmers have more money in their pockets, that saving is expended for the cotton that is grown in the South, for the products of the textile mills in the East, for automobiles produced in Michigan, for tires made in Ohio, for fruit grown on the Pacific and Gulf coasts, for all the thousand and one necessities of life?

If I am told that this saving amounts to a very little thing, let me remind the Senate that $700,000 saved on butter alone in 1 year's shipments and devoted to actual necessities, rather than to an unnecessary expenditure, is a very vital thing to the farmers of my State in this hour of national farm distress.

I think I have brought to the Senate a concrete picture that needs no great elaboration. The farming business of my State has been operating for years on its stored-up capital. New houses and barns are needed, paint and fencing, machinery, automobiles, everything within and without the home that goes to make for comfort and for ease of operation, and for continued production and prosperity, will be required in large amounts if we are to go on and continue farming on a level of decent existence. The same situation will be found not only in the country and community towns, but in our larger cities. This means sales and pay rolls for every State in the Union.

The years of the depression have taken terrific toll of the material things that make for comfort in life. The replacements which should come, and must come, will come the sooner, prosperity will be reached in a shorter time, if there is before us the assurance that when this work of rebuilding is done, we shall have the best possible transportation outlets for the things our hands create.

May I express the belief that the considered judgment of the Senate will not fail to vision a future of renewed prosperity when, as in the past, the markets of the world will be seeking the things we create, and we will be needing many things that are found only abroad? May I picture a time coming, and not so far away, when all through the Middle West there will be prosperous factory towns serving a greatly increased number of people, creating profitable labor and labor incomes, and thus in turn creating for the farmer new outlets for his products close at hand?

The greatest single advance made in economic history was the opening of the Atlantic by those daring voyagers who crossed that unknown ocean and discovered the Americas. Now, less than 500 years after, an entire continent has caught the vision of opening within its own borders an extension of that Atlantic which will give to North America an ocean equivalent to the Mediterranean, upon whose shores for long ages the civilizations of the world stood. Who can fail to believe that when we shall have transformed the Great Lakes into a western arm of the Atlantic the streams of commerce will flow both inward and outward, and a new era of prosperity equivalent to the benefits which flowed from the discovery of America by Europe will again dawn upon the world?

LIMITATION OF JURISDICTION OF UNITED STATES DISTRICT COURTS

The Senate resumed the consideration of the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

Mr. HASTINGS. Mr. President, I had not definitely decided to make any remarks upon the bill now before the Senate until I heard the interesting address of the senior Senator from Nebraska [Mr. NORRIS] delivered yesterday. I have had the honor for some 5 years to serve on the Judiciary Committee with the distinguished Senator from Nebraska. During most of that time he has been chairman of that committee. I think it is impossible for anyone to work with him very long without having a very high regard for him and a high regard for his earnestness and his great desire to perform an important work as he sees it.

We have had before that committee during those years, as I recollect, a bill similar to this, with the Senator from Nebraska urging that it be reported favorably to the Senate. At no time, so far as I recall, did he hesitate to give to every person who wanted to be heard a full opportunity to express his views; so that I have no complaint at all about what has happened in the committee with respect to that matter.

But I might say at the same time that while I love the Senator from Nebraska much, I fear him more. If I may be permitted to explain what I mean by that, I would say that his notion about what ought to be done to make the country a better place in which to live is so different from mine that I have always been afraid that if his ideas prevailed it would be disastrous to the country. I am sure he is just as certain that if the ideas I entertain shall prevail the country will be worse off than it is now.

The point I am making is that we have different views. Heretofore my views have pretty generally prevailed, or, putting it another way, my own opinions have pretty generally agreed with what has been done. But during the whole of this time, I repeat, I have been afraid of men like the Senator from Nebraska, and I am more afraid today than I ever was before, because I remember that now there is in the White House an Executive, popular indeed, who, so far as I am able to observe, sees eye to eye with the Senator from Nebraska.

Moreover, that is not the only danger I see, and that is not the only reason why I am more afraid than I have been in the years gone by. It seems to me that Senators on the other side of the aisle see eye to eye with him too, which means that his ideas of government are ultimately to prevail. Oh, I realize that there is occasionally a Senator on the other side of the Chamber who blinks a little as he tries to see the light as the Senator from Nebraska sees it, but after all

it is at this time that the things which the Senator from Nebraska has urged upon the country for years and years are to be accomplished. He has built up a following in the country equaled by that of none whom I know, and is about to realize the things he has been preaching. I am not uttering this in any complaining way. I have great admiration for the man who has enough in him to stick to that which he believes until he finally convinces the country that he is right.

So it is that in this particular case I am frightened because we are going to do what? We are going to make an attack upon the provisions of the third article of the Constitution relating to the judicial powers of the Government. Legislative powers have been gradually taken away from us during the last 11 months.

I have great sympathy for the persons involved in the Montana case, about which the Senator from Nebraska spoke. I think all of us have. I have great sympathy for those who lost money by the Insull Corporation that was mentioned so eloquently by the Senator from Washington [Mr. BONE] yesterday. With some sarcasm, it seemed to me, they both talked about the crocodile tears that are being shed over here in this little corner of the Senate because certain persons interested in utility corporations might have their property taken away from them without due process of law if the pending bill shall be passed. It is wholly immaterial, to my mind, whether the woman loses her property because some person has robbed her or whether she loses it because we have taken away from her under the Constitution a right which she believed she had. The difference, if I may be permitted to say, between the two is that in one instance she can hold directly responsible the person who robbed her while in the other instance she can look to the Congress of the United States and say to it, "You have given this opportunity to rob me."

The point I am making, and the only point, is relative to the three great divisions of the power of government contained in the first three articles of the Constitution, the first of which relates to legislative power, the second to the executive, and the third to the judicial. The point I want to make is that we have almost eliminated the power of the first, and this bill is the entering wedge to the elimination of the power of the third.

I desire to invite the attention of the Senate to the time when this legislative power began to slip away from us. I want to invite attention to what the importance of it was. In order to do it I would like to read the message which the President sent to the Congress on March 10, 1933. It is not very long and most of it I think is worth reading in order that Senators' recollections may be refreshed. It is in this language:

> The Nation is deeply gratified by the immediate response given yesterday by the Congress to the necessity for drastic action to restore and improve our banking system. A like necessity exists with respect to the finances of the Government itself which requires equally courageous, frank, and prompt action.
>
> For 3 long years the Federal Government has been on the road toward bankruptcy.
>
> For the fiscal year 1931 the deficit was $462,000,000.
>
> For the fiscal year 1932 it was $2,472,000,000.
>
> For the fiscal year 1933 it will probably exceed $1,200,000,000.
>
> For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.
>
> Thus we shall have piled up an accumulated deficit of $5,000,000,000.
>
> With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.
>
> Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.
>
> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.
>
> It is too late for a leisurely approach to this problem. We must not wait to act several months hence. The emergency is accentuated by the necessity of meeting great refunding operations this spring.
>
> We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.
>
> I am therefore assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.
>
> I am not speaking to you in general terms. I am pointing out a definite road.
>
> The last Congress enacted legislation relating to the reorganization and elimination of executive agencies, but the economies thus to be effected are small when viewed in the light of the great deficit for the next fiscal year. They will not meet the pressing needs of our credit situation. Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits, and giving to the Executive the authority to prescribe the administrative details.

Further along in the message he said:

> In accord with the same purpose of substantial justice I request also the enactment of legislation relating to the salaries of civil and military employees of the Government. This would repeal the existing furlough plan, substituting therefor a general principle and authorizing the Executive to make application of this principle. The proper legislative function is to fix the amount of expenditure, the means by which it is to be raised, and the general principles under which the expenditures are to be made. The details of expenditure, particularly in view of the great present emergency, can be more wisely and equitably administered through the Executive. The flexibility of the measures which I am proposing is not only practical but proceeds along the road of constitutional government.
>
> Such economies which can be made will, it is true, affect some of our citizens; but the failure to make them will affect all of our citizens. The very stability of our Government itself is concerned, and when that is concerned the benefits of some must be subordinated to the needs of all.
>
> When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.
>
> I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done, there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

Mr. President, under the pressure of that plea, with the assurance from the President of the United States that it was necessary for us to pass some such legislation as was suggested in the message, we gave to him unlimited power with respect to the pensions paid to the veterans, and some limited power with respect to reduction of the compensation of employees of the Federal Government. We did it under the protest of many in the Senate who insisted that it would be unfair to the veterans, it would be unfair to the Federal employees; but, being asured by the President of the United States that it was necessary in order to save the credit of the Nation, we gave away that legislative power to him and asked him to do the best he could with it.

I shall not discuss what the President did under that authority. This message was dated March 10, 1933. In it he stated that the deficit for 1933 would probably be $1,200,000,000. His Budget message sent to this session of Congress shows the actual figures to be $3,051,670,116.

The President states:

> For the fiscal year 1934, based on the appropriation bills passed by the last Congress, and the estimated revenues—

Passed by a Congress before he was in power, a Congress with which he had nothing to do, and it seems to me he intends specifically to call attention to that fact. Because of those appropriation bills, he says that the deficit—

> Will probably exceed $1,000,000,000 unless immediate action is taken.

Indicating, if you please, that if we should pass this legislation he would then be able to live up to the platform of the Democratic Party and cut the appropriations by 25 percent, and save this billion-dollar deficit which he anticipated would occur in 1934 unless some such drastic action was taken.

Well, we gave him the authority. We gave it to him, some of us grudgingly, but we gave it to him because of the importance of it and the necessity of it; and in his Budget message, instead of the deficit being a billion dollars, he reports that it will exceed $7,309,068,211.

Mr. President, what did we do next?

Mr. FESS. Mr. President, will the Senator yield at that point?

Mr. HASTINGS. I yield.

Mr. FESS. The deficit of $7,300,000,000 has been excused on the ground that it was due to emergency expenditures, and therefore should be classed as capital expenditures and not regular or routine expenditures.

I desire to call the attention of the Senator to the fact that in the message of the 10th of March the President stated that in 3 years we had accumulated a deficit of $4,000,000,000. Evidently the President at that time did not think of emergency legislation or expenditures, as is now being stated in connection with this large deficit, because out of the $4,000,000,000 of deficit accumulated in the 3 preceding years $1,400,000,000 went for loans to the Reconstruction Finance Corporation on good security, $350,000,000 went for distribution to farmers on a matter that some of us questioned, and at least $700,000,000 went for public-works construction as emergency matters. In other words, in those 3 years, of an accumulation of $4,000,000,000 in the way of deficit, more than half of it, almost two thirds of it, was due to emergency legislation or emergency appropriations.

If those amounts are to be counted out today as emergency appropriations, and therefore not a deficit, then the criticism of March 4 was unjust, because most of that deficit was due to this particular item.

What I wanted to call the Senator's attention to is that it is being claimed everywhere that the tremendous deficit—which is not $7,300,000,000, but will be nearer $9,000,000,000 before we get through this year—is due to emergency; but if it is not critical now it was not critical during the 3 years of which the President complained when he sent the message.

Mr. HASTINGS. I thank the Senator for his statement; but I should like to say, in reply, that in the remarks I make to the Senate I am not going to discuss in any detail the deficit, or what caused it. The point I make is that we gave extraordinary powers to the President because he insisted upon it, and because it was necessary in order to save the credit of the Nation. That is the one and only point I make with respect to this deficit. I called attention to how far the President was wrong, of course, to show how little effect it had upon the credit of the Nation to pass that power over to him.

Now I desire to pass on, and I do not want to occupy much time. The Senator from California [Mr. JOHNSON] is anxious to get a vote upon this bill; but I do desire to call attention to the Public Works Administration.

Senators will remember that we appropriated for that purpose $3,300,000,000. That was upon the same theory, that the President needed the money in order to give life to the industries of the Nation, in order to help the unemployed, and so forth. But in that appropriation is a power which the Congress ought by all means to have kept within its own control. We gave the President power to construct naval vessels. Do the people of this country expect us to give to the Executive in a general bill like this authority to construct naval vessels when he pleases and how he pleases?

We gave the President authority to prepare for aircraft defense. Under it he could purchase all the aircraft he pleased. He could provide equipment for the Army. He could grant to States and municipalities large sums out of this $3,300,000,000 without any particular rule being laid down by Congress as to how the money should be applied. Under this authority he could condemn whatever property might be needed for the purpose of carrying out the act. He could postpone the construction of public buildings, and he did postpone the construction of buildings—buildings that had been approved by previous administrations, some of them, like one in my own State, where the Government had spent $500,000 for a Federal building at a time when the Treasury had the money to build it, where the architects had been selected and were drawing the plans for the building, and in a State where the help was badly needed; but, with all the pressure we could bring to bear upon the administration, it was not possible, and has not yet been possible, to have that public building constructed.

In addition to that, the President had authority to go out and build irrigation projects, to take care of irrigation projects, to make more land available for the farm, and to increase the farm products of the land.

That is not all. Under the same law we have seen the minimum wages of all industries fixed. We have seen the hours of labor fixed without any specific rule being laid down by the Congress of the United States. We gave the President authority to prevent people from doing business at all except under a license. We gave him authority to place embargoes on foreign goods. We gave him authority to suspend the antitrust laws. We gave him authority to prohibit interstate commerce in oil under certain conditions. In other words, we permitted him to say that from Washington alone all the industries of the Nation should be controlled.

Is that or is it not a legislative authority which we ought to have kept? Have we not put ourselves in a position where it is almost impossible for us to do anything with respect to these various powers which we possessed and which we have surrendered to him?

Then there are many others. There is the C.W.A., where 4,000,000 people were placed at work under an Executive order that demanded that the Administrator selected by the President should have it done within 2 weeks. Without any projects being laid out at all, he insisted that the people of this Nation must be given jobs. They must be taken off the municipal pay rolls and the various charitable pay rolls and put somewhere else. They must be given jobs with the Government of the United States; and 4,000,000 of them were directed to be placed upon the Government pay rolls within 2 weeks.

Does not anybody who has viewed the matter carefully see the impossibility of getting rid of that one administration of the Government? How is it possible for the Congress to refuse to go on and contribute more money to keep these people employed on the flimsy kind of jobs they are doing, many of them with no possible advantage to the Nation and with no possible advantage to the communities in which they live?

You and I know it is true. You know that we cannot justify the employment of all the people who have been put upon the Government pay roll if we take into consideration the amount of work they are doing for the Government, or for any municipality, or for any State, or for anybody else.

The answer which is made is that these people are hungry and it is better to give them a job than to give them a dole. I do not believe that is true. I think it is useless to start on a project like that, employing 4,000,000 people, and certainly it must be admitted by all of us that it will be impossible for us to continue it indefinitely; but how are we going to stop it? That is the great problem. If the question had come before Congress, where it could have been debated and carefully considered by the Senate and by the House of Representatives and by the country as a whole, it seems to me we might have worked out some very much better plan than that. The present condition is entirely due to the fact that we surrendered our own authority to the Executive of the Nation.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. BAILEY in the chair). Does the Senator from Delaware yield to the Senator from Louisiana?

Mr. HASTINGS. I do.

Mr. LONG. I have heard lots of criticisms made of the expenditure of State and municipal funds. Without doubt many of those criticisms were justified; but in all my life

I have never seen money so wantonly spent, with so little result in return, as the money that has been spent by the Federal Government. We shall never again be able to go out and cite the Federal Government as an example of how money ought to be spent, because never in the most rampant days of boss rule, as corrupt and rotten as it has been, has anything been done that would hold a candle to what has been going on lately—so much so that we in Louisiana had to ask them to take 3,000 men off the highways of the State. We have been accused of every kind of graft in the world, but we asked them to take those 3,000 men away from us and not let them be on the roll where we would be chargeable with the kind of things that are going on, the responsibility of which is to be placed at nobody's door.

Mr. HASTINGS. I thank the Senator for his contribution. I do not at this moment, however, desire to discuss that subject. I do not desire to call attention here to what seem to me the many foolish things that are being done. It seems to me the country must be shocked when they find that 50 manicurists are being put upon the Federal pay roll, and are being sent around to various institutions to manicure the hands of persons who are confined in those institutions. I could cite dozens of such instances. That, however, is not the point I desire to make. I am only showing how dangerous a precedent is being set, and how impossible it will be for us to get away from it.

Let us take another one, the A.A.A. Here is a great emergency measure. Here is a measure which we passed for the purpose of helping the farmers, and we find that from Washington Government officials are controlling the amount of cotton that can be planted in the South. They are determining how far apart the rows shall be planted. Not only are the number of acres to be planted being determined, but how many rows there shall be to the acre. They are doing the same thing with the corn. I do not know whether it is true or not, but I suppose there is the same regulation about the number of grains that can be planted to each hill. The same is true with respect to the wheat.

While all of this has been going on with respect to the farms, while they are undertaking to reduce the farm acreage and the farm production, the P.W.A. is going into some western territory and constructing irrigation plants which will make it possible for more farms to be established for the people out there, where additional farm products may be raised and food be brought to the people who are hungry.

Does anyone believe, Mr. President, that we ought to have given to one man the authority to do all that; the authority—I suppose he has it—to buy 25,000,000 acres of land in this country and take it out of cultivation? All of that the Congress has passed over to the Executive, and I repeat, having done that, the legislative branch of the Government is practically gone. There is nothing left for it to do except to vote appropriations to carry out these various schemes.

Then comes along another piece of legislation. It is said that if we are going to change the gold content of the dollar, if we are going to add any more money to the circulating medium of the country, the Congress itself will not pass upon it; that it is not necessary for the Congress to do it; that we have an Executive in whom we have confidence. We are asked to pass our authority to coin money and fix the value thereof to the President of the United States. If it be necessary to issue a lot of paper money, it is suggested that we give that authority to the President, and let him do it when he pleases to do it. If it be necessary to stabilize the exchange of the world, let us put into the hands of the Secretary of the Treasury $2,000,000,000 in order that that may be done.

Mr. President, it seems to me that we have entered upon a dangerous course. We begun it because of the urgent message of the President which I have read to the Senate, calling attention to the condition of the Nation and the credit of the Nation, and the necessity of doing something like this in order to save that credit. That was followed up by other emergency measures; and we have continued and continued, and we now find that a lot of the things that were called emergencies are to be written into the permanent law of the land, or at least they will be left on the statute books so that it will be the practice and policy of the land in the future.

Having done that, Mr. President, we have now reached another important thing under our Constitution. We have come now to the third article of the Constitution, which relates to the judicial power of the Nation. I desire to read to the Senate what the Senator from Nebraska said yesterday. He referred to a Kentucky case and said that the courts of Kentucky would have decided the case in a certain way, but that it came to the Supreme Court, and the Supreme Court decided it in an entirely different way. Here is what the Senator from Nebraska said with respect to that—

> I will compare the Kentucky view with the Supreme Court view before any honest-minded man and not be afraid of the result of his decision.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Iowa?

Mr. HASTINGS. I yield.

Mr. DICKINSON. Before the Senator gets into the discussion of that case, will the Senator yield in connection with a statement the Senator previously made with reference to the expenditure of money?

Mr. HASTINGS. I yield.

Mr. DICKINSON. The Treasury statement of January 27, 1934, shows a balance on that date of $462,000,000 plus. The Treasury statement of February 1, 1934, shows a Treasury balance of $4,434,000,000 plus. I should like to know whether or not the Senator from Delaware thinks that the Government can just make money grow safely in the Treasury, as is suggested by these figures.

Mr. HASTINGS. I suppose they have written in there what is called the "profit" in devaluing the gold dollar. That is where they get that additional money. But I assume that no person in the land can be deceived thereby. I do not mean by that that any effort has been made to deceive us, but I assume that all persons who are interested in wondering, as every thinking man must be wondering, how we are ever going to pay this debt, must realize that even though it be $4,000,000,000, that is but a small fraction of the great deficit that is being piled up day by day by the Government of the United States.

Mr. DICKINSON. It just seems to me as though the policy of the Treasury is that if you want more fire, you should just cut the log in two, and it will give you more heat. Of course, if they cannot get more heat by cutting the log in two once, I suppose they can cut it in two again and again, and there can be only one result from that.

Mr. LEWIS. Mr. President, may I be permitted by the Senator to make a suggestion?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Illinois?

Mr. HASTINGS. I yield.

Mr. LEWIS. The Senator from Iowa and the Senator from Delaware, both of these eminent Senators, are now declaring against what they feel is the increasing amount of expenditure by the Federal Government. Will the Senator from Iowa and the Senator from Delaware please state how much of this money the State of Iowa has asked for and taken and how much she has appropriated to herself, and how much the State of Delaware has taken to herself, and are the Senators ready to return it to the Treasury?

Mr. HASTINGS. I will answer the question, Mr. President, by saying that the very suggestion of the Senator from Illinois shows how terrible this legislation is. There has been created here the greatest "pork barrel" that has ever been seen in the Government of the United States. Every Senator and every Representative has been put in the position where his people back home say, "We have gotten so much money out of it, and therefore it becomes your duty to sustain it and see that we get that much more out of it." In other words, the State of Illinois and the State of Iowa and the State of Delaware are each doing what they can to grab out of this "pork barrel" all the money they can

get; and I say that is a dangerous situation, because sometime all the States and the people of all the States of this Nation will have to see to it that the money is paid back.

I am surprised at the reason suggested by the Senator from Illinois as to why we should approve this policy. It is the very thing that is being done now. It is the very thing that is going to be urged upon us later in the day by the Senator from Tennessee [Mr. McKELLAR], when he puts before us the $950,000,000 bill. He is going to insist, "Do you not want part of this money? Do you not expect to get your share of this money; and, therefore, what are the people back home going to say to you, if you do not go along and vote with us and put that legislation through?" That is just the sickening part of the whole business.

Mr. LEWIS. I answer, the sickening part of the whole business is the attitude of the eminent Senator from Delaware after Delaware got her share, and after Iowa appropriated hers; and Iowa presented to the world the sickening spectacle of a judge of a court being held up in the street by his own people, forced to his knees in order to surrender the judgment of his sovereign tribunal, and disgrace the whole theory of common justice. Not until Delaware had gone through a very large appropriation on behalf of her people did we hear from either of these eminent Senators their protest. Why not protest before they received their allotment, or why should not their allotment be returned? Why were they so willing to have it, to have their States accept it and now to continue to keep it, and then the eminent Senators complain of it? That, Mr. President, is the sickening spectacle, the utterly disgusting inconsistency of the attitude of eminent Senators on this floor, such as we are witnessing hourly in this present day.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Delaware yield to the Senator from Pennsylvania?

Mr. HASTINGS. I desire, Mr. President, to answer the Senator from Illinois, and then I will yield to the Senator from Pennsylvania. I should like to say that I have the greatest sympathy in the world for the Senator from Illinois——

Mr. LEWIS. He needs none.

Mr. HASTINGS. I appreciate that; but I know that his State does. That is the reason why I expressed my sympathy to the Senator. I know that for years the school teachers of the city of Chicago have not been able to get their pay regularly; I know that the police officers of Chicago have not been able to get their pay regularly; and I have been expecting them to come to the Federal Government and insist that this is one of the things the Federal Government ought to do, under the plea that those people are going hungry and that Illinois and the city of Chicago cannot pay their own debts.

Mr. LEWIS and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Delaware yield?

Mr. HASTINGS. I think I ought to yield again to the Senator from Illinois.

Mr. LEWIS. We did what the Senator has suggested he expected; we came to this tribunal. We presented the facts. I was one of the spokesmen. The school teachers were walking the streets. They were hungry. They fed their little morsel of food to the children under their tutelage, who were likewise starving. They sought some aid from this Government, and under the pretense of one of those technical objections that the Federal Government could not extend and advance its money to municipalities, relief was denied. But in the meantime, to the very large institutions, which were in legitimate distress, aid to the full extent of $3,000,000,000 was advanced, and these very large financial institutions, upon the theory that they were in peril, were provided for within the law. I therefore say to my able friend from Delaware, it was not the miserable only who sought provision. It was the very large and capacious organizations of large financial responsibility which sought the money, and obtained it for legitimate uses, let us say. Therefore these necessities to which the Senator alludes applied very generally in all the States, and to all forms of business, and these have drained from the Government very large sums to provide themselves with. I am unable to say that up to the present time they have been able to pay that money back, and I am able to agree with the Senator from Pennsylvania [Mr. REED], who wishes for a moment to interrogate, when he made the remark from the floor, when the R.F.C. bill was presented to the Senate, that if something were not hastily done a large number of those very capable institutions would pass into the hands of receivers.

I ask my friend, then, Is there any difference in principle between those who were the poor school teachers and those who were in humble circumstances, and who were in distress, seeking the relief, and the large institutions who obtained their relief to rescue them from receivership?

Mr. HASTINGS. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator spoke of the Civil Works appropriation bill which will probably be acted upon today—I hope it will be acted upon today—a bill which, I will say, was reported by the unanimous vote of the Committee on Appropriations, as I recall it. The members of the committee from the Senator's side of the aisle voted for it, as did those from our side of the aisle. Is the Senator going to vote against the Civil Works appropriation bill?

Mr. HASTINGS. I say this to the Senator from Tennessee, if I had made as many speeches on economy as I have heard from the Senator from Tennessee, I think I would vote against the bill, regardless of the effect it might have.

Mr. McKELLAR. But how is the Senator going to vote? Will the Senator answer the question? I will say that I am going to make another speech on economy within a few days, and I invite the Senator to be present, because I am going to have something to say in which I think the Senator will be interested.

Mr. HASTINGS. I shall be interested in it.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New York?

Mr. McKELLAR. Will the Senator from New York wait one minute?

Mr. WAGNER. Certainly.

Mr. McKELLAR. Will not the Senator from New York allow the Senator from Delaware first, to say whether he is going to vote for the Civil Works bill? It seems in some confusion.

Mr. HASTINGS. Who is in some confusion?

Mr. LEWIS. The Senator from Delaware.

Mr. McKELLAR. The Senator from Delaware has not answered the question, and I should like to know whether or not he is going to vote for the Civil Works bill, which he inferentially denounced a moment or two ago.

Mr. HASTINGS. I will give the same answer that I give to all persons who urge me beforehand to vote for bills: I always wait until I hear the speech of the Senator who has the bill in charge before deciding how I shall vote. I am sure after that shall have been done in this instance, I will be able to answer the question, but not before.

Mr. McKELLAR. The Senator did not wait to hear from the Senator from Tennessee, who has the bill referred to in charge, before criticizing it just a moment ago.

Mr. HASTINGS. Oh, well, I may vote for it, but I shall not stop criticizing it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. Just a moment, please. It is not inconsistent to criticize a bill and to vote for it at the same time. I have repeatedly said I agree that no man in this country must be permitted to go hungry, and if it be true that we must furnish the money from the Federal Treasury, I have no complaint about that, but what I do complain about is that the party in power has inaugurated a system of pretending to put 4,000,000 people on the Federal pay roll when half of them are doing nothing that is at all constructive. That is what I am complaining about; I say that is a bad system, and when those in control undertake to "let go of that bear", whoever has charge of it at the time, whoever

has hold of it, will find great difficulty, because the administration is not going to relieve unemployment by putting 4,000,000 people on the C.W.A. pay roll; and the unemployed might just as well so understand. It may be, and I think the chances are that it is true, that the number of Democratic voters in this country will be greatly increased by the C.W.A. program; but it is not the best way to take care of unemployment, and it is not the best way to take care of those who are cold and hungry.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New York?

Mr. HASTINGS. I yield.

Mr. WAGNER. I should like to ask the Senator whether he has in his possession a list of the projects which have been undertaken under the C.W.A. program, which he so severely criticizes as being useless and wasteful work?

Mr. HASTINGS. I have in mind, if the Senator will permit me——

Mr. WAGNER. I should like to have the Senator refer to the record, because generalities do not aid us at all but are apt to mislead. Has the Senator a list of the projects before him for which expenditures are being made and upon which many citizens of our country are employed?

Mr. HASTINGS. Oh, a list of the ones to which I refer is not in existence. Does the Senator think there is any project in the files of the Government authorizing the employment of 50 beauticians, or whatever they may be called, or 50 manicurists down in Georgia who are going around various institutions there painting the faces, washing the hair, and trimming the nails of women confined in those institutions? Does the Senator think he will find on record the project which involves the employment of musicians in Ohio who have been assigned to teach music to various persons in penal institutions there? Does he think that he will find on record the projects in my State under which men are going around trying to eliminate the tick in the woods in January 1934? [Laughter in the galleries.] Does the Senator think he will find anything like that of record?

The PRESIDING OFFICER. The Chair must admonish the occupants of the galleries that they are here by the courtesy of the Senate, and any demonstration of approval or disapproval is absolutely prohibited by the rules of the Senate.

Mr. HASTINGS. I do not say that all the C.W.A. projects are bad.

Mr. WAGNER. Mr. President, I should like to say to the Senator that if they are not a matter of record, then the projects do not exist.

Mr. HASTINGS. All I know is that individuals engaged in such activities are on the Government pay roll, and that is what I am complaining about.

Mr. WAGNER. Does the Senator want people to starve? Is that his idea?

Mr. HASTINGS. No; but I do not want the administration to be pretending to be doing something constructive in the name of charity when it is not constructive. If it is a dole, say it is a dole, and give the unemployed the money to which they are entitled.

Mr. WAGNER. As a matter of fact, I should like to say to the Senator, it is not a dole; and he will find that the projects, if he will take the time to examine the list of them, are very useful, of great social service to the country, and many of them of great service to the communities where they are being carried on. All this talk about wasteful projects is misleading. What would the Senator do for the 15,000,000 people who were unemployed on the 4th of March, the day President Roosevelt was inaugurated? We have at least reduced their number to 6,000,000. Is the Senator opposed to a program which gradually is absorbing the unemployed and putting them back into industry and upon projects which are of great social service to our country? What would the Senator do, or what did the Senator do, may I ask?

Mr. HASTINGS. What I would do in the first place would be to have the Congress of the United States say how it shall be done. I am complaining because we have given up our authority to the Executive. That is the complaint I am making, and the only point I am making in this argument; and, except for the interruptions, that is all I would have said about it.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Kentucky?

Mr. HASTINGS. I yield.

Mr. BARKLEY. The Senator being a part of Congress, what would his plan be? If the Congress had to say where each dollar of this money should be expended and for what projects, what would the Senator's plan be?

Mr. HASTINGS. I am quite certain that I could devise no plan that would be satisfactory to the administration, and I am quite satisfied that it would be useless for me to propose a plan that was not satisfactory to the administration.

Mr. BARKLEY. Therefore the Senator has none?

Mr. HASTINGS. Oh, I am not running this Government; I am only sitting here as one of a small minority in the Senate trying to help the majority run the Government by criticizing wherever I think I ought to criticize what is being done. The criticism I offer now is that the Congress has given up its authority to the Executive of the Nation, a thing that it ought not to have done and a thing that goes a long way toward destroying the Constitution of the United States.

Mr. BARKLEY. The Senator voted for that, I believe?

Mr. HASTINGS. Voted for what?

Mr. BARKLEY. For the appropriation which he is now criticizing.

Mr. HASTINGS. I did not; but I did vote for the economy bill; I did it upon the assumption that we were going to have a billion deficit at the end of the year unless I did so vote, and I was trying to save that deficit. What I am troubled about now is, instead of saving a deficit of a billion dollars, I find the deficit running up to $7,309,000,000, which indicates to me that I made a serious mistake when I voted for the economy bill.

Mr. BARKLEY. The Senator also made a very vigorous denunciation, as I recall, of the National Recovery Act, and then voted for it. Is it his purpose now to make a denunciation of the bill which is soon to come before the Senate and then vote for it?

Mr. HASTINGS. I did not vote for the bill. I wish Senators on the other side would wait until we reach that bill, and then find out what I am going to do about it. We have a bill now pending before the Senate.

Mr. BARKLEY. The Senator brought up this subject before the Civil Works bill is under consideration. He criticizes the program and makes a speech against the bill before it has been taken up.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield further; and if so, to whom?

Mr. HASTINGS. I will not yield further, because the Senator from California is anxious to secure a vote on the pending bill, and I wish to conclude my remarks.

The PRESIDING OFFICER. The Senator from Delaware declines to yield further.

Mr. HASTINGS. Mr. President, I will read from the RECORD an extract from the remarks made yesterday by the Senator from Nebraska, with respect to a case in Kentucky, in connection with which he said:

> I will compare the Kentucky view with the Supreme Court view before any honest-minded man and not be afraid of the result of his decision.
>
> Talk about justice! Those who are talking about getting justice for the poor widows and orphans under this bill ought to go somewhere else than the United States Senate to shed their crocodile tears. Justice! How long will the people of the United States submit to the kind of justice they are getting now and which this bill seeks to remedy? How long are we going to proceed before we realize what is going on over the country, that there is dissatisfaction with the delay in Federal courts, that there is unnecessary expense in the Federal courts? How long are we going to live before we realize the iniquity of these injunctions prohibiting a State from enforcing orders that apply to property within the State? How long are we going to hide our heads in the sand and not know what is actually taking place?
>
> This is one of the elements that enter into the cost of living in every home in the land. In my judgment the time is not far

distant when in one way or another the people are going to stop this duplication of courts, are going to prevent a process by which a corporation may drag some matter out in long litigation, and wear out its opponent with expense and delay. Honest people will not submit much longer to this injustice. They are crying aloud and if we do not hear the cry it will be the worse for us when it gets so loud that it cannot longer be denied.

Then the Senator from Washington [Mr. BONE] interrupted the Senator from Nebraska and referred to certain cases and suggested that the remedy for getting rid of long litigation in connection with public utilities was public ownership. The Senator from Nebraska agreed with that. Well, that brings up a different notion as to the best way to treat public utilities—whether it is best for the Government to own the utilities or for the municipalities to own them or whether they ought to be left in private hands. I have no complaint with anybody who entertains the public-ownership view. I have not any doubt, however, that we are fast approaching it in this country; the Senator from Washington and the Senator from Nebraska both agree that it ought to be brought about; but I want to ask those who care nothing about the Constitution and those who paid no attention to my argument with respect to the unconstitutionality of the gold bill whether or not they are satisfied when the Government shall take over the public utilities to say upon what basis pay shall be made for them? I have no doubt there are some in the United States Senate who are willing to say that when they shall be taken over the President of the United States shall fix the price at so much per unit of horsepower or so much for this particular kind of unit or so much for that, and they would at the same time take away from the persons who own the utilities the right to go into the Federal courts and determine whether or not the property has been taken from them unlawfully.

I have no complaint, I repeat; if the Government wants to take their property, it has a right to take it; but, under our form of government and under the Constitution, which still exists up to this time, in that respect, at least, the Government is compelled to pay just compensation for property so taken. Here in this bill we are undertaking to take away from the Federal courts one power which article III of the Constitution gives them:

> The judicial power shall extend to all cases in law and equity arising under this Constitution.

All of us who have studied any law at all, all thinking people everywhere, have believed that when a question is raised under the Constitution, there is a right to go into the Federal court. If we take that right away because some utility has done somebody wrong, if we take it away because some utility has dragged out litigation in a way that is unjust to someone else, if we take it away from them because we do not like them, then, when next are we going to find some other group that we do not like and take it away from them, too?

So far as I can see—and I am not certain but that the Senator from Nebraska will agree with this suggestion—there is no reason at all why we should not abolish the district and circuit courts of this Nation entirely if we are going to enact legislation such as this, which would deprive the people of the opportunity to have determined a Federal question in the Federal district courts. Why not? Oh, it is argued—and so far as I know it is true—the Congress can abolish every one of the Federal courts except the Supreme Court of the United States.

The Senator from Nebraska says he is tired of duplication of courts; and, so far as I know, he may be right, and it might work all right. If it is desired to get rid of the Constitution, if there is no regard for it, if there is no regard for article III, then wipe it out entirely and leave only the Supreme Court of the United States. When that shall be done, let every State court decide for itself whether it is against or with the Constitution of the United States. Let there be a decision in Delaware of one kind, a decision in Rhode Island of another kind, and a decision in Nebraska of another kind, so that nobody will be compelled to follow anybody else. That is what will happen when, in order to get rid of the district court and the circuit court of the United States, we shall eliminate and do away with a very important part of the Constitution.

I ask the Senator from California to pardon me for delaying his measure sufficiently long to make these remarks; but the point I am making, and the only point I make, is that what we have done during the past 11 months is, for all practical purposes, to do away with the legislative branch of the Government. That is what I am afraid of here. My State in its whole history has had but one rate case. I happened to be on the side of the people in that case and not on the side of the utilities. I have absolutely no interest in the utilities; I would not stand here and defend the utilities; but so long as I am here I do expect to stand and defend, so far as I am able, the Constitution of the United States, which, from my point of view, it is exceedingly important to preserve in order that the poor man as well as the wealthy may be protected in this land of ours. That is what I am begging for, and I am afraid this is the first knock at the door.

This is the first attack so far as this particular article is concerned. Here is where we began to chip at the foundation, and when we get through with this somebody else will knock at another stone and somebody else will knock at another, and after a while we will find the third article of the Constitution falling and the people will have no protection. I do not care whether it be widows or whether it be orphans, I do not care whether it be the rich or whether it be the poor, we all would like to know that that living instrument still is there for our protection, and when we do know it I think we will be able to sleep more soundly and the country will be able better to get back on its feet and to go its proud way, as it has gone for 150 years.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New York?

Mr. HASTINGS. I yield.

Mr. WAGNER. The Senator stressed the point that there ought to be review by the Federal court of a Federal question. As I understand the legislation, after the remedies have been exhausted within the State through to the highest State court, if a Federal question or constitutional question is involved, the litigant still has review in the United States Supreme Court of the decision of the highest State court.

Mr. HASTINGS. Nobody complains that he does not.

Mr. WAGNER. Then I cannot see the point of the complaint.

Mr. HASTINGS. Let me explain further to the Senator from New York. I have in mind two kinds of commissioners in this land of ours. It is frequently charged and probably it is true that some of the utility commissioners are controlled by large utilities. We have had it charged upon this floor time and again, and I have no doubt that they at least have some influence in some places. But I ask the Senator to compare that with what the RECORD shows, as read into it yesterday by the Senator from Rhode Island [Mr. HEBERT], as to what happened in Georgia where the Governor has dismissed the whole commission and appointed an entirely new commission, where the new commission has reduced the rates and where the Governor has openly stated that he calls upon the people of the State to oust from office any judge of a State court who undertakes to enjoin the putting into effect of those reduced rates, regardless of whether they be confiscatory or whether they be not.

That is what I am afraid of, and I ask whether or not that is just about as dangerous, if not a little more so, as it is to take the chance of some great utility controlling the Commission. That is the situation. We immediately get the whole business into politics—the commission, the judges, the Governor, all working the same way for a people who think, as they always think, they are paying too much to the utility.

In further answering, specifically, the Senator from New York, let me say this: Suppose tomorrow a commission should reduce the rate in the particular instance 50 percent

of what it is now. When the bill goes into effect, if it takes so long to get a decision as it did in the Montana case which the Senator from Nebraska talked about yesterday, in the meantime the utility has absolutely no remedy. It is compelled to go on. It is compelled to give the service at 50 percent of the original rate it charged, and if that 50 percent be confiscatory, there is no way for it to find out until it reaches the Supreme Court. Under the theory of the bill, as I understand it, it cannot reach the Supreme Court until it has passed through all the State courts.

Does that answer the Senator's question? It has just been suggested to me by one of my colleagues interested in the bill that by that time a great part of the damage would have been done.

Mr. WAGNER. I am still curious to know why the Senator protests so much. We trust our State administration of justice and our State courts upon all other matters, so far as I know, which involve the interpretation or the construction of the State statutes. Why, in this case, because public utilities are involved, there ought to be a distinction made, is what puzzles me.

I might say to the Senator that in New York the people strongly favor the legislation because we have seen there the other side of the matter, where our State commissions were temporarily frustrated in their efforts to reduce rates by reason of the fact that the public utility applied in the Federal court for an injunction. Fortunately, in the case I have in mind, the United States Supreme Court finally decided in favor of the State commission and said that the original injunction should never have been issued. I think most of the abuse, if one abuse is weighed against the other, exists contrary to the point of view the Senator has stressed.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr. AUSTIN. Mr. President, I propose the following amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Vermont proposes an amendment, which the clerk will read.

The CHIEF CLERK. On page 2, line 10, after the word "State", it is proposed to insert the following:

Which remedy includes the right of such public utility to a stay of such order pending final adjudication as to the repugnance of such order to the Constitution of the United States.

CROP PRODUCTION AND HARVESTING LOANS

Mr. SMITH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives which came over on yesterday.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1975) to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes.

Mr. SMITH. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. CONNALLY. Mr. President, is this the so-called "crop-production loan bill"?

Mr. SMITH. Yes.

Mr. CONNALLY. Is the amendment very serious?

Mr. SMITH. Very serious.

Mr. CONNALLY. Do I understand that there is a difference of $10,000,000?

Mr. SMITH. A difference of $9,000,000.

Mr. CONNALLY. I have no objection to the Senator's request, then.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina that the Senate disagree to the amendments of the House, ask for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SMITH, Mr. THOMAS of Oklahoma, and Mr. NORRIS conferees on the part of the Senate.

Mr. ROBINSON of Indiana. Mr. President, I have no desire to delay a vote on the pending measure. In fact, I am anxious to expedite the matter, because I am in entire sympathy with the bill and am supporting it.

In connection with what has been said today, however, I feel it necessary, even though it delay a vote on the pending bill for a few minutes, to submit an observation along the line of how this vast amount of money belonging to the American people is being spent. That a very large portion of it since last March 4 has been expended in creating a tremendous bureaucracy there can be no doubt in the world, and this notwithstanding the fact that the people of the country were given to understand in the platform of the Democratic Party in 1932 that Federal expenditures would be sharply curtailed.

In the face of the pledges made we have nevertheless builded up in the last 10 months in the United States a bureaucracy which makes all other the world has ever known pale into insignificance. At least 37 new bureaus have been established since last March 4. Forty thousand new employees, up until December 1 last, have been added to the Federal pay rolls. All managed to escape competitive civil-service examination. The added cost of running the Government because of this tremendous bureaucracy that has been built up is more than $5,000,000 a month for pay roll alone.

Let me read from the Democratic platform of 1932 the following plank:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make as zealous effort to achieve a proportionate result.

As most Members of Congress believed, in order to carry out that plank in the platform, the President advocated legislation here last year which became known as the economy act, suggesting drastic reductions in expenditures. The Congress, to its everlasting shame, driven by the lash of the Chief Executive, passed that unjust, unfair, and utterly brutal measure.

Just this morning I received a letter from Texas with which was enclosed a newspaper clipping from the Houston Press, under a Texarkana date line of February 1, which tells graphically what has happened under that law. Permit me to read it:

[From the Houston Press, Feb. 1, 1934]

VETERAN STARVES TO DEATH IN TEXARKANA—WAS LOPPED FROM COMPENSATION ROLLS BY ECONOMY ACT

TEXARKANA, February 1.—Deprived of war veterans' compensation under terms of the Economy Act, T. M. Baughman, attorney, starved to death, according to American Legion members who investigated his case and buried him here yesterday.

Voluntary contributions today supplied food for his widow and three small children who were found late yesterday crying over his body at their modest home, in freezing weather, without water, lights, fuel, or food.

Baughman, struck by a shrapnel shell during the war, was rated as 90 percent disabled, but was removed from compensation rolls last September under the Economy Act. He was entitled to Federal hospitalization for tuberculosis, but Legion members said he starved to death before Government red tape permitted action on his application.

Baughman, educated at Vanderbilt University, came here last year from Tulsa, Okla.

Mr. President, that is just one of untold thousands of instances telling the sad story of the so-called "Economy Act."

On June 22, last, in the House of Representatives, the majority floor leader undertook to sum up the accomplishments of the Administration, and the legislation that had been enacted. I quote from his speech of that day in the House the following:

In the short space of 3½ months it—

Referring to the Congress—

enacted 12 major constructive measures and passed legislation which enabled the President, by bringing about economies in governmental expenditures, to balance the Budget for the first time in several years.

To balance the Budget. As recently as last June the majority floor leader in the House of Representatives insisted on telling the American people that the Budget was balanced by this administration.

Finally, on the subject of economy, he used this language:

As a result of the passage of the Economy Act and through the reorganization of the various departments and bureaus of the Government, to eliminate waste, duplication of effort, and to abolish unnecessary Federal activities, it is estimated that the cost of the Federal Government will be reduced $1,000,000,000 during the next fiscal year. This is about 25 percent of the total cost of the Federal Government and therefore is in strict fulfillment of the pledge contained in the Democratic platform adopted at Chicago last year to reduce the cost of the National Government by one fourth.

Mr. President, I read these statements merely for what they may be worth in connection with the mad spending program that was going on even then, and has continued right up to the present time.

I am concerned, and I suppose every American citizen is seriously concerned, about the growth of bureaucracy in this country. When a bureau is established at enormous cost it apparently becomes a fixture and is grafted into our system of government so that we become more and more a Nation governed by bureaucrats. They are responsible to nobody, recognize no responsibility to the people, and when the effort is made to dislodge them from office they manage somehow or other to exert influence making that impossible.

In the February number of The Forum appears an article entitled "Our New System of Bureaucracy", written by Lawrence Sullivan. I should like to quote to some extent from this article, and then, at the conclusion of my remarks, have it incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, the entire article will be printed in the RECORD at the conclusion of the Senator's address.

(See exhibit A.)

Mr. ROBINSON of Indiana. The writer of this article suggests that a revolution has been going on in Washington, but that editors ignored the word "revolution" for a time.

But when, in June, the Treasury announced the "conversion factor" for pretzels and zwieback, the headline writers let go, too. Revolution it was.

But he questions the word "revolution" to some degree, or at any rate he asks the question:

Or have we merely added 37 emergency cubits to the old structure as the Navy adds protective "blisters" to its old battleships? Who are the 40,000 new employees added to the Federal pay roll since last March? And how did all manage to escape competitive civil-service examinations?

Mr. President, the civil-service system in this country has been prostituted under the present administration. I think there can be no question about that, and I will give some reasons for the statement in a moment or two. But this article continues:

In the name of economy some 12,000 men and women have been swept from the civil-service classification rolls. But a few more than 40,000 deserving citizens have been added to those patronage rolls which by congressional enactment or Presidential Executive order are specifically exempted from all civil-service regulations.

In other words, we have faithful, loyal employees of the Government who have passed civil-service examinations in order to gain employment in the public service; and after years of faithful public service, having gained experience making them more valuable for the public work they are called upon to do, 12,000 of them are kicked out of the service completely to make way for an equal number of those who have political influence, who are not required to pass any examination of any kind, and because of their former environment in life are not and cannot be anywhere near so well qualified for that kind of work as those who were displaced.

Then an additional 28,000 are given places in these 37 new bureaus that have been created.

I mentioned awhile ago that the added cost to the American people is $5,000,000 a month in pay roll alone. Is it any wonder that the Budget is facing a deficit of approximately $8,000,000,000 within the next year or so? And, as my good friend from Ohio [Mr. FESS], said awhile ago, it will run as high as $9,000,000,000, beyond any doubt, this year.

Mr. President, is it any wonder that some of us question the good faith of the Executive in sending a message to Congress last March insisting that rigid economy be practiced by the Government to such an extent that the Budget would be balanced, and that there would be a saving of a billion dollars a year in the cost of conducting the Government? Now it develops that there was not only not an additional saving of a billion dollars annually but in less than 12 months this administration has plunged the Government into debt to such an extent, by this wild spending orgy and the creation of this enormous number of new bureaus, by foisting this new system of bureaucracy on the American people, that a deficit is faced of close to $10,000,000,000.

What are some of the new bureaus that have been added?

The H.O.L.C., Home Owners' Loan Corporation, employs 13,748 persons on its pay roll.

The F.C.A., Farm Credit Administration, has a pay roll of 6,769.

The A.A.A., Agricultural Adjustment Administration, 4,076.

The F.D.I.C., Federal Deposit Insurance Corporation, 1,614.

The N.R.A., National Recovery Administration, 1,922.

The P.W.A., Public Works Administration, 1,764.

The T.V.A., Tennessee Valley Authority, 934.

Total, 30,827.

Mr. President, these persons have all been employed since last March 4, when the pledge was made to the Congress and to the American people that a billion dollars annually would be saved in the cost of running the Government. These are enormous bureaus that have been established in less than 12 months' time, now constituting, with the bureaus we had before, a bureaucracy the like of which the world has never known.

Nor is this the alphabetical half of it.

The article continues.

The Federal Emergency Relief Administration, which has been doling out approximately $50,000,000 a month since last May, has 150 people on its Washington administrative staff; the Federal Coordinator of Transportation employs 94; the Civilian Conservation Corps engages 109 officials and clerks and more than 1,000 Army and Navy officers and carries a monthly average of approximately 314,000 on its forestry pay roll.

That is, for planting trees.

In the Federal Trade Commission, the new unit which administers the Securities Act employs 87 persons. And the new United States Employment Service has 437 in the recovery vineyards. There remain, then, the Central Statistical Board, the F.C.C., N.L.B., C.F.C., P.A.B., F.C.W.A., R.C.A., F.H.C., S.E.S., S.H.D., P.L.P.B., D.L.B., B.A.P.C., N.P.B. Each of these agencies employs from 10 to 50 persons.

Mr. LONG. Mr. President, did the Senator get the G.I.N. in there? [Laughter.]

Mr. ROBINSON of Indiana. There are quite a few of them that I did not get in. And, Mr. President, as of December—this is not up to date; new bureaus are apparently being created every day; new ones have been created since December 1—but—

As of December, all were less than 7 months old. Eight had been in existence less than 1 month. Four were created in the last half of November.

Mr. FESS. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. FESS. Will the Senator permit me to give a concrete example of how the pay roll is increasing?

Mr. ROBINSON of Indiana. I shall be glad to have the Senator do so.

Mr. FESS. In a typical city of Ohio of 7,000 population, the community-chest movement up to this year always took care of all the people in need by voluntary contributions,

and by loaning or renting free headquarters, costing nobody anything; and all the service was voluntary, except that the town employed one clerk at $40 a month to keep the books and to see that everything was regular.

This year the Federal Government comes to this city. The director sent there is on a salary of $150 a month. He has an immediate assistant at $90 a month, and the clerical assistance amounts to $320 a month, paid out of Washington to take care of the people that heretofore the locality took care of, to say nothing about the rent. Now, with the Government taking charge of the work, the Government pays rent for headquarters. Heretofore it was contributed. Here is a population that heretofore has always taken care of itself, now being taken care of at a cost for clerical force of $320 a month, to say nothing about the rental, and the locality not doing anything special because the Government is doing it. That is a typical case of how the employment roll is increasing.

Mr. ROBINSON of Indiana. That is a very illuminating instance, Mr. President, and I thank the Senator for suggesting it.

Mr. SCHALL. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. ROBINSON of Indiana. I yield.

Mr. SCHALL. I desire to ask the Senator from Indiana whether he has heard of the alphabetical description that John Simpson, a great friend of the farmer, gives to this administration? He entitles it, "D.B.D.—drink, borrow, and destroy."

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. ROBINSON of Indiana. I yield.

Mr. BARKLEY. I should like to inquire of the Senator from Ohio whether the typical city of which he speaks made representations to the Federal Government that they were not in a position to take care of their people at home.

Mr. FESS. I do not have any information concerning that, but I should not be surprised if such a representation has been made.

Mr. BARKLEY. If there is criticism to be leveled at anybody on account of that situation, which government entity should bear the greatest portion of the criticism—the local government, which represented that it could not take care of its own unemployed, or the Federal Government, which seeks to do it?

Mr. FESS. If the Senator from Indiana will permit me to reply to the Senator from Kentucky——

Mr. ROBINSON of Indiana. I yield.

Mr. FESS. I will say that the city of Cleveland answered that question a year ago, when a Senator from this body sent out a questionnaire to the mayors of all the leading cities of the country asking whether they would like to have funds from the Federal Government to take care of their unemployed. The majority of the cities replied: "We do not think that is a wise course; but if the Government is entering upon that sort of work, we want our share." And since the Government entered upon this system of putting people on a dole, every city has been asking the Government to do what the city ought to do. It is no answer, I would say to the Senator from Kentucky, to say that the relief is extended because the people have asked for it. Of course they will ask for it.

Mr. BARKLEY. I realize that, theoretically, that may be true, but does not the Senator from Ohio recognize the fact that on account of the limitation of the State constitutions in many of our States, not only as to the matter of taxation, but the matter of bond issues to borrow money, that legally many cities in this country were not and are not in a position to raise the funds either by increase in taxes or by borrowing the money, and that the process of amending the Constitution to permit that was such an interminable process that it was hopeless to attempt it.

Mr. FESS. If the Senator from Indiana will permit me, I will say to the Senator from Kentucky that that statement is true, that the cities are representing themselves as unable to carry on these activities. The difficulty, I would say to my friend, is that if the Government proceeds on the course it is now following, it will very soon reach the place the city itself has reached, so that we will all go down in a mess together.

Mr. BARKLEY. I hope we may never reach that point.

Mr. FESS. I hope so.

Mr. ROBINSON of Indiana. Mr. President, allow me to quote further:

> Closely coordinated with this unprecedented expansion of the Federal bureaucracy runs the challenging new policy in personnel administration, inaugurated under the direction of Postmaster General James A. Farley—a policy which veers sharply from the merit system established with the United States Civil Service Commission in 1883.
>
> In all the new agencies, employment is specifically exempted from the three basic principles of the civil-service code—competitive examinations, dismissal for cause only, and promotion by efficiency ratings.

In other words, Mr. President, under the system inaugurated by the Postmaster General, who is also the generalissimo of all of the Democratic forces of the country, the Democratic national chairman, the Democratic State chairman of the State of New York, the all-high dispenser of patronage, it is not necessary to have any special merit or to take any examination of any kind under the Civil Service. The question is entirely one, not of fitness, but of loyalty, evidently, to the powers that be.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Tennessee?

Mr. ROBINSON of Indiana. I yield.

Mr. McKELLAR. The Senator left out one title belonging to Mr. Farley. He also is the dismisser of corrupt employees whom he inherited in the Post Office Department.

Mr. ROBINSON of Indiana. Yes; and also, Mr. President, dismissers of Senators and Representatives in Congress if they refuse to obey the will of the high command.

Mr. McKELLAR. Oh, no. The Senator is mistaken. There have been no Senators or Representatives dismissed, none at all.

Mr. ROBINSON of Indiana. I should like to read to the Senator for his especial benefit along that line from an editorial that appeared in the Washington Herald of February 2 on Political Intimidation. Allow me to quote:

> It is perhaps unkind, as well as unnecessary, to subject the occasional addresses of Postmaster General Farley to a critical examination.
>
> It is not as an orator that he stands before the people, nor as an authority in economics or monetary science. He is not associated in the public mind with any of the measures which constitute the new deal.
>
> But when, as in his address at the opening of the Cleveland Automobile Show, he ventures to warn Members of Congress who may be guilty of any display of independence that they are liable to lose their positions in punishment for such rashness and disrespect to the President, he finds himself very much in the public's attention—inviting and receiving its prompt rebuke.
>
> "Perhaps," says Mr. Farley, "some of the public works that are being executed under the new dispensation are not urgently necessary."

He makes that concession. Then the editorial continues:

> May it not be quite within the right, even the duty, of a Congressman who shares this view to express it?
>
> Mr. Farley describes the voices which speak in criticism of some of the President's recommendations as coming from "crusted old standpatters who still talk and think in archaic and worn-out terms, men who know nothing, but quibble and grumble in dull partisanship and creak their ancient party opposition to whatever is being offered."
>
> This is a highly rhetorical and rather turgid way in which to describe honest dissent which proceeds from men high in the President's party, such as Senator GLASS, of Virginia, whose hold upon the respect and regard of the country Mr. Farley will find it difficult to shake.
>
> Conceding that there are opposing schools of thought concerning the President's course on gold, Mr. Farley says the President adheres to neither school.
>
> In such a situation it would seem that outspoken expression by Members of Congress who are not so neutral, but have reasoned

convictions on the subject, would be welcomed, rather than used as a peg on which to hang Mr. Farley's threat that such men are liable to come up missing after the congressional elections next fall.

Is not this the height of arrogance and dangerously undemocratic?

Despotism has certainly arrived when a Congressman is to be penalized for expressing his honest convictions and voting for what, according to his belief, is for the best interests of the public.

The fate which the National Chairman-Postmaster General foresees for the conscientious members of his party, and against which he warns them, may, as a matter of fact, be hanging over his own head.

A party leader who is so deficient in vision and gives himself over to so narrow and vindictive a conception of party duty may find himself numbered among the missing when once the voters have a chance to express themselves.

Americans are not yet ready to abandon the historic principles of free speech and independent action.

They are not ready to abandon the Republic and substitute government by intimidation.

In other words, Mr. Farley undertakes to say to the Senator from Tennessee—and he says it not at a political meeting, but he says it at a nonpartisan affair in Cleveland—that if the Senator from Tennessee does not vote according to his master's command he will be found missing the next time he runs for office. That is what he says. Of course, the Senator knows more about his power in Tennessee than I do.

Mr. McKELLAR. Mr. President, I will not discuss that, but I desire to ask the Senator from Indiana a question. He is inveighing against the Public Works Administration.

Mr. ROBINSON of Indiana. Oh, no, Mr. President.

Mr. McKELLAR. Would the Senator prefer to have the men being assisted by the C.W.A. roaming the streets unemployed, as they were during the 4 years of Mr. Hoover's administration, or would he rather have them put to work under the C.W.A.? Will the Senator answer the question?

Mr. ROBINSON of Indiana. Mr. President, I do not know yet whether I should prefer to have the problem handled as at present or in the other way. From all I can learn from all over the United States, it seems that the whole C.W.A. system is becoming involved in graft and in political preference so far as employment is concerned; that the poor and the needy are lost sight of completely.

Mr. McKELLAR. The bill to which reference has been made is coming up to be voted upon in a little while. Is the Senator from Indiana going to vote for the C.W.A. appropriation or against it?

Mr. ROBINSON of Indiana. That is the same question that the Senator asked of the Senator from Delaware.

Mr. McKELLAR. Yes. I ask the same question of the Senator from Indiana.

Mr. ROBINSON of Indiana. I am not certain, Mr. President, whether I shall vote for it or against it. I want to ask the Senator from Tennessee in his own time some questions about what is proposed to be done with the money, and then I shall be prepared to answer his question as to whether I shall vote for it. If the money is to be paid to politicians all over the country, and if pay is to be duplicated, and one man is to draw pay three or four times in the name of an alleged character who does not exist or who has been buried and now is in his grave, if that sort of petty larceny and petty graft is to go on, if this fund is to be spent in that way, I should certainly vote against extending it. That is my answer to the Senator.

Mr. McKELLAR. Of course, no one is going to expend money that way, and the Senator knows it. Let me say to the Senator that we will see how he votes in a few minutes.

Mr. ROBINSON of Indiana. Permit me to read to the Senator, then, an article which must have escaped his own attention. I read from the Washington Star of Friday, February 2, an article by Paul Mallon:

Even Mr. Roosevelt's most ardent admirers cannot quite stand the C.W.A.

Administration inner circles gently grasp their noses now when anyone mentions it. Their descriptions of it run from "bad" to "awful." It has become the common curbstone joke of the Capital. Complaints continue to pour in on Mr. Roosevelt's desk.

I read also from an article appearing in the Crawfordsville Journal and Review, from my own State:

POLITICS THREATENS C.W.A. SUCCESS

There is something rather ominous about all these reports of graft and double dealing in operations of the C.W.A.

They have been wide-spread enough to cause Department of Justice agents to get busy, and the story they tell isn't a pretty one.

I ask the Senator from Tennessee to be good enough to listen to some of the things that are going on in the C.W.A., about which he interrogated me.

Public officials in some localities calmly have put themselves on the C.W.A. pay rolls; in others they have connived at a racket whereby C.W.A. men had to fork over part of their pay; in others they have passed out jobs precisely as a rapacious city machine hands out plums at the city hall.

Part of this is due to local political conditions, and part of it may be due to the Federal administration's failure to proceed sharply enough against the spoils system. There still are too many men who see in Government jobs only a new opportunity to reward deserving party workers.

But, whatever the cause of it, the net effect is to raise grave doubts about the working out of the vast programs now being put into effect at Washington.

We don't know yet how far some of these programs are going to go or how long they are going to last. Many people are convinced that some, at least, of these Government projects are profoundly unwise and ought to be abandoned.

But however opinion may run in those respects, one thing is obvious: Since we are more or less committed to a trial of a vast extension of activity by the central government, that trial ought to be as businesslike and straightforward as is humanly possible.

If it fails, it ought to fail because of its own inherent contradictions and not because of political ineptitude.

What we are getting now is a discomforting hint that our political machinery is not robust enough to carry the load. If ugly graft, favoritism, self-seeking, and plain, everyday inefficiency cannot be kept out of the operation of these projects, they have small chance of succeeding.

No chain is any stronger than its weakest link. It is beginning to look as if the ordinary variety of politics is the weak link in the chain upon which the administration's experiments are pulling. If that link gives way, the experiments are very apt to flop.

Unless we can root political slefishness, stupidity, and chicanery out of such activities as the C.W.A., we will lose our chance to test those activities upon their merits.

Mr. President, just the other day Mr. Hopkins himself, the Administrator of the C.W.A., said it was reeking with graft, filled with graft, and that he was utterly discouraged with it all. Does the Senator ask me whether I would vote to continue any such program as that?

Mr. President, I quote further from this article on the civil service. I mentioned a moment ago that in all these new bureaus, these new agencies of Government, more than 37 of them erected by this administration from March 4 last until the 1st of December, employment was specifically exempted from the three basic principles of the civil-service code; that is, appointees did not have to take competitive examinations; employees could be dismissed for any cause, and there was no necessity for efficiency ratings in making promotions. The article continues:

By various parliamentary maneuvers the same result was achieved in every other bill creating a new administrative agency.

Nor has the sabotage of the merit system been limited to the new agencies. The National Civil Service Reform League reported on November 15 that it had twice requested information from the Post Office Department as to the number of postmasters dismissed since March, before the expiration of their appointed terms. In each instance the Post Office Department replied that the figures were not available.

"We have received numerous complaints of Presidential postmasters being asked to resign before the expiration of their terms of office and being succeeded by acting postmasters, for obviously political reasons", this report ran.

Mr. President, this is not a political charge. The article states:

Such charges from a mere partisan well might be dismissed as political froth. But the National Civil Service Reform League has been a going concern since 1881. Its national campaign mobilized public sentiment behind the Pendleton Act of 1883, which created the Civil Service Commission. Among its directing vice presidents today are James R. Angell, Newton D. Baker, Charles G. Dawes, William Cabell Bruce, A. Lawrence Lowell, Franklin MacVeagh, and Ogden H. Hammond.

"One common and recurring complaint", the league's report continued, "is that efficiency ratings have been juggled, so that when reductions in force become necessary those employees not persona grata may be removed, even though years longer in the service than employees retained."

Mr. McKELLAR. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Tennessee?

Mr. ROBINSON of Indiana. Yes; I yield.

Mr. McKELLAR. I have been informed that a few moments ago the Senator referred to a statement of Mr. Hopkins to the effect that the C.W.A. was reeking with graft. Am I correctly informed that the Senator used that language?

Mr. ROBINSON of Indiana. I was using my own language, but trying to say in substance what I understood or read Mr. Hopkins had said.

Mr. McKELLAR. I believe the Senator, having quoted Mr. Hopkins, thinks he is an honorable, truthful man and so esteems him, I am sure.

Mr. ROBINSON of Indiana. I recognize thoroughly that in attempting to quote a document of any kind from memory it is very easy to make mistakes in connection with it, but substantially that is, as I recollect, what Mr. Hopkins said.

Mr. McKELLAR. Very well. I have before me the testimony of Mr. Hopkins taken before the committee, and here is what Mr. Hopkins has said about it:

There has been a great deal of talk in the newspapers about graft in the C.W.A. With over 4,000,000 men employed in the C.W.A., 14 people have been arrested in the United States, as far as we can determine.

Senator COPELAND. Out of how many employed?

Mr. HOPKINS. Out of over 4,000,000.

These people have been arrested for charges like this:

In the District of Columbia, two men were arrested who were charged with larceny by trick, attempting to persuade workers to pay money to retain their jobs.

In California, two women were arrested charged with accepting brokerage fees in return for work orders to truck owners.

In Indiana—

I believe the Senator comes from Indiana.

In Indiana two men were arrested, one because he kicked-back half his wages to the man who got him the job.

In Kentucky a man was arrested for making false claims on a pay roll.

In Kentucky a man was arrested for making false claims against the Government.

In New Jersey a disbursing officer was arrested because he paid himself a check after he was fired.

In New York two C.W.A. employees were arrested for selling policy slips and low-grade liquor to their fellow workers.

Senator BYRNES. Apparently it was the low grade that made the trouble. [Laughter.]

Mr. HOPKINS. Yes.

Senator DICKINSON. That was in New York, as I understood?

Mr. HOPKINS. That was in the Senator's State.

In Texas a man was arrested, charged with larceny.

Senator COPELAND. There is no low-grade whisky in Texas.

Mr. HOPKINS. In Salt Lake City three men were charged with conspiracy to defraud the Government. One man received 3 work cards to go to work and sold 2 of them.

That is the extent of the arrests made throughout the United States.

I want to say for Mr. Hopkins, as this testimony shows, that he is an honest, faithful, hard-working, intelligent man, who is doing a splendid job, and when he finds men under him grafting in any form, he is taking the proper steps, such as having them indicted and tried and convicted for their crimes or misdemeanors. That is the kind of a man we ought to have in charge of a work of this kind.

I wish to say further that I agree with the statement that is made by Mr. Hopkins in his testimony, namely, that there is a great deal of talk, but derelictions have been comparatively few; indeed, perhaps in no other branch of the Government and perhaps in no other branch of life where an equal number of men are concerned and in employment has there been so little graft as in this department. The Senator quoted Mr. Hopkins as saying that the C.W.A. was reeking with fraud and graft. Here is the statement of Mr. Hopkins, in which he upholds all the steps being taken against grafters. As the Senator from New York [Mr. WAGNER] suggests to me, not only is this an organization under which 4,000,000 men are employed but it has $700,000,000 at its disposal, which is being paid out by this faithful officer of the Government.

Mr. BORAH. Mr. President——

Mr. ROBINSON of Indiana. I yield to the Senator from Idaho.

Mr. BORAH. I think everyone who knows Mr. Hopkins and is familiar with his work will agree with the eulogy which the Senator from Tennessee has passed on him, if I may use that term. I think Mr. Hopkins is efficient, and he is honest, and he is one man around whose office red tape is not to be found within a mile. However, Mr. Hopkins was quoted in the newspapers some time ago as saying that there was favoritism and misuse of funds and graft widespread in the work. The statement which the Senator from Tennessee has read, of course, is a wholly different statement, but the statement which Mr. Hopkins was quoted as making is in my possession, and having been made by Mr. Hopkins, who I believe to be thoroughly honest and thoroughly efficient, I thought it was a very serious matter.

Mr. McKELLAR. Mr. President, if the Senator will allow me to quote a little further from Mr. Hopkins, here is what he says about it. I did not see the statement in the newspapers to which the Senator from Indiana and the Senator from Idaho have referred but here is what Mr. Hopkins said about it on last Saturday:

Mr. Hopkins, are you satisfied—

And this was an interrogatory addressed to him by Senator NYE:

Senator NYE. Mr. Hopkins, are you satisfied that you have a full and complete accounting, up to this time, of the arrests that have been made?

Mr. HOPKINS. This was up to last week. These are not all the people that have been charged with doing things. There have been other charges.

The thing I want to say is this: Every time we have heard of any man chiseling on this thing, we have gone after it at once. From the day this thing started we have had our own investigating staff scattered throughout the United States watching this thing. It is my policy, whenever anybody gets caught or whenever the evidence is substantial that he did it, to fire him and prosecute him. I do not believe in anybody's having anything to do with taking any of this money illegitimately under any circumstances; and one of the reasons why this has made such a "hullabaloo", I believe, throughout the country, has been because of our attitude in this regard.

Senator ADAMS. Your policy has been to expose graft; not to conceal it.

Mr. HOPKINS. I am perfectly frank to say that when this enterprise was started it did not occur to me that people would do this kind of petty chiseling. I do not like this kind of petty chiseling. We discharged a whole State administration the other day because one of its members sat on a commission and approved a project in which he got a fee from another source—not a Federal source—but in which he took a fee. I do not like that kind of business. I do not like the ethics that go with that.

We are now investigating many charges. We investigate them all. Of the charges we get, I suppose 49 out of 50 are charges of political interference. Those charges come from all groups and all parts of the country.

Personally I am not terribly disturbed about the charges of political interference. There has undoubtedly been some; but political interference does not hold up a project. The charge is made that Democrats or Republicans get all the good jobs or that a Democrat or a Republican cannot get a job. Nine tenths of those are inherent in the fact that when a man does not get a job on civil works he wants to blame somebody for it.

I do not mean to say that there has not been politics in this. I was asked the other day if I would not issue an order that everybody running for office should be refused a place on a Civil Works Administration. I do not believe in that. I do not see why a free American citizen cannot run for office whenever he pleases. They should not abuse their position of running for office to take advantage of our work, however. I have been unwilling to issue an order saying that a public official cannot sit on one of our Civil Works boards.

We have been asked to do it repeatedly—to prohibit probate judges, for instance, and members of boards of supervisors and mayors and other city officials from sitting on our Civil Works boards; but it seems to me, in the type of government we have, that that is an affront to all public service. So I have no intention of issuing an order saying that merely because a man runs for office he cannot take part in our enterprise. I have in the past, and I will again, fire anybody who uses his political office to the disadvantage of the Civil Works enterprise. But when you think of the whole country and the enormity of this enterprise, it is amazing how little of it there has been; and, in the main, throughout the country the people who are known as "politicians" have cooperated in this enterprise, have moved it along, and pushed it and shoved it.

These things disturb me. I must admit that I do not like this business of people's getting into this money of ours; but in comparison with the whole job it is infinitesimal—infinitesimal.

"Infinitesimal"; that is what Mr. Hopkins has to say about it, and, in my judgment, that is the truth about it. Of course, with such an enormous enterprise, spending $700,000,000 and employing 4,000,000 men, there must be here and there derelictions on the part of those who work under the C.W.A., and possibly sometimes on the part of some of those who administer it; but, taking it by and large, it has been a clean job; it has been an honest job; it has been a job that was absolutely necessary to the American people; and I believe it has been infinitely better to have carried out the program of the C.W.A. than to have allowed men to roam the country unemployed as they have been doing for a number of years past.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Indiana yield to the Senator from Louisiana?

Mr. ROBINSON of Indiana. I yield.

Mr. LONG. I voted for the C.W.A. I am not asking a question, and I hope my interruption will not be objected to, because I have to go to a committee meeting. I voted for the C.W.A., and I am going to vote for it again. I am going to vote for the highest appropriation recommended from any responsible source. I think it is much preferable that we should have people working under the C.W.A. than to have the starvation which would be had without it.

However, neither Mr. Hopkins nor any other man under the system set up can get anything like reasonable value for the money that is being expended, nor can we ever expect to keep down rampant graft and favoritism, which everybody knows and which Mr. Hopkins admits exists in the administration of this law. What could have been done handsomely would have been for the Government to have authorized the project to be let to the low bidder and to have set the standard of hours it might have desired, which would have meant that we would have had the low bidder operating at a reasonable profit and would have had ample employment at a reasonable rate of pay.

This expenditure is like taking out money and throwing it to the hogs in the woods, like we, down in our country, throw out corn. Down in my country we always kill the hogs in the wintertime after they have eaten the acorns in the woods. In the summertime we throw them a little corn to keep them through the summer. But if we went out and threw corn to them in the wintertime they would get so they would not even look in a ditch for a crawfish. Indeed, they would hardly go out and look for an acorn in the wintertime if we fed them much corn.

The trouble is that instead of building up our citizenship we have done in the worst possible manner what had to be done. We have dealt out the corn. We have not had any reasonable constructive results from it. We have shelled out the money because we had to do that or have starvation, and anything is preferable to starvation. But what we ought to have done, and what I said should have been done, was to keep politics out of the business—and politics is in it. The man has never been born smart enough to keep politics out of it and get efficient results, nor can we keep graft out of it. We should have put the money out to the low bidders for the contracts, establishing a standard of so many hours a week, a 30-hour week basis, which would have insured spreading the work and obtaining reasonable results for the money the Government spent.

Mr. ROBINSON of Indiana. Mr. President, I agree with all that has been said about Mr. Hopkins. I am not personally acquainted with him, but from what I know of Mr. Hopkins he is an honorable gentleman and, so far as I know, a good administrator. I was giving Mr. Hopkins credit for his candor and his frankness in admitting the wide-spread graft that exists in this great Bureau he is undertaking to administer. But undoubtedly Mr. Hopkins gave these interviews to the press. He has never denied them. As a matter of fact, the administration indirectly took credit for the clever political strategy involved in being frank and telling the country for his party itself of its own graft before it was investigated by the opposition. Now, it comes to me as a little surprising that the Senator from Tennessee, or any Senator, should undertake to say that Mr. Hopkins had never made any such statement and that there is no graft in the C.W.A.

My attention has been drawn just this moment to a note from sources that are well able to understand the truth of the statement—perfectly reliable sources. I read it:

Mr. Hopkins at a recent press conference last week stated: "There is no doubt in my mind that the C.W.A. is filled with graft, but as to keeping public officials out of C.W.A. offices—well, that is impossible, for who can say under our Constitution what offices or how many offices one man may hold?"

There is no doubt about that. I make the prediction now, Mr. President, on my own responsibility—and it is merely a prediction—that when the history comes to be written about this enormous fund which is now being expended in this manner, it will disclose a national scandal of such proportions that the American people will be appalled.

Mr. McKELLAR. If that comes to pass, we will have to make a tremendous spurt to overtake the graft in the Hoover and previous administrations. [Laughter.]

Mr. ROBINSON of Indiana. Mr. President, allow me to proceed. Here is a statement from the representatives of the National Federation of Federal Employees, an association of some 70,000 workers in every branch of the Federal Government:

Sustaining these general conclusions are the reports of the National Federation of Federal Employees, an association of some 70,000 workers in every branch of Government. President Luther C. Steward, of this organization, has tabulated some 12,000 classified employees dismissed from civil-service positions since last March—this while some 40,000 nonclassified workers were being added in the new agencies. "Dangerous and indefensible", was Mr. Steward's characterization of the new policy as he surveyed the Government rolls in November. He charged:

"Serious inroads are being made into the merit system by spoilsmen representing the largest army of political job hunters in the history of the Nation. * * * In many instances, newly appointed politicians with administrative authority have begun forcing out capable, experienced employees with competitive status, in order to replace them with political hangers-on."

Mr. President, here is what Mr. Sullivan calls the "plum pudding." Let us look at some of the types of employees going into these new bureaus in various capacities under the new deal:

PLUM PUDDING

A former Governor of Mississippi is earning $6,000 a year in the A.A.A. His only job is to read newspapers and magazines from all sections of the country and clip items reflecting editorial reaction to the farm program.

A former Governor of Georgia is receiver for two defunct national banks in Washington, by appointment of the Comptroller of the Currency.

The son of the Clerk of the House of Representatives is Solicitor to the Department of Commerce.

A sister of a Senator from Virginia is Registrar of the United States Treasury.

In New York the acting chairman of the Democratic State committee (Mr. Farley is himself the nominal chairman) is the regional consultant of the Home Owners' Loan Corporation. He must approve every application for Federal mortgage relief before the papers may be forwarded to Washington.

In Ohio the chairman of the Democratic State central committee also is the regional administrative officer for H.O.L.C.

James J. Hoey, who broke with Tammany Hall last fall to seek the borough presidency of Manhattan on the Farley-McKee recovery ticket, since has been appointed collector of internal revenue for New York.

Two weeks after the Bureau of Foreign and Domestic Commerce, Department of Commerce, had dismissed 400 civil-service employees in the name of economy, a brother of a Senator from Alabama was appointed, last July, to be commercial attaché in the United States Legation at Ottawa. The job pays $6,500 a year. The report of the National Civil Service Reform League on this appointment concludes with the observation: "Colonel Bankhead's business experience was limited, and he had no familiarity with the duties of his position."

Patrick J. Maloney, of Columbia City, Ind., is treasurer of the Home Owners' Loan Corporation. He had no previous experience in banking or finance. After teaching grade and high schools in Indiana for 5 years, he became interested in a Colorado gold-mining venture. At the time of his appointment, he was a director of the Indiana Telephone Association.

From Pennsylvania, a brother-in-law of the Democratic national committeeman, who had no background in railroading,

was confirmed as a member of the Interstate Commerce Commission.

A prominent party leader in Chicago, who never had been identified with banking or finance, was confirmed as a member of the Federal Reserve Board.

On July 12, President Roosevelt directed Mr. Farley to draft legislation to bring all postmasters under civil-service regulations, "in order that I may submit it to the next session of Congress."

But in his address before a national postal convention, in Rochester, N.Y., in August, Mr. Farley acknowledged that since March some 640 appointive postmasters had been removed, prior to the expiration of their terms, for violations of postal regulations. During the same month Francis J. Sinnott, a prominent district leader in King's County, was named acting postmaster at Brooklyn. In announcing this appointment, Mr. Farley, then in Brooklyn, said the permanent appointment would be made "as soon as Mr. Sinnott completes his civil-service examination."

Such are some random fruits of the personnel policy enunciated by the Postmaster General in his deathless apothegm: "Patronage is a reward to those who have worked for party victory."

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. ROBINSON of Indiana. I yield.

Mr. BARKLEY. Does the article state how many Democratic postmasters were removed during the first 6 or 9 or 12 months after the inauguration of Mr. Harding following the Wilson administration?

Mr. ROBINSON of Indiana. No; it does not. I have read the Senator what the article contains.

Mr. BARKLEY. If the Senator will take the pains to look into the record, he will find that during the same period following the inauguration of Mr. Harding in 1921 twice as many Democratic postmasters were removed as have been removed by President Roosevelt.

Mr. ROBINSON of Indiana. I have not gone into that. What the Senator has said may be true. I am not in a position to challenge the statement. I am only quoting what is said in this month's Forum.

Mr. BARKLEY. In other words, the Senator is quoting what serves his particular purpose at the moment.

Mr. ROBINSON of Indiana. Oh, no. I have gone into personnel, and I have tried to show the Senate that these are not only my views but they are views which come from a nonpartisan source entirely, and evidently they may be taken as a pretty fair criterion of what the country is thinking about the whole matter. My primary purpose in rising was to inveigh as far as I could and as emphatically as I could against this vast system of bureaucracy which the present administration has foisted upon the American people within the last 12 months—37 new bureaus, with an added pay roll of $5,000,000 a month between March 4 last and December 1 last. New bureaus are being erected every day. It is that against which I am inveighing.

Mr. STEIWER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Oregon?

Mr. ROBINSON of Indiana. I yield.

Mr. STEIWER. Referring to the matter of replacement of Democratic postmasters in an earlier administration and the appointment of their successors, does not the Senator see a considerable difference between the replacement of postmasters under civil service as the rule formerly existed, and the appointment of postmasters under the system which presently exists, under which the Postmaster General is not required to appoint from an eligible list of three, naming from the head of the list selected upon the merit system, but is permitted to make appointments from anyone on the list regardless of the position and regardless of qualification or merit?

Mr. ROBINSON of Indiana. Mr. President, there is all the difference in the world; and this later system is the one that is now causing so much complaint from the people of the country, regardless of politics.

Mr. BARKLEY. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. BARKLEY. I do not understand the reference of the Senator from Oregon [Mr. STEIWER]. The same requirement exists now in the Post Office Department that has existed ever since President Woodrow Wilson, by an Executive order, went as far as he could to put first-, second-, and third-class postmasterships under the civil service. The Civil Service Commission now hold examinations, as they have heretofore held them. They certify the list of the three highest eligibles to the Post Office Department; and, so far as the Post Office Department knows, there is nobody else on the list who has taken the examination. I have not seen a single instance where the Postmaster General has not limited the appointment to the three highest eligibles on the list. I will say, furthermore, that so far as my State is concerned there has not been a single postmaster removed, regardless of his politics, except upon complaint or charges or the report of an investigator.

Mr. STEIWER. Mr. President, will the Senator yield on that point?

Mr. ROBINSON of Indiana. I yield.

Mr. STEIWER. I make no complaint about the removal of postmasters. So far as I know, there has been no considerable abuse with respect to the removal of postmasters; but I am told upon what seems to be unimpeachable authority that the Post Office Department is no longer appointing from an eligible list consisting of the three highest, but may appoint anyone from any place on the list, provided he shall have taken the examination.

Mr. BARKLEY. The Senator evidently is misinformed about that, because that is not correct.

Mr. STEIWER. That statement was made to me.

Mr. BARKLEY. The only exception to that is where a vacancy exists, where there is no eligible list, and an acting postmaster is wanted pending the holding of an examination, which has always been the case in the Post Office Department. In every case, so far as I know, after the examination had been held, the list of the three highest were certified by the Civil Service Commission and an appointment was made from that list.

Mr. STEIWER. It will be interesting to observe the orders on that subject, because the statement was made to me by officials of the post-office clerks, who assured me upon two or three different occasions that the merit system has substantially broken down under this administration with respect to the appointment of postmasters.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. STEIWER. I have nothing more to say.

Mr. ROBINSON of Indiana. I yield to the Senator from Tennessee.

Mr. McKELLAR. Whoever assured the Senator of any such order or change in administration of post-office affairs has assured him without any authority and without knowledge of the subject. We have exactly the same rules now pertaining to the selection of postmasters that obtained through the 12 years of Republican administration. They are just as they were in Mr. Harding's administration, Mr. Coolidge's administration, and Mr. Hoover's administration. There has been no change.

Mr. FESS. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield to the Senator from Ohio.

Mr. FESS. The Senator from Tennessee is laboring under a misunderstanding. Under President Harding there were no removals. Every postmaster was permitted to stay until his term expired, unless a charge was presented against him of malfeasance or inefficiency in the service; while under this administration the postmaster at Columbus, Ohio, for example, who has been in the service for 35 years, with the finest character, with not the slightest opposition to him, was asked to resign simply because he has 3 more years to serve. The same thing occurred in Cleveland. The same thing occurred in Toledo, and generally in Ohio. There are a few exceptions; but, generally speaking, none of the postmasters are permitted to serve until their terms are out, but they are removed without any charge whatever against them. That did not take place under President Harding.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Tennessee?

Mr. ROBINSON of Indiana. I yield.

Mr. McKELLAR. The Senator from Ohio is talking about one thing and the Senator from Oregon [Mr. STEIWER] is talking about a wholly different thing. One is talking about the employment of postmasters after there is a vacancy; the other is talking about how these vacancies occur. I am informed that precisely the same rules apply as to the dismissal of postmasters. It is done only after charges are made and an examination is held.

Mr. FESS. That is not true in this administration.

Mr. McKELLAR. I think the Senator is wholly mistaken about that.

Mr. FESS. No; I am not mistaken. That is not true in this administration. There are persons whose resignations have been called for without charges of any sort.

Mr. CLARK, Mr. LEWIS, and Mr. BORAH addressed the Chair.

Mr. McKELLAR. If the Senator will ask the Post Office Department, I think he will find that charges have been made.

Mr. FESS. I make the statement here and now that that is not the practice. It may have been done in some cases, but I am citing a specific case now. Mr. Geren, of Columbus, Ohio, who has been in the service for 30 years and was promoted from the assistant postmastership to the postmastership of that city, was asked to resign without any charge at all being made against him.

Mr. McKELLAR. Has the Senator asked the Post Office Department whether there were any charges against him?

Mr. FESS. No; I understand that it is the general policy.

Mr. McKELLAR. If the Senator will inquire of the Department why it was done, he will find that charges have been made and have been sustained.

Mr. FESS. That simply cannot be true, because what I have stated is pretty general all over Ohio. It has occurred in almost every case.

Mr. BORAH, Mr. LEWIS, Mr. LONG, and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Indiana yield; and if so, to whom?

Mr. ROBINSON of Indiana. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, what is the measure before the Senate?

The PRESIDING OFFICER. The pending amendment is that of the Senator from Vermont [Mr. AUSTIN].

Mr. LEWIS. Mr. President, will the Senator from Indiana allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Illinois?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. LEWIS. I was not here when the Senator from Indiana began the article from which he is reading. Therefore, I do not know who is reported to have written it; but I beg to call to the attention of the Senator the statement which I heard just as I came in—that a member of the Federal Reserve Board was appointed from Chicago who had had no experience in banking and no acquaintance with finance.

That statement is very unjust to this gentleman. This Mr. Szymczak is a Pole. He was a professor of finance and economics in a college. From there, after long teaching, he became director in a bank. From there he was made comptroller of the city of Chicago, having supervision of all its finances under the very difficult circumstances which my able friend from Indiana knows Chicago has been going through; and he was presented upon his qualifications in that respect. He was not presented by me. I accepted him, and ratified him as far as my voice went, because of his qualifications.

It may interest my able friend from Indiana for me to say that the support that came to this gentleman was from the large population of Poles headed by South Bend, Ind. It was through the recommendation of that very splendid constituency that Mr. Szymczak was presented for the office.

Mr. CLARK. Mr. President, will the Senator yield to me for one observation?

Mr. ROBINSON of Indiana. In just a second, when I reply to the Senator from Illinois. For the Senator's information, I will state that I am quoting from the February Forum an article written by Lawrence Sullivan, and in this paragraph I presume he refers to the situation mentioned by the Senator:

> A prominent party leader in Chicago, who never had been identified with banking or finance, was confirmed as a member of the Federal Reserve Board.

No name is mentioned.

Mr. LEWIS. Mr. President, the able writer has fallen into error. I have given the name of the gentleman, and something of his history, which should particularly appeal to the Senator from Indiana.

Mr. CLARK. Mr. President——

Mr. ROBINSON of Indiana. Now I yield to the Senator from Missouri.

Mr. CLARK. I simply wish to make one observation.

I have listened with great interest to the eloquent and ingenious defense by the Senator from Ohio of the notorious conduct of postal affairs under the notorious Harding administration; and yet I have observed that the Senator from Ohio, with all his eloquence and all his courage, has refrained from attempting to enter into any defense of the conduct of postal affairs under the Hoover administration, where there has recently been testimony from the assistants to the Postmaster General that they took the precaution of burning the records of importance before they retired from office.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. ROBINSON of Indiana. I yield to the Senator.

Mr. FESS. When there is any investigation pending, whether by a Senate committee or by a court, I have always followed the course of not injecting anything that could be brought in in the regular order. I am expecting that the committee investigating postal matters will be fair enough and square enough to bring the former Postmaster General down here to testify on a matter that certainly will be cleared up when he is brought before the committee; and I am wondering why he is refused an opportunity to come here, why he is not being invited by the committee.

The former Postmaster General wants to appear before the committee. He has made it known that he wants to appear. There has been no indication yet on the part of the committee of an intention to call him. I am insisting that he be called, in order that he himself may state the truth about the matter, instead of allowing the people to form conclusions altogether on the basis of rumors and innuendoes. That is the reason, I will say to my good friend from Missouri, why I have kept perfectly quiet on this matter.

Mr. CLARK. Mr. President, I admire the Senator's discretion in keeping quiet in defense of a situation of that sort. I am not a member of the committee, and I am not authorized to speak for the committee. The Senator from Ohio is not a lawyer; but I may suggest to him that perhaps the failure of the committee to call upon the former Postmaster General is through a disinclination to grant him immunity in a criminal prosecution for testimony he might give.

Mr. FESS. Mr. President, if the Senator will yield——

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. ROBINSON of Indiana. I yield, Mr. President.

Mr. FESS. The Senator says I am not a lawyer. Probably I am not, although I had the honor of being the manager of a law school in a university, and teaching for 15 years.

Mr. CLARK. I beg the Senator's pardon. I knew he had been an eminent president of a college, but I did not know he had been a law professor.

Mr. FESS. While it would be entirely out of order for me to make any statement pertaining to the matter that the Senator has mentioned, the immunity question is not in the way. It cannot be in the way.

Mr. McKELLAR. Mr. President, it is gratifying at least to know that that question cannot be in the way, because very nearly everything has been put in the way.

Mr. FESS. Mr. President, it is that sort of thing that I resent. Everything is innuendo; everything is rumor. It is unfortunate that this body will permit a committee to operate like a grand jury in investigating a matter of great interest, and decline to call the one person who has the information, who is glad to come, and will come at any time; and I say if it is necessary to trade on the matter by saying that we will free the committee from any burden of immunity because it is not asked, if that becomes necessary to get the former Postmaster General before the committee, I want that done, and he wants it done.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. FESS. I want the American people to show fairness in bringing before the committee the one man who has all the facts that the public does not have.

Mr. McKELLAR. Has he all the facts?

Mr. FESS. It seems to me it is thoroughly unfair unless he is given an opportunity to testify.

Mr. McKELLAR. Will the Senator from Ohio agree that he may bring up all the records, or have part of them been burned?

Mr. CLARK. It is impossible for him to bring them all, because many of them have been destroyed.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. ROBINSON of Indiana. I must decline to yield further on this matter. I want to conclude my remarks. Then whoever desires may have the floor.

Mr. BLACK. Mr. President, I was not here when the Senator began his remarks. Since I understand that the committee has been charged with not being fair to the former Postmaster General, may I ask the Senator if he will permit me to make a statement?

Mr. ROBINSON of Indiana. Not at this time. When I conclude, I shall be glad to have the Senator do so. However, it is very brief, I shall be glad to yield.

Mr. BLACK. I merely wanted to ask if we are to understand from the Senator from Ohio that he has authority from the former Postmaster General to request that he be heard before the committee. If he has, speaking as one member of the committee, I say now that I shall be delighted to have him heard at any time he desires to come before the committee voluntarily.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. ROBINSON of Indiana. Yes; I yield.

Mr. FESS. I should not want to say that I have authority to make that request. I do have the knowledge that the former Postmaster General wants to be called before the committee; and I will state further that if the committee refuses to call him, he certainly would like to make a request of the committee to be heard.

Mr. BLACK. May I ask the Senator one other question? I understand the Senator says he has knowledge that the former Postmaster General wants the committee to call him. The question I asked was whether or not the Senator has authority to state that the former Postmaster General desires to be heard before the committee.

Mr. FESS. I have no authority further than to give the Senator my information that the former Postmaster General wants to come before the committee; and I will add this much: My own opinion is—and it comes from a conversation with him—that if it is necessary to make any statement about immunity, that can be made. He wants to come before the committee; and if the Senator himself is under the impression that it is unwise to subpena him here as a witness, that that would give him immunity, that can easily be corrected.

Mr. BLACK. May I ask the Senator if he will not get in touch with the former Postmaster General and get from hi ma request as to what day he desires to appear? and assure him that, so far as I am concerned, I shall be very glad indeed to vote in favor of permitting him to testify before the committee at the earliest possible moment.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. ROBINSON of Indiana. I yield.

Mr. ROBINSON of Arkansas. Mr. President, the inference is plainly to be drawn from the statement made a few moments ago by the Senator from Ohio, in answer to the Senator from Indiana, that Mr. Brown feels aggrieved because he has not had an opportunity for a hearing before the special committee. I inquire of both the chairman of the special committee and of the Senator from Ohio whether Mr. Brown has at any time indicated to the committee, or any member thereof, a desire for a hearing?

Mr. BLACK. He has given no indication to me at any time that he be allowed to appear. I have heard nothing from him. If he makes a request, insofar as I am concerned, under the statement made by the Senator from Ohio of Mr. Brown's waiver of immunity, I shall be very glad indeed to vote in favor of his coming before the committee at the earliest possible moment that he can get here.

Mr. ROBINSON of Arkansas. Then, Mr. President, I shall ask one further question of the Senator from Ohio. Assuming the statement of the chairman of the special committee, the Senator from Alabama, to be correct, namely, that Mr. Brown has made no application for a hearing, and has not indicated to any member of the committee a desire for a hearing, upon what ground or fact does the Senator from Ohio base his charge of unfairness on the part of the committee in refusing to grant Mr. Brown a hearing?

Mr. FESS. Mr. President, the whole proceeding has been the investigation of the doings of one man, the Postmaster General. He is the one man who knows the facts. I assume that he would be the one man that should be brought here to give the facts, as the committee must know that he has them. Up to date he has not been invited. Up to date I have on two different occasions communicated with him, at which times he has expressed his desire to appear before the committee, and has stated to me that if I thought it was the proper course to take he would ask to come before the committee. I thought it would be more proper to have the committee subpena him in the regular order. If they are not doing so because they think the ex-Postmaster General is going to seek immunity, I can entirely remove that cause for not subpenaing him.

Mr. ROBINSON of Arkansas. Mr. President, what is not clear to my mind from the answer of the Senator from Ohio is why such a man as he has described, of such a disposition as he has stated, has failed to indicate his willingness or his desire or his readiness to appear before the committee, and why he or his friends complain that he has been treated unfairly, when he has not indicated a desire to tell what he knows about the subject matter of the investigation.

Mr. ROBINSON of Indiana. Mr. President, I should like to conclude now.

Mr. HARRISON. Mr. President, will the Senator from Indiana yield for a moment?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. ROBINSON of Indiana. Yes; I yield.

Mr. HARRISON. I desire to ask the Senator a question. Does he not think it grossly unfair to him, his colleague from Ohio, and associates in this body to bring up the name of the former Postmaster General, Mr. Brown, with all these alleged irregularities, graft, and corruption, while the Senator is speaking in so many fine phrases about so many Democrats having been appointed to office? And if the Senator does not think it is unfair, my indignation boils at bringing it up at just this time.

Mr. ROBINSON of Indiana. Mr. President, I should not accuse the Senator from Ohio of any unfairness in any event, but certainly in this instance he had nothing to do with it. It was brought up from the other side of the Chamber. But that is perfectly all right, Mr. President.

I suppose one ought never to try to judge what a court may do, or at any rate to discuss the verdict before it is returned. There has been a great deal of innuendo back and forth; intimations in this direction and that. I certainly hold no brief for the ex-Postmaster General, Mr. Brown, but as long as we indulge in hearsay, intimation, and innuendo and things that may come to pass, it seems to me pertinent to observe that apparently all of the Postmasters General have a great affinity for the airways. The present Postmaster General, Mr. Farley, is reported to have indulged himself and friends of his in a wonderful trip, a junket to visit our distinguished Vice President in Texas, at the complete expense of the Eastern Airways, one of the great airway concerns, which furnished the ships and furnished the gasoline. So apparently all of the Postmasters General like airways—yes; and so do other members of the administration, Mr. President. Oh, well, I shall not go into that.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Missouri?

Mr. ROBINSON of Indiana. I yield to the Senator from Missouri.

Mr. CLARK. It has not been charged that the present Postmaster General burned any papers in the dark of the night.

Mr. ROBINSON of Indiana. But it is alleged that he burned a lot of gas.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. ROBINSON of Indiana. Mr. President, I shall not yield further.

Mr. CLARK. Very well, if the Senator does not wish to yield further.

Mr. ROBINSON of Indiana. I shall not yield further at this time. [Laughter.] I am anxious to conclude.

The "plum book" is referred to in the article appearing in the Forum, Mr. President. It says:

This "plum book", as Washington quickly styled it, comprised 420 printed pages, listing approximately 50,000 jobs, including many diplomatic posts. Circulated in thousands of copies, it cost the Government Printing Office more than $6,000. It put patronage on a mail-order basis. Time and again during the summer job seekers were encountered in Washington corridors with copies of the official plunder index in hand, pencil marks encircling the plums selected for their personal wire-pulling excursions. So great was the demand for the salary catalog that a Washington newspaper reprinted 5,000 copies, in tabloid form, for over-the-counter sale at 25 cents each.

It was only a coincidence, of course, that the first copies of this unique Government publication were released on January 16, 1933, the fiftieth anniversary of the signing of the Pendleton Act—the original civil-service law—by President Arthur.

The Pendleton Act marked the culmination of a reform movement which had gained headway steadily since the 1850's. Confronted by a throng of office seekers in the White House, shortly after his first inauguration, Abraham Lincoln observed, gravely: "There you see something which in the course of time will become a greater danger to the Republic than the rebellion itself." Four years later he remarked to Carl Schurz, on the same subject: "I am afraid this thing is going to ruin republican government."

I have already mentioned, Mr. President, how far this administration has gone, with the creation of 37 great new bureaus—a bureaucracy such as even Russia under the czars might have envied.

Mr. President, I quote now the opening words of the Fifty-first Annual Report of the National Civil Service Report League, presented June 15, 1933:

The administration's program for recovery from the economic morass is seriously threatened by the spoils system, which may prove an insurmountable hurdle to its success.

The new administration has turned its back upon the only method of safeguarding these new agencies from maladministration. Without a single exception the agencies of government thus created have been thrown open to the political spoilsman to do with as he may see fit. The excuse given, when objection has been made to exemption from civil-service tests, has been that these agencies are a part of the emergency program and that they may prove temporary in character. A more specious excuse could not be devised to hoodwink the public.

Mr. President, that is not a partisan charge from Republican sources. That is from a nonpartisan source, from a journalist, who is not politically prejudiced either way.

In the light of 1933 history, it is interesting, too, to recall that the Democratic national platform of 1932 was the first since 1872 which did not specifically pledge party support of the Civil Service system.

But, Mr. President, the public debt marches steadily upward.

New bureaus and new jobs inevitably entail increased expenditures. So great, indeed, was the financial burden of the new deal that one Budget apparently could not carry it. The new two-Budget system spreads the deficit so thin that it has been entirely concealed. The public debt marches steadily upward.

Then the figures are given, which I shall not quote. They have been mentioned in some detail before. I pass over to the following statement:

The points presented in this survey of the revolution to date are only four: First, that despite a terrific Nation-wide hue and cry against bureaucratic expansion, 37 new agencies of Government have been created since last March; second, that in violation of a half century of American tradition, the spoils system has been revived in the Federal administration; third, that in the face of an unqualified pledge to curtail governmental costs, the administration has increased expenditures by more than $125,000,000 a month; and fourth, that the two-budget system operated as a device of concealment until the President delivered his Budget address to Congress on January 4 regarding Federal fiscal policies.

In the new session of Congress two roads are open. Either Federal finances will be honestly balanced or the Government soon will plunge headlong into direct inflation of the currency.

We have had a revolution—in spoils bureaucracy.

Mr. President, I need only remind the Senate that when France was approaching perhaps the greatest of all revolutions the bureaucrats held sway. Bureaucracy had come to its fairest flower in that land; the bureaucrats directed everybody in daily life; and that, together with other abuses, inevitably led to the revolution which came to pass and which bathed Paris and all France in blood.

From France to Russia is not a great distance perhaps in miles, but the system of bureaucracy in Russia under the czars and that existing in France just preceding the French Revolution were the same. The distance in time, from the end of the eighteenth century up to the beginning of the twentieth century, is considerable. The effects have been the same—revolution. The outstanding example of bureaucracy gone wild for many years was St. Petersburg—the bureaucracy of Russia and of the Romanoffs. Finally it resulted in the overthrow of that Government and the new system erected on the ruins of the old. Mr. President, it will inevitably have the same effect in this country unless we find means for curbing it. We have a bureaucracy here that would make that which existed in France preceding the revolution there and that which prevailed in Russia preceding the revolution there blush with shame.

Bureaucracy and dictatorship go hand in hand. We now have both in America. I have quoted to the Senate the insolent words of the Postmaster General, delivered in a speech at a nonpartisan meeting in Cleveland, where he undertook to browbeat Members of Congress and to intimidate them to such an extent, indeed, that he said if they voted against the President's wishes they would be left at home—rank intimidation, leading only to dictatorship. All these additional bureaus mean bureaucracy in its fullest flower. Bureaucracy and dictatorship, I repeat, go hand in hand, and in the past they have inevitably led to revolution.

So, Mr. President, I rise to protest against the prevailing system of bureaucracy that has grown up by leaps and bounds in this country during the past 11 months, and to suggest that for the good of the Republic the Congress should reassert its rights and curb that thing which ultimately will destroy not only the Constitution but the Government of the United States.

EXHIBIT A

OUR NEW SYSTEM OF BUREAUCRACY

By Lawrence Sullivan

First Citizen Doe—John to the tax collector—still is a bit foggy about it all, but he will take the professor's word on it. It was a

revolution. In a twinkling, as history goes, government ceased to exist as a mere gatherer of income taxes, regulator of railroads, and nemesis of wicked trusts, and became overnight, as it seems in retrospect, an assessor of processing taxes and production quotas, supervisor of milk sheds and master of surplus pork, superbuilder and gargantuan forester, banker on a scale never before dreamed in modern history, and manager of what now appears to be an unmanageable currency.

It was all very sudden and to many estimable citizens quite unexpected. The legislative pell-mell on Capitol Hill left even the hardiest professional observers mumbling as early as mid-April, and soon there began to appear in the Washington dispatches the incredible word "revolution." Wary of this shocking characterization of national affairs editors ignored the word for a time. But when in June the Treasury announced the "conversion factor" for pretzels and zwieback the headline writers let go, too. Revolution it was. A conversion factor is merely a number which translates pounds of pretzels into bushels of wheat for the computation of the processing tax. But with so few of us in pretzels the term signified to the country at large only one more confusion factor. And there is but one gentle word to cover bewilderment and confusion. "Revolution" became a respectable colloquialism.

Let us then examine this almost bloodless, if not entirely painless, revolution in its influence upon the structure and functions of the Federal establishment, its immediate effect upon the Government personnel, and its bearing upon the national tax bill. Have we, in fact, set up a new system of government? Or have we merely added 37 new emergency cubits to the old structure, as the Navy adds protective "blisters" to its old battleships? Who are the 40,000 new employees added to the Federal pay roll since last March? And how did all manage to escape competitive civil-service examinations?

Yes; we have a balanced Budget; that is, one of our Budgets is nominally balanced. But we have, also, an unbalanced Budget—a second Budget, which could not be balanced for the current fiscal year were all prevailing Federal taxes doubled for the remaining 6 months.

In the name of economy some 12,000 men and women have been swept from the civil-service classification rolls. But a few more than 40,000 deserving citizens have been added to those patronage rolls which, by congressional enactment or Presidential Executive order, are specifically exempted from all civil-service regulations.

GOVERNMENT BY INITIAL

Viewed on this facet, the Roosevelt revolution, in its first phase, was not a revolution at all but merely—as the late Henry Van Dyke said of woman suffrage—"twice as much of the same thing." True, the Federal Government has ventured boldly into new territory. But that is precisely what has occurred in the creation of every new bureau in Washington for half a century. A problem; a bureau; an appropriation. Solved! Such is the formula for that system of government which Alfred E. Smith describes as "the cold, clammy hand of bureaucracy" (at the Century of Progress Exposition; not in the New Outlook).

Costly? To be sure. It is fabulously costly. The new agencies created since last March now have a combined pay roll which runs to approximately $5,000,000 a month. But so long as the Treasury can support this formula—and as long as the taxpayers sustain the Treasury—new bureaus, boards, divisions, agencies, authorities, and corporations mark the politician's path of least resistance. Bureaucracy is the cosmic urge in American government. Checked for a time, it flowers in ever more extravagant splendor. Overwhelming both men and parties, it survives even such unequivocal denunciations as the following from the Democratic national platform for 1932:

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportional result."

That plank was perfected in June 1932. The special session of Congress, which assembled during the national banking holiday the following March, continued but 100 days. The table below lists the larger new agencies of Government created during the session, with the number of employees on the rolls as of December 1, 1933:

H.O.L.C. (Home Owners' Loan Corporation)	13,748
F.C.A. (Farm Credit Administration)	6,769
A.A.A. (Agricultural Adjustment Administration)	4,076
F.D.I.C. (Federal Deposit Insurance Corporation)	1,614
N.R.A. (National Recovery Administration)	1,922
P.W.A. (Public Works Administration)	1,764
T.V.A. (Tennessee Valley Authority)	934
Total	30,827

Nor is this the alphabetical half of it. The Federal Emergency Relief Administration, which has been doling out approximately $50,000,000 a month since last May, has 150 people on its Washington administrative staff; the Federal Coordinator of Transportation employs 94; the Civilian Conservation Corps engages 109 officials and clerks and more than 1,000 Army and Navy officers and carries a monthly average of approximately 314,000 on its forestry pay roll. In the Federal Trade Commission, the new unit which administers the Securities Act employs 87 persons. And the new United States Employment Service has 347 in the recovery vineyards. There remain, then, the Central Statistical Board, the Federal Commodities Corporation, National Labor Board, Commodity Finance Corporation, Petroleum Administrative Board, Federal Civil Works Administration, Retail Code Authority, Federal Housing Corporation, Soil Erosion Service, Subsistence Homesteads Division, Petroleum Labor Policy Board, Deposit Liquidation Board, Business Advisory and Planning Council, National Planning Board. Each of these agencies employs from 10 to 50 persons. As of December all were less than 7 months old. Eight had been in existence less than 1 month. Four were created in the last half of November.

To review the pension claims of World War soldiers and sailors, the Veterans' Administration since July has established 58 regional boards of inquiry throughout the country. Each board is composed of five members, at $15 per diem. The Deposit Liquidation Board, created in October to hasten the reopening of banks closed by the March holiday orders, set up in November 64 cooperative regional bankers' committees to receive applications for liquidating loans from the R.F.C. The H.O.L.C. maintains 257 branch offices and at least one appraiser and one title examiner in each of the 3,016 counties in the United States. Under the law, the title examiner must be a registered attorney. Similarly, the A.A.A. maintains quota inspectors in every contract-production county. F.C.A. and R.F.C. maintain 79 branch credit offices.

Balancing and coordinating the activities of all these new coordinating agencies, the Executive Council, composed of the Cabinet and chiefs of the emergency units, meets with the President once a week, to advise on major stratagems. From its $3,300,000,000 construction fund, P.W.A. allotted $10,000 to defray the expenses of the council, $5,000,000 for administrative expenses of the N.R.A., and $300,000,000 for the second 6-month term of the C.C.C.

SABOTAGE OF THE CIVIL SERVICE

Closely coordinated with this unprecedented expansion of the Federal bureaucracy runs the challenging new policy in personnel administration, inaugurated under the direction of Postmaster General James A. Farley—a policy which veers sharply from the merit system established with the United States Civil Service Commission in 1883.

In all the new agencies, employment is specifically exempted from the three basic principles of the civil-service code—competitive examinations, dismissal for cause only, and promotion by efficiency ratings. The concerted opposition to any extension of the Civil Service Commissions' authority was strikingly delineated last spring in the legislative history of the farm bill. As originally presented to the House Committee on Agriculture, this measure provided that all new employees should be selected from the Civil Service classification rolls. The provision was stricken in committee. An effort to restore it failed on the floor, without a roll call. The Senate Committee on Agriculture reincorporated the original language, which was sustained on the floor. But in conference, the House stood firm. The Senate amendment was stricken. By various parliamentary maneuvers, the same result was achieved in every other bill creating a new administrative agency.

Nor has the sabotage of the merit system been limited to the new agencies. The National Civil Service Reform League reported on November 15 that it had twice requested information from the Post Office Department as to the number of postmasters dismissed since March, before the expiration of their appointed terms. In each instance the Post Office Department replied that the figures were not available.

"We have received numerous complaints of Presidential postmasters being asked to resign before the expiration of their terms of office and being succeeded by acting postmasters for obviously political reasons", this report ran.

Such charges from a mere partisan well might be dismissed as political froth. But the National Civil Service Reform League has been a going concern since 1881. Its national campaign mobilized public sentiment behind the Pendleton Act of 1883, which created the Civil Service Commission. Among its directing vice presidents today are James R. Angell, Newton D. Baker, Charles G. Dawes, William Cabell Bruce, A. Lawrence Lowell, Franklin MacVeagh, and Ogden H. Hammond.

"One common and recurring complaint", the league's report continued, "is that efficiency ratings have been juggled so that when reductions in force become necessary those employees not persona grata may be removed, even though years longer in the service than employees retained."

Sustaining these general conclusions are the reports of the National Federation of Federal Employees, an association of some 70,000 workers in every branch of the Government. President Luther C. Steward, of this organization, has tabulated some 12,000 classified employees dismissed from civil-service positions since last March—this while some 40,000 nonclassified workers were being added in the new agencies. "Dangerous and indefensible", was Mr. Steward's characterization of the new policy, as he surveyed the Government rolls in November. He charged:

"Serious inroads are being made into the merit system by spoilsmen representing the largest army of political job hunters in the history of the Nation. * * * In many instances newly appointed politicians with administrative authority have begun forcing out capable experienced employees with competitive status in order to replace them with political hangers-on.

"It is palpably absurd to expect the Federal Government to exert its maximum influence toward national economic recovery when such a large proportion of the agencies engaged in recovery work are overburdened with political appointees."

PLUM PUDDING

A former Governor of Mississippi is earning $6,000 a year in the A.A.A. His only job is to read newspapers and magazines from all sections of the country and clip items reflecting editorial reaction to the farm program.

A former Governor of Georgia is receiver for two defunct national banks in Washington, by appointment of the Comptroller of the Currency.

The son of the Clerk of the House of Representatives is Solicitor to the Department of Commerce.

A sister of a Senator from Virginia is Registrar of the United States Treasury.

In New York, the acting chairman of the Democratic State Committee (Mr. Farley is himself the nominal chairman) is the regional consultant of the Home Owners' Loan Corporation. He must approve every application for Federal mortgage relief, before the papers may be forwarded to Washington.

In Ohio, the chairman of the Democratic State central committee also is the regional administrative officer for H.O.L.C.

James J. Hoey, who broke with Tammany Hall last fall to seek the borough presidency of Manhattan on the Farley-McKee recovery ticket, since has been appointed collector of internal revenue for New York.

Two weeks after the Bureau of Foreign and Domestic Commerce, Department of Commerce, had dismissed 400 civil-service employees in the name of economy, a brother of a Senator from Alabama was appointed, last July, to be commercial attaché in the United States Legation at Ottawa. The job pays $6,500 a year. The report of the National Civil Service Reform League on this appointment concludes with the observation: "Colonel Bankhead's business experience was limited, and he had no familiarity with the duties of his position."

Patrick J. Maloney, of Columbia City, Ind., is treasurer of the Home Owners' Loan Corporation. He had no previous experience in banking or finance. After teaching grade and high schools in Indiana for 5 years, he became interested in a Colorado gold-mining venture. At the time of his appointment he was a director of the Indiana Telephone Association.

From Pennsylvania a brother-in-law of the Democratic national committeeman, who had no background in railroading, was confirmed as a member of the Interstate Commerce Commission.

A prominent party leader in Chicago, who never had been identified with banking or finance, was confirmed as a member of the Federal Reserve Board.

On July 12 President Roosevelt directed Mr. Farley to draft legislation to bring all postmasters under civil-service regulations, "in order that I may submit it to the next session of Congress." But in his address before a national postal convention in Rochester, N.Y., in August Mr. Farley acknowledged that since March some 640 appointive postmasters had been removed, prior to the expiration of their terms, for violations of postal regulations. During the same month Francis J. Sinnott, a prominent district leader in Kings County, was named acting postmaster at Brooklyn. In announcing this appointment Mr. Farley, then in Brooklyn, said the permanent appointment would be made "as soon as Mr. Sinnott completes his civil-service examination."

Such are some random fruits of the personnel policy enunciated by the Postmaster General in his deathless apothegm: "Patronage is a reward to those who have worked for party victory."

PLANNED PLUNDER

The drive for jobs was formally launched in Washington some 3 months before the inauguration. Late in December 1932 the Senate approved a resolution submitted by Senator KENNETH D. MCKELLAR, of Tennessee, directing the Civil Service Commission to publish "a list of offices, positions, places, and employments under the Federal Government and the District of Columbia not under civil-service rules and regulations."

This "plum book", as Washington quickly styled it, comprised 420 printed pages, listing approximately 50,000 jobs, including many diplomatic posts. Circulated in thousands of copies, it cost the Government Printing Office more than $6,000. It put patronage on a mail-order basis. Time and again during the summer job seekers were encountered in Washington corridors with copies of the official plunder index in hand, pencil marks encircling the plums selected for their personal wire-pulling excursions. So great was the demand for the salary catalogue that a Washington newspaper reprinted 5,000 copies, in tabloid form, for over-the-counter sale at 25 cents each.

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The Pendleton Act marked the culmination of a reform movement which had gained headway steadily since the 1850's. Confronted by a throng of office seekers in the White House, shortly after his first inauguration, Abraham Lincoln observed gravely: "There you see something which in the course of time will become a greater danger to the Republic than the rebellion itself." Four years later, he remarked to Carl Schurz, on the same subject: "I am afraid this thing is going to ruin republican government."

George William Curtis, one of the foremost champions of the 1883 law, thus epitomized the political debauchery at which the civil-service regime was aimed:

"Every 4 years the whole machinery of the Government is pulled to pieces. The country presents a most ridiculous, revolting, and disheartening spectacle. The business of the Nation and the legislation of Congress are subordinated to the distribution of plunder among partisans. President, Secretaries, Senators, Representatives are dogged, hunted, besieged, besought, denounced, and they become mere office brokers. * * * Economy, patriotism, honesty, honor, seem to have become words of no meaning."

Theodore Roosevelt, who served as a member of the Civil Service Commission from 1889 to 1895, was a vigorous defender of the reform. During his occupancy of the White House, the number of Federal positions subject to competitive examinations was more than doubled. His State papers bear frequent testimony of his devotion to the merit system. "It is as democratic and American as the common-school system itself", he said on one occasion.

Hear, then, the arresting opening sentence of the fifty-first annual report of the National Civil Service Reform League, presented June 15, 1933:

"The administration's program for recovery from the economic morass is seriously threatened by the spoils system, which may prove an insurmountable hurdle to its success."

Listing a few of the new agencies which had been created up to early June, the report continued:

"The new administration has turned its back upon the only method of safeguarding these new agencies from maladministration. Without a single exception the agencies of government thus created have been thrown open to the political spoilsman to do with as he may see fit. The excuse given when objection has been made to exemption from civil-service tests has been that these agencies are a part of the emergency program, and that they may prove temporary in character. A more specious excuse could not be devised to hoodwink the public."

In the light of 1933 history it is interesting, too, to recall that the Democratic national platform of 1932 was the first since 1872 which did not specifically pledge party support of the civil-service system.

THE JUGGLING ACT

New bureaus and new jobs inevitably entail increased expenditures. So great, indeed, was the financial burden of the new deal that one budget apparently could not carry it. The new 2-budget system spreads the deficit so thin that it has been entirely concealed. The public debt marches steadily upward.

Lashed to reluctant action by the money panic, the emergency Congress decreed savings of approximately $450,000,000 a year—$125,000,000 by the horizontal 15-percent pay cut and approximately $325,000,000 in veteran pensions. It next imposed new taxes, estimated to yield roughly $1,000,000,000 a year. In round numbers, therefore, the session took $1,500,000,000 from the red side of Uncle Sam's ledger for the fiscal year 1934.

Then came the emergency program, to be financed through the second budget.

What is the net result?

During the fiscal year 1933 ended June 30 last, the national debt, as officially reported by the Secretary of the Treasury, increased at the average rate of $6,013,000 a day. But in the 4 months July to October 1933 (the first third of the 1934 fiscal year) the average daily increase in the debt was $6,079,000. To put it another way, our new fiscal policy has saved $500,000,000 a year, increased taxes $1,000,000,000 a year, and left us with only a slightly larger daily deficit. Even as Alice in Wonderland, we must run twice as fast to hold our ground.

We have it directly from the great practical economist, Wilkins Macawber, that no matter how many budgets one may devise, he may yet honestly mark his progress toward solvency by comparing his net debt from month to month. This, by some curious happenstance, our Treasury still does. The net debt of the United States Government on February 28, 1933, was $20,700,000,000. On October 31 it was $22,100,000,000. The net increase for 8 months was $1,400,000,000—only about $200,000,000 more than the deficit for the entire fiscal year 1933, when we had only one Budget.

But even this shocking picture does not represent the full scope of the Government's enlarged program of spending and lending. Federal revenues for the 8 months were $561,000,000 greater than in the corresponding period of the previous year. For the period March–October, therefore, the excess of Federal outlay was, in round numbers, $1,900,000,000. Reduced to a single sentence, we may summarize the cost of the new deal in this way: For the first 8 months Treasury outlay has been at the average rate of $245,000,000 more per month than in the corresponding period of the previous year.

Roughly, $120,000,000 monthly of this increased outlay was in the form of loans through the various emergency credit agencies. In theory most of these eventually will be repaid.

As of December 1933 average direct expenditures of the principal emergency spending agencies were computed from the daily Treasury statements at approximately the following sums:

	Per month
Relief	$50,000,000
C.C.C	20,000,000
P.W.A	30,000,000
A.A.A	25,000,000
New pay roll	5,000,000
Increased interest	3,000,000
Total	133,000,000

Nor is this all. Months must pass before we feel the full fiscal burden of the many-sided boot-strap program. Organized in July, the P.W.A. had allocated by December 1 more than $2,500,000,000 of its $3,300,000,000 fund. But, because of the time lag between an award and the actual withdrawal of money to pay

the contractor, only about $100,000,000 had been checked out of the Treasury. Yet the balance of $2,400,000,000 represents an obligation against Federal resources quite as real as a congressional appropriation. The allocations represent outstanding drafts against the Treasury. Under the new system of Federal bookkeeping, however, these drafts are not carried as a Budget charge until they are actually presented for collection. The same applies to an appropriation of $50,000,000 to the T.V.A., only about $500,000 of which had been expended up to November 1, and to the $400,000,000 assigned by the President to the Federal Civil Works Administration, all of which is to be paid out before April 1, 1934.

The theoretical validity of the single-entry, double-cross system of public accounting does not fall within the scope of this discussion. The points presented in this survey of the revolution to date are only four: First, that despite a terrific Nation-wide hue and cry against bureaucratic expansion, 37 new agencies of government have been created since last March; second, that in violation of a half century of American tradition, the spoils system has been revived in the Federal administration; third, that in the fact of an unqualified pledge to curtail governmental costs the administration has increased expenditures by more than $125,000,000 a month; and, fourth, that the two-budget system operated as a device of concealment until the President delivered his Budget address to Congress on January 4 regarding Federal fiscal policies.

In the new session of Congress two roads are open. Either Federal finances will be honestly balanced or the Government soon will plunge headlong into direct inflation of the currency.

We have had a revolution—in spoils bureaucracy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 157. An act to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)";

S. 284. An act authorizing the conveyance of certain lands to School District No. 28, Deschutes County, Oreg.;

S. 1774. An act to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz.; and

S. 2152. An act granting certain property to the State of Michigan for institutional purposes.

The message also announced that the House insisted upon its amendment to the bill (S. 1975) to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

CIVIL WORKS ADMINISTRATION APPROPRIATION

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of House bill 7527.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON. Mr. President, in view of the importance of that particular measure, and because at its conclusion the bill that is now under consideration will again automatically come before the Senate, I am very glad to yield such consent to the request of the Senator from Arkansas as I may.

Mr. McNARY. Mr. President, as I understand the request of the Senator from Arkansas, it is that the unfinished business may be temporarily laid aside?

Mr. ROBINSON of Arkansas. Yes.

Mr. McNARY. What is the judgment of the Senator from Arkansas as to the length of time which will be required to dispose of the bill for which he asks consideration?

Mr. ROBINSON of Arkansas. I am not sure that the consideration of the bill which I now ask may be taken up under the order I have requested may be completed this afternoon, but there is prospect that that may be done.

Mr. McNARY. In view of the very generous consent of the Senator from California [Mr. JOHNSON], I have no objection.

The PRESIDING OFFICER. Without objection, the unfinished business is temporarily laid aside, and the Chair lays before the Senate House bill 7527.

The Senate proceeded to consider the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Pope
Ashurst	Couzens	Kean	Reed
Austin	Cutting	Keyes	Reynolds
Bachman	Davis	King	Robinson, Ark.
Bailey	Dickinson	La Follette	Robinson, Ind.
Bankhead	Dieterich	Lewis	Russell
Barbour	Dill	Logan	Schall
Barkley	Duffy	Lonergan	Sheppard
Black	Erickson	Long	Shipstead
Bone	Fess	McAdoo	Smith
Borah	Fletcher	McCarran	Steiwer
Brown	Frazier	McGill	Thomas, Okla.
Bulkley	George	McKellar	Thomas, Utah
Bulow	Gibson	McNary	Thompson
Byrd	Goldsborough	Metcalf	Townsend
Byrnes	Gore	Murphy	Tydings
Capper	Hale	Neely	Vandenberg
Caraway	Harrison	Norris	Van Nuys
Carey	Hastings	Nye	Wagner
Clark	Hatch	O'Mahoney	Walcott
Connally	Hatfield	Overton	Walsh
Coolidge	Hayden	Patterson	Wheeler
Copeland	Hebert	Pittman	White

Mr. LEWIS. I regret to announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate on account of illness.

I desire to announce also that the following Senators, the Senator from Florida [Mr. TRAMMELL] and the Senator from Mississippi [Mr. STEPHENS] are necessarily detained from the Senate on official business.

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. McKELLAR. I ask that the bill may be read.

The legislative clerk proceeded to read the bill.

The amendments reported by the Committee on Appropriations were, on page 2, line 23, after the word "duty", to strike out ": *Provided further*, That no part of the appropriation herein made shall be allotted for expenditure for any Civil Works project under any other department or establishment of the Federal Government except such sums as may be necessary for maintenance and operation of reemployment agencies, and medical, surgical, and hospital services, and for administration, supervision, inspection, disbursing, and accounting purposes, and printing and binding, in connection with State and/or local Civil Works projects", and on page 3, line 11, after the words "sum of", to strike out "$100" and insert "$300", so as to make the bill read:

Be it enacted, etc., That in order to provide additional funds for carrying out the purposes of the Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55), and for continuing the Civil Works program under the Federal Civil Works Administration as created under authority of title II of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 200), there is hereby appropriated for these activities, out of any money in the Treasury not otherwise appropriated, to remain available until June 30, 1935, the sum of $950,000,000, which shall be available for expenditure for such projects and/or purposes and under such rules and regulations as the President in his discretion may prescribe: *Provided*, That nothing contained in the Federal Emergency Relief Act of 1933 shall be construed as precluding the Federal Emergency Relief Administrator from making grants for relief within a State directly to such public agency as he may designate: *Provided further*, That the provisions of the act entitled "'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916 (U.S.C., title 5, sec. 785), as amended, shall not apply to persons given employment by the Federal Civil Works Administration, and any rights of such persons to compensation or other benefits which may have accrued under such act shall terminate upon the date of the approval of this act: *Provided further*, That nothing herein contained shall be construed as precluding the furnishing to such persons at the expense of the United States

of such medical, surgical, and hospital treatment as may be necessary to meet the emergency of an injury sustained in the performance of duty: *Provided further,* That section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Federal Civil Works Administration when the aggregate amount involved does not exceed the sum of $300.

The amendments were agreed to.

Mr. McKELLAR. Mr. President, the bill as reported carries an appropriation of $950,000,000. The Administrator proposes to devote $450,000,000 of that sum to the Civil Works Administration. The other $500,000,000 he proposes to use for relief. It is the intention of the relief administration thus to divide the amount. The amount is appropriated for all purposes; it might all be used for relief or it might all be used for the Civil Works Administration; but that is the suggestion as coming from the Administrator Mr. Hopkins. There is no provision in the bill requiring such a division; the $950,000,000 can be used for either purpose, but that is the manner in which Mr. Hopkins expressed himself as desiring to divide the amount. It will be noted that the money is available for expenditure for such projects and/or purposes under such rules and regulations as the President in his discretion may prescribe. It will thus be seen that what we virtually do is to put the $950,000,000 in the President's hands for relief and Civil Works purposes.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. McKELLAR. I do.

Mr. FESS. I do not quite get the distinction. What do we mean by $500,000,000 for relief?

Mr. McKELLAR. Civil Works projects have been established all over the country, in connection with which salaries are to be paid. The portion which the administrator expects to use for that purpose is $450,000,000.

Mr. FESS. What is included under the word "relief"?

Mr. McKELLAR. All kinds of relief, such as the Government has been granting directly to States, counties, and municipalities for the benefit of the unemployed.

I wish to call attention to the first proviso, which allows administrators to make grants of relief within a State directly to such public agency as he may designate.

The second proviso precludes employees of the United States under the C.W.A. from the benefit of the Employees' Compensation Act. This provision occasioned some discussion in the committee, but it was determined that in giving work to those in need such persons should not also have the benefits of the Federal Employees' Compensation Act.

Mr. WAGNER. Why not?

Mr. McKELLAR. Because it would take up a very large part of the appropriation.

Mr. WAGNER. How much?

Mr. McKELLAR. It would take up $21,000,000, as estimated by Mr. Hopkins.

Mr. WAGNER. Is the Senator of the opinion as to these projects, many of which are municipal and State projects which under ordinary circumstances would have been initiated by the municipalities or the States except for the depression, that men working upon those projects are not entitled to workmen's compensation the same as men working in factories and other places of employment. It seems to me they are being discriminated against.

Mr. McKELLAR. I think where a person is out of employment and the Government comes along and graciously gives him employment, he ought not to have the right to make claims against the Government, possibly claims for life compensation and all kinds of claims on account of the work thus given him generously by the Government.

I will take that matter up a little later for further discussion. The committee determined that that provision should remain in the bill. The President recommended that that provision should be in the bill, and I think the President is right. I think the committee was right in thus putting it in the bill. The committee thought under the circumstances, and inasmuch as this work is being furnished purely for the benefit of the recipients, that it was not right to saddle upon the Government a large and perhaps perpetual compensation allowance. However, the third proviso permits all these persons to have medical, surgical, and hospital aid in case of injury.

The next proviso in the bill as it passed the House—

that no part of the appropriation herein made shall be allotted for expenditure for any Civil Works project under any other department or establishment of the Federal Government, except such sums as may be necessary for operation and maintenance of reemployment agencies, and medical, surgical, and hospital service, and for administration, supervision, inspection, disbursing, and accounting purposes, and printing and binding in connection with State and/or local Civil Works projects—

was stricken out for the reason that the committee was of the opinion that there are many Federal projects, such as road projects, public parks projects, Government works projects here and elsewhere, that ought not to be barred from participating in this fund. The purpose of the appropriation is to give work to the unemployed. How better employ them than on regular Public Works projects?

The committee thought that this provision should be stricken out because it would preclude the C.W.A. from building roads that might be Federal projects or improving parks or doing work on other public proposals, and therefore this was stricken out. The committee retained the last proviso in the bill put on by the House with an amendment changing the $100 to $300. In other words, section 370 of the revised statute provides for purchase by advertising and bidding, and the administration was relieved of this provision where this amount involved was less than $300.

Mr. President, Mr. Hopkins, the Federal Civil Works Administrator, appeared before the committee and made a wonderful and illuminating statement as to what his administration has done since its appointment. I want to ask all Senators whether they are for the bill or not, whether they are for the C.W.A. or not, whether they even believe in it or do not believe in it, in fairness and justness to themselves as legislators to read this statement of Mr. Hopkins. It will be found in the hearings. It is a wonderful exposition of the splendid work that has been done by the Civil Works Administration. I believe it will commend itself to every Senator.

I want to invite the attention of Senators to another thing. Some of the startling statements made by Mr. Hopkins were that upon investigation last March he found 4,500,000 families in the United States receiving relief from local, State, and public funds. Criticism is offered of this proposal, but think of it, Senators, 4,500,000 families in America receiving aid from Federal, State, and local authorities. This meant, according to Mr. Hopkins, that 20,000,000 of our people or practically one sixth of the population were in some way receiving aid, State or local or National.

That number increased slightly in October and November to 300,000 or 400,000 more. By the middle of November the number was down to 3,400,000 families. The percentage of colored on relief was twice the percentage that the whole colored population bears to the white population. There was a higher percentage of children on the rolls. There were on the rolls nearly 6,000,000 children under 16 years of age. There were less elderly people than were to be expected.

During the month of November some 27 percent of the population had some kind of relief. Think of that a moment, Mr. President. In the month of November some 27 percent of our people were getting relief of some form, nature, or description.

Some Senators have been criticizing the C.W.A. Think what they did! With some 20,000,000 people receiving relief, they put 4,000,000 men and women to work in 30 days. It is a wonderful job. It was organized in every State, in some 3,000 counties, and that is practically all of them. In the main, it was a nonpartisan organization throughout the country. Some 400,000 projects, some in every county and township in the United States, were approved and prosecuted. The 4,000,000 men put to work were divided between the several States—75 percent on the basis of population

and 25 percent on the basis of families receiving relief. Five hundred million dollars in wages and $200,000,000 in materials will be the record of the C.W.A. up to February 10. This represented a combination of all funds, national and local. No work was being done by contract, either. All purchases were being made according to law. The number of people benefited, Mr. Hopkins estimated, is between 12,000,000 and 13,000,000.

Asked about the wage scale, Mr. Hopkins said the reason they were paid $1.10 per hour was because the funds came from the Public Works Act. It will be remembered that $400,000,000 came from the Public Works Act, and under that act those in authority had to pay according to the Public Works Law. That is a provision in that law with which every Senator is familiar. The result was that the scale of wages was higher than that which prevailed in the same area.

Another peculiar feature of the situation is that there were only 200,000 women put into employment. Out of the 4,000,000 people, only 200,000 of them were women.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Tennessee yield to the Senator from Michigan?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. The Senator referred to a wage differential. Does that continue under the new plan on the same basis?

Mr. McKELLAR. It does not.

One of the reasons given by Mr. Hopkins for the rather remarkable and startling fact that there were only 200,000 women on the Civil Works roll was that relief was generally given to the heads of families, and it shows what a good job is being done. They found it difficult, also, to get the type of work which women could do. One of these methods was to use women in teaching rural schools, and I desire to call the attention of every Senator here to what a splendid work this is.

They had about 13,000 teachers teaching in rural schools when the schools otherwise would have been closed. Did they pay them large salaries? Oh, no; only $35 a month as a rule. In some cases they paid $40, but as a rule $35 a month. These teachers in country schools were without employment. The school authorities were without the money with which to pay them. The children would have been prevented from going to school if the schools had been closed, and yet 13,000 rural teachers, and in all 35,000 teachers, were employed all over the country.

Under this bill this system can be continued. I have been asked about that feature of it, whether or not any of this money could be used for such purposes. It is perfectly evident that it can be under this bill.

In Mississippi they had 2,000 teachers engaged in teaching illiterates.

About $14,000,000 have been paid out for compensation to persons who were injured. Mr. Hopkins thought this should be continued, but the committee did not agree with him. The committee thought that the furnishing of employment under the circumstances ought to be sufficient, and that otherwise a large pension roll would be built up. It was thought that $21,000,000 would be required to pay for those injured, and if that sum was set aside it would not be spent for unemployment purposes.

Of the 4,000,000 men put to work, 2,600,000 are working on Federal projects.

Mr. Hopkins was asked about the misuse of money, and he went into this question very frankly. On page 30 of the hearings he says that with over 4,000,000 men employed in the C.W.A., 14 people have been arrested in the United States for all kinds of delinquencies; and I stop here long enough to say that that question was brought up here a while ago. That is one thing that can be said for Mr. Hopkins, he is not trying to cover up anything. If there is any wrongdoing, he wants to be the very first to know it, and he will be the very first to prosecute that wrongdoing. If there are delinquencies, he wants to do away with those who are delinquent in every way.

I say to you, Senators, that in my judgment the expenditure of this enormous sum of money, $700,000,000, in about 3 months, with only 14 persons arrested, under a will to arrest where there are delinquencies, makes a wonderful record. I think we can safely entrust to this branch of the Government the amount that is fixed in this bill for relief, and $450,000,000 for Civil Works, a large portion of which is work on the Federal program.

I differ with some of my friends who have criticized this bill. I think the Civil Works Administration has been a great benefit to the country. They have bought $200,000,000 worth of material, which has benefited almost every business man in the land. This money is spent among the plain people of our country. It is spent among those who have to spend it again. It is a great benefit to all the population; and at this trying time, when but recently we had 13,000,000 persons unemployed or receiving relief, all told, it is a matter that ought to be continued until the weather breaks, under any circumstances.

Senators will want to know what Mr. Hopkins' view was about that subject, and I desire to explain to them just what he said about it. I think that is very necessary. I am going to take only a few moments more, because this is a very simple matter after we get our minds on it.

Here is Mr. Hopkins' statement. I quote from page 32 of the hearing:

> Now about the money, because that is an important item: Our Civil Works funds will be exhaused next week.

That means this week, because this hearing was held last Saturday.

> This bill provides for an appropriation of $950,000,000. Our relief fund, the original $500,000,000, will be exhausted by the end of February or early in March. This $950,000,000 is a request for an appropriation for relief for Civil Works and for relief grants to the States from the 10th of February on.
>
> It is our thought that the money would be divided substantially as follows: $450,000,000 of it would be expended on Civil Works, and $500,000,000 on relief. No administrative decision, however, has been made on this point.
>
> It is our present plan to begin to demobilize Civil Works soon after the 15th of February, completing the demobilization about the 1st day of May. It is our thought to synchronize that demobilization with the planting season, for instance, in rural areas, and to move it gradually down through the great industrial centers.

Mr. Hopkins did not say so here, but at another point in the hearing he said that during this time as many of the people who were out of employment as could be transferred to the Public Works operations would be so transferred, and in that way the necessity for continuing the Civil Works Administration would be relieved.

Here are the reasons which Mr. Hopkins gives; and in view of an amendment to make the sum larger I desire to call the attention of the Senate particularly to this statement:

> Our reasons for not recommending a sum of money which will continue Civil Works I think are substantially these:
>
> First. It was started as an emergency enterprise. When the President announced Civil Works, it was to meet the emergency this winter.
>
> Second. There will be a substantial pick-up in Public Works.
>
> Third. Civil Works was started at the low point of employment—that is, December and January have always been the low months in factory reemployment—so there will be a seasonal pick-up.
>
> Fourth. A great many of the persons on Civil Works are tenant farmers and other farmers who needed benefits this winter because of their economic situation, and who in the spring and the beginning of the planting season, when they can get their cattle out to grass in the Northern States, will be able to get along.
>
> Fifth. With the pick-up in general business through the instrumentality of the Recovery Act, we will get very substantial numbers of these totals on a self-sustaining basis in industry.
>
> Finally, I do not believe that anybody can now project the economic situation over a period of months ahead to an extent that would warrant asking an appropriation from the Congress to do specific and certain things. It seems to me that this $950,000,000 is a fund which will carry us through until the Congress meets again.

Mr. Hopkins estimates that the Civil Works projects will stop by the 1st of May, but he estimates that the $500,000,000 set aside for relief will carry the Government through until next January.

Mr. GORE and Mr. CUTTING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Oklahoma.

Mr. GORE. Mr. President, I noticed in the morning paper a suggestion that a plan was under consideration to extend the Civil Works Administration for 1 year from and after May 1. Does the Senator understand, or do I understand him to say, that such a plan is not now in contemplation?

Mr. McKELLAR. I never have heard of it. Mr. Hopkins, as you see—I have been reading from his testimony—says directly to the contrary of that suggestion, and no one has suggested such a plan to me.

Mr. GORE. I hope the Senator's information is correct.

Mr. McKELLAR. I hope so, too.

I now yield to the Senator from New Mexico.

Mr. CUTTING. Mr. President, I was wondering whether the Senator could inform us if Mr. Hopkins has given the committee any estimate of the number of unemployed persons he would have absorbed under the four different specifications which the Senator has just quoted.

Mr. McKELLAR. No; he did not give the figures in connection therewith; but if the Senator will read the hearings in which Mr. Hopkins' statement is to be found, he will see, I think, that Mr. Hopkins certainly understands his business. It is almost impossible for an outsider to understand what a tremendous grasp another man has of a subject like this. If we were any judges at all, Mr. Hopkins certainly knows his business and is an admirable man for that place.

Mr. CUTTING. I did not mean my question to imply any disrespect for Mr. Hopkins, for whom I have the highest regard.

Mr. McKELLAR. Oh, I know that.

Mr. CUTTING. I just think that in a matter of this sort, where, as I understand from reading the hearings, there are 15,000,000 persons on the relief rolls at the present time, it would be interesting to have some kind of estimate as to how many of those men we are going to be able to take care of if we let the C.W.A. go.

Mr. McKELLAR. No; there are not that many on the rolls because 4,000,000 deducted from the full number that were on the rolls will leave a much smaller number. In the case of those receiving benefits it was estimated that there were four persons per family. Mr. Hopkins has put 4,000,000 on the rolls. That would make the total number to whom he is giving employment or giving relief, directly or indirectly, about 16,000,000. So the number on the relief rolls is not as great as the Senator has stated.

I will say that Mr. Hopkins very frankly said that no man could tell what might be the result by a given time, but, to the best of his judgment—and I think we will all agree that he not only has good judgment but he has knowledge of the situation—$950,000,000 would do the job. The committee thought so and reported this bill unanimously, as I remember. If I have done anybody an injustice on that subject, I hope he will rise and state the fact. I believe one or two Senators suggested that they had no objection to the bill, but that they might want to criticize it when it reached the floor of the Senate.

Mr. President, I have concluded what I desire to say, except to answer any question that any Senator wants to ask. I desire to have printed in the RECORD at this point a message of the President of date January 27, 1934, and the bill attached thereto.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, January 27, 1934.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to request an additional appropriation of $950,000,000 for the purposes of the Federal Emergency Relief Act of 1933, approved May 12, 1933, and for continuing the Civil Works program under the Federal Civil Works Administration established by Executive Order No. 6420–B of November 9, 1933, pursuant to the authority of title II of the National Industrial Recovery Act of June 16, 1933.

Section 2 (a) of the Federal Emergency Relief Act made available for the purposes of that act $500,000,000 of the funds of the Reconstruction Finance Corporation. The Executive order establishing the Federal Civil Works Administration made available for that Administration $400,000,000 of the appropriation of $3,300,000,000 made by the fourth deficiency act, fiscal year 1933, for National Industrial Recovery.

The funds available for these two activities will be exhausted early in the month of February 1934, and it is essential that additional funds be provided to avoid an abrupt termination of this relief work.

I am confident that the Congress is in sympathy with the proposed continuance of these relief activities.

Respectfully,

FRANKLIN D. ROOSEVELT.

A bill making an additional appropriation for certain emergency relief activities, and for other purposes

Be it enacted, etc., That in order to provide additional funds for carrying out the purposes of the Federal Emergency Relief Act of 1933, and for continuing the Civil Works program under the Federal Civil Works Administration created under authority of title II of the National Industrial Recovery Act, there is hereby appropriated for these activities, out of any money in the Treasury not otherwise appropriated, the sum of $950,000,000, which shall be available for expenditure for such projects and/or purposes and under such rules and regulations as the President, in his discretion, may prescribe: *Provided*, That nothing contained in the Federal Emergency Relief Act of 1933 shall be construed as precluding the Federal Emergency Relief Administrator from making grants for relief within a State directly to such public agency as he may designate: *Provided further*, That the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall not apply to persons given employment by the Federal Civil Works Administration, and any rights to compensation or other benefits which may have accrued under the said act shall cease and determine upon the date of the approval of this act: *Provided further*, That nothing herein contained shall be construed as precluding the furnishing to such persons at the expense of the United States of such medical, surgical, and hospital treatment as may be necessary to meet the immediate emergency of an injury sustained in the performance of duty.

Mr. FRAZIER. Mr. President, before the Senator takes his seat, will he yield to me?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from North Dakota?

Mr. McKELLAR. I do.

Mr. FRAZIER. I am very strong for the continuation of the C.W.A. work, and I think Mr. Hopkins has made a wonderful success of it. The complaint has continually come to me, however, that there was not enough work to take care of all those who wanted work, and I presume the same complaint has come to every Member here. It is commonly reported, through the press and otherwise, that some five or six million people who would like to get work are out of work and cannot be taken care of under the present situation.

Is there any means of taking care of the rest of these unemployed persons? Is this money enough to take care of them?

Mr. McKELLAR. I do not think it is proposed to take care of every unemployed person, but those in charge of this work are going to take care of all the worthy unemployed they can find.

Mr. FRAZIER. Then, Mr. President, a few days ago another item was called to my attention, and there was considerable talk about it. Under date of January 27 the Washington Post carried an article headed "The Army to Operate the C.W.A." The New York Times of the same date carried an article headed, "Army Men Drafted to End C.W.A. Graft."

I am wondering whether the chairman of the committee can tell us how far they intend to go in having the Army connected with the C.W.A. work.

Mr. McKELLAR. I will say this, that some trouble arose concerning the administrator in the State from which I come, Tennessee. I do not know what the character of the trouble was, but it seems that an Army officer of skill and ability was asked to come there to help straighten out that trouble. I do not believe it is intended at all to call in the Army, but it is intended that this work shall go on for the next 3 months substantially as it has proceeded in the past 3 months.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Colorado?

Mr. McKELLAR. I yield.

Mr. ADAMS. It seems to me that in the statement he has just made the Senator from Tennessee has inadvertently exaggerated what Mr. Hopkins expects to do. As a member of the committee, I did not understand that he expected to do what the Senator from Tennessee has said—take care of all the worthy unemployed.

Mr. McKELLAR. Oh, no. If I said that, I said more than I should have said. He is going to do the very best he can with the money at hand to carry out the plans now in existence.

Mr. ROBINSON of Arkansas. Mr. President, I desire to offer an amendment which I think may be acceptable to the Senator from Tennessee and to the committee. I offer it and ask for its consideration.

The PRESIDING OFFICER. The Senator from Arkansas offers an amendment which the clerk will report.

The CHIEF CLERK. The Senator from Arkansas proposes the following amendment: That paragraph (1) of subsection (a) of section 301 of title III of Public Law No. 302, Seventy-second Congress, approved July 21, 1932—Emergency Relief Construction Act of 1932—be amended by striking out the date "July 1, 1933", where it appears in said paragraph and inserting in lieu thereof the date "September 1, 1934."

Mr. ROBINSON of Arkansas. Mr. President, the amendment is necessary on account of this state of facts. In one or more of the States a portion of the funds intended for matching highway funds have been allotted, contracts have been let and are in process of execution. The contracts have not been completed, and the funds have not been expended. It is necessary, in order to complete the contracts already entered upon, to incorporate this amendment.

I ask unanimous consent to have printed in the RECORD a statement from the Chief of the Bureau of Public Roads and offer a statement from the director of highways of the State of Arkansas relative to the subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PUBLIC ROADS,
Washington, D.C., January 17, 1934.

Hon. J. T. ROBINSON,
United States Senate.

MY DEAR SENATOR ROBINSON: Director Rhyne, of the Arkansas Highway Commission, has conferred with me regarding the extension of availability of highway funds apportioned to the State under the provisions of the Emergency Relief and Construction Act of 1932.

While it would be possible to prevent any loss of these funds to the State by a permissible adjustment between emergency and regular funds set up on the projects in question, it is extremely doubtful whether such adjustment would relieve the rather complex situation with respect to the legal status of existing contracts. I am inclined to believe, therefore, that, if you feel that legislation extending the availability of these funds through September 1, 1934, can be secured through Congress within a period of 2 or 3 weeks, it probably would be desirable to adopt this procedure, as the State highway department would then be in a better position to deal with the legal aspects concerning default or fulfillment of the contracts.

Very truly yours,

THOS. H. MACDONALD,
Chief of Bureau.

ARKANSAS STATE HIGHWAY COMMISSION,
Little Rock, Ark., January 20, 1934.

Hon. JOE T. ROBINSON, *Senator,*
Senate Chamber, Washington, D.C.

MY DEAR SENATOR: The Emergency Relief and Construction Act of 1932, Public, 302, Seventy-second Congress, granted to the several States a sum of money to be used by these States in the matching of regular Federal-aid funds in the construction of highways. On December 31, 1933, the State of Arkansas had an unexpended balance in this emergency-relief fund of approximately $230,000. This unexpended balance has all been obligated on contracts which were to have been finished as of December 31, 1933, but which, owing to several reasons, have not been finished.

Plans on these several projects call for a bituminous asphalt surface either upon a clay gravel base or a water-bound macadam base and were submitted to the Bureau of Public Roads during March 1933. Owing to an Executive order by the President of the United States which stopped consideration and approval of work financed under the above-mentioned act, all consideration of this act was suspended. This Executive order was rescinded during the latter part of June 1933, thus causing a delay of approximately 3 months in placing these jobs under construction; however, very little delay was encountered by this department in immediately placing the remaining jobs under construction after the Executive order was lifted as our proposals were received on July 12, which was as early as we could legalize the advertisement after the lifting of the order. This delay, however, carried our construction period into the latter half of the year during which unsuitable weather conditions were encountered, particularly during the months of November and December, which prevented the completion of the work.

It is the opinion of this office that the proper way to handle this matter would be an extension of time for an expenditure of these funds and we respectfully request that you use your efforts along this line.

Very truly yours,

JAS. R. RHYNE,
Director of Highways.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. SCHALL. Mr. President, I shall vote for the $950,000,000 appropriation, because I do not see anything else to do under the circumstances and in the emergency. It seems to me that some wiser plan could have been made for the expenditure of this money, whereby we would have retained some lasting benefit.

If any thought had been taken in the construction of a plan to help the needy, why could not contracts have been let for various projects to the lowest bidder, with reservations for a 30-hour week and a minimum wage, where efficiency and honesty would have been the watchword instead of politics, graft, and corruption, as we now have. The rottenness of graft and partisanship reeks to high heaven. Only three States are so far known to be exempt from this charge, and that is because they have not yet been investigated.

Congress voted direct Federal relief and also funds for Public Works to "prime the pump." But inasmuch as the administration deliberately delayed relief and Public Works projects, it conceived the idea of diverting $400,000,000 of the Public Works funds into what is now known as the "Civil Works Administration", or C.W.A., where little or no permanent beneficial results are had. Up to date out of all our funds spent from the Federal Treasury only a very small part has found its way into projects that will stimulate the capital-goods industry, which has been the most seriously affected and which is the heart of the depression. It is the capital-goods industry where the employment is the smallest and the activity is the least. Federal funds should have early been applied to stimulate it.

Coolidge headed off the depression in 1921 by promptly spending over $11,000,000,000 for public works, and besides this amount spent during his administration for public works paid on the public debt accumulated during the Wilson Democratic administration $10,000,000,000. The present administration squanders Federal funds without permanent results. It postpones the evil day. No resuscitation of private industry will mean that the C.W.A. employees will have no place to go to cover when the funds are exhausted. President Hoover spent around seven billion for public works, and if he had been able to spend more we would have kept our equilibrium despite the blow-up of the stock exchange.

If the administration had deliberately set out to cause a revolution, I do not see how it could have better planned. There must be a day of reckoning. It hopes, no doubt, to be the man on horseback of that fatal hour. It is already charged with seeking to militarize the C.C.C., the C.W.A., and the other 35 alphabetical bureaucracies it has formed in the last 11 months. A subservient Congress has given it the power of a dictatorship.

In that dictatorship the administration has been given the power to place an embargo through the tariff upon all imports. If the President had used this power to place an embargo on all goods made and raised in this country, together with a 30-hour week, there would be no unemployment. Ninety-four percent of our commerce is within our

own States and a 30-hour week would furnish a job to everyone in the country who wanted it.

But instead of doing this the administration, by means of its "national ruin act", raises the price of everything we need and thereby makes possible more imports, with consequent more unemployment, and hinders and obstructs every effort to stimulate the capital-goods industry through higher prices and the fostering of combinations in restraint of trade, with the inevitable result of the destruction of all the little independent businesses in the country.

Mr. HAYDEN. Mr. President, I desire to offer an amendment to perfect the bill, which amendment I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. MURPHY in the chair). The clerk will state the amendment.

The CHIEF CLERK. The Senator from Arizona offers the following amendment:

On page 2, line 14, to strike out all after the comma, down to and through the word "duty", in line 23, and to insert in lieu thereof the following:

"Are hereby extended to employees of the Civil Works Administration so far as they may be applicable, subject, however, to the following conditions: (a) That the total aggregate compensation in any individual case shall not exceed the sum of $5,000, exclusive of medical costs; (b) that the minimum limit on monthly compensation for disability, established by section 6, and the minimum limit on the monthly pay on which death compensation is to be computed, established by clause (K) of section 10, shall not apply; (c) that the United States Employees' Compensation Commission shall establish a special schedule of compensation for the loss or loss of use of members or functions of the body, which shall be in lieu of all other compensation in such cases and which schedule shall when approved by the President continue in effect without change or modification until the Congress by law shall otherwise provide; (d) that any payments of compensation heretofore made upon approval of the United States Employees' Compensation Commission not in excess of the provisions herein shall be valid; and (e) that the said Commission is hereby authorized in its discretion to provide for the initial payments of compensation and the furnishing of immediate medical attention through the local authorities of the Civil Works Administration: *Provided further*, That so much of the sum appropriated by this act as the United States Employees' Compensation Commission, with the approval of the Director of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for administrative expenses and for the payment of such compensation shall be set aside in a special fund to be administered by the Commission for such purposes."

Mr. HAYDEN. Mr. President, I wish to make a brief explanation of the purpose of the amendment. House bill 7527, as it came to the Senate, provides that hereafter no compensation shall be paid for the death or injury of any Civil Works employee, and that any rights to compensation that have accrued prior to this time shall be taken from them.

The Civil Works program began about the middle of last November, and from the beginning, all those employed on Civil Works have enjoyed the full benefits of the Federal Employees Compensation Act of 1916 as amended. The program is about half completed. It has been going on for 2½ months. The pending bill appropriates money to carry on Civil Works until the 1st of May, or another 2½ months. The sponsors of that measure are saying to those who have been injured on Civil Works projects up to this time, "Although the Federal Government has been granting these benefits, they shall be taken away from you, and anyone who loses his life or who is injured from now on shall be paid no compensation of any kind. It was pointed out in the House of Representatives by the chairman in charge of the bill that very large obligations upon the United States Treasury have been imposed through the operation of the existing compensation law.

I have here a list of the first 12 cases that have been adjusted by the United States Employees' Compensation Commission; and spreading over a period of years—it may extend to 40 or 50 years—the total compensation paid in all forms to widows and other dependents will vary from $2,000 to $21,000, with an average above $9,000. In the amendment which I have offered I have fixed a limit of $5,000, adopting that sum because that is the usual amount which Congress allows to those employed by the Government in special claims bills in case of death or permanent and total disability.

The amendment further provides that the minimum limit on monthly compensation for disability as provided in the Compensation Act shall be removed.

Section 6 of the Compensation Act provides:

That the monthly compensation for total disability shall not be more than $116.66 nor less than $58.33, unless the employee's monthly pay is less than $58.33, in which case his monthly compensation shall be the full amount of his monthly pay.

The amendment would remove that minimum limit of $58.33.

The same thing is true as to the minimum limit on the monthly pay on which death compensation is to be computed as provided by clause (K) of section 10 of the Employees' Compensation Act.

That clause reads as follows:

(K) In computing compensation under this section the monthly pay shall be considered not to be more than $175 nor less than $87.50, but the total monthly compensation shall not exceed the monthly pay computed as provided in section 12.

The minimum limit now, as will be observed, is $87.50 per month, while the amendment provides that the Employees' Compensation Commission, with the approval of the President, shall establish a special schedule of compensation for C.W.A. workers for the loss or the loss of the use of members or functions of the body.

There may well be a distinct difference between insurance guaranteed to a civil-service employee who enters the service after a physical examination and expects to make it his life work and that provided for a man who is taken from the body of the population, without physical examination, and employed for a comparatively short period of time.

It is believed that a maximum sum of $5,000 would be fair compensation either for death or for injury occurring in course of such temporary employment, and that as to other minor injuries it would be well to leave the amount to be paid and the length of the term of payment to the Employees' Compensation Commission, with the approval of the President.

That, Mr. President, is the sum and substance of the amendment, except in one respect. In his testimony before our Committee on Appropriations Mr. Hopkins, the Civil Works Administrator, submitted a statement in which he not only protested against the action taken by the House of Representatives in repealing and denying all compensation benefits to C.W.A. employees but also suggested that there be taken from this appropriation of $950,000,000 a sufficient sum of money to be set aside to meet the estimated cost of all such compensation.

It is estimated that out of an expenditure to date of about $500,000,000 it will require $14,000,000 to meet the cost of all the compensation benefits that have accrued during the past 2½ months. Mr. Hopkins further stated that, with the additional money for civil works carried in this bill, there would be a total obligation of perhaps $21,000,000 against the United States for workmen's compensation. Whatever the sum may be, whether $14,000,000 or $21,000,000, the amendment I have offered proposes that an estimate be made by the Employees' Compensation Commission and the Director of the Budget and that the amount thus estimated be set aside as a special fund in the Treasury out of the sum now to be appropriated to meet such compensation payments. In other words, the ultimate effect is going to be that a little less money will be available in providing work for the unemployed, but, as to all who do work, there will be an assurance to them that if they should be killed their dependents would be cared for in a ratable degree, and if they should be injured they would receive a fair compensation.

Mr. GORE. Mr. President——

Mr. HAYDEN. I yield to the Senator from Oklahoma.

Mr. GORE. I did not fully understand the reading of the Senator's amendment. Does it provide for a pension in

behalf of Civil Works employees after their retirement from the service?

Mr. HAYDEN. No; the amendment provides that they shall receive compensation based upon the same general system and paid in the same manner as in the case of other Federal employees, except that the maximum amount that may be paid to anyone on account of injury or death is $5,000.

Mr. GORE. My question was suggested by the fact that on yesterday an old gentleman approached me in the lobby and expressed the hope that I support a measure or an amendment providing for a pension on behalf of the widows and dependents of those who might be killed or injured in this humane service provided by the taxpayers for the relief of the unemployed.

Mr. HAYDEN. Let me make it perfectly clear to the Senator from Oklahoma that from the inception of this humane service to which he has referred and up to this good hour anyone who has lost his life or has been injured in such service has been entitled to the full benefits of the existing Federal Employees' Compensation Act. The House of Representatives proposes to completely wipe out such compensation not only for the future but to take away all benefits that have heretofore been granted to any of the C.W.A. employees.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Colorado?

Mr. HAYDEN. I yield.

Mr. COSTIGAN. May I ask the Senator from Arizona how great an amount of compensation as compared to that given to other Federal employees the amendment of the Senator from Arizona proposes?

Mr. HAYDEN. If I correctly caught the Senator's question, the amount payable to C.W.A. workers by reason of the compensation provisions of existing law is $14,000,000 out of a total expenditure of $500,000,000. Mr. Hopkins' estimate was that the total payments for injuries or deaths that have occurred up to the present time, if existing law shall not be changed, would impose an obligation in future years upon the Government of about $14,000,000. The same proportion would prevail if the C.W.A. appropriations are increased.

It was his suggestion—and I quote his words from the hearings:

> Under this plan, out of the funds appropriated, we would give to the Federal Compensation Commission the full cost, as estimated by their actuaries for the whole period of time, out of this appropriation.

Mr. COSTIGAN. What reduction in compensation does the Senator from Arizona suggest?

Mr. HAYDEN. I suggest in my amendment that the maximum amount paid for the loss of life or the maximum amount paid for injury to any one person be limited to $5,000.

Mr. COSTIGAN. Does the Senator at this moment recall what the limitations of the Compensation Act are?

Mr. HAYDEN. I can only judge by a statement from the Employees' Compensation Commission which I shall put in the RECORD, that in the first 12 cases that have been adjudicated by that Commission, cases involving loss of life in the Civil Works Administration, the first one, a widow, would receive a total of $7,716; she has three children and they would receive, respectively, $872, $658, and $543. With the burial expense of $200 that would make a total of $9,989 spread over a period of years.

In the next adjudicated case the total amount payable to a widow and children would aggregate $21,735. In the next case the aggregate amount to be paid out of the Federal Treasury would be $18,477. The average of the first 12 cases is about $9,000.

I suggest the amount of $5,000 because, as Senators are well aware, the congressional rule is that where a Federal employee loses his life or is permanently and totally injured the maximum amount that we will pay through the medium of a relief bill is $5,000.

Mr. COSTIGAN. Were the claims in each of the cases mentioned by the Senator from Arizona for death?

Mr. HAYDEN. Yes; the first 12 cases cited are for death. There has been a total of 142 fatal accidents up to this time, and the total of nonfatal accidents is 14,219. There have been filed with the United States Employees' Compensation Commission up to the date of this report 5,268 claims.

I now ask, Mr. President, that the table to which I have referred may be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated compensation cost of first 12 fatal injury cases reported for C.W.A. employments in which awards were made

Case	Compensation estimated to be paid to—					Total compensation	Estimated burial costs	Total estimated cost
	Widow	Other dependents						
2023	$7,716	$872	$658	$543		$9,789	$200	$9,989
1753	20,515	1,020				21,535	200	21,735
1752	14,189	1,810	1,220	1,020	$38	18,277	200	18,477
1878	9,831	999	873			11,703	200	11,903
2386	5,835	2,880	425	306		9,446	200	9,646
1363	1,852					1,852	200	2,052
2584	4,675	711	708	636	82	6,812	200	7,012
1750	5,477					5,477	200	5,677
544	8,168	545	344	70		9,127	115	9,242
3731	5,519				[1] 363	5,882	200	6,082
1841			354		[2] 352	706	200	906
1769	8,757				[1] 439	9,916	200	9,396
Total	92,534					109,802	2,315	112,117

[1] Mother.
[2] Father.
Average cost per case, $9,343.

NOTE.—The estimate of costs of death benefits shown in the tabulation above is based on the allowance provided under the workmen's compensation plan adopted by the Civil Works Administration for its employees, which are the same as allowances authorized by the Compensation Act of Sept. 7, 1916. Under the Longshoremen's and Harbor Workers' compensation law of Mar. 4, 1927, which limits the aggregate benefits which may be paid in a single case, the total cost of compensation in the cases listed on the tabulation would be approximately one third less.

Mr. WAGNER. Mr. President, may I ask the Senator a question?

Mr. HAYDEN. I yield.

Mr. WAGNER. Does the Senator's amendment affect rights which have already accrued in a case where a person has been killed as a result of employment on a C.W.A. project?

Mr. HAYDEN. My amendment is a compromise and does in part what the House seeks to do wholly. The House of Representatives absolutely wiped out any compensation whatsoever to C.W.A. workers by a provision of the bill as it passed that body, which reads:

> And any rights of such persons to compensation or other benefits which may have accrued under such act shall terminate upon the date of the approval of this act.

Mr. WAGNER. I read that, and that is the reason I asked the question.

Mr. HAYDEN. In my judgment, Congress should put all Civil Works employees on the same basis, and my amendment provides that the Commission shall establish a special schedule of compensation and that—

> Any payments of compensation heretofore made upon approval of the United States Employees' Compensation Commission not in excess of the provisions herein shall be valid.

If existing rates of payment are in excess of the established schedule, they shall be reduced to the amount specified in it.

Mr. WAGNER. If under the law one of the conditions of employment is that compensation is to be paid, it seems to me a right has been acquired which has been completed and of which we cannot deprive the individual by legislation. However, he has an unenforceable right, because he cannot sue the Government.

Mr. HAYDEN. I believe that it is better to give a reasonable compensation, taking into consideration that C.W.A. workers enter Federal employment without physical examination and that the term of service is comparatively short. I prefer to consider this work as Federal employment rather

than an extension of relief. They are, in truth, employed by the United States, and that fact is completely proven, because they receive a pay check at the end of every week from a Federal disbursing officer. If a person is not employed by the United States who receives a check which is paid out of funds in the Treasury, then for whom is he working?

Mr. COSTIGAN. Mr. President, has the Senator from Arizona any objection to making his amendment provide that "hereafter" his amendment shall be operative and not retroactively?

Mr. HAYDEN. I think it would be better to make the rule uniform. While the amendment is frankly a compromise, I think it is better to do it that way than to do as the House proposes and take away all compensation benefits from Civil Works employees, both for the past and for the future.

For the information of the Senate I shall include as a part of my remarks the following statement made before the Committee on Appropriations last Saturday by Harry L. Hopkins, the Federal Civil Works Administrator.

Civil Works employees, according to all statements of the administration, were given employment not as relief workers but with the status of men employed in real work and paid wages, not relief.

Forty-four of the United States now have laws compelling employers to pay compensation to their employees for loss of earnings due to injury in the performance of duty. Employees, whether of individual firms or of municipalities, States, or of the Federal Government, have come to consider compensation for accidents incurred in performance of duty a right. Failure of the administration to stand behind its commitments to the payment of accident compensation on Civil Works Administration work would tend to undermine seriously the important conviction that Civil Works Administration workers have jobs.

The Federal Government in undertaking Civil Works Administration had two clear alternatives: (1) To assume that Civil Works Administration jobs are employment or (2) to assume that Civil Works Administration jobs are relief.

Had the Administration chosen the second alternative it would have been perfectly consistent to allow no accident compensation and to care for injured men on the basis of medical plus other relief. There will be comparatively few cases in which accident compensation will exceed the amount necessary to carry destitute people on a reasonable standard of relief. In a great majority of cases we are not facing the question as to whether people disabled on Civil Works Administration jobs shall be a Federal expense or whether they shall not be, but the question whether they shall be granted payments for the recognized loss of earning power or carried as recipients of public charity.

One of the recognized problems in extending relief is that of sustaining the individual without undermining his morale. If disabled Civil Works Administration workers and their dependents consider themselves legitimate beneficiaries of a just law it will help to free them from the inferiority feeling which comes from public relief.

If no balance remains from the original $400,000,000 appropriation and nothing can be done to broaden the provisions of the new appropriation in respect to accident compensation, it will be necessary to discontinue all payments of any kind as of the date at which the old appropriation is exhausted. (On or about Feb. 10.)

A clear picture of the results which would follow indicates how arbitrary and how widely disastrous in a social sense the termination of commitments to pay accident compensation would be. The example to the States afforded by Federal repudiation of accident compensation obligations voluntarily undertaken must be anticipated as seriously demoralizing the accident-compensation legislation.

If the Federal Government is required by an emergency to furnish employment to citizens, it has the obligation to afford conditions of employment which would prevail among the great proportion of its working population. Compensation for industrial accidents is accepted by general usage and by legislation as one of those conditions.

It is highly probable that if the new appropriation bill should specifically forbid the use of new funds for the payment of accident compensation a test would probably be made as to the eligibility of Civil Works employees to qualify for benefits under the State laws. This would result in an incredible volume of litigation, expensive both to the States and to injured employees and reflecting advantage to no one except to the type of lawyer prone to exploit such claims.

Although it has not been possible to canvass decisions and precedents in the States, it is not at all improbable that many of the States, if pressed, would be compelled to find these men eligible under their own compensation laws. This might result in a strain upon State compensation funds which would seriously challenge their solvency and would place the States in an extremely embarrassing position.

If the States find that they are required, by rulings of their courts, to make accident-compensation payments to Civil Works Administration workers, there will undoubtedly be a concerted attempt to secure Federal funds for reimbursement or to establish a legal status for Civil Works employees as employees of the Federal Government. This may put the Administration in the unprofitable position of promising, withholding, and finally paying under protest.

The proposed denial of funds to meet obligations incurred for accidents in the Civil Works Administration will not close the question, but will open the whole field to controversy of a sort peculiarly undesirable.

Mr. GEORGE. Mr. President, I rise to make a statement with regard to the pending bill, and particularly with reference to the statement made by the chairman of the subcommittee, the Senator from Tennessee [Mr. McKELLAR], as to the use of the portion of the funds carried in the bill for the purpose of extending the public schools through a normal period or term.

At the last session of the Congress I introduced a bill providing for loans through the R.F.C. for the purpose of maintaining public schools where, because of failure to collect taxes, general failure to secure the necessary revenue, the local school units, cities or counties or States, could not longer maintain the schools, but could furnish adequate security to the R.F.C. The Banking and Currency Committee appointed a subcommittee and hearings were had upon that bill. No final report was made to the general Committee on Banking and Currency.

When the Public Works bill was being considered and the Federal Emergency Relief bill was under consideration, some assurance was given that some provision would likely be made, indeed, would be made, to provide in part for the need which I attempted to indicate by the bill, and through the testimony offered in support thereof to the Committee on Banking and Currency.

At this session I introduced a bill which proposed simply to allocate, out of any moneys appropriated to the Civil Works Administration, $50,000,000 for the fiscal year ending June 30, 1934, for the purpose of maintaining those schools of less than college grade, public in character, through a normal school period. This bill was properly referred to the Committee on Education and Labor.

The Administrator, Mr. Hopkins, under date of February 1, 1934, issued the following release:

F.E.R.A. TO PROVIDE RELIEF FOR MORE UNEMPLOYED TEACHERS

To provide relief for more unemployed teachers in communities up to 5,000 population where existing funds are insufficient, additional grants were authorized today by Harry L. Hopkins, Federal Emergency Relief Administrator.

In making this announcement, Mr. Hopkins pointed out that the funds would go to teachers in local districts which had already made maximum but unavailing efforts to keep their schools in operation.

The funds would be used, Mr. Hopkins said, to maintain elementary and secondary schools in such areas and localities, for the normal school term, with approximately the same teaching load as the present school year.

"Funds are available only for salaries of certified teachers, for teaching the regular school work already under way this school year, on and after the date upon which the school had been discontinued for lack of its own funds", Mr. Hopkins stated.

"These funds cannot be used for administration, supervision, clerical, or janitorial services, or for maintenance, equipment, or supplies."

It was pointed out, also, that none of these funds can be used to pay back-salaries due, or to redeem warrants, script, or other evidence of debt.

"Teachers already employed in the schools, whose sole source of income is their salary, may be continued in their positions", Mr. Hopkins explained.

"Under similar conditions, these emergency funds may also be used to employ properly certificated persons in schools which have already closed or have not been open this year. All teachers who receive compensation from these funds shall, after approval by relief officials, be selected by the appropriate school authority and assigned to their tasks by such authority. The pay of the teachers shall not be higher than that stipulated for the same positions during the current year."

The United States Bureau of Education will cooperate with the Federal Emergency Relief Administration in carrying out its emergency program.

Mr. President, I rose to make this statement: Here is a release given out by the Administrator after the introduction of the bill to which I have invited attention, which proposes to carry out exactly the provisions of the bill, with certain restrictions and limitations. The bill, however, would have placed this earmarked portion of the fund—that is to say, not exceeding $50,000,000 of the $950,000,000 ap-

propriated—on a certain basis, and would have given those charged with the duty of maintaining the school systems in the several States the opportunity of knowing positively that they could operate a normal school term. I do not know why the Administrator of Emergency Relief Works is not willing to accept a bill which has been thought out with some care and administer it through established authority existing in every State, and why he wishes to elect to hold the entire administration of the $950,000,000 in his own hands.

But I am making this statement now for the purpose of indicating the provisions in the bill which I introduced as compared to the release which he gave out on February 1, and for the purpose of emphasizing my intention to see that he actually does administer this portion of the fund in accordance with his release. I do not mean to say that he will not do so, but I shall devote quite a deal of my time to seeing that it is carried out.

Obviously the simple, businesslike way of carrying out the purpose, which Mr. Hopkins himself declares that he expects to execute, is to use the established educational agencies in the country charged with the responsibility, limiting his allocation to the precise purposes to which he indicates he wishes to limit it. Obviously the established agencies should be regarded and the fund, while used to provide employment to unemployed teachers, should be expended through these agencies rather than through the administrator of an emergency relief fund.

It is not my purpose to criticize Mr. Hopkins as Relief Administrator, but it is my purpose to say that somebody ought to have said to Mr. Hopkins long ago that there are three branches of this Government and that one, at least, is legislative. The real friends of the administration will do the greatest service to the administration during this emergency period if the leadership will simply let it be known that there are three branches of the Government.

Here is a good-faith statement on the part of the Administrator that he will execute substantially the provisions of the bill which was before the appropriate committee of the Senate when he issued his release, though he will act only to provide work for the teachers. If that is true, I submit there can be no logical reason why a reasonable part of this fund should not be set aside to be administered through the established agencies, which I again submit are as well qualified to administer it as any emergency administration can be. Why put the schools of the country in the precarious and uncertain condition of awaiting the decision of the Administrator of an emergency fund, when all we need to do is to set aside or allocate a part of that fund and provide for its administration through the established, recognized, existing, and functioning agencies of the States and Federal Government?

I will not offer my bill as an amendment. I am content to accept the release given out by the Administrator himself. I have read into the RECORD the provisions of the bill which I introduced; and I submit that under the statement made by the chairman of the committee, if some 35,000 teachers are to be employed out of this fund through the normal school period, the allocation which I asked in my bill for all of the States and Territories, including the District of Columbia, was a reasonable allocation out of the gross sum of $950,000,000.

I think Mr. Hopkins has done a magnificent service in part; and in saying that I do not mean to be hypercritical, because I assume that no man could have done a magnificent service as a whole in the administration of a fund of this character which had to be administered quickly if the purposes of the legislation and of the creation of the agency were carried out. I believe that Mr. Hopkins has accomplished substantial results through his administration, and I have no criticism to make. I am rather criticizing that legislative cowardice which is unwilling to say to a friendly administration that here is a legislative body that also may express its will and may make legitimate provision for the expenditure of public money.

This seems to be an illustration of it—deliberately closing eyes to proposed legislation seriously advanced to meet a crying need throughout the country—and here is the administrator of the fund himself admitting the need, proposing to meet the need, proposing to use the same fund, proposing to use it in substantially the same way that the legislation itself suggests, with limitations which seem reasonable but for a different purpose or from a different motive.

Mr. President, I hope what I have said will be sufficient to guarantee the expenditure of the necessary and reasonable proportion of the sum for the purposes for which the administrator, through the public press, has declared it to be his purpose to use it.

Mr. McKELLAR. Mr. President, I desire to reply to the argument and oppose the amendment offered by my good friend the Senator from Arizona [Mr. HAYDEN], with whom I usually agree. I cannot do so in this instance for the reasons I am about to state.

Four million men have been taken into the service of the United States, not because their services are particularly needed at this time but for the purpose of giving them employment. No physical or mental or any other examination is given to these men, except that they are unemployed and they need the work, and it is given to them.

Mr. WAGNER. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from New York?

Mr. McKELLAR. Yes; I yield.

Mr. WAGNER. Upon other public projects undertaken by the Government, which are not included in the Civil Works program, men are also employed who are not examined physically prior to their employment upon these public projects; and yet, if any injury occurs to them, or if death occurs, compensation is given to their dependents under the Federal statute. Why should there be a discrimination between a worker working upon, say, a waterway project which is financed by the funds given to the Civil Works Administrator and another worker who receives compensation if he is unfortunate enough to meet with injury? It seems to me we are doing a very great injustice.

Mr. McKELLAR. Mr. President, I shall be delighted to answer the Senator's question.

In the one case the Government needs the employee, and is paying him because of that need and because of the necessity of the Government having the work done. This other work is given as a gratuity.

Mr. WAGNER rose.

Mr. McKELLAR. I hope the Senator will permit me to say something about this matter now. He has asked me a question, and I desire to answer it.

In this case, $450,000,000 are being appropriated for the purpose of aiding these men who are without employment. It will be remembered that this work was set up first, not by the Congress specifically, but by Executive order. This money has thus been expended. I doubt if a single Member of the Senate ever contemplated or ever thought that the compensation laws would be applied to work of this character. Four million men and women were taken in under this Public Works proposal, and in that time there have been 142 deaths and 14,000 accidents. Nearly as many men were taken in here as were taken into the military service during the World War, except that in the World War they were taken after examination, and here there was no examination. Three months have gone by, and there have been 14,000 accidents; and if this amendment is adopted every one of the persons who has been injured will make application. It will probably cost the Government in the long run more than the entire $950,000,000, because it is proposed that we shall put on the compensation roll untold thousands of men who are injured, or become sick, or in other ways make claim for compensation.

Mr. WAGNER. Mr. President, will the Senator permit an interruption?

Mr. McKELLAR. Just one moment.

The purpose of the Government is to do something for these people; and here there is attempted to be grafted on the bill, by a technicality, a provision by which those who are hurt, who get sick, or who make claim, will receive countless millions of dollars more.

I think this is emergency work to give employment, not emergency work for the purpose of making pensioners of these people. It is not fair or just to the taxpayers of the country. We ought not to do it, and I cannot conceive that it will be done.

My good friend from Arizona says that the House put in this provision. This provision was recommended by the President of the United States. He recommended that it go in. The House passed it as the President recommended it. The Senate committee recommended it as the President recommended it. In my judgment, it is an exceedingly wise provision, because we are trying to do something for these people who are employed; and surely they ought not to be granted a relief that will cost, in the end, countless millions of dollars.

I hope the amendment will be voted down.

Mr. WHEELER. Mr. President——

Mr. McKELLAR. I yield to the Senator from Montana.

Mr. WHEELER. The Senator said the President recommended this provision.

Mr. McKELLAR. He did.

Mr. WHEELER. Where—in his message?

Mr. McKELLAR. Yes; here is the message. On January 27 he sent down the Budget estimate, containing the language of the bill. It is all here.

Mr. WHEELER. That is the Budget estimate, however.

Mr. McKELLAR. But it is the President recommending it, sending it to us under his signature. If the Senator wants to see it, here it is. I have put it in the RECORD heretofore.

Mr. WHEELER. My understanding of the matter is that that is not correct; that the President, as a matter of fact, has not recommended the provision, and did not recommend it to the House; that the Budget Bureau did, but that the C.W.A., Mr. Hopkins' bureau, wanted it to go out.

Mr. McKELLAR. If the President did not recommend it, I am unable to understand language, because here it is.

Mr. WAGNER. Mr. President, will the Senator yield for another question?

Mr. McKELLAR. Certainly.

Mr. WAGNER. The Senator apparently is under the erroneous impression that the Compensation Act cares for people in case they are ill. Illness is not compensated. Compensation is given only for injuries received when the worker is acting within the scope of his employment, so that the question of physical examination is not involved. Apparently the Senator has under consideration another subject.

Mr. McKELLAR. Oh, no; I have not. This work has been in progress for 3 months, and here are claims at the present time, after 3 months, of $14,000,000; and if we strike out this provision the amount will be $21,000,000 more.

Mr. WAGNER. Does not the Senator know that upon all public projects the workers are under workmen's compensation, either under a State law or under a Federal law?

Mr. McKELLAR. Yes.

Mr. WAGNER. The Federal projects upon which money has been expended under the C.W.A. have not been wasteful projects. They have been projects which have added to the wealth of the Nation.

Mr. McKELLAR. I am very glad the Senator brought up that question. Here is an amount of $260,000,000 that has been spent on Federal projects at a certain rate of pay. Here is another amount of $1,600,000,000 that has been spent on State projects, where manifestly the Federal Government ought not to be required to compensate those who are injured. If we are going to include the Federal employees in this further gratuity, why do we not include the State employees? It ought to be done. If we are going to include 2,600,000 of the workers, we ought to include the other 1,400,000 of the workers. We ought to be fair to them. The Senator ought to arrange his amendment so as to take them all in; and if that is done I do not know how much money it will take.

I hope the Senate will not agree to this amendment. I think it ought to be voted down, and I am willing to submit it for a vote.

Mr. WAGNER. Mr. President, may I remind the Senator that when the Federal Government undertakes a project which perhaps might have been planned by the State, the moment it undertakes the project it becomes a Federal project? It is a Federal undertaking.

Mr. McKELLAR. Yes.

Mr. WAGNER. And the workers upon that project are entitled to the same consideration as the workers on any other Federal project that may be undertaken.

Mr. McKELLAR. That is the same method of reasoning by which the Federal Compensation Act is now being applied to works of all kinds that are put in this bill.

I hope the Senate will vote down the amendment.

Mr. WAGNER. What would the Senator from Tennessee do with a person injured in the course of his employment—throw him upon charity?

Mr. LONG. Why, certainly.

Mr. WAGNER. Why is not he entitled to compensation just as if he is working upon any other project?

Mr. McKELLAR. If the Senator were to come to me and ask me to lend him $50, and I lent it to him, I suppose he would say, "Now, look here; If I get hurt, you must give me another $150 to go along with this." [Laughter.]

Mr. WHEELER. That is not a parallel case at all.

Mr. WAGNER. The Senator from Tennessee apparently is opposed to the whole theory of workmen's compensation.

Mr. McKELLAR. Oh, no; the Senator from New York cannot put me in any such position. We all know that that is not correct.

Mr. WAGNER. But apparently the Senator is.

Mr. McKELLAR. The Senator from New York is mistaken about that. I voted for the Compensation Act, and I think it ought to be applied in proper cases; but I do not think this is a proper case. I again state that I hope the amendment will be voted down.

Mr. LA FOLLETTE. Mr. President, I desire to say a few words on this amendment before a vote shall be taken.

So far as I am concerned, I am sorry to see the compromise amendment come before the Senate as the main question at issue, because I can see no justification whatsoever for excluding employees who are working on Civil Works projects from the benefits of the Federal Workmen's Compensation Act. Senators seem to forget the source from which, in the first place, the funds came to make the Civil Works program possible. They came by the transfer of $400,000,000 from the Public Works Administration out of the original $3,300,000,000 appropriated in title 2 of the Industrial Recovery Act for Public Works.

How can the Government justify paying full compensation for injury or death in the performance of duty to an individual who is employed upon a Public Works project, and deny compensation, as the Senator from Tennessee advocates, to an individual who has employment upon a Civil Works project which draws its original appropriation from the same fund?

Mr. HAYDEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arizona?

Mr. LA FOLLETTE. I yield.

Mr. HAYDEN. I desire to state as a fact that the $400,000,000 allotment from the Public Works Administration when transferred to Civil Works was divided, $300,000,000 to State, county, and municipal projects, and $100,000,000 to Federal projects, so that one quarter of the sum was used for Federal projects, and one quarter of the 4,000,000 men have been working on Federal projects.

Mr. LA FOLLETTE. Precisely. That, Mr. President, only serves to emphasize the justice of the contention that these men are entitled to disability compensation.

Furthermore, every project which has been inaugurated under the Civil Works Administration has been authorized

under the specific terms of the Public Works Act itself. Not one single project has been authorized, not one single project has been undertaken, which does not comply with the terms of the Public Works Act. Yet the Senator from Tennessee stands upon the floor of the Senate and advocates denying compensation to those who are killed or injured while engaged upon Civil Works projects, the money for which comes directly from the Public Works Administration, although at the same time he favors extending the right of compensation to those who are employed upon Public Works projects.

I do not see, Mr. President, how the position taken by the Senator can be adopted by the Senate in justice to the men who are receiving employment under the C.W.A. The Senator seems to think that the Civil Works program was undertaken merely as a gratuity. I do not so regard it. I believe that the Civil Works Administration was set up and that funds were transferred to it by Executive order to the amount of $400,000,000 so that men might be employed directly and more quickly than was possible under the procedure of the Public Works Administration. So far as its being a gratuity is concerned, a Civil Works employee is no more in the position of receiving a gratuity than is a man who is employed upon a Public Works Administration project.

I sincerely hope that the amendment offered by the Senator from Arizona will prevail.

Mr. GEORGE. Mr. President, before the Senator from Wisconsin takes his seat, I should like to say a word. The Government, of course, issues an invitation to unemployed men to come and take work, just as a private employer would, and just as the State would do. The unemployed man is, of course, anxious for the work. He would be just as anxious to take work with a private employer. Is there any difference, so far as the workman is concerned, so far as the laborer is concerned, whether he goes to work on a Civil Works project or goes to work in private employment when he is hurt in and about his duty?

Mr. LA FOLLETTE. There is absolutely no difference, I will say to the able Senator from Georgia. And for the reason that the Federal Government should be a model employer, and for the additional reason that we have already established workmen's compensation as a part of our Federal policy, I cannot understand why it should be seriously advocated at this time that we should reverse that policy and take a step in the direction of breaking down workmen's compensation.

Mr. GEORGE. I thoroughly agree with the Senator from Wisconsin. It seems to me that we then would be repudiating an act which we ourselves have passed.

Mr. WAGNER. Not only has the Federal Government adopted workmen's compensation, but almost every State in the Union has made similar provisions for the workingman.

Mr. GEORGE. Yes; practically every State.

Mr. WAGNER. Taking the illustration the Senator gives, if the ordinary worker goes into a factory and secures employment, the moment he does so he is under the workmen's compensation provisions of the law.

Mr. GEORGE. Yes.

Mr. WAGNER. And if he is injured, he is compensated for the injury. It is proposed now to discriminate against the C.W.A. workers for a reason that I cannot comprehend.

Mr. HAYDEN. Forty-four States in the Union have the workmen's compensation law, so that in the greater part of our country a workman entering employment takes for granted, and it is implied, that he will have such protection in case of death or injury by accident.

Mr. BONE. May I ask the Senator from Arizona a question? I seek some light on the question. I wondered if the workman who is employed and paid by C.W.A. funds comes, in all of the States, under the Workmen's Compensation Act or some similar piece of legislation? I confess I am not sure of that in my own State. It would seem to me, however, that if the workman were entitled to compensation for injuries received while in private employment, or under the Public Works Administration, that we are not treating him quite fairly if we deprive him of that protection if he is employed with C.W.A. funds. We are just setting him apart. I do not believe we are justified in doing so. Perhaps the Senator can now give me some information about that.

Mr. HAYDEN. The point I made in the beginning was that the bill as passed in the House would deny and take away from the workman any benefits he may have gained in the first half of the work. We are now about half way through with the job. My proposition was to make it certain that the workman would receive compensation in a measure to be determined by the Employees' Compensation Commission and by the President.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

Mr. McNARY. Mr. President, if I may have the attention of the Senator from Arizona. The hour is somewhat late. The amendment in question is a very important one. A number of Senators have left the Senate. I was going to suggest that the Senate might now adjourn until 12 tomorrow, temporarily laying aside the amendment, with the understanding that it will be considered the first thing in the morning.

Mr. LONG. Mr. President, let us have a vote on it.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. McNARY. I was suggesting that a good deal of controversy has followed the offering of the amendment. There are many Senators away this afternoon at this hour.

Mr. ROBINSON of Arkansas. I thought the Senate was ready to take a vote on the amendment. If it were, I should not wish to prevent it from taking action now.

Mr. McNARY. I have no objection other than I thought it might inconvenience a number of the Senators who are now at their offices attending to their correspondence and other duties to call them. I will have to suggest the absence of a quorum to meet the situation. My suggestion was that the Senate adjourn until tomorrow.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator from Oregon requests that the vote go over until tomorrow, I am disposed, as far as I am concerned, to accede to his request. It is now about 5 o'clock.

Mr. McNARY. I make the suggestion in the best of good faith and for the accommodation of Senators.

Mr. ROBINSON of Arkansas. I do not question the Senator's good faith. He is cooperating in every way he can to promote legislation. Does the suggestion by the Senator from Oregon meet with the approval of the Senator from Tennessee?

Mr. McKELLAR. Yes; I have no objection to the bill going over until tomorrow.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 50 minutes p.m.) the Senate took a recess until tomorrow, Thursday, February 8, 1934, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 7, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Bow down Thine ear, O Lord, and hear us, for Thou art good, ready to forgive, and plenteous in mercy unto all them who call upon Thee. Thou art our Father and we are Thy earthly children by a common bond. Before Thee distinctions and differences, whether of station or of creed, cannot stand; at Thy mercy seat schism cannot haunt nor plague us. We pray that from our daily lives there may go forth the sermon of human brotherhood, with all its universal needs and sympathies. To the holy things of life may we

not be indifferent but responsive. O God, save us from allowing our souls to wither or grow barren of the fruitful things of the spirit. Heavenly Father, out of confusion do Thou evoke harmony, out of awkward voices let come sweet music, out of failure let there arise better creations, and out of affliction nobler lives. Lead us on, blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 85. An act for the relief of Paul J. Sisk;

S. 163. An act for the relief of Capt. Guy M. Kinman;

S. 172. An act for the relief of the First Camden National Bank & Trust Co., of Camden, N.J.;

S. 193. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929;

S. 194. An act to change the name of B Street SW. in the District of Columbia;

S. 252. An act for the relief of the American Bonding Co., of Baltimore;

S. 256. An act for the relief of Milburn Knapp;

S. 258. An act for the relief of Wallance E. Ordway;

S. 356. An act for the relief of the Great American Indemnity Co. of New York;

S. 377. An act for the relief of the Fred G. Clark Co.;

S. 413. An act for the relief of Edith N. Lindquist;

S. 503. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.;

S. 551. An act for the relief of A. W. Holland;

S. 552. An act for the relief of Manuel Merritt;

S. 606. An act to authorize the waiver of remission of certain coal-lease rentals, and for other purposes;

S. 749. An act for the relief of the Fairmont Creamery Co., of Omaha, Nebr.;

S. 866. An act to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia, and for the releasing thereof, and for other purposes;

S. 1075. An act for the relief of Walter Thomas Foreman;

S. 1076. An act authorizing adjustment of the claim of the Franklin Surety Co.;

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins;

S 1082. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

S. 1084. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N.J.;

S. 1086. An act authorizing adjustment of the claim of Frank Spector.

S. 1088. An act authorizing adjustment of the claim of White Bros. & Co.

S. 1118. An act for the relief of George J. Bloxham;

S. 1119. An act for the relief of Fred A. Robinson.

S. 1191. An act for the relief of the Sulzbach Clothing Co.;

S. 1192. An act for the relief of the Union Shipping & Trading Co., Ltd.;

S. 1258. An act for the relief of Charles F. Littlepage;

S. 1331. An act for the relief of Elsie Segar, administratrix of C. M. A. Sorensen, and of Holger E. Sorensen;

S. 1405. An act for the relief of John Z. Lowe;

S. 1460. An act for the relief of Edgar Stivers;

S. 1504. An act for the relief of Walter J. Bryson Paving Co.;

S. 1528. An act to amend section 3702, Revised Statutes;

S. 1531. An act for the relief of Elizabeth Buxton Hospital;

S. 1540. An act for the relief of the Concrete Engineering Co.;

S. 1600. An act for the relief of S. G. Mortimer;

S. 1680. An act for the relief of the estate of George B. Spearin, deceased;

S. 1683. An act for the relief of the Standard Dredging Co.;

S. 1692. An act for the relief of the Compagnie Generale Transatlantique;

S. 1693. An act for the relief of the International Mercantile Marine Co.;

S. 1753. An act for the relief of Marcella Leahy McNerney;

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office site litigation, and for other purposes;

S. 1853. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine;

S. 1859. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 1934. An act conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the 4-masted auxiliary bark *Quevilly* against the United States and for other purposes;

S. 1935. An act to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes;

S. 1949. An act for the relief of C. J. Mast;

S. 2006. An act for the relief of Della D. Ledendecker;

S. 2053. An act for the relief of Capt. L. P. Worrall, Finance Department, United States Army;

S. 2057. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia;

S. 2277. An act to establish fish and game sanctuaries in the national forests;

S. 2278. An act for the relief of R. B. Miller;

S. 2308. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

S. 2315. An act to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line.

S. 2317. An act for the relief of Karim Joseph Mery;

S. 2337. An act to declare Noxubee River in Noxubee County, Miss., to be a nonnavigable stream.

S. 2372. An act granting the consent of Congress to the State of Oregon to maintain a bridge already constructed across Youngs Bay, near the city of Astoria, Oreg.;

S. 2461. An act to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict";

S. 2496. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

S. 2529. An act to promote the conservation of wild life, fish, and game, and for other purposes;

S. 2552. An act for the relief of Charles C. Bennett;

S. 2601. An act to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System; and

S. 2633. An act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1975) entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMITH, Mr. THOMAS of Oklahoma, and Mr. NORRIS to be the conferees on the part of the Senate.

CALL OF THE HOUSE

Mr. SWANK. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Oklahoma makes the point of order that there is no quorum present. Evidently there is not.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Abernethy	Dobbins	Kurtz	Romjue
Auf der Heide	Doughton	Lambertson	Sabath
Bakewell	Douglass	Lee, Mo.	Sadowski
Beam	Edmiston	Lesinski	Seger
Beedy	Edmonds	Lewis, Md.	Shallenberger
Black	Fitzgibbons	McCarthy	Shannon
Boehne	Fitzpatrick	McClintic	Sirovich
Boland	Flannagan	McDuffie	Sisson
Britten	Frear	McFarlane	Snyder
Browning	Frey	McGugin	Somers, N.Y.
Buck	Fuller	Marland	Spence
Burch	Gasque	Mead	Stokes
Cannon, Wis.	Goldsborough	Meeks	Taylor, Tenn.
Carley, N.Y.	Hamilton	Mitchell	Traeger
Cary	Hess	Montague	Vinson, Ky.
Cavicchia	Hill, Samuel B.	Perkins	Waldron
Chavez	Hoeppel	Plumley	Wigglesworth
Cochran, Pa.	Jenckes, Ind.	Prall	Wood, Ga.
Connery	Johnson, W.Va.	Ramsay	Wood, Mo.
Crowther	Kee	Reece	Woodruff
Dear	Kelly, Ill.	Reed, N.Y.	
Dickinson	Kennedy, N.Y.	Reid, Ill.	
Dingell	Knutson	Rich	

The SPEAKER. Three hundred and forty-one Members have answered to their names, a quorum.

Mr. BYRNS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

ELECTION TO A COMMITTEE

Mr. SNELL. Mr. Speaker, I offer the following resolution which I send to the desk.

The Clerk read as follows:

House Resolution 255

Resolved, That WILLIAM D. THOMAS, of New York, be, and he is hereby, elected a member of the Committee on the Post Office and Post Roads and the Committee on War Claims.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

BOARD OF VISITORS, UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication, which was read.

JANUARY 26, 1934.

Hon. HENRY T. RAINEY,
Speaker House of Representatives,
The Capitol, Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the authority contained in the act of Congress of May 17, 1928, I hereby appoint on behalf of the Committee on Military Affairs of the House of Representatives the following members of that committee to constitute a portion of the Board of Visitors to the United States Military Academy at West Point. The other members of the Board of Visitors are appointed by the Chairman of the Committee on Appropriations. The gentlemen named by me are as follows: Lister Hill, of Alabama; James M. Fitzpatrick, of New York; Jed Johnson, of Oklahoma; R. Ewing Thomason, of Texas; W. Frank James, of Michigan; Edward W. Goss, of Connecticut; and Theodore Christianson, of Minnesota.

With great respect, I am, yours very sincerely,

J. J. MCSWAIN.

MUSCLE SHOALS

The SPEAKER. Under a special order for today, the gentleman from Mississippi [Mr. RANKIN] is recognized for 45 minutes.

Mr. RANKIN. Mr. Speaker, it is my desire at this time to discuss briefly the activities and progress of the Tennessee Valley Authority, giving special attention to the production and distribution of hydroelectric power at Muscle Shoals, in which that great organization is laying the foundation for the building of a future civilization.

This day, February 7, 1934, will stand out as one of the milestones in the history of American progress, probably a turning point in the history of American civilization. At 1 minute after 12 o'clock this morning, the contract between the Tennessee Valley Authority and the city of Tupelo, Miss.—the first contract made by the Tennessee Valley Authority for the sale and distribution of hydroelectric power at Muscle Shoals—went into effect. That contract contains what President Roosevelt has called the "yardstick" for the measurement of the rates the ultimate consumer should pay for electric lights and power. Let me pause to say here that if President Roosevelt never did anything else to deserve the commendation of the American people, as well as the generations that are to come, his action in putting into effect this policy, which will ultimately bring justice to all the American people who use electric light and power, would be sufficient to carry his name down the centuries. [Applause.]

The power question is undoubtedly one of the greatest issues with which the American people will have to deal during the next 25 or 50 years. It is one that reaches into every business, into every home.

Approximately 200 years ago Benjamin Franklin, with his key and kite, unlocked the ancient mysteries of the storm cloud. He brought down from the lightning's flash an electric spark and revealed to the world a new source of energy that was destined to change the civilization of mankind.

A little more than 50 years ago Thomas A. Edison twisted two ends of a wire together, inserted it into a vacuum tube, generated into it a spark of electricity and created the first electric light. When he did that, he did more to revolutionize the industrial, the commercial, the domestic, and social life of mankind than any other human being who has ever lived in all the ages of recorded time. He not only gave us the electric light, but he gave us the electric spark that ignites the gas that drives the motor machine, the automobile, the airplane, the submarine. He made radio possible. He illuminated this old earth and made it mock the starry splendors of the skies. He made motor transportation possible. He eliminated time and space, made it possible to navigate the air, and enabled us to roam with safety on the bottom of the sea. Not only that, but he gave us the power with which to lift from the shoulders of burdened humanity the great drudgery they have undergone through all time.

There is enough hydroelectric power now going to waste in our navigable streams that throughout uncounted centuries has run wanton to the seas, if properly harnessed, to turn all the wheels of industry, light all the halls and all the homes, and cook all the meals in America.

It is the greatest source of wealth we have except the soil from which we live; and if properly used, it will greatly increase, and probably double, the value of our lands by conserving and enriching the soil and building thereon comfortable, permanent homes for our people.

You are all more or less familiar with Muscle Shoals. It is one of the greatest hydroelectric power plants on earth. The amount of hydroelectric power that can be produced at Muscle Shoals now exceeds the combined physical strength of all the slaves freed by the Civil War. All the slaves freed by the Civil War, pulling at one time, could not exert physical strength comparable to the energy that can be generated at Muscle Shoals today. I will make it broader. Every human being in the three States adjacent to Muscle Shoals, working 8 hours a day, would not exert the energy that Muscle Shoals produces in 24 hours. I mention that in order that you may begin to understand the magnitude of this project.

It has been asserted that with a 5-hour day Muscle Shoals will exert as much energy in 24 hours as approximately 50,000,000 men would exert in the 5 hours. This power works 24 hours every day, including Sundays and holidays.

You remember the fight we had over the passage of the law creating this Authority. You remember the battle I waged for the adoption of section 12 of the Norris bill, which was introduced by me in the House, giving the Authority the right to build these power lines. That was the real gist of the whole measure; for without it the Authority would have been helpless. We won that fight; and as soon as the bill was passed, the President appointed three of the most outstanding men in America—Arthur E. Morgan, chair-

man, who has charge of construction of dams; Dr. Harcourt A. Morgan, in charge of the agricultural development; and Hon. David E. Lilienthal, general counsel, who is also in charge of the sale and distribution of power. They have developed one of the most valuable and efficient organizations connected with this Government, and it is today rendering the most valuable service of any organization with which this administration has to deal.

The purposes of this organization were laid down by President Roosevelt, in his message, when he said that the objects of the Tennessee Valley Authority are flood control, control of soil erosion, reforestation, elimination from agricultural use of marginal lands, distribution and diversion of industry, along with the production of power and the promotion of navigation.

The members of the Authority were appointed and took charge early in the summer. I am today going to give you some of the concrete results of their efforts. I referred to the controversy that raged in the House over the question of whether or not the Tennessee Valley Authority should have the power or the right to build power lines, which was provided in section 12 of the bill, and which I insert in the RECORD at this point.

SEC. 12. In order to place the Board upon a fair basis for making such contracts and for receiving bids for the sale of such power, it is hereby expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power, or from funds secured by the sale of bonds hereafter provided for, to construct, lease, purchase, or authorize the construction of transmission lines within transmission distance from the place where generated and to interconnect with other systems. The board is also authorized to lease to any person, persons, or corporation the use of any transmission line owned by the Government and operated by the Board, but no such lease shall be made that in any way interferes with the use of such transmission line by the Board; *Provided*, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct and maintain a properly designed and built transmission line to the Government reservation upon which is located a Government generating plant, or to a main transmission line owned by the Government or leased by the Board and under the control of the Board, the Board is hereby authorized and directed to contract with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding 30 years; and in any such case the Board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the Board for such power: *Provided further*, That all contracts entered into between the Corporation and any municipality or other political subdivision or cooperative organization shall provide that the electric power shall be sold and distributed to the ultimate consumer without discrimination as between consumers of the same class, and such contract shall be voidable at the election of the Board if a discriminatory rate, rebate, or other special concession is made or given to any consumer or user by the municipality or other political subdivision or cooperative organization: *And provided further*, That as to any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the Board shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be made to the ultimate consumer of such electric power at prices that shall not exceed a schedule fixed by the Board from time to time as reasonable, just, and fair; and in case of any such sale, if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the Board, the contract for such sale between the Board and such distributor of electricity shall be voidable at the election of the Board: *And provided further*, That the Board is hereby authorized to enter into contracts with other power systems for the mutual exchange of unused excess power upon suitable terms, for the conservation of stored water, and as an emergency or break-down relief.

That was the section for which I contended in the House and for which Senator NORRIS contended in the other body.

There are two schools of thought with reference to the hydroelectric power in our navigable streams. One of them believes that this power is private property and should be used by private interests for private gain. In other words, that it should be monopolized by those interests that were controlling up to a few months ago the production and distribution of electric lights and power in this country. The other school of thought believes that this hydroelectric power in our navigable streams is public property, national wealth, a national resource, and should be used for the benefit of all the American people. I belong to that school. Senator NORRIS, of Nebraska, belongs to that school. President Roosevelt belongs to that school. A vast majority of the American people belong to that school. That is the theory on which is based the law creating the Tennessee Valley Authority, whose policies we are putting into effect today.

As soon as this Board was appointed they announced the following policy with reference to power:

THE POWER POLICY OF THE TENNESSEE VALLEY AUTHORITY

1. The business of generating and distributing electric power is a public business.

2. Private and public interests in the business of power are of a different kind and quality and should not be confused.

3. The interest of the public in the widest possible use of power is superior to any private interest. Where the private interest and this public interest conflict, the public interest must prevail.

4. Where there is a conflict between public interest and private interest in power which can be reconciled without injury to the public interest, such reconciliation should be made.

5. The right of a committee to own and operate its own electric plant is undeniable. This is one of the measures which the people may properly take to protect themselves against unreasonable rates. Such a course of action may take the form of acquiring the existing plant, or setting up a competing plant, as circumstances may dictate.

6. The fact that action by the Authority may have an adverse economic effect upon a privately owned utility should be a matter for the serious consideration of the Board in framing and executing its power program. But it is not the determining factor. The most important considerations are the furthering of the public interest in making power available at the lowest rate consistent with sound financial policy and the accomplishment of the social objectives which low-cost power makes possible. The Authority cannot decline to take action solely upon the ground that to do so would injure a privately owned utility.

7. To provide a workable and economic basis of operations, the Authority plans initially to serve certain definite regions and to develop its program in those areas before going outside.

8. The initial areas selected by the Authority may be roughly described as—

(a) The region immediately proximate to the route of the transmission line soon to be constructed by the Authority between Muscle Shoals and the site of Norris Dam.

(b) The region in proximity to Muscle Shoals, including northern Alabama and northeastern Mississippi.

(c) The region in the proximity of Norris Dam (the new source of power to be constructed by the Authority on the Clinch River in northeast Tennessee).

I am going to discuss the Muscle Shoals development, because there we have a concrete example of what can be done. Last spring when I went home, I made some investigation. I found that the power companies were buying power at Muscle Shoals at 2 mills per kilowatt-hour per month—and had been doing so for years—and selling it right across the river to the people of Alabama for 10 cents a kilowatt-hour per month, or a profit of 4,800 percent.

I found they were transmitting it over into the district which I have the honor to represent—only 25 or 30 miles away—and selling it to those small consumers for 10 cents a kilowatt-hour, or an increase of 4,800 percent. It only loses 5 percent in transmitting it 100 miles, and it is freely predicted that a method will be worked out ultimately by which it can be transmitted 500 miles with a loss of approximately 1 percent. But they talk about line charges—the lines costing so much. We know what those lines cost. The line that they were using probably did not cost over $1,800 a mile.

On November 11 the Tennessee Valley Authority signed a contract with the city of Tupelo, Miss., which is my home town, to furnish power to be retailed to the ultimate consumer at the "yardstick" rates, which I shall quote. That contract is to run for a period of 20 years. Before fixing these rates the Tennessee Valley Authority took into consideration every possible item of expense, including the cost of the dam itself; and, to be perfectly fair with competing power companies, they even added an item for taxes which private companies would have to pay. Yet, under that contract, we reduced the maximum rate to the ultimate consumer from 10 cents per kilowatt-hour per month to 3 cents per kilowatt-hour.

For the information of the House I insert at this point the retail rates the ultimate consumers will pay for electric light and power under that contract between the Tennessee Valley Authority and the city of Tupelo, including the residential, commercial, and industrial rates. Read them and compare them with the rates you are now paying:

CITY OF TUPELO,
Tupelo, Miss.

STANDARD RESIDENTIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available to all residential customers at local distribution secondary voltage, either 2-wire or 3-wire service, as municipality may require:

First 50 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 150 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 200 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 400 kilowatt-hours, per month, at 0.4 cent per kilowatt-hour.
Minimum monthly bill:
5-ampere meter, 25 kilowatt-hours, 75 cents.
15-ampere meter, 33⅓ kilowatt-hours, $1.
50-ampere meter, 50 kilowatt-hours, $1.50.

BASIC COMMERCIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 750 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 1,000 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 2,000 kilowatt-hours, per month, at 0.8 cent per month.
Minimum monthly bill:
5-ampere meter, 50 kilowatt-hours, $1.50.
15-ampere meter, 66⅔ kilowatt-hours, $2.
50-ampere meter, 100 kilowatt-hours, $3.
Surcharge: Basic rate subject to a surcharge initially established by municipality and modified from time to time as net revenues improve of 10 percent. Surcharge to take the form of straight percentage added to customers' bills.

BASIC INDUSTRIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to industrial power users having demands in excess of 10 kilowatts. Service at primary-distribution voltage or secondary-distribution voltage at discretion of municipality.
Demand charge: $1 per kilowatt per month.
Demand: Maximum integrated 30-minute period.
Energy charge:
First 10,000 kilowatt-hours per month at 10 mills per kilowatt-hour.
Next 25,000 kilowatt-hours per month at 6 mills per kilowatt-hour.
Next 65,000 kilowatt-hours per month at 4 mills per kilowatt-hour.
Next 400,000 kilowatt-hours per month at 3 mills per kilowatt-hour.
Excess over 500,000 kilowatt-hours per month at 2.5 mills per kilowatt-hour.
Minimum monthly bill: $1 per kilowatt of maximum demand, but in no case shall the maximum demand for billing purposes be taken as less than 60 percent of the maximum monthly demand billed during the preceding 12 consecutive months' period.
Service taken under the small power rate will be subject to minimum bill prescribed for commercial customers.
Small power rate customers having a load of 10 kilowatts' demand or less to be billed on basic commercial rate.
Surcharge: Basic rate (including small power rate) subject to a surcharge, initially established by municipality and modified from time to time as net revenues improve of 10 percent.
Surcharge to take the form of straight percentage added to customers' bills.
Seasonal loads: The municipality may, at its discretion, discontinue service on seasonal loads and establish a minimum payment for idle months sufficient to cover costs involved.

These same rates will go into effect in Iuka, Corinth, Booneville, Baldwyn, Amory, Nettleton, Fulton, Belmont, and all the other towns, cities, and rural communities in Mississippi, Alabama, and Tennessee, that are within the territory served by the Tennessee Valley Authority. Any municipality, purchasing power from the Authority for resale to the ultimate consumers, must deliver it to them at these yardstick rates. Not only the people in the towns and cities, but the farmers out in the rural districts get the benefit of these rates without the imposition of a line charge.

Under this contract, the light and power rates to the ultimate consumers in Tupelo were reduced on an average of 68 percent. One small cotton mill will have its power bill reduced $18,000 a year. We found they were charging some cotton gins a line charge of $500. We found one compress which was being charged 12 cents a kilowatt-hour for industrial power that will now cost them about 8 mills, or about one fifteenth of the former charge.

We found in one community they were charging the householder $3.25 a month "line charge", and in addition to the 5 cents a kilowatt-hour for the electricity used, so that 25 kilowatt-hours of electricity was costing one of these farmers $4.50. Next year it will cost him the sum of 75 cents.

The law creating the Tennessee Valley Authority also provides that the T.V.A. may purchase lines from the power companies if they deem it advisable to do so.

In order to show that the T.V.A. is not trying to destroy anybody's property, I call your attention to the fact that they recently bought out the power lines in certain areas in Tennessee, northern Alabama, and northeastern Mississippi. This is a complete answer to the charge that the T.V.A. is trying to destroy the property of the private power companies.

These lines were taken over by the Tennessee Valley Authority, and the Authority paid the owners what they were worth. But at the same time they did not preclude others on the outside of these areas who are within the distribution radius from purchasing or building lines to connect with T.V.A. lines and securing this cheap power.

That salutary provision was written into section 12 of the law passed last year, which I have just inserted as a part of these remarks.

In speaking of these rates that are applied under the new contract, I think it highly advisable to call attention to the rates that are now being charged throughout the country. I have in my hand a publication called N.E.L.A.—it is one of the first alphabetical publications that appeared on this Hill. It is issued by the National Electric Light Association. It has been referred to as the "prayer book of the Power Trust." I want to read you some of the rates that were laid down in N.E.L.A. in 1931 and were never changed until the Muscle Shoals law was passed.

Since it is impossible to give the rates in every locality, I shall refer to the rates in only one or two towns or cities in each State. That will give an index to what rates are being charged throughout the country.

Let us take, first, the State of Alabama. I find here the thriving little city of Andalusia, which is now attempting to get power from Muscle Shoals. I find their rates just exactly the same as those charged at Meridian, Miss., although Andalusia is served by the Alabama Power Co. and Meridian is served by the Mississippi Power Co. When these rates were published in 1931, and up until after the T.V.A. yardstick was published, the people of Andalusia were paying 10 cents a kilowatt-hour per month for the first 30 kilowatt-hours, whereas under the new T.V.A. yardstick they would pay 3 cents a kilowatt-hour per month. For what a small householder formerly had to pay $3, he would now get for 90 cents; for what he formerly paid $13.60, under this new yardstick he would get for $3.10. The first 850 kilowatt-hours per month under their schedule would cost the people of Andalusia, Ala., or Meridian, Miss., $58.60. Under this new T.V.A. contract it would cost them $8.30. Yet they wonder why a few men rise in this House and in the Senate and protest.

I insert here the rates for both Andalusia and Meridian to show that they were identical and to show the rates the people throughout the States of Alabama and Mississippi have been paying. Then I insert the Tupelo rates under this new contract to show what rates should be charged according to the President's yardstick.

Rates charged according to N.E.L.A.:

Andalusia, Ala.:	
10 cents kilowatt-hour first 30 kilowatt-hours	$3.00
8 cents kilowatt-hour next 170 kilowatt hours	13.60
7 cents kilowatt-hour next 300 kilowatt-hours	21.00
6 cents kilowatt-hour next 350 kilowatt-hours	21.00
850 kilowatt-hours	58.60
Meridian, Miss.:	
10 cents kilowatt-hour first 30 kilowatt-hours	3.00
8 cents kilowatt-hour next 170 kilowatt-hours	13.60
7 cents kilowatt-hour next 300 kilowatt-hours	21.00
6 cents kilowatt-hour next 350 kilowatt-hours	21.00
850 kilowatt-hours	58.60

Tupelo, Miss., under new contract, T.V.A. yardstick:	
3 cents first 50 kilowatt-hours	1.50
2 cents next 150 kilowatt-hours	3.00
1 cent next 200 kilowatt-hours	2.00
4 mills next 450 kilowatt-hours	1.80
850 kilowatt-hours	8.30

Thus, it will be seen that the people of Alabama and Mississippi have been paying $58.60 for 850 kilowatt-hours of power per month that under this new yardstick, will cost only $8.30, or less than one seventh of what they have been paying.

But these are small towns. Take Birmingham. In Birmingham, until they made this last reduction, which was made after the Muscle Shoals bill went into effect, the first 100 kilowatt-hours, for which they were paying 8 cents, would cost $8. Under the T.V.A. yardstick they would cost $2.50. The next 275 kilowatt-hours would cost $8.75 in Birmingham and $2.25 under the T.V.A. yardstick; 2,375 kilowatt-hours in Birmingham would have cost $125.75, whereas under the new yardstick, as applied by the T.V.A. in the Tupelo contract, they would cost $19.30.

In the State of New York where there is a great deal of agitation in the silk-stocking county of Westchester, they are paying a monthly rate of from 12½ cents a kilowatt-hour down to 6 cents a kilowatt-hour. The papers say that some of them are resorting to oil lamps, rather than pay these exorbitant charges. Their minimum rates are twice as high as the maximum rates under the T.V.A. yardstick. They are paying seven times as much for power in Westchester County, N.Y., as they are paying right across the river in Canada, and seven times as much as we will pay in the Muscle Shoals area under the new T.V.A. yardstick.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. I take it, then, that the gentleman favors the development of the St. Lawrence waterway?

Mr. RANKIN. I certainly do, for these very reasons, and I favor the Columbia River improvement for the same reason.

Mr. DUNN. Will the gentleman yield?

Mr. RANKIN. Yes; I yield to the gentleman from Pennsylvania.

Mr. DUNN. Has the gentleman anything bearing upon Pittsburgh, Pa.?

Mr. RANKIN. In Pennsylvania the rates are very high. I have compiled no statistics on Pittsburgh. I see, however, that Erie, Pa., has this rate for general lighting: First 50 kilowatt-hours, per month, 8½ cents; next 2,950 kilowatt-hours, 4 cents; that is, 3,000 kilowatt-hours in Erie would cost $122.25. Under the T.V.A. yardstick 3,000 kilowatt-hours would cost $16.90.

I want to talk about North Carolina for just a minute. First, let me say to the gentleman from New York again that this will explain one reason why I am supporting the President on the St. Lawrence Waterway Treaty.

I think it offers to the people of the northeastern section of the United States the greatest possible relief from exorbitant power rates.

With reference to Albany, N.Y., I do not believe there is a lawyer, engineer, or anyone else outside of the men who are running this thing who can tell you what the domestic rates really mean, but I did dig up the commercial rates. Under the commercial scale in Albany the first 5,000 kilowatt-hours per month would cost $210. Under the T.V.A. yardstick they would cost $56.50. In order that there may be no misunderstanding I will insert this table in the RECORD at this point.

Comparison of N.E.L.A. and T.V.A. rates

	Albany, N.Y., commercial (N.E.L.A.)	Tupelo, Miss. (T.V.A.)
First 200, at 8 cents	$16	$6.00
Next 300, at 7 cents	21	6.50
Next 300, at 6 cents	18	6.00
Next 700, at 5 cents	35	9.00
Next 1,500, at 4 cents	60	13.00
Next 2,000, at 3 cents	60	16.00
Total	210	56.50

For instance, a small business man owning a store, and buying power there, would pay $16 for 200 kilowatt-hours. Under the T.V.A. yardstick they would cost him $6. The next 300 would cost him $21 in Albany. Under the T.V.A. yardstick they would cost him $6.50, and so forth.

I am just in receipt of a telegram from the mayor of Columbus, one of the leading cities of Mississippi, in which he quotes the present commercial rates for power furnished by the power company in that city as follows:

One dollar first 200 watts of capacity requirements, plus 40 cents per hundred watts for all over 200 watts of capacity requirements, plus 5 cents per kilowatt-hour for the first 500 kilowatt-hours consumed per month, plus 3 cents per kilowatt-hour for all over 500 kilowatt-hours consumed per month.

These are the new rates for commercial lighting and apply generally to all towns in Mississippi served by the power companies. Formerly, whenever money was needed in Mississippi, they piled new taxes or new charges upon the farmer. Now, since the farmers are unable to stand further burdens, they seem to be piling them upon the backs of merchants of that State who are struggling against all kinds of odds to keep their enterprises going.

I want to make some comparisons here to show what this power will cost the merchants of Mississippi under these power company rates. Not counting the $1 for the first 200 watts of capacity requirements, plus 40 cents per hundred watts for all over 200 watts of capacity requirements, we will just take the energy charge, and since we have used 5,000 kilowatt-hours in the Albany, N.Y., table, we will use that same amount here.

Present power company rate in Mississippi:	
500 kilowatt-hours, at 5 cents per kilowatt-hour	$25.00
4,500 kilowatt-hours, at 3 cents per kilowatt-hour	135.00
5,000 kilowatt-hours	160.00
T.V.A. rate:	
250 kilowatt-hours, at 3 cents per kilowatt-hour	7.50
750 kilowatt-hours, at 2 cents per kilowatt-hour	15.00
1,000 kilowatt-hours, at 1 cent per kilowatt-hour	10.00
3,000 kilowatt-hours, at 8 mills per kilowatt-hour	24.00
5,000 kilowatt-hours	56.50

Thus it will be seen that in addition to the extra charges above referred to the power companies are charging merchants in Mississippi approximately three times as much for electric energy as is charged by the T.V.A.

I now turn to the State of Kentucky. I find in N.E.L.A. at least one place in Kentucky where I can get the domestic rates, and that is Ashland, a town of 30,000 people. I find in Ashland, Ky., the rates for lighting in 1931 were: For the first 400 kilowatt-hours, 6 cents, or $24. Under the T.V.A. yardstick they would cost $6.50. The next 400 would cost 5 cents a kilowatt-hour in Ashland, or $20, and under the T.V.A. yardstick would cost $1.60. The next 50 kilowatt-hours would cost 4 cents—it is 4 cents from there on—or $2, and under the T.V.A. yardstick would cost 20 cents. I did not carry this any further than the 850 kilowatt-hours. In Ashland, Ky., they would cost you $46, and under the T.V.A. rates they would cost $8.30.

Mr. STUDLEY. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. STUDLEY. Did the gentleman compile any statistics for the city of New York?

Mr. RANKIN. Yes, sir. On August 1, 1930, in the Bronx, I see from N.E.L.A. the rate for general lighting and power was 10 cents a kilowatt-hour for the first 10 kilowatt-hours, and 7 cents for all over 10 kilowatt-hours. That is about the rates that prevailed throughout the city for that class of service at that time.

Mr. MOTT. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MOTT. What does the gentleman's prayer book have to say as to rates in the State of Oregon?

Mr. RANKIN. You mean the power trust's prayer book? The rates I found are somewhat lower in Oregon. In Portland, Oreg., I find these rates for residential service, August 15, 1930: First 30 kilowatt-hours, 5½ cents per kilowatt-hour; next 40 kilowatt-hours, 3 cents per kilowatt-hour;

remainder, 1.8 cents per kilowatt-hour. I find much lower rates in some parts of the State of Washington.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Is that because of the public-ownership plants in Seattle and Tacoma?

Mr. RANKIN. Yes; I think so. Out in that country the people have had the wisdom to build public power plants.

Mr. ZIONCHECK. And is that the reason the power companies have been calling all those who are advocates of public ownership Bolsheviks, Communists, and so forth?

Mr. RANKIN. Probably so.

Mr. SCHULTE. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. SCHULTE. Has the gentleman anything on Indiana?

Mr. RANKIN. Yes; I find the rates in Indianapolis for general lighting 6½ cents first 50 kilowatt-hours, 6 cents next 50 kilowatt-hours, 5 cents next 100 kilowatt-hours, and remainder 4 cents per kilowatt-hour.

Let us now take North Carolina. In that State I took the city of Greensboro, a city larger than the city I happen to live in. Here are the 1931 rates, according to N.E.L.A., for lighting purposes and for domestic use. The first 25 kilowatt-hours at 8 cents, or $2. Under the T.V.A. yardstick under the Tupelo contract they would cost 3 cents per kilowatt-hour, or a total of 75 cents. The next 275 kilowatt-hours in Greensboro would cost $19.25. Under the T.V.A. yardstick they would cost $4.75. Four thousand kilowatt-hours at Greensboro, N.C., when this book was published by the power interests in 1931, would have cost $153.45, whereas under the Tupelo contract or the T.V.A. yardstick they will cost $20.90.

I do not want the North Carolinians to feel that they have been discriminated against, because in Meridian, Miss., or Andelusia, Ala., in 1931 this 4,000 kilowatt-hours would have cost $216.10. Those are the rates our people have been paying. What I am saying about Meridian applies to Columbus, Starkville, Corinth, Jackson, and every other town in that territory where the distribution systems and the lines were owned by the power interests. That is the reason the power interests have opposed in every possible way the development of Muscle Shoals.

In Columbia, S.C., the State capital, where the people are almost in revolt because of the exorbitant power rates that are being charged, I find the first 100 kilowatt-hours, according to N.E.L.A., would cost $8. The power interests have made a little reduction, which I will refer to before I get through. That is, as a rule they have. You will remember that when we passed the Muscle Shoals bill we brought the power rates down all over the country. The first 100 kilowatt-hours cost $8 at Columbia, S.C. Under the T.V.A. contract they will cost $2.50. The next 100 kilowatt-hours would cost $7 at Columbia. In the territory adjacent to Muscle Shoals, under the T.V.A. yardstick, instead of costing $7, it will cost $2. By the time they get up to 4,000 kilowatt-hours, if they use that much, and there are many householders who can use that amount, they will pay $168 at Columbia, S.C., and $20.90 in the Muscle Shoals area under the T.V.A. yardstick.

The average annual consumption of electric power for domestic use in the Dominion of Canada, where power is supplied by publicly owned plants, is 4,321 kilowatt-hours, compared to 603 kilowatt-hours in the United States.

In order to make the comparison here I am going to take 4,000 kilowatt-hours as a basis, especially in view of the fact that I have just used 4,000 kilowatt-hours in my calculations involving both North Carolina and South Carolina.

Four thousand kilowatt-hours per month of electric energy for domestic use in Winnipeg or Ontario, Canada, would cost approximately $30. The Canadians have enjoyed these cheap rates over a long period of years and are making money out of their plants instead of losing money on them.

These 4,000 killowatt-hours of electric energy per month in Seattle, Wash, where they have both a municipally owned plant and a private company to divide the business with them, and thereby cut down the amount of energy supplied by the municipal plant, would amount to $43.80 under the rates in force there today, and they expect to again reduce these rates in Seattle at an early date.

In Tacoma, Wash., where they have an exclusive municipally owned monopoly, the domestic rates for electric energy are: First 30 kilowatt-hours per month, 4½ cents per kilowatt-hour; next 800 kilowatt-hours, 1 cent per kilowatt-hour; remainder, one-half cent per kilowatt-hour. These are the rates prevailing today. These 4,000 kilowatt-hours of domestic energy per month in Tacoma, Wash., would, therefore, cost $25.20.

In the Muscle Shoals area, under the T.V.A. yardstick, as laid down in the Tupelo contract, this 4,000 kilowatt-hours of electric energy per month would cost $20.90.

In Meridian, Miss., a town that is now served by the Mississippi Power Co., according to N.E.L.A., which, as I said, was published in 1931, this 4,000 kilowatt-hours of electric energy per month, for lighting purposes, would cost $216.10.

There has been some slight reduction in these rates since the T.V.A. has begun to apply the yardstick.

This 4,000 kilowatt-hours of electric energy per month for lighting purposes in Bisbee, Ariz., according to N.E.L.A., would cost $164.40; in Fort Smith, Ark., they would cost $200.90; in Denver, Colo., $200.60; in Danbury, Conn., $162.25; in Wilmington, Del., $249.63; in Miami, Fla., $281.90; in Boise, Idaho, $162.30; in Quincy, Ill., $240.85; Indianapolis, Ind., $163.25; Des Moines, Iowa, $122.15; Bangor, Maine, $360; Hagerstown, Md., $103; Boston, Mass., $260; Winona, Minn., $124.20; Jefferson City, Mo., $144.50; Reno, Nev., $97.50; Scottbluff, Nebr., $244.38; Berlin, N.H., $207.75.

It will probably be charged that these statistics are unfair because they show the cost of 4,000 kilowatt-hours a month instead of spreading them out over the entire year. Many householders would use 4,000 kilowatt-hours per month if the rates were not so high that they cannot afford to do so. As it is, they forego the use of electric irons, percolators, frigidaires, washing machines, and other conveniences in order to hold their bills down to where they can afford to pay them; and, as I said a moment ago, vast numbers of them deny themselves the use of sufficient lights to properly light their homes.

Since the average Canadian customer uses 4,321 kilowatt-hours a year, where the average American customer uses only 603 kilowatt-hours a year and pays as much for the 603 kilowatt-hours as the Canadian pays for the 4,321, I am going to show what would be the cost to these small users of electricity in the United States on a monthly basis. In order to make it easy to divide, I am going to use 4,200 kilowatt-hours annually instead of 4,321.

Four thousand two hundred kilowatt-hours annually, divided equally among the 12 months of the year, would be 350 kilowatt-hours per month.

In Winnipeg, Canada, 350 kilowatt-hours per month would cost $3.08.

In London, Ontario, Canada, they get their power from Niagara Falls, 125 miles away, and for 350 kilowatt-hours per month they pay $3.99.

In Windsor, Canada, where they get their power from Niagara Falls, 250 miles away, 350 kilowatt-hours per month cost exactly $4.26.

Windsor is right across the river from Detroit, Mich. In Detroit, 350 kilowatt-hours per month cost $11.80.

The figures from Winnipeg, London, and Windsor, Canada, are up to date, and show what light and power cost in those places at this time.

In Tacoma, Wash., where they have an exclusive municipal monopoly, these 350 kilowatt-hours per month cost $4.55.

In Seattle, Wash., where they have a municipal plant with private competition to divide the load, these 350 kilowatt-hours per month cost $6.30.

In Tupelo, Miss., and in all the other territory served by the T.V.A., where the yardstick rates are applied, the 350 kilowatt-hours per month will cost exactly $6.

Now, let us see what they cost elsewhere. According to this book, N.E.L.A., which, as I said, was issued by the National Electric Light Association in 1931, 350 kilowatt-hours per

month for residential lighting in Bisbee, Ariz., would cost $18.40; in Fort Smith, Ark., $24.40; Andalusia, Ala., $27.10; Birmingham, Ala., $24.75; Denver, Colo., $18.10; Danbury, Conn., $16.28; Wilmington, Del., $16.50; Miami, Fla., $29.90; Valdosta, Ga., $12.66; Boise, Idaho, $15.90; Quincy, Ill., $21.75; Indianapolis, Ind., $17.25; Des Moines, Iowa, $12.65; Salina, Kans., $13; Ashland, Ky., $21; Baton Rouge, La., $33; Bangor, Maine, $31.50; Hagerstown, Md., $13.20; Boston, Mass., $26.25; Winona, Minn., $14.70; Bay City, Mich., $13.50; Meridian, Miss., $27.10; Jefferson City, Mo., $10.15; Reno, Nev., $21.50; Scottsbluff, Nebr., $25.38; Butte, Mont., $9; Berlin, N.H., $25.20; Asbury Park, N.J., $19.75; Ithaca, N.Y., $32.30; Raleigh, N.C., $20.75; Columbus, Ohio, $14.50; Tulsa, Okla., $26; Portland, Oreg., $7.89; Pittsburgh, Pa., $12.10; Columbia, S.C., $24; Chattanooga, Tenn., $16.60; San Antonio, Tex., $25.50; Richmond, Va., $22.

Thus it will be seen that with a few shining exceptions, such as Seattle and Tacoma, Wash; Portland, Oreg.; and Butte, Mont., the cost of these 350 kilowatt-hours per month to the small users of electricity runs from 2 to 5½ times what they will cost under the T.V.A. yardstick.

Mr. STUDLEY and Mr. BROOKS rose.

Mr. RANKIN. I yield first to the gentleman from New York for a question.

Mr. STUDLEY. Would it be possible for the gentleman to compile some statistics about the city of New York and put them in the RECORD?

Mr. RANKIN. I have just done that.

Mr. STUDLEY. They would be very interesting, I am sure.

Mr. BROOKS. I heartily approve of the Tennessee project; but the reductions the gentleman is stating are so amazing that I wonder if the gentleman has information to show that the Government, with these reductions, can operate the project in this manner and still show a profit.

Mr. RANKIN. Every item of cost was considered, even to the cost of the dam itself, and such taxes as a private company would have to pay. The Government will not lose anything and the chances are that these rates will be reduced. Ontario, Canada, has been in this business for 25 years. She has the lowest rates in America and has accumulated a surplus.

Now, I turn to the State of Ohio and I find that at East Liverpool, according to N.E.L.A., which, as I have said, was published in 1931, the small man would pay 8 cents a kilowatt-hour for the first 30 kilowatts, or $2.40, whereas under the T.V.A. the consumer would pay 90 cents. He would pay 7 cents for the next 30 kilowatts in East Liverpool, or $2.10, whereas he would pay 80 cents under the T.V.A. contract. Eight hundred and fifty kilowatt-hours in East Liverpool, Ohio, would cost $46.40, whereas under the T.V.A. contract it would cost $8.30.

I find one more comparison here, and I will refer to this and then pass on, because I want to answer the argument about the elements of cost.

Mr. CASTELLOW. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. CASTELLOW. Has the gentleman any information in regard to the situation in Georgia?

Mr. RANKIN. I have just given them for Valdosta. I understand some reductions have been made in Georgia recently.

Mr. CASTELLOW. That is just the information I desired.

Mr. RANKIN. I am not sure it is authentic.

I find these rates published for Chattanooga, Tenn., in N.E.L.A., 8.55 cents for the first 50 kilowatt-hours, or $4.27. Under the T.V.A. contract it would be $1.50. Eight hundred and fifty kilowatt-hours in Chattanooga, according to N.E.L.A., would cost $35.49, and under the T.V.A. contract $8.30.

Now, let me answer the gentleman again with reference to the elements of cost. The American people are not losing anything by virtue of this contract. The Tennessee Valley Authority very carefully added in every single item of cost, even to the amortization of the dam itself, the construction of the lines, all the other items of cost, and one item they did not have to add, and that was an item to take the place of taxes which a private power company would have to pay. The Government will not lose anything, but on the other hand the rates will probably be reduced as the years go by.

Mr. BROWN of Kentucky. Will the gentleman yield for a question?

Mr. RANKIN. I yield to the gentleman, but I am afraid I shall have to have some more time.

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Mississippi be extended 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BROWN of Kentucky. The gentleman has referred to Ashland, Ky., along with these other towns. Does the gentleman know that in the State of Kentucky we are prohibited by law from buying our municipal plants and taking advantage of these rates, and by our constitution we are forced to float a bond issue requiring a two-thirds vote; and in the last legislature—not the one now in session—a bill empowering the towns of Kentucky to float bonds and pledge their revenue for these bonds to pay for their plants was vetoed by the Governor of the State, who happens to have some connection with a power interest in that State?

Mr. RANKIN. No; I did not know that. The people of Kentucky ought to rise up and demand a change in that law. It was probably fostered by the power interests when the people were not aware of the result.

Mr. GILCHRIST. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. GILCHRIST. Can the gentleman make a brief statement about fertilizer in connection with the dam?

Mr. RANKIN. Yes. The objects for which the T.V.A. was created were not only power production and distribution, flood control, and reforestation, but navigation and the production of fertilizer. They have gone forward with this program as rapidly as possible, and the indications are now that they will soon have a plan worked out whereby fertilizer may be supplied to the farmers of this country at rates which they can afford to pay. Not only are they saving the people money from the power standpoint, but they are saving our lands for us and future generations. They are preparing to manufacture fertilizer to rehabilitate our worn-out lands and to make the lands that are now under cultivation produce more abundantly. This is going forward as rapidly as circumstances will permit.

Mr. KVALE. Before the gentleman leaves the subject of rates, will he suffer an interruption?

Mr. RANKIN. Yes.

Mr. KVALE. The gentleman speaks of the yardstick and gives a comparison of rates as between those charged by publicly owned and privately owned plants and units. Is the gentleman aware of the fact and has he not protested against the fact that there is now pending a code for the combined publicly owned and privately owned utilities, whether they are operated for profit or for public service, which will affect this yardstick?

Mr. RANKIN. Yes; and we are protesting against the application of that code to these publicly owned plants.

Mr. KVALE. Does not the gentleman think that if the only way a utility can be brought under a code is to permit the voluntary inclusion of publicly owned agencies, and if such a code goes into effect, the public agencies should be advised definitely not to go in under such a voluntary agreement?

Mr. RANKIN. I think so.

Mr. ELLZEY of Mississippi. I should like to ask the gentleman whether the power is available for southwest Mississippi, if he has that information?

Mr. RANKIN. Yes; the bill provides that this power shall be distributed equitably among the States, counties, and municipalities in the distribution radius. The debates in the House and Senate were to the effect that the distri-

bution radius was 350 miles. That, I think, will include the entire States of Mississippi, Alabama, Tennessee, and a large portion of other States.

Mr. ELLZEY of Mississippi. Is this power available at the present time?

Mr. RANKIN. If not, it soon will be—as soon as the Norris Dam is finished, to say the least of it. It is highly probable that the next dams to be constructed by the T.V.A. will be the Aurora Dam in Kentucky and the Iuka or Pickwick Dam, just above the town of Iuka, Miss., at either Pickwicks Landing or Cooks Landing. This dam will probably be sufficient to supply all the power the people of Mississippi and that section of Tennessee will consume.

Mr. PETTENGILL. Will the gentleman yield?

Mr. RANKIN. Yes; for a brief question.

Mr. PETTENGILL. Is it the gentleman's judgment that this saving will in time be passed on to the wage earners, or will it be absorbed by the manufacturer?

Mr. RANKIN. Yes; it will be passed on to the wage earners. Take, for instance, the time when cotton was 5 cents a pound, the ginners were forced to charge enormous prices for ginning cotton, because they had to pay so much to the power company. These charges may now be reduced. Besides these residential rates go right into the homes of the working people—industrial workers as well as farmers.

Now, it is said that the Tennessee Valley Authority does not take into account all the elements of cost the private concerns have to meet. That is true—they do not have to take them all into consideration. They do not have to take into consideration the payment of dividends on watered stock. They do not have to take into consideration money paid as tributes to holding companies, bonuses, and rake-offs to high-priced promoters, such as Samuel Insull and others. They do not have to take into consideration the money expended to hire lawyers that they do not need—invariably the sons, relatives, or law partners of men in responsible offices, and in "rare instances" the officials themselves. Their services are very valuable and often very expensive.

Then there is a swarm of power lobbyists in and around Washington, as well as around every State legislature. The T.V.A. does not have to pay for them. It does not have to pay for the propaganda in big newspapers and magazines. Not only that, but we found college professors on the pay rolls of certain power interests. They were writing school books in the State of Ohio, and probably other States. All that money spent for propaganda from the kindergarten to the higher colleges the T.V.A. does not have to take into consideration.

Now, all these expenses are eliminated from its schedule, and therefore the T.V.A. can sell power at something like what it is worth. That is one reason for the spread between the rates that I have mentioned. Then the T.V.A. does not have to take into consideration contributions to campaign funds for "friends" of the company who are candidates for public office. Nor does the T.V.A. have to take into consideration the money spent by the Power Trust trying to defeat Roosevelt for the nomination at Chicago after it became apparent that his nomination would mean his election.

One fellow down at home who owned some of this watered stock kept asking, "If you put this law into effect, what will become of my stock?" Finally one old fellow got so tired of hearing him talk about it that he said, "Go home and drink the danged stuff; it is all water, anyway." [Laughter.]

But the greatest phase of this program is yet to come—that of rural electrification. The program of the Tennessee Valley Authority for the rural electrification of this country will do more for the farmers of America than any other one thing that has ever taken place. It is saving the American home, the bedrock of our civilization, the cornerstone of our institutions, the nursery of all virtue, the kindergarten for the teaching of all the fine amenities that go to make life on this earth worth living. You cannot drive farmers back to the farm; you cannot browbeat young people into staying on the farm, where they have none of the conveniencies and comforts of life, and where they cannot make a decent living. This program that is being put into effect at Muscle Shoals for carrying these power lines to the country people and giving them power at something like what it is worth will do more to take people back to the farms, to keep people on the farms who are there now, and make them prosperous and contented than any other one movement that has ever taken place in your day and mine.

We organized electric-power associations in the various counties in the district I represent. They accuse me of starting that movement. They are right; I plead guilty. It was one of the best day's work I have ever done. We organized my county first; and when they were offered C.W.A. money for public work in those counties, I went to them and asked them to use it to employ labor to build these rural power lines. Today with the enthusiasm almost of a crusade they are building those power lines into every farm community in a large number of counties in that section of the State. I want to read you just one paragraph of a letter from a man who never thought that his letter would be read publicly. He is one of the men high in authority in this work. He says:

> In most sections of the country where public projects such as highway construction, sanitation, etc., are under way, there is always a great deal of comment upon the effect which the project will have on the increased value of land. I don't recall a single instance where this idea has been suggested anywhere in your State, in Alabama, or Tennessee. On the other hand, the thought has been repeatedly expressed that rural electrification will make life on these farms more worth while. One of your Mississippi friends expressed the opinion that if the farms of his county could be electrified, not one of them could be bought at any price.

And he adds further:

> I rather think Thomas Jefferson, if he could hear it, would give three rousing cheers for that sentiment.

That is what we are trying to do—to carry this power development to the people in the rural sections. This program is being carried out in the counties of Lee, Alcorn, Prentiss, Tishomingo, Itawamba, Pontotoc, and Monroe, and we are striving to get it started in the counties of Clay, Lowndes, Oktibbeha, and Noxubee as early as possible.

Mr. PETTENGILL. Would it not also tend to decentralize industry and manufacturing in the great cities and take the people back to the smaller towns?

Mr. RANKIN. Yes; and that is one of the objects of the Tennessee Valley Authority. The people living out in the country can go in and do their work and go back home—small industries may be located in the rural districts. We have some splendid garment factories in Tupelo, and I am informed that 85 percent of the women who work in them live out in the country, on the farm, and go home at night. This movement will help to solve the question of decentralizing our congested population.

I know that most of you men came from country districts, and you know something of the drudgery of country life. No one in this country has gone through more drudgery than the country women. This rural electrification will be the greatest blessing they have ever known. It will not only give them lights and enable them to have a radio but it will give them power for the iron and the churn, the washing machine, the water pump, the cream separator, the vacuum cleaner, and many other conveniences they have never known.

I want to show you some of the rates that these people will be charged. For 75 cents a man may have his light up to 25 kilowatt-hours. That is more light than a majority of the American people who use lights have in their homes. We do not light our homes now. People use little bulbs about the size of a lightning bug, just big enough to create shadows to scare their children.

For $1.50 he may have light, radio, and also pump his water, give him waterworks in the country. I saw where one woman said that if she could just get running water in the house, she would forego the lights. For $1.50 that can be done, and at the same time he can get enough extra power to run his lights and his radio. I know that some high-collared fellows will say that farmers have not any business with radios. The farmers and their families are as much

entitled to these new conveniences as are the people in the congested centers. Besides, the time is coming, if it is not here now, when a radio will be considered a necessity. The following schedule will show what the use of these various equipments will add to the farmers' light and power bill:

Estimated monthly cost to farmers of following items of electrical service (T.V.A.)

Item no.	Monthly bill	Service and appliance used
1	$0.75	Lights
2	1.00	Lights and radio.
3	1.50	Lights, radio, and water pump.
4	2.00	Lights, radio, water pump, electric iron, and percolator.
5	2.50	Lights, radio, water pump, electric iron, percolator, and washing machine.
6	3.00	Lights, radio, water pump, electric iron, percolator, washing machine, toaster and waffle iron, vacuum cleaner, food mixer, and fans.
7	3.50	Lights, radio, water pump, electric iron, percolator, washing machine, toaster, waffle iron, vacuum cleaner, food mixer, fans, and refrigerator.
8	5.00	Lights, radio, water pump, electric iron, percolator, washing machine, toaster, waffle iron, vacuum cleaner, food mixer, fans, refrigerator, and electric range.
9	6.50	Lights, radio, water pump, electric iron, percolator, washing machine, toaster, waffle iron, vacuum cleaner, food mixer, fans, refrigerator, electric range, and electric water heater.
10	8.00	Lights, radio, water pump, electric iron, percolator, washing machine, toaster, waffle iron, vacuum cleaner, food mixer, fans, refrigerator, electric range, electric water heater and operation of small farm motor for sawing wood, running feed mill, ensilage cutter, and miscellaneous small power requirements.
11	10.00	Lights, radio, water pump, electric iron, percolator, washing machine, toaster, waffle iron, vacuum cleaner, food mixer, fans, refrigerator, electric range, electric water heater, operation of smal, farm motor for sawing wood, running feed mill, ensilage cutterl and miscellaneous small power requirements, and light and power for 30-cow dairy.

The radio today is one of the greatest vehicles for disseminating knowledge. The time is coming when every farmer in this country will enjoy the same general use of the radio that the people in the cities and towns do.

For $2.50 he may have power for his lights, radio, water pump, electric iron, percolator, and washing machine.

For $3.50 he may have the same things, with fans and a refrigerator added.

For $5 he may have all those things and enough power to cook his meals. For a few dollars more he may have enough power to run his hay press, his feed grinder, and his milking machine for the dairy, and all the equipment necessary to saw his wood—lights, radio, water pump, electric iron, percolator, washing machine, electric toaster, waffle iron, vacuum cleaner, feed mixer, fans, refrigerator, and electric stove—all for $5.

Mr. McFARLANE. Where is he going to get the money to buy all those things?

Mr. RANKIN. I will answer that question in a minute.

Mr. ARENS. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. ARENS. Will the gentleman help us in Minnesota to get this rate? I am paying about 6 cents per kilowatt in Jordan, Minn., which is 25 miles away from the Hastings Dam. The Hastings Dam was built some years ago at a cost of $6,000,000. One million six hundred thousand horsepower is running over this dam, and the Northern States Power Co. and the Great Northern Railroad are fighting to see who will get the power. Can the gentleman help us so that the Government can get this power and sell it to us at a decent rate?

Mr. RANKIN. Let me say to the gentleman from Minnesota that this is the beginning of a national policy by which we expect to reach every community in America. [Applause.]

Mr. ZIONCHECK. Will the gentleman yield for a suggestion?

Mr. RANKIN. Yes.

Mr. ZIONCHECK. I would suggest that the gentleman put in the statistics on the Ontario project the number of stoves, the number of washing machines that the housewives have obtained since they have received the cheap rates.

Mr. RANKIN. I shall be glad to do so. I am sure they will be very enlightening, as well as reassuring.

Ontario began her power program back in 1909. Private power rates prior to that time averaged about 9.2 cents per kilowatt-hour. These rates immediately dropped to 5 cents per kilowatt-hour. Within a few years they were down to a top rate of 2 cents per kilowatt-hour, except in small villages where long-distance transmission was required. The record shows that in 1931 the average net cost to domestic users in 26 cities of 10,000 population or over was 1.5 cents per kilowatt-hour. In the 58 towns of from 2,000 to 10,000 population the people were paying an average of 1.79 cents per kilowatt-hour, while in the 205 villages of under 2,000 they were paying 2.52 cents per kilowatt-hour. The general average for the whole Province was 1.59 cents per kilowatt-hour.

The 1932 official report shows that on October 31, 1932, there were total reserves—60 percent liquid—of $122,770,-103.91, as against the total net investment of honest dollars of $382,558,763.75, or around 33 percent. This with all sinking fund, interest, and other charges met, and the business in a flourishing condition. The wholesale rate which is being charged municipalities in Ontario averages around 7 mills per kilowatt-hour.

The rapid increase in the use of domestic appliances under these low rates is indicated by the following figures:

Number of major appliances in use in London homes

	1924	1926	1928	1933
Ranges	3,400	4,200	5,000	6,600
Refrigerators	11	60	150	1,100
Water heaters	None	214	812	2,643

Mr. McFARLANE. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McFARLANE. I think every Member would be interested in knowing the personnel of the code set-up, and just what action they are going to take on this electrification code, because if they put that thing over it will kill the development about which the gentleman is speaking.

Mr. RANKIN. I do not think they are going to put it over.

Mr. BROOKS. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BROOKS. Has the gentleman any information or has there been any cost established that will give us an idea as to whether these rates which I approve of can be established on a profitable basis?

Mr. RANKIN. Yes.

Mr. BROOKS. Has the gentleman got that information?

Mr. RANKIN. I just told the House that the Tennessee Valley Authority had counted every item of cost.

Mr. BROOKS. But what is the cost, then, per kilowatt-hour? The gentleman has given us the selling price but not the cost.

Mr. RANKIN. They have been selling it to the power companies at 2 mills a kilowatt-hour. I do not suppose they were losing any money.

Mr. BROOKS. Is the gentleman satisfied they are running that proposition on a profitable basis?

Mr. RANKIN. I certainly am; and I am satisfied that those rates will be reduced within the next 2 or 3 years. We certainly can produce power in this country as cheaply as they can in Canada.

Mr. ALLGOOD. The gentleman got that information from Canada, did he not, and inserted it in the early part of his speech?

Mr. RANKIN. Yes; I have inserted it already.

The gentleman from Texas [Mr. McFARLANE] asked a very reasonable question, as to how these equipments are to be purchased. They have recently organized the Electric Farm and Home Authority, with a capital stock of $1,000,000 and a borrowing capacity up to $10,000,000.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. RANKIN. Mr. Speaker, may I have 10 additional minutes?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. The Electric Farm and Home Authority has the same officials as the Tennessee Valley Authority. They propose to advance the farmers and home owners the money with which to buy these equipments, and they have made arrangements with the large manufacturers to furnish them through the local dealers, and then after the purchase is made they advance the money to pay for them on long terms at low rates of interest, and, as I understand, it is added into the power bill and gradually paid off. In that way every farmer and every home owner can buy this equipment. You would be surprised at the reduction in prices these arrangements will bring.

Mr. COX. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COX. Has the gentleman disclosed in his remarks made thus far as to the probability of the enterprise maintaining the rates now charged?

Mr. RANKIN. Yes; they are not only going to maintain these rates but they will reduce them. These low rates have been prevailing in Canada for years, and they will prevail in every section of this country before this fight is over.

There is a paradoxical situation that has more or less paralyzed the prior use of electricity and electrical equipment. The people who manufacture and sell electrical equipment had their prices so high that they prevented people from using them. That curtailed the use of electricity to the detriment of the producers of power. The power companies have had their rates so high as to curtail or prevent the use of these equipments.

Therefore, they have been strangling each other to death. The producers of power and the producers of equipment have been literally destroying each other and at the same time preventing the American people from using a proper amount of electricity, as the comparison between consumption in the United States and Canada shows.

Mr. WEIDEMAN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WEIDEMAN. In the matter of the St. Lawrence waterway development, would not the power end alone justify the building of the canal?

Mr. RANKIN. Yes.

Mr. WEIDEMAN. And under improved methods of transmission the people of Detroit could sometime hope to share in this power, being within the 500-mile area.

Mr. RANKIN. Certainly.

Mr. WEIDEMAN. Our rates in Detroit are over twice as high as they are in Windsor, Canada, right across the river.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question, but I do not want to get into an argument.

Mr. MEAD. Neither do I. The State of New York set up the power-development authority for the development of power on the St. Lawrence independent of the navigation end of it. Governor Smith and Governor Roosevelt came out for it. We are for the development of power without the development of navigation.

Mr. RANKIN. What I am interested in, I may say to the gentleman from New York, is the power development.

Mr. MEAD. So am I.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. BIERMANN. I understood the gentleman to say that the power developed at Muscle Shoals will be distributed within a radius of about 350 miles.

Mr. RANKIN. Three hundred and fifty to four hundred miles. That is said to be the ultimate radius.

Mr. BIERMANN. Does this organization which supplies to farmers the means of buying electrical equipment reach out for that radius?

Mr. RANKIN. Yes; my understanding is that it goes beyond that radius; that it is a national proposition.

Mr. BIERMANN. Does that mean that a farmer in Iowa can buy electrical equipment through these loans?

Mr. RANKIN. That is my understanding; not only the farmer but the other home owners as well.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. PIERCE. One element of cost which should be borne in mind in the operation of these plants is interest. This is a tremendous item. The Federal Government can borrow money at almost one half what a private individual can.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. JOHNSON of Oklahoma. I believe the gentleman stated that these rates extended only about 300 miles. What will the farmer living 700 miles from this development have to pay?

Mr. RANKIN. I may say to the gentleman from Oklahoma that this is a national policy which I hope will be carried to every community in the entire country.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HAINES. I am very much interested in the gentleman's statement. Some opposition has grown up in my district against the T.V.A. by reason of the fact that some bankers and other owners of bonds want to know what the T.V.A. is doing with respect to driving these other local companies out of business.

Mr. RANKIN. Not a thing; it is giving them only honest competition. Where the trouble is watered stock, there is no cure. Of course, if they issued a good deal of watered stock, they cannot stand honest competition.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. DUNN. It may be interesting to the gentleman to know that certain utility companies are getting after me on account of my activities down here.

Mr. RANKIN. With the American people understanding this policy of the Government, the gentleman will have no trouble about his vote on the side of the American people on this great question.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. FLETCHER. Can the gentleman tell us what wages are being paid under T.V.A. operation and how they compare with wages paid under private ownership?

Mr RANKIN. They pay the usual schedule of wages.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RANDOLPH. President Roosevelt in his campaign said that our industrial plant was built; that the question is whether it is not overbuilt. Does the gentleman believe that when the President made that statement in the campaign he was referring particularly to the power interests of this country exploiting for private gain our natural resources?

Mr. RANKIN. What he probably meant was that they had been overstocked, that there had been too much stock issued for the amount of money invested.

Now, I may say to the gentleman who has interrupted me that this, from my viewpoint, is a national policy. Nothing could do more good than to take these cheap lights and this cheap power into every home in America. Nothing could do more for the home or so add to its pleasures, its profits, and its value; and I, for one, am in favor of carrying on until this power reaches every community and every home, and makes our country the acknowledged leader among the enlightened nations of the earth.

Someone has said that Robert Burns, the Bard of Scotland, strolling beside his native streams, " saw within each sheltered nook the bright reflection of his country's glorious past ", and sang of glorious splendors passed away or " wept for golden ages on the wane."

When Thomas A. Edison, the sage, the scientist, the seer, looked into the rolling waters of the majestic Tennessee he saw a vision of the progress yet to come. He saw the turning wheels, the lifted burdens, the lighted homes of a new civilization. " With a prophet's keen and penetrating glance " he saw upon the distant peaks of far-off years the golden dawn-

ing of this new day into which we are now moving, and in which we are to witness an electrified America? [Prolonged applause, the Members rising.]

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, sugar is the lifeblood of the Philippines. Sixty-three percent of our total exports is sugar. Every time there is a reduction of 100,000 tons it means $7,000,000.

There is a proposal which may cost my countrymen $63,000,000 in a 3-year period and would lose for the Philippine Government in revenue $12,750,000 during that time.

The Honorable Rafael R. Alunan has prepared for submission to the President, the Secretary of State, the Secretary of War, and the Secretary of Agriculture a statement on this subject.

Mr. Alunan was at one time the distinguished floor leader of the Philippine House of Representatives. He served as secretary of agriculture and natural resources, and also served as secretary of finance.

He speaks for 99 percent of the sugar producers in our islands. Complete confidence may be had in his statement. It is a very serious matter for our country, and I ask permission to revise and extend my remarks in the RECORD on this subject by including the statement of Mr. Alunan as part of my remarks.

The statement is as follows:

THE SUGAR STABILIZATION PLAN

On the 27th of June 1933, at the request of the Federal Government, there assembled in Washington representatives of (1) continental beet growers, (2) continental cane growers, (3) Philippine, (4) Hawaiian, (5) Puerto Rican, and (6) Cuban sugar growers and processors for the purpose of drawing a marketing agreement, which in the words of Mr. Charles J. Brand, coadministrator of the Agricultural Adjustment Administration, "will be equitable for everyone who has a legitimate place in the picture."

Hearings and discussions continued from June 27 and until a signed agreement was secured on September 25, 1933, a period of 3 months, which developed statistics, facts, and divers arguments on every phase of the sugar problem.

UNITED STATES CONSUMPTION

From the testimony and briefs filed, it is now possible to separate and set out certain indisputable facts.

Dr. John Lee Coulter, sugar expert, member of the Tariff Commission, the conferees and other national experts agreed that the domestic consumption for 1933–34, including certain classes of sugar for manufacturing purposes, was approximately 6,500,000 short tons.

ESTIMATED PRODUCTION 1933–34

To supply this domestic sugar market, continental and insular areas claimed at that time a tonnage production aggregating 5,195,000 short tons, as follows:

	Short tons
Continental areas:	
United States beet	1,525,000
Louisiana	250,000
Florida	60,000
Total continental	1,835,000
Insular areas:	
Hawaii	1,025,000
Puerto Rico	925,000
Virgin Islands	6,000
Philippines	1,404,000
Total insular areas	3,360,000
Total continental and insular	5,195,000

There would, therefore, be left for Cuba and foreign areas a balance of 1,305,000 short tons.

The Philippine estimate was a presentation of figures prepared jointly by the Bureau of Insular Affairs; Governor General Frank Murphy; representatives of the Department of Commerce; representatives of the Department of Agriculture; the Philippine Sugar Growers Association; the national sugar statisticians, Willett and Gray; and Dr. John Lee Coulter.

BASIC QUOTAS

The marketing agreement, in the form in which it was finally signed by all the domestic producers, except Louisiana, assigned the following quotas for a 3-year period in short tons, raw basis:

Beet sugar, United States continental	1,750,000
Louisiana, United States continental	250,000
Florida, United States continental	60,000
Hawaii, United States insular	975,000
Puerto Rico, United States insular	875,000
Virgin Islands, United States insular	15,000
Philippine Islands, United States insular	1,100,000
Cuba, foreign	1,700,000
Total	6,725,000

The signature of the Philippine representative to this agreement was affixed with a reservation as to the quota of 1,100,000 tons.

The signature was given only because of an earnest desire to cooperate in what was at that time stated to be the wish of the President.

Under the estimated American consumption of 6,500,000 tons, Cuba could send to this country approximately 1,300,000 tons. The marketing agreement assigned Cuba a basic quota of 1,700,000 short tons with additional deliveries of 300,000 tons for the first year, 200,000 tons for the second year, and 100,000 tons for the third year.

PHILIPPINE DELIVERIES EXCEED QUOTA

The following are the figures of United States consumption for the calendar year of 1933, compared with the quotas under the marketing agreement:

	United States consumption [1]	Percent total	Quotas under marketing agreement	Increase (+) or decrease (−) consumption over quotas
Continental areas:	*Short tons*			
United States beet	1,365,978	21.63	1,750,000	−384,000
Louisiana and Florida cane	314,736	4.98	310,000	+4,736
Total continental	1,680,714	26.61	2,060,000	
Insular areas:				
Hawaii	989,580	15.67	975,000	+14,580
Puerto Rico	790,992	12.52	875,000	−84,008
Virgin Islands	4,548	.08	15,000	−10,452
Philippine Islands	[2] 1,241,228	19.65	1,100,000	+141,228
Total insular	3,025,348	47.92	2,965,000	
Foreign areas:				
Cuba	1,600,711	25.34	1,700,000	−99,289
Others	8,231	.13		
Total foreign	1,608,942	25.47	1,700,000	
Grand total	6,316,004	100.00	6,725,000	

[1] Compiled from Willett & Gray.
[2] Philippine deliveries for 1933 were estimated at 1,225,000 tons.

The foregoing statistics demonstate the pertinent fact that the Philippine Islands is the only major sugar area which not only reached its estimate but exceeded substantially its basic quota. This excess was 141,000 short tons.

It is also to be noted that continental beet and cane sugar supplies 27 percent of the American sugar consumption, Hawaii and Puerto Rico 28 percent, the Philippines 20 percent, or a total of 75 percent.

Even with its potential production under existing mill capacities, the Philippines will contribute only 25 percent of the amount of sugar consumed in the United States.

Philippine sugar is not, therefore, a competitor of United States continental or of other insular sugars. It merely supplements the domestic supply.

EFFECT OF AN INCREASED CUBAN QUOTA

It is suggested that the Cuban quota be increased from 1,700,000 tons to 2,000,000 tons.

Tons of sugar are not so significant, but when they are reduced to dollars and cents they take on a new value.

Every reduction of 100,000 tons means approximately $7,000,000 lost each year to the territory capable of producing them.

If, as suggested, the Cuban quota is increased from 1,700,000 to 2,000,000 tons, it will mean a loss to American areas of $21,000,000 annually.

REDUCED QUOTA THREATENS PHILIPPINE ECONOMIC STABILITY

The Filipinos, using their present acreage, have a minimum production capacity, as indicated by their 1933–34 crop, of 1,400,000 tons, and a potential capacity, with present machinery and equipment, of 1,800,000 tons.

The quota agreement of September 25 of 1,100,000 tons shows, therefore, an immediate loss of 900,000 tons, or $63,000,000 for the 3-year period.

Of this sum, the government of the Philippine Islands, which is supported by a sales tax, will lose approximately $12,750,000 in the 3-year period.

Thus under the marketing agreement the Philippine Islands were already called upon to make a great sacrifice. It would be unfair and unjust to increase that burden in order to benefit a foreign country.

Every curtailment means (1) a loss of income; (2) reduced government revenue; (3) decreased buying power; (4) loss of employment; (5) reduced ability to pay national debts and

jeopardizing of the present standard of living set by our American free-trade policy.

A loss in national revenue in the Philippines naturally means less education, less sanitation, less police protection.

His Excellency Hon. Frank Murphy, Governor General of the Philippine Islands, stressing the effect of substantial curtailment of Philippine sugar production in his cable to the War Department on September 8, 1933, called attention to the following statistical points:

"(1) Sugar accounted for 63 percent of all income derived from export trade in 1932. Remove it from the list and a favorable visible balance of trade of $15,500,000 would have been converted into a negative balance of $44,500,000.

"(2) The total annual income from all sources is estimated at $200,000,000, sugar comprising nearly 30 percent of the total.

"(3) There are 10 banks in the Philippines and in addition 3 private companies engaged in agricultural financing. The total loans, overdrafts, and advances of these 13 establishments amount to $72,500,000. Of this amount $34,000,000, or 47 percent, is advanced on sugar.

"(4) Considering the government-owned Philippine National Bank alone, its loans, overdrafts, and advances amount to $22,500,000, of which $17,500,000, or 77 percent, is advanced on sugar.

"(5) The government-owned Manila Railroad collected $2,300,000 as freight revenue in 1932. Of this amount nearly $1,000,000, or over 40 percent, was derived from handling sugar.

"(6) The Philippine Railways in Cebu, Iloilo, and Panay, in large part guaranteed by the Government, also derives the bulk of its freight revenue from sugar.

"(7) Five of our leading Provinces, Occidental Negros, Oriental Negros, Pampanga, Laguna, and Tarlac, are largely supported by taxation from sugar. Extreme withdrawal of this support in these provinces would seriously affect the public finances and be reflected in cessation of public works and closing of schools, * * *"

CONGRESS ENCOURAGED INCREASED PRODUCTION

On August 5, 1909, Congress established free trade with the Philippine Islands for the avowed purpose of increasing its sugar output for the benefit of domestic consumers in the United States.

The establishment of this free-trade policy was vigorously opposed by all Philippine leaders.

On March 27, 1909, the Philippine Assembly adopted a joint resolution petitioning Congress not to establish free trade on the ground that, in the words of the petition, "free trade between the United States and the islands would in the future become highly prejudicial to the economic interests of the Philippine people and would bring about a situation which might hinder the attainment of the independence of the said people."

This was a prophetic declaration, as evidenced by the situation today.

Oscar Underwood, then Democratic leader of the House, on October 5, 1913, said:

"We could not honestly face those dependent people who give us free trade in their markets if we close our doors here. * * * Because we do not want to stand and face that world in such a position as that and say [to the Filipinos] that under our law we command you to open the door, so that American goods can flow into your country, because we have the power to do it, and then turn around and say to them that on the only thing they can import, practically, into our country and make a market for we will close our doors and prevent them developing their trade. I say that no true-born American citizen who faces this question fairly and squarely and understands the situation will consent to that."

The statement of Oscar Underwood has since been the guiding policy followed by each Congress in dealing with Philippine products coming into the United States.

It is quite apparent that free trade and sugar expansion were forced upon the Filipino people by our Congress over their protest.

The establishment of free trade had the immediate effect of attracting American capital into the islands for the development of the sugar industry, resulting in the replacement of thousands of primitive, inefficient, wooden, carabao mills by modern centrals and factories, and in the improvement in methods of cultivation and planting of higher yielding cane varieties.

As a consequence, sugar production in the Philippines in the past 2 decades has naturally doubled and trebled, as has happened in Cuba, Hawaii, Puerto Rico, Java, Formosa, and other sugarcane-producing countries, when those countries changed their methods of manufacture from the antiquated mills to modern factories.

NO EXPANSION IN AREAS

However, there has been very little increase in the acreage for sugarcane in the Philippines since the Spanish regime. In 1895, when the Philippines produced a crop of 431,000 short tons, the record under the Spanish regime, there was planted to sugarcane that year at least 500,000 acres of land, as compared with 596,000 acres planted in 1921, and 633,000 in 1931.

The increase in sugar production in the Philippines has, therefore, been brought about not by increasing acreage but by improvements in the technique of production and milling and by increased yields per acre through the substitution for the native cane varieties of superior varieties.

The Philippine people not only opposed free trade with the United States, but in addition they placed a limitation upon land ownership; the limitation was 1,024 hectares, or 2,500 acres. Therefore with the exception of one central in existence before this limitation the sugar acreage is practically all in small holdings, entirely unlike the situation in other producing areas.

A limitation or curtailment, therefore, will fall upon a much greater number of people who are directly interested. There is no limitation in Hawaii, Puerto Rico, or continental United States.

Practically all the lands devoted to the cultivation of sugarcane in the Philippines are tilled by Filipinos numbering 2,000,000, including their families. Unlike other sugar-producing countries, which must rely on foreign labor to grow sugar, the Philippines depends solely upon native labor for its production of sugar.

The sugar industry more than any other industry in the islands has been responsible for raising the standard of living of the Filipino people to 300 percent above that of their neighboring countries.

SUGAR PAYS FOR PURCHASES IN UNITED STATES

The Philippine sugar industry has thus been developed within highly protective tariff walls both at the market in the United States and at the place of production in the Philippines. Without the United States tariff protection the industry cannot survive world competition.

As sugar constitutes 63 percent of the total value of all exports from the Philippines, the purchases of these islands from the United States are mainly paid for by the sugar exported to the American market.

It is to be noted that as a consequence of their ability to market their sugar in the United States the Filipinos are today one of the best customers of American agriculture and industry.

Since taking over the islands 35 years ago America's trade with the Philippines has increased fortyfold, from a little over $5,000,000 in 1899 to over $200,000,000 in 1929.

According to the compilation recently made by the United States Chamber of Commerce, the Philippines today ranks eighth among the customers of the United States, as may be seen from the following figures:

Twenty best customers of the United States in order of importance, January–September 1933

Country and rank	Percent	Value of United States exports
1. United Kingdom	17.6	$194,854,000
2. Canada	13.4	147,797,000
3. Germany	8.3	91,965,000
4. Japan	8.3	91,292,000
5. France	7.1	78,347,000
6. Italy	3.6	40,025,000
7. China	2.9	32,525,000
8. Philippine Islands	2.9	32,232,000
9. Netherlands	2.8	30,478,000
10. Belgium	2.6	29,184,000
11. Mexico	2.4	26,879,000
12. Argentina	2.3	24,905,000
13. Brazil	1.8	20,046,000
14. Spain	1.8	19,905,000
15. Cuba	1.7	19,296,000
16. Australia	1.6	17,893,000
17. British South Africa	1.3	14,347,000
18. British India	1.1	12,660,000
19. Panama	1.1	11,783,000
20. Sweden	1.0	11,065,000

AMERICAN INTEREST IN PHILIPPINE SUGAR

The aggregate investment in the Philippine sugar industry amounts to $251,512,535, of which $84,012,535 represents investment in centrals. The investments in these mills is predominantly American and Filipino, as shown in the following table:

Nationality	Number of centrals	Total investments	Percentage of total investments
American	12	$33,815,650	40
Filipino	22	31,127,894	37
Spanish	9	18,276,574	22
Others	2	792,417	1
Total	45	84,012,535	100

The investment classified as Spanish includes investments made by two of the oldest established companies in the Islands—one established 75 years ago, and the other more than 50 years ago—so that it is generally considered in the Philippine Islands that these are Philippine investments. Moreover, many of the holders of the stock of the centrals classified as Spanish are in fact Filipino citizens.

No Chinese are financially interested in the mills.

UNITED STATES RESPONSIBILITY TO PHILIPPINES AND CUBA

There has been a propaganda designed to magnify United States responsibility to Cuba and minimize the same responsibility to the Philippine Islands.

This is unfortunate and embarrassing, but, as there is an attempt to make the Philippines pay substantially the entire bill for benefits which are to accrue to Cuba, it compels a reluctant statement.

In the year 1898, as the result of the War with Spain, there came into the possession of the United States Puerto Rico and the Philippine Islands. Hawaii was placed under American sovereignty in the same year because of its strategic naval importance. The Virgin Islands followed by purchase in 1917.

Americans went to Cuba as liberators and benefactors in a war which lasted only 90 days. Because of this war the United States was compelled to continue a new war in the Philippines for 3½ years.

The United States governs the Philippine Islands, although the Philippines pay their own bills and the entire cost of their government.

A great naval station and a division of America's Army are maintained there.

The American flag flies and will continue to fly for many years.

All of these Territories or insular possessions over which the American flag flies are entitled to equal and impartial treatment in the matter of quotas and reservations.

They should not be discriminated against in their economic welfare for the benefit of a foreign nation.

If the United States is under an obligation to assist Cuba in its time of distress, it is a national obligation to be borne equally by all of the people of the United States and not by one particular area or one special group.

Continental and insular sugar growers are not responsible for disorder in Cuba, for its financial difficulties, or for the reckless expenditure of American millions in the overproduction of sugar.

While American citizens and colonials are undoubtedly sympathetic with the difficulties now confronting Cuba, we respectfully submit that if their responsibility is a United States responsibility, it does not belong exclusively to the sugar-producing areas of the Nation, much less especially to the Philippine Islands.

Cuba is a foreign nation, with its own flag and its own government.

The limitation on American relationship is the Platt amendment, which was enacted more for the benefit of Cuba than for the United States. With this exception, America has no more responsibility to Cuba than to any other foreign nation.

It is asserted that Cuban sugar production is essential to preserve its economic life.

This is equally true of the Philippines. Sixty percent of its total business is related to sugar; 63 percent of its total exports is sugar, which finds its only market in the United States.

The Philippines have an ocean haul of 11,000 miles, requiring from 45 to 60 days to reach their market. Cuba has relatively a short distance to the American market, taking but few hours of sailing to reach American shores.

There are four times as many people living in the Philippine Islands as there are in Cuba.

Cuba has an area of 41,000 square miles with a population of only 3,700,000. The Philippines have an area of 114,000 square miles with a population of 14,000,000, an increase of 7,000,000 since American occupation. It will only be a short time before they will have a population of 25,000,000, with a potential population of 60,000,000.

Cuba, according to Willett & Gray, produced in 1932–33 a total of 2,235,000 short tons, or a per capita sugar production of 1,200 pounds, while for the same period the Philippines produced 1,283,000 short tons, or a per capita production of only 180 pounds.

Cuba is therefore producing seven times as much sugar per capita as the Philippines.

While there are ample provisions for storing reserve sugar in Cuba, warehouse storage capacity in the Philippines is extremely limited.

A large reserve in the Philippines will be a constant threat to the world market. It will tend to keep down the price.

As is the case in most tropical countries, Cuba's ownership of sugar-producing lands is confined to a few large proprietors having immense land holdings. They usually control the factory as well as the lands on which the sugar is grown. It is, therefore, quite apparent that social disadvantages often arise from this system of sugar production.

In the Philippines land holdings are restricted by law. Sugar is produced by thousands of small farmers with small land holdings ranging from 1 or 2 to 50 acres.

There are no serious social disadvantages so far as labor is concerned, and there is no contract labor in the Philippines.

To tax the Filipino people—and curtailment is a tax—for the sole benefit of Cuba is not an equitable thing.

Because there is trouble in Cuba does not preclude the probability of trouble in the Philippines, since America forced them into the sugar business by act of Congress, and it is now proposed to reduce their sugar business to assist a foreign nation.

The Philippines are America's eighth best world customer; Cuba ranks fifteenth.

Nothing herein is intended to discourage or oppose assistance for Cuba, but is merely a plea for fair and equal treatment for another great sugar-producing area under the sovereignty of the United States and over which flies the American flag.

PHILIPPINES READY AND ANXIOUS TO COOPERATE

The Philippine representatives in the prolonged marketing agreement conferences, in all verbal statements, and in three different briefs have clearly defined their position as desiring to cooperate and make equitable sacrifices where necessary.

Philippine sugar producers are anxious to cooperate with the Federal Government and with colonial and insular producers in any plan which is equitable and fair, which is not discriminatory or destructive. They are prepared to make common sacrifices, but must insist that burdens and benefits should be proportional and equitable.

As an evidence of good faith, the Philippine Sugar Association, representing 99 percent of the total sugar production of the islands, has adopted a resolution favoring a limitation in Philippine sugar production to 1,150,000 long tons, or 1,288,000 short tons, of which 88,000 short tons are for local consumption and 1,200,000 short tons available for export.

This is in harmony with the Philippine quota under the marketing agreement, allowing an annual export to the United States of 1,100,000 short tons and a reserve of 100,000 short tons.

HISTORY AND FUNCTIONS OF THE NATIONAL COMMITTEE

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in order to include an address delivered by the Postmaster General, Mr. Farley, before the American Political Science Association in Philadelphia.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAINES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable James A. Farley, Postmaster General of the United States and chairman of the Democratic National Committee, before the distinguished membership of the American Political Science Association, at its annual meeting at the Bellevue-Stratford Hotel, Philadelphia, Pa., December 29, 1933:

It is with pleasure, gentlemen, that I come here to speak to you on the functions of the national committee as an instrument of popular government. When Dr. Pollock first wrote me about appearing before this organization, I hesitated. I thought to myself: "What is there of interest in the presentation of a routine subject like the operations of a national committee to a group like this?" But a little reflection convinced me that the matter is not only important but one of interest as well. Here we have a political party drawing its strength from the broad stream of the Nation's life, built on a foundation of public service and public interest—an organization which has existed for more than 140 years through the span of several generations—alive always to the hopes and aspirations of the common man, so why not say something about the manner in which its practical activities have been governed?

It is a pleasure to be a part of this sweeping pageant of politics—and service. For these words, my friends, are to me synonymous. Under our system of government a party aspires to power. Receiving a popular mandate, it must succeed or fail in direct proportion to the measure of its service. And when we look back over the interesting pages of the Democratic Party history we begin to find some of the reasons for its virility.

It has lived because it has served. I am sure it will not be inappropriate for me, as its chairman now, to express the hope—may it long continue to do so!

Woodrow Wilson, in commenting on the long life of the Democratic Party, once said that it has lived because it has always "had a heart under its jacket." The accuracy of this point of view is nowhere better illustrated than in the manner in which control over the party has in ever-increasing degree tended to center in the party membership. Formerly a national committeeman was always chosen by agreement among national political leaders. Now he is chosen in the several States, sometimes by the delegates to the national convention, sometimes by State conventions, and sometimes by direct vote of the people in the primaries. With its authority coming thus directly from the people the party machinery has become to a high degree responsive to the will of the people. So long as it continues to be thus responsive, a political party will continue to thrive. When it ceases to respond it loses vitality and its leaders lose power.

That, in brief, is the history of party government everywhere. Of the growth of political parties in the United States, it may be said that it was through the development of party machinery that the American people took over the selection of their President.

The adoption of the Constitution in 1789 was a great forward step in popular rule among the nations of the world, but it was not a democracy as we know democracies now. The people had little actual voice in the selection of George Washington as President, although he was unquestionably the popular choice.

We must go back to the Jackson period to witness the first real development of a centralized management for political campaigns or for party management. Prior to 1824, when Jackson was first a candidate for the Presidency, property and other restrictions greatly limited the size of the electorate. Presidential electors in many States were chosen by the State legislatures, and where they were balloted for by popular vote, that vote usually represented an expression of less than half of the qualified voters. In the selection of candidates, the common man had virtually no voice until the first National Party convention nominated Jackson at Baltimore in 1832. Prior to that time it had been the custom of the Federalist Party, and also of the Democratic-Republican Party of Thomas Jefferson, which in 1832 became the Democratic Party of Jackson, to permit Members of Congress to select the party nominees by the caucus method.

The caucus led, even at that early day, to charges of "bossism" and undue influence by the Members of Congress in party affairs. Although the caucus of 1804, sitting in Washington, while nominating Thomas Jefferson for his second term had authorized the selection of a committee consisting of one man from each of the 17 States to conduct the campaign in his State, yet it was far from being the counterpart of our national committee of this day. Eight years later, in 1812, with Madison the candidate, another group of committeemen was again selected.

With so few people voting in these early elections, or really concerned with the business of voting, the campaign machinery was simple. It consisted in the main of a small body of the candidate's personal friends, who developed committees on correspondence in the several States. Whether there was anything more than the vaguest sort of control, the record doesn't show. The idea of correspondence was used first in Massachusetts and in Virginia to rouse the Colonies against the injustices of England which led to the American Revolution.

There is much to be said in favor of the effectiveness of letter writing as a means of furthering party policy. We use it freely today. I believe in it tremendously, and in the personal touch that it carries with it. During the last Presidential campaign our Democratic headquarters in New York and Washington sent out several million pieces of mail and spent a small fortune for postage stamps.

Just as the campaign of 1824 spelled the doom of the congressional caucus system, substituting in its stead a system of nominating through State legislatures and State and local meetings, just so was it the milestone which pointed the way to a more general participation by the mass of people in the business of choosing a President. The people were beginning to think in national terms and they wanted control of the parties and also of the Presidency.

The financial panic of 1819, caused, as was the collapse that took place 110 years later, by the bursting of a post-war boom, brought about an awakening of the common man that expressed itself politically in the election of 1824. The War of 1812 and the Hartford convention had completed the wreck of the Federalist Party, and the Democratic-Republican Party was the only one in the field. But there was no central party authority, and the party was divided among the claims of five candidates, Secretary of State John Quincy Adams, Gen. Andrew Jackson, Secretary of Treasury William H. Crawford, Secretary of War John C. Calhoun, and Henry Clay, the Speaker of the House.

Crawford was nominated by the old method of a congressional caucus, but so bitter had been the attacks upon this method of nomination that more than half of the members stayed away. Jackson and Clay were nominated by a number of State legislatures, thus bringing the authorizations of their candidacies a step closer to the electorate. Due to the sharpness of the rivalry, the friends of the different candidates put forth extraordinary efforts. For the first time a Presidential candidate himself participated openly in the efforts to bring about his own election. Crawford took the first step and was followed by Calhoun and Clay. Only Adams and Jackson remained aloof, following the precedent set by Washington, even declining publicly to admit that they were candidates for the office. The campaign machinery of each candidate was on the old committee-of-correspondence type but more highly developed than before, and in the case of three of them—Crawford, Calhoun, and Clay—directed by the candidates themselves.

The popular vote in this election was double what it had ever been before. Jackson received the most electoral votes, and his adherents claimed that their man received a plurality of the popular vote. This was disputed with some justice by the friends of Adams. Actually the point is impossible of determination, owing to the fact that in several States the Presidential electors were not voted on by the people. As everyone knows, there was no majority in the electoral college, and the House of Representatives seated John Quincy Adams.

The Jackson followers raised the cry that the people's choice had been excluded from office, which is the first time the question of the President being the people's choice had seriously agitated the country as a whole.

The Jackson workers began their preparations for 1828 early and were overwhelmingly victorious.

In 1831 the Anti-Masonic Party, a small minority group with no hope of national success, held the first national nominating convention and presented the name of William Wirt, of Baltimore, for the Presidency. The interesting fact about this is that this curious party was the result of a spontaneous, popular movement and that it fixed upon a convention as the best means of expressing itself. The Jackson democracy was not slow to recognize a good thing, and in 1832 it held a national convention in Baltimore, which put forward the ticket of Jackson and Van Buren. The opposing candidate was Clay, whose friends at first belittled the convention idea, but later assembled delegates in Washington who, calling themselves a convention, ratified the nomination of Mr. Clay.

Not the least service which Jackson gave to the country as a whole was the part he played in thus bringing Government into more intimate contact with the people themselves and in setting up the beginnings of national party management.

The convention, the platforms, the keynote speech—all these we inherit from the Jackson era, as my friend Claude Bowers so interestingly tells in his book, Party Battles of the Jackson Period.

And as an aftermath we find party machinery becoming more responsive to the will of the people.

The proceedings of the 1848 Democratic National Convention give the first actual record of the definite organization of a national committee. It was a central committee, with one chosen from each State. The chairman was Benjamin F. Hallett, of Massachusetts. However, I believe the real foundation for this step was laid in the previous election when Polk and Dallas were the candidates. I have in my own possession an original letter written in 1844 from Washington. It is written by Robert J. Walker, a native Pennsylvanian and graduate of your own University of Pennsylvania, at that time 43 years old and representing the State of Mississippi in the United States Senate. Senator Walker had just received an invitation to attend a barbecue down in Mississippi, and he was sending his declination. I quote from his letter:

"* * * The National Democratic Convention of Baltimore appointed a central committee, whose operations were to be conducted at this city with a view to promote the election of Polk and Dallas. Of this committee I was chosen chairman, and consented to remain here and discharge the duties of that office."

Here, I believe, is definite evidence of the creation by the party convention of the machinery for the central control or direction of the national campaign. Senator Walker says he had information from every State of the Union—and there were 26 of them at that time—as to the trend of the political campaign—and he wrote his Mississippi constituents that "our success seems certain." * * * "In the three great States of New York, Pennsylvania, and Virginia", he wrote, "our triumph appears absolutely certain." Walker then went on to predict, correctly, too, the loss of Massachusetts, Vermont, Rhode Island, and Kentucky to Clay.

Speaking to you, gentlemen, I want to remind you that I, too, have indulged in political prediction. But I want to say here that I would not relish being as close a guesser as was this first chairman of the Democratic National Committee. He said, in 1844, that he was "absolutely certain" of New York, Pennsylvania, and Virginia. James K. Polk, his candidate, carried all three States, it is true, but I find he carried New York State by a little over 5,000 votes, Pennsylvania by 6,300, and Virginia by less than 6,000. The total vote in the electoral college then was 275, with 138 necessary to election. Here we have a popular plurality of only about 17,000 votes accounting for 79 electoral votes, more than half of the number necessary for election. The loss of New York State alone would have meant the loss of the election. To lapse into a colloquialism, that is too close for comfort, taking it from one who knows.

And while we are on the subject of predictions, a word here wouldn't be amiss about our performance in 1932. In the campaign, both for the nomination and the subsequent election, I frequently indicated my faith in the result through a public prediction. Many thought that we were simply guessing, broadcasting a prediction that had no basis or foundation of fact. We maintained at headquarters a division that was notably new in the history of political organizations—a division of analysis. We kept close track of trends, particularly those disclosed by straw ballots and test polls of all kinds. And on the basis of these trends, we tried to formulate estimates that were reasonable and likely of accomplishment.

For example, in my published statements on three different occasions I predicted that we would carry the eight Mountain States of Montana, Idaho, Wyoming, Colorado, Utah, Nevada, Arizona, and New Mexico with a total plurality of 300,000. The actual plurality was 295,489, or an average error for each of the eight States of but 564 votes. For the States of North and South Dakota my prediction was 185,000 majority, and the combined majority was 190,931. For Minnesota my prediction was 250,000; the actual plurality was 236,847. For the State of Washington my prediction was 150,000, although on September 16 our analyst gave an estimate of 142,858 indicated plurality. The actual plurality was 144,615. For Oregon I used the round figure of 100,000 plurality, although on September 17 our analyst had submitted a statement of 77,330 indicated margin. The actual vote was 77,852. My Kansas prediction was over 50,000; our analyst on October 8 had reported 74,200 as the indicated plurality, and when the votes were counted it was a Roosevelt victory by 74,706. Michigan and Indiana together would produce a majority for our ticket of 300,000 votes I thought; the actual combined plurality was a little over 316,000. Maine and Vermont I always figured we would lose, but my hopes were set on Connecticut and New Hampshire, both of which we would have won if less than 5,000 people had voted Democratic instead of Republican. Likewise I was hopeful of victory in Delaware, although our analyst predicted defeat by less than 1,000 votes. We lost by 2,755.

In the 10 Southern States, not anticipating such a tremendous outpouring of voters, we figured on a combined plurality of 2,000,000. It reached 2,317,937. In the six border States we figured 1,000,000 total plurality; it reached 1,212,388.

Of course, we missed in Pennsylvania—virtually the only upset in our whole calculations—and in some of the States the last-minute drive of the opposition pared down tremendously the vote that we had expected to receive. This was notably true in Ohio, Illinois, New Jersey, and New York.

You will pardon me for thus digressing—it is a far cry from the 1844 campaign of Polk and Dallas to our last Roosevelt-Garner victory—but through the nearly 90 years that have elapsed since that hectic campaign of 1844 the Democratic Party machinery has functioned in much the same fashion, continually widening its

basic foundation with the mass of people and enlarging its sphere of influence.

The country has broadened—we had only 26 States then, and, as a direct result of that very campaign, we added to our domain the great empire of Texas, the Oregon country, and California—a Democratic triumph about which we may well get a perpetual thrill of pride. The campaign tools have changed—the national committee chairman used the telegraph wires for the first time in that 1844 campaign, while today our incessant use of telegraph and telephone gives us of the national committee who have bills to pay many a headache, indeed. The characters have changed—instead of Jackson, Polk, Benton, and their fellow stalwarts, we have new faces and new personalities serving now, however, with identical loyalty and identical patriotism under the leadership of our own great President, Franklin Roosevelt.

The national committee thus brought into existence shortly after the parties were themselves first formed has a very definite function to perform. It is the essence of the party organization without which the party would be unable to conduct a campaign. Political principles do not carry themselves into effect. They are translated into action only by organized effort. This effort in a national party is possible only through the committee which, independently of Members of Congress or other officeholders, affords a channel of communication between party leaders and the people in the States.

Not only during the period of a national campaign but in the interval there must be a body to speak the will of the party as a party, a functioning political organism, and to supply the people with information of what is going on at the seat of government. There can be no doubt that the information service maintained at Washington from 1928 to 1932 by the Democratic National Committee under the able leadership of my predecessor, John J. Raskob, had much to do with laying the basis for the Democratic victory of last November.

And may I not here give you a current example of what may be accomplished through a national committee, in translating a party mandate into law? I refer to the late repeal of the eighteenth amendment to the Constitution through the adoption of the twenty-first amendment.

In the spring of 1932, before the conventions of either party were held, this was the situation: The repeal of the prohibition amendment was a national issue. Its great unpopularity had led to a break-down of respect for law and order. Both major parties considered it. Each wrote a plank covering its stand on this important problem. The Democratic Party was returned overwhelmingly victorious at the polls in November 1932, and through its constituted leaders in the House and Senate immediately began to press for consideration of the repeal question even before the change in power. So on February 20, 1933, Congress passed the twenty-first amendment for ratification to the States.

One of the first steps taken through the National Committee of the Democratic Party was the enlistment of all loyal party workers for work in the repeal fight. I addressed letters to all party workers in each of the States where the repeal amendment was to come up for ratification. In many of the States I made a personal appeal to voters in my capacity of chairman of the Democratic National Committee. I appealed directly for support and always pointed to the fact that the party mandate in the matter was clean-cut. The party had been placed in power; it was now necessary to fulfill the promises made.

And under the leadership of President Roosevelt this amendment was ratified by 36 States and proclaimed effective on December 5, 1933. This established a modern record for speed in the ratification of a constitutional amendment. The sixteenth amendment took over 3½ years for ratification; the seventeenth, a little over a year; the eighteenth, 1 year 1 month and 10 days; the nineteenth, a little over 1 year 2 months; the twentieth, 11 months 3 days; and the twenty-first, 9 months 13 days.

The fight for the repeal of the eighteenth amendment I believe to be a good example of a solemn party pledge being translated into legislation through the assistance and under the sponsorship of the party leadership.

I believe in party government. I believe in its value to the Nation. I believe that political parties should accept responsibility, and, having made a contract with the people, I believe they should live up to the pledges they have given.

The Democratic Party has a rich past, rich with the record of service, rich with the spiritual inheritance from great leaders, and within the party this living spirit now keeps fresh and uppermost, as I trust it always shall, the Democratic ideal of service to the Nation.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask the majority leader what the program is going to be for the balance of the afternoon?

Mr. BYRNS. I understand the gentleman from Mississippi wants to address the House for a few minutes. After that I hope the committee will be called. I do not know that any committee will have a bill ready until we reach the Committee on Agriculture.

Mr. SNELL. Providing the Committee on Agriculture should get into the Committee of the Whole House on the state of the Union and have a bill under consideration at 4 o'clock, when we would like to go into conference, what does the gentleman propose to do?

Mr. BYRNS. As I have said to the gentleman, I am sure the Committee will be glad to rise and the House to adjourn in order that the gentlemen on the Republican side may hold their conference.

Mr. SNELL. As I understand, the program for the balance of the week will be to call the Private Calendar, probably Thursday and Friday?

Mr. BYRNS. Yes; and possibly consider a rule on Friday, although I am not absolutely sure about it.

Mr. SNELL. Does the gentleman know what rule is going to be called up?

Mr. BYRNS. I could not tell the gentleman what the bill is, but I do know there is a rule which was introduced by the gentleman from Georgia [Mr. TARVER].

Mr. SNELL. From the information we have at present, the tax bill will not come up before Monday or Tuesday of next week?

Mr. BYRNS. That is my understanding, the first of the week. I am hopeful that the tax bill will be ready so that it may be taken up on Monday.

Mr. SNELL. Of course, on Monday there may be a great many people away.

Mr. BYRNS. It will come up for general debate as a preliminary.

Mr. SNELL. Then, as near as possible, we can count on the first of next week for the tax bill?

Mr. BYRNS. Yes.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLZEY of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ELLZEY of Mississippi. Mr. Speaker, in connection with the very splendid statement relative to Muscle Shoals, made by my colleague from Mississippi, Mr. RANKIN, I want to make an observation concerning another distinguished Mississippian, my predecessor, Hon. Percy E. Quin. Mr. Quin was one of the pioneers in promoting this legislation in behalf of the masses of the people. One of my colleagues in the House said that Percy Quin literally fell in his tracks in behalf of this legislation. As chairman of the Military Affairs Committee in his last speech on the floor of this House he championed this worthy cause.

This is a matter very dear to our people, so long represented by my predecessor, Mr. Quin, and it gave to Mississippi citizens a twofold hope. First it offered cheaper power to all the people, and, secondly, cheaper fertilizer for the farmers. I hope that the day is not far distant when both of these objectives may be realized.

The distinguished Percy E. Quin fought hard to gain these objectives, and I may state now that I believe the people in my section of Mississippi, as a result of Percy Quin's splendid efforts, are entitled to cheaper electric power. I am very happy to say that the initial steps have been taken whereby the people, so long and very ably represented by my predecessor, may hope soon to enjoy the results of the Muscle Shoals legislation. I know this will be true, if the power is available at the present time. It is my happy privilege to pay this tribute of respect to the late Percy E. Quin, who worked so untiringly and so faithfully, and who had this splendid vision of giving cheaper power to all of our people and cheaper fertilizer to the American farmers.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. ELLZEY of Mississippi. Yes.

Mr. HILL of Alabama. Mr. Speaker, I would like to state that I served on the committee with the gentleman's predecessor, the late Hon. Percy E. Quin. If any man worked, fought, toiled, and labored through the years to bring about the development of the Tennessee Valley, which we so much wanted, it was Mr. Quin. As the gentleman from Mississippi has suggested, he literally fell in the fight. It was due in large measure to his work and his efforts that we today realize the fruits of this development. I join with the gentleman from Mississippi in his much-deserved and splendid tribute to Percy Quin, and I wish to say that in the

gentleman from Mississippi Percy Quin has a worthy successor, who, because of his character, his intellect, and his devotion to duty, has won the esteem of the Membership of this House and who is carrying on for his people in a most creditable and successful way.

Mr. ELLZEY of Mississippi. I thank the gentleman from Alabama for his statement.

ELECTION OF MEMBER OF COMMITTEE ON INDIAN AFFAIRS

Mr. BYRNS. Mr. Speaker, the Chairman of the Committee on Ways and Means, Mr. DOUGHTON of North Carolina, is engaged now with his committee in the preparation of the tax bill and is unable to be here at this moment. The gentleman has requested me to present this resolution and ask for its immediate consideration and adoption.

The Clerk read the resolution, as follows:

House Resolution 256

Resolved, That ISABELLA GREENWAY, of Arizona, be, and she is hereby, elected a member of the standing committee of the House on Indian Affairs.

The resolution was agreed to.

JOHN MARSHALL

Mr. McLEAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the very excellent address on John Marshall made on Sunday last over the radio, under the auspices of the American Bar Association, by our colleague, Mr. JAMES M. BECK.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. McLEAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by Hon. JAMES M. BECK, of Pennsylvania, chairman of the committee on American citizenship of the American Bar Association, Sunday, February 4, 1934:

One hundred and thirty-three years ago today a notable event took place in a small committee room in the Capitol in Washington. The world at the time took little note, and yet this modest ceremonial was destined to influence profoundly the development of our form of government. The Federal Government had recently removed from Philadelphia to Washington, and while the Capitol had been in part erected, no provision had been made for the Supreme Court of the United States. Its estate was so low that Chief Justice Jay had declined to accept reappointment because of his belief that the Court would not have sufficient dignity and power. The Court, as the balance wheel of our governmental machinery and the supreme conscience of the Nation in matters of constitutional morality, had done little more than organize and consider a few cases when the ceremonial, to which I have referred, took place. No provision had been made for it except a small committee room on the second floor of the Capitol, which could not contain an audience of more than 25. Upon the opening of the Court, its clerk read to the few there assembled a commission signed by John Adams, as President of the United States, appointing John Marshall, of Virginia, as the new Chief Justice of the Court. The Chief Justice then took an oath to support and defend the Constitution and that oath he kept.

The new Chief Justice was not unknown to fame. He had been a gallant officer in the Revolutionary War, and had shared with Washington the privations of Valley Forge. He had become a leader of the bar in Virginia, and no one was more potential in securing the all-important ratification of the Federal Constitution by the State of Virginia than John Marshall. He had served in the House of Representatives, and later had won the admiration of his fellow countrymen by sternly advising the corrupt Directorate of France that America, small as she was, would pay no tribute. On his return from France, he had become the Secretary of State under John Adams, and among the last acts of that administration was Marshall's appointment as Chief Justice. John Adams was to say later, and with entire justice, that "There is no act of my life on which I reflect with more pleasure. I have given to my country a judge equal to a Hale, a Holt, or a Mansfield."

History has confirmed this verdict, for no American jurist has won in the English-speaking world an equal fame with that of Marshall. His reputation is timeless. No one would now question that he was the greatest judge that America ever gave to the world; and, while it is dangerous to speculate as to the future, it is reasonably probable that no judge will ever surpass the immeasurable constructive influence that John Marshall has had in the development of the American Constitution.

Let us briefly consider the nature of Marshall's task. The Constitutional Convention of 1787 had written for the first time in a single charter a comprehensive scheme of civil government. It was a new experiment in political statecraft. Wise as the framers were in what they provided in a compact of incomparable lucidity, they were even wiser in all that they left to the future to decide in the practical application of their form of government. They enumerated powers, but wisely did not attempt to define them. They declared great objectives and made express grants of power, but they wisely left to the future the definition of the necessary means to exercise those powers and to realize those objectives. When John Marshall ascended the bench the serious task of interpretation began, and the Supreme Court under his masterly leadership, which lasted for 34 years, developed the Constitution with such admirable wisdom that when the centennial anniversary of the Constitution was celebrated the greatest English statesmen of the nineteenth century pronounced it, in the oft-quoted words, "the most wonderful work ever struck off at a given time by the brain and purpose of man." The work of interpretation was so great that it has been said that the Constitution was but a skeleton and that John Marshall clothed it with living flesh. This, however, is a false analogy. The master architects of the Constitutional Convention provided a finished design of a constitutional edifice of a unique character, and John Marshall was but a master builder, who took the architect's plan and made it a serviceable temple of ordered government.

This would have been difficult under any circumstances, but when John Marshall became Chief Justice the infant Nation, and indeed the whole world, was on the eve of the most tremendous transformation that has occurred in human history. The world was to be transformed by a mechanical civilization, and the problem of John Marshall was to apply the principles of the Constitution in their full integrity to the changing conditions of the most changing period of human history.

He, himself, recognized this, for in one of his great decisions, he said of the Constitution that it was "intended to endure for ages to come, and consequently to be adapted to the various crises of human affairs." In other words, as Jefferson said more tersely and eloquently, "The Constitution is for the living and not for the dead." In accepting this definition of judicial power it is important to realize exactly what John Marshall meant by the word "adapted." So far as any change in the text of the great covenant, an adaptation which changes its grants of power, was made possible only by an express power of amendment, and under article V of the Constitution, it can be changed as and when the people so decide, in the manner provided therein. But no one who has read the decisions of John Marshall can believe that he meant by the word "adapted" to imply that there was any power in any department of the Government to alter the Constitution to meet the passing interests or passions of a fleeting day. Such an idea is repugnant to the Constitution, for of it can be said, as Edmund Burke said of society, that "it is a noble compact between the dead, the living, and the unborn." The essential nature of the Constitution is that it restrains equally the Federal Government and the constituent States from taking any action which is inconsistent with the grants of power or the positive restrictions of the Constitution. All of John Marshall's decisions make it plain beyond controversy that he merely meant by the word "adapted" that the Constitution in its essential spirit should be, by interpretation, applied to the conditions of human life as they would vary from age to age. For example, the commerce power, when the Constitution was adopted, could only be applied to wagons or sailing ships, and yet the Constitution authorized impliedly its application to the steamship, the railroad, the telegraph, the telephone, and the radio.

While such application seemingly enlarges the powers of the Federal Government, these powers are essentially the same powers as those granted by the Constitution and cannot be constitutionally enlarged or restricted except by formal amendment. This is the sound doctrine of Marshall, but no one can dispute that in the last half century, through many perversions of Federal power and the abuses of the right of appropriation and under other specious pretexts, such as "emergency", the powers of the Federal Government have been so expanded at the expense of the States and of the individual citizen that if John Marshall were today to resume his place as Chief Justice of the United States he would find some difficulty in recognizing our present constitutional edifice. From a federated state of strictly limited powers, the Federal Government has become a unitary socialistic state of almost unlimited powers. This may be necessary, but it is not what the Constitution intended.

This is largely due to the inability of any people to restrain their political activities by the written word. You will remember in Alice in Wonderland that Humpty Dumpty said, "When I use a word it means just what I choose it to mean, neither more nor less." To which Alice replied, "The question is whether you can make words mean so many different things." To which Humpty Dumpty replied, "The question is, Which is to be master? that's all." The development of our country in the last 50 years by all three branches has been to make each of them the master of the words employed in the Constitution. It is held to mean what each generation wants it to mean. This means that we have no Constitution, except in form.

It reminds one of the powerful satire of the greatest satirist of the eighteenth century, Dean Swift. He tells the story of a testator who left his property to three sons upon the solemn injunction in his will that they should wear coats which he had designed for them without any additions. When the sons came of age they found that it was fashionable in London to wear shoulder knots on their coats, and when they could not find the words "shoulder knots" in the will they picked out enough letters which when assembled would spell "shoulder knots", and then claimed they were obeying the will. Then when it became fashionable to wear gold lace on coats they proceeded to say that

while the will had forbidden them to do it, yet the testator in his lifetime had orally given other directions, and their convenient memories recalled that their father was not averse to gold lace. Then when the fashion changed and silver fringes became à la mode, they were confronted with the difficulty that the will expressly forbade wearing silver fringes, but they affected to believe that the word "fringes" in the will simply meant broomsticks. Finally, when it became fashionable to embroider coats they decided, to quote Dean Swift, "to lock up their father's will in a strong box and trouble themselves no further to examine it, but only refer to its authority whenever they saw fit." This allegory is a true description of the gradual transformation of our form of government by executive usage, legislative usurpations, and at times ingenious judicial interpretations.

John Marshall would never have countenanced these perversions. To the Constitution he was as "constant as the northern star, of whose true-fix'd and resting quality there is no fellow in the firmament."

For 34 years he presided over the Supreme Court, and under his masterful leadership it had become one of the greatest, if not the greatest Court in the world. He had outlived all the political enmities of his earlier years, and as the end drew near men of all parties honored him, even as they do today.

The muse of history often writes great drama, and such a climax was to mark the passing of the great Chief Justice. At the ripe age of 80 he had gone to Philadelphia to submit to an operation for an incurable malady. He lodged in a modest boarding house on Walnut Street, and from his room could see the ancient belfry of Independence Hall, from which, as from Pharos, the light of liberty had shone to the remotest corners of the land. He could hear from his sick bed, hour by hour, the solemn reverberations of the bell which had proclaimed, with its iron tongue, the sorrows and triumphs of the infant Nation. Within the shadow of Independence Hall he died, as full of honors as of years, and when his body was moved from his temporary home to his distant home in Virginia, of which he was so proud, and where he rests from his labors, it was thought fitting that his passing from a city where he had served his Nation so honorably should be marked by the tolling of the bell, which we now reverently call the "Liberty Bell." As the funeral cortege passed to the river side, the historic bell was silenced forever by a break in its iron surface.

Could the bell have ended its career more fittingly than in recording the passing of a gallant soldier, a great statesman, and an incomparable jurist?

Generations will come and go, but none will ever come that will not honor John Marshall.

We can best honor him by giving to the Constitution, of which he will always be the most illustrious expounder, our loyal and lifelong support.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. BOYLAN (when the Committee on Coinage, Weights, and Measures was called). Mr. Speaker, I call up House Joint Resolution 94, authorizing the Secretary of the Treasury to accept certain gifts.

The Clerk read the title of the joint resolution.

Mr. SNELL. Mr. Speaker, where did this resolution come from?

Mr. BOYLAN. This came from the Committee on Coinage, Weights, and Measures.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. I understand this joint resolution is on the Union Calendar and will have to be considered in the Committee of the Whole. I assume the gentleman from New York will have charge of the time in favor of the bill, and I should like to be recognized in opposition to the bill.

Mr. BOYLAN. I will be glad to recognize the gentleman.

Mr. FULMER. Mr. Speaker, I make a point of order on the joint resolution. The gentleman is not even a member of the committee that reports the bill.

Mr. BOYLAN. Mr. Speaker, I may say that I endeavored to get in touch with the chairman of the committee. I communicated with the gentleman's office and I have been unable to locate him. In conversation with the gentleman, however, he is favorable to this resolution and inasmuch as the call comes on today and the joint resolution has been reported by the committee, I see no reason why I should not call it up.

The SPEAKER. Under the rules the gentleman must have specific authority from the committee to call up the resolution.

Mr. BOYLAN. As I stated, I have been unable to get in touch with the chairman. The chairman is favorable to this resolution and I know if the gentleman were here he would call this joint resolution up.

The SPEAKER. The gentleman is not specifically authorized to call it up at this time.

Mr. BOYLAN. I have not been specifically authorized as to this resolution.

The SPEAKER. The gentleman is not specifically authorized to call up the joint resolution in the absence of the chairman.

Mr. BOYLAN. But, Mr. Speaker, I contend that the point of order comes too late. We had already proceeded to take the matter up.

The SPEAKER. The Chair thinks not.

Mr. BOYLAN. I am sure the gentleman would have no objection to the consideration of the joint resolution.

Mr. FULMER. I make a point of order against calling up the joint resolution.

The SPEAKER. The point of order is sustained.

Mr. BOYLAN. Will the gentleman please reserve his point of order long enough for me to meet his objection?

Mr. FULMER. No. Mr. Speaker, I insist on the point of order.

The SPEAKER. The point of order is sustained.

The Clerk will call the committees.

Mr. FULMER (when the Committee on Agriculture was called). Mr. Speaker, I call up the bill (H.R. 1517) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes.

Mr. GOSS and Mr. MAPES rose.

The SPEAKER. Is the gentleman from South Carolina authorized to call up the measure by the Committee on Agriculture?

Mr. FULMER. Yes, Mr. Speaker; and the chairman of the committee is present.

The SPEAKER. The Clerk will report the bill.

Mr. MAPES. Mr. Speaker, I make a point of order against the calling up of the bill. We have fallen into a rather careless habit here of not requiring the Members who call bills up on Calendar Wednesday to qualify. The rule expressly provides that the Member must be so instructed by his committee in order to call up a bill on Calendar Wednesday. I think in justice to the members of the committee the rule ought to be complied with.

The SPEAKER. The gentleman from South Carolina has made the statement that he is authorized to call up the bill.

Mr. FULMER. Mr. Speaker, I have been authorized by the committee and by the chairman to call up this measure. The chairman is present and would have called up the bill, but he is suffering with a very bad cold.

Mr. GOSS. Mr. Speaker, I raise the question of consideration against the bill.

The SPEAKER. The bill has not been reported. The Clerk will report the bill.

The Clerk read the title of the bill.

Mr. GOSS. Mr. Speaker, may we have the bill read?

The Clerk read the bill, as follows:

Be it enacted, etc., That this act shall be known by the short title of the "Cotton Net Weight Act."

The word "person", wherever used in this act, shall be construed to import the plural or singular as the case demands, and shall include individuals, associations, partnerships, and corporations.

The words "in interstate or foreign commerce", wherever used in this act, shall be construed to mean from any State, Territory, or District to or through any other State, Territory, or District or to or through any foreign country, or within any Territory or Distict.

The words "bale covering" shall be construed to mean bagging, ties, and patches.

When considering and enforcing the provisions of this act the omission or failure of any official agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office shall in every case also be deemed the act, omission, or failure of such association, partnership, or corporation, as well as that of the person.

SEC. 2. That the Secretary of Agriculture is hereby authorized to investigate the handling, inspection, and transportation of cotton in interstate and foreign commerce; to study the materials used for bale covering for such cotton; and from time to time to

establish standards for materials used for bale coverings, including specifications and tolerance as to size, weights, and patterns, which said standards, when established, shall be known as the United States official cotton tare standards: *Provided*, That said official cotton tare standards shall be established and promulgated within 1 year from the date of the approval of this act: *Provided further*, That any such standards or change or replacement thereof shall become effective only on and after a date specified in the order of the Secretary of Agriculture establishing the same, which date shall not be less than 1 year from the date of such order. The Secretary of Agriculture is further authorized to prescribe maximum weights of bale covering, including both bagging and ties, used on cotton for shipment in interstate or foreign commerce, not to exceed 16 pounds, including patches per bale.

SEC. 3. That from and after 1 year following the effective date of the United States official cotton tare standards, all bale covering used on American cotton for shipment in interstate or foreign commerce shall be of sizes, weights, and patterns conforming with such official cotton tare standards.

SEC. 4. That from and after 1 year following the effective date of official cotton tare standards all American cotton shall be quoted, bought, and sold for shipment in interstate and foreign commerce on net weights, excluding in each instance the weight of bagging, ties, and patches.

SEC. 5. That for the purpose of this act the Secretary of Agriculture shall cause to be promulgated such regulations, may cause such investigations, tests, demonstrations, and publications to be made as he shall find to be necessary; and he is hereby authorized to cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person in carrying out the provisions of this act; and he shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and to make such expenditures for printing, books of reference, technical newspapers and periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to carry out the purposes of this act in the District of Columbia and elsewhere.

SEC. 6. Any person who shall knowingly violate any of the provisions of this act or any regulation made in pursuance hereof; or any person who shall knowingly misrepresent the weight of any bale covering by misbranding or otherwise; or any person who shall forcibly assault, resist, impede, interfere with, or influence improperly, or attempt to influence improperly, any person employed under this act in the pursuance of his duties, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $500.

SEC. 7. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, an amount not to exceed $30,000 annually for the purpose of carrying out the provisions of this act.

SEC. 8. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. GOSS. Mr. Speaker, I raise the question of consideration.

The SPEAKER. The gentleman from Connecticut raises the question of consideration.

The question is, Will the House now consider the bill (H.R. 1517) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes?

The question was taken; and on a division (demanded by Mr. FULMER) there were—ayes 49, noes 48.

Mr. GOSS. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and twenty-three Members present, not a quorum. The call is automatic.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

Mr. BANKHEAD. Mr. Speaker, a point of order. A point of no quorum has been sustained and a constitutional question is raised.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

Mr. BANKHEAD. Mr. Speaker, I make the point of order that a parliamentary inquiry cannot be entertained or any other business transacted in the absence of a quorum.

The SPEAKER. The call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 161, nays 179, answered "present" 2, not voting 90, as follows:

[Roll No. 86]

YEAS—161

Allgood	Bailey	Biermann	Boileau
Arnold	Bankhead	Bland	Boland
Ayers, Mont.	Beam	Blanton	Brown, Ga.
Brown, Ky.	Ellzey, Miss.	Lloyd	Scrugham
Brown, Mich.	Faddis	Lozier	Sears
Buchanan	Flannagan	Lundeen	Secrest
Burch	Fletcher	McClintic	Shoemaker
Burke, Calif.	Fuller	McDuffie	Smith, Va.
Byrns	Fulmer	McFarlane	Smith, W.Va.
Cady	Gilchrist	McGrath	Steagall
Caldwell	Gillespie	McKeown	Strong, Tex.
Cannon, Mo.	Glover	McReynolds	Stubbs
Carden, Ky.	Green	McSwain	Swank
Carmichael	Greenway	Martin, Colo.	Tarver
Carpenter, Nebr.	Greenwood	May	Taylor, Colo.
Cartwright	Gregory	Meeks	Taylor, S.C.
Castellow	Hancock, N.C.	Miller	Terrell, Tex.
Chapman	Harlan	Milligan	Terry, Ark.
Chavez	Hastings	Mitchell	Thomason
Christianson	Henney	Montet	Thompson, Ill.
Clark, N.C.	Hill, Ala.	Murdock	Truax
Collins, Miss.	Hoeppel	Oliver, Ala.	Turner
Cooper, Tenn.	Hoidale	Owen	Umstead
Cox	Howard	Parker	Underwood
Cravens	Huddleston	Parks	Vinson, Ga.
Cross, Tex.	Imhoff	Parsons	Vinson, Ky.
Crowe	Jacobsen	Patman	Wallgren
Cummings	James	Peavey	Wearin
Darden	Jeffers	Peterson	Werner
Dear	Johnson, Minn.	Polk	West, Ohio
Deen	Johnson, Tex.	Randolph	West, Tex.
DeRouen	Jones	Rankin	Whittington
Dickinson	Keller	Rayburn	Wilcox
Dies	Kloeb	Richards	Willford
Disney	Knutson	Robertson	Williams
Dobbins	Kvale	Rogers, Okla.	Wilson
Dockweiler	Lambeth	Romjue	Withrow
Doxey	Lanham	Ruffin	Zioncheck
Driver	Lea, Calif.	Sanders	
Duncan, Mo.	Lemke	Sandlin	
Eagle	Lewis, Colo.	Schaefer	

NAYS—179

Adair	Doughton, N.C.	Kahn	Peyser
Allen	Douglass	Kelly, Pa.	Pierce
Andrew, Mass.	Doutrich, Pa.	Kennedy, Md.	Pou
Andrews, N.Y.	Dowell	Kenney	Powers
Bacharach	Drewry	Kerr	Ramspeck
Bacon	Duffey	Kinzer	Ransley
Bakewell	Dunn	Kniffin	Reed, N.Y.
Beck	Durgan, Ind.	Kocialkowski	Reilly
Berlin	Eaton	Kopplemann	Richardson
Blanchard	Eicher	Lambertson	Robinson
Boehne	Ellenbogen	Lamneck	Rogers, Mass.
Bolton	Eltse, Calif.	Lanzetta	Rogers, N.H.
Boylan	Englebright	Larrabee	Rudd
Britten	Evans	Lehlbach	Sabath
Brooks	Farley	Lehr	Schuetz
Brumm	Fiesinger	Lewis, Md.	Schulte
Brunner	Fish	Lindsay	Seger
Buckbee	Focht	Luce	Shallenberger
Bulwinkle	Foss	Ludlow	Sinclair
Burke, Nebr.	Foulkes	McCormack	Snell
Burnham	Frear	McFadden	Studley
Carpenter, Kans.	Frey	McGugin	Sullivan
Carter, Wyo.	Gambrill	McLean	Sutphin
Celler	Gavagan	McLeod	Swick
Chase	Gifford	Maloney, Conn.	Taber
Claiborne	Gillette	Maloney, La.	Thom
Clarke, N.Y.	Goodwin	Mapes	Thomas
Cochran, Mo.	Goss	Marshall	Tinkham
Cochran, Pa.	Granfield	Martin, Mass.	Tobey
Coffin	Gray	Martin, Oreg.	Treadway
Cole	Griffin	Mead	Turpin
Collins, Calif.	Griswold	Merritt	Utterback
Condon	Hancock, N.Y.	Millard	Wadsworth
Connery	Hart	Monaghan, Mont.	Walter
Connolly	Harter	Moran	Weaver
Cooper, Ohio	Healey	Morehead	Weideman
Corning	Higgins	Mott	Welch
Crosby	Hildebrandt	Muldowney	Whitley
Crowther	Hill, Knute	Musselwhite	Wigglesworth
Cullen	Hill, Samuel B.	Norton	Wolcott
Darrow	Hollister	O'Brien	Wolfenden
Delaney	Holmes	O'Connor	Wolverton
De Priest	Hooper	Oliver, N.Y.	Woodruff
Dirksen	Hope	Palmisano	Young
Ditter	Jenkins, Ohio	Pettengill	

ANSWERED "PRESENT"—2

Adams	O'Malley

NOT VOTING—90

Abernethy	Church	Guyer	McCarthy
Arens	Colden	Haines	McMillan
Auf der Heide	Colmer	Hamilton	Mansfield
Ayres, Kans.	Crosser, Ohio	Hartley	Marland
Beedy	Crump	Hess	Montague
Beiter	Culkin	Hughes	Moynihan, Ill.
Black	Dickstein	Jenckes, Ind.	Nesbit
Bloom	Dingell	Johnson, Okla.	O'Connell
Brennan	Dondero	Johnson, W.Va.	Perkins
Browning	Edmiston	Kee	Plumley
Buck	Edmonds	Kelly, Ill.	Prall
Busby	Fernandez	Kennedy, N.Y.	Ramsay
Cannon, Wis.	Fitzgibbons	Kleberg	Reece
Carley, N.Y.	Fitzpatrick	Kramer	Reid, Ill.
Carter, Calif.	Ford	Kurtz	Rich
Cary	Gasque	Lee, Mo.	Sadowski
Cavicchia	Goldsborough	Lesinski	Shannon

Simpson	Spence	Taylor, Tenn.	White
Sirovich	Stalker	Thompson, Tex.	Wood, Ga.
Sisson	Stokes	Thurston	Wood, Mo.
Smith, Wash.	Strong, Pa.	Traeger	Woodrum
Snyder	Sumners, Tex.	Waldron	
Somers, N.Y.	Sweeney	Warren	

So the House refused to consider the bill.

The following pairs were announced:

On the vote:

Mr. Wood of Georgia (for) with Mr. Carley (against).
Mr. Gasque (for) with Mr. Hess (against).
Mr. Buck (for) with Mr. Fitzpatrick (against).

Until further notice:

Mr. Crump with Mr. Beedy.
Mr. Prall with Mr. Rich.
Mr. Montague with Mr. Dondero.
Mr. Bloom with Mr. Guyer.
Mr. Mansfield with Mr. Perkins.
Mr. Sumners of Texas with Mr. Waldron.
Mr. Kleberg with Mr. Reece.
Mr. Ayres of Kansas with Mr. Hartley.
Mr. Busby with Mr. Culkin.
Mr. Kelly of Illinois with Mr. Edmunds.
Mr. Woodrum with Mr. Simpson.
Mr. Warren with Mr. Kurtz.
Mr. Sweeney with Mr. Taylor of Tennessee.
Mr. Sisson with Mr. Carter of California.
Mr. Kennedy of New York with Mr. Stokes.
Mr. Abernethy with Mr. Cavicchia.
Mr. Johnson of Oklahoma with Mr. Strong of Pennsylvania.
Mr. Crosser of Ohio with Mr. Traeger.
Mr. Cole with Mr. Reid of Illinois.
Mr. Haines with Mr. Plumley.
Mr. O'Connell with Mr. Stalker.
Mr. Auf der Heide with Mr. Moynihan of Illinois.
Mr. Browning with Mr. Thurston.
Mr. Cary with Mr. Arens.
Mr. Thompson of Texas with Mr. Hamilton.
Mr. White with Mr. Wood of Missouri.
Mr. Ramsay with Mr. Colden.
Mr. Hughes with Mr. Ford.
Mr. Edmonston with Mr. Dingell.
Mr. Beiter with Mr. Cannon of Wisconsin.
Mr. Marland with Mr. Lee of Missouri.
Mr. Spence with Mr. Snyder.
Mr. Lesinski with Mr. Smith of Washington.
Mr. McMillan with Mr. McCarthy.
Mr. Fernandez with Mr. Fitzgibbons.
Mr. Brennan with Mr. Church.

The result of the vote was announced as above recorded.

CROP PRODUCTION AND HARVESTING, 1934

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1975, an act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes, disagree to the Senate amendments and agree to the conference asked for.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER.

HOUSE RESOLUTION 23

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a recent Supreme Court decision.

The SPEAKER. Is there objection?

There was no objection.

Mr. McLEOD. Mr. Speaker, I rise at this time to call attention to a most significant ruling rendered by the United States Supreme Court, day before yesterday, in the case of the United States against Chambers and Gibson, sustaining a decision of the Middle District of North Carolina Federal District Court. Under this ruling, 9,576 national prohibition law cases on Federal court dockets, involving nearly 13,000 persons, are to be dropped. As a result of this ruling any person charged with violation of the national prohibition laws prior to repeal, but upon whom sentence had not been passed on or before December 5, will be freed. This applies not only to those who had not been tried on prohibition indictments, but also to those found guilty who appealed their cases to higher courts, provided that a final determination of their cases had not been made by December 5, the date of repeal.

All prisoners convicted subsequent to December 5 will go free, but those sentenced to prison before December 5 must remain in custody. This will inevitably result in a grave discrimination and injustice, which can only be remedied by pardoning the between three and four thousand persons incarcerated at the present time for violation of the national prohibition laws who were sentenced prior to repeal of the eighteenth amendment. Not only does ordinary justice and fair play demand such action, but the whole country will benefit to the extent of about a quarter of a million dollars in subsistence expenses which would be saved by pardoning these prisoners.

My pending resolution, House Resolution 23, which I originally introduced in the last Congress, is in the nature of an official request by the House of Representatives for the President of the United States to exercise the authority vested in his office by the Constitution and issue a pardon to violators of the National Prohibition Act, with such exceptions and on such conditions as he may deem expedient for the public welfare. In this way pardons would be granted only to those guilty of a simple infraction of the law, and habitual criminals and racketeers would remain in prison for the duration of their sentence.

There is ample precedent for such action. On July 10, 1795, President George Washington issued a proclamation of pardon and amnesty to participants in the Pennsylvania whisky rebellion. A similar proclamation was later issued on May 21, 1800, by President John Adams.

On February 6, 1815, President James Madison granted a full pardon to all persons aiding in the defense of New Orleans and the adjacent country who had previously pursued a clandestine and lawless trade.

In an act of Congress approved July 17, 1862, Congress authorized the President to extend pardon and amnesty to persons who participated in the Civil War, against the Federal Government, and as a result of this legislation, a proclamation was issued on December 8, 1863, and a supplemental one on March 26, 1864, by President Abraham Lincoln, which were followed by a full and unconditional pardon and amnesty proclamation by President Andrew Johnson on December 25, 1868.

In an act of Congress approved March 22, 1882, the President was authorized to grant an amnesty to such Mormons as had been guilty of bigamy, polygamy, or unlawful cohabitation. In accordance with the provisions of this legislation President Benjamin Harrison issued such a proclamation of amnesty and pardon on November 1, 1890.

These precedents have received the full approval of our country's best legal minds in the past. In an opinion rendered by the Attorney General on March 9, 1892, it was held that—

> Section 2 of article II of the Constitution, in defining the powers of the President, provides that "he shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment * * *."
>
> It has been decided by the Supreme Court that the power herein conferred upon the President is unlimited. * * * He may, therefore, if he thinks fit, pardon an offender because his offense is one of many like offenses, arising from a wide-spread popular feeling and without regard to the character or the particular circumstances of the individual. * * *
>
> On principle, it seems to me, therefore, the unlimited power to grant pardons for all offenses against the United States, except in cases of impeachment, includes power to issue a general pardon or amnesty to any class of offenders.

In view of the ruling yesterday by the United States Supreme Court, it is necessary that we take action at once to see that liberty and freedom, as a result of repeal, is not confined to those fortunate enough to have sufficient funds to appeal their convictions and secure delays of sentence until after December 5. If approximately 13,000 persons indicted for violation of the national prohibition laws are to go free as a result of repeal occurring before they could be sentenced, we should certainly arrange for the release of the approximately 3,000 who were unable to have their cases delayed until December 5. Hardened and habitual criminals, including racketeers and other public enemies, do not, of course, deserve such clemency. My resolution does not ask

for mercy for this class of offenders but simply requests the President to emulate the noble example set by George Washington, and since followed by other illustrious Presidents, and pardon prisoners guilty of a simple violation of the law.

The formal rejection of the eighteenth amendment in the comparatively short period of less than a year constituted a mighty expression of disapproval of the prohibition laws by the American people. It is my firm conviction that a general pardon for Federal dry-law violators, with such exceptions as would be necessary for the public welfare, would serve to further carry out the mandate and wishes of the people. Our famed American spirit of justice and fair play calls for immediate action, and I sincerely believe that no better finale could be desired to end the prohibition era than to culminate it by the restoration to liberty and freedom of these remaining dry-law prisoners.

Mr. FISH. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. FISH) there were 67 ayes and 107 noes.

So the House refused to adjourn.

The SPEAKER. The Clerk will continue the call of committees.

Mr. DEROUEN (when the Committee on Public Lands was called). Mr. Speaker, I call up bill 284, authorizing the conveyance of certain lands to School District No. 28, Deschutes County, Oreg., and ask unanimous consent that it be considered in the House as in Committee of the Whole.

Mr. GOSS. Mr. Speaker, I object to that. This is a very important bill.

The SPEAKER. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union.

Mr. GOSS. Mr. Speaker, I will withdraw the objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey, by quitclaim deed, to School District No. 28, Deschutes County, Oreg., for use for school purposes, the following-described area: The southwest quarter southwest quarter southwest quarter section 27, township 17 south, range 13 east, Willamette meridian; but if such school district fails to use such lands for the purposes herein provided, or attempts to alienate such lands, title thereto shall revert to the United States.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

DESERT-LAND ENTRYMAN

Mr. DEROUEN. Mr. Speaker, I call up the bill (S. 157) to amend an act approved March 4, 1929, entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915, as amended by the act of March 21, 1918."

The SPEAKER. The gentleman from Louisiana calls up the bill S. 157, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)", be amended to read as follows:

"That where it shall be made to appear to the satisfaction of the Secretary of the Interior with reference to any lawful pending desert-land entry made prior to July 1, 1925, under which the entryman or his duly qualified assignee under an assignment made prior to the date of this act has in good faith expended the sum of $3 per acre in the attempt to effect reclamation of the land, that there is no reasonable prospect that he would be able to secure water sufficient to effect reclamation of the irrigable land in his entry or any legal subdivision thereof, the Secretary of the Interior may, in his discretion, allow such entryman or assignee 90 days from notice within which to pay to the register of the United States land office 25 cents an acre for the land embraced in the entry and to file an election to perfect title to the entry under the provisions of this act, and thereafter within 1 year from the date of filing of such election to pay to the register the additional amount of 75 cents an acre, which shall entitle him to a patent for the land: *Provided*, That in case the final payment be not made within the time prescribed the entry shall be canceled and all money theretofore paid shall be forfeited."

Mr. ENGLEBRIGHT. Mr. Speaker, for the benefit of the Members present will the gentleman from Louisiana kindly have the report read.

Mr. DEROUEN. Yes. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEROUEN. Mr. Speaker, I ask now that the Clerk read the report.

The SPEAKER. Without objection, the Clerk will read the report of the committee.

The Clerk read as follows:

The Committee on the Public Lands, to which was referred S. 157, after careful consideration of same, reported favorably thereon with the recommendation that the bill do pass without amendment.

Representative ROBINSON was designated by the chairman of the committee to report the resolution.

Facts concerning the proposed legislation are set forth in the favorable letter of the Secretary of the Interior under date of March 21, 1933, which appears in the Senate Report No. 6 of the Committee on Public Lands and Surveys of the Senate, which is hereto attached and made a part of this report.

"The Committee on Public Lands and Surveys, to whom was referred the bill (S. 157) to amend an act approved March 4, 1929 (45 Stat. 1548), entitled 'An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)', having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

"Facts concerning the proposed legislation are set forth in the favorable letter of the Secretary of the Interior, under date of March 21, 1933, as follows:

DEPARTMENT OF THE INTERIOR,
Washington, March 21, 1933.

Hon. JOHN B. KENDRICK,
Chairman Committee on Public Lands and Surveys,
United States Senate.

MY DEAR MR. CHAIRMAN: I have given consideration to your request of March 11 for an opinion on the merits of the legislation proposed in S. 157, a bill To amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458).

The acts mentioned in the title of the bill provide relief for desert-land entrymen unable to obtain water for irrigation, where the entries were made or assigned prior to certain dates, by substituting cash payment or compliance with the homestead laws in lieu of the requirements of the law under which such entries were made.

The proposed legislation amends the act of March 4, 1929, by bringing within its purview pending desert-land entries made prior to July 1, 1925, and by authorizing the issuance of patents to claimants who have brought themselves within its provisions upon the payment of $1 per acre for the land embraced in their respective entries. In other words, this bill extends provisions of existing legislation on an additional number of desert-land entries, namely, those made between July 1, 1922, and July 1, 1925. The only other change from existing law is the provision which permits purchase at $1 per acre instead of $2 per acre. I have no objection to the enactment of the proposed legislation.

Very truly yours,

HAROLD L. ICKES,
Secretary of the Interior.

Mr. ENGLEBRIGHT. Mr. Speaker, will the gentleman kindly give us some explanation of this bill?

Mr. DEROUEN. Mr. Speaker, this will amend the act of March 4, 1929, Public No. 1015, Seventieth Congress. Here is all it does: It amends the act so as to include those lawful pending desert-land entries made prior to July 1, 1925. Further on in the act, where it was required to pay 50 cents, we ask that, in the discretion of the Secretary, he may allow such entryman or assignee 90 days from notice within which to pay the register of the United States land office, instead of 50 cents, 25 cents per acre, and the balance within 1 year from date of filing of such election, to pay the register the additional amount of 75 cents instead of $1.50. The act accomplishes three things: First, an extension from 1922 to 1925; second, it reduces the fee from 50 cents to 25 cents; and, third, 1 year thereafter he is to pay 75 cents instead of $1.50. This refers to desert-land entry. Every person who makes a desert-land entry pays an initial sum of 25 cents. That is the first fee he pays, and then he proceeds to pay as I have just stated, so that it is making it light for these poor fellows, and the Department feels that this ought to be granted.

Mr. ENGLEBRIGHT. And this is something of an emergency relief measure, is it?

Mr. DEROUEN. It is an emergency relief measure, absolutely.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. DEROUEN. Yes.

Mr. SNELL. How much were these people to pay for their land originally?

Mr. DEROUEN. They paid the same thing, except that here they pay 25 cents an acre, where the act of 1929 provided 50 cents. Then they were to pay $1.50 later on, and we have cut that in half, to 75 cents.

Mr. SNELL. The gentleman says that this is an emergency measure, and yet he claims he is paying only 75 cents and 25 cents. I cannot see any great emergency in that.

Mr. DEROUEN. We have changed the date; we have extended the time. For entrymen, the payments, not including the original 25 cents, will be $1 per acre.

Mr. SNELL. How much were they supposed to pay for their land originally?

Mr. DEROUEN. Two dollars and twenty-five cents, and now they are going to pay $1.25.

Mr. SNELL. And that is all there is in this bill? It reduces the sum $1 per acre?

Mr. DEROUEN. That is all.

Mr. SNELL. How many people does this affect?

Mr. DEROUEN. I do not have that information.

Mr. SNELL. Has the gentleman any idea how many acres are involved?

Mr. DEROUEN. It is a general law, and affects all desert lands.

Mr. SNELL. And this applies only to people who made entry previous to 1925?

Mr. DEROUEN. Yes; prior to 1925.

Mr. SNELL. And the gentleman does not know how many acres this will affect?

Mr. DEROUEN. I have not that information.

Mr. SNELL. Nor how many people?

Mr. DEROUEN. No. This is a Senate bill.

Mr. SNELL. How could the gentleman find out that they needed it if he does not know how many people are involved or how many acres?

Mr. DEROUEN. I have not the information.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. DEROUEN. Yes.

Mr. CHRISTIANSON. The gentleman is aware of the fact that the administration is even now considering asking this Congress for a large appropriation to pay for submarginal agricultural land to withdraw it from cultivation?

Mr. DEROUEN. Yes.

Mr. CHRISTIANSON. What is the sense of our reducing the price to the entrymen on these public lands and thus bring more submarginal land into cultivation while we are intending to tax our people to withdraw other submarginal land from cultivation?

Mr. DEROUEN. This has to do only with men already on the land? I am not opening the door for anybody else.

Mr. CHRISTIANSON. It seems to me we should not make it any easier, in view of the fact that we are going to withdraw this land from cultivation, in all likelihood, and ask people to leave the land.

Mr. DEROUEN. If a man has contributed a part to accomplish the purchase of a home, it would look hard to let him lose his home. We are also buying homes to put them on.

Mr. CHRISTIANSON. I hope we are not buying that kind of land.

Mr. DEROUEN. I do not know. We are buying homes.

Mr. MOTT. Whose bill is that?

Mr. DEROUEN. Senator STEIWER'S.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF TIME FOR PAYMENTS ON HOMESTEAD ENTRIES, FORT LOWELL MILITARY RESERVATION, ARIZ.

Mr. DEROUEN. Mr. Speaker, I call up the bill (S. 1774) to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz., and ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. DEROUEN]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the time within which a homestead entryman for lands in the abandoned Fort Lowell Military Reservation, in the State of Arizona, shall make deferred payments be, and it is hereby, extended for a period of 2 years from the 1933 anniversary of the date of the acceptance of his proof tendered on his entry.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent that the Clerk may read the report in connection with this bill.

THE SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

REPORT

[To accompany S. 1774]

The Committee on the Public Lands, to which was referred the bill (S. 1774) to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz., having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

Facts concerning the proposed legislation are set forth in the favorable letter of the Secretary of Interior under date of June 5, 1933, which appears in Senate Report 117, as follows:

DEPARTMENT OF INTERIOR,
Washington, June 5, 1933.

Hon. JOHN B. KENDRICK,
Chairman Committee on Public Lands and Surveys,
United States Senate.

MY DEAR SENATOR KENDRICK: I have received your request of May 27, for an opinion as to the merits of S. 1774, providing relief for homesteaders on lands within the abandoned Fort Lowell Military Reservation, Ariz.

The Fort Lowell Military Reservation was turned over to this Department for disposition under the act of July 5, 1884 (23 Stat. 103), or as may be otherwise provided by law by Executive order of February 24, 1891. The area of the reservation being in excess of 5,000 acres, the lands were subject to disposition under the act of August 23, 1894 (28 Stat. 491), which act provides that persons who enter under the homestead law shall pay for such lands at not less than the appraised value thereof. The greater part of these lands have been appraised at $1.25 per acre. The act of August 23, 1894, provides:

"That persons who enter under the homestead law shall pay for such lands not less than the value heretofore or hereafter determined by appraisement, nor less than the price of the land at the time of entry, and such payment may, at the option of the purchaser, be made in five equal installments at time and at rates of interest to be fixed by the Secretary of the Interior."

In regard to such payment departmental instructions of April 9, 1895 (20 L.D. 303), provide:

"That the homesteader be given the option, in making payment upon his entry of these lands, of making his payments in five equal payments to date from the time of the acceptance of his proof tendered on his entry, and that the rate of interest upon deferred payments be charged at the rate of 4 percent per annum."

There appears to be no objection to the enactment of the bill into law.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

CARLSBAD CAVERNS NATIONAL PARK

Mr. DEROUEN. Mr. Speaker, I call up the bill (H.R. 5397) to authorize the exchange of the use of certain Government land within the Carlsbad Caverns National Park for certain privately owned land therein and ask unanimous consent that the same may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to acquire for and on behalf of the United States for park purposes title to the northeast quarter northwest quarter section 31, township 24 south, range 25 east, New Mexico principal meridian, within the Carlsbad Caverns National Park, and to grant to the owner thereof in exchange therefor, under such regulations as may be deemed by said Secretary necessary and in the interest of the United States, the privilege to use a shaft or tunnel located in the northwest quarter northeast quarter section 31, township 24 south, range 25 east, of the same meridian, for the purpose of mining and removing guano from the said northest quarter northwest quarter section 31, the right to said guano to be reserved to the owner in the transfer of title to said land to the United States pursuant to this act: *Provided*, That in addition to said privilege the Secretary of the Interior may also authorize the removal, under such terms and conditions as he deems fair, of any guano located within or on Government lands adjacent to said deposit: *Provided further*, That evidence of title to the land to be conveyed to the United States hereunder satisfactory to the Secretary of the Interior shall be furnished without cost to the Government.

Mr. ENGLEBRIGHT. Mr. Speaker, will the gentleman from New Mexico [Mr. CHAVEZ] tell us something about this measure? There was quite an extended discussion in the committee and I consider it an important matter. Many Members on this side would like a little more light on the subject.

Mr. CHAVEZ. I will be very glad to give the information to the House.

The Carlsbad National Monument is located within the State of New Mexico and contains several thousand acres of land. The entrance to the Carlsbad Caverns is quite a large area. The land around the entrance is private property, which belongs to some concern in California which has a great amount of guano deposits directly away from the caverns proper, but the entrance is private property of this concern in California. It is the purpose of this legislation that the people who own that entrance to the caverns would give this land to the Government so that the National Park Service would control the entrance at all times. The private concern will donate this land or deed it to the National Park Service or the Government, and, in turn, the Government will only give the concern which owns the property now the right to build a shaft elsewhere and take the guano deposits. In other words, the Government is getting the best of this deal in all particulars because the private concern could at any time say to the Government, "Now, this entrance is ours"; and all the beauties of the Carlsbad Caverns and the property that the Government has there now would be of no avail.

This is only to provide that the Government may own that land around that particular area, and at the same time it protects the concern which owns the guano deposits in having an area by which they can take out those deposits.

Mr. ENGLEBRIGHT. The National Park Service considers this a very necessary bill for the proper administration of the caverns?

Mr. CHAVEZ. Yes. The National Park Service considers this a very necessary bill, and I can see why it would be necessary—the entrance to the very property of the National Park Service is controlled by a private concern.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ACCEPTING CERTAIN LAND FROM UTAH AND PATENT OTHER LAND IN LIEU THEREOF

Mr. DEROUEN. Mr. Speaker, I call up the bill (H.R. 7305) to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes, and I ask unanimous consent that the same may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. DEROUEN].

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to accept on behalf of the United States a deed of reconveyance from the State of Utah of all of section 2, township 12 south, range 19 east, Salt Lake meridian, Utah, when accompanied by evidence showing unencumbered title in said State, and in exchange therefor the Secretary of the Interior is hereby further authorized to patent to the State of Utah other vacant, unappropriated, and unreserved public land, whether mineral or nonmineral in character, of approximately equal area and value, to be used for the same purposes for which the lands so reconveyed were granted, and to be subject to the same conditions and limitations which applied to said reconveyed lands.

SEC. 2. That upon issuance of patent to the State for the land selected in exchange, the land reconveyed shall become a part of Naval Oil Shale Reserve No. 2, Utah, No. 1, for the exclusive use or benefit of the United States Navy.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PURCHASE OF PUBLIC LANDS AT M'MINNVILLE, OREG.

Mr. DEROUEN. Mr. Speaker, I call up the bill (H.R. 5823, to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218), and I ask unanimous consent that the same may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue a patent, upon payment of $2.50 per acre, or fraction thereof, to the city of McMinnville, Oreg., for lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, and southeast quarter section 33, southwest quarter northwest quarter section 34, township 2 south, range 6 west; southeast quarter southeast quarter section 2; lots 3 and 4 and southwest quarter southwest quarter section 3; northwest quarter northeast quarter section 15, township 3 south, range 6 west, east half northeast quarter section 10, and the southwest quarter northwest quarter and northwest quarter southwest quarter section 14, township 3 south, range 6 west, Willamette meridian, Yamhill County, Oreg., containing in the aggregate 981.55 acres, subject to all valid existing rights at the time of the filing of the application by the city of McMinnville: *Provided*, That there shall be reserved to the United States, its patentees, or their transferees, with respect to lots 5 and 6, section 33, township 2 south, range 6 west, and southwest quarter southwest quarter section 3, township 3 south, range 6 west, the right to cut and remove therefrom the merchantable timber, which in the opinion of the Secretary of the Interior may be cut and removed without material damage to the watershed, reserving to said city of McMinnville, when such sale is made under the provisions of the act of June 9, 1916, a preference right to purchase the timber at the highest price bid.

SEC. 2. That the Secretary of the Interior shall prescribe all necessary regulations to carry into effect the foregoing provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

AGRICULTURAL ENTRY OF PUBLIC LANDS

Mr. DEROUEN. Mr. Speaker, I call up the bill (H.R. 7304) to amend the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914, and for other purposes, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914 (U.S.C., title 30, secs. 121, 122, and 123), is amended by inserting after the comma following the word

"gas", wherever such word appears in such act, the following "sodium, sulphur,".

SEC. 2. Section 1 of this act shall not be construed as amending, modifying, enlarging, or restricting the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended or supplemented.

SEC. 3. The act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto", approved March 4, 1933, is hereby repealed.

Mr. ENGLEBRIGHT. Again, will the chairman of the committee make an explanation? Will he tell us exactly how far this bill goes with reference to the oil, nitrate, phosphates, and so forth, spoken of in the bill; how much it changes present law?

Mr. DEROUEN. Section 3 of this bill repeals the act approved March 4, 1933, providing for agricultural entry of lands withdrawn, classified, or reported as containing any of the minerals subject to disposition under the general leasing law or acts amendatory thereof or supplementary thereto.

Section 2 of the bill states that the act of February 25, 1920, is not to be construed as being amended, modified, enlarged, or restricted.

In other words, what this act accomplishes is to facilitate the handling of those entries by the Secretary of the Interior. We remove a great deal of red tape and simplify the matter by adding these words to the act of July 17, 1914. This bill provides:

That the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914 (U.S.C., title 30, secs. 121, 122, and 123), is amended by inserting, after the comma following the word "gas", wherever such word appears in such act, the following: "sodium, sulphur."

Mr. ENGLEBRIGHT. In other words, it gives the Interior Department more direct action and closer control over this class of entries?

Mr. DEROUEN. Yes; and, furthermore, it centralizes control over these matters. That portion of the law we are repealing reads as follows:

Provided, however, That lands lying within the geologic structure of a field, or withdrawn, classified, or reported as valuable for any of the minerals named herein and/or in any of said acts, or upon which leases or prospecting permits have been applied for or granted, for the production of any of such minerals, shall not be subject to such appropriation, location, selection, entry, or purchase unless it shall be determined by the Secretary of the Interior that such disposal will not unreasonably interfere with operations under said leasing acts.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. DEROUEN. I yield.

Mr. TABER. Does this in any way enlarge existing rights of people to enter upon lands, or does it open any new land to entry?

Mr. CHAVEZ. Mr. Speaker, will the chairman allow me to answer the question?

Mr. DEROUEN. Gladly.

Mr. CHAVEZ. This does not. It only enlarges the reservations to the Government of minerals. Under the act of 1914, certain minerals were reserved to the Government. Since that time they have discovered sodium and sulphur on some of the public domain, and this bill seeks only to reserve sodium and sulphur to the Government.

Mr. TABER. In addition to what was reserved heretofore?

Mr. DEROUEN. Yes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CALIFORNIA STATE PARK SYSTEM

Mr. DEROUEN. Mr. Speaker, I call up the bill (H.R. 5905) to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State Park System, approved March 3, 1933, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the selection of certain lands in the State of California for the use of the California State Park System", approved March 3, 1933, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further,* That in order to consolidate park areas and/or to eliminate private holdings therefrom, lands patented hereunder may be exchanged with the approval of, and under rules prescribed by, the Secretary of the Interior for privately owned lands in the area hereinbefore described of approximately equal value containing the natural features sought to be preserved hereby, and the lands so acquired shall be subject to all the conditions and reservations prescribed by this act, including the reversionary clause hereinbefore set out."

With the following committee amendment:

On page 2, beginning with the word "with", in line 3, strike out down to and including the word "out", in line 10, and insert in lieu thereof the following: "subject to the mineral reservation in the United States as hereinbefore provided with the approval of, and under rules prescribed by, the Secretary of the Interior, for privately owned lands in the area hereinbefore described of approximately equal value containing the natural features sought to be preserved hereby, and the lands so acquired by the State shall be subject to the reversionary clause hereinbefore set out."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GRANT OF PROPERTY TO STATE OF MICHIGAN

The SPEAKER. The Clerk will call the committees.

Mr. CARTWRIGHT (when the Committee on Indian Affairs was called). Mr. Speaker, by direction of the Committee on Indian Affairs, I call up the bill (S. 2152) granting certain property to the State of Michigan for institutional purposes, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby granted to the State of Michigan for institutional purposes the property known and designated as the "Mount Pleasant Indian School", located at Mount Pleasant, Mich., such grant to include the land and buildings and such equipment as may be designated by the Secretary of the Interior: *Provided,* That this grant shall be effective at any time prior to July 1, 1934, if, before that date, the Governor of the State of Michigan on behalf of the State files an acceptance thereof with the Secretary of the Interior: *Provided further,* That right is reserved by the Secretary of the Interior to retain until July 1, 1934, dormitory and other space needed for the housing and care of Indian pupils now accommodated at said school: *Provided further,* That as a condition precedent to this grant Indians resident within the State of Michigan will be accepted in State institutions on entire equality with persons of other races, and without cost to the Federal Government.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

STATE OF WYOMING

The SPEAKER. The Clerk will call the committees:

Mr. GREEN (when the Committee on the Territories was called). Mr. Speaker, I call up the bill (S. 313) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act approved July 10, 1890 (28 Stat. 664), be, and the same is hereby, amended to read as follows:

"That all lands herein granted for educational purposes shall be disposed of only at public sale, the proceeds to constitute a permanent school fund, the interest of which only shall be expended in the support of said schools. But said lands may, under such

regulations as the legislature shall prescribe, be leased for mineral, grazing, agricultural, or other purposes, provided that the term of agricultural and grazing leases shall not exceed 10 years; mineral leases including leases for exploration for oil and gas and the extraction thereof for a term not longer than 10 years and leases for the development of hydroelectric power for a term not longer than 50 years; and such land shall not be subject to preemption, homestead entry, or any other entry under the land laws of the United States, whether surveyed or unsurveyed, but shall be reserved for school purposes only."

SEC. 2. Anything in the said act approved July 10, 1890, inconsistent with the provisions of this act is hereby repealed.

With the following committee amendment:

On page 2, line 6, after the word "years", strike out "and leases for the development of hydroelectric power for a term not longer than 50 years."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCK, 2 days, on account of illness.

To Mr. VINSON of Georgia, 5 days, on account of illness in his family.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 31 minutes p.m.) the House adjourned until tomorrow, Thursday, February 8, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Thursday, Feb. 8, 10:30 a.m.)

EXECUTIVE COMMUNICATIONS, ETC.

342. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriations for the Department of Agriculture for the fiscal year 1934 in the sum of $17,296 for rent of buildings in the District of Columbia (H.Doc. No. 241), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DIES: Committee on Immigration and Naturalization. H.R. 3842. A bill to provide for the deportation of certain alien seamen, and for other purposes; without amendment (Rept. No. 627). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Indian Affairs. H.R. 5595. A bill to amend section 3 of the act entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", approved May 10, 1928 (45 Stat.L. 496), as amended by the act of February 14, 1931 (46 Stat.L. 1108); without amendment (Rept. No. 624). Referred to the Committee of the Whole House on the state of the Union.

Mr. KLEBERG: Committee on Agriculture. H.R. 5632. A bill to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes; with amendment (Rept. No. 625). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on Indian Affairs. H.R. 5739. A bill to facilitate a more economical administration of forest and grazing lands on Indian reservations; without amendment (Rept. No. 626). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 190. A bill for the relief of Elizabeth T. Cloud; with amendment (Rept. No. 594). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 200. A bill for the relief of Jacob Durrenberger; with amendment (Rept. No. 595). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 206. A bill for the relief of Pierre E. Teets; with amendment (Rept. No. 596). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 210. A bill for the relief of Anne B. Slocum; with amendment (Rept. No. 597). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 265. A bill for the relief of Benjamin Stern and Melville A. Stern and Benjamin Stern, as executors under the last will and testament of Louis Stern, deceased, and Arthur H. Hahlo as executor under the last will and testament of Isaac Stern, deceased, all of New York City, N.Y., for compensation and in settlement of their damages and loss sustained by virtue of a lease in writing, dated September 12, 1919, between the said parties and the United States of America, by Daniel C. Roper, Commissioner of Internal Revenue; with amendment (Rept. No. 598). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 290. A bill for the relief of William A. Reithel; with amendment (Rept. No. 599). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 308. A bill for the relief of Arthur Richter; without amendment (Rept. No. 600). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 325. A bill for the relief of Douglas B. Espy; without amendment (Rept. No. 601). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 326. A bill for the relief of Con Murphy; without amendment (Rept. No. 602). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 374. A bill for the relief of Morris Dietrich; without amendment (Rept. No. 603). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 458. A bill for the relief of the Brookhill Corporation; without amendment (Rept. No. 604). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 492. A bill for the relief of Yvonne Hale; without amendment (Rept. No. 605). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 704. A bill for the relief of John N. Brooks; with amendment (Rept. No. 606). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 878. A bill for the relief of Kathryn Thurston; without amendment (Rept. No. 607). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 940. A bill for the relief of Mary E. Roney; with amendment (Rept. No. 608). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1000. A bill for the relief of Beryl Elliott; with amendment (Rept. No. 609). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1248. A bill granting insurance to Lydia C. Spry; without amendment (Rept. No. 610). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1402. A bill for the relief of James E. Dethlefsen; with amendment (Rept. No. 611). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1488. A bill for the relief of the First Camden National Bank & Trust Co.,

of Camden, N.J.; with amendment (Rept. No. 612). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1802. A bill for the relief of Henry Stanley Wood; with amendment (Rept. No. 613). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1870. A bill for the relief of Corinne Blackburn Gale; with amendment (Rept. No. 614). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1933. A bill for the relief of Philip F. Hambsch; without amendment (Rept. No. 615). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1935. A bill for the relief of Norman C. Brady; without amendment (Rept. No. 616). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 1977. A bill for the relief of R. A. Hunsinger; without amendment (Rept. No. 617). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2036. A bill for the relief of Lottie Naylor; with amendment (Rept. No. 618). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2038. A bill for the relief of Jeanie G. Lyles; with amendment (Rept. No. 619). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2182. A bill for the relief of the Western Electric Co., Inc.; without amendment (Rept. No. 620). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2183. A bill for the relief of Western Electric Co., Inc.; with amendment (Rept. No. 621). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2203. A bill for the relief of Enoch Graf; without amendment (Rept. No. 622). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2338. A bill for the relief of Augusta Burkett; with amendment (Rept. No: 623). Referred to the Committee of the Whole House.

Mr. SEARS: Committee on Naval Affairs. H.R. 5542. A bill for the relief of Joe G. McInerney; without amendment (Rept. No. 628). Referred to the Committee of the Whole House.

Mr. SEARS: Committee on Naval Affairs. H.R. 5686. A bill for the relief of Russell H. Lindsay; without amendment (Rept. No. 629). Referred to the Committee of the Whole House.

Mr. SUTPHIN: Committee on Naval Affairs. H.R. 5780. A bill for the relief of Lieut. H. W. Taylor, United States Navy; without amendment (Rept. No. 630). Referred to the Committee of the Whole House.

Mr. BOLAND: Committee on Naval Affairs. H.R. 6690. A bill for the relief of certain officers of the Dental Corps of the United States Navy; without amendment (Rept. No. 631). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MERRITT: A bill (H.R. 7744) to authorize the Secretary of Commerce to transfer to the city of Bridgeport, Conn., a certain unusued light-station reservation; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: A bill (H.R. 7745) to amend administrative provisions of the Federal liquor taxing laws, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMASON: A bill (H.R. 7746) to create a national park in the Guadalupe Mountain district in the State of Texas, and for other purposes; to the Committee on the Public Lands.

By Mr. BURKE of California: A bill (H.R. 7747) to provide a pension for the blind veterans of the military and naval services in the United States; to the Committee on Pensions.

By Mr. SUMNERS of Texas: A bill (H.R. 7748) regulating procedure in criminal cases in the courts of the United States; to the Committee on the Judiciary.

By Mr. McKEOWN: A bill (H.R. 7749) providing for old-age and other pensions, and for other purposes; to the Committee on Labor.

By Mr. McGRATH: A bill (H.R. 7750) for preliminary examination and survey of Palo Alto Harbor on San Francisco Bay, Santa Clara County, Calif.; to the Committee on Rivers and Harbors.

By Mr. BOYLAN: A bill (H.R. 7751) to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SANDERS: A bill (H.R. 7752) to provide for the appointment of an additional district judge for the eastern district of Texas; to the Committee on the Judiciary.

By Mr. KNUTSON: A bill (H.R. 7753) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act; to the Committee on Indian Affairs.

By Mr. BRITTEN: A bill (H.R. 7754) to authorize the Reconstruction Finance Corporation to make loans direct to municipalities and to public-school districts for the immediate payment of teachers' deferred and present salaries; to the Committee on Banking and Currency.

By Mr. WADSWORTH: A bill (H.R. 7755) to designate a building site for the National Conservatory of Music of America, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. CHASE: A bill (H.R. 7756) to discontinue reductions in compensation of Government personnel, to eliminate certain restrictions on promotion, employment, and retirement of such personnel, to restore veterans' benefits, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. STEAGALL: A bill (H.R. 7757) to permit State banks, not members of the Federal Reserve System, to receive the benefits of permanent Federal deposit insurance, and for other purposes; to the Committee on Banking and Currency.

Also, a bill (H.R. 7758) to amend section 22 of the Banking Act of 1933, relating to double liability of stockholders of national banks; to the Committee on Banking and Currency.

By Mr. BOILEAU: A bill (H.R. 7759) to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin; to the Committee on Indian Affairs.

By Mr. BRUNNER: A bill (H.R. 7760) to guarantee the principal of Home Owners' Loan Corporation bonds, extend the period for making loans by such Corporation from 3 to 5 years, and for other purposes; to the Committee on Banking and Currency.

By Mr. DIMOND: A bill (H.R. 7761) to authorize the incorporated town of Wrangell, Alaska, to issue bonds in any sum not exceeding $47,000 for municipal public works, including enlargement, extension, construction, and reconstruction of water supply system; extension, construction, and reconstruction of retaining wall and filling, and paving streets and sidewalks; and extension, construction, and reconstruction of sewers in said town of Wrangell; to the Committee on the Territories.

By Mr. SADOWSKI: A bill (H.R. 7762) for the relief of the aged; to the Committee on Labor.

By Mr. DIMOND: A bill (H.R. 7763) to authorize the incorporated city of Skagway, Alaska, to issue bonds in any sum not exceeding $40,000 to be used for the construction, reconstruction, replacing, and installation of a water-distribution system; to the Committee on the Territories.

Also, a bill (H.R. 7764) to authorize the incorporated city of Juneau, Alaska, to issue bonds in any sum not exceeding $100,000 for municipal public works, including regrading and paving of streets and sidewalks, installation of sewer and water pipe, construction of bridges, construction of concrete bulkheads, and construction of refuse incinerator; to the Committee on the Territories.

By Mr. ELLENBOGEN: A bill (H.R. 7765) to provide for a population, unemployment, and agricultural census to be

taken as of November 12, 1934, and for other purposes; to the Committee on the Census.

By Mr. DISNEY: A bill (H.R. 7766) to provide the necessary locks, dams, and dredging to open the Arkansas River from its mouth to Muskogee, thence to Tulsa, Okla.; to the Committee on Rivers and Harbors.

By Mr. CARPENTER of Nebraska: Resolution (H.Res. 257) providing for a committee to investigate the business, operations, and affairs of all of the Federal land banks of the United States for the period beginning March 4, 1933, and a full and complete investigation of the Regional Agricultural Credit Corporation since its inception; to the Committee on Rules.

By Mr. HART: Joint resolution (H.J.Res. 262) to provide for the restoration of a limitation on the importation, free of duty, of Philippine sugar; to the Committee on Ways and Means.

By Mr. SMITH of Washington: Joint resolution (H.J.Res. 263) to provide relief for damages caused by unusual floods in the State of Washington in 1933 and 1934, to aid in preventing a recurrence of similar floods, and for other purposes; to the Committee on Ways and Means.

By Mr. DISNEY: Joint resolution (H.J.Res. 264) authorizing the President to invite the States of the Union and foreign countries to participate in the International Petroleum Exposition at Tulsa, Okla., to be held May 12 to May 19, 1934, inclusive; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the War Department, regarding legislation for the Canal Zone with respect to the sale, manufacture, importation, and exportation of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H.R. 7767) granting a pension to Ada Daniels Simpson; to the Committee on Pensions.

By Mr. BURKE of California: A bill (H.R. 7768) for the relief of R. E. Blair; to the Committee on Military Affairs.

By Mr. COCHRAN of Pennsylvania: A bill (H.R. 7769) for the relief of Everson P. Cole; to the Committee on Claims.

By Mr. COCHRAN of Missouri: A bill (H.R. 7770) for the relief of Carrie Howard Steedman and Euginia Howard Edmunds; to the Committee on Claims.

By Mr. DARROW: A bill (H.R. 7771) for the relief of Albert Brindley; to the Committee on Naval Affairs.

By Mr. DOCKWEILER: A bill (H.R. 7772) for the relief of Claude Luther Wilson; to the Committee on Pensions.

Also, a bill (H.R. 7773) granting a pension to Beverly A. Foster; to the Committee on Pensions.

By Mr. FADDIS: A bill (H.R. 7774) for the relief of J. B. Orndoff; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H.R. 7775) for the relief of Meyer Joseph Lapine, deceased; to the Committee on Naval Affairs.

By Mr. KERR: A bill (H.R. 7776) for the relief of Mrs. Asa Caswell Hawkins; to the Committee on Claims.

By Mr. LEWIS of Colorado: A bill (H.R. 7777) granting a pension to Lillie M. Settle; to the Committee on Pensions.

Also, a bill (H.R. 7778) granting a pension to Mary J. Edwards; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H.R. 7779) for the relief of Augustine A. Kane; to the Committee on Claims.

By Mr. MEAD: A bill (H.R. 7780) for the relief of Raymond Keach; to the Committee on Naval Affairs.

By Mr. MEEKS: A bill (H.R. 7781) for the relief of Rosemund Pauline Lowry; to the Committee on Claims.

By Mr. MOYNIHAN of Illinois: A bill (H.R. 7782) granting a pension to Ella F. Stewart; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H.R. 7783) granting a pension to Chanley C. Freeman; to the Committee on Pensions.

Also, a bill (H.R. 7784) granting a pension to Jackson McCoury; to the Committee on Pensions.

By Mr. ROGERS of Oklahoma: A bill (H.R. 7785) for the relief of John M. Taylor, Dora Rucker (nee Taylor), Addie Matthews (nee Taylor), William T. Taylor, and James L. Taylor, themselves, respectively, and as the heirs of James Taylor, deceased, "Eastern Cherokees", so-called, who removed themselves to the Cherokee Nation west of the Mississippi River at their own expense, and for other purposes; to the Committee on Claims.

By Mr. TARVER: A bill (H.R. 7786) granting 6 months' pay to Hester Hamilton; to the Committee on Military Affairs.

By Mr. THOMASON: A bill (H.R. 7787) to provide for the retirement of Maude L. Dally (Petty), disabled former Army nurse; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H.R. 7788) for the relief of the estate of William Brooks Sorsby; to the Committee on Foreign Affairs.

By Mr. TURNER: A bill (H.R. 7789) for the relief of L. T. McRee; to the Committee on Claims.

By Mr. VINSON of Georgia: A bill (H.R. 7790) for the relief of Claudius A. Beall, Jr.; to the Committee on Claims.

By Mr. WEIDEMAN: A bill (H.R. 7791) for the relief of Walter Evans Bracher; to the Committee on Naval Affairs.

By Mr. WILCOX: A bill (H.R. 7792) for the relief of Lloyd L. Warfield; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2163. By Mr. BAKEWELL: Petition of residents of the State of Connecticut to the Congress of the United States, protesting against certain interference through censorship of radio broadcasting; to the Committee on Merchant Marine, Radio, and Fisheries.

2164. By Mr. BOYLAN: Letter from the National Enameling & Stamping Co., of New York City, protesting against the proposed amendment to section 63–A of the bankruptcy act; to the Committee on Banking and Currency.

2165. By Mr. CUMMINGS: Petition of the Willard Ladies' Aid, Willard, Colo., urging the passage of House bill 6097, providing for higher standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2166. Also, petition of Nazarene Church, Longmont, Colo., urging the passage of House bill 6097 providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2167. By Mr. DONDERO: Petition of the Commission of the City of Royal Oak, Mich., urging the enactment of legislation to effectively regulate and control all bondholders' committees, so called, to the end of preventing fraudulent and unethical practices and safeguarding the rights of bondholders and of municipalities and other creditors having large issues of bonds outstanding; to the Committee on Banking and Currency.

2168. By Mr. GOODWIN: Petition of Walter F. Groldsek, Kingston, N.Y., protesting against the proposed excise tax of 5 cents per pound on coconut oil and sesame oil; to the Committee on Ways and Means.

2169. By Mr. HENNEY: Petition of the members of the congregation of the Methodist Episcopal Churches at North Prairie and Eagle, Wis., protesting against the diabolical schemes of self-seeking politicians to involve the United States in war; to the Committee on Foreign Affairs.

2170. By Mr. HOWARD: Petition of R. I. Jones and 34 others who reside in the central Northwest area of the United States, urging the passage of the Frazier bill; to the Committee on Agriculture.

2171. By Mr. MALONEY of Connecticut: Resolution requesting the President of the United States to obtain from the Government of the German Reich, and specifically from

its dictator, Chancellor Adolph Hitler, an explanation of its high-handed, autocratic, dominating, and unwarranted attitude toward persons of Jewish origin and extraction, which course of action distinctly violates Germany's express treaty obligations to respect the civil and religious liberties of the minority nationalities residing within its borders; to the Committee on Foreign Affairs.

2172. By Mr. RUDD: Petition of Flatbush Chamber of Commerce, Brooklyn, N.Y., opposing the passage of House bill 7251 providing for the construction and use of an underground pneumatic-tube service from Holmes Airport in Jackson Heights to the general post office, New York City; to the Committee on the Post Office and Post Roads.

2173. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, favoring the passage of House bill 7469, amending the Federal home loan bank law; to the Committee on Banking and Currency.

2174. Also, petition of the joint committee on unemployment, New York City, interested in the welfare of the unemployed and the increase in purchasing power of the agricultural, industrial, and salaried workers of America; to the Committee on Ways and Means.

2175. By Mr. TREADWAY: Resolutions of the General Court of Massachusetts, urging the greater use of granite in Federal building projects; to the Committee on Appropriations.

2176. By Mr. WERNER: Petition of citizens of Kimball, S.Dak., urging adequate issuance of currency, restoration of silver, and suggestions for use of new currency; to the Committee on Coinage, Weights, and Measures.

2177. By the SPEAKER: Petition of Mrs. E. G. Polster, and others, supporting the proposed pure food and drug bill; to the Committee on Interstate and Foreign Commerce.

2178. Also, petition of the United Mine Workers of America, Henryetta, Okla., regarding a tax on natural gas; to the Committee on Ways and Means.

2179. By Mr. LINDSAY: Petition of Flatbush Chamber of Commerce, Brooklyn, N.Y., opposing the passage of House bill 7251; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 8, 1934

(Legislative day of Tuesday, Feb. 6, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days February 6 and February 7 was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Robinson, Ark.
Ashurst	Cutting	Keyes	Robinson, Ind.
Austin	Davis	King	Russell
Bachman	Dickinson	La Follette	Schall
Bailey	Dieterich	Lewis	Sheppard
Bankhead	Dill	Logan	Shipstead
Barbour	Duffy	Lonergan	Smith
Barkley	Erickson	Long	Steiwer
Black	Fess	McAdoo	Stephens
Bone	Fletcher	McCarran	Thomas, Okla.
Borah	Frazier	McGill	Thomas, Utah
Brown	George	McKellar	Thompson
Bulkley	Gibson	McNary	Townsend
Bulow	Glass	Murphy	Trammell
Byrd	Goldsborough	Neely	Tydings
Byrnes	Gore	Norris	Vandenberg
Capper	Hale	Nye	Van Nuys
Caraway	Harrison	O'Mahoney	Wagner
Carey	Hastings	Overton	Walcott
Clark	Hatch	Patterson	Walsh
Connally	Hatfield	Pittman	Wheeler
Coolidge	Hayden	Pope	White
Copeland	Hebert	Reed	
Costigan	Johnson	Reynolds	

Mr. HEBERT. I desire to announce the necessary absence of the Senator from South Dakota [Mr. NORBECK] and the Senator from Rhode Isand [Mr. METCALF].

The VICE PRESIDENT. Ninety-four Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 5397. An act to authorize the exchange of the use of certain Government land within the Carlsbad Caverns National Park for certain privately owned land therein;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5905. An act to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933;

H.R. 7304. An act to amend the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914, and for other purposes; and

H.R. 7305. An act to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes.

The message also announced that the House had passed the bill (S. 313) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming, with an amendment, in which it requested the concurrence of the Senate.

JOHN N. KNAUFF CO., INC., *v.* THE UNITED STATES (S.DOC. NO. 128)

The VICE PRESIDENT laid before the Senate a letter from the Chief Clerk of the Court of Claims, enclosing, pursuant to order of the court, a certified copy of the special findings of fact and memorandum by Littleton, J., filed November 6, 1933, in the case of *John N. Knauff Co., Inc.*, v. *The United States* (Congressional, No. 17630), which with the accompanying paper was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following house concurrent resolution of the Legislature of the State of Ohio, which was referred to the Committee on Public Buildings and Grounds:

House resolution relative to aid for the worthy indigent blind

Whereas the Ohio State Legislature, now meeting in special session, December 1933, wishes to be of service to the blind of the United States and therefore of Ohio; and

Whereas since the Ohio State Legislature is aware of the difficulties and problems which the sightless man and woman encounter in securing suitable employment for themselves and for their dependents; and

Whereas since the bill now before the National House of Representatives, known as H.R. 5694, and introduced by the blind Congressman, the Honorable MATTHEW A. DUNN, of Pittsburgh, which bill is, "to create a Bureau of the Blind in the Post Office Department, to provide for the issuing of licenses to blind persons to operate stands in Federal buildings, and for other purposes", and which would enable thousands of sightless persons, now dependent upon charity and other sources for a living, to earn their own way through life in fair competition with their fellowmen, and since the Federal Government has taken many steps to relieve the great unemployment problem of the country, by the passage of legislation for public works projects and for other purposes, and since all the legislation thus far passed will be of no benefit to the sightless of the United States but rather detrimental in that the cost of living will be increased, and has already been increased because of the Government's plan to raise commodity prices, and since the Dunn bill is in line with the administration's policy to put back to work unemployed persons now idle, due to conditions over which they have no control, and since the recent policy of the administration under its Civil Works Administration will not affect the blind or help them in any way, and since State and county funds are becoming depleted due to the grave situation in which State, county, and municipal governments find themselves, and since, due to such conditions, the sightless are receiving less financial assistance than they need,

especially in such times when their needs are greater: Therefore be it

Resolved, That the Ohio State Legislature go on record endorsing the Dunn bill and at the same time memorialize Congress with the view that it regards the problems confronting the blind in a sympathetic manner, and take action on the Dunn bill as soon as it is ready to be acted upon when in its final form: Be it further

Resolved, That a copy of this resolution be sent to the Honorable Franklin D. Roosevelt, President of the United States; Postmaster General James A. Farley; Congressman Henry T. Rainey, Speaker of the House of Representatives; Vice President John Garner, President of the Senate; Congressman Joseph W. Byrns, majority leader of the House of Representatives; and Senator Joseph T. Robinson, Senate majority leader, with the urgent request that they use their good offices to bring about the early passage of the Dunn bill soon after Congress convenes in January 1934.

The VICE PRESIDENT also laid before the Senate a letter from the Secretary of War, transmitting copy of radiogram dated at Manila, P.I., January 31, 1934, from Mr. Felino Cajucom, president of the Sakdalista Party, relative to Philippine independence and autonomous concessions, etc., which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a telegram in the nature of a petition from Walter A. Cook, master of St. Lawrence County Pomona Grange, Potsdam, N.Y., praying, on behalf of the grange, for the prompt ratification of the Great Lakes-St. Lawrence Deep Waterway Treaty, which was ordered to lie on the table.

FARM CREDITS

Mr. LOGAN. I ask to have printed in the RECORD a concurrent resolution of the General Assembly of Kentucky dealing with farm credits.

The concurrent resolution was referred to the Committee on Agriculture and Forestry, and, under the rule, ordered to be printed in the RECORD, as follows:

Concurrent resolution memorializing Congress that it is the sense of the members of the Kentucky Legislative General Assembly, the senate and house concurring, that the Government of the United States should perform its solemn promise and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate legislation to that end should be adopted at the earliest possible date

Whereas, unless immediate relief is given, hundreds of thousands of farmers will lose their farms and their homes and millions more will be forced into our cities and villages and the army of unemployed will necessarily increase to alarming proportions; and

Whereas the price of agricultural products during recent years has in fact been far below the cost of production; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas Senate bill no. 457, introduced in the Senate of the United States by Senator LYNN J. FRAZIER, of North Dakota, provides for the liquidating and refinancing of agricultural indebtedness and provides for a reduced rate of interest for the same through the Federal Farm Loan System and Federal Reserve Bank System; and

Whereas the provisions of this bill will have a vital effect upon the agricultural industry of the State of Kentucky; and

Whereas at the present time many loans relating to the agricultural industry should bear a reduced rate of interest; and

Whereas agriculture is the basic industry of this country and there can be no sound business prosperity until agriculture is put on an equality with other industries: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Kentucky Legislative General Assembly, the senate and house concurring, that the Congress of the United States should enact the provisions of the said Senate bill no. 457; and be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the clerk of the Kentucky Senate to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Kentucky in Congress and to United States Senator LYNN J. FRAZIER, the Senator who introduced the bill.

In senate February 5, 1934.
Passed.
Attest:
[SEAL]

BYRON H. ROYSTER,
Chief Clerk of the Senate.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY—MEMORIAL

Mr. LOGAN. I also desire to have printed in the RECORD and to lie on the table a resolution adopted by the Senate of Kentucky protesting against the ratification of the St. Lawrence Deep Waterway Treaty. I placed a resolution in the RECORD the other day which asked for the ratification of the treaty, and I desire this one in opposition to the treaty also to be printed in the RECORD.

The resolution was ordered to lie on the table, and, under the rule, to be printed in the RECORD, as follows:

Senate Resolution "C", opposing ratification of the Great Lakes-St. Lawrence Waterways Treaty

Whereas this body some days ago, without due consideration and careful deliberation, passed a resolution memorializing the United States Senate to ratify the Great Lakes-St. Lawrence Waterways Treaty now pending before the United States Senate; and

Whereas after due consideration and careful deliberation it is hereby resolved that the United States Senators from Kentucky be respectfully requested to oppose ratification of the said treaty, which will entail an expenditure of several billions of dollars; and

Whereas the opening of this waterway would permit British, German, French, and Russian coals to be delivered by vessel to Canadian and American ports on the Great Lakes amounting to millions of tons annually, carried as ballast, returning with Canadian grain and food supplies; and

Whereas it is reasonably certain that fifteen to twenty-five millions of tons of coal per year for many years sent to Canada from the coal-mining districts of southern coal fields would be displaced by the importation of foreign coal, resulting in a serious displacement of labor in the mines and thousands of men employed on the railroads, and in resultant unemployment of men employed on the farms and in industries which provide materials and supplies to the coal and railroad industries; and

Whereas the development of this waterway in addition to being destructive to the coal industry of this State, resulting in substantial losses in taxation needed for the support of public schools, the State government and public institutions, would also be destructive to railroads traversing the mining and farming districts of the country, whose securities are owned by thousands of our citizens and insurance companies in which many of our citizens have their life savings; and

Whereas millions of dollars are now being expended to improve our economic stabilization which must be paid from future taxation, to expend other billions of dollars to destroy properties upon which we are dependent and to cast thousands of persons on the unemployment rolls is in a measure economic suicide; and

Whereas Lake Michigan, which lies wholly within the boundaries of the United States, has always been regarded as American waters, is now sought by this treaty to be made an international lake and joint control thereof turned over to Canada in opposition to the interests of the American people: Therefore be it

Resolved by the Senate of Kentucky, That we respectfully request the Honorable ALBEN W. BARKLEY and the Honorable M. M. LOGAN, representing the State of Kentucky in the Senate of the United States, to oppose ratification of the pending treaty in an honorable effort to aid the best interests of the people of this State.

Resolved further, That the clerk of the senate be directed to forward to the Honorable ALBEN W. BARKLEY and the Honorable M. M. LOGAN duly attested copies of this resolution.

Passed in senate February 5, 1934.
Attest:

BYRON H. ROYSTER,
Chief Clerk of Senate.

PURCHASE AND SALE OF FIREARMS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter from Donald S. Hopkins concerning Senate bill no. 885, in regard to the purchase and sale of firearms. Mr. Hopkins asserts that bills of this type have been tried in various States and have been ineffective as far as crime prevention is concerned and dangerous from the standpoint of the rights of honest citizens.

There being no objection, the letter was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

LOCK HAVEN, PA., *February 7, 1934.*

Hon. JAMES J. DAVIS,
3012 Massachusetts Avenue, Washington, D.C.

DEAR MR. DAVIS: I notice that there has recently been introduced into the Senate bill No. 885, in regard to the purchase and sale of firearms.

Bills of this type have been tried in various States and have been found sadly wanting in effectiveness. About all the effect they seem to have had is to make it more difficult for the honest man to secure a rifle or revolver and to add to his expense of owning one. I cannot notice any cessation in crime in New York State or in Pennsylvania from the passage of laws like the Sullivan law. This law will not prevent the criminal from getting arms and will merely tend to disarm the honest citizen, who should be encouraged to arm himself and defend himself in the face of inadequate protection. I think it well to try to prohibit the sale of machine guns and sawed-off shotguns, but such laws as have been intro-

duced in the Senate will merely tend to hurt the sportsman without preventing the criminal from securing weapons.

I notice that one of the laws calls for the marking of every bullet. This law is simply ridiculous, because anybody can pull a bullet from a rifle case with a pair of plyers, file off the initial or letter on the bullet, and reseat the bullet in just a moment or so, and this law would not be of any avail except to add to the cost of manufacture of bullets.

As to keeping a sample bullet for each gun, everybody knows that if the bore of a rifle gets pitted after use it changes the markings on the bullet entirely, and a trifle of rust or wear in a barrel will change the markings on the bullet. Therefore the provision in the law to keep sample bullets from the various guns sold would not be of any value at all.

These laws would make it impossible for more than half a million sportsmen in Pennsylvania to ship their guns out of the State for repairs, or to sell them to anybody outside of the State, or to have their guns shipped to repairmen. It would also be impossible for any dealers to carry a stock of pistols or revolvers from which sportsmen might make selections.

To say that these laws will not inconvenience sportsmen is simply ridiculous, and they will affect a great proportion of our population who use guns intelligently and honestly, and who support a great industry in this country. I hope you can see your way clear to vote against such ridiculous, useless, and even dangerous bills as these are. What they will tend to do will be to disarm the honest citizen without in any way preventing the criminal from securing weapons.

One of my good friends was almost killed by a hold-up man a year or so ago. The hold-up man struck him with a lead pipe. Wouldn't it be good policy to have all lead pipe marked with initials so that they would make the imprint of the initial on the skull and the man owning such lead pipe could thereby be identified! It seems to me such a law would have about as much sense as some of the gun laws now being proposed.

Thank you very much for your consideration of this matter.

Yours very truly,

DONALD S. HOPKINS.

THE MATCH INDUSTRY

Mr. DAVIS. I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance a letter addressed to me by J. H. Weaver, of the Columbia Match Co. This letter shows that the N.R.A. match code has increased employment 20 percent and wages 28 percent to 43 percent. However, this increase in employment is being nullified because of foreign importations. The Government is losing a large revenue because foreigners are evading part of the import duty of 20 cents per gross. Thirty-percent protection results in a 70-percent loss, not alone to our workers but to the Government through evasion of tariff duties.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

CLEVELAND, OHIO, *February 8, 1934.*

Hon. JAMES J. DAVIS,
Washington, D.C.

MY DEAR SENATOR: The following facts regarding the match industry of the United States are respectfully submitted for your consideration:

1. Foreign matches imported in 1933 total more than 13 trainloads of 50 cars each (667 cars), or 13.9 cars for each State. This is fully 50 percent of the smokers' size strike-on-box matches consumed in the United States.

2. Foreign matches being sold, delivered, at an average price of 42 cents a gross, when American matches made under the N.R.A. match code cost approximately 70 cents per gross.

3. Consumers pay same price for foreign matches, closing our factories and allowing foreign factories to operate.

4. American factories now existing can produce, conservatively, three times the quantity used.

5. America is a natural match-producing country, as we have an abundance of all the needed raw materials.

6. We produce a quality far superior to foreign matches, for which the consumer pays the old pre-war price, 1 cent for smoker's size and 5 cents for household size, with our manufacturers assuming a high excise tax.

7. Under the N.R.A. match code, our manufacturers increased employment 20 percent and increased wages from 28 percent to 43 percent.

8. This increase in employment is being nullified because of foreign importations. Factories have laid off employees, and future outlook not bright.

9. The Government is losing a large revenue by foreigners evading part of the import duty of 20 cents a gross, by the mere coloring of splints with a cheap analine dye and entering them as fancy matches as low as 6 cents per gross, only 30 percent of protection intended by Congress.

10. American match manufacturers pay approximately 24 percent of their net return from sales in excise tax.

11. American match industry has but one market for its products, being barred from most foreign countries by Government monopolies.

12. American match industry has suffered for many years with foreign match imports, causing the closing of more than 10 factories in the last 10 years.

The American match industry on February 1 and 2 appeared before United States Tariff Commission to protest against foreign importations of matches under provisions of section 3, National Industrial Recovery Act. Our plea is now before commission, that all imported matches be restricted, subject to an equalization fee, or sold at a fair American price.

I earnestly request your support in righting the injury to the American match industry by your asking the President to act under provisions of N.I.R.A. and grant the relief the American match industry is seeking.

The President has full authority under the above section of N.I.R.A. to grant this form of relief to an industry that has lost 50 percent of its home and only market strike-on-box and penny-size matches.

Yours very truly,

COLUMBIA MATCH CO.,
J. H. WEAVER, *President.*

P. S.—Foreign match imports are not the only menace to our industry as lighters are not subject to any excise tax and the Government is losing revenue through failure to place a tax on lighters commensurate with match tax.

Last week the Secretary of the Treasury saw fit to remove the dumping order against Russia without giving the match industry any hearing, and we now believe the Russians are bringing matches here in large quantities, which will still further hurt our industry.

RESOLUTIONS OF OHIO UNEMPLOYED LEAGUE

Mr. BULKLEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD and to lie on the table resolutions adopted by the Ohio Unemployed League Special State Conference on the C.W.A.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

The following resolutions were adopted as a basis for militant organized action of the unemployed in Ohio at the special State-wide conference of the Ohio Unemployed League held January 21, 1934, in Columbus. This conference was called by William R. Truax, president of the Ohio Unemployed League, to formulate plans to cope with the imminent collapse of the Civil Works program.

The resolutions read as follows:

"Whereas 46,000 of the 246,000 men employed on C.W.A. jobs in Ohio have been fired; and

"Whereas a general wage cut has been instituted of 20 to 50 percent through reductions in working hours ranging from 6 to 15 hours per week; and

"Whereas Harry L. Hopkins, Federal C.W.A. Administrator, has called for the demobilization of the C.W.A. by May 1 at the rate of 1,000,000 men every 2 weeks: Be it

"*Resolved*, That the following demands be adopted by the Ohio Unemployed League, in special conference assembled, as a basis for organized action of the unemployed throughout Ohio:

"1. That all C.W.A. work be resumed immediately, and that jobs be provided for all unemployed workers.

"2. That a 30-hour week and 6-hour day be maintained, and that the first 5 days of the calendar week shall constitute the working week, and that Saturday shall be a holiday.

"3. That all carry-over time or make-up work shall be performed within the stipulated 5 days, provided that no workday, including carry-over time, shall exceed 8 hours.

"4. That uniform rates of hours and wages be maintained throughout the State.

"5. That all work be paid for at a minimum uniform rate of $1 per hour, $30 per week; that this rate shall be increased in direct proportion to increases in average prices; and that all work covered by union wage scales above the minimum rate shall be paid for at the prevailing union rate.

"6. That straight pay of $30 per week shall be the minimum wage on C.W.A. and P.W.A. projects regardless of time lost due to bad weather.

"7. That wages be paid regularly on Friday of each week, and that the distribution of pay checks be done during the working hours.

"8. That all tools, equipment, and necessary protective clothing be provided through a C.W.A. appropriation.

"9. That free and adequate transportation be provided to and from the place of work for all C.W.A. and P.W.A. workers.

"10. That heated shacks, windbreaks, and salamanders for fires be provided on all open C.W.A. and P.W.A. jobs for protection from bad weather.

"11. That there shall be no infringement on the right of workers on C.W.A. and P.W.A. jobs to organize on the job into organizations of their own choosing for collective bargaining; be it further

"*Resolved*, That these demands be presented in person by the executive board of the Ohio Unemployed League immediately to Gov. George White and the State Civil Works administration, and

to President Franklin D. Roosevelt and the Federal Civil Works Administration.

Submitted by the committee on C.W.A. resolutions.

Geo. W. Snyder, Perry County, chairman; Bernard C. Michael, Allen County; Pearl Bolen, Meigs County; Ralph Hernandez, Fairfield County; W. B. Brown, Licking County; Herb Richards, Hocking County; Ross E. Cox, Franklin County; R. J. McCormick, Wood County; J. Darlington, Mahoning County.

Adopted at Columbus, Ohio, January 21, 1934, by the Ohio Unemployed League special State conference on C.W.A.

READMISSION OF EMMA GOLDMAN

Mr. ASHURST presented a resolution, adopted by the Arizona Peace Officers' Association, protesting against the readmission of Emma Goldman to the United States, which was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

Resolved, That the Arizona Peace Officers' Association, an organization of some 500 members, does hereby protest the recent decision of the Department of Labor to permit the notorious anarchist, Emma Goldman (Mrs. James Colton), to reenter our country, as it is our belief that such action is a violation of the spirit if not the letter of the United States immigration laws.

We feel that as such it is calculated to establish a dangerous precedent for future guidance and will serve to lessen the fear of and minimize the effectiveness of our deportation laws.

It is obvious that our deportation laws, so far as they apply to alien radicals, are of a deterrent rather than a punitive force; and we feel that if a precedent is established whereby persons of widely known anarchistic views are permitted to reenter our country after deportation for cause, as was clearly the case with Miss Goldman, that the spirit and the purpose of our immigration laws is thereby set at naught.

Therefore the members of the Arizona Peace Officers' Association do thereby protest the readmission of Miss Goldman to this country, and do place themselves on record as upholding the stringent enforcement of our immigration laws in the spirit as well as in letter.

J. G. CROWLEY,
President.
J. E. WILKIE,
Secretary-Treasurer.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 6370. An act to extend the time for completing the construction of a bridge across the Missouri River at or near South Omaha, Nebr. (Rept. No. 270);

H.R. 6492. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N.Y. (Rept. No. 271);

H.R. 6794. An act authorizing the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point between Easton, Pa., and Phillipsburg, N.J. (Rept. No. 272);

H.R. 6909. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo. (Rept. No. 274); and

H.R. 7291. An act authorizing the city of Hannibal, Mo., its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Hannibal, Marion County, Mo. (Rept. No. 273).

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 1994) for the relief of Estelle Johnson, reported it with an amendment and submitted a report (No. 275) thereon.

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 405. An act for the relief of Capt. Asa G. Ayer (Rept. No. 276);

S. 489. An act for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N.Y. (Rept. No. 277); and

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat) and others (Rept. No. 278).

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 2509) to readjust the boundaries of Whitehaven Parkway at Huidekoper Place, in the District of Columbia, provide for an exchange of land, and for other purposes, reported it without amendment and submitted a report (No. 279) thereon.

PRINTING OF HEARINGS ON FOODS, ETC., BEFORE COMMERCE COMMITTEE

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing I report back with an amendment Senate Resolution 171, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

The amendment of the Committee on Printing was, in line 6, after the words "during the", to strike out "second session of the Seventy-third Congress, on food, drugs, and cosmetics" and insert "current session on the bill (S. 1944) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drugs, and cosmetics."

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Commerce of the Senate be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before said committee during the current session on the bill (S. 1944) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drugs, and cosmetics.

BILLS INTRODUCED

Bill were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMPSON:

A bill (S. 2678) for the relief of S. E. Marty; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 2679) to establish the Ocmulgee National Park in Bibb County, Ga.; to the Committee on Public Lands and Surveys.

By Mr. DILL:

A bill (S. 2680) exempting David Sinclair from the provisions of sections 203 and 205 of the World War Veterans' Act, 1924, as amended; to the Committee on Finance.

A bill (S. 2681) authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U.S.S. *Newport;* to the Committee on Naval Affairs.

By Mr. TYDINGS:

A bill (S. 2682) to exempt certain articles from the tax on floor stocks imposed by the Agricultural Adjustment Act; to the Committee on Agriculture and Forestry.

By Mr. REED:

A bill (S. 2683) for the relief of certain officers of the Dental Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. KING:

A bill (S. 2684) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia; and

A bill (S. 2685) to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. SHEPPARD:

A bill (S. 2687) for the relief of Alfred W. Kliefoth; and

A bill (S. 2688) to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and Citizens' Military Training Camps; to the Committee on Military Affairs.

PENALTY FOR PRESENTATION OF FALSE WRITTEN INSTRUMENTS

Mr. ASHURST. Mr. President, I introduce a bill and ask that it may be referred to the Committee on the Judiciary, and request to have printed at this juncture, following the bill, a letter from the Secretary of the Interior describing the bill.

There being no objection, the bill (S. 2686) to provide a penalty for the presentation of a false written instrument relating to any matter within the jurisdiction of the Secretary of the Interior, Administrator of the Federal Emergency Administration of Public Works, or Administrator of

the Code of Fair Competition for the Petroleum Industry, was read twice by its title, referred to the Committee on the Judiciary, and, with the accompanying paper, ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That every person who knowingly or willfully makes or aids, or assists in the making, or in any wise procures the making or presentation of any false or fraudulent affidavit, declaration, certificate, voucher, or paper or writing purporting to be such, concerning any application, bond, bid, loan or payment thereof, or pertaining to any other matter within the jurisdiction of the Secretary of the Interior, Administrator of the Federal Emergency Administration of Public Works, or Administrator of the Code of Fair Competition for the Petroleum Industry, or who knowingly or willfully makes or causes to be made, or aids or assists in the making, or presents or causes to be presented, any false or fraudulent affidavit, certificate, voucher, or paper or writing purporting to be such, and every person before whom any declaration, affidavit, voucher, or other paper or writing to be used in aid of the prosecution of any application, bond, bid, loan, or payment thereof purports to have been executed who shall knowingly certify that the declarant, affiant, or witness named in such declaration, affidavit, voucher, or other paper or writing personally appeared before him and was sworn thereto, or acknowledged the execution thereof, when, in fact, such declarant, affiant, or witness did not personally appear before him or was not sworn thereto, or did not acknowledge the execution thereof, shall be punished by a fine not exceeding $5,000, or by imprisonment for a term of not more than 5 years.

The letter from the Secretary of the Interior presented by Mr. ASHURST is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, February 7, 1934.

Hon. HENRY F. ASHURST,
Chairman Committee on the Judiciary,
United States Senate.

MY DEAR SENATOR ASHURST: There is transmitted herewith a draft of a proposed bill providing a penalty for the presentation of a false written instrument relating to any matter within the jurisdiction of the Secretary of the Interior, Administrator of the Federal Emergency Administration of Public Works, or Administrator of the Code of Fair Competition for the Petroleum Industry.

A large number of cases are arising constantly in the enforcement of the laws relating to the Interior Department; the transaction of business in connection with the Public Works Administration; in violations of the code of fair competition for the petroleum industry; and enforcement of regulations under section 9 (c) of the National Industrial Recovery Act of June 16, 1933, which are not susceptible of successful prosecution on charges of perjury, and there is no law at present under which prosecutions may be secured for the presentation of false papers.

The early enactment of this legislation is especially desired, so that prompt and vigorous steps may be taken while expenditures are being made of Public Works Administration funds, in view of the following provisions of section 2 (c) of the National Industrial Recovery Act:

"This title shall cease to be in effect and any agencies established hereunder shall cease to exist at the expiration of 2 years after the date of enactment of this act, or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended."

It is respectfully requested that the proposed measure be placed before the Senate for appropriate action.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

SPECIAL STATISTICAL STUDIES BY DEPARTMENT OF LABOR

Mr. WALSH. Mr. President, I introduce a bill for reference to the appropriate committee, and ask to have published in connection with the bill a letter from the Secretary of Labor explanatory of it.

There being no objection, the bill (S. 2689) to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes, was read twice by its title, referred to the Committee on Education and Labor, and, with the accompanying letter, ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Department of Labor be, and hereby is, authorized, within the discretion of the Secretary of Labor, upon the written request of any person, to make special statistical studies within the general scope of the Department's activities; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records upon the payment of the actual cost of such work by the person requesting it.

SEC. 2. All moneys hereinafter received by the Department of Labor in payment of the cost of such work shall be deposited to the credit of the appropriation of that bureau, service, office, division, or other agency of the Department of Labor which supervised such work, and may be used, in the discretion of the Secretary of Labor, and notwithstanding any other provision of law, for the ordinary expenses of such agency and/or to secure the special services of persons who are neither officers or employees of the United States.

SEC. 3. The Secretary of Labor shall prescribe rules and regulations for the enforcement of this act.

The letter from the Secretary of Labor presented by Mr. WALSH is as follows:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, February 8, 1934.

Hon. DAVID I. WALSH,
United States Senate, Washington, D.C.

MY DEAR SENATOR WALSH: I am writing to urge you to introduce the attached draft of a bill to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes.

There is a great need for the passage of this bill. From time to time persons request the Department of Labor to make special statistical studies within the general scope of the Department's activities and in relation to labor matters and offer to pay the full cost of this work. This has been particularly true since the passage of the National Industrial Recovery Act. Various code authorities, including, for example, the planning and coordination committee of the petroleum industry, have asked the Department to collect data relating to hours of work, wages, and similar working conditions. These statistics would have been of great value not only to the person or authority requesting the survey but also to the Department of Labor and to the Government generally since they would have served not only to show the existing state of facts but to help formulate policies for future action. Moreover, if the Department of Labor had made the studies which it was asked to undertake, a closer cooperation between business and Government would have resulted, and, if the work had been satisfactorily performed, there is no doubt that business would have had an increased confidence in the accuracy, efficiency, and thoroughness of this Department.

Unfortunately at the present time the Department of Labor cannot undertake this work even though the person requesting the statistical or other information is willing to pay the full costs of the enterprise. The reason is that the act of March 3, 1918, (39 Stat. 1106, 5 U.S.C. 66), provides that no Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States. This statute as interpreted by the courts and administrative officers makes it impossible for the Department of Labor to accept from outsiders the cost of special services even though rendered for their exclusive benefit. See *International Railway Co.* v. *Davidson* (257 U.S. 506, 515 (1922); 31 Op. Atty. Gen. 1919; 16 Comp. Dec. 43).

To overcome this bar, other departments have from time to time asked Congress for permission to enter into arrangements to perform compensated services for private persons. Thus, for example, section 18 of the act of June 18, 1929 (46 Stat. 25, 26; 13 U.S.C. 218), authorizes the Bureau of the Census to make statistical compilations at cost for private individuals; and the appropriation act for the Department of Agriculture for 1920 (act of July 24, 1919, 41 Stat. 270; 5 U.S.C. 513), and section 14 of the Perishable Agricultural Commodities Act (act of June 10, 1930, 46 Stat. 537; 7 U.S.C. 564), authorize the Department of Agriculture to enter into cooperative arrangements with States and private agencies as a result of which these non-Federal agencies contribute in part to expenses incurred by the Federal Government.

I can see no valid objection to the proposed bill and I think its merits are so outstanding that it deserves immediate passage by the Congress. The importance of prompt action is increased by the universal desire to know the full effects of the recovery program undertaken by the present administration.

Very truly yours,

FRANCES PERKINS.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Public Lands and Surveys:

H.R. 5397. An act to authorize the exchange of the use of certain Government land within the Carlsbad Caverns National Park for certain privately owned land therein;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5905. An act to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933;

H.R. 7304. An act to amend the act entitled "An act to provide for agricultural entry of lands withdrawn, classified, or reported as containing phosphate, nitrate, potash, oil, gas, or asphaltic minerals", approved July 17, 1914, and for other purposes; and

H.R. 7305. An act to authorize the Secretary of the Interior to accept from the State of Utah title to a certain

State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes.

CHANGE OF REFERENCE

Mr. LOGAN. Mr. President, on the 6th of February I introduced Senate bill 2644, for the relief of Mary Seeley Watson. Through inadvertence the bill was referred to the Committee on Military Affairs.

I ask unanimous consent that the Committee on Military Affairs be discharged from the further consideration of the bill and that it be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

AMENDMENT TO NAVAL APPROPRIATION BILL

Mr. GOLDSBOROUGH and Mr. TYDINGS submitted an amendment intended to be proposed by them to House bill 7199, the naval appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 38, line 4, to strike out "$176,040" and insert in lieu thereof "$238,410."

On page 38, line 9, to strike out "June 30, 1933" and insert in lieu thereof "June 27, 1933, and the Secretary of the Navy is authorized to reinstate the civilian instructors released subsequent to such date, and so much of the above amount as may be necessary for the payment of the instructors so reinstated shall be immediately available."

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 6951, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, after line 10, to insert a new paragraph reading as follows:

"For the fiscal year 1935 all expenditures by the Indian Service shall be segregated by functions of the Service and jurisdictions, such expenditures to be classified thereunder in accordance with approved character and object designation; and the estimates for the Bureau of Indian Affairs for the fiscal year 1936 and thereafter shall be prepared and submitted to the Bureau of the Budget and to Congress accordingly: *Provided*, That for the fiscal year ending June 30, 1936, in addition to the budget provided for by this paragraph, there shall also be prepared and submitted an alternate budget for the Bureau of Indian Affairs which shall follow the order and arrangement of the appropriations for the fiscal year ending June 30, 1935."

INVESTIGATION INTO ACTIVITIES OF DEALERS IN ARMS AND MUNITIONS

Mr. NYE. I submit a resolution which I ask to have read and referred to the Committee on Foreign Relations.

There being no objection, the resolution (S.Res. 179) was read and referred to the Committee on Foreign Relations, as follows:

Resolved, That the Foreign Relations Committee of the Senate be, and is hereby, authorized and directed to investigate the activities of individuals and of corporations in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war, and particularly to investigate and ascertain:

(1) The nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war.

(2) The methods used in promoting or effecting the sale of arms, munitions, or other implements of war.

(3) The quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof.

(4) The adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries.

INVESTIGATION RELATIVE TO APPOINTMENT OF MR. ERICKSON AS SENATOR FROM MONTANA

Mr. KING, from the Committee on Privileges and Elections, reported the following original resolution (S.Res. 180), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, or any duly authorized subcommittee thereof, is authorized and directed to examine into the circumstances surrounding the appointment by the Governor of the State of Montana, on March 13, 1933, of the Honorable JOHN E. ERICKSON as a Senator from such State. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $2,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

REPORTS OF PUBLIC-UTILITY COMPANIES IN THE DISTRICT

On motion of Mr. KING, it was

Ordered, That the annual reports of the following-named public-utility companies in the District of Columbia, for the year ended December 31, 1933, heretofore transmitted to the Senate, be printed as a Senate document: Capital Traction Co.; Capital Transit Co.; Chesapeake & Potomac Telephone Co.; Georgetown Barge, Dock, Elevator & Railway Co.; Georgetown Gaslight Co.; Potomac Electric Power Co.; Washington Gas Light Co.; Washington Interurban Railroad Co.; and Washington Railway & Electric Co.

LAND GRANTS IN WYOMING

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 313) to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming, which was, on page 2, line 5, to strike out all after "years" down to and including "years" in line 7.

Mr. CAREY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

THE MENACE OF KIDNAPING

Mr. ASHURST. Mr. President, the menace of kidnaping and the holding of kidnaped persons for ransom is a ghastly thing that is now and for some months past has been suspended like the sword of Damocles over the homes and the lives of the American people.

It is impossible to describe the terror, the anguish, and the torturing suspense of the relatives and close friends of kidnaped persons who are held for ransom. It is quite understandable that such distressed relatives, in their mental anguish, will yield to the threats and demands of the kidnapers who have seized, secluded, and secreted a person.

I am of the opinion that if the demands of the kidnapers were refused, the kidnapers treated with contempt, their communications entirely ignored, the outlaws notified that no terms would be made with them, and they were given to understand that no ransom would be paid under any circumstances, the kidnaping of persons for ransom would measurably cease in the United States.

In those countries which have laws making it a crime to pay a ransom the crime of kidnaping persons is practically unknown.

During the past few weeks I have caused an examination to be made; and from my brief investigation it would appear that a law making it a crime to pay a ransom to persons who have seized and secluded an individual would reduce kidnaping almost to the vanishing point in our country. At an appropriate time I expect to prepare and introduce such bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 248. An act for the relief of Rolando B. Moffett;

S. 381. An act for the relief of Samson Davis; and

S. 727. An act for the relief of Francis N. Dominick.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 157. An act to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)";

S. 284. An act authorizing the conveyance of certain lands to School District No. 28, Deschutes County, Oreg.;

S. 1774. An act to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz.; and

S. 2152. An act granting certain property to the State of Michigan for institutional purposes.

GOLD CLAUSE IN BONDS

Mr. GLASS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the decision of the highest court in Great Britain in what is known as the "Belgian bond case". It is very complete and parallels some of our resent transactions.

Mr. STEIWER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Oregon?

Mr. GLASS. I yield.

Mr. STEIWER. Is the material sent to the desk the decision of the House of Lords?

Mr. GLASS. It is. Has it been printed in the RECORD?

Mr. STEIWER. I thought that it had been so printed, but I have no objection to the Senator's request.

Mr. GLASS. Of course, if it has been printed in the RECORD, I would not care to have it duplicated. I did not know that it had been printed.

The VICE PRESIDENT. Is there objection to printing the decision in the RECORD?

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[From the London Times, Saturday, Dec. 16, 1933]

HOUSE OF LORDS—BONDS OF A BELGIAN COMPANY; CONSTRUCTION AND PAYMENT—FEIST AGAINST SOCIÉTÉ INTERCOMMUNALE BELGE D'ELECTRICITÉ

Before Lord Atkin, Lord Warrington of Clyffe, Lord Tomlin, Lord Russell of Killowen, and Lord Wright.

The house allowed this appeal by Mr. Josiah Feist from a judgment of the court of appeal, dated March 17, 1933, dismissing an appeal from an order of Mr. Justice Farwell, dated October 27, 1932, on an originating summons issued by Mr. Feist to obtain the decision of the court on the construction of a bond held by him and issued by the present respondents, Société Intercommunale Belge d'Electricité.

The bond was a bearer bond for £100, dated September 1, 1928, and formed part of a total issue of £500,000 bonds issued by the respondents, a limited company incorporated under the laws of the Kingdom of Belgium. On its face the bond was described as a 35-year sinking-fund 5½-percent sterling bond, due September 1, 1963.

RELEVANT CLAUSES

The following clauses, inter alia, appeared on the face of the bond:

"1. Société Intercommunale Belge d'Electricité (Société Anonyme) * * * for value received will, on the 1st day of September 1963, or, on such earlier day as the principal moneys hereby secured become payable in accordance with the conditions endorsed hereon, pay to the bearer * * * on presentation of this bond the sum of £100 in sterling in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on the 1st day of September 1928.

"2. The company will during the continuance of this security pay at the registered office of the bankers * * * interest thereon at rate of 5½ percent per annum in sterling in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on the 1st day of September 1928, by equal half-yearly payments on every 1st day of March and 1st day of September in accordance with the coupons annexed hereto.

"4. This bond is one of an authorized issue of bonds of the company of an aggregate principal amount not exceeding £500,000 in sterling in gold coin of the United Kingdom at any one time outstanding.

"5. This bond is issued subject to and with the benefit of the conditions endorsed hereon, which are to be deemed part of it."

Condition 6 provided that the bonds of the issue should constitute and they and each of them were thereby declared to be the direct and unconditional liability and obligations of the respondents in sterling in gold coin of the United Kingdom in accordance with the provisions of the bonds and the conditions.

Condition 18 provided:

"This bond shall be construed and the rights of parties regulated according to the law of England and as a contract made and according to the terms thereof to be performed in England * * *."

The half-yearly interest coupons annexed to the bond stated on one side, inter alia: "Coupon for £2 15s. being half-year's interest due on ———" and on the other side bore the words: "For £2 15s. in sterling in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on the 1st day of September 1928 * * *."

On March 1, 1932, a half-yearly installment of interest on the appellant's bond fell due. The respondents claimed the right to pay the nominal sum specified in the coupon, that was, £2 15s., and to pay it in whatever might be legal tender in England at the day of payment as a full discharge of their obligation under the bond.

The appellant thereupon, by originating summons, claimed (1) a declaration that on the true construction of the bond the respondents thereby warranted or guaranteed to the appellant as holder that they would discharge their obligations thereunder by tendering him in payment of the principal and interest due on the bond at the times specified therein gold coin of the United Kingdom to the appropriate amount of or equal to the standard of weight and fineness existing on September 1, 1928.

He also claimed that in the event of any breach of such warranty or guarantee the respondents should be made liable in damages.

Alternatively, he asked for a declaration that the respondents were bound to tender to him such a sum in sterling as might be sufficient to purchase in the market on the day of payment gold of not less weight and fineness than that contained in the gold coin of the United Kingdom, which would have sufficed to discharge such payment if falling due on September 1, 1928.

Mr. Justice Farwell held that on the true construction of the bond the respondents were entitled to satisfy the principal moneys and interest by tendering whatever might at the due date of payment respectively be good legal tender for the nominal amount of the bond or coupon.

The court of appeal, affirming the decision of Mr. Justice Farwell, were of opinion that the bond was a contract for the payment of the nominal amount of money by way of principal and interest, and that it was impossible to construe it as a contract for the payment of any other sums of money ascertained by their gold value from time to time.

Mr. Feist now appealed.

The previous hearings were reported in the Times of October 28, 1932, and March 18, 1933, and in 49 the Times L.R., 8, 344.

Sir William Jowitt, K.C., Mr. Lionel Cohen, K.C., and Mr. Cyril Radcliffe appeared for the appellant; Mr. Gavin Simonds, K.C., and Mr. H. S. G. Buckmaster for the respondents.

JUDGMENT

Lord Russell of Killowen, in giving judgment, said that the difficulty in the case arose from the presence in the bond of what was sometimes known as a "gold clause", and from the particular phraseology which it had assumed.

The company claimed that they were entitled to satisfy the principal moneys and interest secured by the bond by tendering whatever might at the due date of payment be good legal tender for the nominal amount of the bond or coupon, as the case might be. "It is obvious", said his lordship, "that this decision deprives of all effect the words which occur in clauses 1 and 2 of the bond—namely, 'in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on September 1, 1928.' Those words need, in that view, never have been inserted at all."

The bondholder, on the other hand, contended that they were inserted for a specific purpose—namely, to protect the lender against any depreciation of sterling in terms of gold—and that the gold clause, with its reference to gold coin of a defined standard of weight and fineness, was a clause which dealt, not with the method in which a debt of fixed unvarying amount was to be discharged but with the fixing of the amount of the debt to be discharged.

He (his lordship) agreed that the question of construction was a difficult one; but after careful consideration of all the contractual provisions of the bond he had come to the conclusion that they should give to the gold clause the meaning and effect for which the bondholder primarily contended.

The courts below, in construing the bond, had started with the assumption that the bond must be, as was stated on its face, a bond for £100; they then construed the words of the gold clause literally, and held that its sole intention was to obtain payment in one particular form of tender only, and that that intention must be defeated by the operation of the law.

QUESTION OF CONSTRUCTION

He approached the question of construction in a different way. He considered, first, the state of affairs existing at the date of the bond. The gold standard act, 1925, had exempted the Bank of England from obligation to pay its own notes in legal coin but had provided that such notes should not thereby cease to be legal tender. Further, it had repealed the provision of the currency and bank notes act, 1914, entitling the holder of a currency note to be paid its face value in gold coin. It had, however, provided that the Bank of England should be bound to sell on demand gold bullion at the price and, as therein specified, to any person on demand, but only in the form of bars containing approximately 400 ounces troy of fine gold.

The currency and bank notes act, 1928, had received the royal assent, though it did not come into operation until November 22,

1928. By that act the Bank of England was authorized to issue bank notes for £1 and for 10s., which were to be legal tender for any amount. Existing currency notes were converted into bank notes, the bank becoming liable on them; and the bank was empowered to require any person in the United Kingdom owning gold coin or bullion to an amount exceeding £10,000 in value to sell it to the bank on payment (in the case of gold coin) of the nominal value thereof. The country was on the gold standard, but the notes were inconvertible and gold coin was substantially no longer in circulation.

Those being the circumstances and conditions of the time it was not, he thought, improper or hazardous to make two surmises: (1) That the gold clause was inserted in clauses 1 and 2 of the bond in contemplation of the contingency of this country going (as it did in 1931) off the gold standard at some future date; and (2) that neither party to the bond could have contemplated payment under the bond being actually made in gold coins.

He then turned to the bond to see if from the contents of the document itself it was apparent that the parties did not use the words of the gold clause in accordance with the literal meaning which they would bear if considered apart from the rest of the document and the circumstances which surrounded its execution. His lordship referred to clauses 2 and 4, and said that, taking even clause 1 by itself, it would be practically impossible to fulfill its literal requirements even if a sufficiency of gold coin were still in circulation, for according to its strict reading the coins tendered would all have to be coins of the exact standard of weight and exact standard of fineness specified in the coinage act, 1870, without remedy, allowance, or variation from the standards. Thus, neither in clause 1 nor in clause 2 could the words have been intended by the parties to carry their literal interpretation.

TWO COURSES

He, therefore, asked himself the question: If the words of the gold clause could not have been used by the parties in the sense which they literally bore, ought he to ignore them altogether and attribute no meaning to them, or ought he, if he could discover it from the document, attribute some other meaning to them? Clearly the latter course should be adopted if possible, for the parties must have inserted those special words for some special purpose, and, if that purpose could be discerned by legitimate means, effect should be given to it.

In his opinion the purpose could be discerned from clause 4, in which the reference to gold coin of the United Kingdom was clearly not a reference to the mode of payment but to the measure of the company's obligation. So, too, condition 6, which again was a clause not directed to mode of payment but to describing and measuring liability, showed that the words were used as such a measure. In just the same way he thought that in clauses 1 and 2 of the bond the parties were referring to gold coin of the United Kingdom of a specific standard of weight and fineness not as being the mode in which the company's indebtedness was to be discharged, but as being the means by which the amount of that indebtedness was to be measured and ascertained. He would construe clause 1 not as meaning that £100 was to be paid in a certain way, but as meaning that the obligation was to pay a sum which would represent the equivalent of £100 if paid in a particular way; in other words, he would construe the clause as though it ran thus (omitting immaterial words), "pay * * * in sterling a sum equal to the value of £100 if paid in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on the 1st day of September 1928." He would similarly construe clause 2.

He was conscious that that construction strained the words of the document, and that it fitted awkwardly with some of its provisions, but he preferred that to the only other alternatives—namely, attributing no meaning at all to the gold clause, or attributing to it a meaning which from other parts of the document and the surrounding circumstances the parties could not have intended it to bear.

THE DECLARATION

He would allow the appeal and substitute for the declaration made by Justice Farwell a declaration in the following terms: "Declare that on the true construction of the bond the appellant is entitled as holder thereof to receive from the respondents from time to time by way of principal and interest thereunder and on the due dates of payment therefor such a sum in sterling as represents the gold value of the nominal amount of each respective payment, such gold value to be ascertained in accordance with the standard of weight and fineness existing on September 1, 1928, and that accordingly every 'pound' comprised in the nominal amount of each such payment must be treated as representing the price in London in sterling (calculated at the due date of payment) of 123.27447 grains of gold of the standard of fineness specified in the first schedule to the coinage act, 1870, and any fraction of a 'pound' comprised in the nominal amount of any such payment must be treated as representing the price in London in sterling (calculated at the due date of payment) of a corresponding fraction of 123.27447 grains of gold of the same standard of fineness."

The other noble and learned lords agreed.

Solicitors: Messrs. Allen and Overy; Messrs. Stephenson, Harwood, and Tatham.

THE LOUISIANA ELECTION INVESTIGATION

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New Orleans Item of February 6, 1934, entitled "That Election Inquest."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New Orleans Item, Feb. 6, 1934]

THAT ELECTION INQUEST

We note with regret that Chairman CONNALLY, of the Senate committee which recently investigated election practices in New Orleans, seems to have misconceived the attitude of some of the New Orleans newspapers. In addressing the Senate last week Senator CONNALLY said that the Louisiana press "was very unfair and very unfriendly to the committee in the first days of its hearing."

"Mobs", he added, "were clamoring to get into the hearing—both mobs. The mob alined with the Senator from Louisiana and the mob alined against him."

We quote an exchange between Senator CONNALLY and Senator LONG:

"Mr. CONNALLY. I am not complaining about what the papers did, but that does not change the fact. The fact is that two of the papers in New Orleans were alined on one side and one paper alined on the other side.

"Mr. LONG. Oh, no; we have none.

"Mr. CONNALLY. I was informed that one of the papers was with the Long organization.

"Mr. LONG. No; we have none.

"Mr. CONNALLY. Be that as it may, I do not retract what I said, and while we public men have to take the punishment of unfair publicity, I am not complaining. But I do say that the Louisiana papers, when the committee first met, seemed to want some sensational and scandalous stuff to put on the front pages."

We can speak only for the Item and the Morning Tribune. Both these newspapers tried from the first to be absolutely fair and impartial in their extensive reports of those hearings, both as to the contending parties and the senatorial committee. We particularly desired to be courteous to the visiting Senators, not only because we recognized their dignity as members of the world's foremost deliberative body but also because we realized that they were assigned to a difficult and disagreeable business.

Mr. CONNALLY has overstated the manifestations at the hearing very little if any. These occasionally became almost moblike. We are frank to say that they wellnigh disgusted us at times, for the inquiry was essentially judicial in its nature, and we wished to see it carried on in a manner befitting its character.

The Item and Tribune certainly took no position, nor adopted any tone, either editorially or in its news columns, derogatory to either of the parties at bar or to the court itself.

In order to maintain complete neutrality, we even suspended the usual welcome to our distinguished visitors, nor did we print any comment of our own on the hearing at any of its stages until the verdict was rendered.

We certainly did not seek sensations or scandals in the hearing for the first page. On the contrary, we rather regretted that so many of these thrust themselves forward unsought. Mr. CONNALLY came into the committee after the death of Senator Howell. The fact is that when the committee then returned to New Orleans to resume its hearings it had already been bombarded extensively with numerous attacks. These originated and were circulated not only in Louisiana but in other parts of the country. They contributed considerably to a prejudice against the committee. They were further aggravated by a very unusual and bitter personal attack on Senator CONNALLY himself, even before he got here, by the committee's own official investigator—Mr. Holland.

A long train of other agitating developments continued to punctuate the proceedings. Mr. CONNALLY is right in recognizing the existence of scandals and sensations, but he is not quite right in his apparent impression that the newspapers caused them. And certainly our own newspapers neither caused nor contributed to them.

They arose of themselves as spontaneous outbursts among the partisans, quite incidental to the hearing. And when they arose the newspapers were bound to report them. Our newspapers reported them without exaggeration or bias. They were too frequent and conspicuous to be disregarded.

We think Mr. CONNALLY missed the true bearings of this situation, so far as the newspapers are concerned. For very few persons who are busy day and night, on a particularly hot spot to boot, read completely or critically all that the newspapers are saying about them.

We have never before felt called on to pass upon the point, but in view of Mr. CONNALLY'S remarks, it is a pleasure to say that we think he and his colleagues conducted themselves with dignity and tact in a generally creditable manner under very difficult circumstances.

Senators often throw each other flowers that they do not always deserve. We think on the whole, however, that Senator ROBINSON, the Democratic floor leader, was well within the record when he closed the Senate debate last week in these terms:

"It seems to me, Mr. President, respecting the subject that has just been discussed, that the select committee of the Senate has had a very difficult duty to perform; that it has encountered numerous impediments and embarrassments; and that the committee has discharged its duty with fidelity and ability."

Louisianians who cherish the good name of their State, value their own privilege as voters, and realize how fraud and corruption

can nullify their personal rights and undermine their public institutions will do well to take serious note of the Senate committee's denunciation of political methods that have been widely employed and too softly tolerated in this State.

They will do well to give their thought and lend their time and effort wherever and whenever these can serve to improve Louisiana's political methods and election system.

ADMINISTRATION OF CIVIL WORKS IN WEST VIRGINIA

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an article relative to the administration of Civil Works in West Virginia which appeared in the Fairmont Times on February 7, 1934.

There being no objection, the article referred to was ordered to be printed in the RECORD, as follows:

[From the Fairmont (W.Va.) Times, Feb. 7, 1934]

GOOD MORNING!

In spite of all the denials, evasions, and such which have followed the efforts of Senator NEELY and the West Virginia delegation in Congress to get rid of this fellow, Beehler, and clean out most of the C.W.A. organization in West Virginia, the fact remains that there is plenty of fire behind the Neely smoke. We could give you what the late Judge Charles Powell would call "day and date" on enough stuff to convince the most skeptical that by design, little short of sinister, there were built up in many counties of the State Republican organizations with no other motive in life than to beat the Democrats this coming fall. The C.W.A. work seemed to be wholly subordinated to this aim.

We have before us a letter from a man in whom we have the greatest confidence. He has made a survey of the situation, and in one paragraph he sums it up as follows:

"I know definitely that this whole scheme is adroitly laid to promote the interest of the Republican Party, and Beehler is either a party to it or he doesn't know what is going on. I agree with Hopkins that no particular political affiliation should be required to either give or withhold work from any individual, but I do think that after the tremendous vote in West Virginia in 1932 in turning out those who had plundered and robbed this State, bombed newspaper plants, gone to the penitentiary for embezzlement, and those convicted of many other crimes should not be placed in administrative positions. Over all this State ex-Republican officeholders, ex-gunmen, and ex-convicts are running this C.W.A., and if Beehler had been sent into West Virginia with only one set of instructions, namely, 'You build the best Republican machine that is within the power of man to build', he could not have progressed more effectively along such lines as he has to date."

If nothing were involved in this question except the building up of political machines to help the outs get back in, the people as a whole probably would take little interest in the present controversy and let the politicians fight it out. But the C.W.A. is so vital to all the people in West Virginia that it is little short of criminal to have it made a political football in which the chief aim seems to be the restoration of power to the most corrupt set of political gangsters this State has ever known.

When these facts are finally brought out, there will be no doubt what the administration in Washington will do. The President is already on record that there must be no politics in these recovery efforts. If it comes to his attention that the cards have been stacked in a dozen or more West Virginia counties where the whole C.W.A. program has been turned into a Republican political machine, we'll let you guess what will happen.

Here is an example of the type of discrimination that has been practiced in the giving of employment in Logan County:

In December 1932 the West Virginia Coal & Coke Co. shut down its operations at Earling for lack of running orders, having supplied labor for about 84 men 5 days a week up to that time. The following day two investigators were dispatched from welfare headquarters to Earling and proceeded to register these men. Within the following 3 days every man was given employment upon the roads in preference to 3,500 men previously registered and who had been without employment for months.

That is just one instance. The other day a similar thing happened in Marion County, the facts of which are being assembled now for use in the investigation now being conducted by the legislature.

A thorough and complete reorganization must be had in West Virginia before the spirit of this great effort of the Government will be lived up to.

DECISION OF FEDERAL COURT IN ELECTRIC PATENT CASE

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD the decision of Federal Judge Paul Jones, of Cleveland, in the Federal District Court for the Northern District of Ohio, on day before yesterday involving a subject of which much has been said in the Senate. It involves the electric manufacturing industry and has to do with patent rights which were alleged by the General Electric Co., and which alleged rights entered very largely into the controversy involving a certain N.R.A. code.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF OHIO, WESTERN DIVISION

GENERAL ELECTRIC CO., PLAINTIFF, *v.* SAVE SALES CO. ET AL., DEFENDANTS, IN EQUITY, NO. 1265

(Memorandum filed Feb. 2, 1934. F. J. Denzler, clerk United States District Court, Northern District of Ohio)

JONES, *J.*: This matter is for review on exceptions to the report of the special master finding the patent in suit valid and infringed. The master's report well covers the issues and matters in controversy, which have been adequately briefed by solicitors for the parties. Under these circumstances, there is no occasion for an extended statement of issues and arguments; but it will be sufficient to set forth the considerations upon which a conclusion has been reached.

The validity of this patent only could be asserted by giving the claims the most limited scope, in view of what was known and practiced in respect of frosting electric-light lamps, outside and inside. Transferring the frosting from the outside to the inside was not invention, unless some new result of a dstinctive character was accomplished. Minimized light reduction and increased strength of the bulb appear to be the chief results accomplished over clear or other frosted lamps. Double dipping was practiced before Pipkin. It is the precise character of the second dipping and its effect and result that mark any improvement over the earlier treatments; but the fact that Pipkin first claimed increased strength of bulb by his treatment would not entitle him to rights of conception if such increased strength was present but not known to exist in the earlier teachings. The failure to claim what is inherently present and apparent upon investigation and experiment does not impair the effectiveness of a prior disclosure. Wood apparently had not figured percentage of brightness or of strength, as compared with clear lamps; but I do not believe that percentage of maximum reduced brightness or percentage of increased strength are patentable features. If they should be thought to be patentable, then the variations in percentage of increased strength are patentable features, although it be "but in the estimation of a hair" would escape infringement due to the narrow scope to be accorded the claims. But Wood did disclose the features of rounding jagged edges. And so the Patent Office thought when rejecting earlier applications of Pipkin.

No doubt the plaintiff has put the inside-frosted lamp into widely increased commercial use by improved methods of production, and perhaps has supplied the market with a better and more satisfactory lamp; but I think Wood furnished the germ of the idea in the correspondence and in his patent. Under these circumstances, the evidence of commercial success has no persuasive force.

The Patent Office history of the Pipkin patent so far impairs its patentability over Wood as to give adequate force to the challenge of validity in the granting of this patent. I think the patent invalid for lack of patentability over Wood, whose patent clearly anticipates the Pipkin claims. Insofar as the master's findings and conclusions are inconsistent with this result, the exceptions thereto will be sustained.

Accordingly, the bill will be dismissed and costs awarded the defendants.

JONES,
United States District Judge.

FEBRUARY 2, 1934.

THE N.R.A.—SPEECH BY SENATOR BORAH

Mr. NYE. Mr. President, I ask unanimous consent that there may be printed in the RECORD a very splendid address delivered over the National Broadcasting chain last night by the senior Senator from Idaho [Mr. BORAH].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am deeply indebted to the National Broadcasting Co. for an opportunity to discuss with you tonight a matter which seems to me of very great moment.

Upon the subject which I am going to discuss, I have received in the last few months thousands of letters, sometimes as high as 300 letters a day. Necessarily, I cannot make answer personally to all of these letters. I am in a sense undertaking to reply to these letters tonight. I feel doubly indebted to the broadcasting company for the opportunity.

The questions are two—but in a sense one and the same. The first question is: Can the people, particularly the less-well-to-do people of this country, and that constitutes now about 90 percent of our people, be protected from unjust and extortionate prices now imposed upon them through the price-fixing methods of combines, trusts, and monopolies? Can those who, through great industry and self-denial, are endeavoring to pull themselves out of their present economic distress, be shielded from the cruel exactions of monopolies? There are millions of people in our country still in want of sufficient means to properly feed and clothe and educate their families (a million children, it has been published, are kept out of school in one city for want of proper nourishment), who are now being driven to a still lower standard of living because prices have been fixed at a point beyond their reach. They are compelled to still further deny themselves

and their families the things they sorely need. And these prices are being fixed without restraint, without hindrance, by combinations and monopolies, passing under the euphonious terms of "trade associations", and the prices are being fixed regardless of humanity or justice. This is the first question.

The second question is this: Can small business be rescued from ruin—small business, independent business, which is the real economic strength and backbone of the Nation? The same combinations and monopolistic methods which are fixing prices for the people generally are, through price-fixing and other monopolistic methods, destroying small business. This may seem a strong statement, but it is not too strong; it is true. It can be proven by the facts. I received in one day over 50 letters from small business firms alone scattered throughout the land. These letters tell the story of the battle which they are waging for existence. In many instances the battle has been lost. The second question, therefore, is: Can small business be saved from utter destruction?

In order to fully understand this situation it is necessary to go back in history. When the Industrial Recovery Act came before the Senate for consideration at the last session it provided for the suspension of the antitrust laws, for all laws which had for their purpose the control and restraint of combines and monopolies. When it came to be considered in the Senate I offered an amendment for the purpose of restoring these antitrust laws. The amendment was adopted by the Senate. It went to conference and was there stricken out. A generalization with reference to monopolies was inserted which has proven wholly ineffective. So the National Recovery Act became a law with a provision therein suspending all antitrust laws. All effective control or restraint upon these powerful combinations were removed. They have made good their opportunity.

It is my contention that the antitrust laws should be restored and that they should be enforced. I do not believe it is possible to protect the people of this country from exorbitant and unjust prices or to save small business from utter ruin if these great combines and monopolies are permitted to go unrestrained and uncontrolled. I may say that I have pending now an amendment to the Industrial Recovery Act which would restore the antitrust laws.

It was thought by some, and is still by some contended, that the antitrust laws, if in full effect, would conflict with the administration of the National Recovery Act. If the National Recovery Act is to be executed and administered in harmony with its true terms and its declared purposes, the antitrust laws would not be a hindrance but a distinct assistance in its administration. Neither in practical effect, in moral effect, or in law, is there any conflict between the National Recovery Act and the antitrust laws. The principal contention as to this phase of the matter came from those who were most anxious to get rid of the antitrust laws and the principal objection to restoring the antitrust laws comes from the same source. It is my contention that this is a poor subterfuge, that these two bodies of law, the antitrust and the National Recovery laws, can be made to work in perfect harmony for the welfare of the great body of the American people. It is also my contention that unless the antitrust laws are restored and enforced, the American people will continue to be pillaged and robbed through extortionate prices and that small business will continue to be crushed and driven into bankruptcy. If the antitrust laws are not necessary for the protection of the people and the N.R.A. can, without the aid of the antitrust laws, protect the consumers and small business men, then why has it not done so, and why does it not do so? What I am asking tonight is: Who is responsible for these exorbitant prices and for the harassing and destruction of small business? Everything which the average person engaged in manual labor must purchase has risen in price all the way from 67 percent to 150 percent. Cotton towels have risen 87 percent. Did the N.R.A. do that or consent to that, or was it those who sit about a table and fix the prices of these articles? And if its machinery without the aid of the trust laws can prevent such things, why is it not used? Children's hosiery has risen 94 percent. Who is responsible for that? Men's wear, such as men's socks, have risen 67 percent; cheap shirts, 72 percent; overalls, 110 percent. This is rather an important item to a large body of people in the United States, whose purchasing power is at the lowest ebb. Who is responsible for this, picking the meager pockets of the workingman? I contend it is the result of combines, price fixing. Who is it that is contending the N.R.A. is responsible for it?

I have a letter in my files from an elderly lady from the South who says: "I am sending you a sample of knitting cotton which sold last spring—1933—for 50 cents a pound. Now I must pay 90 cents a pound." And she asks, "Who gets this large profit?" Yes; who does? It is my contention that the few who control the sale of this particular product have raised the price nearly double. I ask: Does the National Recovery Act and those who are administering it need any help to prevent this extortion? Has the blue eagle become a hawk? Certainly not. What is happening is this. While the N.R.A. is seeking to restore purchasing power, monopoly hovers around, soars down like a bird of prey upon the citizen, and not only takes all gain from the laborer, from the farmer, from the people generally but, while taking is good, it takes more than the gain assured by the N.R.A. And while it is in the act of extortion it is screaming "chiseler" to all who object to being fleeced.

According to a monthly survey of business, put out by the American Federation of Labor sometime ago, a 6-percent increase in wages was more than eaten up by an 8.5-percent increase in living costs. In other words, the laborer is more than paying as a consumer for his increase in wages. He is worse off by 2.5 percent than he was last March. Using the figure of 100 to represent pre-war prices, the Bureau of Agricultural Economics index showed farm prices on August 15 at 72, as compared with 76 on July 15, and 64 on June 15. The prices of things the farmer buys were 103 on June 15, or 3 points over the pre-war. This moved to 107 on July 15 and reached 112 on August 15. What a perfect scheme. As the farmer's prices increase, the prices of the things which he has to buy increase so as to remove all possible gain to the farmer. Just so long as a few men sit about and fix prices upon the things which the farmer has to buy, the farmer will never be able to enjoy that equality with industry which has been promised. Those who can control prices can always keep just ahead of the prices of the commodities from the farm.

At the present time it is perfectly clear that monopoly is gathering up everything which the average man and woman might reap in the way of benefit from the present recovery program. These monopolies and combines can, so long as they have unrestrained power to fix prices, deprive the people of any opportunity to make any real gains in their income or in their standard of living. With the antitrust laws suspended these monopolies are restrained neither by the feelings of remorse, the stings of conscience, or the fear of punishment. They are now free and untrammeled to extort the last cent they can from the people of this country and to harass and drive small business to its desperation and ruin.

Let me quote briefly from letters of small business. Under date of January 22, from New York, the writer says: "In almost every industry there are large units. These large units are made up of a number of concerns being merged together. In ninety-nine cases out of a hundred, where these mergers take place the concerns are overcapitalized. Now these concerns that are overcapitalized attempt to make a profit on the overcapitalization with the result they have to get exceptionally high prices for their merchandise. Such concerns are not able to compete with small units except by price fixing. And if they can fix the prices for the entire industry, they will naturally fix them high enough for themselves to make a profit. And if the little man should get the business, he would make a profit out of all proportion to what he was entitled and what he would ask for if he were permitted to sell the goods in his own way. But the real trouble exists where one price is fixed in an industry, the larger units are usually the people who get all the business and the small units get nothing."

Here is the secret, both of high prices and of injury to small business. The people are paying on overcapitalization and are not permitted to pay on the basis of honest capitalization. The high prices they are compelled to pay not only covers overcapitalization but they cover high salaries, and many of them. Small business is not permitted to sell upon a basis of honest capitalization or reasonable salaries.

Another letter under date of January 30 says: "There may be a lot of good in the N.R.A., and incidentally there may be a lot of harm. In the opinion of the writer, unless immediate steps are taken to correct the representation constantly being made by monopolies, it will only hasten the time when there will be no need for the N.R.A. May I ask if the N.R.A. is supposed to help the masses, or is it supposed to add more money into the pockets of the very selfish class?" This is a business house in Brooklyn.

Let me say to the writer that the N.R.A. is supposed to benefit the masses. The law was passed for that purpose. The objective was a righteous one. But monopoly put one over on the framers of the National Recovery Act in securing a repeal or suspension—which amounts to the same thing—of the antitrust laws. It is a notorious fact that big business made it known they were not willing to get in and cooperate unless the trust laws were suspended or repealed. For thirty-odd years an effort has been put forth here in Washington to repeal or emasculate the antitrust laws. Here was the opportunity and they succeeded. And the people are paying for the mistake.

A business house from Kansas City, Mo., writes: "Entrenched industry and capitalistic industries can use this new set-up even more selfishly than they were able to use it under old methods." The writer goes on to state how, through monopolistic practices, such as price fixing, they are ruining small business. Another small business firm in Brooklyn says: "Representing a small business struggling for existence, we are at the mercy of monopolies who control raw material and consequently prices. Under the guise of the N.R.A., the ——— industries have raised prices 30 percent on items the price of which was the same from 1928 to about 1933."

A business firm from Wisconsin says: "They themselves tell us that if we were to ask 20 ——— manufacturers for quotations, their prices would be so identical as not to vary one cent. Not only that, ——— salesmen now openly boast that their concerns have a large bond posted with the ——— ring, which is to be forfeited the minute they cut the prices set by the combine. Many of these companies have boosted their prices by 60 percent, with no excuse of processing taxes to justify this advance." Another letter from a business man at Jacksonville, Ill., says: "Without the antitrust laws in effect, small business cannot survive."

I shall not, for want of time, quote further. But these letters are coming from all parts of the United States and from men anxious to keep in the recovery program. But they also want the right to live, to continue business. And it is the duty of the Government to all that they enjoy the right to live and continue business.

Since this discussion about the small business man has arisen, I had a conversation with one of the prominent figures in one of the great industries in the country which is under a code. I do not feel justified in using his name, but he made this statement: "Senator, you must realize that the small business man is passing out. He does not belong in our modern industrial development. It is not in the interest that a business should be conducted upon the theory that he must be retained. It is natural for us to sympathize with him, but the philosophy of the present constructive program is against him."

Gasoline is a necessity, as modern society is now organized, to the American public in an extent exceeding 2½ pounds daily, for every man, woman, and child in the United States. Its price is, therefore, almost as critical as the price of bread and meat. The domestic consumption of gallons in the year 1933, as reported by the United States Bureau of Mines, was 378,143,000 barrels, 42 gallons each; 378,143,000 multiplied by 42 makes 15,882,006,000 gallons. An increase of 1 cent in the retail price per gallon means an increase of $158,820,060 annually, or $435,000 daily, at the 1933 rate of consumption. Since last June the price of gasoline has increased over 30 percent. In June it was about 12½ cents a gallon and has gone up to an average of 16 cents a gallon. The major companies are in a position to fix prices and to drive out of business the small independent oil men.

My State produces a large amount of lumber. I know most of those engaged in the business. Naturally I have only the friendliest feeling for the industry. But let me call your attention to a statement furnished me by a western lumber company. This statement says:

"In the week of February 5 to 11, 1933, we sold retail $276.18 worth of lumber consisting of 120 different items. On November 3, 1933, our retailed price on this same material was $445.49, showing an increase of 61 percent over the February 1933 prices. Today's price (Feb. 1, 1934) is $484.90, an increase of 9 percent over November 3, 1933, prices, and 75 percent over February 1933. And now, under the new minimum selling price established by the code, this selling price has increased another $71.40 to $556.30, a jump overnight of 15 percent and 25 percent over November 3, 1933, prices, and 101 percent, or more than double, the February 1933 prices. These exact figures are taken from our records."

Balzac, the great French novelist, once said that money never loses an opportunity to be stupid. It seems to me that economic power never loses an opportunity to be stupid. These prices will in the end injure the lumber industry. People who want to build a home will not build a home; they cannot build it. Farmers who want to improve their barns and granaries or build new ones will not do so. They will either do without or find substitutes. But such is the program that is now being carried out.

The Secretary of the Interior, Mr. Ickes, is a hard-working, able, conscientious, courageous public servant. But he has some most peculiar ideas. It is difficult to understand him. To illustrate: He believes that the taxpayers who must pay these great bills are entitled to some protection. He insists on competition in the matter of bidding for public works. He believes the Government cannot be protected if these bidders for public works are permitted to get together and put in the same bids. He goes so far as to say these people who get together and put up prices on the Government are crooks, or something to that effect. And he seems to think they are such, regardless of what their politics may be.

Now, Mr. Ickes has been much criticized for these ideas. But I venture to think he is right. The taxpayer ought to be protected and the Government ought not to be "gypped" by a combination of bidders. But if the Government is entitled to the benefit of competition, if the Government is entitled to protection against fixed bids and thereby fixed prices, are not the people entitled to protection against price fixing? If a farmer wants, for instance, to buy a farm implement, he could travel from San Francisco to New York and he would, I suspect, find the price the same all the way along, fixed by somebody and fixed at an unconscionable point. If a workingman wants to buy a pair of overalls, he might travel from the Canadian line to the Gulf, but he would likely find the same price. And he would further find that if some small business man felt that, owing to his less highly watered business, he was willing to sell for a lower price, he would be put in jail. Now, my friends, this is all wrong. It is an injustice to the whole people. And in many instances and in many respects it cannot be defended morally any more than the exactions of Dick Turpin on the London road.

Billions of dollars are being expended by the Government to restore prosperity. When the game is played through, in whose possession is this money? Largely in the possession of trade associations, combines, and monopolies, which have the power to fix, and are fixing, prices. If workingmen get a little higher wage, it is taken away by the higher prices of things they must buy, and they are unable to save a dollar. If the average man or woman makes a gain somewhere, the cost of living goes up and they are no better off—the situation is not changed. If the farmer receives some benefit from some policy of the A.A.A., the monopolies and combines, which operate under the N.R.A., take it away. Last summer when the packers came to the conclusion that the consumers would not carry the processing tax, they made themselves safe by reducing the price of hogs. Play the game as you will, the monopolies, who are able to fix prices, will win.

What benefit is it to the laborer to raise wages if a few companies may raise prices to rob him of the benefit of the raise in wages? What is the use to kill pigs and reduce acreage if the harvester combine, the packers, and the major oil companies can put up prices so as to grab off to themselves all the benefits? Until we can increase the purchasing power of the masses, until they can buy more, not less, as they are doing now, until they can make some savings, there can be no permanent prosperity. Prices should be kept down within reason and the price of labor raised and unemployment decreased. When that is done the increased demand for goods, for the things which men and women must have in order to live, that of itself will stimulate business, and that stimulation will normally raise the prices of articles which the people need. But to raise prices first, as monopoly is doing, is simply to hold labor down, likewise the producer, to the bare level of existence. With the price-fixing power in the hands of those interested in charging all the traffic will bear, there is no hope of restoring the purchasing power of the masses and no hope of prosperity until that is done.

When these conditions are pointed out someone goes into a trance and begins to ejaculate about how we cannot go back to rugged individualism; that we have arrived at a new era, the era of planned industrialism. I do not care to enter into a discussion as to the merits or demerits of rugged individualism or of planned industrialism. So far as the subject I am discussing tonight is concerned, I am not interested in that question. What I have to say is that it matters little what you call it; if combines, trusts, and monopolies dominate the program, it is just the same to the people, whether you call it rugged individualism or planned industrialism. It makes little difference to the consumer paying extortionate prices or to small business fighting for its life against monopolies whether you call the process rugged individualism or planned industrialism. If monopoly is permitted to have its way under both schemes, permitted to fix the rules of the game under both schemes, the results are the same to the people. Any scheme, whatever you may call it, which does not protect the individual citizen from unjust charges and prices, which fails to insure to him economic justice; any scheme which does not give small and independent business a fair chance in the struggle for existence, is a libel upon government, a travesty upon justice, and a brutal indefensible system, regardless of whether you call it new freedom, old freedom, rugged individualism, or planned industrialism. The test is whether the citizen is free from these injustices and is permitted to have his portion of the wealth and income of the country. If we are to have planning and a great scheme of cooperation, we are certainly not going to consent that it shall be a legal rendezvous for monopoly. If we are going to have this new scheme, the average man and woman must be treated, not merely as an economic cog in a vast machine but as human beings, hoping, aspiring, feeling, sentient souls. The average man or woman cannot be reduced to economic slavery, carrying the weight which kills, simply in the name of this or that scheme. They are entitled to be treated as citizens and to be protected against the rapacious charges of combines and monopolies. If a plan is defective in that respect, it is nothing but legalized robbery. I do not care what you call it.

POST-OFFICE APPOINTMENTS

Mr. STEIWER. Mr. President, yesterday during the time the Senator from Indiana [Mr. ROBINSON] was addressing the Senate I was permitted to interrupt and to make some comments upon the existing rules in the Post Office Department with respect to the appointment of postmasters. In submitting such comments, I asserted that I understood that changes had been made in this administration with respect to the system of appointment. My statements were denied by Senators, and because they were so positively challenged I desire to take a few minutes to place in the RECORD the Executive order under which postmasters are presently to be appointed.

It is not necessary, I think, to read the statements made yesterday by the Senators who challenged my statement, but I am referring to the statements made by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Tennessee [Mr. MCKELLAR]. Both those Senators made the statement that the system under which the Department is now operating is identical with the system under which it has been operating in the appointment of postmasters for many years, and specifically is identical with the system that was employed under the Hoover, the Coolidge, and the Harding administrations.

At that time I was not prepared to offer the Executive order because I did not have it in my possession. But since then I have acquired a copy and have examined it. I read from the order:

> When such examination has been held and the papers submitted therewith have been rated, the Commission shall furnish a certificate of not less than three eligibles, if the same can be obtained, to the Postmaster General, who shall submit to the President the name of one of the highest three for appointment to fill such vacancies: *Provided*, That the Postmaster General may reject the name of any person or persons so certified if he shall find that such person or persons is disqualified.

I will conclude the reading at that point although that does not complete the paragraph.

The language last read, namely, "that the Postmaster General may reject the name of any person or persons so certified if he shall find such person or persons is disqualified", constitutes a significant change from the earlier Executive order. In the brief time since yesterday I have not had time to examine all of those orders, but I have examined one of them, namely, the one in effect just previous to the order from which I am reading. I find that in that order this extraordinary power of unlimited rejection is not conferred upon the Postmaster General. So far as I can learn by inquiry of those interested in the Post Office Service, the language to which I have alluded appears in the Executive order of July 12, 1933, for the first time since the commencement of the merit system in this country.

I did not yesterday intend to charge the Postmaster General with any impropriety under the order. Indeed, I have no information about the conduct of the Postmaster General with respect to it. I did not intend to impute anything with respect to him. What I did intend to say is that there had been a change in the system, a change in the rule. It was that statement of mine that was controverted and it is with respect to that matter that I am addressing myself briefly this morning.

Mr. President, I ask that the Executive order to which I have referred may be printed as a part of my remarks at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The Executive order is as follows:

EXECUTIVE ORDER

APPOINTMENT OF POSTMASTERS

When a vacancy exists or occurs in the position of postmaster at an office of the first, second, or third class, the Postmaster General may submit to the President for renomination the name of the postmaster whose term has expired or is about to expire, or the name of some qualified person within the competitive classified Civil Service. If no such person is nominated, the Postmaster General shall certify the fact to the Civil Service Commission which shall forthwith hold an open competitive examination to test the fitness of applicants not in either of the above-mentioned classes to fill such vacancy. When such examination has been held and the papers submitted therewith have been rated, the Commission shall furnish a certificate of not less than three eligibles, if the same can be obtained, to the Postmaster General, who shall submit to the President the name of one of the highest three for appointment to fill such vacancy: *Provided*, That the Postmaster General may reject the name of any person or persons so certified if he shall find that such person or persons is disqualified, in which event the said Commission shall upon request of the Postmaster General complete the certificate of three names: *Provided*, That no person who has passed his sixty-sixth birthday at the date for close of receipt of applications for such examination shall be permitted to take the same: *And provided further*, That no person shall be examined for postmaster who has not actually resided within the delivery of the office for which application is made for 1 year next preceding such date: *And provided further*, That at the expiration of the term of any postmaster, or anticipating such expiration, or upon the death, resignation, or removal of any postmaster, the Postmaster General may, in his discretion, request the Civil Service Commission to hold an examination.

If, pursuant to this order, it is desired to submit to the President for nomination the name of a person in the competitive classified service, such person must first be found by the Civil Service Commission to possess the requisite qualifications.

No person who has pased his sixty-sixth birthday shall be appointed acting postmaster in an office of the first, second, or third class unless he is already in the Postal Service.

The Civil Service Commission, in rating the examination papers of candidates who are veterans of the World War, Spanish-American War, or the Philippine insurrection, shall add to their earned ratings five points and make certification to the Postmaster General in accordance with their relative positions thus acquired.

The time such candidates were in the service during such wars may be reckoned by the Commission in making up the required length of business experience. As to such candidates all age limitations shall be waived.

This order shall supersede all previous Executive orders affecting the appointment of postmasters to post offices of the first, second, and third classes.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *July 12, 1933.*

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. STEIWER. I yield.

Mr. BARKLEY. I merely rise to suggest to the Senator that while it may be that the sentence he read was not in the former Executive order, it has not brought about any change in practice. The Postmaster General has never been required to appoint a disqualified man, not only as postmaster, but as rural carrier. The same rule has applied from time immemorial with reference to the appointment of rural carriers. For instance, if one of the highest rated is discovered to be a nonresident of the territory or for some reason not shown on the civil-service examination is disqualified, the Postmaster General has never been required to appoint him. It has been the practice, always, to require a new certification so as to get a full list of qualified people, regardless of whether they were the first three on the list or not.

Mr. STEIWER. That is true; and it is equally true that in the order which I have just sent to the desk there is an exception, as it has always existed, to the effect that disqualified men need not be appointed; and the disqualifications are enumerated. The disqualifications are defined in this Executive order and in previous Executive orders. But the language to which I have called attention does not appear in previous Executive orders, and it has the effect of conferring upon the Postmaster General the right, without the assignment of a reason, without any reference to the qualifications enumerated in the Executive order, but solely within his own discretion, to refuse to accept any one of the three highest names on the list.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Michigan?

Mr. STEIWER. I yield.

Mr. VANDENBERG. I invite the Senator's attention to the fact that sometimes reasons are assigned for the removal of Republican postmasters which are rather inconclusive and not particularly persuasive. For instance, I know of several situations where Republican postmasters whose terms have not expired have been removed for so-called "pernicious political activity", that being the official excuse or reason assigned by the Post Office Department. I have repeatedly sought to obtain from the Post Office Department a definition of what precisely "pernicious political activity" consists, because it occurred to me that it would be interesting to apply the rule reciprocally. But I never have been able to get a bill of particulars.

I fully realize the Postmaster General's very tender and unremitting aversion to political activity of any nature, and I can sympathetically understand how keenly he would desire to have the entire Post Office Department, from the top down, separated from any remote relationship to politics. But it does seem to me if Republican postmasters are to be removed for a violation of the Democratic Postmaster General's tender political conscience in this respect, it would be interesting to know precisely what constitutes the "pernicious political activity" that ought to separate a man from his postal job. Then we should be able to apply the rule uniformly and perhaps assist the Postmaster General in attaining the antipolitical isolation which these orders would indicate he seeks.

Mr. STEIWER. That would be interesting, of course, but I hope the Senator from Michigan is not seeking to divert me from my original purpose. I do not intend to join with him in his subtle allusion to the Postmaster General or his administration of the matter. I have no desire to touch upon that. All I intend to do is to make the record show plainly that the system today is not the system of former administrations.

Mr. McKELLAR and Mr. CLARK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I will yield in just a moment.

There was written in the Executive order language which is most pertinent with respect to the suggestion of the Senator from Michigan and which, if it is to be given any meaning at all, is bound to result in the exercise of un-

limited discretion at some time by some Postmaster General and will, in my judgment, completely destroy the merit system in the appointment of postmasters.

I yield now to the Senator from Tennessee.

Mr. McKELLAR. What the order does is to put in effect in words just what the three previous administrations have been putting into effect in practice, nothing more, nothing less. The selection of postmasters is made in exactly the same way.

With reference to the two individual cases referred to by several Senators, will the Senator from Oregon permit me to say that on yesterday my good friend the Senator from Ohio [Mr. FESS], whom I admire very much, pointed out the case of a postmaster by the name of Geren, at Columbus, Ohio, who said he had been dismissed and another man appointed in his place when Mr. Geren had 3 more years to serve. That was not correct, and the Senator was misinformed. The postmaster in question at Columbus, Ohio, had served 10 months beyond his term. It was a civil-service appointment. Another man had been appointed 10 months after the term of Mr. Geren had expired.

Mr. STEIWER. I now yield to the Senator from Missouri.

Mr. CLARK. I simply want to say that I heartily agree with the statement of the Senator from Oregon that postal affairs are not being conducted under this administration as they were under the preceding administration. As an example of that I cite the visit of Fourth Assistant Postmaster General Phillips to Missouri about a year ago, when he served notice on the postmasters at a meeting out there, in effect, and almost in exact words, that if they did not indulge in pernicious political activity they were going to be fired.

Mr. STEIWER. That has nothing to do with the system under which the Post Office Department is administered. If the statement be true, it merely reflects upon the officer who was guilty of that misconduct.

I am not talking about the misconduct or the good conduct of any officer in an earlier administration or in this administration, nor am I imputing any misconduct to the Postmaster General or any assistant in this administration. I am merely insisting that there is a change in the rule under which the system may differ if the Postmaster General wills it to be different.

I want to say a word with respect to what was said a moment ago by the Senator from Tennessee. If the system is the same today as it has been previously it is merely because the Postmaster General wills it so. It is not the same by reason of the force of an Executive order, because there is a difference in the Executive order as has been stated. There is a difference in the meaning of the language. There is a difference in the object to be attained by the language, and it is impossible to say that the system necessarily is going to be the same now as it was under the former system.

Now that the matter has been challenged let me refer to the earlier order, the one in effect at the time the President issued the order of July 12, 1933. The former order, after providing that appointment should be made from the three highest, provided that the Postmaster General could reject the name of any person or persons so certified if he should find that "by reason of character or residence such person or persons shall become disqualified after such examination."

That language very clearly conferred upon the Civil Service Commission authority to determine the qualifications and the eligibility of those to be certified to the Postmaster General. It gave to the Postmaster General a discretion only in the event that something happens after the names have been certified, and then only for stated grounds which were clearly identified in the Executive order.

But in the Executive order to which I have invited attention the discretion of the Postmaster General is not limited to anything happening after the examination has been held by the Civil Service Commission, and it is not defined by limitation as to character or anything else. By the express language of the order the whole discretion is turned over to the Postmaster General to be exercised in accordance with his judgment, without rule and without limitation. If the Postmaster General in his wisdom has seen fit to adhere to the old practice, that is one thing; but if this or any other Postmaster General shall subsequently determine to depart from the old practice by reason of having powers and discretion conferred upon him, that most certainly is another thing.

Mr. HEBERT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Rhode Island?

Mr. STEIWER. I yield.

Mr. HEBERT. Until we were informed by the Senator from Michigan [Mr. VANDENBERG] a moment ago that postmasters had been removed for pernicious political activity, I had supposed that that had not been considered as a cause for removal from office. I was led to that conclusion because it happens that in the city of Providence only recently the chairman of the Democratic committee of Providence was named as postmaster. I understand he is still acting in that capacity. I do not mean to say that he has not the qualifications to fill the office. The fact is that he was postmaster there previously, and, so far I know, performed his duties in a perfectly satisfactory manner.

I merely allude to the fact because of my amazement at the statement made by the Senator from Michigan.

Mr. STEIWER. Mr. President, I have one more——

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Arkansas?

Mr. ROBINSON of Arkansas. No; I do not ask the Senator to yield. I am rising to a question of order.

The Senate has been in session for 30 minutes engaging in what is essentially a political discussion. I am going to demand the regular order, and that the Senate proceed with its business.

The VICE PRESIDENT. The regular order is demanded.

CIVIL WORKS ADMINISTRATION APPROPRIATION

The Senate resumed the consideration of the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arizona [Mr. HAYDEN].

Mr. STEIWER. Mr. President, I ask recognition.

The VICE PRESIDENT. The Senator from Oregon.

Mr. STEIWER. I will now proceed with my comment, if I may.

The effect of the two orders, taken in comparison, leads to this conclusion: That under the former order the Postmaster General was bound to appoint from the three highest eligibles; or, within the strict limitations of the order, he could select someone else, provided that other person had been found to be qualified by the Civil Service Commission. Now, the Postmaster General, under the latitude allowed him, and in the exercise of his discretion, may name not only one of the three eligibles but may name, if he sees fit, in the exercise of his discretion, any other person who has taken the examination, provided such person meets the qualifications of residence and is not more than 66 years of age. The new authority and wide discretion conferred by the President's executive order upon the Postmaster General permits an appointment system entirely different from all former systems employed under civil service, and, of course, it is susceptible to grave political abuses.

So I conclude that the statement I made yesterday is supported by the record. The contentions made in contradiction to my statement apparently are unsupported.

Mr. BULKLEY. Mr. President, my attention has been called to certain remarks made by my colleague [Mr. FESS] on the floor here yesterday concerning the removal of post-

masters in Ohio without charges, merely to supplant Republican postmasters by Democrats.

I am sure my colleague did not intend to misrepresent the facts, but he has been so badly misled into making these statements that I think it necessary to make a brief statement as to what the actual truth is.

My colleague said here that the postmaster at Columbus had been removed, that his resignation had been asked, without any charges being made against him. The fact is that his term expired in December 1932. He was allowed to serve until October 1933; and then, having had a civil-service status before his service as postmaster, he was restored to civil service as a clerk in the Columbus post office, so as to preserve his retirement rights.

My colleague said that the same thing happened in Toledo, and the same thing actually did happen in Toledo; namely, the term of the postmaster there expired in December 1932. He was allowed to serve until August 1933.

My colleague said the same thing happened in Cleveland, and I know he will agree now, after a conversation I have had with him, that he was grossly mistaken about the Cleveland situation.

He did not allude specifically to Cincinnati, but the fact is that the Republican postmaster there became a candidate for public office, and so was required under the law to resign, and he did proffer his resignation without its having been asked.

In Dayton, Youngstown, and generally throughout the State, Republican postmasters are being permitted to serve out the terms for which they have been appointed. I do not think there is a single case in the whole State of Ohio where any Republican postmaster has been removed without cause. So far as I am concerned, it seems to me fair play that Republican postmasters should be permitted to serve out the terms for which they have been appointed and confirmed.

I hope my colleague will agree that this statement is the truth. If he has any instance where he thinks a Republican postmaster has been unjustly removed, I should like to hear what it is.

Mr. FESS. Mr. President, my colleague [Mr. BULKLEY] called attention this morning to the particular cases to which I referred yesterday in a colloquy with the Senator from Tennessee [Mr. MCKELLAR] when he was speaking about the policy that had been in vogue under President Harding, and contrasted that policy with the policy of the present administration.

I made the statement without any thought that it would be any reflection upon my colleague. There is no one in this body for whom I have a higher admiration than my colleague. His conduct in all the matters in which I have been associated with him, politically or otherwise, has been without blemish, and has been, as I regard it, very much on the square. When he called my attention to the matter this morning, I explained to him why I made the statement; and I certainly did not at the time think of making any reflection upon him.

As I stated before, I have never made any complaint in this body or to any individual about the postmaster situation in Ohio until yesterday; and I did it yesterday when it was called to my attention by the comparison of the two administrations.

Mr. President, I think it is due to the Senate and myself and all concerned that I state that my statement probably has been misinterpreted. For example, all of these people were reappointed, given recess appointments.

Mr. BULKLEY. Mr. President, that is not quite accurate. The postmasters in Columbus and Toledo had recess appointments which the Senate did not confirm.

Mr. FESS. Yes.

Mr. BULKLEY. And, of course, if the Senator is seeking to draw a parallel with the Harding administration, he will remember that the precedent for the refusal of the Senate to confirm appointments last winter goes right back to the beginning of the Harding administration.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. FESS. Not now. Just a moment.

These reappointments were made. They were not confirmed by the Senate. They were made in recess, then submitted after we came into session and were not confirmed by the Senate, and therefore, were not really reappointments. That is the error into which I fell.

When these persons spoke to me and said there had been no complaint made, I realized, as Senators will, that there was no basis for complaint if confirmation was not made. All that was necessary was to make the appointments; and the appointments were made without calling for any particular resignation, but simply to fill the vacancies that would occur when these men ceased to hold their offices.

Mr. BULKLEY. Mr. President——

Mr. FESS. I yield.

Mr. BULKLEY. Will my colleague agree with me that he was mistaken about Cleveland?

Mr. FESS. I have to accept the Senator's statement of facts that I did not know. Evidently I was mistaken in the facts; and the Senator, instead of being subject to criticism there is entitled to the highest commendation for what he did. That was all unknown to me.

Mr. President, in the light of what occurred in the case of the Federal Trade Commission, where vacancies were demanded because of a change of administration on the ground that the administration could get along better and more effectively with persons of their own political thinking, and in view of the statements of the Postmaster General that "Democrats can ride horses just as well as Republicans", and so forth, I assumed that this was the general practice, although, as I stated before, I had never made any complaint; and I stated to my colleague that in the appointment of postmasters I knew that he would not have anybody nominated who would fall below the basis of his standard of character, and as long as that was done I had no opposition; I would go along with any recommendations he might make. So I want my colleague especially to understand that I meant no reflection upon him in what I stated yesterday, and it is in a sense a misinterpretation of the facts as they existed.

Mr. BULKLEY. Of course, I well understand that my colleague did not intend any reflection upon me; but I should be sorry to have any reflection on the action of the Department, either.

Mr. LONG. Mr. President, I was hoping we could vote on the amendment of the Senator from Arizona [Mr. HAYDEN]; but I have quite a post-office discussion in my system with regard to Louisiana, and if this line of debate is going to continue, now would be a good time for it.

If we can vote on the pending amendment, I shall withhold a 2- or 3-hour discourse that I want to make on post offices; but if the post-office discussion is going to continue I want to discuss post offices, too.

Mr. MCKELLAR. Mr. President, let us finish the bill.

Mr. ROBINSON of Arkansas. Mr. President, I suggest to the Senator from Louisiana that he do withhold his discussion and let us go on with the bill.

As every Senator understands, all this discussion this morning on post-office nominations is, under the peculiar rules of the Senate, permitted because a Senator, when he takes the floor, does not have to speak to the subject before the Senate, provided he is willing impliedly to say that he thinks he is doing it. I suggested the regular order, but, of course, Senators took advantage of the interpretation of the rules of the Senate.

I hope we may go on with the work before us.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN]. [Putting the question.] By the sound the noes appear to have it.

Mr. LONG. I call for a division, Mr. President.

Mr. HAYDEN. I ask for the yeas and nays.

The yeas and nays were not ordered.

On a division, the amendment was agreed to.

Mr. CUTTING. Mr. President, I send to the desk an amendment which I ask to have read.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. The Senator from New Mexico offers the following amendment:

On page 2, line 2, to strike out "$950,000,000" and to insert "$2,500,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Mexico.

Mr. CUTTING. Mr. President, I think there is no need of spending much of the time of the Senate in discussing the proposed amendment. Every Member of the Senate has weighed in his own mind the action which is going to be taken today. I do not anticipate that anything I may say will influence any votes, but this is a question of so great importance that I think I should briefly state the grounds which lead me to offer the amendment.

It has become a platitude that the chief cause of the depression is the failure of our purchasing power to live up to our productive power. It is, as I have said before, a platitude in our speech, and yet it seems that all our official actions are governed by entirely different principles.

In my conception the C.W.A. has been by far the most successful effort of the present administration to deal with the fundamental problem. I say that not in criticism of other efforts, but in particular commendation of the work which has been done by the C.W.A. administration since it was inaugurated in November.

I need scarcely say, Mr. President, that I am not one of those who agree with Governor Smith that we should abide by experience as against experiment. The experience of the last few years has been bitter and futile experience. I think the experience we have had is experience in what should not be done. I do not believe it can justly be used as a criterion for what we should do from now on. I entirely approve of the policy of the administration in experimenting as widely as possible so long as the experiment seems to have any rational or reasonable basis which may give us hope of success. Personally, I have voted for all the experiments suggested by the administration, with the single exception of the economy act, which in my opinion was untenable in theory, and which I do not believe any Member of the Senate could at the present date successfully defend as a practical operation.

I am blaming no one in the administration or out of it for the fact that most of the experiments have failed, but I think that is the fact. I think it is a further fact that this experiment of the C.W.A. has done more to put purchasing power in the hands of the masses of the people than all the other experiments which the administration has adopted put together. I think it has been a magnificent success. I do not yield to the Senator from Tennessee or any one else in my admiration of the way Mr. Hopkins and his assistants have handled this tremendous problem. I do not believe any of us could in November have anticipated the speed and success with which over 4,000,000 people were put to work in this short space of time. And just because it has been such a magnificent success, I appeal to the members of the majority party in this Chamber and elsewhere to keep it going; not to let it drop on the 1st day of May.

This, in brief, is the purpose of my amendment.

Mr. Hopkins has testified before the committee that during most of the time the C.W.A. was expending $70,000,000 a week; that recently, on account of the reduction of the hours in rural sections from 24 to 15 hours a week, the expenditure had been reduced to $45,000,000 a week. At $45,000,000 a week, with such minor reductions as may be possible in the summer months, it will require something like $2,000,000,000 to keep this work going until the next regular session of Congress. My amendment calls for two and a half billion dollars because, as Senators well realize, the total sum must include the $500,000,000 which is expected to take care of the regular relief work for that period of time.

Mr. President, a great many objections to the C.W.A. have been raised on the floor of the Senate. Many of them come from this side of the aisle. I feel that Mr. Hopkins has been fair enough to admit the existence of certain defects in the administration of the C.W.A. There has been the question of graft. There has been the question of political discrimination. I know quite well that both those things exist, and I am convinced that it was impossible for any administration to put to work as many men as Mr. Hopkins has put to work in so short a space of time without defects being found throughout the program.

I know that in my own State there is probably not a county from which there have not been complaints about political or other discrimination in the C.W.A. I know, further, that some of the work which has been done by the present administration throughout the country has been in itself comparatively insignificant in tangible results. I do not think that criticism is as valid as a great many people believe. There is at any rate an enormous amount of useful public work still to be done. Where C.W.A. activities have been confined to raking leaves, I believe it has been largely the fault of those locally in charge of the work. It is also due to the fact that this work had to be done at short notice, and that it was impossible to give the broad supervision which was undoubtedly necessary, and which can be given in the future.

I agree that in some parts of the country the wages have been so high as to attract men from other occupations. The Senator from Tennessee, in my opinion, answered that objection satisfactorily yesterday, showing that that was due to a part of the law which will no longer be in effect.

I think, furthermore, that in many parts of the country there has been dissatisfaction because where in a community there were three unemployed, it has been possible to put only one to work. I believe in increasing the program. But if we are not going to increase the program, then I think that in many parts of the country it would be better to stagger the work; to give three times as many men employment at wages which in many cases are commensurate with what they would normally be receiving. Mr. Hopkins himself makes that admission in the hearings.

Those are the current criticisms of C.W.A. I concede that they are valid criticisms, so far as they go, but I submit that when we are talking in those terms we are looking at the trees so hard that we are unable to see the woods. I know that in my State—and I think I am speaking for the majority of States west of the Mississippi—the C.W.A. work has been the only work which has ameliorated the situation in any way.

I do not want to criticize the other activities in which the Government has been engaged. In some parts of the country no doubt some of them have given help. But I do say that in the West, at any rate, the C.W.A. work has been the principal Government activity toward which people have looked to obtain relief. I am not speaking merely of the unemployed; I am speaking of the communities as a whole. When the unemployed are given purchasing power, it, of course, enables the small storekeepers who have for years extended them credit to get their bills paid, and in return to pay the bills of the wholesalers who have kept the storekeepers going. The process is far-reaching. It is important. It is more important, to my mind, than anything else which has been done in the United States during the past few months.

I think that when the history of 1933 is finally written the greatest plume in the crest of the Roosevelt administration will be the C.W.A. work under Administrator Hopkins.

Why, then, are we proposing to cut this work down on the 1st of May? If the Senate votes for the recommendations of the committee, the C.W.A. work will begin tapering off almost at once, and on the 1st of May it will cease altogether.

So far as I can find from the hearings, the only reasons were those given by Mr. Hopkins on page 33 of the Senate

hearings, which were quoted yesterday by the Senator from Tennessee. Said Mr. Hopkins:

Our reasons for not recommending a sum of money which will continue Civil Works I think are substantially these.

Let me discuss these for a moment seriatim.

First. It was started as an emergency enterprise. When the President announced Civil Works, it was to meet the emergency this winter.

Mr. President, I submit that that argument would apply with equal validity to every other effort which the administration has made. Neither the C.C.C., nor the N.R.A., nor the P.W.A., nor the A.A.A., nor any of the other Government activities were initiated with the intention of being continued permanently. They were all undertaken, in the first place, as emergency measures.

Mr. CLARK. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. CUTTING. I yield.

Mr. CLARK. I should like to say that, so far as I am concerned, I agree entirely with the position of the Senator from New Mexico that the most helpful money that has been spent by the Government in its whole recovery program has been spent by the C.W.A., but is it not a fact that the C.W.A. was called into being as a temporary measure by reason of the failure of the P.W.A. to get in operation? In other words, the only excuse that I have heard offered or that I can conceive of being offered upon the floor of the Senate at the time the appropriation for $3,300,000,000 was made for Public Works Administration was that of the Senator from New York [Mr. WAGNER] who said, "You cannot prime a pump with an eye-dropper." In other words, the whole theory of the original appropriation was that so much money would be thrown into the undertaking, that such a vast program would be started that unemployment would be hit a staggering blow before cold weather.

Without any criticism of the administration of the Public Works, nevertheless it is true that so far as the purpose of Congress was concerned it was a complete failure. It was tied up in so much red tape, it was so cumbersome, so slow-moving, so timorous and fearful in the selection of projects that cold weather was approaching without any appreciable blow having been given to the unemployment. It was for that purpose that the C.W.A. was created. Now at the present time, with the Public Works Administration belatedly coming along, it is my understanding that they are tapering off the C.W.A. because P.W.A. will soon be performing its functions. I may say further that while I intend to follow the recommendation of the President in this matter, I would personally much prefer making this further grant to the C.W.A. to making further grants to the slow-moving P.W.A.

Mr. CUTTING. Mr. President, I agree with what the Senator from Missouri has just said. Of course, the C.W.A. was an emergency undertaking; it was an undertaking which was not submitted to Congress and with which Congress had nothing to do. It was meant as a substitute for the P.W.A., for which Congress did provide. I prefer to deal with that matter in a moment. I was trying to discuss first the first reason stated by Mr. Hopkins, namely, that this was purely an emergency enterprise. I say in that respect that when we are dealing with experimental measures we are dealing with emergency enterprises all the way through, and the theory means that where the experiment is successful it will be kept in effect and that where an experiment has failed it will be dropped.

Mr. TYDINGS. Mr. President——

Mr. CUTTING. I yield to the Senator from Maryland.

Mr. TYDINGS. Without discounting for a moment the emergency and the need for taking some action, one thing that is worrying me considerably is what will happen when we actually do cut off the money for Civil Works Administration, because I can see no prospects of the people now working under that administration being employed in any other line of activity.

Mr. CUTTING. That is exactly what is worrying me.

Mr. TYDINGS. If we are going into a long-time expenditure, I do not think that this activity is calculated on that basis. It is calculated for a year only or for 6 months, and what I am afraid of is that we are going to run out of money after a while without having planned for a situation that may eventually be on our doorsteps.

Mr. CUTTING. I began by discussing the five reasons given by Mr. Hopkins as to why the work ought to stop. I should like to continue to discuss the five reasons before yielding any further. After that I shall be glad to yield and to state my own personal viewpoint about the whole matter.

First—

Mr. Hopkins said—

It was started as an emergency enterprise.

To my mind, while that is a correct statement, in what respect does the C.W.A. differ from any of the other experiments entered upon by the administraton?—

Second—

Said Mr. Hopkins—

There will be a substantial pick-up in public works.

Of course, we all hope that that will be the case. I do not want to argue that question, except to say that none of us has any idea as to how much of the C.W.A. work will be absorbed by the P.W.A., and that we ought not to take any chances until we do know definitely facts which are not on record either in Mr. Hopkins' testimony or anywhere else. I should like to read a few lines in this connection from the Philadelphia Record of this morning:

How long shall we continue C.W.A. work?

The question is without point. It is like a debate between the captain and the first mate on how far to sail the ship in a storm. "Let's sail 100 miles", says the captain. "Make it 150 miles", says the first mate.

But the ship must sail until it gets to port. C.W.A. must continue until it is no longer needed.

I quote further:

Well, then, how long shall we continue C.W.A.?

Until the P.W.A. succeeds in creating enough jobs to take C.W.A.'s place.

If it be decided that we should keep 4,000,000 at work, let us keep 4,000,000 at work. The Record thinks the number should be greater if we are going to increase mass purchasing power.

I may say, Mr. President, that I heartily agree with the Philadelphia Record in that respect. I quote further:

But even granting that 4,000,000 is the proper number—

If P.W.A. creates 500,000 jobs, then cut C.W.A. to 3,500,000. If P.W.A. creates 1,000,000 jobs, cut C.W.A. to 3,000,000.

But let's stop taking guesses as to how many jobs P.W.A. will create. Let's wait until it creates them. Let's consider C.W.A. and P.W.A. as complementary projects, with the one purpose of "stabilizing" 4,000,000 jobs.

So far, C.W.A. offers more hope than P.W.A.

C.W.A. has spent $286,000,000 since November 15; P.W.A. has advanced only $51,000,000 to States and cities for construction since July 1.

In the month of January, C.W.A. spent $188,000,000. In that entire month, P.W.A. advanced only $2,953,000 to States and cities, or less than 2 percent of C.W.A. expenditures.

I think that is a sufficient answer to the second reason given by Mr. Hopkins.

Third—

Says Mr. Hopkins—

Third. Civil Works was started at the low point of employment—that is, December and January have always been the low months in factory reemployment—so there will be a seasonal pick-up.

There again is something which we all hope will be the case, but we have no possible figures to show what kind of a seasonal pick-up there will be during the present year.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from New York.

Mr. WAGNER. By increasing this appropriation it does not follow, does it, that the money necessarily is going to be expended?

Mr. CUTTING. Of course not.

Mr. WAGNER. If private industry, plus the Public Works Administration, should absorb enough of the unemployment

to obviate the necessity for a continuation of the program under the C.W.A., it can be retarded; but if we fail to make an appropriation, demobilization has got to take place by May 1, and we may walk right into another serious recession.

Mr. CUTTING. Of course, Mr. President, I hope as sincerely as anyone else does that the prophesies made by Mr. Hopkins will come true, and in that case nobody would suggest spending money which it would be unnecessary to spend.

Mr. McKELLAR. Mr. President——

Mr. CUTTING. I yield to the Senator from Tennessee.

Mr. McKELLAR. But if the appropriation were changed from the sum carried in this bill, namely, $950,000,000, to $2,500,000,000, would not the Senator take that as a direction to Mr. Hopkins to continue the work? Suppose the Senator were in Mr. Hopkins' place. After he had recommended that this work be gradually discontinued by May 1, after an appropriation of $950,000,000 for that purpose had been recommended, then, if the Congress should increase the amount to $2,500,000,000, if the Senator were in Mr. Hopkins' place, would he not regard that as a direction to continue the work rather than to shut it off?

Mr. CUTTING. Oh, no; I should not regard it in that light for a moment if there were no necessity for the work. I should not regard it as such a direction any more than Mr. Ickes, the Public Works Administrator, would take advantage of an appropriation for his administration if he did not think the money could be properly expended.

Mr. WAGNER. Mr. President, I will suggest that, after all, the entire program is under the direction of the President, just as the President directed the transfer of the $400,000,000 in order to inaugurate the C.W.A. program.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. As a matter of fact, the Civil Works Administration was created by Executive order, and at any time the President should determine that it was necessary to do so another Executive order could terminate it.

Mr. CUTTING. Exactly.

Mr. McKELLAR. Here are the facts before us: The President, as the chief administrator of this work, has sent his representative here, who recommends, as the President recommends, that the appropriation be $950,000,000. If the President is looking after it—and evidently he is, and evidently he is doing it well—why can we not trust him to go on and continue the work?

Mr. CUTTING. Mr. President, I am not disposed to depart from my line of argument in order to discuss at this time the main principles involved. I am dealing with the arguments which Mr. Hopkins—sent, as the Senator from Tennessee says, by the President—came before Congress to present, and I am trying to show that, in my judgment, these five particular arguments are transparently weak.

Mr. COSTIGAN. Mr. President——

Mr. CUTTING. I yield to the Senator from Colorado.

Mr. COSTIGAN. It was not my intention at this time to interrupt the argument of the able Senator from New Mexico. I had expected later to present the inquiry I wish now to make. It is, however, pertinent to what has been stated by the Senator from Tennessee.

In the Washington Post of yesterday morning, February 7, Mr. Elliott Thurston, one of the best known and most reputable press correspondents in Washington, made a statement which, with the permission of the Senator from New Mexico, I shall read.

Mr. CUTTING. I think it is a very interesting statement, and I shall be glad to have it go into the RECORD at this point.

Mr. COSTIGAN. I shall read only a portion of the article. Mr. Thurston said:

> The Civil Works Administration, now employing 4,000,000 men at a cost of $70,000,000 weekly, is not to be ended on May 1, as the administration originally planned. To the $950,000,000 appropriation which the administration is now requesting of Congress will be added enough to bring the figure to around $2,500,000,000 and to continue C.W.A. until Congress meets again next January.
>
> This is the program now approved but not yet announced by the President's emergency council.

If this article correctly describes the facts, the Senator from New Mexico is working in harmony with, not against, the policy of the administration. If not, this is the appropriate moment for us to be so advised by the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I have no advice to give the Senate other than what the President has himself recommended. He has sent a message here asking the Congress for $950,000,000 to carry out his program in connection with the Civil Works Administration. That is the only information I have, and, so far as I know, that is the only information that anyone has about the matter.

Mr. COSTIGAN. So far, then, as the Senator from Tennessee is informed, I take it he does not know that the article of Mr. Thurston is other than correct.

Mr. McKELLAR. I do not know anything about it, but I feel this way: Inasmuch as the President has made a recommendation for $950,000,000, if he wanted a larger sum he would ask for it. He has not asked for a larger sum, but has simply asked for $950,000,000; and, in view of the wonderful work that has been done by this administration, I do not think we ought to give him more money than he has asked for.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. CUTTING. I yield.

Mr. BYRNES. May I add to what has been said by the Senator from Tennessee that before the Committee on Appropriations Mr. Hopkins, who appeared in behalf of the administration of the C.W.A., declared it to be his intention to gradually proceed with the reduction of the forces until May 15, and that his statement is not in accord with the statements contained in the Washington Post.

Mr. CUTTING. I am sorry the Senator from South Carolina has missed my argument up to date. Of course, we know what the Administrator has recommended, and I have been trying to show that the arguments which he used before the committee were obviously on their face entirely inadequate and feeble.

Mr. BYRNES. I did not mean to make that statement at all in reply to the arguments being presented in a very logical way by the Senator from New Mexico. I was simply responding to the inquiry propounded by the Senator from Colorado [Mr. COSTIGAN] as to what information the committee had with reference to the accuracy of the statements referred to in the Washington Post.

Mr. CUTTING. I understand that; and, of course, I always welcome any remarks from the Senator from South Carolina.

The fourth reason given by Mr. Hopkins is as follows:

> A great many of the persons on Civil Works are tenant farmers and other farmers who need the benefits this winter because of their economic situation, and who in the spring, in the beginning of the planting season, when they can get their cattle out to grass in the Northern States, will be able to get along.

Mr. President, I appeal to some of my friends from the Northern States as to the number of farmers now employed on Civil Works, who in their judgment, will be able to get along in the spring on permanent employment. How many people will actually be able to get back to the soil who are not employed there now?

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. CUTTING. I yield.

Mr. LA FOLLETTE. I think that any calculation which anticipates a substantial absorption on agriculture of those now employed on Civil Works is bound to be refuted by events. In the first place we have a program of the Agricultural Adjustment Administration which is endeavoring to curtail acreage and production. Obviously insofar as

that succeeds, it will reduce the man power required for labor in planting and cultivating and harvesting crops.

So far as the dairy interests are concerned in the North, their situation is so desperate that I would not hesitate to predict that there will be a sharp decrease in the amount of agricultural labor employed by dairy farmers in the Northern States this coming spring, summer, and fall.

Mr. CUTTING. I am glad to have that confirmation of my own views from one who speaks with authority.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. CUTTING. I yield.

Mr. SHIPSTEAD. The Northwest States from the standpoint of agriculture are in a very desperate situation. I think they are in worse condition now, everything considered, than they have been at any time in the last 40 or 50 years. I have letters and telegrams almost every day from people living on farms who have not had a crop for 2 years. They have no credit. Because some of them have not any mortgage on their dairy herds they cannot get Federal relief, or feed and hay to save their dairy herds and breeding stock. It takes 10 to 15 years to build up a dairy herd.

If the Federal Government cannot make the Agricultural Adjustment Act work better than it has worked in our part of the country, the increase in Federal relief must be amplified rather than diminished. These people tell me they cannot get work under the C.W.A., that there are not enough funds to go around to give them work. They have no credit because there is no one to lend them money even if they had security. I do not know how this fund of $950,000,000 will be allocated, but it looks very much as though our part of the country will have to have very much more relief in the next year than during the last year.

Mr. CUTTING. I take it from what the Senator from Minnesota is saying that he feels that the Northwestern States require more relief rather than less than they have been getting. Is that correct?

Mr. SHIPSTEAD. Yes. I am not sufficiently well informed to say how much more will be needed, but from present indications and the present condition of the country, and based on the information I receive, they will need more relief. They are not the kind of people to ask for relief unless they need it. I do not know whether $2,000,000,000 is too much or too little. I do not know whether $950,000,000 is sufficient. I can only speak for my part of the country, but that part of the country, so far as agriculture is concerned, is in worse condition than it was a year ago.

Mr. CUTTING. Exactly, and therefore I submit that the fourth reason given by Mr. Hopkins is entirely inadequate to justify a reduction in the present appropriation.

Fifth—

Mr. Hopkins said:

> With the pick-up in general business through the instrumentality of the Recovery Act we will get very substantial numbers of these totals on a self-sustaining basis in industry.

I do not intend at this time to discuss the Recovery Act. That is a very controversial subject. I should prefer to leave any discussion of that matter to the Senator from Idaho [Mr. BORAH] and the Senators from North Dakota [Mr. FRAZIER and Mr. NYE].

Nevertheless, it will be obvious that no specific figures are given which justify the prediction of any particular absorption in industry as a result of the Recovery Act. My own belief is that the Recovery Act by its very nature increases costs and prices more rapidly than it increases wages, and to that extent it is decreasing purchasing power rather than increasing it. If there is going to be a rapid increase in production through the Recovery Act, it will probably end in a worse crash than anything we have had up to date.

However, that is a matter of speculation. All I can say at the present time is that the West and most sections of the country, other than the great industrial centers, have found the Recovery Act an obstacle rather than a benefit to the promotion of their own immediate recovery.

In conclusion, Mr. Hopkins said:

> Finally, I do not believe that anybody can now project the economic situation over a period of months ahead to an extent that would warrant asking an appropriation from the Congress to do certain and specific things. It seems to me that this $950,000,000 is a fund which will carry us through until the Congress meets again.

That is the entire argument which Mr. Hopkins made in the course of a long examination before committees of the House and Senate as to the reasons for reducing the present C.W.A. program.

Let me read now what the senior Senator from New York [Mr. COPELAND] asked the Administrator:

> Senator COPELAND. Mr. Hopkins, let me ask you this question: Let us take the gloomy view. Suppose there were no recovery such as we anticipate there will be, and it should be necessary for you to continue your activities longer than your present program calls for. Would you then, in your opinion, have money enough to last you until Congress convened again?
>
> Mr. HOPKINS. I doubt it. I do not see why you should take a gloomy view, however.

Mr. President, I submit that when we are dealing with a depression of this gravity, when we are admittedly experimenting with one program after another, the only reasonable assumption that Members of Congress can take is the gloomy view. If we take the optimistic view and we are disappointed, on Mr. Hopkins' own testimony we shall not have enough money to carry out the program. If we take the gloomy view and things turn out for the best, as the Senator from New York [Mr. WAGNER] pointed out a few moments ago, there will be no necessity for making a single unwarranted expenditure.

I think there is another reason which more than any of those mentioned by Mr. Hopkins impels a great many Senators to go slowly and cautiously with regard to any program of this sort. The Senator from Maryland [Mr. TYDINGS] said a few moments ago that there is a serious danger that when we once start putting people on the dole, we shall find it difficult to end the practice. I am not quoting the exact language of the Senator, but that was his general point of view, and it is the point of view which I know is in the minds of many of us whether we are for or against this particular appropriation.

I do not believe we can end it until we find some better way to care for the mass of our unemployed. No one likes a dole, conceding that the C.W.A. expenditure is a dole. I do not concede that it is necessarily so. I insist that this program can be built up into a constructive program of public works of importance to the Nation. But, granting that it is a dole, what are we going to do with these people? Are we going to let them starve? There are twice as many of them off the C.W.A. rolls today as there are on them. We have to take care of those people before we begin considering turning off the rolls of employment any of those who are already there.

I do not think we should take an overoptimistic view of the situation which confronts this country. I do not believe Federal budgets are going to be decreased in magnitude. I think for a long period of years they are going to increase. We must face that fact among many others which may be distasteful.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Nevada?

Mr. CUTTING. I do.

Mr. PITTMAN. The administration seems to feel that the amount requested at the present time will be adequate. Naturally, the sooner these men can be returned to private industry, the better it will be. Whether we look at the situation gloomily or optimistically, we should at least attempt to encourage the starting of private industry and the transfer of these men to private industry. I think we all agree on that.

We shall undoubtedly be in session here in Congress until the 1st of May, and perhaps much longer than the 1st of May.

Mr. LEWIS. The Fourth of July.

Mr. PITTMAN. But it is within the power of Congress at any time to pass a deficiency bill for this matter or any other matter. If we were adjourning this body tomorrow, or the next week, or even within a month, the argument the Senator from New Mexico has made would seem to me almost unanswerable; but, in view of the fact that we are going to have 2 or 3 months' experience on this matter, I do not feel that there is any emergency at this particular time.

Mr. LEWIS. The Senator may add 4 or 5 months.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. CUTTING. I do.

Mr. McKELLAR. Further, in regard to what the Senator from Nevada has just said, and referring again to what was said by the Senator from Colorado [Mr. COSTIGAN] a while ago, if the administration has the matter under advisement, why not just wait and see what the administration expects to advise the Congress about it?

This was an administration plan. It was not a plan that was gotten up by Congress. It was an administration plan, and it seems to me we ought to follow the administration about it.

Mr. CUTTING. I am glad to have the assurance of the Senator from Nevada that we shall be in session on the 1st of May. I have not the slightest doubt that if that is the fact, and if we do not increase the amount suggested by the committee, we shall have to do so at or about the 1st day of May. I see no particular reason, however, for making two bites of the cherry. I think most of the facts on which we can reach a decision on a question of this sort are before us now. The money appropriated will not have to be expended except under the direction of the President of the United States; and I submit that the reasons given by Mr. Hopkins are, to my mind, altogether insufficient to justify any retrenchment in the magnificent work which he has been doing.

May I for a moment call the attention of the Senate to a rather significant turn of phrase used by Mr. Hopkins in introducing these reasons? He says:

> Our reasons for not recommending a sum of money which will continue Civil Works I think are substantially these—

I submit to the Senate that probably no man charged with the administration of a great public office ever before appeared before a committee of either House of Congress and said, "I think the reasons for my doing this or that are these"; and Mr. Hopkins does not say quite that. He says:

> I think our reasons for doing this are these—

Those are not the words of a man who is convinced that the fundamental facts of the situation necessitate the action which is being recommended. He says in effect: "I think the reasons for which these works are going to be retrenched are these."

I submit that it is quite obvious that Mr. Hopkins came before the committee of the Senate in order to give the reasons which might be urged in favor of retrenchment, good or bad, and that he did not give the reasons which could be urged in favor of continuing the work at its present level. That is a perfectly natural thing. It is not a reflection either on Mr. Hopkins or on those who were responsible for the administration program with regard to Civil Works. It is our responsibility to decide whether those arguments which Mr. Hopkins thinks are the reasons which induced the change of policy with regard to Civil Works are or are not sufficient to counterbalance the reasons which some of us have advanced in order to justify the continuation of this splendid and magnificent administration success.

Mr. President, I said a little while ago that our national budgets, in my opinion, are bound to get larger, and not to decrease. Our States and our municipalities are practically bankrupt in many parts of the country. They are not going to be able to carry the share which they have carried of the general burden. They have no control over the distributive system of the United States. That control rests in the Federal Government.

The burden of education, for instance, is one which I am convinced is going to have to be more and more borne by the Federal Government and less and less by the property owners who pay taxes in the States and cities. The destitute and the hungry and the unemployed are going to have to be dealt with more and more by the only branch of our Government which has sufficient power to translate the inherent wealth of this country into terms of credit to the average man who is without it.

We are the wealthiest country that has ever been known in the history of the world. Our man power, our resources, our industrial and agricultural plant are superior to anything in history; and yet we are still dealing on the old economic assumptions of scarcity and want and insufficient resources. The Federal Government is the only government which we have which can in any measure equate the consuming power of the country with what is acknowledged to be the overwhelming productive power of the United States.

Now, may I say just a word about the arguments which were made yesterday afternoon by the Senator from Tennessee?

In reply to a question propounded by the Senator from North Dakota [Mr. FRAZIER], who asked whether it would be possible to take care of any of the unemployed who were not being taken care of at the present time, the Senator from Tennessee said:

> I do not think it is proposed to take care of every unemployed person, but those in charge of this work are going to take care of all the worthy unemployed they can find.

I hope my friend from Tennessee, for whom I have the warmest regard and affection, will pardon me if I say that when I heard him make that remark, he reminded me for a moment of ex-President Hoover. I know that is asking the Senator to extend his indulgence pretty far.

Mr. McKELLAR. I beg the Senator's pardon; I did not hear the statement. What was it?

Mr. CUTTING. The Senator stated that we were going to try to take care of the worthy unemployed. It reminds me of Mr. Hoover.

Mr. McKELLAR. I withdraw the remark entirely if that is what it reminds the Senator of. [Laughter.]

Mr. CUTTING. I shall be glad to withdraw my remark, then, as applied to the Senator from Tennessee. I do remind him, however, that Mr. Hoover in 1931 made the promise that under the program of his administration no person in the United States would starve; but a year later, in the 1932 campaign, he altered those remarks to the statement that "no deserving person" would starve.

Mr. McKELLAR. Mr. President, I see the point of the Senator's statement. I thank him for calling my attention to it; and I most cheerfully withdraw that statement from the RECORD if I made it yesterday, and I know I did, or the Senator would not charge me with it.

Mr. CUTTING. I appreciate what the Senator from Tennessee has said; and I hope he agrees with me that the Houses of Congress, or the administration, or anyone else in the country, cannot afford to start drawing a line between the worthy starving, on the one hand, and the unworthy on the other. We must deal, so far as we can, with the total mass of our destitute people.

Mr. McKELLAR. Mr. President, if the Senator will yield again, I think, speaking seriously, the Senator is correct about it. In the running debate I may have used the expression "worthy unemployed." I did not intend to. Of course, people who are unemployed and who are suffering from starvation ought to be helped.

Mr. CUTTING. I was merely trying to make my point, and I hope the Senator from Tennessee understands that nothing personal was intended; but it does help to make the

point, to emphasize that this is, in my conception, an inherent duty of the Federal Government.

What is the government? In a democracy surely the government is merely the citizens of a country coming together as a unit to take care of the common welfare. This is not a gratuity which we, as Members of Congress, are showering upon the starving and the destitute. It is not, in my conception, a matter of graciousness or generosity. It is a matter of duty. If we were giving a gratuity, I think we would be morally, at least, violating our oaths of office, because it is not our own money that we are spending; it is the money of the taxpayers. In my conception, however, we are representing, and the executive branch of the Government equally is representing, the 15,000,000 unemployed or the 10,000,000 unemployed or the 6,000,000 unemployed, whatever their numbers may be, just as much as we are representing the taxpayers. If anything, we should be representing them more, because to a greater degree they need our assistance.

But I do not think the primary purpose of legislation of this kind is simply to aid the starving, important though that may be. I believe the primary purpose of this legislation is to aid the entire people of the United States, rich as well as poor, and that such aid can be accomplished effectively only by putting purchasing power down at the bottom. How long we are going to have to continue this particular process I do not know. My opinion is that we are going to have to continue it until we find some better method of accomplishing the same results. When that time comes I hope that we will adopt that better method.

May I recall to the Senate briefly one or two of the statements made in the campaign of 1932, which I think crystallized this issue.

Governor Roosevelt during the campaign wrote a letter in which he spoke of the inherent right of every citizen to employment at a living wage.

Speaking at Detroit a few days later President Hoover said that Mr. Roosevelt was wholly blameworthy for bringing politics into the question of unemployment. He said that Mr. Roosevelt was "holding out for political purposes promises to 10,000,000 men which cannot be kept." He added that such a program would cost from $9,000,000,000 to $12,000,000,000, and was, therefore, in the nature of things, impossible.

To my mind, those two statements marked a definite cleavage in political thought. They crystallized an issue on which the citizenship of the United States was asked to decide on one of two candidates for the Presidency.

There were, of course, other issues involved in the campaign; but when Mr. Hoover took that position at Detroit, and when Mr. Roosevelt continued to take his position in favor of the duty of the Government toward the unemployed, most of the liberal thought of the country, in my opinion, decided to go with Mr. Roosevelt. If I may speak for myself, personally, it was that particular issue which determined me to desert my party affiliation and support for the Presidency the man who would acknowledge and glory in his responsibility to the masses of the people.

I do not for a minute believe that Mr. Roosevelt has gone back on his word. I believe he still stands where he stood in the campaign of 1932. I hope that the administration as a whole, and the people who are carrying out the program, will stand by at least the spirit of those words.

Many people say that technological improvement is going ahead at such a speedy rate that in the long run we will not be able to find employment for all our people, even though we reduce the hours of labor to a comparatively small figure. The fact remains that when, through the ordinary channels of labor, or through other channels, the people cannot find employment the Government owes a duty to those who are starving and those who are destitute, not merely in behalf of those who are starving and those who are destitute, but in behalf of the people of the country as a whole.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. CUTTING. I yield.

Mr. LONG. The Senator from New Mexico states that, according to the estimates, we are going ahead with such rapidity along the lines of technological improvement that we cannot absorb our labor. I do not believe that the Senator is one who subscribes to that theory. I have not so listed him in my general calculations. But whether he does or does not, the fact is that as long as we produce enough for the people to live on it can be shared in such a way that all can be employed for such length of time as is necessary for every man to produce and have his share. If it ever gets down to the point where 15 hours a week is enough, then, the Lord should be praised for having made it such a simple thing for the people to live.

Mr. CUTTING. I quite agree with the Senator from Louisiana. For a long time to come technological improvements will not be sufficiently great to prevent people from working increasingly fewer hours, and still be doing useful work, work which needs to be done for the national welfare. What I did say was that if such a time should come, we should then have to consider some other method of procedure, but that the basic principles would even then remain the same, namely, that the people of America, the common people of America, have a right to share in the benefits of our civilization. If they do not share through one process, they will have to share through another. That, I think, was the fundamental issue which was fought out in the campaign of 1932, and that same issue is being fought out today, and the fight is going to be continued until it is settled one way or the other.

Mr. TYDINGS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. CUTTING. I yield to the Senator from Maryland.

Mr. TYDINGS. I desire to ask the Senator from New Mexico a question. Assuming that the expenditures are necessary to take care of the unemployed during the present emergency, is it the Senator's opinion that we should continue on with a nationalistic program, or is it his opinion that we will absorb most of the unemployed in normal occupations if we revive the world's trade, at least revive as much of it as we can?

Mr. CUTTING. Mr. President, I am not a prophet nor the son of a prophet, and I hesitate at times like these to venture any indication of what may happen with regard to world trade. Within the last week we went ahead with one of the great experiments, which was guaranteed on both sides of the aisle to depreciate the dollar on the foreign market. A great many people were in favor of the bill. Others said it would do very little domestically; that it would not increase the purchasing power of the people of the United States by one penny. But there was not a single man on either side of the aisle who had the temerity to rise and say that this program was not calculated to depreciate the dollar on the world's exchanges. Yet what happened? As soon as we passed the bill the dollar went up. So I should prefer at this time not to make any prophecy about what is going to happen in regard to international trade or exchange, because I am quite certain that I should be found in error tomorrow or next week.

Mr. TYDINGS. Mr. President, will the Senator from New Mexico yield further?

Mr. CUTTING. I yield.

Mr. TYDINGS. I did not ask the Senator to make a prophecy. We are, of course, trying to find out what is the best thing to do. I was just wondering whether or not the Senator thought it was the better thing for the country to pursue a course of nationalism, curtailment of acreage, buying up of marginal land, and movements of that kind which are calculated to decrease employment and make necessary such expenditures as the one under discussion, or whether,

on the other hand, we should try to live with our neighbors and revive world trade, if possible, so that they might find markets?

It has occurred to me—and I am no prophet, either—in answer to my own question, that the thing we are short on now is markets for the commodities that we produce, and of course we cannot create a market without buying from foreign peoples. We cannot expect to sell to them without letting them sell to us. And while in other days that policy perhaps was not so necessary as it is today, with the necessities of the occasion, I simply asked the Senator whether he did not feel that perhaps a policy of international cooperation was more calculated to serve the unemployed than a policy of nationalism.

Mr. CUTTING. Mr. President, I think that in the long run the Senator from Maryland no doubt is correct. We are going to need international cooperation before the conditions of the world as a whole are improved. I am afraid, though, that we shall have to wait a long while before we can put into effect any tangible methods toward that end, because cooperation means cooperation from two sides. While the world is in such an extremely chaotic condition as it is in at the present time, I should hesitate to risk the welfare of any of our own people on any future policy of that sort, although I agree with the Senator from Maryland that sooner or later that will be the ideal toward which we shall have to move.

Mr. TYDINGS. Will the Senator further yield?

Mr. CUTTING. I yield.

Mr. TYDINGS. I am glad to have the Senator's very valued opinion. I am glad to know that he thinks we must eventually cooperate with each other in order to get out of the chaos which we are now sensing.

One of the bad things about the depression, in a way, has occurred to me to be the dictatorships, which have been inevitable. However, they may be a blessing in disguise. In order that the world may be rebuilt, there is a call for sacrifice on the part of the people of every nation in the world. No one yet wants to make a sacrifice. The only men, it seems to me, who can get the people to make the necessary sacrifice in all countries are those who have the confidence of the people to the extent that they can lead them to make the essential sacrifices which all of us must make in order to rebuild an international well-being.

I think that if it were possible for the President of the United States and the leader of Germany, the leader of Italy, and Mr. MacDonald—and perhaps whatever person will emerge out of the French situation—to meet in a room, they would all recognize what must be done, and if they would make up their minds to get each of their respective peoples to make the necessary sacrifices, a lot of our international and national problems might be solved. But until that leadership comes, I doubt very much whether legislative bodies can secure the necessary reform which must precede any real, sound, substantial recovery.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Illinois?

Mr. CUTTING. I yield.

Mr. LEWIS. May I divert the Senator from the interesting colloquy passing between him and the Senator from Maryland, to ask him to revert his mind to his amendment and be so kind as to explain to me wherein he sees any difference or feels any difference in the policy his amendment suggests from that which is the present policy of the Government touching the subject matter?

Mr. CUTTING. Mr. President, I tried to make that plain in my statement.

Mr. LEWIS. I will say to the Senator that I regret very much having to be absent during the early part of the Senator's statement. I was unavoidably detained in the committee room and did not hear his statement.

Mr. CUTTING. I have no hesitancy, however, in repeating it for the benefit of the Senator from Illinois. The policy of the administration, as expressed in the hearings, was to begin tapering off the C.W.A. work from the present date so that it may cease entirely on the 1st of May. The policy which I advocate is to continue the C.W.A. work until it shall have been found by experience that it is safe to let it go.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Louisiana?

Mr. CUTTING. I yield.

Mr. LONG. Mr. President, as I understand the position of the Senator from New Mexico—and if I do not, I hope the Senator will correct me—it is this: My information is that there are about twice as many people undertaking to get on the C.W.A. rolls as there are already on the rolls. As an example, the center of the white area shown by the United States Chamber of Commerce as its estimate for recovery in the United States is located at Shreveport, La. That is the center of the best-recovered part of America. Yet today the report that I had brought to me shows that in the city of Shreveport, where they have 4,000 people on the C.W.A. rolls, there are around 7,000 people trying to get on the C.W.A. rolls who cannot get on there, and who have nothing to do, and who are not going to get anything to do. Now, if we unload the balance of them, certainly we are not going to promote recovery.

Further, I think that I might say we do not need any dictatorship, we do not need any foreign trade to share the food that we have in this country among the people who are here. We do not need any trade agreement with Hitler or with Mussolini to share the wearing apparel that we have in this country which we have to share. There is not a thing on God's earth that America needs any international trade or any international treaty to bring here. We have got too many houses, and we will not let people live in them; we have too much to eat, and we will not let the people eat it; we have too much to wear, and we will not let the people wear it, but everybody wants to go over to Mussolini and make a treaty about something under conditions of this kind.

Mr. CUTTING. Mr. President, in that case, does not the Senator from Louisiana agree with me that this is a bad time to cut down the purchasing power which is being provided and which has, to my mind, been most successfully provided since the C.W.A. program started?

Mr. President, that is all I have to say.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CIVIL WORKS ADMINISTRATION APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes.

Mr. LA FOLLETTE obtained the floor.

Mr. TYDINGS. Mr. President, will the Senator yield to me for a moment.

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. I simply wish to say to the Senator from Louisiana that I think it would be a good idea, when we get ready to take care of those who are going to be taken care of by a division of what each of us has, if the Senator would set us the example by act rather than by words.

Mr. LONG. I will set that example now, but when the Government gets all I have, all it will have will be a deficit. That may be one of the reasons. But let me say, if the Senator from Wisconsin will pardon me for just a moment, for this might do a little good, that if the Senator from Maryland can take his eyes off Italy and off Mesopotamia and off the Balkan States and look right here at America he will find here a land that is flowing with milk and honey, with more stuff than the people can eat and more stuff than they can wear. So what is the use of dodging and whipping the devil around the stump? We have got to redistribute

wealth in America if the people are going to live. That is the only way it can be done.

Mr. TYDINGS. Mr. President, if the Senator from Wisconsin will indulge me just a moment further.

The VICE PRESIDENT. Does the Senator from Wisconsin yield further to the Senator from Maryland?

Mr. LA FOLLETTE. I yield to the Senator if he desires to ask a question, but I do not wish to be interrupted unduly.

Mr. TYDINGS. Of course, I cannot transgress on the time of the Senator from Wisconsin unduly, but in my own time I shall try to take care of the subject matter which has just been discussed.

Mr. LA FOLLETTE. Mr. President, I rise to support the amendment offered by the Senator from New Mexico [Mr. CUTTING] to provide $2,000,000,000 for civil works. I had not thought it possible, at this late stage in the worst economic crisis in the history of this country, that there would be any question concerning the necessity of increasing purchasing power on the farm and in the city. Senators on both sides of the aisle are questioning whether or not that proposition is sound. It is therefore pertinent to the question at issue to review some of the causes of the depression and some of the economic trends which were responsible for its creation. We should endeavor, if possible, once more to present to the Senate the frontal issue of the depression, as some of us have attempted to from time to time since its onset.

Most economists are now agreed that one of the primary causes of the present depression was the World War. During that conflict 10,000,000 of the flower of the young manhood of practically every civilized nation on earth were killed; nearly 20,000,000 more were crippled, wounded, and incapacitated; 9,000,000 children were orphaned by the war; 5,000,000 women were widowed. If we stop to remember that all wealth in the last analysis is the product of human labor we obtain some appreciation from these cold casualty statistics of the enormous wealth of which the world has been deprived by the killing and the maiming of man power in the war.

In addition, $330,000,000,000 of capital was destroyed. This huge sum is almost beyond the comprehension of the human mind; but there can be no doubt that it was the product of the labor of generations of men, and it was destroyed during the war just as certainly and just as effectively as if we had piled it up into a mountain range of currency, touched a match to it, and burned it into ashes. It is perfectly obvious that the world could not cripple and destroy so great a percentage of its manpower, that it could not destroy this tremendous accumulation of capital, representing the labor of millions of men over a long period of time, without contributing to a dislocation of economic forces.

Mr. President, there had been going on in this country prior to the World War a process of concentration of wealth in the hands of but a relatively small proportion of the population. The World War tremendously speeded up concentration of wealth. The statistics of the United States Bureau of Internal Revenue show that 21,000 individuals in this country accumulated a million dollars or more of capital as a result of concentration of wealth during the war and the failure to tax war profits to the limit. The war, in other words, Mr. President, produced one new war-made millionaire in this country for every three American boys who gave up their lives in France.

War, of course, always produces a tremendous demand for goods. Nearly 4,000,000 men were withdrawn from production and put into uniform. The tremendous demand for goods produced by war, coupled with the diversion of manpower into active military service, greatly accelerated the process which economists call technological improvement of industry. In other words, it spurred on the inventive genius of American industrialists and engineers to find ways and means of producing more and more goods with less and less man power.

The result was belt-conveyor assembly-line factory design and the introduction of automatic machinery. This economic trend, carried on into the period of so-called "boom" which followed, and even during these tragic years of depression this process has been tremendously speeded up, because every industrial organization with cash reserves has been investing them in more and more automatic machinery, more and more labor-saving devices, in order to reduce their production cost to meet cutthroat competition in the ever-diminishing domestic and foreign market.

Although wages appeared to be high in the war period and during the boom before they took a nose dive during the depression, the fact is that, measured in terms of the worker's ability to turn out goods, real wages in this country were falling. They were falling from the time of the war down to 1929, with the exception of just two industries—transportation and construction.

In this period there was plenty of lip service on the part of industrialists to the theory of the economy of high wages. In other words, although many employers endorsed the proposition that purchasing power must be kept in step with increased capacity to produce, as a matter of fact the ability of the wage earner in this country to buy the goods which he produced was constantly diminished. If the production curve should be platted upon a chart and the curve of real wages platted upon the same chart, those two curves would be shown to have been separating from 1920 to 1929. Of course, every Senator is familiar with what has happened to wages in this country since the depression enveloped us.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I will yield for a question, Mr. President.

Mr. LONG. I am not trying to distract the Senator from his line of argument but, on the contrary, the Senator has touched a point which I was hoping he would not forget to discuss more fully, and that is the concentration of wealth that has resulted from the conditions which he has just described.

Mr. LA FOLLETTE. I expect to come to that a little later.

Agriculture, one of our great basic industries, received its first serious economic discrimination during the World War. Since that time this great industry and those engaged in it have been fighting a losing economic battle. During the World War the Government conducted a well-directed, well-managed, and well-financed campaign appealing to farmers all over the United States to grow more wheat, more corn, more cotton, more hogs, and to produce more dairy products. Each one of those appeals wound up with the slogan, "Help your Government win the war."

At the same time the Federal Reserve Board, which controls the credit policy of the Federal Reserve national banking system, adopted a liberal credit policy for both agriculture and industry, encouraging both the farmer and the industrialist to borrow money for the purpose of increasing their production. Farmers all over the United States responded to this appeal. They borrowed money with which to buy more land, to erect larger buildings and larger barns, to buy power machinery to take the places of sons who had patriotically joined the Army—many of whom were fighting at the front. The result was that farmers all over the country had their lines of credit at the banks extended almost to the breaking point.

Then in August of 1920 the Federal Reserve Board had a secret meeting in Washington and decided that the country was too much inflated as a result of their credit policy, and that afternoon ordered the Federal Reserve banks all over the United States to curtail the war-time loans made both to farmers and to business men. This produced a terrific process of deflation. It ruined thousands of business men in the country. So far as the farmers were concerned, there was just one place where they could turn for cash to meet the demand on the part of the banks to liquidate this war-time indebtedness which they had incurred largely as the result of appeals on the part of their Government. They were forced by this deflation policy to dump their crops on a falling market, and in the autumn

of 1920 this policy on the part of the Federal Reserve Board precipitated one of the worst crashes in agricultural commodity prices that the country had ever experienced up to that time.

Three years later, after a most careful investigation, the then Secretary of Agriculture, Mr. Wallace, father of the present Secretary of Agriculture, issued a statement over his own signature in which he reported that after a careful investigation he was convinced that this deflation policy upon the part of the Federal Reserve Board had cost the farmers of the country $15,000,000,000.

As stated a moment ago, this great industry, taking it as a whole, has never recovered from that blow. The farmers have been fighting a losing battle against the depression, not begun in 1929 but the depression which began so far as their industry was concerned in 1920. The obvious effect was a constantly diminishing purchasing power on the part of the farmers. I sometimes think that those who are not familiar with our vast agricultural sections fail to realize the great economic importance of this group in our population and the absolute necessity of restoring the purchasing power of that group, if we are ever to recover from the depression and to build that recovery upon a sound basis.

There are 6,000,000 farmers in the country who with their dependents make up 30,000,000 of our population directly dependent upon agriculture for their income and support. I think it is an underestimate to say that there are at least 30,000,000 more people in the country who are engaged in manufacturing, distributing, and selling products which the farmers buy. Thus we find that 60,000,000 people, or nearly half the population of the United States, are dependent either directly or indirectly upon the purchasing power of the agricultural industry.

Another economic trend which developed in the post-war period and contributed to the depression was a too liberal policy on the part of so-called "investment or international bankers" in the matter of foreign loans. Those loans produced a false or temporary demand for American products in the export trade. Industrialists and financiers in this country increased plant capacity to supply this demand because they failed to realize that the demand was temporary.

Another factor in causing the depression was the stock-market boom, which operated like a suction pump upon the agricultural and manufacturing regions of the country. It sucked the credit away from the farming and manufacturing centers and diverted it to New York, where it was used not for the purpose of financing the production, distribution, and sale of things which people can eat and wear and use, but it was taken to New York where it was used for a wasteful purpose, from the point of view of society. It was used for the purpose of financing speculation of brokers and others in mere slips of paper—stocks and bonds.

At the peak of the boom, in 1929, more than $8,000,000,000 had been drawn out of the Federal Reserve Banking System itself, taken around Robin Hood's barn, and shoved into the stock market, contrary, as I contended then and as I believe now, to the letter and spirit of the Federal Reserve Act. In addition, $8,000,000,000 from other sources was attracted by the high call-money rates to the stock exchange, so that at the peak of the boom $16,000,000,000 of the working capital, of the credit of the people of the United States, was being employed for the purpose of increasing the forced draft under the boiling caldron of the stock market.

This unprecedented boom turned the attention of responsible leaders of industry and finance away from the institutions for the management of which they had accepted responsibility. It concentrated their attention upon efforts to make quick, easy, paper profits for themselves. The revelations of the Senate Committee on Banking and Currency demonstrate that many men who were paid huge salaries to devote their ability and integrity to the management of some of the largest financial and industrial institutions formed pools for the purpose of manipulating the prices of securities issued by the concerns which employed them. These men got in on the ground floor of these pools and manipulated the prices until they reached a fictitious value and then unloaded them upon unsuspecting investors.

Mr. Wiggin, for example, while at the head of the largest bank in the country, for the management of which he was paid $250,000 a year, took advantage of inside information, which came to him as the result of his position of trust, and unloaded stocks on the market which he knew in advance were going to depreciate rapidly in price. We find him in the midst of this crisis selling short the stock of his own bank in order to make a profit for himself and members of his family.

The public was drawn into the stock-market boom. Bad advice from bankers and from financial counselors who talked over the radio and received in one instance the exorbitant sum of $25 a week, encouraged investors to turn into cash their hard earned savings, at that time conservatively invested in gilt-edged securities, in order to buy stocks and bonds concerning which even these so-called "financial counselors" knew little or nothing.

As a result, when the crash came, it wiped out the reserves of millions of people who otherwise would have had those reserves not only to help carry them and their families through the depression but their combined purchasing power would have helped to carry the Nation through the crisis.

In the period from the war to the end of the boom purchasing power of the people on the farms and in the cities was constantly declining while at the same time, due to the improvement of industrial processes and the introduction of scientific agricultural methods, our ability to produce both manufactured and industrial products was constantly increasing.

I thought we had learned a lesson during these tragic years of depression. I believed it was acknowledged by nearly everyone that we could not maintain industry built on mass-production methods; I supposed it was universally recognized that we could not support agriculture developed on scientific lines unless at the same time the people had purchasing power with which to buy the products of the farm and factory. It appears from the debate upon this amendment, however, that some Senators question the soundness of this theory.

Mr. President, the Taylor Society of New York, a foremost scientific society in this country, sponsored a study of purchases by income groups in 1929, at the peak of the so-called "boom." They found that people with incomes of $1,000 a year or less purchased 17.7 percent of all the goods sold; that those with incomes of $1,000 to $2,000 purchased 36.4 percent of all the goods sold in 1929; that those with incomes from $2,000 to $3,000 purchased 13.1 percent of the goods sold; that those with incomes of $3,000 to $5,000 purchased 10.7 percent; that those with incomes of $5,000 and over purchased 22.1 percent.

In other words, Mr. President, according to this study, people with incomes of $5,000 or less in 1929 purchased 77.9 percent of all the goods sold, while those with incomes from $5,000 clear up to the top brackets of the income tax, purchased only 22.1 percent of all the goods sold.

The concentration of wealth fostered under the policy of laissez faire or of rugged individualism resulted in taking away the purchasing power of the great mass of the people of this country in relation to our increased capacity to produce goods. I could cite a number of statistics to show how far the process of concentration of wealth has developed, but instead I shall cite a simple illustration. I want to say, however, that it is sound; that it is just as sound as any estimate of that kind can be; for, although it is not sponsored or published by him, it is predicated upon the life-long studies of Dr. Willford I. King, of New York University, one of our recognized authorities upon distribution of wealth and income. This example also checks against the studies which have been made by the various brancnes of the Federal Government of this important question.

Suppose that $100 represents all the wealth of this country and its people. Suppose that 100 people represent all

the people of the United States. If this $100, representing all of our wealth, is distributed among these 100 people, representing all the people of this country, as wealth is now distributed among our people, what is the result?

One individual would have $59; one individual would have $9; 22 people would have $1.22 each; and 76, or the rest, would have less than 7 cents apiece.

In a nutshell, this presents the problem that confronts the Congress and the Government of the United States.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I yield for a question.

Mr. LONG. The figures that the Senator has quoted do not take into account that it is the class that would have the 7 cents apiece that owes the greatest pro rata of the debt.

Mr. LA FOLLETTE. I did not intend to go into the debt problem at this time.

Mr. LONG. I simply wanted to state that the facts are that when the debts are deducted from the wealth of the 76 per cent, they have not anything today on the basis of all fair computations. The 76 percent do not own a thing—not anything at all.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield to the Senator.

Mr. NORRIS. I do not think the Senator has gone far enough. The 76 percent would all represent minus quantities.

Mr. LONG. Yes, sir.

Mr. NORRIS. They would have less than nothing. They would all be in debt.

Mr. LONG. Every one of them has not a thing on earth.

Mr. BONE. Mr. President——

Mr. LA FOLLETTE. I yield.

Mr. BONE. I should like to have the Senator indicate when he is through with his remarks. I simply desire to make one observation about the matter he is discussing for the purpose of the record, because I think it will follow up very beautifully what he has said.

Mr. LA FOLLETTE. I shall be very glad to have the Senator do so now, if he desires.

Mr. BONE. I do not desire to interrupt the chain of thought of the Senator. If he will be kind enough to indicate when he is through, I shall appreciate it.

Mr. LA FOLLETTE. Mr. President, I know there are people in this country—and I do not question the sincerity of their motives—who argue that it is a good thing, from the point of view of the country as a whole, that we should permit these enormous fortunes and these enormous incomes to concentrate in the hands of a relatively small portion of the population. Their argument is that these surplus incomes are wisely expended by this small group of individuals, and that the expenditure produces employment. Mr. President, that argument does not stand analysis. It certainly does not stand analysis in an era of mass production and scientific agriculture.

The difficulty is that after a certain amount of income and of wealth have been accumulated, these individuals have an excess income sometimes called unexpendable income. It is unexpendable insofar as the purchase of the ordinary commodities produced on the farm or in the factory is concerned. After all, if a man has 12 or 13 suits of clothes, if he has 9 or 10 pairs of shoes, 35 or 40 suits of silk underwear, 100 pairs of socks, 200 shirts, 350 neckties, 8 or 9 top or overcoats, and 7 hats, we do not expect that individual to buy any more clothing or haberdashery in the near future. After a man has 3 or 4 houses—1 at Newport, R.I., let us say; 1 in Westchester County, N.Y., or on Long Island; 1 at Pinehurst, N.C., and another at Palm Beach, Fla.—we do not expect to see him in the office of an architect or a contractor getting plans and specifications for any more houses. After he has 5 or 6 high-priced, long-nosed automobiles, he finally discovers that he can ride in only one at a time; and, figuratively speaking, we no longer find him standing at the end of a belt-conveyor assembly line taking any more mass-production automobiles off the market. In other words, Mr. President, after the most exaggerated human desires for both the necessities and the so-called "luxuries" of life have been satisfied, there is, over and above that, a huge surplus income which the economists call unexpendable income.

I am perfectly willing to admit, for the sake of the argument, that some individuals enjoying these huge surplus incomes sit up all night trying to find ways and means of making a social and legitimate expenditure of that surplus income; but they are the rare exceptions. They are not the rule. Usually this surplus income is looking for a safe hiding place, and all too often it is invested in tax-exempt securities, where it escapes its fair share of the cost of government and the staggering cost of war under a graduated income tax.

From the beginning of this depression I have been convinced that we could not cure the economic ills afflicting this country by increasing the holdings of the individual in the illustration I gave a few minutes ago who has the $59. I have been as certain as a man can be of anything in this life that if we want to start the wheels of industry, if we want to see the wage earners of this country get a decent living wage, if we want to see the farmer and his family get a fair return upon their capital investment and their long hours of labor, if we want in the last analysis to see the business and professional man receive a fair return for the services he renders under our system, there is just one way to do it, and that is to restore the purchasing power of the group of 76 people in the illustration who have less than 7 cents apiece.

We do not need to worry about what these people will do with a restored purchasing power if and when they get it. We do not need to be concerned that they will invest it in tax-exempt securities. We do not need to be alarmed that they will be investing in foreign exchange or exporting their capital abroad. We know what they will do with it if and when they get it. We know that the next day they will be in the stores buying the things which they and their families so tragically need. We know that if they have not permanently lost their homes they will start payments on them again. They will start paying taxes again; and if they start soon enough perhaps they will save some of the cities—yes; some of the counties—yes; some of the States of this Union—from bankruptcy and a collapse of local government.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I yield for a question.

Mr. LONG. Did not the Senator from Wisconsin hear it said when the C.W.A. started, and was it not generally reported, that this was the beginning of a decentralization of wealth, of a spreading of wealth among the masses?

Mr. LA FOLLETTE. I did not see such a statement in the press.

Mr. LONG. It was generally reported and generally commented upon editorially. I have, for instance, an article written by a gentleman named Durno, in what I believe they call the "Washington Whirligig" in some of the papers, that this was intended as the administration's beginning of the decentralizing of wealth, as reported in a speech made by our President in Chester, Pa., that this would have to be done in order to save the country.

Mr. LA FOLLETTE. Mr. President, a small group of Senators in this Chamber started a fight early in the depression for a program to restore the purchasing power of the people. If I may be permitted to say so, it always seemed to me that we had the best of the argument in support of that program. In spite of the evidence we presented to show the alarming depths of the depression, regardless of our efforts to adequately describe the suffering on the farms and in the cities, a majority of the Senate turned a deaf ear. We were always confronted with the statement that the depression would soon be over.

Perhaps it was not surprising that a majority of the Members of this body should reflect the point of view and the opinion of most of the industrialists and financiers of this country. I always felt that most of that group, Mr. President, were what might be called "round-the-corner" boys. They reminded me of a group of people on a toboggan going downhill about 60 miles an hour. Every time the toboggan would level out a little bit, or even poke its nose in the air before it started over the next slide these "round-the-corner" boys would say, "Ah, it's all over now", and—whoops, down would go the toboggan again.

They refused to recognize, Mr. President, that certain basic, fundamental, economic changes have taken place in this country since the last serious depression. Their eyes were closed to facts and to arguments. They had absolute faith that we would get out of the depression after we had been in it for a certain length of time.

One of the most fundamental changes that has taken place in this country is the fact that our frontier is closed.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield.

Mr. NORRIS. Before the Senator leaves that subject he ought to add, it seems to me, that every time the people got out of a depression and when, as it is said, the level has been found again, it was true, as it always has been true throughout the history of the world, that fewer people owned the wealth of the country than owned it before.

Mr. LA FOLLETTE. I thank the Senator for his observation.

Mr. President, the ever expanding frontier of this country has been in the depressions of the past the economic safety valve on the capitalistic system. Individuals wiped out in depressions of the past have always been able to move westward, take up more land, and make a new start on that frontier.

Furthermore, it was the expansion of the frontier which furnished the incentive to private capital to reinvest for capital-expenditure purposes. It was the expansion of the frontier which furnished the incentive for the investment of private capital for the construction of transcontinental railroads, to finance the building of the new agricultural communities growing up on the frontier, to finance the development and the building of cities.

Today, Mr. President, the frontier is closed. Some one has facetiously said, Any young man in this depression who took the advice of Horace Greeley to go West, in the first place would have to ride the brakebeams or thumb his way across the United States, and when he got to the edge of the frontier he would be very lucky if he got a job carrying a spear in the moving pictures in Hollywood.

The closing of the frontier in this country, together with the closing of frontiers in other countries, due to the rising tide of economic nationalism, is the most significant economic factor that confronts us today. There is no longer any substantial inducement for private capital to reinvest for capital-expenditure purposes. Oh, do not rise and tell me of a hotel or a railroad that can be bought for 20 cents on the dollar. I am not talking about that kind of reinvestment. I am discussing reinvestment of private capital for capital-expenditure purposes, and I say that with a few exceptions there is no inducement today for the reinvestment of private capital for capital-expenditure purposes.

If we had $10,000,000,000 on the table here this afternoon, I would challenge Senators to say where it could be reinvested by private investors for capital-expenditure purposes with the hope of getting a return upon the investment. Certainly they would not build any more transcontinental railroads. Certainly they would not finance the building of any more agricultural communities. Certainly they would not build any more steel plants. They would not build any more automobile factories. They would not build any more rubber plants. They would not put up any more textile mills.

I am convinced that it was the reinvestment of private capital for capital-expenditure purposes that pulled us out of the depressions of the past. I am convinced that the inducement to private capital to reinvest for capital-expenditure purposes has practically disappeared, due to the closing of the frontier of this country, and the closing of frontiers elsewhere. I have believed from the beginning of this depression that there was only one way we could break its back, and that was for the Federal Government, in conjunction with the municipalities, counties, and States, to provide the capital for capital-expenditure purposes, and to provide it upon a scale large enough to lift the level of economic activity in this country to the point where we would have a breathing space in which we might work out the absolutely essential, long-time program to remedy the situation confronting us in industry, in finance, and in agriculture.

I started to say a few moments ago, Mr. President, that a small group in this Chamber began fighting for such a program early in the depression. But we were defeated again and again. We were defeated by the sentiments to which I have referred, an adherence to the fetish that recovery would come of its own accord. We could not convince a majority of the Members of this body that we were turning in on our continental economy, and that we had to learn to run the greatest mechanism of production and distribution the world has ever seen if it was not to wreck civilization.

If I may be pardoned for saying so, people who hold this point of view in a highly integrated industrial and agricultural society, such as we have today, remind me of the story about the mother who did not want her son to go into the Aviation Service during the war. When he left her he promised that he would not, but after he got into the service he was very anxious to get into aviation, and he pulled all the wires he could and finally was assigned to an aviation training school. He wrote his mother about it. She was terribly hurt. She wrote back protesting, but she said, "Willie, since you have violated my request that you should not go into aviation, I have just two more requests to make of you, and I hope that you will not violate those. One is that when you get to flying you will fly very close to the ground, and the other is that you will fly very slowly." [Laughter.]

I am convinced that we cannot take the highly integrated mechanism of production and distribution in this country and fly it slowly and close to the ground without getting exactly the same results that young man would have gotten had he taken his mother's advice about flying the airplane. In other words, I do not believe that we can turn back the hands of the clock of industrial and agricultural progress 15 or 20 years without breaking the mainspring and stopping the clock.

Mr. President, those who believed that we could remedy a major economic crisis by letting it run its course had a chance to try out their theories in this country. They were in control from 1929 to 1933. While they were trying their theory of letting the depression cure itself, 15,000,000 unemployed had their purchasing power altogether taken away from them. Three and one half million families in that group went through the demoralizing, cruel, and inhumane process of pauperization, for under the relief system that prevailed until recently no individual in the United States could obtain relief for himself or for his family until he had demonstrated—indeed, until he had proved and his statements had been investigated—that he had lost his home, that he had given up his life insurance, that he had exhausted his savings in the bank, that he owed the butcher, the baker, and the candlestick maker and everybody else in town, that he had moved from one place to another until he was about to be evicted from the hovel which then sheltered him and his family. Then all he could get, until recently, was a grocery order to keep the bodies and souls of himself and his family together.

Mr. President, we shall be paying a staggering bill in an attempt to rehabilitate the adults in this group who have

had their moral fiber torn asunder. In the future there will be a heavy burden for hospitalization and institutional care for the descendants of the undernourished children in this group—more than 3,000,000 of them—who have been warped in body if not in mind. While the theory was being tried of letting the depression run its course, 6,000,000 farmers and their dependents had their purchasing power greatly reduced or completely taken away from them, and hundreds of thousands in that group lost their farms and their homes—farms and homes which, in many instances, their parents or their grandparents had carved out of the wilderness almost with their bare hands.

Industrial production fell off 50 percent; credit was contracted $15,000,000,000 through bank failures; the annual income of the people was more than cut in half while the theory of letting the depression run its course was in vogue. The reinvestment of capital fell from $10,000,000,000 in 1929 to less than $600,000,000 in 1932.

Mr. President, with that experience staring in the face Senators who are responsible to their constituents and to the Nation as a whole, will they turn back now upon this program of attempting to restore purchasing power in this Nation? Are we to have another collapse because we refuse to learn the lesson of the years from 1929 to 1933?

Oh, I know some Senators will say, "We are going to be here until the 1st of next May; we can decide then whether or not we are going to need this additional sum." Do those Senators realize that, beginning tomorrow, 250,000 men who are now employed on civil works will be laid off every week until the 4,000,000 who are now engaged on such works will have been discharged, by the 1st of May? If Senators cannot be aroused by the human tragedies involved in pushing 4,000,000 men back onto relief, can I not appeal to them upon the basis of the disastrous effect on business if Civil Works are abandoned? What do Senators think will happen to the level of economic activity in the United States if we withdraw the expenditure of $70,000,000 a week?

Mr. President, Senators are once more beginning to talk as the "around-the-corner boys" talked from 1929 to 1933. What do they base that assumption on? Have they any statistics; have they any substantial proof? They have not produced a shred of evidence to support their argument for throwing 4,000,000 men out of work between now and the 1st of May. There is no basis for prediction that there will be such a sharp rise in industrial, agricultural, and public-works activity that 4,000,000 men, who are now employed upon civil works, may be absorbed into industry, into agriculture, and into public works.

The accepted statistical indices upon which the level of economic activity is judged do not indicate any such recovery as has been predicted by those who advocate the abandonment of civil works. I have before me the indexes of the Federal Reserve Board between July and December of 1933.

Industrial production reached the low of 1933 in March at 60. In July it was 100, in August 91, in September 84, in October 77, in November 73, and December 74.

The value of construction contracts awarded reached its low for 1933 in March and April, when it was at 13; in July it reached 21; in August, 24; in September, 30; in October, 37; in November, 48; and in December, 58.

Factory employment reached its low for 1933 in March at 57. It was 70 in July, 73 in August, 74 in September, 74 in October, 72 in November, and 72 in December.

Factory pay rolls were low for 1933 in March at 37. In July they were at 50; in August, 56; in September, 58; in October, 57; in November, 54; and in December, 53.

Freight-car loadings reached the low of 1933 in March at 50. In July they were 65; in August, 61; in September, 60; in October, 58; in November, 60; and in December, 62.

Department-store sales reached their low for 1933 in March at 57. In July they were 70; in August, 77; in September, 70; in October, 70; in November, 65; and in December, 69.

I ask unanimous consent, Mr. President, to insert this table in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. COOLIDGE in the chair). Without objection, it is so ordered.

The table is as follows:

Federal Reserve Board indexes (adjusted, except factory pay rolls and commodity prices, for seasonal variation)

Annual averages				Index	1933						
1929	1930	1931	1932		July	August	September	October	November	December	Low, 1933
119	96	81	64	Industrial production	100	91	84	77	73	74	[3] 60
119	95	80	63	Manufactures	101	91	84	76	71	73	[3] 56
115	99	84	71	Minerals	90	91	87	81	81	85	[4] 72
117	92	63	28	Value of construction contracts awarded	21	24	30	37	48	58	[3] [4] 14
101	88	74	62	Factory employment	70	73	74	74	72	72	[3] 57
108	87	66	45	Factory pay rolls	50	56	58	57	54	53	[3] 37
106	92	75	56	Freight-car loadings	65	61	60	58	60	[1] 62	[3] 50
----	----	----	69	Department-store sales	70	77	70	70	65	69	[3] 57
95	86	73	65	Commodity wholesale prices [2]	69	70	71	71	71	71	[3] [4] 60

[1] December decrease in freight-car loadings less than seasonal.
[2] Bureau of Labor Statistics: 1934, Jan. 6, 71.0; Jan. 13, 71.7; Jan. 20, 72.3; Jan. 27 72.4.
[3] March.
[4] April.
[5] February.
Base period: 1923–25, except for commodity prices (1926).

Mr. LA FOLLETTE. A casual perusal of these figures will demonstrate to any person that, generally speaking, all we have been able to do since this program of the administration got into operation in July, so far as these indices reflect economic activity, is to hold our own.

When the first legislation for unemployment relief was taken up in this body I pointed out at that time, and in each succeeding session, that the amount of money provided would prove to be inadequate. When the Public Works appropriation of $3,300,000,000 was under consideration, I endeavored to demonstrate that the sum was entirely inadequate to achieve the results which its advocates claimed. Unless the amendment offered by the Senator from New Mexico is adopted we shall run the risk of a most serious recession in economic and business activity in this country.

All that Civil Works has done thus far is to demonstrate the soundness of the theory of those who have been advocating a huge employment program.

Civil Works has proven that money pumped out at the bottom produces velocity and forces spending. Reports have come to me from many sections of the country indicating that the Civil Works program has practically arrested retail bankruptcies. In my opinion, it has been the chief prop which has supported the level of business activity during the winter months. I am convinced that if it is withdrawn at this time it will produce unfortunate results.

Senators must decide by their votes upon this amendment the question of whether or not we are to continue to hold the ground which has already been won in the struggle against the depression. From my point of view, we have taken altogether too little territory from the enemy; but I think every Senator is under a heavy responsibility when he casts his vote in favor of checking the offensive which has already been commenced against the depression.

I made a trip over this country in October and November. I visited some 12 States; and I assert that if it had not been for the inauguration of Civil Works the winter of 1933–34 would have been the worst winter this country has ever experienced.

Mr. President, in my opinion the Senator from New Mexico has very effectively disposed of the statements made by Mr. Hopkins in justification for a curtailment of this program. Any prediction that a million of the 4,000,000 men employed on civil works will be absorbed into agriculture this spring is based upon a refusal to face the facts insofar as the economic condition of that industry is concerned.

In the first place, there has been inaugurated a program for the curtailment of production and acreage under the

Agricultural Adjustment Administration. Insofar as that program is successful, it will require less man power to plant, cultivate, and harvest the crops in those areas than it did last season. Insofar as the great dairy regions of this country are concerned, those farmers are in the worst economic plight of their entire existence. In my own State, which is a foremost dairy State, farmers who have fine farms and splendid herds are in such desperate straits that a very small number of persons will be employed upon those farms this spring and summer. The dairy farmers in my State, generally speaking, will plant, cultivate, and harvest the crops which they are able to handle with the labor of the family, because they are not in a position to pay out cash in the form of wages for agricultural labor.

Any prediction that there will be such a sharp increase in the activity of private business in the United States as to absorb a substantial number of those who are now employed on civil works is not predicated upon anything except hope. I should like to remind the Senate that those in positions of economic power and responsibility in the United States have been predicting in advance of every normal seasonal rise at 6 months' intervals since the depression began that there would be a large increase of activity, and each and every time we have been bitterly disappointed.

Senators have suggested that through the Public Works Administration, the commencement of activity upon projects already allocated, would absorb a large proportion of those who are now on civil works. However, the most optimistic estimates I have seen are that the Public Works projects would pick up about 500,000 men between now and the 1st of July.

These calculations take no account, however, of the six to seven million persons who have registered for Civil Works, and who have been unable to find jobs. For some unknown reason, many Senators in considering this problem apparently hold that only the 4,000,000 men who are now upon civil works are to be given any consideration. In the county in which I live in Wisconsin, before demobilization of Civil Works began, there were approximately 6,500 persons upon civil works; and at the same time there were approximately 18,500 persons who had registered for and were clamoring to be employed upon civil works.

In the States stretching across the United States from West Virginia to Wisconsin for every person employed upon civil works there are on the average three persons registered and unable to obtain employment.

Mr. President, if I could have my way about it, I would expand civil and public works until every person in the United States who wanted a job would be employed either upon civil and public works or in private industry due to the stimulus of public and civil works expenditures.

I know that some Senators may say, "Oh, but that would unbalance the Budget!" I am convinced that a budget cannot be balanced while the level of economic activity is sliding lower and lower. I sat up night after night for 10 days on the Finance Committee in 1932. The committee was looking around for taxes to balance the Budget. After strenuous labors a bill was reported to the Senate which was alleged to balance the Budget, and upon the estimates made by the Treasury as to the yield of those taxes it would have balanced the Budget; but the Budget was out of balance in September. Why? Because the level of economic activity had so rapidly declined that the estimates of the Treasury were proved to be exaggerated.

I agree with some of the great economists who contend that the only way in which a budget may be balanced during a slide is when we reach the theoretical zeros. At that point there is no more income, and therefore there is no more expenditure.

This crisis confronting our country is more serious than any war in all its history, and the economic, social, and political consequences of losing the war against the depression will be more devastating than the loss of any war, or of all the wars in which this country has been engaged since its establishment.

In 1917, Mr. President, what Senator would have dared to rise on the floor of the Senate and suggest that we could not fight the war against Germany and her allies because it would unbalance the Budget? The first thing we did during the war, Mr. President, was to unbalance the Budget $7,000,000,000 in the first few weeks.

It is unthinkable; but if war should be declared tomorrow by some country against the United States, would any Senator rise in his place in the Senate Chamber and say, "We cannot fight the war because it would unbalance the Budget"? If that unfortunate and unthinkable situation should develop, would anyone suggest that the Chief Executive should call in the Secretary of the Treasury and the Director of the Budget to ascertain how much money could be had for the purpose of conducting the war which had been declared upon us? Of course not. The Chief Executive would call in the Chief of Staff and the Chief of Naval Operations, and he would ask them how much money was necessary in order to defend our country against the enemy; and when he had obtained that statement, he would turn to the Secretary of the Treasury and the Director of the Budget and say, "Gentlemen, here is a job in your technical field. Get the money, and get it quickly."

Mr. President, I think that we have been trying to balance the wrong budget in this country. The budget that I should like to see set up would list upon the asset side 125,000,000 people; it would list our natural resources, our oil, our coal, our lumber, our minerals; it would list our transportation system; it would list the great industrial mechanism that has been built up in this country, the greatest industrial mechanism that the world has ever seen; it would list our great agricultural resources.

On the other side of the ledger would be listed the obligation of any society and of any government worthy of the name to assure to every man, woman, and child a decent and a full life. If we will discharge that obligation, if we will balance this greater budget, we will put the operating budget into balance almost at once. Fail to balance it and we can go on with your cheese-paring methods on the regular Budget, but we will never balance it so long as the level of economic activity remains at its present point or goes lower.

This program of necessity requires a tax system which will produce sufficient revenue not to balance the Budget but to maintain Government credit. The tax issue has not been faced yet, but it must be faced, and I hope it will be faced by the Senate at this session of Congress.

We have reached the point, Mr. President, where we must ascertain whether those who give lip service to our present system are willing to pay the price to save it. We must ascertain whether those who have the biggest stake in saving this system are willing to contribute to the Government through graduated income and estate taxes a sufficient revenue to make it possible to carry on these collective expenditures until the war against depression has been won.

To vote down this amendment will bring despair to 4,000,000 men and their dependents who have been lifted up out of the slough of despond and given the chance to resume their places as respected citizens. The defeat of this amendment and the rapid abandonment of civil works which must follow will mean the end of an activity chiefly responsible for averting another collapse.

INVESTIGATION OF AIR AND OCEAN MAIL CONTRACTS—WILLIAM P. M'CRACKEN ET AL.

During the delivery of Mr. LA FOLLETTE's speech,

Mr. BLACK. Mr. President——

The VICE PRESIDENT. Will the Senator from Wisconsin yield to the Senator from Alabama for the purpose of enabling him to present an order prescribing the procedure tomorrow?

Mr. LA FOLLETTE. Certainly; I gladly yield to the Senator for that purpose.

Mr. BLACK. Mr. President, from the Special Committee to Investigate Air and Ocean Mail Contracts, I report the order which I send to the desk and which I ask the Senate

to adopt. It has reference to the proceedings tomorrow in connection with the citations for contempt. I desire to state that the order has been carefully gone over by each individual member of the special committee, and has been unanimously approved by the committee. I request that the order be read, and I ask for its adoption.

The VICE PRESIDENT. The clerk will read the order submitted by the Senator from Alabama.

The legislative clerk read as follows:

Ordered, That in the matter of William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and Harris M. Hanshue, on an order to show cause, the mode of procedure and rules shall be as follows:

When the respondents shall present themselves at the bar of the Senate in obedience to the order of February 5, 1934, the Presiding Officer shall address them as follows:

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"You have been brought before the Senate, by its order, to show cause why you should not be punished for contempt of the Senate on account of the destruction and removal of certain papers, files, and memoranda from the files of William P. MacCracken, Jr., after a subpena requiring the production of such papers, files, and memoranda had been served upon William P. MacCracken, Jr., as shown by the report of the Special Committee on Investigation of Air Mail and Ocean Mail Contracts."

The clerk shall then read Senate Report 254, Seventy-third Congress, second session, parts 1 and 2, submitted February 2 and 5, 1934, respectively, and Senate Resolution 172, agreed to February 5, 1934; after which the Presiding Officer shall address to each of the respondents the following question:

"Have you anything to say in excuse or extenuation of your connection with or participation in the matters described in such report and resolution?"

If the respondent shall answer, or fail to answer, they shall continue at the bar of the Senate until all the testimony in the proceedings (if any be adduced) shall be closed and then they shall retire while the Senate in closed executive session deliberates on the case; and when a decision is agreed upon the respondents shall, being previously notified of the time by the Sergeant at Arms or by a written notice left at their office or residence, appear at the bar of the Senate, in open session, and the Presiding Officer shall pronounce to them the decision.

The respondents shall be allowed the assistance of counsel while personally attending at the bar of the Senate, who, subject to the limitations hereinafter set forth, may be heard with respect to any matters charged against said respondents.

Counsel shall be limited to examination of respondents and other witnesses and to argument.

The respondents shall be permitted to summon such witnesses to testify to matters pertinent to the issue as the Senate may think proper.

Counsel for the respondents and members of the Special Committee on Investigation of Air Mail and Ocean Mail Contracts shall be permitted to question respondents and witnesses orally; but no question shall be put by or at the request of any Senator not a member of the committee until completion of the examination by counsel and members of the committee, or by counsel if a witness is called by the Senate, until completion of the examination by the members of the committee.

After the completion of such examination by counsel and the members of the committee, if a Senator other than a member of the committee wishes a question to be put to a respondent or witness the question shall be reduced to writing and put by the Presiding Officer, but if any question put or any testimony offered shall be objected to by any member of the committee or by counsel, the member of the committee or counsel so objecting shall be heard briefly thereon and counsel or any member of the committee shall be heard briefly in reply thereto, after which the matter shall be decided by the Presiding Officer without further debate, unless a Senator or counsel shall ask that a formal vote be taken thereon, in which case it shall be submitted to the Senate for decision; or the Presiding Officer may at his option in the first instance submit any such question to a vote of the Senate.

Counsel for the respondents and Members of the Senate shall, subject to the foregoing limitations, have full opportunity to examine, cross-examine, and reexamine any respondent or witness with respect to any matter raised by any question.

All testimony shall be taken on oath or affirmation.

In all particulars not covered by the foregoing, the proceedings shall be governed by the Standing Rules of the Senate.

Mr. JOHNSON. Mr. President, I should like to make an inquiry of the Senator from Alabama. At the beginning of the resolution, I observe that a portion of the proceedings are to be had in closed executive session. Would the Senator mind stating the reason for that procedure?

Mr. BLACK. Mr. President, the evidence is to be taken in open session; the arguments are to be made in open session. The closed session to which the Senator refers is with reference to the deliberations of the Senate after the evidence has been given and the arguments have been heard.

The Senator will recall that this was the method which was followed in connection with the recent impeachment case, and, so far as I know, is the method that has been followed with reference to the deliberations of the Senate in connection with reaching a decision in such cases. That is the reason why it is suggested that this particular portion of the proceedings be held in closed session.

Mr. JOHNSON. Mr. President, I am not seeking to make any captious objection to the procedure that is suggested, but I did not understand the theory upon which a closed executive session was to be held. I take it, however, now, from what the Senator says, that it is merely for the deliberations subsequently of the Senate?

Mr. BLACK. It is exactly in line with the ordinary proceeding of a jury after the evidence has been given and the argument has been heard.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, I am not going to object or even vote against the proposal. The question I wanted to ask the Senator from Alabama has already been asked by the Senator from California. I only had that in view.

I believe a mistake is being made. I think the deliberations of the Senate ought to be in the open. I think it will demand more respect and more consideration from the people of the country if all our deliberations are in the open. Unless there is some very good reason to the contrary, I hope the Senator from Alabama will change the order in that respect, although if he does not feel authorized to do so by reason of the action of the committee I shall make no further objection.

Mr. ROBINSON of Arkansas. Mr. President, taking note of what has just been said by the Senator from Nebraska, I desire to express my opinion that the Senate special committee has acted wisely in incorporating in its order of procedure the provision referred to. If, after the evidence has been submitted and the arguments have been heard, 96 Senators proceed in open session to deliberate upon a decision, there will result, in my judgment, such confusion as will occasion delay and embarrassment and tend to prevent the successful conclusion of the deliberations of the Senate.

It is not contemplated that there shall be any proceedings in closed executive session, except insofar as they relate to the efforts of the Senators, 96 in number, to agree upon a conclusion.

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. I am glad to yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. May I ask whether the Senator contemplates that after deliberation in executive session the Senate would then go into open session for the purpose of registering its decision?

Mr. ROBINSON of Arkansas. Oh, certainly. That is the provision in the order.

Mr. JOHNSON rose.

Mr. ROBINSON of Arkansas. The only proceedings in closed session, as contemplated by the arrangement, have reference to the deliberations of the Senate. If a jury, or, for that matter, a board of arbitration, in attempting to reach a conclusion, should hold their proceedings in open session, there would undoubtedly be influences brought to bear to stimulate obstructions which might prevent agreement.

I yield to the Senator from California.

Mr. JOHNSON. I was merely going to ask the Senator—and he answered it in the latter part of his statement—if he likened the proceedings to one of trial by jury, where the jury retire and in executive session determine their verdict.

Mr. ROBINSON of Arkansas. Yes, exactly; and that is the sole effect of the provision in the order to be entered relating to the proceedings of the Senate. All other pro-

ceedings are in the open, and properly so. Full opportunity is given not only to representatives of the respondents to ask any questions they desire but also to Senators generally after the members of the committee have had the opportunity of submitting their questions. The reason for that provision suggests itself. It is to avoid the confusion which inevitably arises when a large number of Senators seek to obtain the floor at the same time.

The VICE PRESIDENT. Is there objection to the entering of the order?

Mr. NORRIS. Mr. President, I want to be heard briefly, not with the intention of trying to change any votes, but for the purpose of leaving the record——

Mr. LA FOLLETTE. Mr. President, if this is going to lead to any extended debate, I would prefer that the Senator from Alabama should take up the matter when I shall have concluded my remarks.

Mr. ROBINSON of Arkansas. I do not understand that the Senator from Nebraska expects to prolong the debate.

Mr. NORRIS. I do not.

Mr. LA FOLLETTE. I shall be very happy to hear the Senator on the subject, but I would like to conclude my remarks.

Mr. NORRIS. I will simply say, then, that I am still not convinced—and I believe I can convince any honest man if I had the opportunity to do so—that the proceedings ought to be in the open all the way through.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is entered.

PRICES AND MARKETING OF SUGAR (H.DOC. NO. 246)

After the conclusion of Mr. LA FOLLETTE'S speech,

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Finance, and ordered to be printed, as follows:

To the Congress:

Steadily increasing sugar production in the continental United States and in insular regions has created a price and marketing situation prejudicial to virtually everyone interested. Farmers in many areas are threatened with low prices for their beets and cane, and Cuban purchases of our goods have dwindled steadily as her shipments of sugar to this country have declined.

There is a school of thought which believes that sugar ought to be on the free list. This belief is based on the high cost of sugar to the American consuming public.

The annual gross value of the sugar crop to American beet and cane growers is approximately $60,000,000. Those who believe in the free importation of sugar say that the 2 cents a pound tariff is levied mostly to protect this $60,000,000 crop and that it costs our consuming public every year more than $200,000,000 to afford this protection.

I do not at this time recommend placing sugar on the free list. I feel that we ought first to try out a system of quotas with the threefold object of keeping down the price of sugar to consumers, of providing for the retention of beet and cane farming within our continental limits, and also to provide against further expansion of this necessarily expensive industry.

Consumers have not benefited from the disorganized state of sugar production here and in the insular regions. Both the import tariff and cost of distribution, which together account for the major portion of the consumers' price for sugar, have remained relatively constant during the past 3 years.

This situation clearly calls for remedial action. I believe that we can increase the returns to our own farmers, contribute to the economic rehabilitation of Cuba, provide adequate quotas for the Philippines, Hawaii, Puerto Rico, and the Virgin Islands, and at the same time prevent higher prices to our own consumers.

The problem is difficult but can be solved if it is met squarely and if small temporary gains are sacrificed to ultimate general advantage.

The objective may be attained most readily through amendment of existing legislation. The Agricultural Adjustment Act should be amended to make sugar beets and sugar cane basic agricultural commodities. It then will be possible to collect a processing tax on sugar, the proceeds of which will be used to compensate farmers for holding their production to the quota level. A tax of less than one-half cent per pound would provide sufficient funds.

Consumers need not and should not bear this tax. It is already within the Executive power to reduce the sugar tariff by an amount equal to the tax. In order to make certain that American consumers shall not bear an increased price due to this tax, Congress should provide that the rate of the processing tax shall in no event exceed the amount by which the tariff on sugar is reduced below the present rate of import duty.

By further amendment to the Agricultural Adjustment Act, the Secretary of Agriculture should be given authority to license refiners, importers, and handlers to buy and sell sugar from the various producing areas only in the proportion which recent marketings of such areas bear to total United States consumption. The average marketings of the past 3 years provide on the whole an equitable base, but the base period should be flexible enough to allow slight adjustments as between certain producing areas.

The use of such a base would allow approximately the following preliminary and temporary quotas:

	Short tons
Continental beets	1,450,000
Louisiana and Florida	260,000
Hawaii	935,000
Puerto Rico	821,000
Philippine Islands	1,037,000
Cuba	1,944,000
Virgin Islands	5,000
	6,452,000

The application of such quotas would immediately adjust market supplies to consumption, and would provide a basis for reduction of production to the needs of the United States market.

Furthermore, in the negotiations for a new treaty between the United States and Cuba to replace the existing commercial convention, which negotiations are to be resumed immediately, favorable consideration will be given to an increase in the existing preferential on Cuban sugars, to an extent compatible with the joint interests of the two countries.

In addition to action made possible by such legislative and treaty changes, the Secretary of Agriculture already has authority to enter into codes and marketing agreements with manufacturers which would permit savings in manufacturing and distributing costs. If any agreements or codes are entered into, they should be in such form as to assure that producers and consumers share in the resulting savings.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1934.*

Mr. LONG. Mr. President, I wish to remind the Chair that when the bill referred to in the President's message was before the Senate, on my motion sugar was put into the bill, and on the motion of the administration's spokesman it was taken out. I want to congratulate the administration on its wisdom in following my suggestion.

Mr. CLARK. Mr. President, in order that the record may be kept straight, I would like to call attention to the fact that sugar was put in the bill on the motion of the Senator from Colorado [Mr. COSTIGAN].

Mr. LONG. I beg the Senator's pardon. I thought I made that motion. Then I still congratulate the President of the United States in adopting the wise course suggested by the Senator from Colorado.

CIVIL WORKS ADMINISTRATION APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for

continuation of the Civil Works program, and for other purposes.

Mr. HASTINGS obtained the floor.

Mr. BONE. Mr. President——

Mr. HASTINGS. Mr. President, does the Senator from Washington desire me to yield to him?

Mr. BONE. If he will, Mr. President.

Mr. HASTINGS. Does the Senator wish to ask me a question?

Mr. BONE. I do not wish to ask the Senator a question. I desire to occupy the floor for a moment.

Mr. HASTINGS. I will yield.

Mr. BONE. Mr. President, I shall endeavor to be very brief. I presume to take this time because of the remarks of the Senator from Wisconsin, who has touched upon some matters that have engaged my attention during the last few days. His ability and his eloquence and his willingness to realistically face and offer some sane and wholesome remedies for the somber and tragic problems that confront the American people today excites my liveliest admiration.

The American Federation of Labor, various Government agencies, Standard Statistics, and other organizations which make it their business to provide accurate information have given us some figures on real wages and the economic conditions confronting the American people which have led to this plunge into the miserable economic abyss the Senator has so vividly described. I want to add these figures to what the Senator has said—not because I believe that they are of necessity a contribution, but to those who read the remarks of Senator LA FOLLETTE I am sure these figures will be illuminating.

Real wages from 1921 to 1929 increased 13 percent. Returns to industry in this period increased 72 percent. Dividends to stockholders increased 265 percent.

In 1922 all corporations in this country paid $930,648,000 in dividends. In 1929 they paid $3,478,000,000 in dividends.

In 1922 they paid in interest $2,469,000,000. In 1929 they paid in interest $7,588,000,000.

In 1923 the value of manufactured products was over $60,500,000,000. In 1925 the value of the same products had risen to $62,700,000,000. In 1929 the value of manufactured products had risen to $69,400,000,000.

The interesting thing is that during this period there was no equivalent increase in the total volume of wages paid.

In 1928, the peak year for the production of wealth, $32,235,000,000 was paid in wages. This was $649,000,000 less than in the year 1927.

The number of employees in manufacturing establishments has been steadily lowering, while the annual production of wealth has been enormously increasing, in the manner indicated by the Senator from Wisconsin. Some of the figures I have supplied are from Government departments.

In 1922 the total income of people of the United States was computed at $65,925,000,000. In 1928 it was computed at $89,419,000,000. Those figures are a rough approximation from Government sources.

In 1922 the total volume of wages was $24,553,000,000. In 1928 it was $32,235,000,000.

In this period the total annual income had increased $23,494,000,000, while the total volume of wages had increased $7,682,000,000.

The spread between national income and total wages reveals starkly one of the major causes of this depression.

In 1929 the net income of 504 men in this country was more than the total gross income of 2,332,000 farmers, who raised all of the wheat and cotton of the Nation. Those figures were referred to by the Senator from Massachusetts [Mr. WALSH] in a speech which he made shortly after the figures were made available. They are a challenge to every citizen of the Republic.

In 1921 wage earners and salaried workers received 55.02 percent of the national income. By 1928 this had shrunk to 36.01 percent of the national income.

From 1923 to 1929 industrial production increased about $9,000,000,000. During this period wages increased $421,000,000, while, as I have said, industrial production had increased $9,000,000,000. For every additional $18 that industry received, this industrial machine graciously allowed labor to keep one additional dollar. The Departments of Commerce and Labor gave out these remarkable figures.

Mr. LONG. Mr. President, I will ask the Senator to repeat the last statement.

Mr. BONE. From 1923 to 1929 industrial production increased about $9,000,000,000. During this period wages increased $421,000,000. For every additional $18 that industry received during that period, our industrial machine, as I indicated, graciously allowed labor to receive one additional dollar out of the $18.

Five hundred and fifty corporations, as appears from some figures made public a couple of years ago, do approximately 80 percent of the Nation's business in dollars and cents turnover. In 1929 they paid to security holders the sum of $2,368,000,000, and in 1930 they paid to security holders $1,886,000,000, or a loss from 1929 of $482,000,000. This was an 18 percent loss to the security holders. In the same period, however, we find wage workers and salaried workers receiving $51,000,000,000 in 1929 and only $34,000,000,000 in 1930, a loss of 33 percent. The loss to labor was $17,000,000,000, against less than half a billion dollars to industry.

The Senator from Idaho [Mr. BORAH] has made a remarkable comparison to which I want to refer for a moment. The Senator pointed out that the wealth of this Nation might be likened to five apples and the population of this great country of ours to 100 people. As presently distributed, 4 very rich people have 1 apple apiece, while the remaining 96 people have 1 apple amongst the 96. Governor Pinchot, of Pennsylvania, used a similar comparison.

I contribute these figures to the statement of the Senator from Wisconsin because I think it is time that the American people comprehend not only the condition that confronts them but how swift has been the descent into the economic abyss of national poverty. Yet there is no occasion for it. Had we taken an inventory of all the wealth in this country in 1928 and 1929, and counted the miles of railroad lines, the number of factories, and everything else that labor and man's genius can create, we would find the same wealth here now, the same factories, the same potentialities for the production of all the things that make life sweet and happy—rugs, radios, automobiles, food, clothing, shelter. There is something terribly wrong with an economic system that dooms millions to poverty in the midst of plenty. The thing that the Senator from Wisconsin pointed out, the terrifically rapid concentration of national wealth into the hands of a few, tells the story. There is no other answer to this terrifying riddle. Senator after Senator has called attention to this trend, which spells national disaster if not checked. With a little of that spirit which animated our sires when they went out to conquer the wilderness, when they bared their breasts to the bullets of the enemies of the infant Republic, we should meet this frightful challenge to the firesides of America.

Mr. HASTINGS. Mr. President, I am opposed to the amendment now pending, but principally for this reason: If the administration desires to hold out the hope that $950,000,000 will be sufficient, and that when that sum shall have been exhausted there will be such an economic recovery in this land that it will not be required to appropriate additional money, I think we ought not to destroy that hope by adding to the sum the large amount suggested by the Senator from New Mexico. I have no doubt, however, that if the present session of Congress shall last until the first of May an additional appropriation will be suggested to the Congress, and I should not be surprised if it should not reach the figure suggested by the Senator from New Mexico.

Mr. President, I am only going to occupy a few moments, and I am not going to discuss this question in detail. I was interested in the first amendment that was adopted today, which was proposed by the Senator from Tennessee, who has the pending bill in charge. My remarks about this bill yesterday were a mere incident in the effort to show that the Congress had made a mistake in turning this kind of an undertaking over to the Executive. I insisted then, and I

insist now, that it is a work for the Congress, and I expressed the hope that if Congress would seriously consider it, it would be able to find a remedy that would be more effective and one that would not last throughout the coming years.

I particularly criticized some of the projects which I knew had been approved in connection with the expenditure of this fund. The Senator from Tennessee objected to the amendment to which I have referred because, he said:

> The committee thought under the circumstances, and inasmuch as this work is being furnished purely for the benefit of the recipients, that it was not right to saddle upon the Government a large and perhaps perpetual compensation allowance.

The point I undertook to make yesterday was that what we were doing was purely for the benefit of the recipients and it was not a constructive work that would be helpful to the Government in the future.

Later the Senator showed that:

> About $14,000,000 have been paid out for compensation to persons who were injured. Mr. Hopkins thought this should be continued, but the committee did not agree with him. The committee thought that the furnishing of employment under the circumstances ought to be sufficient, and that otherwise a large pension roll would be built up. It was thought that $21,000,000 would be required to pay for those injured, and if that sum was set aside it would not be spent for unemployment purposes.

To my mind there can be no good reason why those persons who are compelled to go to a particular job in order to get a particular check from the Government at the end of the week should be deprived of some compensation if they should get their legs cut off while going to that job. Having that point in mind, I propose to have printed at the conclusion of my remarks a suggested amendment, which I ask the Senator in charge of the bill seriously to consider.

I may add that it may not be very carefully drawn, but I shall endeavor to make plain the purpose I have in presenting it.

After the word "designated", in line 9, add the following:

> *Provided further*, That no direct payments shall be made to any employees by the Federal Government unless such employee be engaged on a Federal project.

The Senator from Tennessee called our attention yesterday to the fact that out of the 4,000,000 men put to work 2,600,000 are working on Federal projects, leaving 1,400,000 on other projects. What I particularly complain about is that the Federal Government is paying out its own money by its own checks to persons who are not engaged on Federal projects.

I propose to follow the amendment I have just indicated by this additional paragraph:

> *Provided further*, That any and all moneys paid to the States or municipalities under this act shall be free of any Federal regulation with respect to the rate of pay or the particular use to which such money may be applied by such States or municipalities.

I hope the Senator from Tennessee in particular will believe me when I say that I am suggesting the amendment in an effort to help in the situation which confronts us, because I realize, as I said yesterday, that the Federal Government cannot permit people to go hungry and cold, and something must be done about that.

It seems to me, however, if we will undertake to let the Government itself control Federal projects, finding as many such projects as it can and putting as many people to work on them as can be thus put to work in any aspect that might be called economical—in other words, there may be similar projects which under normal conditions one would not think of spending Federal money on; but in order that we might find jobs for the unemployed, I should be perfectly willing to see the Federal Government enter upon Federal projects which otherwise it would not think of undertaking—when we have found as many as we can, let us stop there; and if additional money is necessary, as it is, let us turn that additional money over to the States and let the States be entirely responsible for what they do with it. If they can find jobs within their own States or municipalities, let them find them and use the money for that purpose, because the unemployed of this land would rather work for their pay than to be on a dole. Let us put it up to the municipality or the State to find jobs for their people. Then if they want to employ manicurists, as I pointed out yesterday, or if they want to do what the Herald Tribune called to our attention today that is taking place in Baltimore—300 people having been employed with 50,000 traps to catch rats in the city of Baltimore—let them go ahead and do it. But I say the psychology of the Government being engaged in that kind of business, employing people for that kind of work, is not good psychology. However, if Baltimore City wants to get rid of its rats, they might take the Government money and use it for that purpose without the same kind of complaint resulting.

The same principle applies as to many of these projects. For instance, it applies to the project suggested yesterday by the Senator from Georgia [Mr. GEORGE]. If the school teachers of the country are to receive Federal pay, who in this Chamber doubts that the States who control the educational institutions ought to say who shall be employed, how much money shall be paid to them, and to what extent they shall use Federal money for that purpose?

Another thing that would be cured by the amendment is this. In some of the States, particularly in the South—and I was there during the holidays and heard the experiences of many people there—there are being employed on C.W.A. jobs men at 40 cents an hour who are being taken away from the farmers, because the farmers cannot afford to pay 40 cents an hour. If we take the situation in South Carolina and leave to South Carolina the wage scale to be fixed, and let the money which goes from the Federal Government to that State go as far as it will, we will not be responsible for whether they pay 40 cents an hour or 30 cents an hour.

What business is it of the Federal Government to undertake to control the pay on an individual job that is for the benefit of the State or one of its municipalities? If they have to have Federal help, let us give it to them by turning the money over to them. If there is to be a scandal with reference to that money, it would be a State scandal or a municipal scandal, and not a Federal scandal. That is what I think we ought to do. I think this simple amendment will cure a lot of complaints about the bill.

I hope, if I have made myself clear, that the Senator in charge of the bill will seriously consider the proposal, because it is offered seriously.

Mr. McKELLAR. The adoption of the amendment offered by the Senator from Arizona [Mr. HAYDEN] this morning will put all of that matter in conference. I am sure the conferees will be glad to give it serious consideration.

Mr. HASTINGS. May I be permitted just a further word? The opposition which the Senator from Tennessee offers—and there is some reason in the opposition—is because these jobs are not Federal jobs. When we come to consider that and find that a person has been sent out to do some trivial thing in order to give him employment which is for the benefit of some city or county and in no sense is a Federal project, we are inclined to think that that particular person, if injured while doing that particular work, ought not to be permitted to make a claim against the Federal Government for compensation—that that burden ought not to be loaded upon the Federal Government. If that may be separated, as I have suggested, and let the Federal projects stand upon their own base, and then turn over to the States and municipalities the money which it is necessary for us to give them, I think we will have a very orderly distribution of the fund.

The amendment intended to be proposed by Mr. HASTINGS to the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, which was ordered to lie on the table and to be printed, is as follows:

> After the word "designate", in line 9, add the following:
> "*Provided further*, That no direct payments shall be made to any employee by the Federal Government unless such employee be engaged on a Federal project:

"*Provided further*, That any and all moneys paid to the States or municipalities under this act shall be free of any Federal regulation with respect to the rate of pay or the particular use to which such money may be applied by such States or muncipalities."

Mr. WAGNER. Mr. President, I propose to support the amendment which seeks to increase the amount to be appropriated by the bill. I propose, as briefly as possible, to give my reasons for supporting the amendment attempting to increase the amount of the appropriation.

Mr. President, since the advent of the present administration we have been realistic and resourceful and generous in the face of depression. Are we going to fall short when victory is within our grasp? Are we going to suffer a relapse because of the very failure to face the facts, which was our greatest handicap during the first years of our economic calamity?

What are these facts? What bearing do they have upon the adequacy of the $950,000,000 appropriation for the Civil Works and Emergency Relief Administrations which is now being considered by the Senate? I propose to review the accomplishments of these agencies and to explain my conviction that they should receive far greater additional support than is provided in the present bill. They ought to receive an additional appropriation as incorporated in the amendment offered by the Senator from New Mexico [Mr. CUTTING].

The very first task that we faced in March was to provide food and shelter for the idle who could not secure jobs. The Federal Emergency Relief Administration, invested with half a billion dollars, has been spending $60,000,000 a month to protect the desolate from complete annihilation. The 21,000,000 people dependent upon relief rolls in March were reduced to 15,000,000 even before the inauguration of the Civil Works plan. Thus, in addition to those still on the rolls, several million people who otherwise might have perished were sustained and encouraged until they secured employment.

The Relief Administration has done more than merely to ferret out the neediest cases with an eagle eye and to extend aid with the minimum of delay and waste. It has displayed incessant ingenuity in raising standards of service above the level of the dole. One example has been the promotion and support of adult education to restore the shaken morale of the idle until the day of revival. Another example has been the marked attention shown to classes who were in greatest danger of neglect. Innumerable transients whose very efforts in search of work had branded them with the stigma of the shiftless have been transported to home localities where there are no preferences operating against them. Key cities all over the country have been designated to assist in this work.

A matching policy has been developed which forces the States to bear their fair share of responsibilty, but it has not neglected to deal charitably with the States that have suffered too much to help themselves.

The Federal Surplus Relief Corporation has been the medium for a doubly useful expenditure of relief funds. The purchase of supplies direct from producers has relieved centers of overproduction, while effecting great economies in securing goods for the needy. The shipments of foodstuffs alone aggregated over 114,000,000 pounds by the end of December, including salt pork, smoked pork, butter, flour, dried apples, and beans. Quantities of surplus coal have been absorbed in similar fashion.

Despite the irreproachable handling of the money at its command, it became obvious by last November that the Relief Administration could not meet the needs of the times. With 15,000,000 people still depending upon it for aid, its resources had become so depleted that only $7 per person remained, with the long winter approaching; and there was the certainty of additional applications. Despite 5,000,000 workers reengaged under the Public Works and Recovery Act programs, there were still 10,000,000 unemployed, representing, with their families, 40 percent of our population.

For these reasons, the Civil Works program was inaugurated. The best cure for unemployment is employment. Utilizing $400,000,000 drawn from the Public Works fund and $100,000,000 from emergency relief, a tremendous volume of useful projects is being pushed forward, and resulted in the reemployment of 4,150,000 people before the new year.

These Civil Works enterprises throw into bold relief the tragic social waste that was involved in permitting large masses of people to remain needlessly idle. Most of the present activity is in the field of small-scale improvements which do not require the elaborate planning of the larger projects under the Public Works Administration. These include the repair of public buildings, town halls, and schools, the construction of feeder roads and bridges, and the paving of streets. Sanitation plays a large part, especially water works, sewers, and power plants. Experience has shown that even in normal times private industry cannot be relied upon to promote outdoor recreational facilities for people of moderate means; and the present opportunity is being seized to develop parks and playgrounds, swimming pools, band stands, and boathouses.

One of the prime defects in our earlier efforts to provide relief was the neglect of the millions of white-collar workers who have suffered as much as any other group during the past 4 years. In addition to the hardships thus imposed upon these people, the whole Nation lost because of the failure to capitalize their capacity for a wide range of useful services. I desire to relate the progress which the Civil Works program has made in promoting projects to remedy this oversight.

To improve our transportation facilities, a Nation-wide body of aeronautic advisers has been appointed to plan and approve a network of airports as a Civil Works project.

Scientific work and the conservation of natural resources are being extended. The Department of the Interior is undertaking a photo-mapping survey of 40,000 square miles in the South. The Department of Agriculture is conducting one study of land utilization and another of gypsy-moth extermination. Dairy experimental stations are receiving assistance. Mine fires are being extinguished, and abandoned coal mines are being sealed.

It would be a grievous oversight if this depression were allowed to pass without our making careful studies of its economic characteristics in order that we may be better prepared for coping with the hazards of the future. With the aid of Civil Works funds the Federal Coordinator of Railroads is commencing a study of employment and earnings of 300,000 railway employees on class A roads. The results will be of incalculable value to the Congress in connection with pension and unemployment insurance legislation.

Again, with the aid of C.W.A. funds, the Bureau of Labor Statistics is conducting a study of the effects of the Public Works program and other recent legislation upon employment and economic conditions generally. In addition, it is improving its surveys of nonmanufacturing industries. The Bureau of the Census is conducting a careful analysis of the problem of tax delinquencies. The Department of Agriculture is making a study of farm housing in order to determine rural needs and to investigate the feasibility of promoting farm-home financing.

Clerical, academic, and artistic positions are being created for sorely neglected groups. Some funds are devoted to the employment of teachers and the cataloging and classifying of the treasures of our public libraries. Two thousand five hundred artists have been engaged to embellish public buildings and to preserve on canvas and in stone the record of one of the most dramatic periods in our history. Records are being made of the historic buildings in all the States, involving the employment of architects, draftsmen, clerks, and stenographers.

For the first time the unemployed woman is receiving proper attention. By the end of 1933, 150,000 women had been engaged for Civil Works projects, including library work, indexing, social surveys, nursing, and clerical tasks.

A national safety campaign in cooperation with State agencies has been inaugurated to promote the safety of inexperienced men engaged in new kinds of industrial activity, and to study traffic accidents and the various proposals for safeguarding human life.

Of course, there have been some wastes involved in the Civil Works program; but these are not the fault of the program. They are the result of our failure to plan during times of prosperity. The Civil Works idea is directly in line with the Public Works remedy that I have advanced for years; namely, that governmental activity should be expanded in times of stress to take up the slack in private industry. Such expansion can move along smoothly only if a completed list of worthwhile projects have been prepared in advance. In this way alone can human values be preserved and the productive capacities of the Nation be utilized without interruption.

The Civil Works Administration is profiting by experience. It is making every effort to adapt its policies to national needs. I desire to quote from the testimony of Mr. Hopkins before the House subcommittee. He said:

> It had been a job which we have tried to do with integrity. It has been a job which we have tried to do with intelligence. We have tried to do it realistically. We have tried to do it in the interest of the unemployed. And when we think of our rules and regulations and administrative policies, we think of almost 7,000,000 families that will get benefits either through the Relief Administration or through the Civil Works. That represents twenty-five or thirty million people in America. These people are important. We are their servants. This thing is a public trust which we take very, very seriously. We know we have made mistakes, but these mistakes have been made as honest mistakes of judgment.

This variegated Civil Works program has been subjected to criticism on the ground that its high standards have a dislocating effect upon private industry. Most of this criticism is voiced by those who regard the program as a dole to the unemployed. As a matter of fact, the administration has tried to apply every canon of economic efficiency, both as to the types of projects which it sanctions and the qualifications of the people whom it employs. Furthermore, the undertakings for the most part are not of the type which compete with private industry. They are public-service enterprises, which have always had to await the interest of public bodies, for they have a low capacity for yielding private profit and a high social value to the community as a whole. I do not understand how four and a half million people who are building up the wealth of the Nation by productive effort and spending half a billion dollars in a quarter of a year for consumer goods can be as great a strain upon our economic revival as four and a half million people suffering from enforced idleness, decaying physically and temperamentally, and with almost no wage receipts to pour into the channels of trade.

At the present time there is wide-spread acceptance of the need for continuing the Civil Works and the Emergency Relief programs. The former is necessary to provide jobs for those who want to work. The latter must be used to care for those who have become disabled by destitution or who suffer from irremediable handicaps. The only real question is, How much additional funds need to be appropriated?

Let us begin by considering the employment situation. In March 1933, 15,000,000 people were without jobs. No one could claim that more than 4,000,000 of these have been directed since then into the normal channels of industry, commerce, and agriculture. About 1,000,000 men are engaged in the Public Works program. This means that today there are at least 10,000,000 workers who must be cared for either by charity or by work financed through the use of public funds.

Private industry cannot make room for these people as fast as it has made room for others during the past 8 months. A large part of reemployment has been due to the shortening of hours. Obviously, there are limits to the amount of relief that can be afforded by this device; though I believe that hours should be even shorter than they are. In addition, simple common sense tells us that the closer industry gets to normal running speed, the harder it will be to take on additional men. It is much easier to raise employment in industry from 60 to 70 percent of normal than it is to raise it from 70 to 80 percent of normal.

These hypotheses are confirmed by statistics. The index of employment in manufacturing rose from 55 in March to 70 in December, a gain of almost 30 percent. But during the last 3 months there has been no appreciable gain, and the most reliable estimates seem to indicate a slight recession. This recession, of course, is seasonal, and we may expect a considerable pick-up with the coming of spring. But almost no one would claim that more than 3,000,000 people are likely to be reemployed in industry between now and the beginning of 1935. According to liberal estimates, another million may be added through the operation of the Public Works program.

If these sanguine predictions are justified, there will be 6,000,000 workers dependent upon public relief or public employment at the end of the year, compared with 10,000,000 today.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BORAH. I did not catch those figures. There were 6,000,000 unemployed at what time?

Mr. WAGNER. During the year; at the present time. That is, there would be 10,000,000 unemployed except for the Civil Works program, which has absorbed 4,000,000 people. If we abandon the Public Works program and demobilize, we will have 10,000,000 unemployed. If industry, during the next short period of time, out of that 10,000,000 absorbs 3,000,000 and public works 1,000,000, there will still be 6,000,000 people unemployed, and to be cared for by some sort of relief.

Mr. BORAH. Mr. President, will it interrupt the Senator if I ask him a question?

Mr. WAGNER. Of course not.

Mr. BORAH. I am at a loss to understand, under the circumstances, considering the facts and the figures the Senator has given, and others which we have had given us today, why the able Administrator of the C.W.A. is satisfied with $950,000,000. I have been reading his statement, and I hesitate to vote to give a man more money than he wants, and he says that that is all he needs.

Mr. WAGNER. Mr. President, I am trying to convince the Senator that, whether he wants more or not, he needs more, if we are to take care of the unemployed, and if we are to avoid another recession and a possible economic catastrophe.

Mr. BORAH. The Senator is presenting a very strong argument, but it is puzzling to me why so able an Administrator as Mr. Hopkins, who certainly must be more familiar with this matter than most of us can possibly be, is presenting a bill here in the amount represented by the figures in the measure before us. I am disposed to vote with Mr. Hopkins, because of the fact that I believe in his ability. I know he is familiar with the subject, and I do not want to crowd upon a man more money than he thinks he needs to take care of the job. The Senator is presenting figures which tend to make one doubt that Mr. Hopkins knows his job.

Mr. WAGNER. I would not say that. I regard these figures as inexorable. They are there.

Mr. BORAH. What could be the object of presenting a bill here for this amount if it is not going to meet the task? Certainly Mr. Hopkins must know what the task is.

Mr. WAGNER. I cannot speak for Mr. Hopkins on that score. It may be that he is more optimistic than some of the rest of us as to the number who will be absorbed by the revival of private industry or in the prosecution of the Public Works program or through employment upon the farms. I cannot see any other answer to it except that he indulges in an optimism which I cannot share with him.

Mr. BORAH. Very well.

Mr. WAGNER. If we average these figures which I have just mentioned over the entire period, we will get a mean

figure during the year of 8,000,000 people to be cared for from public funds. What portion of these people will be dependent upon Federal aid? Mr. Hopkins, on the basis of an experience that cannot be questioned, has testified that about 62 percent of all public relief and employment must be furnished by the Federal Government.

I would like to have the Senator from Idaho listen to this testimony given by Mr. Hopkins.

Mr. Hopkins said that, on the basis of his own experience, about 62 percent of all public relief must be furnished by the Federal Government. He shows that, while the State appropriations are increasing slightly, those of the municipalities are falling off to an equal extent. Thus almost 5,000,000 working people must rely for some period of time upon Federal action. These constitute with their families, almost 25,000,000 people, or one fifth of our total population.

Mr. BORAH. Does that statement appear in the hearings?

Mr. WAGNER. Yes; it appears in the hearings. To continue:

What funds are available to provide these 25,000,000 people with a livelihood? The Federal Emergency Relief Administration has less than $50,000,000 left, and the Civil Works Administration less than $150,000,000. If we add to these sums the appropriation proposed by the present bill, we get a total of $1,100,000,000. Is this sufficient even for the 10 months that must elapse before the next opening of Congress? It amounts to $110,000,000 per month. It means $22 per month for each of the 5,000,000 workers to whom I have referred. It means about $5 per week for each family of five persons. It means $1 a week for each individual. How much food, clothing, shelter, and medical care can this sum provide?

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. WAGNER. Yes.

Mr. BORAH. If we follow the logic of the Senator, how long would this $2,500,000,000 last. It would not last until Congress reconvenes next year, would it?

Mr. WAGNER. I will say to the Senator from Idaho that I believe it would. Those of us who have been making the estimate believe that it would last until about the end of November of this year, and allowing for some tapering off, and taking the view that we are a little too pessimistic, and that those on the other side are a little too optimistic, we will get a mean that will take care of this work to the end of the year by appropriating $2,500,000,000.

This question I have just propounded must bring a deep sadness to every listener with average powers of imagination and normal tenderness of feeling. To those of us who have the power not only to feel and to think, but also to act and relieve, there must come a determination not to be satisfied with the present proposals.

Whatever qualms we might feel about more extensive action will be removed by a survey of those who need our aid.

Mr. BORAH. Mr. President, may I ask the Senator another question?

Mr. WAGNER. Yes.

Mr. BORAH. As the Congress will not be able to return here until January, why is a sum provided for that will run the work only until November?

Mr. WAGNER. As I said before, taking our pessimistic view as the rock bottom, and the other side's optimistic view as the top, we get an average, and based on that average I think I can say that the Civil Works program may be prosecuted to the first of the year and reasonably take care of those in need of our aid.

Mr. McKELLAR. Mr. President, may I ask the Senator a question?

Mr. WAGNER. Yes.

Mr. McKELLAR. Has not the Senator confidence in Mr. Hopkins and his management of the proposed plan?

Mr. WAGNER. Yes. That is the reason I am willing to give him this additional fund, and I know that he will not spend it unless it is needed to aid the unemployed and to feed and shelter the destitute.

Mr. McKELLAR. Mr. Hopkins does not ask for it, and he proposes a plan. I think inasmuch as it has been intrusted to Mr. Hopkins, and he has made a splendid job of it, that the rest of us might have some confidence in his views on the subject.

Mr. WAGNER. But I also have confidence in my own analysis of the situation, and the cold facts and figures cannot be ignored, and they compel the conclusion that a larger appropriation is needed if we are to take care of these unfortunate people.

Mr. FESS. Mr. President, does the Senator yield?

Mr. WAGNER. I yield.

Mr. FESS. The Senator spoke a moment ago about 6,000,000 people that will still be unemployed. Does the Senator have the facts that there are only 6,000,000 people out of employment now?

Mr. WAGNER. Yes. Those are the estimates at the present time, that there are 6,000,000 people out of employment.

Mr. FESS. I had understood from Mr. Green that there were something like 10,000,000.

Mr. WAGNER. No; I think that what Mr. Green stated was that if the Civil Works program is demobilized, thus throwing back upon relief, and putting out of employment the 4,000,000 working on the Civil Works projects, added to the 6,000,000 now unemployed, it will make the figure 10,000,000. Of course, I look to industry reviving sufficiently between now and next year to absorb between two and a half and three million people. The Public Works I expect will absorb another million. Thus if we demobilize the Civil Works program we are back to where we were before. We would still have the 6,000,000 which will eventually mean a recession.

Mr. FESS. So that the Senator really believes that unemployment is decreasing?

Mr. WAGNER. Undoubtedly. We are gradually emerging out of this tragic depression that we have been going through.

Mr. FESS. Is that emergence due to anything except the Government's spending public money?

Mr. WAGNER. Yes. It is due to the fact that approximately about 4,000,000 men have been reemployed in industry as the result of the shorter hours, the abolition of child labor and the raising of the minimum standard of wages. That has contributed about 4,000,000. But I call to the Senator's attention the fact that when the present administration took hold we had 15,000,000 people out of employment.

Mr. FESS. The Senator then really has confidence that there is a decrease in unemployment by the taking up by private industry of the unemployment, that is aside from supplying the need of the Federal Government expenditure?

Mr. WAGNER. I did not quite get the point of the question.

Mr. FESS. What I mean is this, and my question is quite a significant one. If there is an increase of employment in private industry—that is, outside of supplying the needs of the Government's program—that is very promising.

Mr. WAGNER. Yes.

Mr. FESS. Is there such an increase?

Mr. WAGNER. I am sure there is. But we must not forget that the expenditure of public funds has aided private industry a great deal.

Mr. FESS. Of course. I understand that.

Mr. WAGNER. We are talking here as if this were something that had no relationship to private industry. We are talking about Government expenditure. Where does the money go that is expended. It goes into private industry. It goes for shoes and hats and other capital goods, which to that extent aids private industry.

Mr. FESS. I know that the Senator's theory and the theory of the President is that by public expenditure we will

ultimately sufficiently stimulate private industry to take up the unemployment.

Mr. WAGNER. Certainly. And that will decrease our own public-works program.

Mr. FESS. I hope that is true, but it does not look promising.

Mr. WAGNER. We are all looking for that to happen.

Mr. FESS. I hope it will come, but it does not look promising to me.

Mr. WAGNER. We are going upward all the time due to a very inspiring leadership which the Nation fortunately has had since March 4.

Mr. FESS. A very adventurous leadership.

Mr. WAGNER. I should say inspiring. The people of the United States agree with me.

Mr. FESS. I think the Senator is right about that. Sometimes even the people are mistaken.

Mr. CUTTING. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. CUTTING. In view of the questions asked a moment ago by the Senator from Idaho it has occurred to me in reading Mr. Hopkins' testimony that he nowhere is emphatic as to the undesirability of having further funds to spend.

Mr. WAGNER. Certainly. If I may interrupt the Senator, I wish to call his attention to the fact that he said he thought——

Mr. CUTTING. He said he thought "these were the reasons which impelled us to recommend the cessation of this work."

Mr. WAGNER. Yes.

Mr. CUTTING. I do not want to embarrass Mr. Hopkins or anyone else, but does not the Senator think that it is a position somewhat analogous to that of a Cabinet member who might wish to pursue a certain line of activity which the Director of the Budget had refused to approve? He is not in a position to recommend the carrying on of that work, and will have to give what reasons he can find to justify retrenchment, and yet he is in a position where it is unfair to press either him or his superiors for the reticence in expression which naturally goes with such a position.

Mr. WAGNER. Of course, I cannot answer that question.

Mr. BORAH. Mr. President, it must be remembered that these expenditures are matters over which the President is reported to have worked for days, and this whole question is one of the most difficult problems with which he has had to deal, and he came to the conclusion, if the press reports are correct, that we ought to hold the appropriation down to the amount asked in the pending bill. I want to hold down expenditures, for the taxpayer ought not to be forgotten.

It seems to me that Mr. Hopkins is carrying out a policy of the administration. I certainly do not want to put upon the administration a larger sum of money than the administration thinks it needs in view of the fact that it has to spend billions and billions of dollars, at best. It is a safe rule to allow less rather than more than a department asks.

Mr. WAGNER. The Senator's independent attitude upon all questions is so well known that I know he is not going to vote upon this question because of what someone recommends unless his own convictions are in accord with that particular recommendation. I hope the Senator will carefully examine these inexorable figures, and I am sure he will reach the conclusion that he ought to support the amendment.

I have been moved greatly by the testimony of Mr. Hopkins before the House subcommittee. In speaking of the applicants for relief and civil work, he said:

> We know, from a careful study of their records, that they are made up of the finest people in America. You cannot get 4,000,000 families or four and one half million families on the relief rolls without getting from one end of the country to the other, the whole backbone of America's industrial and farm life.

The people for whom I plead are at the end of their rope. They have exhausted their savings. They have taxed to the limit the generosity of their friends and relatives. They have dried up the sources of private charity. Their physical and moral stamina cannot stand further strain. In our joy over partial recovery, we must not allow them to be pushed to the stage where recovery for them would be impossible. Nor can we recover under such circumstances.

This is particularly true of young children. Studies in almost every State have revealed the fact that about one fifth of all the beneficiaries of relief are between 6 and 13 years of age, although this age group comprises only one ninth of the total population. We would have to possess the foresight of sages to envisage the sickness and suffering that will crop up in the next generation as a result of undernourishment and neglect at the present time.

In addition to the tremendous humanitarian urge for more adequate relief there is the purely economic reason. With the country on the upgrade, it is absolutely essential that purchasing power should be stimulated and maintained until industry can really regain its footing. During the months of July and August, in the first wild spurt of restored confidence, production in private industry shot far ahead of employment and pay rolls. The only thing that prevented a complete collapse was the steady flow of Federal funds which went into the pockets of consumers without placing additional competitive goods upon the market. Even today the index of production in industry is far ahead of the index of pay rolls, and it is imperative that public expenditures should continue to serve as a balance wheel. This is the only safeguard against a relapse.

In the beginning of 1933 the monthly volume of wages was one and two-thirds billion dollars less than in 1929. Due to the various relief measures and the operation of the Recovery Act, the monthly volume of wages has risen by almost $600,000,000. But this leaves a gap of over a billion dollars per month which has to be filled in before we can begin to feel safe. Even then we shall need to take steps to prevent the disparity between wages and profits that foreshadows catastrophe. Compared with a gap of this magnitude, any assistance that the Federal Government might give is a mere drop in the bucket. But although the Federal Government cannot do everything, it should do as much as it can. I believe a Federal appropriation of $950,000,000 at this time is a great deal less than we can do and a great deal less than is dictated by the minimum requirements of sound public policy.

I hope the amendment will prevail.

Mr. SHIPSTEAD. Mr. President, I regret the lateness of the hour; but I feel it my duty to say a few words upon the pending bill in view of the trend that the discussion has taken.

I supported Public Works appropriations last spring. I thought 3 years ago that a Public Works program would be beneficial. The C.W.A. has undoubtedly staved off a very serious situation this winter; but I have never thought there was any hope of the least shadow of a permanent remedy for the present situation in the expenditure of public funds. I have looked upon these expenditures as merely a temporary palliative to give us a breathing spell in which to inaugurate policies that will give us some hope of permanent restoration of purchasing power and of prosperity.

I cannot believe that public expenditures will restore purchasing power. They will increase temporary purchasing power, and I believe they have done so; and the effect has been beneficial.

We cannot hope to balance the Budget in that way, however. We cannot hope to balance the Budget by increasing taxes. The Federal Treasury can be filled only from the treasuries of its citizens and its business houses.

We have had a Government deficit for several years because of the deficit in the pockets and the tills and treasuries of our citizens. Those tills have been empty. The only source of revenue to the Government comes from the pockets of its people. If there is no money in the pockets of the people, no money flows to the Federal Treasury. Raise taxes where there is no income and you do not increase income from taxes. Raise taxes five times, still five times nothing is nothing.

So I believe if we are ever going to balance the Budget we shall have first to balance the budgets of the American people, our private citizens, our corporations, and houses engaged in commerce. The question before the Congress is, or should be, How can that best be done?

The private credit system of the United States—the foundation of our commercial life, the foundation of our banking life—is not functioning. The only credit that is functioning now is the credit of the Government of the United States. We do not know how long it is going to last.

I am not so much concerned at present about the present Federal Government debt, and I am not so much concerned about spending some public funds now, provided in the meantime we will inaugurate policies that will restore a healthy commercial life, a healthy economic life of our people, and balance the budgets of our private citizens.

Our per capita debt in this country is about $254 for every man, woman, and child. Great Britain has a per capita debt of something like $540 for every man, woman, and child. France has a per capita debt of something like $854 for every man, woman, and child. So our Federal Government debt, as compared to that of Great Britain and as compared to that of France, is very small.

The Federal Government debt is not the debt we need to worry about. That is not the debt that has crushed the credit system of the United States. That is not the debt that has closed the banks. Our Federal debt is not the debt that has emptied the treasuries of our private citizens and our corporations who pay taxes to the Federal Treasury. We have another debt to which no debt in any country on the Continent of Europe can compare, and that is our private, municipal, and corporate debt.

Until we realize the fact of the bankruptcy facing this country on behalf of that debt, we shall continue to spend public funds in the vain hope of restoring prosperity. The Biblical manna fell gently from heaven, but it could not fall forever. The spending of Government funds cannot last forever. The public and private indebtedness of this country is given out as about $250,000,000,000, the fixed charges of which are working night and day upon the income of the American people. There is only so much income produced in the country. If capital were to take its fixed charges upon an indebtedness of $250,000,000,000 out of the national income, there would be so little left for the producers of wealth that it is quite likely they would have to go back to a standard of living such as that we had at the time of the Civil War.

There is not enough income produced in the United States to pay the fixed charges of interest and taxes, rents and leaseholds, and leave a decent standard of living for the great mass of the people.

The railroads have a total capitalization of $25,000,000,000. The traffic will not bear the charges necessary to pay the interest on that debt structure, as old as the railroad history of the United States. What is true of the railroads is true of almost every other large industry.

The steel industry, overcapitalized, with its obsolete structures, with its fictitious capitalization, is a fair illustration, and, in order to maintain and collect from the producers of this country upon this tremendous fictitious capitalization and dead structure, what do we find is being done now? I do not intend to discuss at length some of the codes adopted under the N.R.A., but I want to refer to this particular industry. Because of the lateness of the hour I do not want to go into any extended discussion to illustrate what is taking place.

We were told that the N.R.A. was a program to redistribute wealth, to furnish employment. If we are to redistribute the wealth of this country it will have to be done by reducing the prices to the consumer, and by raising the wages of the workers in industry. If we are to redistribute wealth in this country we will have to put the 30,000,000 engaged in agriculture on a scale where they can at least get cost of production. The workers of industry, 40,000,000, working for wages, and the 30,000,000 working in agriculture, a total of 70,000,000, are the foundation of the purchasing power in this country. They furnish the greatest market in the world, if they have the purchasing power.

Under the steel code we are not restoring the purchasing power. Under the steel code, the steel industry has revived the Pittsburgh-plus system of price fixing, which was condemned by the Federal Trade Commission after an exhaustive examination and hearing in 1924. That system of price fixing was pronounced, in a decision of the Federal Trade Commission, as a price-fixing scheme for the purpose of enabling those responsible to engage in monopolistic practices, fix prices, and to establish monopoly.

The Steel Corporation was organized in 1900. Not before 10 years had elapsed was a suit brought for its dissolution in the courts of the United States. Not for 9 years did that case come to the Supreme Court for final decision. The Supreme Court rendered a decision in favor of the Steel Corporation. Justice McKenna noted the fact that of 30,000 purchasers of steel, not one appeared to testify against the Steel Corporation in that suit, and he remarked from the bench that it was reasonable to assume that they did not want to testify; the facts are they did not dare to testify.

The investigation inaugurated and pursued by the Federal Trade Commission showed that whenever the Steel Corporation fixed the price based on the Pittsburgh-plus plan the independents followed suit. The Gary dinners were held for the purpose of fixing prices on the basis of Pittsburgh-plus. A venerable old gentleman who attended those dinners told me that there never was any agreement made at those dinners as to what was to be charged for steel, but, he said, "we always knew what the price of steel would be for the next 30 or 60 days"—avoiding the Sherman Antitrust Act.

This system has been revived under the code, and it gives me concern, because it lays the foundation for the suspicion that if the administration of that code continues, that steel code is not a code for the distribution of wealth or to prevent the concentration of wealth into the hands of fewer and fewer people. On the contrary, if permitted to continue to operate, it is going back to the time prior to the decision of the Federal Trade Commission, when they issued an order to cease and desist the practices of price fixing and monopoly practices prior to 1924.

What does it mean to restore the Pittsburgh-plus plan? I have here a statement showing the effect on the price of steel in the United States of the Federal Trade Commission's order of 1924. There was an overnight drop in the price of steel as the result of that order to cease and desist. In the territory of Spokane, Butte, Helena, Salt Lake, Ogden, Pueblo, and Denver the drop in steel was $2 a ton overnight. At Fargo, N.Dak., there was an overnight drop in the price of steel from $18 to $10 a ton. At Omaha there was an overnight drop from $14.50 to $10. That refers to wire and wire nails. At Duluth there was a drop from $12 a ton to $2. This is from an excellent book by Fetter, called the "Masquerade of Monopoly." With the restoration of the Pittsburgh-plus system on a diffused basis, I believe, there are three or four points of ratemaking for the fixing of a base rate under the new code, but in our territory the base rate is fixed at Chicago.

There is a big steel plant at Duluth. Buying steel bars at Duluth, the consumer in that territory will pay the price fixed at Chicago, plus $6.60 freight from Chicago, and the steel is not hauled from Chicago, the railroads are not paid to haul it from Chicago to Duluth; the money is paid to the steel industry, a freight charge of $6.60 a ton is paid to that industry for steel made in Duluth, and the rate falls upon the consumer for the benefit of the steel industry, based on the freight rate from Chicago to Duluth, when it is not hauled on any railroad; it is produced at Duluth.

Mr. President, such practices are engaged in to maintain the fictitious capitalization of mortgages and bonds and stocks, the fixed charges of which became so overwhelming that they had, in my opinion, more to do with bringing on the depression than any other one thing. Hanging like a dead corpse over business, with our national income reduced to $40,000,000,000, with fixed charges, including taxes and in-

terest, leaseholds and rents, to almost cover the $40,000,000,000 of national income, what will be left if that capital-structure debt of $250,000,000,000 shall be collected according to what is printed on the certificates of debt, $70,000,000,000 of which was issued from 1920 to 1930, payable in gold, and the only gold that can be collected is the gold that is already on the star or seal that is on the piece of paper, and they can be made for a cent apiece, but they were peddled about the country by investment and other classes of bankers.

Mr. President, because of that fact I believe we will not begin to lay the foundation for a permanent recovery until we face the inevitable consequence of that expansion of debt. No country in Europe has so debauched its credit as we have here; and until we face that fact, I do not believe we can restore any permanent prosperity or purchasing power by public expenditures of funds.

Because of my firm conviction that this is the key to the cause of the depression, I believe that when the day comes that we realize that, then will come the day of reckoning when we will understand we will have to pay for our mistakes. The President of the United States seems to have recognized that fact, as announced in a news article printed this morning in the Washington Herald and also in the Post. I consider it the most important announcement, if correctly quoted, that has come from the White House since the beginning of the depression. It is a recognition by the President of the United States of a condition existing, according to this newspaper item written by Charles Stevenson, "Administration Fears 'Capital Tie-Up' Will Jeopardize Benefit From C.W.A., P.W.A., Etc." Because of the importance of this announcement, I will read the article.

Under threats that the Government otherwise will enter the private banking business on a wholesale scale, the administration is launching a campaign designed to force a Nation-wide scaling of debts, easing of credit, and a sharp reduction of interest rates on all forms of borrowings.

Full confirmation of the Government's intentions came last night following revelation that President Roosevelt favors a broad reduction of interest rates, not only as they apply to mortgages, personal, industrial, State, and municipal borrowings but also as they affect holders of foreign bonds.

PRESIDENT IN EARNEST

The threat to enter the private banking business at present is regarded as mere propaganda to force banks, insurance companies, and all other financial institutions to open up their money chests by providing reasonable collateral requirements and interest rates which will invite borrowing. However, it was learned the President is prepared to take this step if no other method can be found which will ease the flow of credit. Meanwhile he is considering less drastic remedial legislation.

Behind the campaign, it was learned, is the administration fear that the private- and public-debt load is so great as to jeopardize the benefits expected from the Government's multibillion-dollar C.W.A., P.W.A., R.F.C., and A.A.A. primings of the economic pump.

Its economists, backed by the President, pointed out that borrowers in a multitude of cases have their noses held so close to the figurative grindstone by high interest rates that they cannot afford to retire the principal of their debts.

CAPITAL TIED UP

The condition, it was stressed, has caused a tie-up of capital which will virtually be impossible to break unless interest rates are lowered to enable borrowers to liquefy and to bring money within the reach of would-be borrowers.

However, it was pointed out, if the industry does not carry out this hope, it would be easy for the Government to step into the private banking business.

If the President is quoted correctly in this newspaper report, I want to congratulate him. I think it is the most sensible news that has come to the Capitol in several years.

These debts, with the interest charges, are hanging over the economic life of the Nation, having caused the crash of 1929 and still freezing our credit system so it cannot function. Pumping Government credit into the commercial life of the Nation without reducing the interest rates by a capital levy on interest rates is in my opinion like pumping oxygen into the lungs of a human being whose respiratory system is paralyzed and cannot function. Unless we can restore the functioning of the respiratory system, what are we going to do when the oxygen tank is empty?

Under these codes, as illustrated by the steel code, business is now prohibited by law from selling below cost of production, and in figuring cost of production is allowed to figure in all its debts, its obsolete plants, all so-called "cats and dogs", and prices are based upon cost of production in which the mistakes of the industry in the past are capitalized, where its vices are made virtues, where, if the public can be gouged to pay the price, it is not possible for the industry to lose money in the future even occasionally, but always to make profits. If that is to be the administration of the N.R.A., the original purpose for which Congress enacted the law will be frustrated and instead of having a reemployment program and redistribution-of-wealth program, we will have a price-gouging program, permitting monopolistic practices and going back to the practices that brought on the depression. I cannot believe President Roosevelt will tolerate the continuation of this code.

Mr. NYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. SHIPSTEAD. I yield.

Mr. NYE. The Senator, of course, will agree that there are a great many in industries that have not, by reason of their past practices, built up the so-called "fictitious capitalization", will he not?

Mr. SHIPSTEAD. Oh, yes.

Mr. NYE. Does he recognize that under many of the codes those who have conducted themselves reasonably and fairly are required to charge such prices for their products as will represent a cost of production to the man who has the fictitious value?

Mr. SHIPSTEAD. Oh, yes; I understand that.

Mr. NYE. And that by so doing the operator who has been on the square is deprived of the only weapon he has, by reason of lower overhead costs, to offer in competition with those bigger industrialists?

Mr. SHIPSTEAD. The industrialist who has an honest capitalization has not the honest advantage in competition that he ought to have and to which he is entitled under that code.

I am willing to vote public funds to the C.W.A. to keep people from going hungry. I am willing to vote funds to them for another reason, for it is going down to fertilize the grass roots instead of merely the top of the tree. It was hoped when we enacted the Reconstruction Finance Corporation Act that by loaning money to the banks and the large corporations some of that money would trickle down to the average man in the street and on the farm. That is fertilizing the tree at the top. It is an old saying that if we fertilize the top of the tree we kill the tree. If we want the tree to thrive, we fertilize the roots and the top will take care of itself.

How much we ought to spend I do not know. We have to spend enough so the people shall not go hungry. I hope that by the first of May the program, to which I have referred, of reducing the interest rates on the borrowings in the United States, which will be in effect a capital levy, will be effective. We have gone through a period of deflation here. These interest charges are the wages of capital. They have not been deflated. Capital must take its share of the depression. It has to pay its share for its mistakes, because it is more responsible than anything else for the mistakes that brought on the depression. There are 70,000,000 people producing wealth in the United States. Capital furnishes the leadership. It dominates our foreign and domestic affairs. It furnishes the leadership that dominated the national policies inaugurated and pursued by the Government. It furnished the leadership that inaugurated policies that took away from the 70,000,000 people producing the wealth at least half of their income from 1920 to 1930 and collected an increase in their income of more than 72 percent. Having done most of the dancing, it shall now have "to pay the fiddler", because no one else can pay him. If it will take its share of the loss by a reduction in its wage in the form of interest by accepting an interest rate of 2 or 2½ percent instead of 4, 5, or 6 percent, it may save its capitalistic system. It will release the frozen credits of the banks and

start the credit system working again by relieving industry and the production activities of the country from the overwhelming burden of fixed charges that cannot be paid. It will make it possible for the farmer to pay the interest on his mortgage and, in time, pay an installment on his principal indebtedness. It will make it possible for the railroads to reduce their freight rates to such an extent that the people can afford to use the railroads. It will make it possible for the industrialist and for commercial enterprises to borrow money at a rate of interest that they may have some chance of earning enough to pay back the interest on their borrowings. It will make it possible for the home owner to pay the interest on the mortgage on his home out of his reduced earnings.

It is said that in the Middle Ages when a man committed a murder they tied the body of the murdered one to him and he had to drag it with him. The dead body of a ruined capital structure is hanging like a corpse upon all our industrial economic life. It is time that we face the facts.

Capital may object, but it is quite likely that if capital is wise it will take its share of the loss and reduce interest rates, as proposed by the President of the United States and set forth in this newspaper article, or the time may come when it may get nothing at all.

The Bourbons of France did not see far enough into the future to pay for their mistakes in time, before the price that they had to pay became so great that they paid with their existence. The pre-Soviet rulers of Russia did not see far enough into the future to be willing to pay a price for their mistakes that would not have been so great as to have wiped out their existence. If the capitalistic system desires to survive, it must pay the price for survival.

I do not believe that the American people will tolerate the economic slavery that will be forced upon them in order to pay the fixed charges upon the bonds and mortgages that the printing presses have been producing for the past 15 or 20 years, always keeping ahead of increased production. As production was increased, these pieces of paper were issued, mortgaging the future income of the people. They could not be paid under the dear gold dollar. Reducing the gold value of the dollar in foreign exchange is not affecting the purchasing power of the dollar domestically any more than the deflation of the pound in Great Britain to $3.20 changed the purchasing power of the pound in Great Britain domestically.

I do not care to go any more extensively into this subject now, owing to the lateness of the hour; but, because of the news report coming from the White House, I wanted to have a reference to the question in the RECORD and to discuss it briefly, for I think if we spend a little more time studying the effects of the proposed program, the more hope we will have that we shall come to an understanding of what it is necessary to do in order to restore to some extent what we have lost and give us a chance to begin over again.

The expenditure of public funds, as I said in the beginning, cannot result in a permanent restoration of purchasing power. It can only be a temporary palliative to give us a breathing spell, to give us a chance to inaugurate policies that will revive the commercial life of the Nation and enable a start to be made toward a redistribution of the national income to the great mass of the people, making it possible to liquidate debts, pay interest, restore the credit and banking systems, and revive the economic life of the Nation.

Mr. McKELLAR. Mr. President, may I say to the Senate that this is an emergency measure? It has been before the Senate now for 2 or 3 days and has been long debated. On Saturday next the funds of the Civil Works Administration will be exhausted and money will not be available with which to carry on. We have a special order set for tomorrow which may consume all of Friday and also Saturday. I do not want to cut off anybody, and, of course, I could not cut off anybody if I wanted to do so; but I do want to appeal to those Senators who are going to speak from now on to bear in mind that it is necessary to pass this bill tonight if the C.W.A. work is to be carried on. As I understand, everybody is in favor of this bill; I do not know of any Senator who positively is going to vote against it. So, if Senators could be as brief as possible with their remarks, I certainly think it would be a very wise thing to do.

Mr. HEBERT. Mr. President, I hesitate to detain Senators at this late hour.

Mr. JOHNSON. Mr. President, will the Senator pardon me for a moment?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from California?

Mr. HEBERT. I yield.

Mr. JOHNSON. I was going to make a suggestion to the Senator from Tennessee. I am quite anxious that the bill shall become a law at the earliest possible date, of course. Would it not be quite as well if it were passed at noontime tomorrow as tonight?

Mr. McKELLAR. The trouble about that is that it could not pass at noontime tomorrow, even if we wanted to pass it then, because we have a special order set for tomorrow.

Mr. JOHNSON. I am speaking of passing it at noontime, not afterward.

Mr. McKELLAR. We came very near to passing it last night; we were almost up to the point of voting on the passage of the bill last night; but we have been debating it all day long—debating the bill some, and, of course, debating other things some. So I hope we may go on and pass the measure tonight.

Mr. JOHNSON. I am sympathetic with the Senator from Tennessee.

Mr. McKELLAR. I am delighted to know that.

Mr. JOHNSON. Because I am full of unfinished business myself. [Laughter.] What I was going to suggest is that the Senate take recess until 11 o'clock tomorrow, with a unanimous-consent agreement that we will vote upon any amendments and the bill, say, at 10 minutes to 12, quarter to 12, or 12 o'clock, as Senators see fit.

Mr. McKELLAR. If we could get a unanimous-consent agreement to vote tomorrow, say at quarter to 12, that might be well enough; but we have no assurance of any kind that we could obtain such an agreement, and it seems to me we should proceed with the bill. There is no reason in the world why we cannot pass it tonight. I do not know how long the Senator from Rhode Island [Mr. HEBERT] will take. Are there any other speeches to be made, may I ask?

Mr. FESS. Mr. President, I desire to make a few remarks.

Mr. McKELLAR. The Senator from Ohio will not take much time, I imagine.

Mr. FESS. No; not over 5 minutes.

Mr. McKELLAR. And I hope the Senator from Rhode Island will not take very long.

Mr. HEBERT. Mr. President, I shall not delay the Senate unnecessarily. I desire to assure Senators of that fact. If I could have the floor tomorrow morning and proceed, I think perhaps in half or three quarters of an hour I could conclude what I have to say.

Mr. McKELLAR. Then the Senator from Ohio would wish to follow the Senator, and by tomorrow there will be a dozen Senators who will want to speak.

Mr. ASHURST. Let us meet at 9 o'clock.

Mr. McKELLAR. The trouble is that we could not meet at 9 o'clock. Let us proceed tonight and see if we cannot pass the bill. It is the only thing we can do.

Mr. FESS. I assure the Senator that I shall not speak over 5 minutes.

Mr. McKELLAR. Then let the Senator from Rhode Island proceed now and conclude as soon as possible.

Mr. HEBERT. Mr. President——

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. JOHNSON. Mr. President, will the Senator from Rhode Island yield to me?

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from California?

Mr. HEBERT. I yield to the Senator.

Mr. JOHNSON. May I have the attention of the Senator from Tennessee? I ask the following unanimous-consent agreement:

That the Senate take a recess until 11 o'clock tomorrow morning; that at 11:45—make it 11:50, because the Senator from Ohio says he wants but 5 minutes—that at 11:50 tomorrow morning the Senate shall proceed to vote upon any amendments that are pending; and upon the conclusion and determination of amendments that may be presented, the Senate then vote upon the bill without further debate.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Before action on an agreement of that kind will the presence of a quorum be required? Will the roll have to be called?

The PRESIDING OFFICER. The Chair will state that under the rule before any such agreement can be entered into the presence of a quorum is required.

Mr. McKELLAR. May I say to the Senator from California that we have a special order for 12 o'clock tomorrow.

Mr. JOHNSON. Yes, sir.

Mr. McKELLAR. And that will take precedence, because it is a matter of the highest privilege.

Mr. JOHNSON. Yes.

Mr. McKELLAR. That will take precedence over any agreement we may make. The only way it could be done would be to have a definite hour fixed for the final passage of the bill.

Mr. JOHNSON. Does the Senator think that if the trial did not proceed until 12:05 we either would lose jurisdiction or anything would happen to any of us?

Mr. McKELLAR. No; that would not happen, but what would happen would be that some Senator would call for the regular order, and it would have to be carried out.

Mr. JOHNSON. But we are in charge, and we could proceed.

Mr. McKELLAR. Would the Senator be willing to change his request to 10:45 and have a final vote on the bill at 11:45?

Mr. JOHNSON. That is, to meet at 10:45?

Mr. McKELLAR. To meet at 10: 45, and have a final vote on the bill at 11:45.

Mr. JOHNSON. That is perfectly satisfactory to me, because I am not going to occupy 15 seconds; but I am wondering if it is satisfactory to my brethren here.

Mr. HEBERT. That will be satisfactory to me, upon the understanding that I will be recognized at the opening of the session tomorrow morning and will be permitted to conclude what I have to say within the hour. I hope it may not take an hour.

Mr. McKELLAR. That would leave out the Senator from Ohio [Mr. FESS].

Mr. HEBERT. I will agree to cede 5 minutes' time to accommodate the Senator from Ohio if that becomes necessary.

Mr. FESS. That will satisfy me.

Mr. McCARRAN. Mr. President, I shall offer an amendment to the pending bill, and I shall offer it either this afternoon or tomorrow.

The PRESIDING OFFICER. The Chair will state to the Senator from Nevada that he cannot offer an amendment until the pending amendment shall have been disposed of.

Mr. McCARRAN. Certainly not.

Mr. McKELLAR. There is an amendment now pending, and the amendment of the Senator from Nevada cannot be offered until that shall have been disposed of.

Mr. JOHNSON. May I ask the Senator from Nevada whether his is an amendment that will occupy any considerable time?

Mr. McCARRAN. I do not know how much time it may occupy, but I shall ask the privilege of addressing the Senate in furtherance of my amendment.

Mr. JOHNSON. Under those circumstances I feel that I cannot proceed further with my request for a unanimous-consent agreement, because I have an inborn prejudice against cutting off any Senator who wants to address the Senate.

Mr. McKELLAR. I have, too.

Mr. JOHNSON. And I neither want to curtail the remarks of my brethren on this side, nor to curtail those of the Senator from Nevada [Mr. McCARRAN]. They have a right to be heard upon the propositions in which they are interested, and they ought to be heard.

Mr. McKELLAR. The Senator is entirely right. The Senator from Rhode Island says he can probably finish in three quarters of an hour. The Senator from Ohio wants only 5 minutes. I do not know how long the Senator from Nevada [Mr. McCARRAN] will take, but let us go ahead.

The VICE PRESIDENT. The Senator from Rhode Island has the floor.

Mr. HEBERT. Mr. President, I regret that we have been unable to reach any arrangement that would permit a recess until tomorrow morning, and that I am required to proceed tonight and detain Senators at this late hour. I should have preferred to proceed in the morning and allow Senators to attend to their several engagements this evening.

At any rate, I shall endeavor to curtail my remarks just as much as possible, and occupy the least possible time in saying what I have to say.

I intend to favor this bill as proposed by the administration—not, however, because I favor the principle involved in the bill. On the contrary, I have opposed all such legislation that has come before the Senate for consideration. I favor this proposal because I have reached the conclusion that there is no other source available at the present time from which to secure relief for those in need and for the unemployed.

One of the effects of the operation of the Civil Works Administration has been to break down all the agencies of relief in the several localities in the United States—in the municipalities, in the counties, and in the States themselves.

Mr. President, I would not have a single deserving citizen in need go without assistance, and I am prepared to vote any sum of money that may be necessary to that end; but I submit that the program outlined in the Civil Works Administration is an attack on the problem of unemployment from the wrong source.

My notion has always been that relief is a local question. It is a question which ought to be resolved and which ought to be attended to by the people in the neighborhood where the need of relief exists.

I realize that because of the protracted length of the depression through which we have passed and are now passing, the funds formerly available to the neighborhoods, and in fact to the municipalities, in many cases, are no longer available, and so it has become necessary to resort to State aid. That has been true in many States. It has been true in my own State, for when it was found that there were not sufficient funds available in the municipalities the State of Rhode Island appropriated funds for the relief of those in need and for the unemployed.

But all of those agencies, I repeat, have broken down. They are no longer in existence. The municipalities have simply stopped their relief; and I have reason to believe, as I read the public prints, that that is true in respect to the States. In other words, they have cast the burden upon the Federal Government, just as always happens in such cases.

I say that the problem of relief is essentially a local problem. There is no one better informed as to the needs of people in a given neighborhood than the neighbors themselves, and I venture to say that by and large there are none more willing to come to the aid of those in need than the neighbors themselves. That becoming impossible because of the burden to be assumed, then there is no one to take their place quite so well as the municipality. Failing there, then the States should come to the assistance of those in need. But as the result of the program advanced through the Civil Works Administration we have the anomalous situation of increased demands for relief, and at the same time, if we may rely upon the reports that come to us through administration sources, an increase in employment.

I shall refer to that condition and submit a table to sustain what I have just advanced.

I have said that States should assume the burden of providing relief for those in need within their bounds. To me that is only reasonable, and I cannot understand why representatives of the States should say to us that they have not the means whereby to take care of their unemployed. After all, States make up the Federal Government. The citizens of the several States are in a body the citizens of the Federal Government, and the Federal Government has no other source of income than from the States, from the individual citizens in the States. Whatever we provide out of the Federal Treasury must inevitably come from them. Therefore, being a local problem, I maintain that it should be solved locally; that the taxes necessary to take care of those in need should be levied in the several States, and that the several States should take care of that problem.

I have before me, Mr. President, excerpts from news articles that have appeared in various newspapers, with date lines from all sections of the country, setting out the operations of the Civil Works Administration, the evils that have crept into that Administration, the scandals that have been disclosed in the course of that Administration. These abuses are of two kinds. First, the diversion of funds to the benefit of some of those charged with their distribution among those in need; second, the use of those funds for the benefit of politicians and political organizations.

I desire to call attention to some of those articles. I have taken them at random. They relate to conditions in various parts of the country. I first desire to quote from an article appearing in the New York Times of January 21, 1934, as follows:

[From the New York Times, Jan. 21, 1934]

C.W.A. SEEN AS POLITICIANS' PARADISE, JOB-GIVING BUREAU STIRS CRITICISM—FAVORITISM IS CHARGED—FORMAL COMPLAINT MADE AGAINST METHODS USED IN CALIFORNIA—FEE COLLECTION ALLEGED—LACK OF ACCOMPLISHMENT CONTRASTED WITH WORK OF C.C.C. ARMY

By Chapin Hall

LOS ANGELES, CALIF., January 18.—The Civil Works Administration is in the dog house so far as its operation in southern California is concerned. The task of providing 60,000 jobs on short notice proved too much for the sketchy organization to bear up under, and charges of political favoritism and malfeasant handling of the machinery have led to an investigation which promises startling revelations.

Newspaper exposés of the methods or lack of methods in distributing the work and of the manner in which it is performed were followed by formal charges laid on the doorstep of Federal Administrator Hopkins at Washington by John B. Elliott, local Democratic leader and possible candidate for Governor this year.

The 60,000 C.W.A. workers comprise about one third of the unemployed in Los Angeles County. Approximately 600 separate undertakings are under way, some of them requiring the purchase of large orders of equipment. The charges embrace alleged collection of fees for placing workers; incompetent oversight; an ineffective auditing system which requires the men to wait days for their pay, sometimes in line for hours at a time; paying too much for supplies and equipment; favoritism in allotting jobs; dictation by small-time politicians; placing men at work long distances from their homes; wasted work on unimportant projects; soldiering by the men so that the net result is only equal to about 25 percent of normal labor return.

There have been three local directors in quick order of succession. The buck is tossed from the C.W.A. to the Federal Unemployment Bureau, which theoretically hires and allocates the workers to the various projects, but the enterprise is still more or less of a mess, although now, under home-talent direction, improvement is expected.

RESULTS ARE CRITICIZED

Sixty thousand men working 5 hours per day equals 300,000 working hours per day, and the community feeling is that for this enormous manpower paid for by the Government some distinctly worth-while results should be achieved. They have not, and the public is plenty sore over the situation.

On the other hand, civilian concentration camps directed by Army and Navy officers and taking in about 50,000 young men in this section are proving highly satisfactory in accomplishing important results in the forests and back country; building fire breaks, fighting fires; road, bridge, trail construction, etc.

Much of the labor trouble just now disturbing southern California is directly traceable to the Cannery and Agricultural Workers Industrial Union, which fomented and caused so much rioting and property destruction in the San Joaquin Valley during the cotton-picking season last fall. This organization, with headquarters at San Jose, is not affiliated with the American Federation of Labor, and authorities claim to have abundant evidence that its roots are deep in communism.

In Imperial Valley, lying east of the Los Angeles metropolitan district and often called the bread basket of southern California, the Cannery and Agricultural Workers Industrial Union is at present operating a strike of lettuce pickers, that being the current crop moving from the valley at a normal rate of about 150 cars a day.

Because of the widely scattered area and rural population, concerted efforts to keep the situation in check are difficult. Fifty members of the State police mounted on fast motorcycles, a dozen patrol cars under jurisdiction of the sheriff, and a large number of deputies sworn in for the occasion have so far prevented much property loss, although there have been some tear-bomb engagements and not a few cracked heads. A feature of this strike is the enthusiasm with which citizens of the towns directly involved offer themselves for police duty.

FOLLOW THE CROPS EAST

It is the plan of this group of disturbers to move with the crops, not being particularly concerned with the success or failure of any specific strike. Agitators already are at work in the California citrus districts and packing houses where the next big movement is just getting under way. Then come the cantaloupes again in the Imperial Valley.

Investigators in touch with the situation say that leaders openly admit that their orders from headquarters (Moscow) are to concentrate in California this winter; make as much trouble as possible, and move east as the season advances. These disturbances, aimed at the orderly handling of major crops, the life blood of southern California's agriculture, are sufficiently annoying and destructive to offset some of the improvement in general production and economic conditions.

A successful vintage of California wine grapes is making work for about 12,000 and bringing into the State somewhere around $100,000,000 of new money and business. The building of new wineries, rehabilitation of old ones, and extension of grape acreage involve large expenditures, and the rejuvenated wine industry is one of the most heartening signs.

I read another article from the New York Times of January 21, 1934, as follows:

[From the New York Times, Jan. 21, 1934]

DISCONTENT GROWS IN KENTUCKY C.W.A.—CHARGES OF NEPOTISM AND UNFAIR LOCATION OF PROJECTS ARE MADE—ADMINISTRATOR "DECEIVED"—CURTAILMENT OF WORK AND OF EMPLOYMENT NOW PUT INTO EFFECT

By J. Blanford Taylor

LOUISVILLE, KY., January 18.—Discontent in the Civil Works Administration in Kentucky is a recovery development here with charges of nepotism, failure to give veterans preference, and unfair location of projects being made.

Since the Kentucky Relief Commission was designated the Civil Works Administration for this State on November 7 last, with the same county committee members appointed to the new commission in most communities, there have been numerous charges of favoritism to relatives of the committeemen. So many complaints were received at State headquarters that the State C.W.A. committee felt it desirable to recommend that relatives of local relief, Civil Works, and reemployment committee members, of salaried public officeholders, and of other workers in the local relief and Civil Works offices be denied employment in the local relief and Civil Works offices. The State committee, however, left a loophole by adding that exceptions might be made to this policy in the interest of efficiency and by the approval of the entire local committee and the district supervisor.

Charges of favoritism and charges that veterans were not receiving preference in employment on C.W.A. work were made by Thomas Hayden, State adjutant of the American Legion. The committee action salved the veterans to some extent, but a careful eye is still on the employment committees and the Legion is getting its share of the jobs. Complaints of this nature in five counties were cited to the committee, and only after specific examples were given to State Director Thornton Wilcox did the committee act.

STATE DIRECTOR DECEIVED

That projects are being started in localities near members of the county committees has been reported on at least three occasions. All members of the Wolfe County committee reside in the same part of the county. If a line was drawn halving the county geographically, all committee members' homes and all projects would be found in the same half, the State committee was told. Also in Harlan and Bell Counties, in the eastern part of the State, similar reports are heard.

Work on a reservoir on property adjoining a distillery site near Stamping Ground was halted by Mr. Wilcox. The State director said he "had been deceived" in certain phases of the project.

Other complaints arise from the wage scale paid on various projects. On construction projects unskilled labor is paid 45 cents an hour and skilled labor $1.10 an hour. On road projects the rate is 30 cents for unskilled and 40 cents for skilled labor. Unskilled laborers on the road projects object to the wage on the basis their work is virtually the same as unskilled workers on construction projects. Several have left their jobs and returned to the ranks of the unemployed rather than accept the lesser wage.

Also, some workers on road projects were forced to spend 1 to 4 hours going to and from the job, receiving pay only for the time actually spent at work. Several left projects on this account.

A DISMAL OUTLOOK

When the C.W.A. plan was instituted it was broadcast to all unemployed that the idea was "to give work and not a dole." Regular employment on projects to permit the workers to make more than a bare existence, which would build up the morale of the Nation, was the prime purpose. Part-time employment, with the pay being barely large enough for bread and meat, would not be tolerated, officials of the C.W.A. said.

But the picture is changed now.

"We feel that it would be more just to allow the stagger system to be used in all areas of the State", Mr. Wilcox said after orders from Washington instructed him to "taper off" on employment and projects. Men normally dropping out of the service will not be reemployed and no new projects started until the number of men working is reduced to the original quota.

So, with the curtailment of work, a stagger system of employment, and a gradual reduction in the number of men on the jobs, the picture is rather dismal for the unemployed Kentuckian.

Another article appeared in the New York Times of January 21, 1934, bearing a date line Philadelphia, January 18, and reading as follows:

[From the New York Times, Jan. 21, 1934]

"PULL" IN PENNSYLVANIA—BUT OFFICIALS DENY IT AND SAY THEY WELCOME INQUIRY—PINCHOT'S HAND SEEN—INVESTIGATION BEGUN IN PITTSBURGH, AND WILKES-BARRE WANTS ONE, TOO

By Lawrence E. Davies

PHILADELPHIA, January 18.—The word has been going the rounds in Pennsylvania that the Civil Works projects are producing a politicians' paradise. Federal investigations have been demanded in several parts of the State. Nothing short of these probably will determine to what extent the "political favoritism" assertion is true and to what extent it is the fabrication of disgruntled political leaders who have been rebuffed in their quests for preferential jobs for their henchmen.

An inquiry already is under way in Pittsburgh. Another has been demanded in Wilkes-Barre, where the Democratic county chairman has assembled a hundred or so affidavits from jobless persons complaining of favoritism in work awards. A group in Venango County has wired its protest direct to President Roosevelt.

The chorus in Philadelphia has been rising to such an extent that some employment officials lately have had to work far into the night to catch up, their daytime tasks having been interrupted so frequently by newspapers requesting confirmation of tales about this politician's daughter being given a job as a census enumerator and that faithful follower being put to work at the end of a shovel.

PINCHOT'S HAND SEEN

There seems to be no unified complaint as to the party affiliations of so-called "favored workers." In various regions it is whispered that Governor Pinchot, despite his illness, is controlling the award of jobs. In others the Republican organization is named as the big, bad wolf. In Philadelphia the Independent Democratic chairman, John Kelly, has admitted sending endorsements to his former overseas comrade, Franklin G. Connor, director of the Federal-State employment office, but says good-naturedly that his political followers have a better chance of landing jobs if he keeps his own name out of it. He avers that Connor has given him "a kick in the shins" for every job applicant proposed, and he is ready and even eager now to abide by the demand of Eric H. Biddle, State C.W.A. chief, that politics must play no part in the job distribution.

Mr. Biddle is an appointee of Governor Pinchot, who named him first to the executive secretaryship of the State emergency relief board. In November he was appointed Civil Works administrator for Pennsylvania by Harry H. Hopkins, Federal Director of the Civil Works Administration. This caused some surprise, in view of reports that Joseph F. Guffey, the Roosevelt leader in Pennsylvania, had recommended that a board of Democrats supervise the work in this State. Mr. Pinchot and the Democrats no longer are regarded as having a working agreement.

Some effort has been made this week to read into the situation a misunderstanding between Mr. Biddle and the Governor. It became generally known a few days ago that David W. Charles, formerly assistant treasurer of the closed Merion Title & Trust Co., had been appointed acting assistant State C.W.A. controller. When Mr. Charles received a 3-year suspended sentence in connection with charges growing out of the bank's failure, Mr. Hopkins demanded his resignation. Mr. Biddle defended him as trustworthy and able, indicating a belief that his conviction was unjust. Before Mr. Charles resigned Governor Pinchot declared that Mr. Hopkins, in demanding the resignation, "did the right thing."

COOLNESS IS SEEN

This led observers to conclude that there had developed a pronounced coolness between the Governor and his appointee, and was commented on as significant in view of Mr. Biddle's apparent resistance against political influence, and more especially in view of the Governor's expected fight for the senatorship this year.

Hardly had the Charles incident been closed and the investigation into alleged political control of the C.W.A. work in Pittsburgh been started before William Storer, a Pinchot follower there, quit the Pittsburgh employment office on orders from Harrisburg. While it was protested that the move was one of routine, it nevertheless produced an "I told you so" attitude among critics of the Governor, some of whom asserted that persons carrying letters from political leaders frequently asked for Storer as they entered the Pittsburgh employment office.

Both Mr. Connor, director of the Philadelphia employment office, and William H. Connell, the county Civil Works administrator, declared they would welcome an investigation of the situation here. In the words of the latter, it would be found "clean as a hound's tooth."

At the close of every business day for the first few weeks of C.W.A. activities Mr. Connor's wastebasket was filled with letters from politicians and others, recommending unemployed persons for jobs. Now such letters, unread by himself, are stored away in big piles in an empty drawer. Jobs, he asserts, are filled on the basis of the individual applicant's qualifications. His office wants to know how long the applicant has been unemployed, where he or she was last employed, at what salary, in what position, the number of dependents, whether the applicant is a war veteran, and so on.

From the Baltimore Sun of January 23, 1934, is taken the following article:

[From the Baltimore Sun, Jan. 23, 1934]

C.W.A. PRONOUNCED "FLOP" BY CREATORS; BLAME LAID TO CHISELING AND GRAFT—PRESIDENT AND HOPKINS, TIRED OF UNDERMINING BY BUSINESS MEN AND POLITICIANS, ARE DETERMINED TO END SCHEME ON MAY 1—FEAR PUBLIC CLAMOR MAY FORCE ITS CONTINUANCE—HEAD OF AGENCY TO ASK CONGRESS FOR $350,000,000 "BURIAL FUND"—UNEMPLOYED TO GO BACK ON DIRECT RELIEF WHEN WORK PROJECTS ARE ABANDONED

By Paul W. Ward

WASHINGTON, January 22.—The C.W.A., conceived by President Roosevelt and Harry L. Hopkins, its chief, to help the Nation's unemployed, is declared to have turned out to be a viper in the administration's bosom.

Chiseling by business men and politicians has made the whole program abhorrent to the men in charge of it, it was said officially today, and that is why the C.W.A.'s life is to be cut short if its projectors have their way.

FEAR PRESSURE OF PUBLIC CLAMOR

Their only fear now is that they may not have their way—that public clamor may force them to continue—although President Roosevelt was represented at the White House today as still determined to ask Congress for no more than enough to carry the C.W.A. program on to May 1.

"Abhorrent" is not too strong a word in which to compress the privately stated opinions of the men in charge. Moreover, those opinions were expressed so forcefully as to nullify report circulating here to the effect that the administration, faced with a budgetary dilemma, was trying to maneuver into a position where it later could say:

"We didn't want to spend all this money on the C.W.A. but the public—Congress—insisted."

DEMANDS ALREADY POUR IN

The insistence, the public clamor, already has begun. Mr. Hopkins said his office is getting 9,000 letters a day urging that the C.W.A.'s life be prolonged. Members of Congress are being similarly deluged. Mass meetings are being held in various communities.

In administration circles, however, there is strong inclination to regard the clamor as being "inspired." Mr. Hopkins himself called it "high-grade propaganda" and predicted more of it. He also said there was no doubt the C.W.A. had been "a great thing for the small business man."

Why officials take that skeptical attitude toward the clamor, and why they not only want to get rid of the C.W.A. but are afraid they won't be able to, may be summed up in the following items, based on authoritative information:

Politicians are riddling the program with their constant and frequently successful efforts to make it a part of the spoils system. In some sections of the country a man has to have political "pull" to get a job raking leaves, trimming trees, or digging ditches.

Business men are riddling the program by their efforts to "short-change" the Government by bribing C.W.A. officials to certify for payment supply invoices on which no delivery has been made. Their efforts, as well as the patronage efforts of the politicians, have slopped over into the emergency relief field as well, it was said.

BITTER TOWARD BUSINESS MEN

The officials from whom this information was drawn were inclined to look somewhat forgivingly upon the politicians, but they were bitter about the business men, whose sins, they said, outranked those of the ward heelers. When the remark was made that it was rather unforgivable to "chisel at the expense of persons on relief", one official retorted:

"I've learned since I've been here that business men will do most anything."

WHOLE THING'S A FLOP

It was that same official who, remarking his disgust with the C.W.A. program and his fear that it would not be allowed to die, said:

"We've got the bull by the tail and are afraid to hang on and afraid to let go. * * * We're spending tens of thousands of

dollars just to investigate charges of graft that fairly fill the air. The lid is liable to blow off at any minute. * * * Some of our directors are incompetent; we'll soon remedy that. * * * Some of our projects are lousy, and we know it. * * * The whole thing's a flop."

He mentioned several situations already under investigation by the Department of Justice and a few which are expected to produce criminal indictments in a day or so. He was specific as to certain situations and certain States. Maryland was not mentioned.

RELATES CASES OF GRAFT

He told of cases of graft in connection with truck hire. He told of cases in which foodstuffs and other supplies had been paid for but not received. He told of one city where, investigation had shown, "our own men, mind you", went to a certain alderman whenever there were trucks to be hired.

But he insisted that the amount of actual graft in terms of money as related to the total C.W.A. expenditure was niggardly. At the same time he insisted that the major onus be placed on "business men."

The politicians, he argued, were doing only what American tradition dictates.

"All that the politician wants", he said, "is to have John Jones know that he—the politician—got him his job."

There was no doubt, he said, that in some sections the politicians had succeeded in placing their followers on C.W.A. projects in preference to other and perhaps more deserving unemployed men.

NEW-DEAL DEMOCRATS INCLUDED

What incensed him most against these politicians, it appeared, was that the most demanding among them were "new-deal" Democrats, men who had clambered aboard the Roosevelt bandwagon when it first got under way, and thought that, therefore, despite the fact that they had never been notable for their party loyalty in the past, they deserved the first helpings from the pork barrel at this time.

What seemed to hurt administration officials most was the realization that, out of the 120,000,000 men and women in this country, they had been unable to pick a sufficient number that were bribe-proof to man the C.W.A. organization from top to bottom. And what seemed to concern those officials most was the fact that a lot of minor officials are going to have to be prosecuted for doing things that probably seemed to them traditional and therefore harmless.

OVERNIGHT DEVELOPMENT

It also appears to be their belief that the administration embarked upon the C.W.A. program without adequate consideration in advance of the problems it would raise. It was pointed out that the C.W.A. was an almost overnight development.

That overnight development, according to officials, will be prolonged into infinity if the politicians have their way. The belief was expressed that if the C.W.A. is continued the politicians will find a way to make it almost a 100 percent patronage affair.

It should be said that among administration officials no fear is expressed that without the C.W.A. there will be no way of taking care of the 4,000,000 unemployed and their families, who are its present beneficiaries. They would be returned to the outright emergency relief, given on a basis of actual, minimum need, which was their pre-C.W.A. mainstay.

HOPKINS STATES POSITION

Mr. Hopkins in discussing that point insisted, however, that he would not and could not predict the future needs of the country's unemployed.

"I am not going before Congress and say we need $1,000,000,000 or $3,000,000,000", he said. "If I say $1,000,000,000, somebody will ask me how I know, and I'll have to say I don't know; nobody knows. Then they'll say, 'Why not $3,000,000,000?' and I'll have to say, 'Why not?'

TO ASK FOR $850,000,000

"Nobody knows what will be needed. Anything I could say now would be just a guess in the dark. I, for one, am unwilling at this point to try to project the needs of the unemployed beyond spring."

There will go to Congress shortly—probably tomorrow—he said, a request for $350,000,000 to carry the C.W.A. on from February 15 to May 1, along with a request for $500,000,000 for emergency relief "from now on." He thought the C.W.A. and the E.R.C. appropriations would be kept separate and that they might be arranged as appropriations direct from the Treasury instead of through the R.F.C., as at present. Such a shift, however, would require some new legislation, he said.

MAY RESTORE 30-HOUR WEEK

Concerning the proposed $350,000,000 "burial fund" for the C.W.A., Mr. Hopkins said:

"Its effect, if granted, would be to restore the 30-hour week on all C.W.A. projects except, maybe, in rural areas. We haven't taken off any men. We've just stopped putting more men on and we've cut them down to a 24-hour week. There are a little more than 4,000,000 men on now. A demobilization below this has got to start right away.

"We'll start laying men off February 15. What we have done, though, is to order 12 States that had more than their quotas at work to cut down to their quotas. Those States are Michigan, Arkansas, Maine, Minnesota, New Hampshire, Oklahoma, Texas, Utah, Washington, West Virginia, Kentucky, and Illinois.

TO COMPLETE ALL PROJECTS

"We haven't stopped buying materials for C.W.A. projects. We ordered $3,000,000 worth today, and we're going to order some more. We took over the buying of materials because we wanted to get control of it, so we could keep our budget in hand."

Mr. Hopkins said he was confident all C.W.A. projects now under way would be completed by May 1.

Discussing present and future emergency relief needs, Mr. Hopkins said the Federal Government was paying 62 percent of the national bill and that it had been paying 70 percent. He was still in favor of granting relief funds to States on a matching basis, and in that connection he said he had written Gov. Ruby Laffoon, of Kentucky, asking him to "turn over the liquor taxes for relief; the Legislature voted it for relief, and where was it?" He had had no reply from the Governor, he said.

COUNTS 9,000,000 JOBLESS

Mr. Hopkins said he thought there were 9,000,000 unemployed in the United States, that 4,000,000 are on C.W.A. projects and that 2,000,000 are on relief, but only 500,000 of them are "employable." Of the 9,000,000, he said, about 2,000,000 are farmers and tenant farmers not ordinarily included in unemployment figures, and 3,000,000 are persons who were unemployed in 1929.

He thought the P.W.A. in the next few months would absorb between 1,000,000 and 2,000,000 and that "the seasonal pick-up" in private industry would absorb 1,000,000 more. There would be at least 4,000,000 employable persons still out of work after May 1, Mr. Hopkins estimated, and there his press conference ended.

Now, Mr. President, I come to an article appearing in the Baltimore Sun of January 24, 1934, entitled "The Great Game of Politics." This article has a date line of Washington, January 23, and a subheading, "An Unexpected Blast":

No more extraordinary thing than the sweeping attack of Mr. Harry Hopkins upon the Civil Works Administration has ever happened in Washington. It is without precedent because Mr. Hopkins, himself, is the Civil Works Administrator.

So far as known, this is the first time in history the head of a great Government department charged with the execution of a major administration policy has indicted his own department, branded the policy as a flop and a failure, urged its abandonment. Had such an assault been made, for example, by ex-Gov. Alfred E. Smith, or by a Republican, or in one of the newspapers appalled by the vista revealed when this huge, half-baked scheme was promulgated overnight—had the assault come from one of these sources, there would have been a storm of indignation. Mr. Smith would have been called a sorehead, the Republicans accused of playing unpatriotic politics, and the newspaper writers of trying to "sabotage the recovery program."

When, however, this blistering excoriation of the C.W.A. comes from the C.W.A. Administrator himself, then the wrath of those who believed blindly has no target upon which to center, and they are left in a baffled and somewhat bewildered state of mind. When this Civil Works idea was first announced it was hailed as the noblest thing Mr. Roosevelt had done. The country rang with praise, and it was pushed with tremendous speed. There were protests that the plan was by far the most dangerous upon which we had yet been launched; that this was the dole on the grand scale, and once embarked on this line the Government could not retreat without risking chaos. But these points were swept aside as trivial. A huge organization was set up, the billions were started flowing and more than 4,000,000 men and women are now on the Federal pay roll, doing trivial and unnecessary things. Approximately $70,000,000 a week is distributed among them.

The Director now denounces the whole business. He charges waste, graft, and inefficiency. He lays the blame partly upon the politicians, partly upon the business men, partly upon our own people. The money will be exhausted February 15. He asks $300,000,000 to continue in a greatly reduced way until May 1. Then he urges abandonment. But at that notion there is an enormous howl. Governors, mayors, and communities violently protest. They say it is impossible for the Government to shift this burden back. To stop in May will be to throw 4,000,000 men and women, with their families, out on the streets to starve. Neither the States nor the cities are in condition to take care of them. They are all about broke. Private charity has dried up as a result of the dole policy. Industry could not possibly absorb any considerable number of these people. They beg for another and more adequate appropriation.

Mr. President, I may say here that I have had telegrams from mayors of some of the cities in my State, and they have urged precisely what is set forth in the article from which I have just read. They feel that their agencies for the care of those in need have broken down. They can no longer provide the necessary funds. All the avenues of relief have dried up, and so there is no recourse except to the Civil Works Administration.

This article goes on:

But if the President yields, then his Budget calculations, already at the optimistic limit, will be upset and the difficulties in the way of the $10,000,000,000 financing, to which the Treasury is

committed, vastly increased. The idea of an ultimate balance in 1936 would become fantastic. The President is reported reluctant to ask Congress to continue the C.W.A. He will ask another half billion for Federal relief, another $300,000,000 for the C.C.C., but that is as far as he feels he dare go. On the other hand, Congress is under terrific pressure from States and cities to provide another billion anyhow.

The disposition will be to smooth things over and effect a compromise. Probably it can be done, but it serves no purpose not to look the facts in the face, and Mr. Hopkins has presented these in an impressive way. His action in indicating his own administration is explained in two ways. One is that he wanted to forestall the storm he saw coming and put the responsibility upon Congress; that he wanted personally to get out from under and not rush blindly into disaster. The other and more correct one is that Mr. Hopkins is an honest and fearless man. The waste and graft with which the C.W.A. is saturated has sickened him. He realizes the unworkability of the scheme, and what it means to make it permanent. Having got hold of the tail of the bull he knows the difficulty of letting go. But feeling as he does, he had to say so. It is a bad situation he has revealed, but it was right to reveal it.

Mr. President, I come now to some articles which have appeared in the newspapers in my State.

For some time after the C.W.A. began to function in Rhode Island, charges were circulated that it was being used by certain unscrupulous people for political purposes. Those rumors grew to be so frequent that they became the subject of discussion pretty much all over the State. The Evening Bulletin, a newspaper published in my State, made an investigation and sent its reporters around to find out about the handling of the C.W.A., the methods pursued in employing those who were to have the benefits of it, who was doing the hiring, and whether or not there had been any favoritism.

I come now to an article appearing in the Evening Bulletin of December 30, 1933, entitled:

Warren Federal Jobs Office Used to Build up Political Machinery for Democrats—Head of Barrington Club Hands Out Notifications for C.W.A. Employment.

In explanation, I may say that the Barrington Club referred to here is a Democratic political organization having its headquarters in the town of Barrington, in the State of Rhode Island.

The article goes on:

VITULLO DENIES GIVING NOTICES TO DE SPIRITO

The Bristol County office of the Federal Reemployment Service, operated by a Democratic politician, is being used to build up the Democratic political machine.

At least 30 of this office's official notifications directing men to report for duty on Barrington C.W.A. projects were delivered to the successful applicants, not by mail, as the rules of the Service require, but by Jacob de Spirito, president of the Barrington Democratic Club.

When Mr. De Spirito, who is not in any way officially connected with the Reemployment Service, handed out these cards the implication was clear—the men were receiving a favor from the party and they were invited to reciprocate.

Mr. De Spirito on two separate occasions admitted to an Evening Bulletin reporter that he had distributed these cards to 30 men. The men were selected from a long list of applicants in the Warren office of the Federal Reemployment Service and the cards were made out in that office.

The head of that office is Peter E. Vitullo, a member of the Warren Democratic town committee.

Vitullo denied he had given the notices to De Spirito, refused to explain how these particular men had been selected to work on Barrington C.W.A. projects, and said: "That's just another one of those stories."

COUNCILMAN SPEAKS

A member of the Barrington Town Council told the Evening Bulletin that in the presence of Cosmo Guliano, of 544 Maple Avenue, Barrington, Vitullo had admitted to him that he had given the cards to De Spirito because he didn't have anyone else to do it.

Guliano admitted to the Bulletin that he called upon Vitullo with the councilman, but he did not remember the conversation that took place.

The Bulletin presents these facts revealing the manner in which the Federal Reemployment Service is functioning in Bristol County as showing how President Roosevelt's C.W.A. program of putting the needy and the jobless back to work on public projects easily may be perverted, and is being perverted, to serve cheap political ends.

In Rhode Island the Federal Reemployment Service is directed by Percival de St. Aubin. He appointed the heads of his various branch offices around the State.

DE ST. AUBIN TO INVESTIGATE

Mr. de St. Aubin, when acquainted this afternoon with the facts, said, "If I find there is anything which warrants an investigation I will make one."

He said that the deliverance of work notices by messenger instead of mail is in violation of the rules.

Asked what action he would take if he found the statements made by this newspaper to be correct, Mr. de St. Aubin said, "It would depend upon what I find out. At present, I know nothing of the case. I have been ill for several days."

About 18,000 men have been put to work on C.W.A. projects in Rhode Island. Approximately half of these were transferred from the lists of those who were receiving either money or food orders for relief on November 18. The other half have been requisitioned from the lists of those out of work, but not on public relief, who had registered with the various local offices of the Federal Reemployment Service.

EACH DISTRICT HAS QUOTA

Each local C.W.A. administrator was assigned a quota. For instance, he might have been directed to place 1,000 men at work. First, he would take all able-bodied men on his town's relief list. He then would ask the director of his Federal reemployment office to supply the remainder.

The rules of the Reemployment Service require that when a manager of one of these local offices receives a request from a local C.W.A. administrator to put a given number of men to work, the manager shall select the men best qualified for the work, giving preference to veterans.

Order of registration and relative needs of the applicants are entirely secondary considerations, according to the instructions that have gone out from Mr. St. Aubin's office. In fact, the Service has no machinery to ascertain the relative need of the men, and little effort is made to do so. So that a man with a home and an automobile and with several other members of his family working may receive preference over another man who is very close to becoming a public charge.

FIVE AT WORK IN FAMILY

Not only may, but does. This newspaper's investigation in Barrington reveals that one man, who was selected by Vitullo for a C.W.A. job, has 5 children at work, 3 of whom hand over their full pay to him. He also owns a home, although it is mortgaged, and he is making payments on a 1933 auto.

In another family both the father and a son were awarded jobs by Mr. Vitullo.

It was impossible last night to learn just how many men had registered with Mr. Vitullo's office in Warren, how many had been awarded jobs, and how many were still jobless. The Warren office said the information must come from Mr. de St. Aubin's office in Providence, and it was stated there that the figures could not be given out without Mr. de St. Aubin's approval and I don't know where he can be reached now.

Probably no one in Rhode Island begrudges these gentlemen and all their children jobs, but it is to be remembered that the purpose of the C.W.A. is to relieve distress, and that it is largely a substitute for the old public-relief systems.

The C.W.A. is a public agency for relief. Its expenses are borne by the taxpayer. If it continues no longer than May 1 it will cost the Nation about three quarters of a billion dollars. Of this amount the taxpayers of Rhode Island must pay, at some time and in some form, to the tune of fifteen or twenty million dollars. That is, they must pay for these relief expenditures stretching over but 6 months a sum considerably greater, perhaps almost twice as great as they pay to run every agency and activity of their State government for an entire year.

MAPLE AVENUE CONNECTIONS

Last week the Bulletin heard that the C.W.A. was doing great things for the Maple Avenue section of Barrington. Now, the Maple Avenue section is inhabited very largely by those who were formerly dependent for their living on the nearby brickyard. When these men worked at the brickyard they got, in most cases, no more than $15 a week, and the work was irregular, with frequent lay offs. Now everyone on Maple Avenue who has a C.W.A. job is getting his $15 a week with no lay offs.

But in the course of its investigation into the good times on Maple Avenue the Bulletin learned that it was no longer C.W.A. that was Santa Claus. It was "See De Spirito." So a reporter went to see Mr. De Spirito.

De Spirito admitted delivering notices to go to work to about 30 men in Barrington. He said he had not got these notices from Vitullo, but refused to say who gave him the notices.

Next the reporter saw a member of the Barrington Town Council. He said he knew that De Spirito had given the notices from the Federal office in Warren to four members of Mr. De Spirito's Democratic Club. He named the four men as former Police Chief Albert Pearson, Jr., Giannatistta Colardo, John St. Ours, and Giuseppe Piccerelli. De Spirito admitted giving the cards to the latter three but denied giving one to Pearson. The councilman said Vitullo had admitted to him in the presence of Cosmo Guliano that he gave the notices to De Spirito.

AGAIN ADMITS DELIVERING NOTES

The following night De Spirito again admitted delivering the notices, and again declined to say where he got them. "I don't deny that I delivered the notices, because I did", he said, "but why should I tell you those other things when I don't think that I should?"

Vitullo was then seen and denied giving the notices, stating, "That's just another one of those stories." When asked to explain how applicants were selected for Barrington C.W.A. projects, he referred all questions to the State office in Providence.

Viall Stanley, Barrington C.W.A. administrator, admitted that he had heard a lot of talk to the effect that De Spirito distributed the notices, but knew nothing definite about it. "I know there has been a lot of talk, but I don't know how much there is in it", he said, and suggested that Vitullo "would have to answer that."

Mr. Stanley confirmed reports, however, that Antonio Petrucci, 53, and his son, Matty, 23, of Maple Avenue, Barrington, both had been given C.W.A. jobs. Both had been assigned by Vitullo's office, Mr. Stanley said.

VISIT TO SHOE SHOP

The reporter next encountered Sorzio De Angelis, of 173 Maple Avenue, in a shoe shop, and among others present was De Spirito. De Angelis took no part in the conversation when the reporter questioned De Spirito, but when the question, "Are you a member of the Democratic Club?" was put to him, De Angelis replied: "No; that's the reason I haven't got a job I guess. It is the general understanding around here that if you belong to the club you'll get a job, and if you don't you are out of luck." De Spirito remained silent during this conversation.

The next step in the reporter's investigation led to Cosmo Guliano, who was the companion of the councilman at the interview with Vitullo. Guliano admitted the interview, but asked if he could recall the conversation which took place, hesitated and then replied: "I don't remember."

Guliano explained subsequently that he had talked with Vitullo since the interview and had been advised to come back tomorrow.

DOESN'T WANT TO MAKE TROUBLE

"That is why I don't want to make any trouble", observed Guliano. He said he had registered at the Bristol County office in September, and couldn't understand why he didn't get a job when applicants more recent than himself had secured work.

"Are you a member of the Barrington Democratic Club?" he was asked.

"No; that's the trouble I guess", he replied.

Guliano said that after the attempts of the Barrington councilman to land him a job through Vitullo had failed, he went to see De Spirito.

"De Spirito told me, 'I don't want to do that job any more'", Guliano said.

He said he didn't know the names of the men who had been given jobs before him, though registered later, but advised the reporter to contact "Harry", who lived across the street.

UNABLE TO GET JOB

"Harry" turned out to be Harry Franklin, former Warren taxi driver, but now a resident of Barrington. A few minutes after the reporter began talking with Franklin, Guliano entered the Franklin home. Franklin stated that he had been unable to get a position, though Vitullo, whom he knows personally, had promised to have him assigned to a project.

"They tell me I can't get a job because my wife is working", he said. "I can't understand that when there are men with four or five children working who have been given C.W.A. jobs."

"The story is wide-spread throughout the town", he continued, "that you either have to be a member of the Barrington Democratic Club or else know Frank Adams (chairman of the Democratic town committee) if you want to get a C.W.A. job in Barrington.

"I had a fellow come right up to me and tell me he knew who could get me a job. He said he knew the man who had given out 40 notices to report to work on C.W.A. projects. He wouldn't name the man, but I think he must have meant De Spirito."

OFFERS INFORMATION

Guliano then volunteered the information that Tony Lombardi, of Maple Avenue, and Crescenzo Pompei, of Anoaker Avenue, had applied for jobs through the county employment office last September and had not got them, "yet another man, John Vendituoli, who came to Barrington only about 9 months ago, and applied for a job less than a month ago, has already been given a job."

Giuseppe Piccerelli, of Church Street, Barrington, a former member of the Independent Citizens Club—now the Barrington Democratic Club—was the next person interviewed. He is one to whom De Spirito admitted giving a notice. He has 5 children in his family at work, 3 daughters and 2 sons. He owns his home, which is mortgaged, and has a 1933 sedan, purchased on time payment.

"How long have you been working under C.W.A.?" he was asked.

"Since December 13", he replied.

"How did you receive your notice?"

"In the mail."

Piccerelli said he had been out of work for 35 months when he got the C.W.A. job, and thought he was entitled to it. All his life, he argued, sickness handicapped him, but he saved his money when he worked, raised his family, paid his bills, and "now some people are jealous because I have a job."

Only 2 daughters and 1 son give him their full pay, he said, and a daughter, 24, and a son, 22, give part of their pay to their mother.

With one of the Piccerelli sons, the reporter then visited the Democratic Club, on Maple Avenue, where several members, including De Spirito, were sitting around a stove while two men played pool at a nearby table.

AGAIN CAN'T REMEMBER

De Spirito greeted the reporter affably, asking: "Have you found out anything more?" The reporter replied by asking again where De Spirito got the notices, and this time De Spirito replied "he didn't know."

The reporter asked for directions to the home of Giannatistta Colardo, one of those to whom De Spirito admitted handling a notice, and was told that one of the two men playing pool was Colardo.

"Are you a C.W.A. worker?" the reporter asked Colardo.

Before he could reply the Piccerelli son broke in, saying, "No; his son is."

"Shut your mouth", De Spirito shouted, and from then on discussion of C.W.A. was futile.

As the reporter left De Spirito said he wished him "the best of luck"; said he realized it was the reporter's job, but expressed the hope that he would stop trying to show a connection between the Barrington Democratic Club and the C.W.A.

The functions of the Civil Works Administration in Rhode Island are in the hands of a Mr. de St. Aubin, who is the branch manager in Rhode Island. In the Evening Bulletin of January 6, 1934, this article appeared:

ST. AUBIN'S BRANCH MANAGER APPOINTEES ALL DEMOCRATS

Here is the political record of the men who have been appointed by Percival de St. Aubin, State director of the Federal Reemployment Service, as managers of his branch offices in Rhode Island. Last Monday the Bulletin published a statement by W. Frank Persons, national Director of the Service, in which he said: "It is not in keeping with the President's wishes in the matter of C.W.A. administration that a political picture be created."

Patrick J. Cox: Woonsocket. Former Democratic senator from Woonsocket. Now a Democratic leader in the second ward of Woonsocket, and one of the lieutenants of that wing of the Democratic Party led by Martin M. McLaughlin.

Gordon Bennett: West Warwick, president of the combined seventh and ninth ward Democratic clubs in Warwick, and mentioned as coming head of Democratic city committee in Warwick. Was unsuccessful Democratic candidate for representative in third Warwick district in 1932.

Peter E. Vitullo: Warren. Member of Warren Democratic town committee for last 6 years.

Daniel J. Kehew, Jr.: Newport. President of Young Men's Democratic Club of Newport. In 1932 election was active in registration work for Democrats and served as Democratic supervisor in district 2, precinct 1. Alternate delegate to Democratic congressional convention for second district in 1932.

Timothy F. O'Hearn: Westerly. Democratic State central committeeman from Narragansett. Member of Democratic State executive committee, secretary of Narragansett Democratic town committee. Democratic candidate for senator in Narragansett in 1932.

James C. Appleton: Cranston. Active member of Edgewood and Pawtuxet Democratic Association. Democratic supervisor in 1932 election.

William J. Bannon: Pawtucket. A personal friend of Thomas H. Bride, Jr., Mr. de St. Aubin's chief assistant.

Richard J. Gilduff: Providence. Democratic Representative from first Providence district from 1912 to 1922. Democratic candidate for reading clerk of house, 1925. Democratic candidate for Providence Board of Canvassers, 1930, and again in 1931.

Another article, appearing in the Evening Bulletin of January 6, 1934, is as follows:

CRANSTON DEMOCRATS USE UNITED STATES JOB OFFICE TO STRENGTHEN PARTY—KENNELLY FOUND TO HAVE BIG PART IN ALLOTING WORK—FORMER DEMOCRATIC CITY CHAIRMAN HAS NO OFFICIAL CONNECTION WITH SERVICE—SPECIFIC CASES TRACED—CONDITIONS SIMILAR TO THOSE UNCOVERED IN WARREN OFFICE

The Cranston office of the Federal reemployment service, which supplies workers for C.W.A. projects, is being used by Democratic politicians, like the Warren office of the same service, to build up the fences of the Democratic Party.

The Evening Bulletin herewith presents evidence that former Democratic City Chairman Thomas A. Kennelly, not in any way officially connected with the service, has a good deal to say as to who among the many applicants for jobs shall be given work in the C.W.A. in Cranston.

The evidence throws some light on the extent to which the Cranston office of Percival de St. Aubin, State director, is being operated in harmony with President Roosevelt's directions that the Reemployment Service should be kept out of politics and should give work to needy men without any consideration of their political affiliations and backgrounds.

The Bulletin has statements revealing that three men who registered with Mr. de St. Aubin's Cranston office were placed on C.W.A. jobs only after Kennelly's influence had been exercised in their behalf. Two of these men saw Kennelly—the other got work after his father had seen Kennelly.

Still another man says Kennelly came to him and said he could place him in a C.W.A. job if he registered with the reemployment office. He says he told Kennelly he "didn't want the job."

The Bulletin informed Mr. Kennelly of each of these statements and requested his comment upon them. In each case, his reply was: "I have nothing to do with the C.W.A. and I am not responsible for stories that do not originate with me."

These specific cases are reported to be typical of many others in which men have quickly obtained C.W.A. jobs in Cranston after Mr. Kennelly had put in a word in their behalf at the local office of the Reemployment Service. To meet the C.W.A. pay rolls, the

Nation will spend during the 6 months ending May 1 about three quarters of a billion dollars, and of this amount the taxpayers of Rhode Island will eventually have to pay from 15 to 20 million dollars. A Democratic politician, holding no public office, has generously shouldered the burden of deciding to whom Cranston's share of this expenditure will go.

The beneficiaries of Mr. Kennelly's influence with Mr. de St. Aubin's Cranston office describe his activities for them as acts of friendship.

The picture in Cranston differs not in essentials but only in details from that in Bristol County. A week ago the Bulletin disclosed that at least 30 cards directing men to go to work on Barrington C.W.A. projects had been delivered from Mr. de St. Aubin's Warren office, not by mail or by any employee of that office but by Jacob de Spirito, president of the Barrington Democratic Club.

In Barrington it had become common knowledge that only deserving Democrats, or those who promised to be deserving, need apply. In Cranston word has spread through the ranks of the unemployed that the surest way to get a C.W.A. job is to see Tom Kennelly.

The head of the Warren office is Peter E. Vitullo, a member of the Warren Democratic town committee. The head of the Cranston office is James C. Appleton, a young man who has been active in the Edgewood and Pawtuxet Democratic Association and in Democratic politics in the first ward, where he was a Democratic supervisor at the 1932 election.

These men, and the heads of all other branch offices in Rhode Island of the Federal reemployment service, were appointed by Mr. de St. Aubin as State director of that Service. Thomas H. Bride, Jr., Mr. de St. Aubin's assistant director in the Providence headquarters, was the unsuccessful Democratic candidate for State senator from Cranston at the last election.

PARTY WORKERS GET JOBS

Other prominent Democratic workers in Cranston have no cause to complain at the new deal. Working as foremen on C.W.A. projects at the State institutions are Michael Como, a former Democratic city councilman; William Harvey, brother of Democratic City Chairman Frederick J. Harvey; and Salver Ruggieri, a member of the fifth ward Democratic committee. They are receiving 72 cents an hour, which foots up to $21.60 for a 30-hour week.

Thomas A. Kennelly was elected Democratic city chairman in Cranston following the 1930 election, and served until a few weeks before the 1932 election. He is the big Democratic power in the fourth ward. But in State politics he is known as one of the small group that worked unremittingly to obtain for William S. Flynn the Democratic nomination for Governor in 1922.

David Goodman, of 14 Mayfield Avenue, Cranston, has the job of carrying water for the men who work on a C.W.A. project on Atwood Avenue. He told the Bulletin that he registered with the Reemployment Service and then waited a long time without getting any job. He says he then saw Tom Kennelly. Kennelly told him to drop in at the reemployment office. He did so and immediately a card was given to him and he was assigned to work in the C.W.A.

Goodman said that he did not know positively that Kennelly put in a word for him. He only knew that he registered; that he did not get a job for a long time; that he saw Kennelly; that Kennelly told him to go back to Mr. Appleton's office; that he did so and that he got a job at once.

ANOTHER INSTANCE

Latham Buddington, of Bateman Avenue, works on the same C.W.A. job with Goodman. He was pointed out by Goodman as another who got his job through Kennelly. Buddington said he didn't know who arranged for him to be put to work in the C.W.A.—"it was someone my father saw."

The Bulletin consulted Latham's father, Arthur N. Buddington. He said it was Tom Kennelly who got the C.W.A. job for his son, but wanted it known that it was an act of friendship.

"I told Mr. Kennelly", said Buddington, "that Latham had not worked for 4 years and 8 months, and that he had registered at the reemployment office at the first opportunity and had been told repeatedly there was no work at present.

"I did not go to Mr. Kennelly because he was in politics, but I met him and in the course of conversation I mentioned some of the difficulties being experienced, and he said if the boy reported at the reemployment office he would be cared for. He went there and secured a job.

"Mr. Kennelly was very kind to do it. It was just an act of kindness. He did not give a note and the boy did not have to say anything but give his name at the office."

Lewis N. Sault, a Democratic candidate for a seat in the House of Representatives from the fourth Cranston district at the last election, and an automobile mechanic by occupation, informed the Bulletin that Kennelly told him he could place him in a C.W.A. job if he registered with the Federal reemployment office in Cranston.

DID NOT NEED JOB

"I have been fortunate", Mr. Sault said. "I have been able to keep busy, and I told Tom I did not want the job. I gave him the name of a man I thought would be pleased to accept the offer."

Mr. Sault declined to reveal the name he had given to Mr. Kennelly and said he did not know whether the man had obtained a job. "Politics have entered on both sides", he said. "The other side will not give a job to a Democrat."

He was told that the Bulletin was anxious to discover abuses in the C.W.A. by anyone of whatever political affiliation. He was asked to give specific instances were any Republican had played politics in giving C.W.A. jobs. He declined to do so.

(The organization that administered the old relief system in Cranston is Republican. When the C.W.A. was instituted Cranston was given a quota of 990 jobs to fill. Of these jobs 297 were filled by the transfer of men from the old relief lists. To fill the rest of the jobs requisitions were sent from time to time to the Federal reemployment office in Cranston, as is the requirement under the C.W.A. regulations. Cranston Democrats have complained in the past that the Republicans were playing politics by delaying the beginning of C.W.A. projects so as to provide no more jobs than necessary for those who had registered with Mr. Appleton's office.)

NO JOB FORTHCOMING

Irvin Smith, of 154 Curtis Street, Meshanticut Park, told the Bulletin that he registered for work when the Federal reemployment service opened an office in Providence last September. When the Cranston branch office was opened later, he said, he went there to register again but was told his card was in the file and the first registration was sufficient.

He said he has not received work, but that he has friends who had registered and had then seen Mr. Kennelly and were put to work immediately. He said Joseph Rogers, of 1956 Cranston Street, got a job 3 days after seeing Mr. Kennelly. He said Rogers had told him so.

A Bulletin man went to Mr. Rogers' home. Rogers was not there, but his mother said she knew Joseph had registered at the reemployment office and had been given work shortly after he had seen Mr. Kennelly.

"If it hadn't been for Mr. Kennelly, Joseph might not be working", she said.

Smith said he also needs a job badly because there is no one working in his home. He was one of the very first Cranston men to register with Mr. de St. Aubin's service, but he has not seen Mr. Kennelly.

I may say that Cranston is one of the thriving cities of the State of Rhode Island. It adjoins Providence, and has a population of approximately 50,000.

Another article, appearing in the Evening Bulletin on January 10, 1934, is as follows:

RELIEF LISTS MORE THAN DOUBLED SINCE TRANSFERS TO C.W.A.—TREND AROUSES CODY, WHO ORDERS "ADEQUATE" INQUIRIES AS TO NEED OF APPLICANTS—STEADY INCREASE SHOWN—CASE LOAD, REDUCED TO 2,100 AT START OF C.W.A. WORK, HAS RISEN TO 5,752

Aroused at the continued growth of relief lists in Rhode Island since the transfers to Civil Works Administration projects were made, George R. Cody, secretary of the State unemployment relief commission, has notified State relief administrators that "adequate investigations as to the need of applicants" must be made.

Mr. Cody informed the administrators that there has been a tendency toward making only superficial investigations since C.W.A. was inaugurated 6 weeks ago. In this connection it was learned that C.W.A. in this State has expended about $1,100,000 up to this time.

Case-load figures compiled at the State unemployment relief commission show a steady increase in the relief lists since November 16, when C.W.A. transfers became effective. On that date there were 12,143 on work or home relief, and during the next 2 weeks approximately 10,000 were transferred to C.W.A., leaving approximately 2,100.

CASE LOAD JUMPS

The case load on December 30 had jumped from that approximate figure to 5,752, with many of the towns showing large increases.

Mr. Cody said today that the idea persons on relief rolls would be chosen for C.W.A. jobs quicker than if they were registered with the Federal Reemployment Service only is responsible for much of the increase in the relief rolls.

"This idea is erroneous", Mr. Cody said. "No one can be transferred to C.W.A. from relief rolls, except in cases where they are selected from the reemployment offices, and, as far as I know, selection from those lists is based on qualifications for the work, not need.

"These cases have all been investigated and found to be needy, but I do not believe they should get any preference over persons who have been self-sustaining while waiting to be chosen for C.W.A. from the reemployment lists. No such preference can be given anyway."

Much of the increase, according to directors of public aid, is due primarily to C.W.A. Many persons never before on relief applied for C.W.A. jobs when that plan began to operate, and, pending their selection from the Federal Reemployment Service, asked for relief.

Mr. Cody's instructions to the State relief administrators, dated January 5, and never made public before, read:

"It is extremely important that there be no let down in the manner of making careful investigations to all new applications for relief. There has been a tendency since the launching of the Civil Works program, because many people were under the impres-

sion that the way to get a job was to get on the relief rolls, for the relief officials in some parts of the State to make only superficial investigations before relief was given. I want to urge that the utmost care be taken in the making of adequate investigations as to the need of the applicants."

WOONSOCKET'S INCREASE

An indication of the growth of relief rolls can be gleaned from the figures for Woonsocket. The week ending November 18 there were 944 men and women on relief rolls. Of this total 802 were able to work and were transferred to C.W.A. within the next 2 weeks, leaving 142. Since that transfer Woonsocket's list has jumped from 142 to 844 on December 30—to within 100 of the total before transfers were made.

Alderman James H. Holland, spokesman for the Woonsocket Work Relief Bureau, commenting on the increase in his city's work-relief lists, made the statement: "I expect that the present number on work-relief rolls will decrease by approximately 200 as soon as that number of individuals realize they cannot obtain jobs on C.W.A. projects."

"The number of persons receiving relief in Woonsocket now is not so great as the number afforded relief at this time last year", Alderman Holland said. "Late in December 1932 there were approximately 2,000 receiving aid."

COMPLICATED FIGURES

Woonsocket transferred 802 to C.W.A. and now has 844 on relief, a total of 1,646, and this figure does not include the number since been given C.W.A. jobs through the Federal Reemployment Service. This number approximates 400, so that persons securing funds under C.W.A. or work and home relief totaled about 2,000 at the end of December 1933, as well as the year before.

Alderman Holland said, "Woonsocket's relief problems have been much more difficult of solution during the past few months than those of other cities and towns in the State. Our manufacturing industries have been much more affected by the recent let down in business conditions." He predicted there will be a pick-up in the woolen and worsted industries shortly.

Providence also shows a large increase in its relief lists since the C.W.A. transfer. The city had 836 on work and home relief after the C.W.A. transfer, and on December 30 this figure had grown to 1,869—more than double.

REIDY EXPLAINS

Edward P. Reidy, Providence director of public aid, laid part of this increase to the fact that many persons seeking C.W.A. jobs came to his office to apply. When informed that the jobs could not be given to them except through the Federal Reemployment Service, these people asked for aid, and after investigation were found to be needy. But, Mr. Reidy pointed out, it was the desire to get on C.W.A. that prompted these people to visit his office, and the result was an increase in the relief lists.

"I don't know how these people were getting by before they came to us", Mr. Reidy said. "Perhaps relatives were helping them or they were getting part-time work. We are now back to where we were last March, counting the number now on relief, the number transferred to C.W.A., and the number requisitioned for C.W.A. We had about 8,300 then and we have about that number now. During the summer we dropped to 4,300, and that was not all a seasonal drop. Many people went to work in all kinds of jobs during the summer, but now they are coming back."

PAWTUCKET LIST GROWS

Pawtucket has almost doubled its relief list since the C.W.A. transfers, but Dr. Robert E. Kelley said he believed the increase to be seasonal. The city had 1,449 on the work-and-home relief November 18, transferred all but 471, and on December 30 had a case load of 927.

Cranston more than doubled its relief list in the 6-week period, and John Hamilton, director of public aid, attributed the increase to the same reason as Mr. Reidy. He said applicants come in to get C.W.A. jobs, register at the Federal reemployment office, and then apply for aid to carry them until they have been selected for C.W.A. jobs. He said that after investigation it is found that these applicants are needy and they are placed on the rolls.

Cranston transferred all but 125 of its work-and-home relief workers to the C.W.A., and now has 278 receiving relief.

Warren had 215 on the work-and-home relief and transferred all but 16. Since then the town relief rolls have grown to 78, and Edward Maguire, deputy C.W.A. administrator, laid the increase to the small C.W.A. quota given the town. He said that because of the small quota many people could not get C.W.A. jobs and were forced to apply for relief. Also, about four men were transferred back to relief because they were discharged from C.W.A. projects.

UNUSUAL PICTURE

Jamestown presents an unusual picture. There were 53 transferred to C.W.A. and all assigned to Federal projects. No one was left on work or home relief, and this condition prevailed until just before Christmas when 26 came on the relief rolls, and a week later 27 had been investigated and found to be worthy cases.

Thomas F. Sheehan, director of public aid, said that these are all new cases. He pointed out that there have been two lean summer seasons, and that this caused the increase. He also said that the idea that through work relief could be found the door to a C.W.A. job was the motivating power in some cases, but insisted all are needy cases.

Central Falls shot up almost 100 percent after the transfer. The city had 85 left on work-and-home relief, but on December 30 this figure had sprung up to 165. City treasurer, Joseph T. Curran, accounted for part of this increase by stating that included in the total are cases under which supplemental aid is given. He said these are cases now employed in industry but who do not earn sufficient to live on, and apply for supplementary aid.

In that connection, published in the same edition of the same paper, was a tabulation of the relief rolls, showing increases in the number of those applying for relief since the C.W.A. went into operation. I ask that that tabulation be published in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RELIEF ROLLS JUMP GREATLY SINCE TRANSFER TO CIVIL WORKS ADMINISTRATION JOBS

The table shows how the State unemployment relief lists in Rhode Island have grown since the transfers were made to Civil Works Administration last November:

	On relief rolls Nov. 18	Transferred to Civil Works Administration	Balance after transfer	On relief Dec. 30
Barrington	65			14
Bristol	213	167	46	68
Burrillville	43			14
Central Falls	376	291	85	165
Charlestown	5			2
Coventry	61	55	6	31
Cranston	422	297	125	278
Cumberland	139	111	18	128
East Greenwich	47	43	4	23
East Providence	567			203
Exeter [1]				
Foster	31	22	9	30
Glocester	2			2
Hopkinton	31	31	0	0
Jamestown	53	53	0	27
Johnston	180	180	0	98
Lincoln	53	41	12	16
Little Compton	29	29	0	16
Middletown	59	53	6	42
Narragansett	55	36	19	23
Newport	557	536	21	194
New Shoreham	15	15	0	0
North Kingstown	49	49	0	16
North Providence	94			57
North Smithfield	32	32	0	38
Pawtucket	1,449	978	471	927
Portsmouth	51			16
Providence	5,171	4,335	836	1,860
Richmond	11	10	1	2
Scituate	68	68	0	13
Smithfield	49	42	7	33
South Kingstown	105	87	18	54
Tiverton	47	47	0	5
Warren	215	199	16	78
Warwick	451	308	143	171
Westerly	220			85
West Greenwich	8			10
West Warwick	176	130	46	169
Woonsocket	944	802	142	844
Total	12,143	[2] 10,000	[2] 2,100	5,752

[1] Not operating at present time.

[2] These are approximate figures. The cities and towns for which no figures of transfer are shown transferred the great majority of their cases to C.W.A., and in some cases, all to C.W.A.

Mr. HEBERT. Mr. President, I assume that this activity is a part of what has been described to us during the past few months as the "new deal." I have no quarrel with those who want to change the existing order. I have opposed this form of relief, and I have explained already in my remarks this afternoon the reason why I have opposed it; but I would not oppose the consideration of a change in the existing order. Under our form of government, I concede it to be the right of the citizens of this country to have that government which they want. But I am not unmindful of the provisions which have been set out in our fundamental law as the method of bringing about those changes. I am opposed to changing the fundamental law by mere legislative fiat, and that, I think, we have been doing here for the past 10 months.

I may say, parenthetically, that I opposed all such proceedings. I have some regard for the provisions of the Constitution. I know there are those who feel that it is out-moded. I know there are those who think that it no longer serves the purposes of our country, that it should be changed, that it ought to give way to the new order.

Only last evening a statement was made in my presence that it might be well for citizens of New England to take a trip out into the Middle West, and to the far West, perhaps, to get an idea of the thought of the people, to learn what the masses of the people are thinking. That might be of advantage; but I am not unmindful of the fact that this whole program is experimental in its nature. That is admitted by those who advocate it.

I prefer to be guided by the lamp of experience. We do know that we have been eminently successful under our form of Government, and that whenever there is an urge for a change in the fundamental law, it does not take very long to effect a change, once the people want it. That was clearly demonstrated when we removed from the Constitution the eighteenth amendment, and it took but a few months to do it.

I believe that if there is any urgent demand on the part of a majority of the people of this country to bring about such a change, it can be accomplished, and it can be accomplished in accordance with the provisions of that covenant into which the founders of this country entered 150 years ago. I favor that mode of procedure. So I oppose all measures which have for their object the chiseling away of any part of the foundation of the Constitution of the United States.

Mr. FESS. Mr. President, I will not detain the Senate for more than 5 minutes. I simply wanted to make a statement, before we reached a vote, in view of the fact that I opposed the inauguration of the movement which now is at full flood tide.

I do not think it is a matter of how much money we appropriate, whether it be $2,500,000,000 or $950,000,000. If we do not make the appropriation $2,500,000,000 now, we are certain to do so by May. It is not a question of the amount.

When this movement was inaugurated, I sounded what I regarded as a warning, that it was not the length of the step we were taking, but that it was the direction in which we were taking it. It is not a matter of degree now; it is a matter of what is to be the effect.

I have been considerably concerned over our financial ability to carry out the program. I am equally concerned about the effect it is going to have upon the entire social and political fabric of our civilization. No one can look upon the movement which has resulted in what is really a dole without a feeling of wonder and fear. Mr. Hopkins said the particular relief we are now providing in this way is not as good as the British dole, that that would be better and would be less expensive. What worries me is not so much its cost, which is fabulous, but the obvious effect it is going to have upon our social and political order.

My concern at the present time is that, having inaugurated the program, it cannot be stopped. It would be cruel to stop it under present conditions. Having launched it as a Federal function, thereby destroying the local reliance that heretofore has always been sufficient to satisfy the needs, there is nothing left except to get out of it the best we may.

I look upon the growing expenditures as an exceedingly serious matter. Being $9,000,000 a day last July, they reached $16,000,000 a day by October, $24,000,000 a day by December, and $32,000,000 a day last month. We are in the course of carrying out a program which will mean an expenditure of $15,000,000,000 a year if the present rate of expenditure shall be continued. The public debt in 1930 was $16,500,000,000; it is now $27,000,000,000, and by the close of next year it will be beyond $32,000,000,000. At the rate of 4 percent, the interest charge alone upon that debt will amount to $1,360,000,000, to say nothing whatever about the sinking fund. That interest charge is three times the total cost of the Government, including the Army and Navy, under the administration of Col. Theodore Roosevelt.

I have been concerned about what will be the end of it. Spokesmen for the policy have announced today that the only way out is by scaling down debts. When the Government starts upon that course it means repudiation. There is a very pronounced conviction throughout the country that there will be no satisfactory outcome until we shall cancel all local indebtednesses, including individual indebtedness. How is it going to be done? Evidently it will not be done by the brutal method of officially canceling them; but it will be by way of cheapening the dollar in an inflation movement. That ultimately will be the method chosen.

One spokesman today said there is no such thing as balancing the Budget. I think he voiced the view of a great many people that we ought not to be concerned about governmental indebtedness, that it is not a matter to be looked into, but that we should proceed on the present basis, spending ourselves into prosperity and reaching the zero point where there is nothing further to divide.

I cannot see a bright future for our country by pursuing such a course as that. Years ago, Jerry Simpson, in the House of Representatives made a startling remark in relation to a movement which was then being discussed. He said, "Where in the devil are we at"? The famous Thomas B. Reed said, "That is a thing that nobody can ever tell when it is applicable to the Member who asks the question." I am paraphrasing that remark. "Where are we at" today in the midst of this program and where do we go from here? Yet there is nothing at this stage to do except to continue until we can perhaps taper off and get out of the situation with the least burden possible.

But, Mr. President, getting out of it is going to be a good deal harder than anything we have ever yet undertaken. I think I stated the truth a year ago at the time we launched upon it, when I said we have begun a thing we will never stop. That is my opinion today. We have the choice of two evils. I shall vote against the amendment; and if I were to have the privilege of voting upon the bill—which I will not have because I am paired with an absent Senator—I should feel constrained to vote for it because we cannot stop at this stage; but I want my colleagues to realize that I am deeply concerned about where this program is leading us, because it is certainly going to get beyond our control.

Mr. McKELLAR. Mr. President, it appears we are about ready to vote, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Robinson, Ark.
Ashurst	Couzens	King	Robinson, Ind.
Bachman	Cutting	La Follette	Russell
Bankhead	Davis	Lewis	Schall
Barbour	Dickinson	Lonergan	Sheppard
Barkley	Dieterich	Long	Shipstead
Black	Dill	McCarran	Smith
Bone	Duffy	McGill	Steiwer
Brown	Fess	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Goldsborough	Murphy	Townsend
Byrnes	Gore	Neely	Trammell
Capper	Hale	O'Mahoney	Vandenberg
Clark	Harrison	Overton	Van Nuys
Connally	Hatch	Pittman	Walsh
Coolidge	Hayden	Pope	Wheeler
Copeland	Hebert	Reynolds	White

Mr. LEWIS. I am requested to state that the absence of the Senator from California [Mr. McAdoo] is occasioned by illness.

The VICE PRESIDENT. Sixty-eight Senators have answered to the roll call. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING].

Mr. LONG. I call for the yeas and nays.

Mr. TRAMMELL. Mr. President, I desire to occupy only a moment.

I feel that the legislation we have before us is the only solution which has been proposed, and, in my opinion, is a very wise solution of the problem which confronts us at the present time.

We have heard considerable criticism, but we have heard no constructive suggestions. This is true not only of the present hour but it has been true during the last year, since the incoming administration assumed charge of the affairs of Government.

I believe that it was wise on the part of the administration to adopt the plan; that in the main it has been a won-

derful benefit to the American people; that it has caused more money to flow into general circulation and into the channels of trade than any other plan that might have been adopted. So I very heartily join with my friends in the Senate in supporting this measure.

I wish to announce, however, that I should not desire to have the impression go forth that, so far as I am concerned, the enactment of this proposed legislation carries with it a declaration that this policy and the plans adopted pursuant to it are working to a termination, say, in May of this year. I believe we should confront the problem as it presents itself from time to time, and as it presents itself in May of this year.

I do not believe the conditions of the country and of those in destitution who require aid and relief are such that we should at this time, in forecast, issue a declaration of policy that there is to be a termination of this character of aid in May.

My best understanding is that no such policy is contemplated by the administration or by those who are supporting the legislation. In supporting the bill I certainly do not have any such view in contemplation. Otherwise, I gladly support it.

As to the amount of appropriation that has been proposed, the administration that has been in charge of this policy, the administration that is most familiar with the needs and the conditions and the statistics, has recommended a certain amount. I appreciate the beneficent spirit and the humanitarian policy which has ever actuated Senators upon this floor who have proposed that we increase the amount from $950,000,000 to $2,500,000,000; but I believe we can safely trust the administration that inaugurated this policy, that had sufficient humanitarian spirit and desire to aid the American people to bring it forth, that is most familiar with its details, as to the sum which should be appropriated.

For that reason I shall support the appropriation of $950,000,000 recommended by the administration.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING].

Mr. LA FOLLETTE. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS], but I understand that he would vote the same way that I shall vote on this particular amendment. Therefore I am privileged to vote. I vote "nay."

Mr. CUTTING (when Mr. NORRIS' name was called). The senior Senator from Nebraska [Mr. NORRIS] is unavoidably detained from the Senate. If present, he would vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. REED]. I understand that if he were present he would vote as I intend to vote. Therefore I am at liberty to vote, and vote "nay."

Mr. STEIWER (when his name was called). On this question I have a special pair with the senior Senator from Nebraska [Mr. NORRIS]. I transfer that pair to the Senator from Vermont [Mr. AUSTIN] and will vote. I vote "nay."

May I add that if the Senator from Nebraska were present and at liberty to vote he would vote "yea", and the Senator from Vermont, if present and at liberty to vote, would vote "nay."

Mr. WAGNER (when his name was called). On this question I am paired with the senior Senator from Missouri [Mr. PATTERSON]. If he were present, he would vote "nay", and if I were at liberty to vote I should vote "yea."

The roll call was concluded.

Mr. LEWIS. Mr. President, I am authorized to announce that the Senator from Florida [Mr. FLETCHER] is paired with the Senator from West Virginia [Mr. HATFIELD]; the Senator from California [Mr. MCADOO] is paired with the Senator from Connecticut [Mr. WALCOTT]; the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Rhode Island [Mr. METCALF]; the Senator from Arkansas [Mrs. CARAWAY] is paired with the Senator from Delaware [Mr. HASTINGS]; and the Senator from Virginia [Mr. BYRD] is paired with the Senator from California [Mr. JOHNSON].

I am advised and authorized to state to the Senate that Senators FLETCHER, TYDINGS, CARAWAY, BYRD, LOGAN, and GLASS, if present and voting, would vote "nay." I also wish to announce the general pair of the Senator from Georgia [Mr. GEORGE] and the Senator from New Jersey [Mr. KEAN].

Mr. BULKLEY (after having voted in the negative). I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent. I am advised that, if present, he would have voted as I have voted. Therefore I shall allow my vote to stand.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from West Virginia [Mr. HATFIELD] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from California [Mr. MCADOO]; and

The Senator from Delaware [Mr. HASTINGS] with the Senator from Arkansas [Mrs. CARAWAY].

Senators HATFIELD, METCALF, HASTINGS, REED, and AUSTIN, if present, would vote "nay" on this question. I am not advised how the other Senators would vote.

I also announce the following special pairs:

The Senator from Idaho [Mr. BORAH] with the Senator from North Dakota [Mr. FRAZIER];

The Senator from North Dakota [Mr. NYE] with the Senator from Kentucky [Mr. LOGAN]; and

The Senator from Californa [Mr. JOHNSON] with the Senator from Virginia [Mr. BYRD].

I am instructed to inform the Senate that the Senator from North Carolina [Mr. BAILEY] would vote "nay" if present.

Senators BORAH, LOGAN, and BYRD would vote "nay" on this question, if present; and Senators JOHNSON, NYE, and FRAZIER would vote "yea."

I am also requested to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent. I have not been advised how he would vote on this question.

Mr. LEWIS. I wish to announce the necessary absence of the Senator from North Carolina [Mr. BAILEY], the Senator from Montana [Mr. ERICKSON], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Oklahoma [Mr. THOMAS].

The result was announced—yeas 10, nays 58, as follows:

YEAS—10

Black	Cutting	Long	Shipstead
Bone	Dill	McCarran	Wheeler
Costigan	La Follette		

NAYS—58

Adams	Couzens	King	Russell
Ashurst	Davis	Lewis	Schall
Bachman	Dickinson	Lonergan	Sheppard
Bankhead	Dieterich	McGill	Smith
Barbour	Duffy	McKellar	Steiwer
Barkley	Fess	McNary	Thomas, Utah
Brown	Gibson	Murphy	Thompson
Bulkley	Goldsborough	Neely	Townsend
Bulow	Gore	O'Mahoney	Trammell
Byrnes	Hale	Overton	Vandenberg
Capper	Harrison	Pittman	Van Nuys
Clark	Hatch	Pope	Walsh
Connally	Hayden	Reynolds	White
Coolidge	Hebert	Robinson, Ark.	
Copeland	Keyes	Robinson, Ind.	

NOT VOTING—28

Austin	Fletcher	Kean	Patterson
Bailey	Frazier	Logan	Reed
Borah	George	McAdoo	Stephens
Byrd	Glass	Metcalf	Thomas, Okla.
Caraway	Hastings	Norbeck	Tydings
Carey	Hatfield	Norris	Wagner
Erickson	Johnson	Nye	Walcott

So Mr. CUTTING's amendment was rejected.

Mr. LA FOLLETTE. Mr. President, on page 2, line 2, I move to strike out the figures "$950,000,000" and insert the figures "$1,500,000,000."

This issue has been thoroughly debated, and I do not propose to detain the Senate at this late hour further than to say that, if this amendment shall be agreed to, it will enable the Civil Works Administration to carry on at its present level of activities until the time which so many Senators have indicated, namely, the 1st of May, shall arrive, and it will be possible to determine whether there has been such an increase in normal business activity or in the Public Works Administration or in agricultural employment as will justify the reduction of the Civil Works force.

If this amendment shall not be agreed to, it will mean that, beginning tomorrow, 250,000 persons now employed on civil works will be demobilized each week, until the 1st of May there will be no person in the United States employed on civil works.

During the course of this debate there has been some criticism of the kind of projects and of the administration which has been set up to carry forward this work. Every person familiar with the program knows that as time has gone on the character of the projects has steadily become better and the efficiency of administration has steadily improved. If a rapid demobilization is commenced tomorrow, it means that, even though the Congress and the Executive should change their minds later in the spring and determine it necessary to revive this work, a new organization will have to be drawn together; it means that there will be no planning upon the projects which are available, and that we will have the same tragic experience when this program shall be revived that we had at its inception.

I therefore have offered the amendment in the hope that it might appeal to the wisdom of the Senate that this work should be continued until we are in possession of the facts.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. McKELLAR. Mr. President, I hope the amendment will be voted down. I base my objection to it upon the same arguments that have been made heretofore, and for the same reason.

Mr. RUSSELL. Mr. President, did I understand the Senator from Wisconsin to say that it was the purpose of the Civil Works Administration to demobilize the work at the rate of 250,000 men a week commencing tomorrow?

Mr. LA FOLLETTE. Yes; that is correct; that statement is contained in the testimony. Mr. President, I ask for the yeas and nays.

Mr. TRAMMELL. Mr. President, may I ask the Senator in charge of the bill if the statement is correct that it is contemplated under this bill to begin demobilization at the rate of 250,000 men a week beginning tomorrow?

Mr. McKELLAR. Mr. President, Mr. Hopkins stated that it was the purpose of the administration gradually to reduce the number so that by May 1 the Civil Works program would cease.

Mr. TRAMMELL. Mr. President, I desire, of course, to vote with the administration on a question of this character, but I am entirely out of harmony with the idea that a plan should be adopted which would result in demobilizing all these people by the 1st of May, and I have been supporting the measure, if that is true, under a misapprehension.

Mr. LA FOLLETTE. Mr. President, did I lose the floor?

Mr. TRAMMELL. Mr. President, I thank the Senator from Wisconsin for permitting me to speak.

Mr. LA FOLLETTE. I merely wish to suggest, Mr. President, in view of the remarks of the Senator from Florida, that there should be no misunderstanding of the situation that confronts us upon this question. Beginning tomorrow 250,000 persons now employed on civil works will be demobilized per week until by the 1st of May there will not be a single person in the United States employed upon civil works. That is the kind of gradual demobilization which will ensue if we stand upon the appropriation provided in the bill.

Mr. WAGNER. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LA FOLLETTE. I yield.

Mr. WAGNER. In other words, Mr. President, between now and May 1, 4,150,000 men now employed on civil works will be out of employment.

Mr. LA FOLLETTE. Precisely.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. LA FOLLETTE. I yield.

Mr. LONG. I wish to inform the Senator from Florida for his further information that the demobilizing starts in Florida, and because of the nice weather they have down there they will probably demobilize all the people on C.W.A. work in a couple of weeks.

Mr. TRAMMELL. We can stand it better, of course, than some other parts of the country.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Tennessee?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. The Senator from Wisconsin knows that under the pending bill an appropriation of $950,000,000 is made, and the gradual reduction of the C.W.A. applies only to $450,000,000. It is all under the control of the President and he can direct the procedure. The whole $950,000,000 can be used for that purpose.

Mr. LA FOLLETTE. No, Mr. President; the difficulty with the Senator's statement is that $500,000,000 of this amount is required for direct relief.

Mr. McKELLAR. That is to extend over a period until next January, if it is to be used in that way.

Mr. LA FOLLETTE. Mr. President, I do not assume that the Senator has any desire to make a statement which is not substantiated by the record; as I understand it, $500,000,000 is required for relief purposes, and $450,000,000 of this appropriation, making $950,000,000 in all, is to be used for civil works. It clearly is in the testimony—and Mr. Hopkins so informed the committee—that demobilization of Civil Works activity would begin and that it would be terminated on the 1st of May.

If Senators wish to vote in favor of putting 4,000,000 persons back upon direct relief, that, of course, is their responsibility. But I do not think that any Senator should vote under a misapprehension as to the effect of the policy, not only upon economic activity but upon human beings; the 4,000,000 persons and their dependents who are involved in the vote we are about to take.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FESS (when his name was called). Making the same announcement I made a moment ago with reference to my pair with the senior Senator from Virginia [Mr. GLASS], who is unavoidably absent from the Senate, I feel free to vote. I vote "nay."

Mr. WAGNER (when his name was called). I am paired with the senior Senator from Missouri [Mr. PATTERSON]. If he were present, he would vote "nay", and if I were permitted to vote I should vote "yea."

The roll call was concluded.

Mr. LEWIS. I desire to reannounce the pairs as stated by me previously and also the yeas and nays as stated by me previously, if the Senators who are paired were present.

Mr. ROBINSON of Arkansas (after having voted in the negative). Announcing the same pair as on the previous vote, I am informed that my pair, the Senator from Pennsylvania [Mr. REED], would vote as I have voted. Therefore I will let my vote stand.

Mr. HEBERT. I desire to announce that the pairs which were announced by me on the previous vote obtain on this vote, and that the Senators thus paired would vote the same way on this amendment as indicated on the last vote.

Mr. STEIWER (after having voted in the negative). I find that my pair with the senior Senator from Nebraska [Mr. NORRIS] is effective as to this vote. I will transfer the pair to the Senator from Vermont [Mr. AUSTIN], as I did previously, and permit my vote to stand. If the Senator from Vermont were present, he would vote "nay."

Mr. LEWIS. I am authorized to announce that the Senator from Ohio [Mr. BULKLEY] and the Senator from Wyoming [Mr. CAREY] are paired. I am unable to state how they would vote if present. I wish also to repeat my announcement of Senators who are necessarily absent.

The result was announced—yeas 14, nays 52, as follows:

YEAS—14

Black	Dill	McCarran	Shipstead
Bone	Hatch	Murphy	Wheeler
Costigan	La Follette	Pope	
Cutting	Long	Russell	

NAYS—52

Adams	Copeland	Hebert	Robinson, Ind.
Ashurst	Couzens	Keyes	Schall
Bachman	Davis	King	Sheppard
Bankhead	Dickinson	Lewis	Smith
Barbour	Dieterich	Lonergan	Steiwer
Barkley	Duffy	McGill	Thomas, Utah
Brown	Fess	McKellar	Thompson
Bulow	Gibson	McNary	Townsend
Byrnes	Goldsborough	Neely	Trammell
Capper	Gore	O'Mahoney	Vandenberg
Clark	Hale	Overton	Van Nuys
Connally	Harrison	Reynolds	Walsh
Coolidge	Hayden	Robinson, Ark.	White

NOT VOTING—30

Austin	Fletcher	Logan	Reed
Bailey	Frazier	McAdoo	Stephens
Borah	George	Metcalf	Thomas, Okla.
Bulkley	Glass	Norbeck	Tydings
Byrd	Hastings	Norris	Wagner
Caraway	Hatfield	Nye	Walcott
Carey	Johnson	Patterson	
Erickson	Kean	Pittman	

So Mr. LA FOLLETTE's amendment was rejected.

Mr. CONNALLY. Mr. President, I should like to ask the Senator from Tennessee a question in connection with the telegram I send to the desk and ask to have read.

The VICE PRESIDENT. The Senator from Texas presents a telegram, which will be read by the clerk.

The legislative clerk read as follows:

AUSTIN, TEX.

Hon. TOM CONNALLY,
Senate Office Building:

Request allotment to Texas $225,000 to supplement like amount from Texas hospitalization 500 indigent tubercular cases in private sanitarium.

J. W. E. H. BECK,
Senator, Chairman Public Health Committee.

Mr. CONNALLY. I desire to ask the Senator from Tennessee is it his contention that the language of this bill in lines 2 to 5, on page 2, is sufficiently comprehensive to warrant the action of the Federal Administrator in granting a request of that character?

Mr. McKELLAR. Undoubtedly. That language reads as follows:

The sum of $950,000,000, which shall be available for expenditure for such projects and/or purposes and under such rules and regulations as the President in his discretion may prescribe.

It would undoubtedly cover that subject.

Mr. CONNALLY. In other words, the President or, under his direction, the relief administrator may make regulations to authorize the Federal Government to supplement a like amount of funds from a State government for the treatment of charity and indigent patients in hospitals suffering from tubercular or other diseases?

Mr. McKELLAR. I have no doubt that it is entirely in the discretion of the President and his administrator.

Mr. CONNALLY. The Senator is in charge of the bill and that is his construction of it.

Mr. McKELLAR. That is my judgment as to what the bill means.

Mr. CONNALLY. I thank the Senator.

Mr. McCARRAN. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following as a new section:

SEC. 3. Any State director or administrator for any State whose duties involve the disbursement of funds under the Federal Emergency Relief Administration or under the Federal Civil Works Administration for any State shall be appointed for such State by the President, by and with the advice and consent of the Senate.

Mr. McCARRAN. Mr. President, this entire movement, from its inception until the present moment, belongs to and is attached to this administration. The credit for its success or the blame for the failure of the movement belongs to the administration. The States themselves select for the organization now set up the Civil Works projects that are most available and most beneficial for their own internal improvement and for the benefit of their people. We place the credit where it belongs, and the responsibility should rest there. That those who administer it should be in harmony with the full policy of the law cannot be denied. It seems to me that the administration should have a voice in nominating those who will spend the public money; but the Senate of the United States would not have permitted for a moment in years past, and should not permit even today, anyone to disburse $950,000,000 without first having passed upon the responsibility and the eligibility of the man or men who are to disburse that money.

Because of the emergency, in view of the publicity that has gone forth, in view of the charges of scandal and fraud that have cut into the allotments, there is no reason now why we should not scrutinize those who will spend the public money. For that reason I am submitting the amendment.

More than that, those who are in the States where this public money is to be expended should have some voice in determining who shall direct and control the expenditures of the public moneys within the respective States.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. McCARRAN. I do.

Mr. LONG. The Senator's amendment only requires confirmation by the Senate?

Mr. McCARRAN. Appointment by the President and confirmation by the Senate.

Mr. LONG. Of whom?

Mr. McCARRAN. Of the public administrators.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Nevada.

Mr. McCARRAN. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED]. I do not know how that Senator would vote on this question. If at liberty to vote, I would vote "nay."

Mr. STEIWER (when his name was called). Repeating my former announcement, I withhold my vote, not knowing how my pair would vote. If permitted to vote, I would vote "nay."

Mr. WAGNER (when his name was called). I am paired with the senior Senator from Missouri [Mr. PATTERSON]. Not being informed how he would vote if present, I am not at liberty to vote.

The roll call was concluded.

Mr. LEWIS. I desire to reannounce on this vote the general pairs previously announced on the former vote, but I am not advised as to how the various Senators would vote on this particular amendment.

Mr. KING. I have a pair on this vote with the senior Senator from New Jersey [Mr. KEAN]. Not knowing how he would vote, I am compelled to withhold my vote.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from West Virginia [Mr. HATFIELD] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from California [Mr. MCADOO];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Arkansas [Mrs. CARAWAY];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY];

The Senator from North Dakota [Mr. NYE] with the Senator from Kentucky [Mr. LOGAN];

The Senator from California [Mr. JOHNSON] with the Senator from Virginia [Mr. BYRD]; and

The Senator from Ohio [Mr. FESS] with the Senator from Virginia [Mr. GLASS].

I am not advised how any of these Senators would vote on this question.

Mr. ROBINSON of Arkansas. I have been informed that my pair, the senior Senator from Pennsylvania [Mr. REED], would vote as I intend to vote, and therefore I am at liberty to vote. I vote "nay."

Mr. LEWIS. I desire to further announce that the following Senators are necessarily detained from the Senate: The Senator from Arizona [Mr. ASHURST], the Senator from Tennessee [Mr. BACHMAN], the Senator from Colorado [Mr. COSTIGAN], the Senator from Montana [Mr. ERICKSON], the Senator from Georgia [Mr. GEORGE], the Senator from Nevada [Mr. PITTMAN], the Senator from Mississippi [Mr. STEPHENS], and the Senator from Oklahoma [Mr. THOMAS].

The result was announced—yeas 42, nays 19, as follows:

YEAS—42

Adams	Davis	Long	Thomas, Utah
Bailey	Dieterich	McCarran	Thompson
Barbour	Dill	McGill	Townsend
Black	Duffy	Murphy	Trammell
Bone	Gibson	Neely	Vandenberg
Brown	Goldsborough	O'Mahoney	Van Nuys
Bulow	Gore	Overton	Walsh
Capper	Hatch	Reynolds	Wheeler
Clark	Keyes	Robinson, Ind.	White
Coolidge	Lewis	Russell	
Copeland	Lonergan	Smith	

NAYS—19

Bankhead	Cutting	Hebert	Robinson, Ark.
Barkley	Dickinson	La Follette	Schall
Byrnes	Hale	McKellar	Sheppard
Connally	Harrison	McNary	Shipstead
Couzens	Hayden	Pope	

NOT VOTING—35

Ashurst	Erickson	Kean	Pittman
Austin	Fess	King	Reed
Bachman	Fletcher	Logan	Steiwer
Borah	Frazier	McAdoo	Stephens
Bulkley	George	Metcalf	Thomas, Okla.
Byrd	Glass	Norbeck	Tydings
Caraway	Hastings	Norris	Wagner
Carey	Hatfield	Nye	Walcott
Costigan	Johnson	Patterson	

So Mr. MCCARRAN'S amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. LONG. Mr. President, I send to the desk an amendment which I desire to offer. I will have to read it, because it is in my own handwriting and the clerk probably cannot decipher it.

In line 23, page 2, after the word "duty", I move to insert the following:

Provided further, That a further sum of $50,000,000 is appropriated and shall be transferred to the several States in proportion to population, to be disbursed by said States for the operation of their respective public schools, by and through their respective State educational boards and departments.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana.

The amendment was rejected.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

Mr. MCKELLAR. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House of Representatives upon the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Is it in order to move to instruct the conferees before or after the conferees are appointed?

The VICE PRESIDENT. The Chair does not know just what the Senate rules provide in that respect. In the House of Representatives it is necessary to make the motion before they are appointed.

Mr. CLARK. Then, Mr. President, I move that the conferees on the part of the Senate be instructed to insist on the McCarran amendment, just adopted.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Missouri.

Mr. LA FOLLETTE. Mr. President, is the question debatable? If it is, I should like to make a brief statement.

The VICE PRESIDENT. All questions before the Senate are debatable.

Mr. LA FOLLETTE. I understand that the amendment of the Senator from Nevada applies not only to Civil Works administrators in the States but also to those who are administering direct relief.

Mr. CLARK. I will say to the Senator that there is no difference between them.

Mr. LA FOLLETTE. Oh, yes; there is.

Mr. CLARK. I will state on the authority of Mr. Hopkins that the relief administrator is simply taken over and made the C.W.A. administrator.

Mr. LA FOLLETTE. That is not true in many States. I know it is not true in my own.

Before Senators tie the hands of the conferees on this question, I should like to point out that the whole set-up under the direct-relief bill which was passed provided for cooperation between the States and the Federal Government in extending relief; and the Governor, under the law, was directed to designate the authority through which the Federal relief administrator should work in connection with direct-relief activities. It seems to me unjust from the point of view of the States, so long as they are putting up a portion of the money for direct relief—as some of them still are—that we should insist upon a Presidential appointee to administer, in part, State funds.

Furthermore, it seems to me that before the Senate upsets the entire organization under the direct relief act, the matter should have more consideration than this amendment has obtained from the Senate. I should like to suggest to the Senator from Missouri that he ought not to tie the hands of the conferees in considering the phraseology of this amendment as it has been agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I make a point of order that the motion of the Senator from Missouri is not in order, the Senator from Tennessee having already moved, and the Senate having agreed to his motion, that the Senate insist upon its amendments and ask for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. CLARK. Mr. President, the Senator from Arkansas is as familiar as I am with the fact that if that point of order is sustained I can accomplish the same purpose by making a motion to adhere. I do not want to do that.

Mr. ROBINSON of Arkansas. I do not think a motion to adhere would be in order at this time.

Mr. CLARK. I differ from the Senator from Arkansas on the question of order.

In response to what the Senator from Wisconsin said, I have no desire whatever to tie the hands of the conferees; but the Senator from Wisconsin is as familiar as I am with the practice that has lately prevailed in this body, when the Senate has repeatedly adopted amendments of this character and they have gone to conference and have been dropped out, sometimes at the instance of the Senate conferees, without giving the Senate an opportunity to pass on the matter. Then a conference report is brought in here, which must be voted up or voted down.

If the Senator from Tennessee [Mr. McKELLAR] is willing to give us assurance that he will afford the Senate a chance to express its will on this matter again unless it can be agreed to or the amendment perfected I have no desire to press the motion for instructions at this time.

The VICE PRESIDENT. Permit the Chair to suggest that the parliamentary clerk advises the Chair, who is not particularly familiar with the Senate rules, that it is in order, before conferees are appointed, to instruct them.

Mr. ROBINSON of Arkansas. Certainly it is; but that is not the question before the Chair. The suggestion of the parliamentary clerk is gratuitous. The question before the Senate is the motion of my friend, the Senator from Missouri; and I make the point of order that the Senator from Tennessee has already made a motion that the Senate insist upon its amendments and ask for a conference, and that the Chair appoint the conferees. It is not in order now to make a second motion that the Senate insist upon its amendments.

The VICE PRESIDENT. The conferees have not been appointed; and therefore, under general parliamentary law——

Mr. ROBINSON of Arkansas. No motion has been made to instruct.

Mr. CLARK. I made a motion to instruct.

Mr. ROBINSON of Arkansas. No; I beg pardon. The motion of the Senator was that the conferees of the Senate be instructed to insist upon its amendments, which was the same motion that was made by the Senator from Tennessee. Of course I am aware that the Senator from Missouri knows what motion he can make, and how to make it. I understand that perfectly; but the motion he has made is clearly out of order, and I make the point of order against it.

Mr. CLARK. Then, Mr. President, I move that the conferees to be appointed be instructed to insist on the McCarran amendment.

Mr. ROBINSON of Arkansas. Let the Chair rule on the point of order.

Mr. McKELLAR. Mr. President, before that is done let me suggest to the Senator from Missouri that the conferees, in my judgment—I know it will be so as far as I am concerned; I can answer for myself, and I think I can answer for the others—will in good faith insist upon this amendment; and if he desires, or if the Senate desires, and I think there is a desire here that we should do so, we will bring the matter back to the Senate for a vote.

Mr. CLARK. That is all I ask for.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Tennessee [Mr. McKELLAR].

The motion was agreed to; and the Vice President appointed Mr. GLASS, Mr. McKELLAR, Mr. COPELAND, Mr. HALE, and Mr. KEYES conferees on the part of the Senate.

REPORT OF ALIEN PROPERTY CUSTODIAN (H.DOC. NO. 133)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on the Judiciary, as follows:

To the Congress of the United States:

In accordance with the requirements of section 6, of the Trading with the Enemy Act, I transmit herewith, for the information of the Congress, the annual report of the Alien Property Custodian on proceedings had under the Trading with the Enemy Act for the year ended December 31, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1934.*

EXPENSES OF INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS (H.DOC. NO. 245)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that legislation may be enacted authorizing an annual appropriation in the sum of $3,000, or so much thereof as may be necessary, for the purpose of defraying the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and/or of the commissions established by that committee.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1934.*

[Enclosure: Report.]

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADDITIONAL REPORT OF A COMMITTEE

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 828) to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 280) thereon.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEIWER:

A bill (S. 2690) for the relief of Norris R. Wentworth, Lloyd J. Wentworth, J. K. Wentworth, Jr., and George Finley; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2691) for the relief of Western Knitting Mills, Wallace G. Kay, and Kay & Co., Inc.; to the Committee on Claims.

A bill (S. 2692) relating to the record of registry of certain aliens; to the Committee on Immigration.

SOME CONSTITUTIONAL ASPECTS OF THE NATIONAL INDUSTRIAL RECOVERY ACT AND THE AGRICULTURAL ADJUSTMENT ACT

Mr. WALSH. Mr. President, I ask unanimous consent that an article by Prof. Robert A. Maurer, of the Georgetown University School of Law, which appeared in volume XXII, pages 207–231, Georgetown Law Journal, January 1934, be printed in the RECORD. It is a very able as well as comprehensive study of the National Industrial Recovery and Agricultural Adjustment Acts, and a clear treatment of them from the constitutional viewpoint. The article has already occasioned considerable comment among the legal profession and, indeed, has been adverted to by several members of the bench in their decisions construing these acts. I wish, therefore, to have it printed in the RECORD, so that it may be available to the general public as well as to students and libraries.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[NOTE BY EDITORIAL STAFF.—Mr. Justice Adkins, of the Supreme Court of the District of Columbia, has said of this article: "I have also derived direct and substantial aid from * * * the draft of an article by Prof. Robert A. Maurer to be published in the January issue of the Georgetown Law Journal * * * on 'Some Constitutional Aspects of the National Industrial Act and the Agricultural Adjustment Act'." The statement was part of Mr. Justice Adkins' opinion in *Victor et al.* v. *Ickes, Secretary of the Interior*, Supreme Court of the District of Columbia, Eq. No. 56298, decided December 1, 1933 (61 Wash., L.Rep. 870), in which four retail distributors of gasoline in Detroit sought by injunction to restrain the Secretary from interfering with their actions in violation of the code adopted for the petroleum industry under the N.R.A., and in which the constitutionality of the act was upheld and the injunction denied.]

It is futile to attempt to prove that the Agricultural Adjustment Act[1] and the National Industrial Recovery Act[2] as a whole are constitutional or that they are unconstitutional. The problems

[1] Known as "A.A.A." (48 Stat. 31 (1933); 7 U.S.C. Supp., secs. 601–619 (1933).)

[2] Known as "N.R.A." (48 Stat. 195 (1933); 15 U.S.C. Supp., secs. 701–712 (1933).)

presented by these acts are many and varied, and the whole does not admit of one categorical answer. It may be conceded that both statutes must be brought within the authority of Congress delegated to it, either expressly or impliedly, by the Constitution of the United States. Some suggestions have been offered of new constitutional theory. For example, it has been said that the "general welfare" clause of the preamble may justify an assumption of power in Congress. This is unsound; but since it has been offered, it should be said that were this clause a grant of power, which it is not,[3] yet it relates to the purpose of the Constitution as a whole, and it is quite obvious that the general welfare was sought to be promoted under a frame of government of dual character, separating Federal powers from State powers, and setting up countervailing departments with checks one upon another, with specific limitations upon all, and with specific guaranties to the people against excess of governmental authority. By all of these taken together is the "general welfare" to be promoted.

Again it has been suggested that the clause empowering Congress to lay and collect taxes for the general welfare[4] may be invoked to sanction an exercise of power by Congress beyond the scope of the other clauses in which lie the delegated powers of Congress.[5] If this suggestion relates to the money-raising and mere money-spending activities of Congress, all will concur, for the purposes of Federal taxation are admittedly broad, and there are no practical means, other than public opinion, to check the use of Federal money, where no regulatory power to command, to control, or to compel is sought to be exercised in connection with the spending,[6] except possibly in the extraordinary event that an officer refuses to disburse funds on the ground that the purpose is unconstitutional.

There is definite purpose in a written constitution. This one of ours was ordained and established in a time of great stress and strain. It was not intended as a mere fair-weather instrument. That the Federal Government is one of delegated powers will, of course, not be questioned, and it is not believed that constitutional limitations will be permitted by the Supreme Court to be lightly swept aside. That would be revolution indeed, for it would mean the end of constitutional government itself. It must be assumed that Congress intended to remain within established limits when it enacted the so-called "N.R.A." and "A.A.A." statutes. The objects of this legislation were very far-reaching, yet an analysis of the statutes indicates a clearly discernible purpose to secure industrial recovery, in part through a broad voluntary effort on the part of industry and the trades, and by the Government as well, and, in a restricted sense, through enforcement of penal provisions. It is important that this distinction be kept in mind in an appraisal of the effects of these statutes when put into actual operation, even with respect to the declared emergency purposes set out in the opening sections of each act. Has Congress shown an intent to keep within specific constitutional limitations in the exercise of regulatory power, or does it rely upon some broader sovereign authority[7] that goes beyond its definite constitutional grants of power? The Agricultural Adjustment Act may fairly be said to relate the emergency aspects of this legislation to the monetary and interstate commerce powers of Congress. And so related, they indicate no attempt of Congress to step outside its sphere of delegated authority, though they may involve an extension of such authority beyond that heretofore exercised. The declaration of policy in the Industrial Recovery Act likewise aims "to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof."[8] This purpose fairly adhered to needs no emergency to support it, unless it embraces, for a temporary and emergency period, an extension of governmental power beyond normal limits, and a consequent withdrawal of individual right to a corresponding degree. It must be admitted that when we deal with emergency legislation we enter upon a field for the most part unexplored. The Supreme Court has been called upon in but a few instances to define the limits. In the case of *Wilson* v. *New*[9] the test of governmental power in Congress involved the maintenance of wages of railroad employees under the Adamson law[10] for a fixed and limited period, to preserve the status quo pending the operation of special arbitration machinery designed to avert a threatened national strike of railroad employees. The power of government to regulate the wages of employees even of public utilities has, under normal conditions, been uniformly denied,[11] and was expressly denied in the court's opinion in that very case.[12] The Supreme Court has since referred to this exercise of power in the Adamson law as one warranted only by the emergency and for a temporary period.[13] It is noted that the excess of power, beyond that which is normally valid, conceded to Congress in the case of *Wilson* v. *New*, is linked to the commerce power and is distinctly an outgrowth of that power. It may not be assumed either from this case or from the District of Columbia rent law case[14]—which involved the war power of Congress and its power exclusively to legislate for such District—that an emergency due to industrial depression opens up some entirely new field for Federal legislative experiment, for example, in matters purely local and within the domain of reserved State power, and not in some substantial manner related to interstate commerce. The dictum of Chief Justice White, who wrote the court's opinion in *Wilson* v. *New*, to the effect that, of course, a mere emergency could not give birth to a power that never lived,[15] is a clear indication of the line which should separate the proper exercise of power within constitutional limitations from the mere usurpation of authority by Congress which would amount to an overthrow of constitutional government. The court characterized the legislation in question as the exercise of a power which inevitably resulted from Congress' authority to protect interstate commerce in dealing with a situation like that which was before it, "to the end that no individual dispute or difference might bring ruin to the vast interests concerned in the movement of interstate commerce, for the express purpose of protecting and preserving which the plenary legislative authority granted to Congress was reposed."[16] Matters of purely local business and industry are not per se within the legislative power of Congress, and the ipse dixit of that body cannot be so extended without overthrowing the Constitution itself. It is only when the local intrastate matter works some burden upon or discrimination against interstate commerce, when there is some substantial interrelation, interdependence, or interaction between local business and interstate commerce, capable of proof of record, that the Supreme Court has recognized the intervention of Congress as proper to protect and preserve its grant of power. By indirection, local matters are then made capable of Federal control, but not in and for themselves. That is the doctrine of the Shreveport case,[17] of the Wisconsin Passenger Fares case,[18] and of Stafford against Wallace.[19] Those who framed this legislation for approval and adoption by Congress sought to extend Federal authority to its uttermost limit for the laudable purpose of overcoming the depression. In doing so they provided for certain governmental activities as to which it was not necessary to bother about constitutional limitations. This is particularly true of the Agricultural Adjustment Act. The money-spending and money-loaning function indicated in the making of cotton-option contracts,[20] payments to secure reductions in acreage,[21] payments of money raised by the processing taxes,[22] are none of them in excess of constitutional powers vested in Congress. If any citizen wishes to part with his property or limit his use of his property voluntarily for a money or other valuable consideration offered by the Government, he is not, of course, in a position thereafter to complain of a violation of his constitutional rights. We assume that in the exercise of such functions Congress is not attempting to exercise any control or command or compulsion, such as is associated with the ordinary *regulatory* process.

A CONSTITUTIONAL BASIS FOR ENFORCEMENT

In the licensing provision of the Agricultural Adjustment Act,[23] which carries a penal provision, the scope of enforcement is specifically limited. Power is given to the Secretary of Agriculture

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[3] I Willoughby, The Constitution of the United States, (2d ed., 1929), secs. 61, 63.

[4] ART. I, Sec. 8, of the Constitution, provides that Congress shall have the power "to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States."

[5] The report of the Committee on Ways and Means of the House of Representatives on the N.R.A. bill (H.Rept. No. 159, 73d Cong., 1st sess.) said of section 1: "This section also establishes the constitutional basis for this legislation, which is predicated upon both the interstate commerce clause and the general welfare clause of the Constitution." It did not make clear which of the "general welfare" clauses was in mind.

[6] *Frothingham* v. *Mellon* and *Massachusetts* v. *Mellon*, 262 U.S. 447 (1923). See also *United States* v. *Realty Co.*, 163 U.S. 427 (1896).

[7] The doctrine of inherent sovereign powers, as affecting internal affairs, was expressly repudiated in *Kansas* v. *Colorado* (206 U.S. 46 (1907)).

[8] Supra, note 2, at § 1.

[9] 243 U.S. 332 (1917).

[10] 39 Stat. 721 (1916), 45 U.S.C., sec. 65 (1926).

[11] *Wolff Packing Co.* v. *Court of Industrial Relations of Kansas* (262 U.S. 522 (1923)).

[12] Also *Adkins* v. *Children's Hospital* (261 U.S. 525 (1923)). The Supreme Court, upon the authority of *Adkins* v. *Children's Hospital*, affirmed an order of the District Court of the United States for the District of Arizona allowing a preliminary injunction restraining the enforcement of the Arizona State minimum wage law for women (*Murphy* v. *Sardell*, 269 U.S. 530 (1925)).

[13] *Adkins* v. *Children's Hospital, supra*, note 12; *Wolff Packing Co.* v. *Court of Industrial Relations of Kansas*, supra, note 11.

[14] *Block* v. *Hirsh* (256 U.S. 135 (1921)). Cf. *Chastleton Corporation* v. *Sinclair* (264 U.S. 543 (1924)).

[15] "* * * and although an emergency may not call into life a power which has never lived, nevertheless emergency may afford a reason for the exertion of a living power already enjoyed", supra, note 9, at 348.

[16] Id., at 350.

[17] *Houston E. & W. Texas Ry. Co.* v. *United States* (234 U.S. 342 (1914)).

[18] *Railroad Commission of Wisconsin* v. *Chicago, B. & Q. Ry. Co.* (257 U.S. 563 (1922)).

[19] 258 U.S. 495 (1922). See also *Board of Trade of Chicago* v. *Olsen* (262 U.S. 1 (1923)), and *Tagg Bros. & Moorhead* v. *United States* (280 U.S. 420 (1930)).

[20] Supra, note 1, at title I, sec. 6.

[21] Id., at sec. 8(1).

[22] Id., at secs. 8, 9.

[23] Id., at sec. 8 (3).

"to issue licenses permitting processors, associations of producers, and others to engage in the handling, *in the current of interstate or foreign commerce* [24] of any agricultural commodity or product thereof." In the making, even, of marketing agreements [25] voluntary in character, the authority of the Secretary of Agriculture is restricted to agreements with those processors, associations of producers, and others engaged in the handling, *in the current of interstate or foreign commerce*, of any agricultural commodity or product thereof. This statute is without ambiguity. The enforcement through license control carries with it a responsibility, which rests upon those who administer the act, to establish their jurisdiction over licensees who are handling agricultural products as a matter of actual fact in the current of interstate or foreign commerce.

In the Industrial Recovery Act, also, there was no need to bring the President's voluntary agreements with trade or industry within any specific constitutional limitation.[26] What has been said above applies to this feature of the Industrial Recovery Act. However, an examination of the strictly regulatory features of both of these acts reveals for the most part a studied attempt by the authors to bring such exercise of power within some Federal delegated constitutional authority.

In the N.R.A. codes of fair competition for trades and industry are authorized. "After the President shall have approved any such code, the provisions of such code shall be the standards of fair competition for such trade or industry or subdivision thereof. Any violation of such standards in any transaction in or affecting interstate commerce shall be deemed an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act,[26a] as amended * * *." [27] It is further provided that "When a code of fair competition has been approved or prescribed by the President under this title (title I), any violation of any provision thereof in any transaction in or affecting interstate or foreign commerce shall be a misdemeanor and upon conviction thereof an offender shall be fined * * *." [28] If the penal provisions of this act, laid for its enforcement, were not intended by Congress to be limited to matters of fact in interstate commerce, in accordance with the recognized limitations upon the power of Congress itself, then why did not the act relate the effect of the act and the enforcement provisions to transactions generally, irrespective of their local or interstate character? In the licensing provision, which has a penal aspect, in that a license may be withheld or revoked, we find substantially the same limitation.[29]

If the theory upon which these various enforcement provisions are founded is correctly stated, then the conclusion is inescapable that the problem before a court, passing upon the infliction of penalties, is primarily one of determining whether the factual situation of record brings the case within the indicated statutory limitation. It may be argued that the purposes of these statutes, as set forth in the declarations of emergency and of policy by Congress, are much broader than the commerce power of Congress. Presumably this may be true. These broad purposes of national rehabilitation are, however, sought to be accomplished through a variety of effort by mutual and voluntary agreements which carry no penalties, and also by a variety of mere money-spending activities of the Federal Government, particularly in the aid of agriculture. It is nevertheless true that in those provisions in which the Government exhibits the heavy hand of authority to control or to compel a surrender of individual right and individual initiative in the fields of agriculture and of industry, with pains and penalties, the statutes themselves in their very terms base the power to enforce upon the commerce clause. In this respect the intent of Congress has been made clear. It is not necessary to assume that the changed conditions, economic in character, do not call for a recognition of the necessity of extending, under present emergency conditions, the commerce powers of Congress beyond that heretofore exercised. The expansive nature of this commerce power is well recognized. The Supreme Court has on many occasions held, that when conditions call for new legislation not theretofore deemed necessary, it is no objection that the legislation is new. The power lies dormant in Congress until the necessity for its exercise arises. Changed conditions call for a development of legislation to meet them. The whole history of interstate commerce law from 1887 to this date is a forward movement, step by step, of the power of Congress even to the point of control by indirection of those things once deemed purely local, but later found to be within the commerce clause because of their substantial effect upon the interstate control of commerce.

Reference has been made in support of this legislation to the current or stream of commerce, and to the emergency conditions which are said to bring all business within that stream. It is assumed in consequence that the powers of Congress extend to the sources of commerce and to all matters in trade or business irrespective of their local or interstate character. However, it would not be fair to assume that in the administration of the acts this view is taken as the basis of action to enforce. A statement made by Chief Justice Hughes in the recent Appalachian Coals case has been seized upon. The Chief Justice, after speaking of injurious practices in the industry which demanded correction, said, "When industry is grievously hurt, when producing concerns fail, when unemployment mounts and communities dependent upon profitable production are prostrated, the wells of commerce go dry." [30] It would be rash to assume, from such generalizations as this, that the Supreme Court is ready to sanction a complete overthrow of the police power of the States over trades and industry carefully guarded for a century, with respect to all those known provisions of the N.R.A. codes now in operation. Admittedly the codes cover virtually every aspect of industry and trades. It is to be remembered that by settled authority [31] the exercise of legitimate State police power which affects interstate commerce, though permitted within recognized limits in the absence of legislation by Congress, must give way before any regulation enacted by Congress under its constitutional authority. The result of the codes under the N.R.A., in destruction of State police power, if every provision of them is enforceable, is apparent. It is common knowledge that the provisions of the codes do not stop with interstate commerce or with those trades or industries that are interstate in character. There is no pretense of such limitation. Things purely local in character by any conception or definition of intrastate, as distinct from interstate, are included. To bring such transactions within the constitutional regulatory power of Congress, enforceable under penalty of the law, it is necessary that we concede not only that Congress may pour money into the "wells of commerce" to keep them from going dry, but also that it may, under the power to regulate interstate and foreign commerce, reach back into the States and control without limit the sources of production, and manufacturing processes, output of farm and factory, and increase of goods and of labor; say who shall and who shall not engage in new enterprise; and generally dictate the hours of labor, the wages to be paid, the conditions of employment, and the relations of employer and employee. To the average layman, as well as to the average lawyer, a statement such as this portrays a system of constitutional government quite different from that under which we have lived, both from the point of view of the proper function of the States in our scheme of government, and of the proper function of government in relation to individual initiative and liberty. The Supreme Court said in the famous Child Labor case: [32]

"The control by Congress over interstate commerce cannot authorize the exercise of authority not intrusted to it by the Constitution (*Pipe Line Cases*, 243 U.S. 548, 560). The maintenance of the authority of the State over matters purely local is as essential to the preservation of our institutions as is the conservation of the supremacy of the Federal power in all matters intrusted to the Nation by the Federal Constitution.

"In interpreting the Constitution it must never be forgotten that the Nation is made up of States to which are intrusted the powers of local government. And to them and to the people the powers not expressly delegated to the national Government are reserved (*Lane County* v. *Oregon*, 7 Wall. 71, 76). The power of the States to regulate their purely internal affairs by such laws as seem wise to the local authority is inherent and has never been surrendered to the general Government.

"* * * This court has no more important function than that which devolves upon it the obligation to preserve inviolate the constitutional limitations upon the exercise of authority, Federal and State, to the end that each may continue to discharge, harmoniously with the other, the duties intrusted to it by the Constitution."

We cannot doubt that this is a statement of fundamental principle, whether we approve or disapprove of its application by the court in particular cases.

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[24] The italics are those of the writer in this and subsequent passages.

[25] Supra, note 1, at sec. 8 (2).

[26] "The President is authorized to enter into agreement with, and to approve voluntary agreements between and among, persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups, relating to any trade or industry, if in his judgment such agreements will aid in effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce, and will be consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition", supra, note 2 at sec. 4 (a).

[26a] 38 Stat. 719 (1914), 15 U.S.C., sec. 45 (1926).

[27] Id., at secs. 3 (a), (b).

[28] Id., at sec. 3 (f).

[29] Id., at sec. 4 (b).

[30] *Appalachian Coals, Inc.*, v. *United States* (288 U.S. 344, 372 (1933)). This was a suit brought to enjoin a combination alleged to be in restraint of interstate commerce. The Government contended (at p. 358) that the creation by producers of coal of an exclusive selling agency "eliminates competition among the defendents themselves and also gives the selling agency power substantially to affect and control the price of bituminous coal in many interstate markets." The language of the Chief Justice above quoted was used by the court in justification of the plan adopted to improve fairly competitive conditions. The court (at p. 373) held that "the facts found do not establish, and the evidence fails to show, that any effect will be produced which, in the circumstances of this industry, will be detrimental to fair competition."

[31] *McDermott* v. *Wisconsin* (228 U.S. 115 (1913)); Second Employers' Liability Cases, *Mondou* v. *N.H., & H. R. Co.* (223 U.S. 1 (1912)); *Northern Pacific R. Co.* v. *Washington* (222 U.S. 370 (1912)); *Chicago, Etc., R. Co.* v. *Hardwick Farmers' Elevator Co.*, (226 U.S. 426 (1913)).

[32] *Hammer* v. *Dagenhart* (247 U.S. 251 (1918)).

It is conceivable that the courts may sanction such an extension of Federal authority as is contemplated under the codes in the face of the unusual needs caused by the depression, grown to the proportions of what we call an emergency, the excess of Federal regulation beyond the normal being only temporary, and leaving recognized constitutional limitations unimpaired under more normal conditions. Such a result, so far-reaching in its implications, would be justified only in case that issue is presented under a statute so clearly and explicitly founded upon a claimed emergency power as would admit of no other reasonable interpretation. Had the Congress provided, for example, that "When a code has been approved or prescribed by the President under this title, any violation thereof shall be a misdemeanor, and upon conviction thereof an offender shall be fined not more than $500 for each offense, and each day such violation continues shall be deemed a separate offense", a prosecution by the Government of a plumber, or of a restaurateur, or of an hotel proprietor, there being no evidence of record of any interstate transaction or of any substantial injurious consequence to interstate commerce, would of necessity be based upon the broadest possible conception of an emergency power in Congress to regulate business irrespective of its interstate character. One cannot reasonably doubt the significant difference of the legislative intent when the statute adds words of limitation such as a code "of fair competition" and any violation thereof "in any transaction in or affecting interstate or foreign commerce."

The question, then, is this: Has Congress recognized in the N.R.A. and the A.A.A. the constitutional limitations upon its regulatory powers? The answer is "Yes", if we assume that it was intended that in the administration much should be left to voluntary agreement of a cooperative character and voluntary surrender of constitutional guaranties to Federal policy in return for a release from prosecution under the antitrust laws (the monopoly prohibition excepted), and an expectation or hope that mutual effort would hasten recovery; and if we accept as true that it was intended that enforcement of penal provisions was to be resorted to only where transactions complained of could be proven of record to be within Federal authority under the interstate commerce clause, as a matter of fact.

These conclusions find support in the legislative history of the N.R.A. In his address to the United States Senate, presenting to that body the Industrial Recovery Act, Senator WAGNER, of New York, who was largely instrumental in the formulation and drafting of this legislation, said:

"I have been discussing codes which are voluntary both as to their competitive practices and as to their labor provisions, and it is primarily upon such spontaneous action that the bill relies. It is not my intention to substitute Government for business, or to remove from the shoulders of business men the responsibility for economic recovery. The duties of industrialists are enhanced by the opportunities which the bill offers for constructive cooperation." [33]

Again, in the same address, he said:

"The question of the proper exercise of Federal authority depends upon whether the bill confines itself to national matters, or whether it attempts to extend to matters which are of purely local concern. The answer is clear. The language of the bill expressly provides that any compulsory measures, such as the licensing feature of the bill, and any penalties for violation of the codes, shall be confined to business in or affecting interstate commerce. Thus no attempt is made to extend Federal action to an area of activity not covered by the commerce clause of the Constitution." [34]

In view of Senator WAGNER's peculiarly intimate association with this legislation, and of the special deference paid to his sponsorship, which may be noted in the Senate's deliberations,[35] these pronouncements are important and persuasive.

It is admittedly difficult, if not impossible, to reconcile with established principles of law, and with the specific statutory limitations hereinbefore described, those provisions of the National Recovery Act, additional to the above-mentioned sections, which are obviously designed securely to guard and advance the interests of labor. Every code of fair competition must embody the following conditions: (1) Recognition of the right of employees to organize and bargain collectively, free from employer interference, restraint, or coercion, in self-organization, selection of representatives, and mutual aid and protection; (2) prohibition of the "yellow dog" contract as a condition of employment; [36] (3) compliance by employers with maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.[37] Having been incorporated in the codes, their violation is subject to criminal prosecution. No mention is here made of transactions in or affecting interstate commerce, but it should be remembered that it is only violations of the codes "in any transaction in or affecting interstate or foreign commerce" that constitute unfair methods of competition within the meaning of the Federal Trade Commission Act, and that are made misdemeanors.[38]

The duty is enjoined upon the President to afford every opportunity to employers and employees to establish standards of minimum wage, hours of labor, and "such other conditions of employment as may be necessary * * * to effectuate the policy of this title" [39] by mutual agreement. However, Congress does not leave these matters to voluntary action alone. Where no such mutual agreement has been approved by the President, he is empowered, after investigation into labor practice, policies, wages, hours of labor, and conditions of employment, to prescribe a limited code of fair competition.[40] If the purpose was to differentiate labor and wage conditions from other incidents of local manufacture and production beyond the field of interstate commerce and to assert a power of control in Congress, acting through the President, new to our law, there is no precedent to sustain it. Perhaps it was thought to base this power upon that board and rather indefinite emergency purpose set out in the preamble to the act. Upon the authority of *Wilson* v. *New*,[41] that would be at best of doubtful validity, unless a substantial relation to interstate commerce could be shown. It is possible to avoid an unconstitutional result by a different construction. These limited labor codes "shall have the same effect as a code of fair competition approved by the President under subsection (a) of section 3." [42] This reference back to the general code-making power of the President, already referred to above,[43] is quite significant, particularly in respect to the enforcement of it under penal provisions or otherwise, and would seem necessarily to carry with it the limitation to transactions in or affecting interstate commerce.

The National Recovery Act has provided for control of the management of interstate business by employers, first, through general codes of fair competition for trade or industry, voluntary or compulsory, and, second, through a licensing system which seems to be aimed particularly at destructive wage or price cutting, but which goes much further, in that the President may take complete control of an industry and deny one the right to engage in that industry, if the codes of fair competition prove ineffective.

"Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any trade or industry or any subdivision thereof, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, no person shall, after a date fixed in such announcement, engage in or carry on any business, in or affecting interstate or foreign commerce, specified in such announcement, unless he shall have first obtained a license issued pursuant to such regulations as the President shall prescribe." [44]

The theory upon which this assumption of Federal power is based is that distressed conditions due to the depression of business may have led a minority of an industry to resort to price-cutting, cut-throat competition to get business, paying starvation wages, and requiring long hours of labor under sweatshop conditions. This would constitute unfair competition in commerce, a special evil growing out of the depression, prejudicial to those employers in the industry whose consciences would not permit them to resort to such methods. It may be sustained if the conditions of license imposed are directed bona fide toward the removal from interstate commerce of such unfair competitors, and are not a disguised effort directly to invade the police power of the States. It may well be that out of the emergency conditions some such new evils of unfair methods of competition have grown which Congress may control by appropriate legislation, as it did when it passed the Adamson law. Such a result is not necessarily out of harmony with the decision of the Supreme Court in the Child Labor case [45] and *Bailey* v. *Drexel Furniture Co.*[46] The congressional legislation condemned in those cases was, in the one, an effort under normal conditions to inflict a penalty upon any producer, manufacturer, or dealer who shipped in interstate commerce the product of a mine or manufactory in which children had been employed contrary to the provisions of the statute within 30 days prior to shipment; in the other a substantially similar effort to accomplish the same result under a thinly disguised regulation in the form of a tax measure. Both were held attempts by Congress to control by indirection matters within the police power of the States and not within interstate commerce.

There can be no doubt that Congress may freely select the means, the manner, or the mode of carrying its powers into effect; and inasmuch as the codes of fair competition apply only to interstate and foreign commerce transactions, there is no obstacle in the way of a licensing system to accomplish a legitimate regulatory purpose, by means which anticipate evils to be corrected, if Congress so wills. Under familiar principles, if the conditions to the grant of a license are commensurate with the scope of a regulatory power legitimately enforced, and there is no arbitrary discretion to give or withhold a license, there is no violation of any constitutional principle. But the licensing power here be-

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[33] CONGRESSIONAL RECORD, 73d Cong., 1st sess., 5256 (1923).
[34] Ibid.
[35] Id., at p. 5254.
[36] In *Adair* v. *United States* (208 U.S. 161 (1908)), and *Coppage* v. *Kansas* (236 U.S. 1 (1915)), Federal and State statutes of like import, with criminal penalties, were held to be unconstitutional deprivations of liberty of contract.
[37] Supra, note 2, at sec. 7 (a).
[38] Id., at secs. 3 (b), (f).
[39] Id., at sec. 7 (b).
[40] Id., at sec. 7 (c).
[41] Supra, notes 9, 15, and 16.
[42] Supra, note 2 at sec. 7 (c).
[43] Supra, p. 213.
[44] Id., at sec. 4 (b).
[45] Supra, note 32.
[46] 259 U.S. 20 (1922).

stowed may also be invoked to enforce a "voluntary agreement" entered into between the President and persons engaged in trade or industry. There is novelty in the law which encourages the making of mutual agreements, and then denies the right of one to continue in business without a license, subject to drastic criminal penalty. Nevertheless, the statute limits such enforcement by license and criminal penalty to transactions in or affecting interstate commerce, and the violation of a mutual agreement entered into for the purpose of securing certain advantages held out by the statute, such as the suspension of the antitrust laws governing agreements in restraint of trade, by analogy to unfair methods of competition, and on general principles of law, would seem to give sanction to this result. The authority to license business enterprises is, furthermore, extended to the purpose "otherwise to effectuate the policy of this title." Of course, this is also restricted to interstate and foreign business. But what is the limit of this licensing power thereby conferred? Aside from the purposes above indicated, what is the scope of the legislative will which the President is to execute? The answer lies only in the general declaration of policy of the act, which says, "It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof * * *." The provisions of the act which specifically carry out this purpose have already been discussed in this paper. The declaration of policy continues, "and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."[47] The first clause suggests that Congress may have a purpose "for the general welfare", and apart from interstate commerce, to promote industry for the purpose of cooperative action. This and other objects are commendable, but it will not be presumed that Congress seeks to promote the general welfare by granting to the President a regulatory power through license that goes beyond the constitutional regulatory power of Congress itself, and that, furthermore, so obviously leaves him free to adopt and enforce through license his own conception of the means by which these broad purposes of social and economic welfare are to be obtained. It would be within his unlimited discretion to determine the conditions upon which he will grant a license "otherwise to effectuate the policy of this title."

Reference has already been made to the licensing feature of the Agricultural Adjustment Act,[48] under which the Secretary of Agriculture has the power to issue licenses to processors, associations of producers, and others. That the license control is intended to be commensurate with the power of Congress is clear, for the subjects of control are those engaged in the handling "in the current of interstate or foreign commerce" of agricultural products. The terms and conditions upon which a license is granted must not be in conflict with existing acts of Congress, and must be such "as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy * * *." Here again we have reference to the administrative control of unfair practices, in accord with established legal concepts extended, it may be, to include extraordinary competitive conditions. Note, however, that the license control includes "charges." Government control of the prices at which agricultural commodities or products may be sold is clearly not in accord with the law of the Constitution, as defined in *Tyson* v. *Banton*,[49] *Ribnik* v. *McBride*,[50] *Wolff Packing Co.* v. *Court*,[51] *Williams* v. *Standard Oil Co.*,[52] and *New State Ice Co.* v. *Liebman*.[53] This challenge of unconstitutionality of the price-fixing aspects of this statute is met in the declaration of emergency of the act itself, which expressly declares that the basic industry of agriculture and transactions in agricultural commodities have become affected "with a national public interest." If such a result may be declared by Congress, yet it is not conclusive upon the courts. If conceded, then the power to regulate goes as far as public interest is involved, even to the extent of regulating the price, as with public utilities. This assumption of power explicitly rests upon the declared emergency, is expressly temporary in character, and raises a question of the most profound nature.[54] In its defense the Government will undoubtedly invoke the authority of *Wilson* v. *New*.[54a] A decision of the Supreme Court on the point sustaining the price-control aspect of license power of the Secretary of Agriculture under the Agricultural Adjustment Act, limited expressly to those matters "in the current of interstate and foreign commerce", will not necessarily determine the more far-reaching question raised by the National Recovery Act and pressed for a favorable answer by its sponsors, namely, whether the admitted existence of an economic emergency warrants the assumption by Congress of a regulatory control of American industrial life in all its aspects, free from the control of those limitations which are inherent in the commerce clause and the other powers delegated to Congress in the Constitution.

[47] Supra, note 2 at sec. 1.
[48] Supra, note 23.
[49] 273 U.S. 418 (1927).
[50] 277 U.S. 350 (1928).
[51] Supra, notes 11 and 13.
[52] 278 U.S. 235 (1929).
[53] 285 U.S. 262 (1932).
[54] See *United States* v. *Calistan Packers* (4 F.Sup. 660, N.D. Calif. (1933), noted in (1933) 22 Georgetown Law Journal 100); *Economy Daily Co.* v. *Secretary of Agriculture* (61 Wash.L.Rep. 633 (1933)).
[54a] Supra, notes 9, 15, 16, and 41.

DELEGATION OF LEGISLATIVE POWER

The recovery acts present a number of problems involving the delegation of legislative power. It has been said that Congress has in an unconstitutional manner delegated the legislative power to the President. An analysis of these statutes does not sustain this view. In the Agricultural Adjustment Act the question is squarely presented in those sections which provide for the laying of taxes upon processors to secure funds with which to carry out special aids to agriculture. The Secretary of Agriculture is given a very broad discretionary authority to determine whether such taxes shall be levied and in what amounts. The general principle stated in *Field* v. *Clark*,[55] in the Grimaud case,[56] and in the Hampton case,[57] is that when the legislature lays down an intelligible principle or policy, "a primary standard",[58] to guide the administrative discretion in filling in the details of the statute by the making of rules and regulations, and in applying the statute to factual situations upon which the statute is intended to operate, then there is no unconstitutional delegation of legislative power, even though the legislation be stated in broad terms. The statute provides that "there shall be levied processing taxes as hereinafter provided."[59] When rental or benefit payments to producers are to be made the tax shall be in effect. The rates shall be determined by the Secretary of Agriculture at such rate "as equals the difference between the current average farm price for the commodity and the fair exchange value of the commodity."[60] The processing tax "shall be at such rate as will prevent such accumulation of surplus stocks and depression of the farm price of the commodity",[61] the Secretary being authorized to make findings of facts as to the accumulation of surplus stocks and the depression of farm prices. "The current average farm price" and "the fair exchange value" of a commodity are defined in general terms, and the Secretary is empowered to make findings from statistical data, a clear fact-finding function, involving judgment, of course, but not involving an uncontrolled discretion. This statute is reminiscent of the flexible tariff law,[62] and the provisions for the exercise of administrative discretion furnish an exact analogy to that tariff law. Under the authority of the Hampton case[62a] this delegation of power to the Secretary of Agriculture is unmistakably constitutional.

There has been considerable controversy over the delegation of code-making power to the President in the N.R.A.—that is, as to his authority to approve "a code or codes of fair competition for the trade or industry * * *."[63] This authority is expressly limited to findings that the trade associations or groups which draw the codes shall be open in membership and truly representative, and further that they shall not promote monopoly or oppression of small enterprises. The President may impose conditions for the protection of the consumers and competitors, and he may make such exceptions to, and exemption from, such code "as the President, in his discretion, deems necessary to effectuate the policy herein declared."[64] There is no clear or definite principle provided in this act as a guide to the President's discretion, other than those matters above stated. What may he include in these codes? The statute contemplates that the codes shall be initiated by the members of an industry, but also authorizes the President, "upon his own motion", to prescribe and approve a code of fair competition.[65] If we look to the declaration of policy[66] as the guide to the exercise of the Executive discretion, we find the policy of Congress stated in very broad terms. It is as all-embracing as the Nation itself in all of its social and economic aspects. If we look upon this declaration of policy as the basis upon which the delegation of authority is vested in the President to approve a code—and it is his approval that gives it official sanction and makes it the standard of unfair competition—it seems rather obvious that on this basis there is no limitation whatever upon the discretion exercised in the drawing of codes. The President could insist upon any provision which is, in his estimation, within any of the broad purposes of the declaration of policy. It is as much as to say that Congress has declared that the social and economic conditions of the Nation should be improved in respect to the purposes stated, and that the President shall enact such statutes in the form of code provisions as will bring about improvement. Such a sweeping, all-embracing declaration would seem not to satisfy the judicial test heretofore laid down to prevent the legislature from handing over its law-making power to the President. It may well have been in contemplation of the

[55] 143 U.S. 649 (1892).
[56] *United States* v. *Grimaud* (220 U.S. 506 (1911)).
[57] *J. W. Hampton, Jr., & Co.* v. *United States* (276 U.S. 394 (1928)).
[58] *United States* v. *Shreveport Grain & Elevator Co.* (287 U.S. 77 (1932)).
[59] Supra, note 1, at sec. 9 (a).
[60] Id., at sec. 9 (b).
[61] Ibid.
[62] 42 Stat. 858, 941 (1922), 19 U.S.C. 154 (1926).
[62a] Supra, note 57.
[63] Supra, note 2, at sec. 3 (a).
[64] Ibid.
[65] Id., at sec. 3 (d).
[66] Supra, note 8.

framers of this statute that many things might be included in the codes for moral effect in securing voluntary cooperation and not for the purpose of legal enforcement. The history of the administration of the N.R.A. lends color to that supposition.

Consider, however, that by the statute itself [67] the code is to be one of "fair competition", and its violation shall in law be deemed "an unfair method of competition in commerce within the meaning of the Federal Trade Commission Act." [68] Herein lies an understandable purpose to confine the codes to those provisions which may be brought within the concept of unfair methods of competition. These words have come to carry with them a quite definite connotation in Federal trade law. Here is a standard to which the President can look for a guide to the exercise of his discretion as definite at least as such concepts recognized in the law as "just and reasonable rate" and "public convenience and necessity", standards for the administrative determination of rates in the one case and the issue of certificates in the other. In the Federal Trade Commission Act of 1914 "unfair methods of competition" were expressly declared to be unlawful.[69] Authority was vested in the Federal Trade Commission to enforce this law through administrative findings as to what are "unfair methods" and to issue cease and desist orders against their continuance. With reference to this the United States Supreme Court, in *Federal Trade Commission* v. *Gratz*,[70] said:

"The words 'unfair methods of competition' are not defined by the statute, and their exact meaning is in dispute. It is for the courts, not the commission, ultimately to determine as matter of law what they include. They are clearly inapplicable to practices never heretofore regarded as opposed to good morals because characterized by deception, bad faith, fraud or oppression, or as against public policy because of their dangerous tendency unduly to hinder competition or create monopoly. The act was certainly not to fetter free and fair competition as commonly understood and practiced by honorable opponents in trade."

Authority vested in the President by the National Recovery Act to approve or prescribe codes of fair competition is distinctly an administrative power. The adoption of the codes by Congress, in advance, as its standards, does not change the result. The code-making authority is still within the limitations of the statute itself, and it should be remembered that Congress expressly provides [71] that it is violation of the code standards in transactions in or affecting interstate or foreign commerce that shall be deemed an unfair method of competition and shall be a misdemeanor under the penal provision of the act. This specific limitation would seem unquestionably to apply to the President's authority to include matters in the codes which cannot by any known standard be deemed to constitute unfair competition. So construed, the delegation of authority to the President is not an unconstitutional delegation of legislative power.

Whether or not the President steps outside of his statutory authority presents a different question, of course, from that of unconstitutional delegation of legislative power. However, if it is not the intent of Congress that the President should include in a statute, as a basis of criminal prosecution, those matters which constitute only normal natural competitive advantage, which is not in any modern sense unfair, this would seem to reflect a purpose in Congress that the President, in his administrative act in approving or prescribing codes, should be guided by the standards of unfair competition which have been developed in the law heretofore. For example, he could not, it is submitted, attempt to equalize normal competitive advantage which grows from efficient organization of industry, expert management which would justify higher salaries in one plant than in another, reputation for prompt and efficient service, good workmanship and materials, and willingness to make good any defects in manufactured products, opportunity to secure employees at lower wages in one place than those that normally prevail in another, close proximity to markets, and others of like character. It will be for the courts ultimately to determine, at least for the purpose of enforcing the penal provisions of the statute, whether provisions in the codes include matters that may fairly be described as unfair methods of competition. This is not to say that the President may not in the codes seek to secure by purely voluntary acquiescence on the part of industry other purposes included in the declaration of policy of the National Recovery Act.

There is another section of the N.R.A.—that pertaining to limited labor codes [72]—which presents a problem both as to its interpretation and as to its constitutionality. It is a vulnerable part of the N.R.A. Its legislative background is completely dark.[73] It may have been intended as a latent threat to encourage the establishment of "mutual agreements" concerning labor practices, policies, wages, hours of labor, and conditions of employment, which it immediately follows in the statute. It will be remembered that this provision has a penal effect in that it provides that where no mutual agreement has been arrived at in these matters the President may prescribe a code "which shall have the same effect as a code of fair competition approved by the President under subsection (a) of section 3." Insofar as this provision, in this relationship, may be taken as restricted in its penal aspects to violations "in any transaction in or affecting interstate or foreign commerce", this separate delegation of code-making power would seem to be entirely unnecessary, because such labor practices, wages, hours of labor, and the like as could conceivably relate to unfair methods of competition in interstate commerce are already within the general code-making power. If it be true, however, that Congress intended to grant some wider code-making authority beyond the field of interstate commerce and applicable only to purely local transactions in trade and industry, then this attempted delegation would seem to be unconstitutional because it lays down no standard of control of purely local labor practices, policies, wages, hours of labor, and the like which could serve as an intelligible guide to the exercise of discretion by the President as to what regulations should be included in the codes and made enforceable. Furthermore, this legislation, read as without any limitation whatever, if carried beyond the interstate commerce field, would completely destroy the reserved power of the States, and would also sweep away all judicial decisions affecting the liberty of contract, such as *Muller* v. *Oregon*,[74] *Sturges* v. *Beauchamp*,[75] *Holden* v. *Hardy*,[76] *Lochner* v. *New York*,[77] and *Adkins* v. *Children's Hospital*.[78] Though the principle of these cases, from the viewpoint of the impropriety of general restrictions upon hours of labor and wages under the police power of the States, may be deemed to have been weakened by strong dissenting opinions and by the decision in *Bunting* v. *Oregon*,[79] there still remains a constitutional objection to the inclusion of such general restrictions within the commerce power of Congress.

It is reported upon good authority that up to this time little effort has been made by the N.R.A. administration to carry into effect this rather puzzling provision. It is probable, therefore, that we shall not have at any early date, if at all, any judicial determination of its purpose and effect. Possibly any view of it will prove eventually to be purely academic.[80]

[67] Id., at secs. 3 (a), (b).
[68] Id., at sec. 3 (b).
[69] Supra, note 26a.
[70] 253 U.S. 421, 427 (1920).
[71] Supra, note 2 at secs. 3 (b), (f).
[72] Id., at sec. 7 (c).
[73] In the report of the Committee on Ways and Means of the House of Representatives on the national industrial recovery bill (H.Rept. No. 159, 73d Cong., 1st sess.) there is but a brief paraphrase of sec. 7 (c), with no comment or discussion. In the report of the Committee on Finance of the Senate on the same bill (S.Rept. No. 114, 73d Cong., 1st sess.) no mention whatever is made of sec. 7 (c), except that the House committee report was included at the end of this report. There was no discussion of sec. 7 (c) in either House or Senate.

[74] 208 U.S. 412 (1908).
[75] 231 U.S. 320 (1913).
[76] 169 U.S. 366 (1898).
[77] 198 U.S. 45 (1905).
[78] Supra, notes 12, 13.
[79] 243 U.S. 426 (1917).
[80] Since this article was written, several cases have been decided, among them *Purvis et al.* v. *Bazemore*, — F. Sup. — (S.D. Fla. 1933), where it was held that the N.R.A., insofar as it provides for the regulation of business purely local in its nature (here dry-cleaning and dyeing establishments), is unconstitutional in that it invades "the reserve power of the States." A second case is that of *Victor et al.* v. *Ickes, Secretary of the Interior* (61 Wash. L.Rep. 870 (1933)). (Note by editorial staff.—See same case, supra note *, p. 207, and Recent Decision, infra, p. 358.)

RECESS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 7 o'clock and 42 minutes p.m.) the Senate took a recess until tomorrow, Friday, February 9, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 8 (legislative day of Feb. 6), 1934

CIVIL SERVICE COMMISSIONER

L. D. White, of Illinois, to be a Civil Service Commissioner, vice George R. Wales, deceased.

UNITED STATES ATTORNEY

Bernard J. Flynn, of Maryland, to be United States attorney, district of Maryland, to succeed Simon E. Sobeloff, resigned.

UNITED STATES MARSHAL

Wayne Bezona, of Washington, to be United States marshal, eastern district of Washington, to succeed David T. Ham, whose term expires February 19, 1934.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 8, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

God be merciful unto us and bless us. We thank Thee for the innumerable gifts of Thy holy providence. We pause in unspeakable gratitude for the Prophet of the Golden Rule, who spoke to mankind from the lonely yet beautiful shore line of Galilee. As there is an unanswered prayer and an unrealized dream in every breast, Heavenly Father, bulwark us with an unyielding faith; let not doubt or hesitation make their intrusions. Other men have labored and we have entered into their labors. So the fruits and the echoes of our work will live. They will roll on from soul to soul and from time to time. Gracious God, stimulate us with power to believe in the unseen, in the unattainable, and in the contagion of excellence. By endurance and foresight, by strength and skill may we meet obstacles with a song. Let these things teach us, our Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. TARVER. Mr. Speaker, I ask unanimous consent that I may proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Speaker, I asked for this time in order that I might call the attention of the Membership of the House to the way in which the new regulations of the President liberalizing laws relating to veterans are being nullified by the Veterans' Administration. I call attention to one particular case coming within my knowledge, which is representative of a great many others, in which a Spanish-American War veteran on January 19, 1934, the date when the President's liberalizing regulations were promulgated, was rated as 60-percent disabled on account of service-connected disabilities and under the regulations then in force was receiving $54 per month. The President's regulations raised the rate of payment in comparison with the degree of disability, so that a man in his status rated 60-percent disabled would be entitled to $60 per month. The Veterans' Administration, instead of giving him the benefit of the more liberal policy which the President had intended, rerated him without any evidence having been submitted as to any change in his condition, rerated him when it could have no purpose and no justification in doing so except that it desired to reduce the amount of his compensation or pension. They rerated him 50-percent disabled and changed his pension to $50 per month instead of the $54 which he had been receiving, when under the President's regulations he was clearly entitled to $60 per month. I have a letter here concerning this matter, but I shall not put it in the RECORD.

This man's individual case means nothing to you perhaps, it means very little to anybody except to him, but it is indicative of a policy which is being pursued by the Veterans' Administration on account of which, no matter how much the President may attempt to liberalize the harsh regulations which have heretofore been effective, these authorities may nullify his purposes and may prevent the actual payment to the veterans of the benefits that he intended they should have.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. Has the gentleman any information that he can give me on this point? Practically every Member of Congress I have talked to is in favor of some Spanish-American War veteran legislation that will rectify the injustices that have been done the Spanish-American War veterans.

Mr. TARVER. I am certainly very much in favor of it.

Mr. CARPENTER of Kansas. When are we going to have a chance to give the Spanish-American War veterans that which we are all in favor of giving them?

Mr. TARVER. With regard to that, perhaps the chairman of the committee having jurisdiction of Spanish-American War veteran legislation can give the gentleman more information than I can. The point I am interested in is this, that there shall be conveyed to the President, who I am sure was actuated by good motives in reference to Spanish-American War veterans and has evidenced a desire to correct injustices done them, information as to the way in which the Veterans' Administration has been nullifying the more liberal orders which he has recently issued affecting the rights of these men and of World War veterans. Whereas the men are entitled under his orders to increased compensation or pension, the effect that is being given by the Veterans' Administration authorities in many cases is to reduce the pensions already accorded them. This is, in my judgment, outrageous and ought to be corrected, and I am sure will be corrected when the President has become advised of the practices that are being followed.

Mr. GLOVER. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Arkansas.

Mr. GLOVER. Practices of this kind are being carried on in violation of the will of the President and the acts of Congress. Should not this Congress go on record favoring the discharge of any man who will carry on such a practice as that?

Mr. TARVER. Unquestionably so.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TARVER. My judgment is—and I do not presume to give advice to the distinguished Chairman of the Committee on World War Veterans' Legislation or to the Chairman of the Committee on Pensions, which has jurisdiction over legislation relating to the Spanish-American War veterans—that these two committees should institute an investigation, which they can do without any specific resolution on the part of the House, and determine to what extent the administrative authorities of the Veterans' Administration are nullifying the more liberal provisions now being promulgated by the President for veterans' benefits.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I wish to interject an observation concerning the case of an aged lawyer with whom I have been acquainted for the past 30 years, a Spanish-American War veteran, who spends most of his time in veterans' hospitals, and who is totally and permanently disabled.

He was honorably discharged from the Spanish-American War in November 1898. In March 1899, just 4 months later, not under the Spanish-American War veterans' law, for there was none, but under the general law, he was placed on the pension roll for service-connected disability. He drew that pension for 34 years. After the passage of the Economy Act, and without any examination and without any new evidence, he was rerated. His service connection was taken away from him and his pension was cut from $60, which he had been allowed for total permanent service-connected disability, to $30, which he was allowed for total permanent non-service-connected disability under the new law. I want to say to you gentlemen that you can take this one case and multiply it by 50,000 if you want to know what happened to the Spanish-American War veterans of this country under the administration of the Economy Act. There was not a more inhumane, heartless interpretation of an act of Congress in all the history of our country. They were evidently rerated wholesale on batteries of typewriters. They should be dealt with on a Civil-War basis.

Mr. TARVER. May I say to my friend that his case is only one of many thousands of a similar character, and the

President is being blamed by the veterans for injustices that are resulting because of the heartless administration of these regulations by authorities of the Veterans' Bureau, which I am sure does not have his approval.

Mr. STUDLEY. Will the gentleman yield?

Mr. TARVER. I will be glad to yield to the gentleman.

Mr. STUDLEY. I know of at least half a dozen cases in the county where I live that are similar to the case stated by the gentleman from Colorado [Mr. MARTIN].

Mr. TARVER. I am sure every Member of this House could give similar testimony.

Mr. STUDLEY. Old men who are feeble and unable to earn a living were cut down from $60 a month to $15 a month.

Mr. TARVER. Mr. Speaker, another regulation of the President which has been nullified by the Veterans' Administration is that providing for presumption of service connection of disabilities of Spanish War veterans for which they were being pensioned on March 20, 1933, and placing the burden on the Veterans' Administration to show the contrary. It is Veterans' Regulation No. 12. As written it does credit to the generous heart of our great President, and if it had been administered as written, a great part of the injustices to Spanish War veterans would have been avoided. But the Veterans' Administration, which is one facility of the Government still under Republican control and still being directed by the same man who directed it under Presidents Coolidge and Hoover, has nullified this regulation in actual practice. Every Member of Congress knows that. Instead of assuming the burden of showing nonservice connection in such cases, as the President directed, the Veterans' Administration has placed the burden upon the veterans and required them to carry it not only by evidence reasonably showing service connection, but apparently by evidence showing service connection beyond reasonable doubt. That is almost impossible for these veterans of a war ended more than 35 years ago. Yet these Spanish War veterans are inclined to blame the President. I sympathize with them as much as anyone possibly could, and I want to help get the injustices from which they suffer corrected; but I believe we ought to place the blame for the nullification of this regulation the President made in their favor squarely on the shoulders of General Hines.

I desire at this time to call your attention to one other injustice that is being perpetrated under the economy act. I can best describe it by giving you an instance. C. L. Price, Trenton, Ga., is the father of Oval Price, a deceased World War veteran, whose XC number is 598,010. I give you this information in order that anyone interested may check up on the facts as I give them. At the time of this veteran's death there was effective in his case an insurance policy issued by the Government and on which he had paid premiums and which the Government recognized as in force and valid to the extent of a portion thereof approximating $2,000. His father was designated as beneficiary in this policy. On April 27, 1926, Charles E. Mulhearn, then Assistant Director, Veterans' Bureau, wrote the father:

> Our records indicate that you were the designated beneficiary of this insurance, and we are, therefore, enclosing bureau form 514 upon which you may make proper claim. Upon receipt in this office of the above form properly executed necessary steps will be taken to award this insurance to you.

Mr. Price, on account of lack of proper assistance, did not file his claim. He has said to me:

> I just thought that since Uncle Sam had written me he owed it to me I could get it anytime and it would be safer with him than anywhere else, and I didn't have anybody to help me fix the blanks, so I just left it with him.

Since the Economy Act was passed Mr. Price has tried to get this money that Uncle Sam admitted owing him. And Uncle Sam's agent, Mr. H. L. McCoy, director of insurance, Veterans' Administration, wrote him under date of October 3, 1933, as follows:

> You are advised that further consideration cannot be given this claim for the reason that the Seventy-third Congress in an act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, specifically repealed all laws granting or pertaining to yearly renewable term insurance, except as to cases wherein contracts of yearly renewable term insurance have matured prior to March 20, 1933, and under which payments have been commenced, or in which judgments have been rendered * * * or in which judgments may hereafter be rendered in any such suit now pending.

Mr. Price had not sued the Government. Payments of the Government's acknowledged debt had not been begun to him, and therefore the Economy Act absolved Uncle Sam from liability for an admittedly honest debt. I do not believe Uncle Sam, which is to say the American people, wants any such debt disregarded.

I have not undertaken to discuss at length veterans' matters. I simply mention these things to show you that a Representative can, with faith in his President, nevertheless suggest that patent injustices should be corrected.

H.R. 7527—EXTENSION OF REMARKS

Mr. ADAMS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H.R. 7527, and to insert therein a resolution passed by the Democratic committee of the State of Delaware, a telegram received by me from the Governor of the State of Delaware, and my answer by telegram to the Governor relative to this bill.

The SPEAKER. The gentleman from Delaware asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. ADAMS. Mr. Speaker, I am going to vote for the passage of the bill now before the House, H.R. 7527. By doing so I register my approval of the continuation of the Civil Works program—and vote additional funds for the carrying out of the purposes of the Federal Emergency Relief Act of 1933.

This bill has the approval of the administration. The amount named therein, $950,000,000, is the sum the Federal Relief Administrator considers necessary to be appropriated by the Congress at this time in order to continue the work that is now being pursued in the various States. The main object sought to be accomplished by this appropriation is the continuation of employment already begun, as well as the creation of new and other employment. In other words, it means the keeping of men and women now employed under the C.W.A. in their jobs and the providing of jobs for many who are now idle. Furthermore, it makes provision for direct emergency relief.

Our great President has acquainted the country with his desire that all agencies now or hereafter to be set up in the several States for the administration of this and other recovery measures be kept free of all partisan politics. The press recently quoted the President as saying to the 48 Federal relief directors, "We want you to be absolutely hard-boiled if you find any local person within your State who is trying to get political advantage out of the relief of human needs, and you will have the backing of this administration 1,000 percent, even if you hit the biggest political boss in the United States on the head in carrying out this general program." That advice is typically Rooseveltian. It is just the right sort of admonition to be given all who are and will be charged with the execution of the various relief measures.

The sad and unfortunate feature, however, is that the President's wish is not being respected by many of those in whom he has placed confidence. Numerous violations of both the spirit and letter of these emergency relief measures can be found. Politics is being played with human misery in various sections of the United States by the professional politicians. It would seem that such is the case in the dear little State of Delaware, which I have the honor to represent in this body. It is my belief that the C.W.A. in Delaware is to some extent in the hands and under the control of those not in full accord and sympathy with the policy and program of this administration. It is charged that they are using it to make stronger an already strong reactionary Republican State organization.

Many complaints are coming to me daily of political discrimination in favor of Republicans in the placing of employees under the C.W.A. in Delaware. It so happens that the C.W.A. State director is none other than a Republican

ex-president of the Wilmington City Council, who has the backing of what in Delaware is styled "The Better Government League." The name, "The Better Government League", is a false label. It is in truth and in fact nothing more or less than what my predecessor in this body has lately seen fit in his newspaper to term a holding corporation for the Republican Party. The Delaware C.W.A. State director is its agent and tool. Under his control is the State director of the Federal Reemployment Bureau. The only politics they seem to avoid and taboo is the honest-to-goodness, downright, simon-pure, Jeffersonian democracy brand. They will countenance a Democrat if he or she has Better Government League backing. Let it be known that neither the Delaware C.W.A. State director nor his former secretary, who is now the Federal reemployment director, has been selected or recommended by me. If I had my way they would not now hold these powerful positions. The action of both of these officers has become so unfair and unjust as to cause the Democratic State committee to pass resolutions with respect to them. These resolutions are:

Whereas it has come to the knowledge of the Democratic State committee that Walter Dent Smith, State director of C.W.A. projects, and Howard P. Young, State director of the Federal Reemployment Bureau, have exercised the functions of their offices in an extremely partisan manner, in that they have refused to pay certain appointees of William A. Hannigan, supervisor of census for the district of Delaware, solely on the ground that they were known to be interested in the Democratic Party; and

Whereas these men who were denied payment for their services as census enumerators by the said Walter Dent Smith and Howard P. Young were regularly registered in the State Employment Bureau at Wilmington, Del., and therefore greatly in need of work and their families in much need of support: Be it therefore

Resolved, That the Democratic State committee, in session here assembled, condemn the actions of Walter Dent Smith, State director of C.W.A. projects, and Howard P. Young, State director of the Federal Reemployment Bureau, for the partisan manner in which they have conducted the offices to which they have been appointed by the Federal Government.

We, the Democratic State committee, here assembled, ask and earnestly request that the Federal Administration at Washington dismiss Walter Dent Smith, State director of C.W.A. projects, and Howard P. Young, State director of the Federal Reemployment Bureau, because we firmly believe and know their administration is exercised solely along partisan lines, and if continued will work great hardship and unfairness among the unemployed.

Strictly speaking, the men and women taken on the C.W.A. projects in the States are not Federal employees. Yet they have been, are being, and will continue to be given employment in the State by reason of Federal appropriations. It would seem to me to be a notorious and outrageous discrimination if 90 percent or upwards of those selected for C.W.A. work should come from the ranks of a political party that has been and is the enemy of the political party now in control of the Federal Government. To say that partisan politics should play no part does not mean that a Democrat should be discriminated against. Certainly capable, competent, and needy Democrats, as well as Republicans can be found in Delaware. To give Delaware Republicans and their Better Government League allies nine tenths or more of the jobs is far from complying with the President's request to keep politics out of relief work. It forms a just basis of criticism and condemnation.

Notwithstanding all this, my heart goes out to the man or woman, be he or she Republican or Democrat, who is forced to depend upon relief work for subsistence. In order to furnish them employment and give them a better outlook on life, as well as to enable them to provide for their families and dependents, I shall vote for this bill with the hope that it will be administered altogether free from partisan politics.

It is to be noted that this bill permits the Federal Relief Administration to make grants for relief within a State to a public agency without the consent of the Governor. Under the existing relief act a Governor of a State has to request the funds. The distinguished Representative from Alabama [Mr. OLIVER] explained that the change was made to avoid situations when the people in a State might need Federal aid and could not receive it because the Governor would not apply for it unless he had the right to control it.

This provision is a wise one. The Governor of Delaware has not shown a disposition to go along with the President's program. To illustrate: It was my privilege and pleasure to march in an N.R.A. parade held in the city of Wilmington, Del., last fall. Standing in the reviewing stand was Governor Buck, who by his presence gave the impression to the public that he was in thorough accord with the National Recovery Act and the rules set up for its administration. Within a short time thereafter he called the Delaware Legislature in special session for the purpose of passing a public works bill. One would have thought that the Governor would favor a bill in harmony with the President's recovery program. Not so, however. At that session two bills were introduced—the one in the Democratic house, the other in the Republican senate. The house bill received the support of the entire Democratic membership of both house and senate, numbering 31. It carried a provision for a loan of $2,500,000, accepting a 30-percent grant from the Federal Government, and subscribing to the N.R.A. wage scale.

The senate bill sponsored by the Governor received the support of the entire Republican membership of the senate, numbering nine. It authorized the borrowing of this fund of $2,500,000 from the State school fund, containing no N.R.A. provision. Undoubtedly the intent, object, and purpose was to put the public-works program in Delaware under the domination and control of the Republican organization headed by the Governor, who, I am told, is greatly influenced in such matters by his political lieutenant, the secretary of state. The result was that neither bill passed, and the legislature was prorogued by the Governor after remaining in session 30 days, costing the State upward of $50,000. Nothing was accomplished, because of partisan politics played by the Governor and his political advisers.

The consequence is that the building trades in Delaware, which have been so severely hit, are now at a standstill. The Governor, however, did show some interest in the continuation of the C.W.A., as shown by the following telegram received by me from him:

JANUARY 19, 1934.

HON. WILBUR L. ADAMS,
House Office Building:

Discontinuance of the Civil Works program in Delaware before the end of the winter will increase the State's relief burden and bring further distress to the unemployed who are now being helped. It is felt by some of the leading citizens of our State that the C.W.A. program should be continued through the winter months. If you concur in this opinion, I ask your favorable consideration of any legislation to come before Congress providing an appropriation for extending the program.

C. D. BUCK, *Governor.*

Presumably he wants to save the State's money and is in favor of C.W.A. because he controls it. To his telegram I wired the following reply:

WASHINGTON, D.C., *January 19, 1934.*

GOV. C. D. BUCK,
State House, Dover, Del.:

Your wire received. Be assured I strongly support President Roosevelt's program and desire C.W.A. continuation in Delaware and throughout the Nation. I frankly believe quota of 6,000 workers, half from relief rolls and remainder from employment registrations, should have been on the C.W.A. pay roll in Delaware by December 15 as promised. My position is that work should be supplied unemployed, and I shall support appropriations that will provide employment for deserving jobless. The action of Wilmington City Council in providing $75,000 to partly finance C.W.A. pay rolls gratifies me.

WILBUR L. ADAMS, *Member of Congress.*

In conclusion let me say that I am following the greatest leadership that has arisen in this country since the Civil War. Roosevelt is the hope of our country.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that on Monday, February 12 next, after disposition of business on the Speaker's table, the gentleman from Michigan [Mr. DONDERO] may be permitted to address the House for 30 minutes on the life and character of Abraham Lincoln.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. Mr. Speaker, on the 3d day of January I introduced H.R. 6413, the subject matter of which is to declare a policy of the United States of America and to authorize the creation of administrative units and to allocate appropriations in order to make certain equitable adjustments with persons, as defined in this act, who prior to the effective date of the National Industrial Recovery Act, or within 30 days thereafter, made agreements or contracts with the United States of America and who have complied with the terms of the National Industrial Recovery Act and the rules and regulations promulgated in pursuance thereto.

Many of the Members of the House, as well as a good many citizens, have made inquiry concerning this bill, and I am going to ask unanimous consent that it be incorporated in the RECORD of today.

The situation is that shortly before the passage of the National Recovery Act, a great many contracts were entered into by the Government all over the country, including some in my own city, and when the N.R.A. did go into effect, these industries or businesses complied with the terms and the policy of the N.R.A. which forced them to raise their pay and reduce their hours. The result has been that many of these citizens sustained losses, when they would have made a profit but for their compliance with the law. An injustice has been done to a great many of these people and this bill seeks to clothe the National Recovery Administration with authority to make equitable adjustments of these claims.

I also ask unanimous consent to incorporate in the RECORD, release no. 200, signed by the President, covering the situation, and indicating these adjustments would be made.

Acting in the belief that this situation would be cured, I took the matter up with Gen. Hugh Johnson, and on December 22, he advised me by letter that there was no law at this time justifying the adjustment of these differences. The gentleman from Ohio [Mr. WEST] and the gentleman from West Virginia [Mr. JOHNSON], as well as a great many others, tell me that they have individuals and firms in their own districts who have suffered in the same way.

This legislation ought to be enacted so that the National Recovery Administration will be authorized to deal fairly and justly with these individuals. These citizens entered into these contracts in good faith and should not be penalized because they complied with a new law and new conditions they could not anticipate.

So, I ask unanimous consent, Mr. Speaker, that this short bill on the subject, which I have introduced, may be included in the RECORD at this point and likewise release no. 200, covering the subject, as issued by the President. I also expect to ask the Ways and Means Committee to give me a hearing on this bill just as soon as it has disposed of important revenue bills. I invite the aid and cooperation of those Members who have manifested an interest in the bill and who have constituents that are affected by the present situation.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The matter referred to follows:

H.R. 6143

A bill to declare a policy of the United States of America and to authorize the creation of administrative units and to allocate appropriations, in order to make certain equitable adjustments with persons, as defined in this act, who, prior to the effective date of the National Industrial Recovery Act or within 30 days thereafter, made agreements or contracts with the United States of America, and who have complied with the terms of the National Industrial Recovery Act and the rules and regulations promulgated in pursuance thereto

Be it enacted, etc., That the term "person", whenever used in this act, shall include individuals, partnerships, joint-stock associations, declarations of trust, private corporations, or any other association of individuals organized for the pursuit of any legalized business.

SEC. 2. It is hereby declared to be the policy of the United States of America, and it shall be the duty of the administrative units created or authorized to be created by this act, to make equitable adjustments with any person who, before the effective date of the National Industrial Recovery Act or within 30 days thereafter, entered into a contract or agreement with the United States or any department, agency, bureau, or subdivision thereof for the sale and delivery, in future, of any goods, wares, or merchandise, or any product of agriculture, industry, natural resource, or commercial pursuit, or to perform in future any labor or service of whatsoever kind, class, and character, and who, on account of compliance with the terms of the National Industrial Recovery Act and the rules and regulations promulgated under the powers contained therein, has sustained a loss on said contract or agreement, or who has not earned a reasonable profit on said contract or agreement, or who has not earned the same profit which he would have earned under such contract or agreement, provided such profit is reasonable, if said National Industrial Recovery Act had not been passed.

SEC. 3. To effectuate the policy of this act the President is hereby authorized to establish such agencies, to accept and utilize such voluntary and uncompensated services, to appoint, without regard to the provisions of the civil service laws, such officers and employees, and to utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as he may find necessary, to prescribe their authorities, duties, responsibilities, and tenure, and, without regard to the Classification Act of 1923, as amended, to fix the compensation of any officers and employees so appointed.

SEC. 4. The President may delegate any of his functions and powers under this title to such officers, agents, and employees as he may designate or appoint.

SEC. 5. The President is authorized to allocate so much of the sum of $3,300,000,000 appropriated under the terms of the National Industrial Recovery Act as he may think necessary for expenditures in making effective the purpose of this act.

NATIONAL RECOVERY ADMINISTRATION

(Release No. 200)

President Roosevelt today (Sunday, Aug. 6) issued the following statement:

"It has been brought to my attention that in many instances hardships may be imposed upon employers who sign the President's agreement, or come under the codes of fair competition which are approved, who have previously made contracts with the Government to supply goods or services at fixed prices which may be inadequate in view of increased costs caused by shortening hours or increasing wages in compliance with agreements or codes.

"The policy of the administration was stated in the statement which I issued upon signing the National Industrial Recovery Act urging 'those having benefit of these forward bargins (contracted before the law was passed) to take the initiative in revising them to absorb some share of the increase in their suppliers' costs, thus raised in the public interest.' This policy was carried forward in the provision of paragraph 12 of the President's reemployment agreement under which those making this agreement with the President also agreed to 'make an appropriate adjustment of said fixed price to meet any increase in cost caused by the seller having signed the President's reemployment agreement or having become bound by any code of fair competition approved by the President.'

"The United States Government as a buyer of goods should be willing itself to take action similar to that recommended to private buyers. Therefore, wherever adjustments can be made under existing law, I shall recommend that they be made. In other cases where such adjustments cannot be made under authority now possessed by the executive departments, I shall recommend that the next Congress, meeting in January 1934, take action giving authority to the executive departments, under such safeguards as the Congress may approve, and making any necessary appropriations to provide for recompensing such buyers who have in good faith and whole-heartedly cooperated with the administration of the National Industrial Recovery Act, and as a result thereof should equitably be allowed an increase in the prices of goods furnished in the interim in accordance with the terms of contracts entered into with the Government prior to June 16, 1933.

"Because this same situation exists with regard to employers who have previously made contracts with States, municipalities, or other local governments, I further recommend to the Governors of the various States and to executives of counties and municipal units that they take similar action to allow for equitable adjustments in such cases.

"FRANKLIN D. ROOSEVELT."

THE PRIVATE CALENDAR

The SPEAKER. Under the previous order of the House, the Clerk will call the Private Calendar.

Mr. HANCOCK of New York. Mr. Speaker, may I ask whether we are proceeding under the new rule or the old rule?

The SPEAKER. We are proceeding under the previous order of the House and bills unobjected to will be considered.

SETH B. SIMMONS

The Clerk called the first bill on the Private Calendar (H.R. 3072) for the relief of Seth B. Simmons.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, may I ask the author of the bill if there is a mistake in the date. Should it not be December 15, 1908, rather than December 19, 1908?

The bill provides that the soldier shall be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 19th day of December 1908. Should it not be December 15?

Mr. WARREN. I think the gentleman is correct, and I will accept that amendment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Seth B. Simmons, who was a member of Company M, Fifth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 19th day of December 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 9, strike out the figures "19" and insert "15", so that it will read "15th of December."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WILBUR ROGERS

The next business on the Private Calendar was the bill (H.R. 4423) for the relief of Wilbur Rogers.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Reserving the right to object, will the gentleman from Minnesota explain the difference between the A classification and B classification?

Mr. KVALE. I do not know that I can do so to the complete satisfaction of the gentleman, but there is a distinction, to describe it in a brief and general way, that reflects on the integrity and performance of the officer. The B classification is considered a sort of reflection on the officer's efficiency and fitness. This officer was most efficient throughout his entire service, of the highest character, and rendered distinguished and heroic service, climaxing in the action that resulted in his eventual retirement. The committee carefully examined the evidence, held complete hearings, and became convinced that by changing a barrage order he actually saved the lives of hundreds of our own troops. This was proven. I do not believe any thinking Member of the House would deny him this relatively small benefit and this belated correction of a clear injustice.

Mr. HANCOCK of New York. I am satisfied that the officer has an honorable record, but he made no claim of physical disability until after retirement.

Mr. KVALE. I understand this retirement was not based on a physical disability.

Mr. GRISWOLD. They gave an efficiency rating of A and B, and the B officers were allowed to retire.

Mr. KVALE. I may add that this officer had a physical disability due to gas; and the gentleman from New York knows from his own experience in dealing with disabled veterans what that is. The disability is more often than not very slow in showing itself.

Mr. HANCOCK of New York. Is the gentleman from Minnesota satisfied that the officer was subject to retirement because of physical disability?

Mr. KVALE. Yes; I am satisfied of that fact, and I believe I can speak for the committee. The report contains record of a disability due to gas.

Mr. HANCOCK of New York. Very well; I have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon retired officers of the United States Army Wilbur Rogers, major, United States Army, shall be held and considered, notwithstanding any other provision of law, to have been classified in class A and to have been retired under section 1251 of the Revised Statutes for incapacity which was a result of an accident of service: *Provided*, That no bounty, back pay, pension, allowance, or any payment provided under the World War Veterans' Act, 1924, as amended, the World War Adjusted Compensation Act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled by law, shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WILLIAM H. STROUD

The next business on the Private Calendar was the bill (H.R. 3050) for the relief of William H. Stroud.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William H. Stroud, who was a member of Troop G, Sixth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 30th day of January, 1875: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CHARLES W. EATON

The next business on the Private Calendar was the bill (H.R. 272) for the relief of Charles W. Eaton.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I object.

ROBERT BENNETT

The next business on the Private Calendar was the bill (H.R. 289) for the relief of Robert Bennett.

The SPEAKER. Is there objection?

Mr. HOLLISTER. Mr. Speaker, I object.

WILLIAM J. NOWINSKI

The next business on the Private Calendar was the bill (H.R. 408) for the relief of William J. Nowinski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in computation of service for pay purposes Lt. (Jr. Gr.) William J. Nowinski, Supply Corps, United States Navy, shall be held and considered to have entered a commissioned status in the Navy on April 19, 1926.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN THOMAS SIMPKIN

The next bill on the Private Calendar was the bill (H.R. 507) for the relief of John Thomas Simpkin.

The SPEAKER. Is there objection?

Mr. GRISWOLD. Mr. Speaker, I reserve the right to object in order to inquire of the gentleman from Massachusetts [Mr. GIFFORD] whether he can give us the dates that seem to be missing in this case. How long after the discharge of this man before he was placed in the asylum? The report gives us no dates whatever.

Mr. GIFFORD. I have not the accurate dates, because he was first sent to a place for defectives, and afterward at various times to the asylum. Later he was sent home in charge of his family. Much of this correspondence came after I appeared before the committee. Reports were furnished the committee by doctors and others, which I have not. I have a tremendous amount of correspondence preceding the hearing, and there seems to be no question but that this man was sent to the asylum shortly after.

Mr. GRISWOLD. The record of the War Department shows that he was court-martialed twice before his discharge; that he was sentenced to 6 months on the first court martial, which he served; and that he was discharged on February 14, 1921; but it does not show what day he went to the asylum, how long after this it was.

Mr. GAMBRILL. Mr. Speaker, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. GAMBRILL. He went to the asylum about 4 years and 5 months after his separation from the service. Information furnished to the committee by the gentleman from Massachusetts [Mr. GIFFORD] in the form of affidavits from physicians showed that Simpkin was suffering from a mental disorder at the time of his induction into the service and that such mental disorder resulted in his misbehavior.

Mr. GRISWOLD. The report fails to show any information from any physicians, but so far as the report of the Navy Department is concerned, it is entirely adverse.

Mr. GIFFORD. Oh, those reports from the Navy Department are naturally almost always adverse, but may I read this from a letter to me from the Bureau of Navigation, dated the 9th of December 1927:

As Simpkin performed honorable service during the World War, between the dates of May 10, 1918, and June 24, 1919, he was issued a Victory Medal and War Service Certificate, and has been credited with the benefits of the Adjusted Compensation Act, under application no. 317662.

The gentleman probably read the statement from his brother, which came in before the doctors' certificates, showing that this man's mind was entirely disordered, that when he was out of the service for a time he always acted and felt as if he was within the service. It is certainly a meritorious case in spite of the fact that there may be some dates that do not appear in the record.

Mr. GRISWOLD. What I call the gentleman's attention to is that none of this appears whatever. The only thing that appears of record is the adverse report of the Navy Department and there is nothing to controvert it at all.

Mr. HOPE. Mr. Speaker, will the gentleman yield to me?

Mr. GIFFORD. Yes.

Mr. HOPE. Was evidence submitted to the Committee on Naval Affairs in the way of medical statements from physicians who examined this sailor at about the time or shortly after his discharge from the service, indicating that his mental condition was defective at that time?

Mr. GIFFORD. Oh, yes.

Mr. HOPE. There is nothing shown in the report except simply a statement that there was evidence submitted to the committee to indicate that he was mentally defective during the time that he was in the service. We know nothing of course of what that evidence consisted.

Mr. GIFFORD. We have several letters here from various doctors. Some of them call him a defective in a large degree although they did not want to declare him insane for awhile. He was afterward sent to the insane hospital. We have always been exceedingly liberal in cases of war records of this kind. The man had an excellent record before he reenlisted in the service. He was declared to be all right and his brother's statement here seemed to be very important to the committee. After we went before the committee the doctors' certificates were sent in furnishing the evidence the committee desired, and I am sorry they do not appear in the report.

Mr. DELANEY. Mr. Speaker, will the gentleman yield for an observation?

Mr. GIFFORD. Yes.

Mr. DELANEY. The gentleman made a statement that the Navy Department always objected to these bills. Of course there are a few instances where they did agree to the passage of these private bills.

Mr. GIFFORD. I mean these border-line cases.

Mr. DELANEY. In most instances they do object.

Mr. GIFFORD. Yes. They feel it is a precedent, and we can fully understand the attitude of the Navy Department.

The SPEAKER. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John Thomas Simpkin, who was a member of the naval forces of the United States, at the time of his discharge being confined in the United States naval prison at Portsmouth, N.H., shall hereafter be held and considered to have received a full, honorable discharge from the naval service of the United States on February 14, 1921: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

THOMAS T. GESSLER

The Clerk called the next bill, H.R. 669, for the relief of Thomas T. Gessler.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers and sailors Thomas T. Gessler shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on December 6, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ELBERT L. GROVE

The Clerk called the next bill, H.R. 909, for the relief of Elbert L. Grove.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Elbert L. Grove, late of United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of that organization on the 31st day of March 1901: *Provided*, That no bounty, back pay, pension, or allowance shall accrue by virtue of the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN C. M'CANN

The Clerk called the next bill, H.R. 1404, for the relief of John C. McCann.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized and directed to correct the service record of John C. McCann, formerly of the U.S.S. *California*, so that he shall be held and considered to have been honorably discharged on August 26, 1908, and to grant to such John C. McCann an honorable discharge as of such date: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HARVEY COLLINS

The Clerk called the next bill, H.R. 2074, for the relief of Harvey Collins.

Mr. HOLLISTER. Reserving the right to object, I would like to ask the proponent of this bill if two amendments will be acceptable to him in order to put the bill in proper form? The bill is satisfactory, except that the wording in one or two cases ought to be changed, inasmuch as we are trying to get uniformity in these bills. I would like to ask the gentleman from Maryland [Mr. GOLDSBOROUGH] if he would approve an amendment in the third line from the bottom of the bill, after the words "United States", to insert "as a member of that organization on the 20th day of September 1901." In other words, the date of the honorable discharge ought to be stated.

Mr. GOLDSBOROUGH. That is perfectly satisfactory.

Mr. HOLLISTER. And, secondly, the wording of the proviso is not in the form that it is customary to use in passing these bills. It ought to read "bounty, back pay, pension."

Mr. GOLDSBOROUGH. That is perfectly satisfactory.

Mr. HOLLISTER. With those amendments there is no objection on this side.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harvey Collins, late of the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States: *Provided*, That no pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HOLLISTER. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 1, line 7, after the words "United States", insert "as a member of that organization on the 20th day of September 1901."

The amendment was agreed to.

Mr. HOLLISTER. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Further amendment offered by Mr. HOLLISTER: Page 1, line 8, strike out the word "pay" and insert in lieu thereof the words "bounty, back pay."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JESSE C. HARMON

The Clerk called the next bill, H.R. 2021, to place Jesse C. Harmon on the retired list of the United States Marine Corps.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint Jesse C. Harmon, formerly a second lieutenant, United States Marine Corps, a second lieutenant in the Marine Corps and to place him upon the retired list of the Marine Corps as a second lieutenant, with the retired pay of that grade, or upon the active list in the rank and grade entitled: *Provided*, That before retiring him, a duly constituted Marine retiring board finds that the said Jesse C. Harmon incurred physical disability incident to the service in the line of duty: *And provided further*, That no back pay, allowance, or emoluments shall become due because of the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

P. JEAN DES GARENNES

The Clerk called the next bill, H.R. 2040, for the relief of P. Jean des Garennes.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, this bill provides for the payment of a pension of $100 a month for life for a retired teacher of the Naval Academy. I should like to ask the gentleman from Maryland [Mr. GAMBRILL] if there is any precedent for legislation of this kind.

Mr. GAMBRILL. I do not know if there is any precedent for such legislation, but I introduced the bill. This gentleman served 28 years at the Naval Academy as professor of modern languages. He retired when he was 74 years of age, and he receives no retirement pay.

Mr. HANCOCK of New York. Is there not some teachers' retirement fund to which he is eligible?

Mr. GAMBRILL. There is none. He is now 86 years old and totally blind.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. GAMBRILL. I yield.

Mr. ZIONCHECK. Has the gentleman any objection to reducing this to $50 a month?

Mr. GAMBRILL. Mr. Speaker, I accept the amendment.

Mr. ZIONCHECK. With that amendment there is no objection from this side.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to pay to P. Jean des Garennes, formerly a professor at the United States Naval Academy, now blind and totally incapacitated, the sum of $100 per month for the remainder of his life, beginning with the month in which this act is approved, chargeable to the appropriation "Pay, Naval Academy."

Mr. ZIONCHECK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 1, line 6, strike out "$100" and insert in lieu thereof "$50."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

IRWIN D. COYLE

The Clerk called the next bill, H.R. 2041, for the relief of Irwin D. Coyle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of Irwin D. Coyle, lieutenant commander, United States Navy, in the sum of $745.99, representing payment made by him to an officer of the Navy in accordance with orders of the Navy Department, which payment was disallowed by the Comptroller General.

With the following committee amendments:

On page 1, line 6, strike out "$745.99" and insert in lieu thereof "$911.94."

Page 1, line 9, after the word "General", insert the following: "*Provided*, That the Comptroller General of the United States is hereby authorized and directed to recredit the accounts of Chief Boatswain John B. Manghan, United States Navy, deceased, with the sum of $165.95, which amount was due and unpaid to Chief Boatswain Manghan at the date of his death on May 23, 1932, and was subsequently applied by the Comptroller General of the United States to offset in part the disallowance of $911.94 then outstanding in the accounts of Lt. Comdr. Irwin D. Coyle, Supply Corps, United States Navy."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WAR DEBTS

Mr. COOPER of Tennessee. Mr. Speaker, by direction of the Committee on Ways and Means, I present a privileged report.

The Clerk read as follows:

House Resolution 250

Resolved, That the President of the United States is hereby requested, if not incompatible with the public interest, to furnish the House of Representatives with the following information: (1) What, if any, verbal or written assurance or agreement was entered into by the President to accept token payments on war debts due from Great Britain, Italy, Czechoslovakia, or any other nation? (2) What steps have been taken to induce France, Belgium, or any other defaulting nations to fulfill their obligations in accordance with terms and provisions of the World War debt-funding agreements approved by the Congress? (3) What, if any, verbal or written understanding, assurance, or agreement has been entered into by the present administration offering to accept a reduction in the payment of principal or interest, or both, on any of the war debts since the joint resolution adopted by the Congress, approved December 23, 1931, expressly declaring against further reduction or cancelation of war debts? (4) What, if any, verbal or written assurances have been given or negotiations entered into by the present administration with any foreign nation regarding tariff concessions or trade agreements in respect to war-debt payments?

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the report accompanying the resolution, which is brief, may be read.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read as follows:

The Committee on Ways and Means, to whom was referred the resolution (H.Res. 250) to request the President of the United States, if not incompatible with public interest, to furnish the House of Representatives certain information with respect to matters relating to international negotiations and policies, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

Mr. MAPES. Mr. Speaker——

Mr. COOPER of Tennessee. Mr. Speaker, I submit that a motion to lay on the table is not debatable.

Mr. MAPES. Mr. Speaker, I make the point of order that the motion is not in order.

The SPEAKER. The gentleman will state his point of order.

Mr. MAPES. The order of business for today does not permit a motion of this kind to be made at this particular time.

The SPEAKER. In the opinion of the Chair, the motion of the gentleman from Tennessee [Mr. COOPER] is privileged, is not debatable, and is not amendable.

Mr. MAPES. Mr. Speaker, I should like a moment to ask a question.

The SPEAKER. The gentleman from Tennessee has moved to lay the resolution on the table, which motion is not debatable.

Mr. MAPES. Then, Mr. Speaker, if a resolution of this kind is going to be called up without any member of the Ways and Means Committee except the gentleman who offers it being on the floor, I think we should have a quorum present to know what is going on, and I make the point of order there is not a quorum present.

Mr. COOPER of Tennessee. Mr. Speaker, I may state to the gentleman from Michigan that my action is taken by direction of the Committee on Ways and Means.

Mr. MAPES. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. BYRNS. Mr. Speaker, if the gentleman will withhold his point of order a moment, the gentleman from Tennessee is trying to make a reply.

The SPEAKER. Does the gentleman from Michigan make the point of order there is not a quorum present?

Mr. MAPES. Mr. Speaker, I make the point of order there is not a quorum present unless I may have the opportunity of asking the gentleman from Tennessee a question or two.

Mr. COOPER of Tennessee. Mr. Speaker, without waiving any rights I shall be pleased to answer, if I can, any question the gentleman desires to ask.

Mr. MAPES. Mr. Speaker, I desire to ask one or two questions, but if the gentleman insists on pressing his motion at this time, in view of the ruling of the Speaker, I have no other redress.

The SPEAKER. If there is no objection, the gentleman from Michigan may propound his question.

There was no objection.

Mr. COOPER of Tennessee. I was endeavoring to answer the gentleman when he interrupted me.

Mr. MAPES. Neither of us succeeded very well.

Will the gentleman inform the House whether this is a unanimous report of the Committee on Ways and Means?

Mr. COOPER of Tennessee. That is what I was endeavoring to say to the gentleman. It is a unanimous report from the Committee on Ways and Means.

Mr. MAPES. Does the ranking minority member of the Committee on Ways and Means know this resolution is to be brought up this afternoon in this way?

Mr. COOPER of Tennessee. He was present when the vote was taken in the committee; and he voted as did the other members of the committee. The chairman of the committee directed that I make the report and that it be brought in as soon as the business of the House would permit.

Mr. MAPES. Did the members of the committee expect the resolution would be brought up this afternoon in this way?

Mr. COOPER of Tennessee. I think so; yes.

Mr. MAPES. Who is the author of the resolution?

Mr. COOPER of Tennessee. The gentleman from New York [Mr. FISH].

Mr. MAPES. Personally I have no interest in the resolution, but it is rather unusual to have an important report of a big committee like this brought up for consideration in the midst of an afternoon devoted to the consideration of the Private Calendar when no one expects any general business to be transacted. I think it is bad practice to do it; although, if this is a unanimous report of the committee and, as the gentleman indicates, the Republican members and all the members of the committee understood the report was to be brought up for consideration this afternoon, I shall not object; but, I repeat, I think it is exceedingly bad practice to bring in such an important report from so important a committee during an afternoon when everybody understands no business is to be considered except bills on the Private Calendar.

The SPEAKER. Does the gentleman from Michigan withdraw his point of no quorum?

Mr. MAPES. I withdraw it, Mr. Speaker.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to lay the resolution on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

WARREN BURKE

The Clerk called the next bill, H.R. 2287, for the relief of Warren Burke.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I may state I have no objection to the bill, for it seems to be meritorious; but in the interest of uniformity I ask the gentlewoman from California if she will accept an amendment to make the bill conform to the uniform practice.

Mrs. KAHN. Yes; I shall be pleased to accept it.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to place Ensign Warren Burke, United States Naval Reserve, upon the retired list of the Navy with three fourths of the active-duty pay of his grade: *Provided*, That a duly constituted naval retiring board finds that the said Warren Burke is incapacitated for service by reason of physical disability incurred in the line of duty: *Provided further*, That no back pay, allowances, or emoluments shall become due as a result of the passage of this act.

Mrs. KAHN. Mr. Speaker, I have an amendment to offer in lines 9, 10, and 11 of the bill, amending the bill to read: "*Provided*, That no bounty, back pay, or allowance shall be held to have accrued prior to the passage of this act."

The Clerk read as follows:

Amendment offered by Mrs. KAHN: On line 9, after the word "further", strike out the remainder of the bill and insert "*Provided*, That no bounty, back pay, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RELIEF OF BURTON BOWEN

The Clerk called the next bill, H.R. 2535, for the relief of Burton Bowen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the compensation laws and laws conferring rights and privileges upon honorably discharged soldiers, sailors, marines, etc., their widows and dependent relatives, Burton Bowen shall hereafter be held and considered to have been honorably discharged from the United States Navy on March 26, 1903: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RELIEF OF RAYMOND C. BOGART

The Clerk called the next bill, H.R. 2536, for the relief of Raymond C. Bogart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the compensation laws and laws conferring rights and privileges upon honorably discharged soldiers, sailors, marines, their widows, and dependent relatives, Raymond Charles Bogart shall hereafter be held and considered to have been honorably discharged from the United States Navy as seaman, second class, October 23, 1920.

With the following committee amendment:

After line 9, insert: "*Provided*, That no bounty, back pay, pension, or allowance of any kind shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RELIEF OF SUE HALL ERWIN

The Clerk called the next bill, H.R. 3167, for the relief of Sue Hall Erwin.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That Sue Hall Erwin, mother of Marcus Erwin, Jr., ensign, United States Navy, who was killed by an explosion on the United States ship *Mississippi*, June 12, 1924, is hereby allowed an amount equal to 6 months' pay at the rate Marcus Erwin, Jr., was receiving at the time of his death: *Provided*, That the said Sue Hall Erwin shall establish to the satisfaction of the Secretary of the Navy her dependency upon her son, the late Marcus Erwin, Jr.,

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RELIEF OF BENJAMIN WRIGHT, DECEASED

The Clerk called the next bill, H.R. 3423, for the relief of Benjamin Wright, deceased.

Mr. HANCOCK of New York. Reserving the right to object, does the gentleman think that the title is appropriate, namely, "For the relief of Benjamin Wright, deceased"? Should it not read "For the relief of the estate of Benjamin Wright, deceased"? It does not seem to me that we are able to do anything for this deceased soldier.

Mr. DOXEY. I will say that the bill as originally drafted just conferred the relief to Benjamin Wright as an honorably discharged soldier. When the committee heard it, and they gave us a very patient hearing, the gentleman from Maryland [Mr. GAMBRILL] suggested the word "deceased." The Navy Department was there, represented by Commander Crosby. This was just a suggestion of the Naval Affairs Committee to put the word "deceased" in there.

Mr. HANCOCK of New York. It does not seem appropriate to me.

Mr. DOXEY. Whether it is appropriate or not, it is perfectly satisfactory to me to put it there or leave it out. As it is written in there, I can see no harm in leaving it there.

Mr. HANCOCK of New York. I have no objection to it, but it does seem to me that we could find more fitting language.

Mr. DOXEY. I thank the gentleman for his suggestion. If I knew of any more fitting language to describe his state, I would have used it. This is a most meritorious bill and I am sure it will pass, because it should pass. The relief asked for should have been given a long time ago. The Government he served so faithfully and honorably will correct an error that to my mind occurred as a result of an oversight or mistake.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Benjamin Wright, deceased, who was a lieutenant, junior grade, United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on January 19, 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRONZE TABLET ON GRAVE OF BRIG. GEN. ROBERT H. DUNLAP

The Clerk called the next bill on the Private Calendar, H.R. 276, to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.

Mr. HOPE. Mr. Speaker, reserving the right to object, I should like to ask the author of the bill if there is any precedent for an action of this kind in the case of a marine officer, who did undoubtedly perform a heroic deed, but which was not done in the course of his duty as a marine officer but while he was off duty?

Mr. BRITTEN. I will say to the gentleman and to the House that this is a very unusual case. There probably never has been a bill similar to this one in the history of our Government.

Brig. Gen. Robert H. Dunlap, U.S.M.C., was assigned to duty at the French War College, Paris, in February 1931. On May 19, 1931, he was killed at La Fariniere, a village about 10 miles from Paris, while attempting to save a peasant woman who had been trapped by a landslide.

The woman's life was saved. A French board of inquest which convened at Paris on the following day found that a rocky cliff about 50 feet high had crushed in over a cave which was being used as a milk house or dairy and into which Madam Briant, a servant in the house, had gone.

Her cries for help immediately brought General Dunlap, who proceeded to extricate her from under a mass of rocks and earth. While so engaged another slide occurred, this time pinning Dunlap under a huge block weighing about 10 tons. After 24 hours of excavation and rescue work, the body of Dunlap was recovered in a crouching position, his back against the falling mass. He had saved the woman, but had made the great sacrifice.

On June 13, 1931, General Dunlap was buried at Arlington with full military honors, and on October 18, 1931, at La Fariniere, France, under the auspices of the Veterans of Foreign Wars, a monument was unveiled to him in the presence of 2,500 people, including representatives of every department of the French Government.

The inscription on the monument reads, "To the memory of General Dunlap, of the American marines, who did not hesitate to give his life to save that of a Frenchwoman. 19 May 1931."

For his meritorious and conspicuous services with the Seventeenth Field Artillery in France during the World War, General Dunlap was awarded a citation certificate by the commander in chief of the American Expeditionary Force. He also was awarded the Navy Cross and the French Fourragere for his services during the Argonne-Meuse campaign. For his services in Nicaragua he was awarded the Distinguished Service Medal by the President of the United States and the Medal of Merit by the President of Nicaragua.

Mr. ZIONCHECK. Reserving the right to object, will the gentleman from Illinois state what the citation for services at Nicaragua has to do with the whole matter?

Mr. BRITTEN. Nothing, excepting that the report from the Navy Department indicates the various citations that he has received over there from the commander in chief of the Expeditionary Force, from the French Government, from the President of the United States, and from the Secretary of the Navy, and this Nicaraguan citation is merely one of the many decorations received by this distinguished officer.

Mr. ZIONCHECK. Will the Nicaraguan citation appear on the plaque?

Mr. BRITTEN. No. None of these citations will. The bill was unanimously reported by the Committee on Naval Affairs and should have no objection on the floor of the House.

Mr. HOPE. Mr. Speaker, in view of the excellent explanation which has been given by the gentleman from Illinois [Mr. BRITTEN], I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be placed upon the grave of Robert H. Dunlap, former brigadier general, United States Marine Corps, in the Arlington National Cemetery, Va., a bronze tablet bearing a replica of a Congressional Medal of Honor, for distinguishing himself conspicuously by extraordinary courage on May 19, 1931, at La Fariniere, Cinq-Mars La-Pile, France, where he met his death in a supreme effort to save the life of a French peasant woman.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DEDICATION OF LAND FOR STREET PURPOSES IN PHILADELPHIA

The Clerk called the next bill, H.R. 3542, to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to dedicate to the city of Philadelphia, for street purposes, all that certain lot or piece of ground situate in the thirtieth ward of the city of Philadelphia and described as follows, to wit: Beginning at a point formed by the intersection of the southerly side of Bainbridge Street, 50 feet wide, and the westerly side of Twenty-fourth Street; thence south 75°18'58" east, 53 feet and 11⅛ inches to a point, the said point being the intersection of the former southerly line of Bainbridge Street, 50 feet wide, and the northwesterly line of Grays Ferry Road, 60 feet wide; thence south 57°14'27" west, 80 feet and 4⅛ inches along the said side of Grays Ferry Road to a point in the westerly side of Twenty-fourth Street; thence along the same north 15° 4'32" east, 59 feet and 2¼ inches to the first-mentioned point and place of beginning, containing 0.035 of an acre of land.

With the following committee amendment:

Page 2, line 13, after the word "land", insert "more or less."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LT. COMDR. CORNELIUS DUGAN (RETIRED)

The Clerk called the next bill, H.R. 3781, for the relief of Lt. Comdr. Cornelius Dugan (retired).

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, the report shows that this officer was advanced to the rank of lieutenant commander under an act which specifically provided he was not to have an increase in pay. He now comes to us, years afterward, and asks us under certain eventualities to increase the pay.

Mr. EDMONDS. Mr. Speaker, if the gentleman will allow me to explain, this man is now 94 years old and gets a lieutenant's pay. If he gets this pension, he will get sufficient money to keep him going and to provide attendants. There is no man in the Navy today who has a record like Commander Dugan. He was 48 years in the Navy and served in three wars. He is a very old man and cannot live more than a few years. I think it would be well for us, as a gratuity, to give him an opportunity to pass his last years in peace and comfort.

Mr. GRISWOLD. I realize that, but I am speaking from the standpoint of establishing a precedent here. As I understand from the report, this officer was not entitled to be a lieutenant commander.

Mr. EDMONDS. He got the same advancement that other officers received.

Mr. GRISWOLD. He received this advancement after he was retired and after he had ceased to perform any service for the Navy. He did not receive advancement to lieutenant commander until March 2, 1923, and received it then under a special act with a provision in the act that he was not to receive any increased pay. Now, at a later time, we are to abrogate that act and invalidate it and say we did not mean what we then provided.

Mr. EDMONDS. I am arguing entirely on the man's age and his necessities. I think when a man has served in the Navy 48 years and has served in three wars, he is entitled to some consideration by this House.

Mr. GRISWOLD. I agree with the gentleman as to that.

Mr. EDMONDS. I think this man cannot live more than a few years. The other bill was passed in the Seventy-first Congress, and I do not think we can very well turn down a man with a service record like this.

Mr. GRISWOLD. We have many men in similar situations, and we will have them all coming here for special relief acts, although we had stated in prior acts that we would not increase them.

Mr. GAMBRILL. Mr. Speaker, will the gentleman reserve his objection a moment?

Mr. GRISWOLD. Yes.

Mr. GAMBRILL. I may say to the gentleman that the Committee on Naval Affairs gave this case very careful consideration. It is quite a remarkable case. Lieutenant Commander Dugan was born in 1840, almost a century ago, and served in the Navy 54 or 55 years. He saw service in the Civil War, the Spanish-American War, and was called into service during the late war as an inspector of ordnance at shipbuilding plants.

This may establish a precedent; but I agree with the statement of the gentleman from Georgia [Mr. VINSON], Chairman of the Committee on Naval Affairs, when this bill was before the committee, when he said:

I am in favor of establishing a precedent in this case, because it seems to me to be a most meritorious one.

I hope the gentleman will not interpose any objection.

Mr. GRISWOLD. I may say to the gentleman that I realize the merit of this case in view of this man's service, but he is now drawing the pay of a lieutenant commander, retired.

Mr. GAMBRILL. No; he is drawing a lieutenant's pay.

Mr. GRISWOLD. And if we establish a precedent on legislation of this kind, after passing a bill that provided we would not increase the pay, it will mean that many similar applications will be made.

If a precedent of this kind is to be established, it should be done by the entire House and not by a bill on the Private Calendar.

I object, Mr. Speaker.

DAVID J. MAHONEY

The next business on the Private Calendar was the bill (H.R. 4072) authorizing the Secretary of the Navy to advance on the retired list of the Navy David J. Mahoney, retired, to chief boilermaker, retired.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. How much would the increase be in pension if this change is made? I understand the man is getting $81.94 now, and this would give him $103.88 per month. I want to ask the gentleman if there is any difference in principle between this bill and the one just objected to?

Mr. TINKHAM. I think there is a great difference. The bill is to advance on the retired list of the Navy David J. Mahoney, boilermaker, retired, to the rating of chief boilermaker, retired, with the pay and allowances of that rating. This man first enlisted in the Navy on January 23, 1885, as a boilermaker, and he served continuously in that rating until he was retired, after 30 years' service, on April 24, 1915. He was recalled to active duty during the World War on April 10, 1917, and released from active duty on November 25, 1919.

The rating of a boilermaker prior to the World War was a peculiar one. He had the highest paid enlisted rating in the Navy. When the new ratings were promulgated the rating of chief boilermaker was established, but the old boilermakers on the retired list were not considered, although during their career in the active Navy they were paid as much as, and in some cases more, than most of the chief petty officers.

It seems to me that the principle is entirely different than that in the bill that just preceded this.

Mr. ZIONCHECK. At the time this man served in the Navy he knew what the rating was. The change in rating

came after he was retired from the Navy. Is not that correct?

Mr. TINKHAM. That is true.

Mr. ZIONCHECK. And this new rating was not in contemplation during the entire period of his service.

Mr. TINKHAM. I do not know about that.

Mr. ZIONCHECK. I am constrained to object.

WILLIAM H. CLINTON

The next business on the Private Calendar was the bill (H.R. 4079) to place William H. Clinton on the retired list of the Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to appoint William H. Clinton, formerly a warrant gunner, United States Navy, a warrant gunner, United States Navy, and to retire him and place him on the retired list of the Navy as a warrant gunner, with the retired pay and allowance of that grade: *Provided*, That a duly constituted naval retiring board finds that the said William H. Clinton incurred physical disability incident to the service while on the active list of the Navy: *Provided*, That no bounty, back pay, pension, or allowance of any kind shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DAVID SCHWARTZ

The next business on the Private Calendar was the bill (H.R. 4266) for the relief of David Schwartz.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. HOLLISTER. Reserving the right to object, I cannot see where this individual performed any service which was valuable to the United States Government.

Mr. BLOOM. The reason he did not obey the orders of the officer was that he was insane, and he is now in an insane asylum.

Mr. HOLLISTER. What do you want to give him an honorable discharge for?

Mr. BLOOM. To clear his record.

Mr. HOLLISTER. Is the gentleman willing to have an amendment by which he cannot recover any pension or anything from the Government?

Mr. BLOOM. I do not object to that.

Mr. GRISWOLD. The gentleman says he was crazy when he enlisted. The relatives say that he was perfectly well at the time he entered the service.

Mr. BLOOM. Well, I intended to say that he became insane after he entered the service.

Mr. GRISWOLD. His illness is not service-connected?

Mr. BLOOM. I am not claiming anything of that kind. I only want his record cleared. The man is in an insane asylum today, and he was insane while in the service.

Mr. HOLLISTER. The gentleman admits he never should have been in the service?

Mr. BLOOM. I cannot admit that, because I do not know anything about it at that time. I do know that today he is in an insane asylum, and it was proved that he was insane at the time the officer gave him the command which he did not obey. He was slow in obeying the command of his officer, and that is why they gave him a dishonorable discharge.

Mr. GRISWOLD. Is it the gentleman's intention to submit an amendment that no back pay, bounty, or compensation shall attach either before or after the passage of this act?

Mr. BLOOM. I think that is already covered. This same bill passed in the last Congress.

Mr. HOLLISTER. If the gentleman will accept an amendment to that effect, I shall not object.

Mr. BLOOM. I shall accept it.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers David Schwartz, who served in the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of that organization on or about the 30th day of October 1917: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HOLLISTER. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Strike out the proviso beginning in line 9 and insert in lieu thereof "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued by virtue of the passage of this act."

The amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SYLVESTER T. MORIARTY

The next business on the Private Calendar was the bill (H.R. 4389) for the relief of Sylvester T. Moriarty.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I reserve the right to object to ask the author of the bill if he has any objection to an amendment in the usual form providing that no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. COCHRAN of Missouri. No objection whatever. The man is now drawing $150 a month from the Government. He is a man of high ideals. If this bill should pass and he is recognized under the retirement law, he would get only $132 a month, and the Government will save money.

Mr. HOPE. The gentleman has no objection to that amendment?

Mr. COCHRAN of Missouri. No.

Mr. HOPE. I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of section 6 of the Naval Appropriation Act approved July 12, 1921, as provided that the application for retirement of officers of the Naval Reserve Force and temporary officers of the Navy who have heretofore incurred, or who may hereafter incur, physical disability in line of duty in time of war shall be filed with the Secretary of the Navy not later than October 1, 1921, be, and hereby is, waived in the case of former Lt. (Jr. Gr.) Sylvester T. Moriarty, and his case is hereby authorized to be considered and acted upon under the remaining provisions of said section if his application for retirement is filed not later than 60 days from the approval of this act.

Mr. HOPE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 2, line 4, after the word "act", strike out the period, insert a colon, and add: "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

GEORGE DEWEY HILDING

The next business on the Private Calendar was the bill (H.R. 4437) to provide for the advancement on the retired list of the Navy of George Dewey Hilding.

The SPEAKER. Is there objection?

Mr. GRISWOLD. Mr. Speaker, I reserve the right to object to make an inquiry of the author of the bill, or the gentleman who made the report. Can the gentleman give us any specific reasons, other than those contained in this report, why this officer should be increased in rank and retired? He served approximately 2 years, during all of which time he was under treatment after his graduation from the academy. He was then retired as an ensign. He received full education from the Government. The Government has received practically no benefit from his services, and he is now drawing retirement as an ensign.

Mr. HANCOCK of New York. Mr. Speaker, I agree with what the gentleman from Indiana has said; and if the gentle-

man does not object, I shall. He served from June 3, 1921, until January 8, 1923, when he entered a hospital. In September of that same year he was discharged for physical disability. Assuming that he had served 9 months longer and had been promoted, he would have been entitled to increased retirement pay. I think this bill is unreasonable.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. MAPES. Mr. Speaker, will the gentleman reserve his objection?

Mr. HANCOCK of New York. Yes.

Mr. MAPES. This bill, or one similar to it, has been reported now by the Committee on Naval Affairs in three different Congresses. Lt. Comdr. H. M. Ames, Medical Corps, United States Navy, retired, who was president of the retirement board at the time Ensign Hilding was retired, stated in a letter to me, a copy of which is set out in the report of the committee on the bill, that it was the custom to give "an officer at least a year of hospitalization before recommending that he appear before a retiring board, unless this action was at the officer's own request." This custom was not observed in the case of Ensign Hilding.

Mr. HANCOCK of New York. He was in the hospital 9 months.

Mr. GRISWOLD. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. GRISWOLD. On the state of the evidence this man probably should never have been graduated from the academy and entered into the service because of his physical condition. If he had been relieved in his senior year, as are many cadets, he would not haye gotten even his ensign pay.

Mr. MAPES. I do not know how we can go back and pass on that question at this late date. It seems to me that we must assume that he was physically fit to graduate. As a matter of fact, he was allowed to graduate and to continue in the service for some time.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. ZIONCHECK. The Government has just paid over $16,000 for his education at the Naval Academy. He had served just 1 year and was then confined. I think under the circumstances I am constrained to object.

Mr. MAPES. Of course, he entered the service in the regular way, and the point is that he was not afforded the same treatment that other men under like circumstances received. The facts are fully set out in the report of the committee. I assume that the gentleman has read them, and if he has his mind made up to object I have no desire to argue the case with him.

Mr. ZIONCHECK. There are many students just out of high school who are sick and get nothing. Mr. Speaker, I object.

ANTHONY PETER DE YOUNG

The Clerk called the next bill, H.R. 4438, for the relief of Anthony Peter De Young.

Mr. HANCOCK of New York. Reserving the right to object, according to the report this man's enlisted name was Tony P. De Young. The title should be corrected to use that name.

Mr. ANDREW of Massachusetts. It is "Anthony" in one case and "Tony" in the other.

Mr. HANCOCK of New York. His name on the rolls of the Navy is Tony P. De Young. You are asking for relief for Anthony Peter De Young. I should think for your own benefit you would ask for relief of Tony P. De Young, alias Anthony Peter De Young.

Mr. ANDREW of Massachusetts. I am perfectly willing to accept that amendment.

Mr. HANCOCK of New York. I have no objection to consideration of the bill.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Anthony Peter De Young, formerly a water tender, United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a water tender on the 25th day of September 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. ANDREW of Massachusetts. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS of New York: In line 5, strike out "Anthony Peter" and insert "Tony P., alias Anthony Peter."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended to read: "For the relief of Tony P. De Young, alias Anthony Peter De Young."

ROSCOE M'KINLEY MEADOWS

The Clerk called the next bill, H.R. 4454, for the relief of Roscoe McKinley Meadows.

Mr. ZIONCHECK. Reserving the right to object, and I will object unless there is a satisfactory explanation. This particular man at the time of his discharge signed a certificate which reads as follows:

I hereby certify that I have no injury or disability which would entitle me to compensation under the War Risk Insurance Act.

Now, that is signed by this party, who was a chaplain. If there is not a satisfactory explanation by the proponent of this bill, I will be compelled to object.

Mr. MONTAGUE. I do not know that I can satisfy the gentleman, but I will say this: There were a great many statements, literally many hundreds, of that character signed at that time. Many of these men were very eager to get out of the service and they signed many certificates not knowing their own physical disabilities. This gentleman had an ear trouble then, rather serious, but he thought it would mend and would soon be cured. He is now almost totally deaf. He is a minister. He is unable to perform his functions as a minister because of this infirmity. He is a very worthy man, a very good man. The bill passed the Senate once and came here. It has been reported twice to the House, but in the rush of business last session it did not pass.

Mr. ZIONCHECK. Had this man been an illiterate person, I would consider the explanation; but a chaplain, educated and conscious, and signing a statement such as this, I do not think should be allowed to go behind his statement. Therefore, I object.

JOSEPH B. LYNCH

The Clerk called the next bill, H.R. 4962, for the relief of Joseph B. Lynch.

Mr. HOPE. Reserving the right to object, I assume the gentleman from Massachusetts [Mr. LUCE] will have no objection to an amendment in the usual form, providing that no back pay, pension, or allowance shall accrue as the result of the passage of this act?

Mr. LUCE. I have no objection at all.

Mr. HOPE. With that understanding I withdraw my reservation of objection.

There being no objection the Clerk read as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to advance Lt. Joseph B. Lynch, United States Naval Reserve, to a place in the list of lieutenants of the Naval Reserve to rank next after Lt. Walter R. Hillberg: *Provided*, That in the computation of service for purposes of pay the said Lt. Joseph B. Lynch shall be credited with inactive confirmed commissioned service in the Naval Reserve Force during the period from August 18, 1921, to August 7, 1923, inclusive: *And provided further*, That no back pay or allowances shall accrue to the said Lt. Joseph B. Lynch.

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: In line 12, strike out the proviso and insert in lieu thereof, "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

PRIVATE CALENDAR

CORRECTION OF NAVAL RECORDS

The Clerk called the next bill, H.R. 5018, to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, will the gentleman from Ohio tell us something about this bill? I notice that the crew of the *Onondaga* served only 17 days.

Mr. BOLTON. No; the Navy contends they were in the Navy only 17 days on the 17th of August, they having enlisted about the 1st of August. This revenue cutter, which was in the naval service, was turned back to the Revenue cutter service. The ship proceeded on her way. The men were not discharged until the 10th or 12th of November, in Boston, her port of destination.

Mr. GRISWOLD. Would the gentleman's bill affect any men who enlisted in the service after the Executive order?

Mr. BOLTON. No. As a matter of fact, it could not. Both ships were at sea.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons who served in the naval service of the United States during the War with Spain and were honorably discharged therefrom, each member of the crew of the revenue cutter *Algonquin* or *Onondaga* who enlisted in 1898 for the duration of the war shall be held and considered to have been in the naval service for the entire period of such enlistment and to have received a discharge from the Navy of the same character and of the same date as the discharge received by him from the Revenue Cutter Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LUKE FRANCIS BRENNAN

The Clerk called the next bill, H.R. 5201, for the relief of Luke Francis Brennan.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I call the gentleman's attention to the fact that if this man is to be hereafter considered as having been honorably discharged it should be from the date of his separation from the service, which was March 22, 1899; and I shall offer an amendment at the proper time to correct this bill in this one respect.

Mr. BRITTEN. I have no objection to that, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors, Luke Francis Brennan, formerly of the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States as a member of the United States Navy at the expiration of the term of his first enlistment: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: In line 8, after the word "Navy", strike out "at the expiration of the term of his first enlistment" and insert in lieu thereof "on March 22, 1899."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FELIX MAUPIN

The Clerk called the next bill, H.R. 5218, for the relief of Felix Maupin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Felix Maupin, who was a machinist's mate, first class, United States Navy, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States as a member of that organization on the 23d day of August 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

VICTOR OSCAR GOKEY

The Clerk called the next bill, H.R. 2176, for the relief of Victor Oscar Gokey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors Victor Oscar Gokey, late of the United States Navy, shall hereafter be held and considered to have been honorably discharged from the naval service of the United States on May 22, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ARTHUR I. NEVILLE

The Clerk called the next bill, H.R. 491, for the relief of Arthur I. Neville.

Mr. HANCOCK of New York. Mr. Speaker, I object.

Mr. Speaker, this identical bill became a law in the Seventy-second Congress. I hold a copy of it in my hand.

I call to the attention of the clerk of the committee reporting this bill that there is some weakness in the system whereby a bill that has been passed by one Congress can be reported out and put on the calendar of a subsequent Congress.

BERYL M. M'HAM

The Clerk called the next bill, H.R. 992, for the relief of Beryl M. McHam.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, I notice from the report that the man was a deserter and has never yet returned.

Mr. McKEOWN. I may say to the gentleman that this man's record was such and his condition was such that they never even tried to arrest him. He went back to try to fix his record up, but his condition was such they never even arrested him. This man has a wonderful record. No man in the war had a greater record than Mr. McHam.

Mr. HANCOCK of New York. According to the report he is still a deserter.

Mr. McKEOWN. They never even offered to arrest him, because of his physical condition due entirely to war service; and they have not bothered him since.

Mr. HANCOCK of New York. As a matter of official record, he is in desertion at the present moment, and the passage of this bill would not cure the matter.

Mr. McKEOWN. Down here in the War Department that may be true. But this man is entitled to better treatment.

Let me call the gentleman's attention to the facts in this case. Mr. McHam was a man who enlisted in the First Division and went overseas in June of 1917. He operated hand grenades and was a messenger at the front. For 72 days he fought in the front-line trenches without relief. At one time in the Argonne he was wounded; also he was gassed; and he was 1 of 12 men selected by his commanding officer, which group captured 29 Germans and brought them in between the hours of 12 and 1 o'clock in a No Man's Land raid. He is one of only 15 men who survived out of a company of 250.

Mr. SWANK. Mr. Speaker, will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. SWANK. I may say, Mr. Speaker, I am personally acquainted with this party and have been for many years. He lived in my home town formerly. I first introduced a bill for his relief. Mr. McHam afterward moved to the district of my colleague [Mr. McKEOWN].

This man voluntarily went to France as a member of the First Division in the early part of the war. He participated in nearly all the large battles, was wounded and gassed, and later went to Germany with the army of occupation.

I do not believe there is a more meritorious bill than this one.

Mr. HANCOCK of New York. I merely raised the point that as a matter of record he is classed as a deserter; and a man who is in desertion is not eligible for any pension or other benefits.

Mr. McKEOWN. The gentleman will notice that there was a reenlistment.

Mr. HANCOCK of New York. The man was dishonorably discharged first. Then he reenlisted and deserted.

Mr. McKEOWN. He asks only to be honorably discharged as of the date of the termination of the war.

Mr. HANCOCK of New York. Will the gentleman accept the usual proviso?

Mr. McKEOWN. No, no; that cannot be thought of in the case of this soldier; it would be a terrible thing. This man spent 72 days in the trenches at the front without relief.

Mr. HANCOCK of New York. It is the uniform practice of Congress to insert a proviso that no back pay shall accrue. I shall have to insist upon that amendment.

Mr. GRISWOLD. In this particular case I thoroughly agree with the gentleman as to this soldier being still a deserter. I think further that the record shows he has a wonderful battle record, but as a citizen he is a washout. I do know this: He is now being deprived of $1,500 worth of adjusted compensation. He actually fought for this and he should have this.

Mr. HANCOCK of New York. The gentleman should not forget that the soldier committed a rather serious offense for which he was dishonorably discharged. He enlisted and he is now in desertion. I do not think his character is such that he is entitled to back pay, pension, and other benefits which may have accumulated.

Mr. GRISWOLD. I agree with the gentleman. This proviso would cut him out of the adjusted compensation. The adjusted compensation is due him for each day's service he actually served in France. All the rest of the soldiers got it and I think he is entitled to it, but the suggested amendment would cut him out of the adjusted compensation.

Mr. McKEOWN. Let me call attention to this fact: When the gentleman reads the record of this soldier he will see he was with some of the bravest men who went to France. He was within 10 feet of Theodore Roosevelt, Jr., when he was wounded. He was in the service from June 1917 to 1920. He was 72 consecutive days in the trenches without relief. He was a hand-grenade fighter and messenger, the most dangerous services a man could render. He was wounded twice. On one occasion he was one of 12 men picked out for a raid in No Man's Land. They brought back 29 Germans.

What was he court-martialed for? He was court-martialed for getting drunk after the armistice and when he was away on leave. He got drunk. They got into a brawl. He hit some fellow with his fist. He did not assault him with a weapon and did not attempt to kill him. He told some sergeant: "Sergeant, we will get you after awhile."

I appeal to you in all fairness. Here is a man who is a wreck today, who has not drawn even the $60 that was allowed.

Mr. HANCOCK of New York. I have no objection, provided the gentleman will accept the proviso. It is our usual practice. I am not willing to make an exception and start a new precedent in this case. I regret it, but I insist on the proviso.

Mr. McKEOWN. This bill has been through the House. It also went through the Senate and they put on this proviso, but we would not accept it. The record will show that those who knew of the record of this boy would not submit to the proviso being put on. If the gentleman puts the proviso in the bill, he might as well object to it and let the boy out.

Mr. HANCOCK of New York. I am willing that the veteran shall be eligible to all veterans' benefits that may accrue hereafter.

Mr. McKEOWN. Does the gentleman think that one little drunken brawl should be the cause of his forfeiting $1,500 of service compensation, besides all the rights that he might have as a soldier?

Mr. HANCOCK of New York. I am not taking any such position. His fine military record entitles him to special consideration.

Mr. McKEOWN. I do not think a small brawl should cost that much. No one was hurt, nobody seriously injured. I appeal to your sense of justice.

Mr. HANCOCK of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over temporarily.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RELIEF OF FRANK D. WHITFIELD

The Clerk called the next bill, H.R. 1015, for the relief of Frank D. Whitfield.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, the only record that we have is that of the War Department. It is stated in this report that the claimant made an affidavit. This is the War Department report:

> A thorough search of the records has resulted in failure to disclose anything to show that a furlough was granted to this soldier at any time, or that he was present with his company in May 1918, or that his discharge from the service was contemplated by the military authorities at any time prior to February 4, 1921.

And the report of the committee does not show anything to controvert that statement.

Mr. McSWAIN. If the gentleman will yield for an explanation, I will state briefly the facts are as follows: This soldier was drafted, and at the time he was drafted the index finger on his right hand was then and still is stiff. He was incapacitated from ever functioning as an infantry man in the service. After he had been in the service for a few months functioning merely as a laborer, he got word that his brother had died at Toccoa, Ga. The company commander, who was then a lieutenant, so this soldier says, told him:

> You can go on to the funeral. You are going to be discharged anyway for physical disability existing prior to enlistment. Go on up there and you need not come back.

He went on up to Toccoa, Ga. After being around there a few weeks he was arrested and taken back to Camp Wheeler in Georgia. He was there surrendered to the military authorities. They said, "No; we do not want him. He cannot function as a soldier." They did not take him in custody, and he returned to Toccoa.

He went back to Toccoa, Ga., and remained there until some time in the year 1919 when the sheriff, hoping, I suppose, to get the $50 bonus for apprehending a deserter, took him to Columbia, S.C. He was there surrendered to the military authorities for the second time. While in Columbia, S.C., after having been there only a few days, he was again discharged from the Army. Here is a certified copy of the discharge which, after reciting his whole history, states—

> That the said Frank D. Whitfield is hereby discharged under paragraph 26 of the Army Regulations from the military service of the United States for physical disability incurred before entry into the military service.

This is a certified copy of his discharge from the Army while in Columbia, S.C., in 1919.

The committee has recommended an amendment by adding to the saving clause, providing also that he shall not receive any benefits by way of adjusted compensation.

I will say that the sole effect of this bill is to give this poor, unfortunate fellow hospitalization if hospitalization shall ever be conferred under the general law upon honorably discharged soldiers who have not a disability of service origin. We do not claim his disablity is of service origin or that the tuberculosis that has developed in him since was of service origin, but we do say if any honorably discharged soldier in the United States shall hereafter be hospitalized for a general disability not of service origin that this poor, unfortunate fellow, who was dragged hither and thither in spite of a physical disability that incapacitated him from functioning as a soldier, shall be eligible to such benefits. This is the sole purpose of the bill under the saving clause recommended by the committee.

Mr. GRISWOLD. This is the understanding I wanted, because the War Department at no time in its service record regarding this man shows that he had this injured finger until after he had deserted and was discharged.

Mr. McSWAIN. Yes; and they discharged him for that very reason.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Frank D. Whitfield, who served as a private in Company F, One hundred and Twenty-third Regiment United States Infantry, Army serial no. 1348550, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on March 14, 1921: *Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Strike out, beginning in line 10, page 1, after the word "*Provided*", the remainder of the proviso and insert in lieu thereof: "That no bounty, back pay, pension, allowance, or any payment provided under the World War Veterans' Act, 1924, as amended, the World War Adjusted Compensation Act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled to by law, shall be held to have accrued prior to the passage of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BERYL M. M'HAM

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 38, the bill (H.R. 992) for the relief of Beryl M. McHam.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the title of the bill.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from Oklahoma if he will accept this amendment?—

Provided, That no bounty, back pay, pension, or allowance, except adjusted-service compensation, shall be held to have accrued prior to the passage of this act.

With this amendment I have no objection.

Mr. McKEOWN. I will accept that, Mr. Speaker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Beryl M. McHam, who served in Company C, Twenty-sixth Regiment, and Company C, Eighth Regiment, United States Infantry, World War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 7th day of July 1920.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: At the end of line 9 insert a colon and the following proviso: "*Provided*, That no bounty, back pay, pension, or allowance, except adjusted-service compensation, shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HARRY C. ANDERSON

The Clerk called the next bill, H.R. 3492, for the relief of Harry C. Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harry C. Anderson, who was a member of Battery C, Twentieth Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 17th day of January 1920: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

On page 1, line 10, after the word "*Provided*", strike out the remainder of the bill and insert in lieu thereof the following: "That no bounty, back pay, pension, allowance, or any payment provided under the World War Veterans' Act, 1924, as amended, the World War Adjusted Compensation Act, 1924, as amended, or other benefit whatsoever to which said person may be or become entitled to by law, shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PAUL JELNA

The Clerk called the next bill, H.R. 3032, for the relief of Paul Jelna.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, their widows or dependent relatives, Paul Jelna, who was a private of Company A, Twenty-ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on November 30, 1902: *Provided*, That no back pay, pension, or other emolument shall accrue prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JAMES MOFFITT

The Clerk called the next bill, H.R. 363, for the relief of James Moffitt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Moffitt, who served in Company F, First Regiment United States Infantry, War with Spain, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said company August 25, 1900: *Provided*, That no back pay, bounty, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

PETER GUILDAY

The Clerk called the next bill, H.R. 371, for the relief of Peter Guilday.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, can the gentleman explain why the date February 11, 1901, is inserted in the bill rather than the date of the man's dishonorable discharge or the date of his desertion? I see no explanation at all for using this particular date.

Mr. CONNOLLY. No; I cannot.

Mr. HANCOCK of New York. In bills of this kind, usually, the date of the man's dishonorable discharge is given.

Mr. CONNOLLY. If the gentleman will offer such an amendment I shall be pleased to accept it.

Mr. HANCOCK of New York. That date is February 11, 1904. The gentleman will accept such an amendment?

Mr. CONNOLLY. Yes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Peter Guilday (name borne on the rolls as Peter Gillday and also as Peter Gilday), of Company F, Fifth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on the 11th day of February 1901: *Provided*, That no back pay, bounty, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment. In line 10, change "1901" to "1904."

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: In line 10, strike out "1901" and insert in lieu thereof "1904."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN P. LEONARD

The next business on the Private Calendar was the bill (H.R. 541) for the relief of John P. Leonard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John P. Leonard, late of Company I, Eighteenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of said Company I, Eighteenth Regiment United States Infantry, on the 31st day of December 1901: *Provided*, That no bounty, pension, back pay, or allowances shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

On page 1, line 12, after the word "prior", insert "or subsequent."

Mr. GREENWOOD. Mr. Speaker, I rise in opposition to the committee amendment, and I want to explain the facts in this case. We have no objection to the provision "That no bounty, back pay, or allowances shall be held to have accrued prior to the passage of the act", but we do object to the words "or subsequent."

I want to explain the facts in the case. This man Leonard enlisted March 16, 1899, and was sent to the Philippines in June 1899. There he took part in all campaigns in which his command, Company L, Eighteenth United States Infantry, was engaged, until November 1901, when he was sent to the hospital and recommended for disability discharge. Without being so discharged he was sent to the United States, to Fort Douglas, Utah, but was not assigned to duty at the fort. While waiting for his discharge he went home with another soldier. The other man was arrested, but Leonard was allowed to go home. He took this as an indication that he was not considered a deserter, having been recommended for discharge on account of disability.

In June 1916 he enlisted under his real name as a mechanic for border service, from which he was discharged for disability in 1916. The acceptance of his service strengthened his impression that he had been honorably discharged in 1901. Since then he has learned that he is charged as a deserter from his first enlistment. He never learned until after his enlistment that he had been charged with desertion in the Philippine Islands.

The following quotation appears in Leonard's statement:

That my good faith as to my action in thinking I received an honorable discharge from Company L, Eighteenth United States Infantry, on my return in 1901 is evidenced by the fact that I enlisted in the military service of the United States in the Mexican expedition in 1916. The Government, in accepting me, strengthened my impression that I had been honorably discharged.

Had he not been of the opinion that he had been honorably discharged, he would hardly have enlisted under his correct name in 1916 and thereby subjected himself to arrest as a deserter. In view of the circumstances in this case, the Committee on Military Affairs recommends that the bill do pass as amended:

Provided, That no bounty, pension, back pay, or allowance shall be held to have accrued prior to or subsequent to the passage of this act.

I submit to you that he had service disability that any other Spanish-American soldier had. This amendment put on by the committee is rather a stereotyped amendment, but I insist that under the circumstances the committee amendment should be voted down.

Mr. HILL of Alabama. Does the gentleman know why the committee suggested that amendment, because that amendment does not ordinarily appear in this kind of bill?

Mr. GREENWOOD. This bill passed at the last session, and I was informed by the committee that several bills that went through the subcommittee at that time bore this same recommendation. I took it up with him at the time, and he said that he thought in this particular case it was an injustice to this man.

Mr. HILL of Alabama. It has not been the practice of the committee, I may state from some 10 years' service on the committee, to put that amendment on a bill of this type.

Mr. GREENWOOD. I am aware of that. I believe the amendment should not appear in this case. If the man had not had 2½ years' service in the Philippine Islands and been recommended for discharge because of disability incurred in that service, then I might see why such an amendment as this should be put on the bill; but it seems to me it would be a great injustice to this man, who has had no compensation during all these years, to at this time deny him the same privilege that his comrades have been enjoying for years, when he gave the same service, which ended in a recommendation for discharge on account of disability.

Mr. HILL of Alabama. In view of the practice, and in view of similar bills reported, and in view of the statements in the report by the Committee on Military Affairs, I am forced to agree with the gentleman from Indiana that the committee amendment ought not to be put on the bill.

Mr. GREENWOOD. I know this man personally, and I know of his service and of his standing in the community. He is a man who ought not to have this particular amendment appear against him.

Mr. HOLLISTER. Was the gentleman from Alabama [Mr. HILL] speaking for the Committee on Military Affairs? It does seem to me that when a committee has put an amendment of this kind on a bill there must have been some reason for it. I myself know nothing of the facts, and the statement made by the gentleman is, of course, very convincing, but there must have been some reason why the Committee on Military Affairs would change the usual form and place this amendment on the bill. There is nothing in the report to show that.

Mr. GREENWOOD. I took it up at the last session with the chairman of the subcommittee, and he said there were several bills of this character before his subcommittee and that this was rather a uniform suggestion made in respect to several bills at that time.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. GOSS. I also happen to be a member of that committee and I believe the gentleman from Alabama [Mr. HILL] will bear me out in this regard, that this session the committee reported out en bloc all the bills that had been heard favorably by a former Congress. There was some dispute in the Committee on Military Affairs at that time as to just what amendment should go on that type of bill. I share the opinion of the gentleman from Alabama [Mr. HILL] that there were a few of those cases that slipped out, although we are careful now and we have a policy that these bills that were reported from a prior Congress should come into this Congress as they were.

Mr. GREENWOOD. I thank the gentleman for his contribution. I took it up with the chairman of the subcommittee and what he told me bears out what the gentleman from Connecticut has said.

Mr. HOLLISTER. And both gentlemen from the Committee on Military Affairs feel that that amendment should not have been placed on the bill?

Mr. GOSS. Yes.

Mr. HILL of Alabama. That is my judgment; yes.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was rejected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ALBERT D. CASTLEBERRY

The next business on the Private Calendar was the bill (H.R. 1859) for the relief of Albert D. Castleberry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Albert D. Castleberry, who was a member of Company I, Forty-fourth Regiment United States Volunteer Infantry, Philippine insurrection, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 20th day of May 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RICHARD A. CHAVIS

The next business on the Private Calendar was the bill (H.R. 2032) for the relief of Richard A. Chavis.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I object.

Mr. FULMER. Mr. Speaker, will the gentleman reserve his objection?

Mr. HOPE. Yes.

Mr. FULMER. This bill has been considered by the committee and reported unanimously and has already passed the House twice. At one time it passed during the closing days of the Congress and, therefore, did not get considered in the Senate. This old soldier is personally known to me. He has lived all of his life in my home county. He is around 70 years old at this time, just a poor tenant, very illiterate—can barely write his name. So far as his offense is concerned, apparently his officers understood his weakness and they charged him with absence without leave, really not desertion. On account of his condition from every angle, I hope that my colleague will not object but will permit me to pass this over to the Senate; and I make this statement, that if for any reason I fail to get the bill passed in the Senate during this session, I shall not reintroduce it again.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. FULMER. Yes.

Mr. GOSS. I am a member of this Committee on Military Affairs. So far as another body is concerned, they had literally hundreds of House bills over there in the last two Congresses, and the Committee on Military Affairs failed to function over there, and it got to be a great burden on our Committee on Military Affairs of the House. I think probably the gentleman's bill was one of those that was caught with all of these two or three hundred bills which the other body never considered at all.

Mr. FULMER. We have passed numerous bills for this purpose, many of which were not nearly as meritorious as in this instance. Knowing this party as I do, he being very old, and in that there is nothing for the Government to lose, too, he has suffered for 35 years under a dishonorable discharge. I hope the gentleman will not object and that the bill will be passed.

Mr. HOPE. My objection is based upon the fact that this soldier appears to have done nothing during the brief period he was in the military service to justify any claim upon his country. The record shows that he was mustered in on the 23d day of August 1898 and that he deserted on the 24th of September and remained in desertion until he was apprehended and brought back for trial, and he was very fortunate at that time in the fact that he was charged with absence without leave instead of desertion. Apparently after spending 30 days in the guardhouse as a result of a trial by courtmartial, he again went absent without leave, and the records show he was absent at the time his company was mustered out. I cannot see anything in a military record like that which would justify us in passing a bill granting him an honorable discharge.

Mr. FULMER. If the gentleman will yield, if the gentleman knew this party personally he would not hesitate to allow this bill to pass. I realize the record looks bad; but we have passed so many bills that are in line with this bill that it would be very unfair to this old soldier not to pass this bill. As I said a while ago, the officers understood his weakness and did not find him guilty of desertion. I have in the file a number of letters from the very best citizens of my State requesting that favorable consideration be given this bill, knowing this party as they do. I have known this man ever since I was a boy, and for a number of years he has done considerable business with me; and he has been an honest, upright man, and lived a good, clean life; and at his age I consider there is nothing to be lost on the part of the Congress by giving him an honorable discharge, in line with hundreds of others for whom we have passed similar relief bills.

Mr. HOPE. The report of the Committee on Military Affairs indicates that apparently the principal purpose in asking that this man be given an honorable discharge at this time is to enable him to enter a soldiers' home, so that he will not become a charge on the local community. If the man had performed any military service which would give him any right to call upon the United States Government for a pension or for the right to enter a soldiers' home, I would say we might overlook some of his record; but certainly this man has not done anything that gives him any right along that line.

Mr. FULMER. There is nothing that this man can get in the way of a benefit in the future unless sometime he would be put in an old soldiers' home, and, knowing these people as I do, he will never leave his home, regardless of the condition he is in, to go to a soldiers' home.

Mr. HOPE. If we pass this legislation giving him an honorable discharge, from that time on he would be entitled to any benefits that would go to any honorably discharged soldier from the Spanish-American War.

Mr. FULMER. Not having served the number of days required, he would not be entitled to any pension whatsoever.

Mr. HOPE. I do not know what the record shows as to his service. If you take the time from the date of his mustering in until the time his company was mustered out, he was in the service for a period of several months. If we clear his record, he will be entitled to whatever benefits may be coming to any honorably discharged Spanish-American War veteran.

Mr. FULMER. As I stated, on account of his age, and this bill having passed the House twice, I am hoping the gentleman will give me this opportunity to clear the old gentleman's record, which I am sure the gentleman would do if I had time to talk to him further.

Mr. HOPE. Would the gentleman be willing to accept an amendment that no back pay, pension, bounty, or other emolument shall accrue as the result of the passage of this legislation?

Mr. FULMER. I shall be glad to accept that.

Mr. HOPE. With that understanding I will withdraw my reservation of objection.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Richard A. Chavis, who served as a member of Company L, Second South Carolina Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from said service on the 19th day of April 1899: *Provided*, That no back pay, pension, bounty, or other emolument shall accrue prior to the passage of this act.

With the following committee amendment:

Page 1, line 10, strike out the word "accrue" and insert in lieu thereof the words "to be held to have accrued."

Mr. HOPE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 1, line 9, strike out all of lines 9, 10, and 11, and insert "*Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of the enactment of this act."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JAMES WALLACE

The Clerk called the next bill, H.R. 2670, for the relief of James Wallace.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Wallace, who was a member of Troop K, Sixth Regiment United States Cavalry, and who was honorably discharged therefrom on January 17, 1902, and reenlisted April 8, 1902, in Troop K, Fourth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on June 22, 1902, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WILLIAM M. STODDARD

The Clerk called the next bill, H.R. 2743, for the relief of William M. Stoddard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William M. Stoddard, who was a member of Company D, Second Regiment Arkansas Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 13th day of February 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendments:

Page 1, line 9, strike out the figure "13th" and insert in lieu thereof the figure "25th."

Page 1, line 10, strike out the figure "1898" and insert in lieu thereof the figure "1899."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CHRISTOPHER COTT

The Clerk called the next bill, H.R. 3054, for the relief of Christopher Cott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Christopher Cott, who was a member of Company M, Ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 5th day of August 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HARVEY O. WILLIS

The Clerk called the next bill, H.R. 3553, for the relief of Harvey O. Willis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harvey O. Willis, who was a member of Company F, Eighth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 19th day of July 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

STEPHEN SOWINSKI

The Clerk called the next bill, H.R. 3124, for the relief of Stephen Sowinski.

Mr. HANCOCK of New York. Mr. Speaker, I object.

FRANK KROEGEL

The Clerk called the next bill, H.R. 5635, for the relief of Frank Kroegel, alias Francis Kroegel.

Mr. HOLLISTER. Mr. Speaker, I object.

SAMSON DAVIS

The Clerk called the next bill, S. 381, for the relief of Samson Davis.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Samson Davis, who was a member of the Hospital Corps, United States Army, shall be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 29th day of August 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the was read the third time, and passed.

A motion to reconsider was laid on the table.

DR. WALTER E. DANDY

The Clerk called the next bill, H.R. 257, to authorize full settlement for professional services rendered to an officer of the United States Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to pay to Dr. Walter E. Dandy the sum of $1,000 out of the appropriation "Medical and Hospital Department, 1929" in full settlement for professional services rendered on November 26, 1928, to Maj. Frank V. Schneider, Infantry, United States Army, who was suffering from a rare and obscure disease contracted in the line of duty, the said services resulting in the cure and restoration to full duty of the said Maj. Frank V. Schneider.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DAVID I. BROWN

The Clerk called the next bill, H.R. 1403, for the relief of David I. Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, their widows, or dependent relatives, David I. Brown, formerly a private of Company E, Twenty-eighth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said company and regiment on the 17th day of January 1903: *Provided*, That no pay, pension, bounty, or other emoluments shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

LEONARD L. DILGER

The Clerk called the next bill, H.R. 1413, for the relief of Leonard L. Dilger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Leonard L. Dilger, who was a member of Company L, Third Regiment United States Infantry, shall hereafter be held and con-

sidered to have been honorably discharged from the military service of the United States as a member of that organization on the 25th day of September 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

WILLIAM G. BURRESS

The Clerk called the next bill, H.R. 2439, for the relief of William G. Burress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William G. Burress, who was a member of Company A, Eleventh Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 7th day of March 1897: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. LUDLOW. Mr. Speaker, as the proponent of the bill I think there ought to be a correction of title. The soldier referred to in the bill is dead, and I am reminded by the gentleman from New York that you cannot give relief to a dead man. So I think the title should be amended to read: "To correct the military record of William G. Burress."

Mr. HANCOCK of New York. Mr. Speaker, if the gentleman will permit, I think we should agree on some uniform practice in these cases. A few moments ago we passed a bill involving a man who had died and we added after his name in the title the word "deceased." Personally, I feel we should agree on some uniform method of handling this matter.

Mr. LUDLOW. The gentleman's suggestion is entirely agreeable to me.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 1, amend the title to read: "For the relief of William G. Burress, deceased."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN NEWMAN

The Clerk called the next bill, H.R. 2509, for the relief of John Newman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John Newman, recently of the United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private from Company B, Ninth Regiment United States Infantry, on the 5th day of August 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ERNEY S. BLAZER

The Clerk called the next bill, H.R. 3997, for the relief of Erney S. Blazer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Erney S. Blazer, who was a member of Company E, Second Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 22d day of October 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FRANCIS N. DOMINICK

The Clerk called the next bill, S. 727, for the relief of Francis N. Dominick.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Francis N. Dominick shall be held and considered to have served without desertion as a private, Sixty-sixth Company, United States Coast Artillery Corps, United States Army, and to have been honorably discharged from such service on October 19, 1903, *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FOR THE RELIEF OF ROLANDO B. MOFFETT

The Clerk called the next bill, S. 248, for the relief of Rolando B. Moffett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Rolando B. Moffett, who was a member of Company H, Eleventh Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 30th day of September 1880: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

RELIEF OF WILSON G. BINGHAM

The Clerk called the next bill, H.R. 2632, for the relief of Wilson G. Bingham.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object, it occurs to me that this officer had a wonderful war record and that he was a Regular Army officer, but he did not bring himself within the retirement provisions. He now draws $888 per year from the Veterans' Administration, and he is in no worse condition than thousands of others who are not even drawing that much or anything like that amount at the present time. I do not see why he should be especially preferred over thousands of others by special legislation.

Mr. ROGERS of New Hampshire. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. ROGERS of New Hampshire. Mr. Speaker, I have personal knowledge of this young man's case; and I believe the subcommittee that heard his case and the full committee were convinced that, although this is perhaps a new theory, this young man's record was such that he is entitled to the consideration that this bill gives him.

I call attention to the fact that this young man was the youngest captain commissioned in the World War in the service of the United States Army. He graduated from West Point on August 30, 1917, and, in accordance with his expressed wish, was sent for service overseas. On October 9, 1918, at 21, he was commissioned as the youngest captain in the service in the late war. He took part in the Meuse-Argonne offensive and the Romaigne offensive. He was wounded and also suffered from gas inhalation. As a result of his war service he was twice awarded the Order of the Purple Heart, with oak leaf cluster, received the Victory Medal with three battle bars and the Verdun medal.

Following his wounds he was operated on at Souilly, spent 2 months at the base hospital at Jouee les Tours, and was finally brought back to the United States.

He attempted to go on with his duty in the service. He was confined at Madison Barracks in September 1919, for

congestion of the lungs, due to gas inhalation and exposure. He was then ordered to California, where he continued to suffer from his service-connected injuries and lung congestion.

I should like to take the time to call the attention of the Members of the House to the recommendation made by Colonel Hunt, who had command of the Sixth Infantry, Fifth Division, under whom this young man served. Colonel Hunt states:

In this post he came under my personal supervision. Despite the fact that he was a mere boy of 21 years, in recognition of his training, efficiency and qualities of leadership I placed him in command of Company D. He successfully led this company throughout the St. Mihiel offensive, in which the regiment was in the assault during the entire operation. In additional recognition of his ability, we recommended him for promotion to a temporary captain, which was made official October 9, 1918, making him one of the youngest, if not the youngest, captain in the A.E.F. At various times during our front-line service Captain Bingham volunteered for raiding parties and to lead hazardous night operations in addition to his usual duties.

He comes from a long, well-known, distinguished, patriotic family of my home State, New Hampshire. He went to California in an attempt to receive some improvement from his service-incurred disabilities. It was impossible for him to do so. His commanding officer says this:

Knowing him as I do, and knowing that he has permanent disabilities to a high degree as a result of his service, I cannot deny myself this opportunity to urge that he be placed on the retired list of the Army.

And it was the feeling of the Military Affairs Committee, as set forth in the last sentence of this report, that since he was refused retirement under the Emergency Officers' Retirement Act, he is left an orphan so far as general legislation is concerned, and the passage of this special act is necessary to accord him the rights to which he is entitled both in law and in equity. From my own knowledge of the case I feel that is a perfectly fair and reasonable statement of his case.

Mr. GRISWOLD. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. GRISWOLD. As I look at the matter, these are the facts: This officer was educated at the United States Military Academy. He was a professional soldier. He went to war. He had a distinguished record in the service. After the war, and while still in service, and acting under orders so far as the Army was concerned, able-bodied, he went to California. He says that after he got there he wanted to stay there because of his health. He decided to remain there because of his health and requested his retirement or his discharge.

Mr. ROGERS of New Hampshire. He had to stay there to do it.

Mr. GRISWOLD. So far as the Army was concerned, he was still in the Army and subject to orders. He himself requested his discharge. The point I bring out is this: I thoroughly approve of the man's record, but he is drawing $888 a year. He was a professional soldier. Thousands of other boys are not drawing anything like this amount, although they are just as much entitled to it as this man is, and they were not professional soldiers.

Mr. ROGERS of New Hampshire. Let me call the gentleman's attention to the recommendation of the Secretary of War in connection with this matter. Because of his being wounded and gassed, and on account of his wonderful war record, the Secretary of War comes back with a recommendation to our committee that, since he was wounded in action and served with an honorable record, they suggest that the resolution be changed so as to extend to this officer the benefits of the Emergency Officers' Retirement Act.

Mr. BLANTON. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. BLANTON. Was he an emergency officer or a Regular officer?

Mr. ROGERS of New Hampshire. He was a Regular officer.

Mr. BLANTON. If he were a Regular officer, what rights has he under the Emergency Officers' Retirement Act?

Mr. ROGERS of New Hampshire. He has none.

Mr. BLANTON. Then that phase is out of the question.

Mr. ROGERS of New Hampshire. That is out of the question.

Mr. BLANTON. I was wondering in that connection, if he had been an emergency officer——

Mr. ROGERS of New Hampshire. No; never.

Mr. BLANTON. With that kind of a record he would certainly have been retired, because there have been many emergency officers retired for imaginary reasons—for instance, "social inaptitude", and things of that kind.

Mr. ROGERS of New Hampshire. I agree with the gentleman. Because of his wonderful individual record, this Government would make no mistake in granting this gentleman permission to appear before a retiring board, to consider his application to be placed on the retired list of the Army without any back pay or allowances.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. HILL of Alabama. As the gentleman from Texas stated, had the beneficiary of this bill been an emergency officer, in view of the findings by the Veterans' Administration, there is no doubt but what he would have been retired as an emergency officer, and that he would today be drawing retired pay as an emergency officer.

Mr. ROGERS of New Hampshire. That is true.

Mr. BLANTON. Every one of them who were actually disabled in service as emergency officers have been put back on the rolls. There are approximately 2,000 of them back on the rolls now. There are about 5,000 emergency officers who have been dropped and they were dropped because their evidence and the records in the Veterans' Bureau showed they were not disabled in the service.

Mr. HOPE. Will the gentleman yield?

Mr. ROGERS of New Hampshire. Yes.

Mr. HOPE. At the time of his resignation I assume that this officer would have been eligible to retirement if he had made application at that time?

Mr. ROGERS of New Hampshire. He let it go and did not.

Mr. HOPE. Does the gentleman know why the captain took this particular method of getting out of the Army instead of asking at that time for retirement?

Mr. ROGERS of New Hampshire. He took it, sir, for this reason, and if you knew the man, you would not dispute it for one moment. I know the man and the members of this committee had an opportunity to see him and hear his story. He did not want anything and did not ask for anything until the last possible moment, and it now seems to me he is entitled to have from this Government the relief which he is asking.

Mr. KVALE. If the gentleman will permit, as I recall, he did not believe at the time that his condition was so serious or that it would be permanent.

Mr. ROGERS of New Hampshire. That is true, and he is now all shot to pieces.

Mr. HOPE. This man was suffering from the same injury at the time of his resignation and his physical condition was the cause of his resignation.

Mr. ROGERS of New Hampshire. Yes; but it was gradually growing worse.

Mr. HOPE. But it was the same disability?

Mr. ROGERS of New Hampshire. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. I object, Mr. Speaker.

IDA F. WATERMAN

The Clerk called the next bill, H.R. 311, for the relief of Ida F. Waterman.

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, I want to ask the gentleman if he is willing to accept an amendment to insert the usual proviso at the end of the bill, and I also direct the gentleman's attention to the fact that we again have the question of a proper title for a bill of this kind.

We have passed several measures this afternoon purporting to be for the relief of deceased soldiers. That, of course,

is absurd. Now, we have one presumably for the relief of the widow of a soldier, although her name is not mentioned in the bill itself.

Mr. CHRISTIANSON. I have no objection to the amendment.

Mr. HANCOCK of New York. It seems to me we ought to ask the Judge Advocate of the Army and the Judge Advocate of the Navy to suggest a proper title for bills of this kind so the title may be indicative of what the bill actually is.

Mr. CHRISTIANSON. We have no objection to the amendment.

Mr. HANCOCK of New York. If we follow the practice adopted this afternoon, at the request of the gentleman from Mississippi [Mr. DOXEY], the proper title would be "for the relief of Martin Henry Waterman, deceased." I do not think this is appropriate, but it is what we have done today and if the gentleman has no objection, I shall offer such an amendment.

Mr. CHRISTIANSON. I do not see what we gain by the amendment.

Mr. HANCOCK of New York. It is simply to make the title suggestive of what the bill is. I think the proper title would be "to correct the military record", and so forth.

Mr. CHRISTIANSON. You cannot come to the relief of a man after he is dead, can you?

Mr. HANCOCK of New York. I raised that point earlier in the afternoon, but gentlemen on the other side insisted his title. It is not of any importance to me. However, I do think we should have a uniform practice.

Mr. CHRISTIANSON. If it is not of any importance, why not withhold the amendment?

Mr. HANCOCK of New York. I think in a bill of this kind it would be more appropriate to say "for the relief of the widow of Martin Henry Waterman", or the estate, or the next of kin, or something of that sort.

Mr. CHRISTIANSON. Perhaps it would.

Mr. HANCOCK of New York. This woman's name does not appear in the enactment anywhere. I assume she is this man's widow, but we really ought not to guess at it. The bill says nothing about this woman and we do not know who she is.

Mr. CHRISTIANSON. What amendment does the gentleman desire to offer?

Mr. HANCOCK of New York. I want the title changed in some way so that it will have a proper title.

Mr. CHRISTIANSON. Why not say for the relief of the heirs of so and so?

Mr. HANCOCK of New York. Something of that sort would be satisfactory to me. Will the gentleman accept such an amendment?

Mr. CHRISTIANSON. I will accept the amendment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws and the laws conferring rights and privileges upon honorably discharged soldiers, their widows, and dependent relatives, Martin Henry Waterman, late of Company H, Fourteenth Regiment United States Infantry, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on the 21st day of February 1891: *Provided*, That no pay, bounty, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Page 1, line 10, strike out "21st" and insert "2d."

The committee amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment, being the usual proviso at the end of the bill.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: At the end of the bill strike out the proviso and insert in lieu thereof the following: "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

The amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer another amendment, changing the title to read, "For the relief of Martin Henry Waterman, deceased", which is the practice we followed today. It may be silly, but at least it will be consistent.

Mr. CHRISTIANSON. I agree with the gentleman it is silly even though consistent. I would say that if you offered an amendment changing the title to read, "For the relief of the heirs of Martin Henry Waterman", it would be consistent.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Amend the title so that it will read, "A bill for the relief of Martin Henry Waterman, deceased."

The amendment was agreed to.

The bill was order to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CHARLES C. SCHILLING

The next business on the Private Calendar was the bill (H.R. 588) for the relief of Charles C. Schilling.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. HOLLISTER. Reserving the right to object, the committee amendment provides that no bounty, back pay, pension, or "amounts" shall be held to have accrued prior to the passage of this act. That is not the usual language. The usual language is "pension or allowances."

Mr. GRISWOLD. This is a bill introduced by my predecessor 4 years ago. I know very little about it.

Mr. MARTIN of Oregon. Reserving the right to object, I should like to have the bill explained.

Mr. GRISWOLD. This man, as I understand, was in the Army in Nebraska.

Mr. MARTIN of Oregon. What was the Army doing in Nebraska?

Mr. GRISWOLD. He was at Fort Robinson and had trouble with his teeth, took narcotics and became a drug addict. He deserted April 20, 1902, and was discharged in 1904 at Fort Bliss on account of his previous desertion.

Mr. MARTIN of Oregon. What is this bill for? Does he want a pension?

Mr. GRISWOLD. No. I do not think he wants a pension.

Mr. MARTIN of Oregon. Then I withdraw my reservation.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Charles C. Schilling, who was a member of the Hospital Corps, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 2d day of July 1904.

With the following committee amendment:

On page 1, line 9, after the figures "1904", insert *Provided*, That no bounty, back pay, pension, or amounts shall be held to have accrued prior to the passage of this act."

Mr. HOLLISTER. Mr. Speaker, I move to amend the committee amendment with the following amendment: Page 1, line 10, strike out the word "amounts" and insert the word "allowance."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

HENRY M. BURNS

The next business on the Private Calendar was the bill (H.R. 890) for the relief of Henry M. Burns.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Henry M. Burns, who was a member of Company D, Twenty-eighth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 7th day of October 1913: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOSEPH TIBE

The next business on the Private Calendar was the bill (H.R. 912) awarding the Distinguished Service Cross to Joseph Tibe.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I object.

LT. COL. CLAUDE M. STANLEY

The next business on the Private Calendar was the bill (H.R. 1352) to allow the Distinguished Service Cross for service in the World War to be awarded to Lt. Col. Claude M. Stanley.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. GRISWOLD. I reserve the right to object. I want to ask a question. My understanding is that under the law providing for the award of the Distinguished Service Cross by the President eliminated Congress from awarding the Distinguished Service Cross.

Mr. THURSTON. I understand the limitation which would authorize the War Department to extend recognition for distinguished military services expired by operation of law. I would like to explain the merit of this case. The bill was unanimously reported by the Committee on Military Affairs. It would award the Distinguished Service Cross to Lt. Col. Claude M. Stanley, who bears a long and honorable record of military service. It is recommended by the commanding officer of the One Hundred and Sixty-eighth Infantry, and also by Gen. Douglas MacArthur, a brigade commander, Forty-second Division, the present Chief of Staff, for gallantry performed by Lieutenant Colonel Stanley in France.

He also served in the Spanish War, and as the report discloses, has the endorsement and recommendation from at least six or eight field officers who served in the Rainbow Division.

I have letters here from Colonel Judah, of Chicago; Colonel Garrett, of Kansas City; Colonel Talbott, of Dallas, Tex. He says:

> I think it is a wonderful tribute to Colonel Stanley, but I think it is a d—— shame that it is being done 10 years after the war is over. This is no reflection on you, Congressman, but on the War Department itself.

Then Colonel Bare, of Atlanta, Ga., says:

> It gives me a great deal of pleasure to enclose a statement regarding the activities of our mutual friend, Col. Claude W. Stanley, of Corning, Iowa. I trust you will be able to secure for Colonel Stanley the Distinguished Service Cross, which he so justly earned.

It happens that the brigade commander under whom Colonel Stanley served is the present Chief of Staff of the United States Army, and I call attention to the concluding paragraph of his recommendation, in fact, a citation, on page 8 of the report, wherein he says:

> His gallant resourcefulness and courage have justly earned for him the award for which he is here recommended.
>
> DOUGLAS MACARTHUR,
> *Brigadier General, General Staff, Commanding.*

Of course, this was a National Guard regiment, and we know that the civilian soldiers do not have the information in regard to obtaining recognition for merit that prevails throughout the regular organization. In view of the fact that he has the recommendation and endorsements of 8 or 10 of the field officers of his own brigade, in his own division, plus the recommendation of the Chief of Staff, and in view of the fact that the Committee on Military Affairs unanimously recommended it, it seems to me that this soldier, even at this late day, is entitled to this recognition.

Mr. GRISWOLD. My understanding is that this officer did perform some very distinguished services, and that he received great honors, among others the Silver Star decoration, and that at the time the matter was before the board he was recommended for the Distinguished Service Cross, but the board passed on it and did not give him the Distinguished Service Cross, but did give him the Silver Star decoration. I am wondering whether, at this late period, after these events are all over, we would not be creating a dangerous precedent in saying that Congress can override the board that had the evidence before it, and confer further honors that the law never contemplated being conferred at the time it was passed.

Mr. THURSTON. Yes; if we enter the field of comparable discussion, we would find that many men in the military service and some in the civil branch were granted this distinction, men who were never in France or who never served in the war zone.

Mr. GRISWOLD. This board was actually sitting over there in France and took cognizance of all these facts.

Mr. THURSTON. And this board was composed wholly of men who were in the regular service.

Mr. MARTIN of Oregon. Oh, please do not make that distinction. I resent that.

Mr. THURSTON. I take it, General MARTIN, that they were gentlemen of high repute in their organization, but I have had occasion to serve in a modest capacity in two wars, and I know that the men who served in the volunteer forces did not have the information and were not always cognizant of their rights, and the time expired, and after you have read over the numerous recommendations made by the field officers who served with this veteran in France, plus the present recommendation of the Chief of Staff of the United States Army, who has been accredited this highest position in our military command, surely, sitting here as a jury, relying upon expert testimony, we are bound by the evidence that has been adduced in this case.

Mr. MARTIN of Oregon. I understand that this application for the Distinguished Service Medal came before this particular board and was turned down. Is that the case?

Mr. THURSTON. I do not understand that that is the case.

Mr. GRISWOLD. Yes; that is the case.

Mr. MARTIN of Oregon. Then I object. I hate to object to these things, but if he came before the board that considered all applications and was turned down, it ought to remain so. You cannot make fish of one and fowl of another.

Mr. GOSS. As I recall it, the other day the House passed the so-called "Hoeppel bill", which dealt with this question of the Distinguished Service Cross and the Distinguished Service Medal in lieu of certificates and merit. Is that correct?

Mr. HILL of Alabama. Yes; but the Hoeppel bill would hardly affect the matter that we have before us now, in my judgment.

Mr. GOSS. That is what I want to know. Would the Hoeppel bill that was passed this week affect this?

Mr. THURSTON. I do not so understand it would.

Mr. GOSS. Has this man ever been cited with the certificate of merit?

Mr. THURSTON. No. The facts are this veteran did not know of his right to have this award until after the limitation had expired.

Mr. GRISWOLD. As I recall this bill, the colonel was turned down by the examining board for this, and after having been turned down by the examining board Congress should not come along and overrule the finding of that board.

Mr. MARTIN of Oregon. If you do that, you will have hundreds of cases here of this kind. You will have every fellow who was in the war coming here.

Mr. THURSTON. Nevertheless, I do not understand that we have vested in any committee of Regular Army officers or any adjunct or unit of the War Department the sole right to dispose of such matters. When a department acts unjustly or fails to meritoriously act, appellate jurisdiction is vested in the Congress, and in view of the uncontradicted testimony that is before us as to the meritorious service that this man rendered, supplemented by the endorsement of the

highest ranking military man we have in our Government, it seems to me that if this body would act as any other body charged with the duty of making a fair finding incident to a given service, they would not only be warranted but required to grant this officer the recognition suggested by the Chief of Staff of the United States Army and the House Committee on Military Affairs.

Mr. HOPE. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. HOPE. Does the gentleman know of any precedent for action of this kind? That is, any precedent for Congress awarding the Distinguished Service Cross after he has been turned down by the regular board of the Army, organized for that purpose?

Mr. THURSTON. I am not familiar with War Department precedents.

Mr. MARTIN of Oregon. Mr. Speaker, regular order.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, I object.

CHARLES T. MOLL

The Clerk called the next bill, H.R. 3985, for the relief of Charles T. Moll.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Charles T. Moll shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 9th day of August 1901 and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—ANNUAL REPORT OF ALIEN PROPERTY CUSTODIAN (H.DOC. NO. 133)

The SPEAKER laid before the House the following message from the President of the United States which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce, and ordered printed:

To the Congress of the United States:

In accordance with the requirements of section 6 of the Trading with the Enemy Act, I transmit herewith, for the information of the Congress, the annual report of the Alien Property Custodian on proceedings had under the Trading with the Enemy Act for the year ended December 31, 1933.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1934.*

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS (H.DOC. NO. 245)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs, and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that legislation may be enacted authorizing an annual appropriation in the sum of $3,000, or so much thereof as may be necessary, for the purpose of defraying the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and/or of the commissions established by that committee.

FRANKLIN D. ROOSEVELT.

Enclosure: Report.

THE WHITE HOUSE, *February 8, 1934.*

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SUGAR (H.DOC. NO. 246)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Agriculture, and ordered printed:

To the Congress:

Steadily increasing sugar production in the continental United States and in insular regions has created a price and marketing situation prejudicial to virtually everyone interested. Farmers in many areas are threatened with low prices for their beets and cane, and Cuban purchases of our goods have dwindled steadily as her shipments of sugar to this country have declined.

There is a school of thought which believes that sugar ought to be on the free list. This belief is based on the high cost of sugar to the American consuming public.

The annual gross value of the sugar crop to American beet and cane growers is approximately $60,000,000. Those who believe in the free importation of sugar say that the 2-cents-a-pound tariff is levied mostly to protect this $60,000,000 crop, and that it costs our consuming public every year more than $200,000,000 to afford this protection.

I do not at this time recommend placing sugar on the free list. I feel that we ought first to try out a system of quotas with the threefold object of keeping down the price of sugar to consumers, of providing for the retention of beet and cane farming within our continental limits, and also to provide against further expansion of this necessarily expensive industry.

Consumers have not benefited from the disorganized state of sugar production here and in the insular regions. Both the import tariff and cost of distribution, which together account for the major portion of the consumers' price for sugar, have remained relatively constant during the past 3 years.

This situation clearly calls for remedial action. I believe that we can increase the returns to our own farmers, contribute to the economic rehabilitation of Cuba, provide adequate quotas for the Philippines, Hawaii, Puerto Rico, and the Virgin Islands and at the same time prevent higher prices to our own consumers.

The problem is difficult but can be solved if it is met squarely and if small temporary gains are sacrificed to ultimate general advantage.

The objective may be attained most readily through amendment of existing legislation. The Agricultural Adjustment Act should be amended to make sugar beets and sugarcane basic agricultural commodities. It then will be possible to collect a processing tax on sugar, the proceeds of which will be used to compensate farmers for holding their production to the quota level. A tax of less than one half cent per pound would provide sufficient funds.

Consumers need not and should not bear this tax. It is already within the Executive power to reduce the sugar tariff by an amount equal to the tax. In order to make certain that American consumers shall not bear an increased price due to this tax, Congress should provide that the rate of the processing tax shall in no event exceed the amount by which the tariff on sugar is reduced below the present rate of import duty.

By further amendment to the Agricultural Adjustment Act, the Secretary of Agriculture should be given authority to license refiners, importers, and handlers to buy and sell sugar from the various producing areas only in the proportion which recent marketings of such areas bear to total United States consumption. The average marketings of the past 3 years provide on the whole an equitable base, but the base period should be flexible enough to allow slight adjustments as between certain producing areas.

The use of such a base would allow approximately the following preliminary and temporary quotas:

	Short tons
Continental beets	1,450,000
Louisiana and Florida	260,000
Hawaii	935,000
Puerto Rico	821,000
Philippine Islands	1,037,000
Cuba	1,944,000
Virgin Islands	5,000
Total	6,452,000

The application of such quotas would immediately adjust market supplies to consumption, and would provide a basis for reduction of production to the needs of the United States market.

Furthermore, in the negotiations for a new treaty between the United States and Cuba to replace the existing Commercial Convention, which negotiations are to be resumed immediately, favorable consideration will be given to an increase in the existing preferential on Cuban sugars to an extent compatible with the joint interests of the two countries.

In addition to action made possible by such legislative and treaty changes, the Secretary of Agriculture already has authority to enter into codes and marketing agreements with manufacturers which would permit savings in manufacturing and distributing costs. If any agreements or codes are entered into, they should be in such form as to assure that producers and consumers share in the resulting savings.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1934.*

OLD-AGE PENSION SYSTEM

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report from the Committee on Rules (H.Res. 249) for printing under the rule:

The Committee on Rules, having had under consideration House Resolution 249, reports the same to the House with an amendment, with the recommendation that the amendment be adopted and the resolution as amended do pass.

House Resolution 249

Whereas under modern methods of mass production by the use of machines it is constantly becoming more difficult for persons of middle age and old age to secure employment; and

Whereas honest and industrious workers who have contributed to the wealth and productivity of our Nation are entitled to better consideration in their old age than as objects of charity; and

Whereas it is now widely believed that many of the poor-relief systems in operation in the United States are an inadequate, incompetent, and, at the same time, very costly method of providing for the aged; and

Whereas 27 States, as well as the Territories of Alaska and Hawaii, have by statutory enactment adopted systems of old-age assistance which are granted to certain of their aged population; and

Whereas it may be desirable to provide a system of old-age assistance which will be uniform throughout the United States, and which will provide for the transient as well as the permanent resident; and

Whereas the most feasible and practical way whereby a system of old-age pensions can be made adequate and uniform throughout the United States is through assistance by the Federal Government, preferably under a system of contributory pensions; and

Whereas accurate and complete statistics as to the number of aged persons and as to the life expectancy of all persons are available; and

Whereas from these statistics actuaries can easily calculate the amount of contributions to a system of old-age pensions required and of the total cost thereof: Now, therefore, be it

Resolved, That the standing Committee on Labor be, and the same is hereby, authorized and directed—

(a) To study and investigate—

1. The operation and extent of old-age assistance systems now in operation in the various States;

2. The establishment of a system of old-age contributory pensions for persons 65 years of age and over under the jurisdiction of the Federal Government or of any agency thereof, and the constitutional questions involved therein;

3. The actuarial problems involved in the inauguration of a contributory old-age pension system;

4. The amount of contributions and the cost required for a contributory system for the payment of pensions, beginning at 65 and at 70 years of age at amounts ranging from $25 to $50 monthly; and

5. The desirability of contributions exclusively from employers and employees or also from the Federal Government.

(b) To sit and act in the District of Columbia whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to consult such experts and actuaries, to request by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oath, to take such testimony, to secure such data and any and all other information, to have such printing and binding done, as it deems necessary; an oath or affirmation may be administered by any member of the committee.

(c) To require the services of such employees of the House of Representatives as are available and of the Federal Government as it may deem necessary and as the department or independent agency is able to dispense with.

(d) To report before the adjournment of this session of Congress, if possible; and if that should not be possible, then to file its report not later than January 3, 1935, before noon; and to recommend legislation establishing an old-age contributory pension system under the jurisdiction of the Federal Government, if the committee deems such legislation appropriate.

MINORITY VIEWS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to have until midnight next Thursday, 1 week from today, within which to file minority views on the bill H.R. 3842.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MARLAND, for 3 days, on account of illness.

To Mr. HIGGINS, for an indefinite period, on account of illness of his wife.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 2277. An act to establish fish and game sanctuaries in the national forests; to the Committee on Agriculture.

S. 2529. An act to promote conservation of wild life, fish, and game, and for other purposes; to the Committee on Agriculture.

S. 2633. An act to supplement and support the migratory-bird conservation act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds; for developing and administering such areas; for the protection of certain migratory birds; and for other purposes; to the Committee on Agriculture.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 157. An act to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)";

S. 284. An act authorizing the conveyance of certain lands to School District No. 28, Deschutes County, Oreg.;

S. 1774. An act to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz.; and

S. 2152. Granting certain property to the State of Michigan for institutional purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 12 minutes p.m.) the House adjourned until tomorrow, Friday, February 9, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

343. A letter from the Secretary of War, transmitting draft of a bill to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military training camps, with a view to its enactment into law; to the Committee on Claims.

344. A letter from the Acting Secretary of the Navy, transmitting draft of a bill authorizing the President to present the Distinguished Flying Cross to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force; to the Committee on Military Affairs.

345. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations pertaining to the legislative establishment, United States Senate, for the fiscal year 1933, $14,305.35, and for the fiscal year 1934, $167,000, amounting in all to $181,305.35 (H.Doc. No. 242); to the Committee on Appropriations and ordered to be printed.

346. A communication from the President of the United States, transmitting a draft of a proposed provision pertain-

ing to the appropriation for salaries and expenses, Forest Service, fighting forest fires, Department of Agriculture, for the fiscal year 1934 (H.Doc. No. 243); to the Committee on Appropriations and ordered to be printed.

347. A communication from the President of the United States, transmitting a supplemental estimate of appropriations pertaining to the legislative establishment, Library of Congress, for the fiscal year 1935, in the sum of $4,140 (H.Doc. No. 244); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BANKHEAD: Committee on Rules. House Resolution 249. Resolution to direct the standing Committee on Labor to make a study and prepare legislation for the establishment of a uniform, national old-age pension system on a contributory basis; with amendment (Rept. No. 663). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 2339. A bill for the relief of Karim Joseph Mery; with amendment (Rept. No. 632). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2340. A bill for the relief of Russell & Tucker and certain other citizens of the States of Texas, Oklahoma, and Kansas; with amendment (Rept. No. 633). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2431. A bill for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department; without amendment (Rept. No. 634). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2432. A bill for the relief of Homer J. Williamson; without amendment (Rept. No. 635). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2438. A bill for the relief of Ruby F. Voiles; with amendment (Rept. No. 636). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2518. A bill for the relief of Blanch Broomfield; with amendment (Rept. No. 637). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2556. A bill for the relief of John L. Hoffman; without amendment (Rept. No. 638). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2641. A bill for the relief of Joseph A. McCarthy; with amendment (Rept. No. 639). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2651. A bill for the relief of Frank W. Childress; without amendment (Rept. No. 640). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2666. A bill for the relief of D. F. Phillips; without amendment (Rept. No. 641). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2669. A bill for the relief of Paul I. Morris and Beulah Fuller Morris; without amendment (Rept. No. 642). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2673. A bill for the relief of Ada T. Finley; without amendment (Rept. No. 643). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 2802. A bill for the relief of Albert H. Jacobson; without amendment (Rept. No. 644). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3056. A bill for the relief of James B. Conner; with amendment (Rept. No. 645). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3066. A bill for the relief of William J. Ryan, chaplain, United States Army; without amendment (Rept. No. 646). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3130. A bill to extend the benefit of the United States Employment Compensation Act to Frank A. Smith; without amendment (Rept. No. 647). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3146. A bill for the relief of John W. Barnum; without amendment (Rept. No. 648). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3188. A bill for the relief of Rufus Hunter Blackwell, Jr.; with amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3293. A bill to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line; without amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3295. A bill for the relief of the estate of White B. Miller; with amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3459. A bill for the relief of the Franklin Surety Co.; with amendment (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3463. A bill for the relief of Walter E. Switzer; with amendment (Rept. No. 653). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3502. A bill for the relief of the estate of William Bardel; with amendment (Rept. No. 654). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3504. A bill for the relief of Jose O. Enslew; without amendment (Rept. No. 655). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3630. A bill for the relief of the estate of Benjamin Braznell; without amendment (Rept. No. 656). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3851. A bill for the relief of Henry A. Richmond; with amendment (Rept. No. 657). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3911. A bill for the relief of Margaret Diederich; without amendment (Rept. No. 658). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3912. A bill for the relief of Roland Zolesky; without amendment (Rept. No. 659). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3913. A bill for the relief of the legal guardian of Nick Vasilzevic; without amendment (Rept. No. 660). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3914. A bill for the relief of the George C. Mansfield Co. and George D. Mansfield; without amendment (Rept. No. 661). Referred to the Committee of the Whole House.

ADVERSE REPORT

Under clause 2 of rule XIII,

Mr. COOPER of Tennessee: Committee on Ways and Means. House Resolution 250. Resolution requesting information in regard to war debts (Rept. No. 662). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H.R. 4141) to amend the act entitled "An act for the relief of contractors and subcontractors for the post office and other buildings and work under the supervision of the Treasury

Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920, and the same was referred to the Committee on Public Buildings and Grounds.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PARKER: A bill (H.R. 7793) authorizing a preliminary examination of the Ogeechee River in the State of Georgia, with a view to controlling of floods; to the Committee on Flood Control.

By Mr. MEAD: A bill (H.R. 7794) to amend section 51 of chapter 2, title 45, of the Code of Laws of the United States of America; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Washington: A bill (H.R. 7795) providing for a survey of the Columbia River and Vancouver Lake, at Vancouver, Wash.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 7796) providing for a survey of Elokomin Slough, sometimes known as "Cathlamet Slough", near the city of Cathlamet, Wash.; to the Committee on Rivers and Harbors.

By Mr. KOPPLEMANN: A bill (H.R. 7797) to authorize payment of claims for unauthorized emergency treatment of World War veterans; to the Committee on World War Veterans' Legislation.

By Mr. MOREHEAD: A bill (H.R. 7798) to provide for an exemption from processing taxes under the Agricultural Adjustment Act in the case of products to be used by State tax-supported institutions; to the Committee on Agriculture.

By Mr. CARTWRIGHT: A bill (H.R. 7799) to make it unlawful to use the mails to solicit insurance against any perils, or to collect premiums on insurance, in any State without complying with the laws of such State by appointing an agent upon whom service of summons may be made; to the Committee on the Post Office and Post Roads.

By Mr. BLAND: A bill (H.R. 7800) to amend the Radio Act of 1927, as amended, by the addition of a new section to follow section 28 of said act; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. PIERCE: A bill (H.R. 7801) to extend the time for commencing and completing the construction of a bridge across the Columbia River at or near The Dalles, Oreg.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLACK: A bill (H.R. 7802) to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

By Mr. SCHAEFER: A bill (H.R. 7803) authorizing the city of East St. Louis, Ill., its successors and assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN of Missouri: A bill (H.R. 7804) authorizing the Reconstruction Finance Corporation to make loans to certain hospitals; to the Committee on Banking and Currency.

By Mr. MEAD: A bill (H.R. 7805) to provide minimum pay for postal substitutes; to the Committee on the Post Office and Post Roads.

By Mr. CROSS of Texas: A bill (H.R. 7806) levying a tax of 20 percent, in addition to any tax now levied, on the profits derived from short sales of commodities and short sales and marginal purchases of stocks, bonds, and/or other securities; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H.R. 7807) to provide a penalty for the presentation of a false written instrument relating to any matter within the jurisdiction of the Secretary of the Interior, Administrator of the Federal Emergency Administration of Public Works, or Administrator of the Code of Fair Competition for the Petroleum Industry; to the Committee on the Judiciary.

By Mr. McREYNOLDS: A bill (H.R. 7808) to authorize annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to the appreciation of foreign currencies in their relation to the American dollar, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FISH: A bill (H.R. 7809) to establish a board to examine the subject of clear height above the water of the bridge located at Fifty-seventh Street, New York City; to the Committee on Interstate and Foreign Commerce.

By Mr. HARTLEY: Resolution (H.Res. 258) to investigate the operation and leasing of the Port Newark Army supply base, N.J., for warehousing and terminal purposes to private commercial firms or individuals; to the Committee on Rules.

By Mr. BLOOM: Joint resolution (H.J.Res. 265) providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; to the Committee on Rules.

By Mr. BECK: Joint resolution (H.J.Res. 266) providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; to the Committee on Rules.

By Mr. McCORMACK: Joint resolution (H.J.Res. 267) to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, relating to unemployment in the State of Wisconsin and requesting extension of the Civil Works Administration and the increase of Wisconsin's Civil Works Administration quota to at least 160,000; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact proposed legislation for the control of the grasshopper menace; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE: A bill (H.R. 7810) for the relief of Robert Denk; to the Committee on Claims.

By Mr. BRUMM: A bill (H.R. 7811) for the relief of Benjamin Lucas; to the Committee on Claims.

By Mr. BURKE of California: A bill (H.R. 7812) for the relief of Samuel S. Knox; to the Committee on Military Affairs.

Also, a bill (H.R. 7813) to authorize the presentation of the Distinguished Service Cross to Walter H. Cobun; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 7814) granting a pension to Georgia L. Spelce; to the Committee on Pensions.

By Mr. DOBBINS: A bill (H.R. 7815) granting a pension to Margaret Albritton; to the Committee on Invalid Pensions.

By Mr. ELLZEY of Mississippi: A bill (H.R. 7816) for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress; to the Committee on Claims.

By Mr. GOLDSBOROUGH: A bill (H.R. 7817) for the relief of Robert M. Kenton; to the Committee on Claims.

Also, a bill (H.R. 7818) for the relief of Earl Sykes, W. Ward Beaston, the estate of Noble Benson, David L. Seacord, and Mrs. Edith Carpenter; to the Committee on Claims.

Mr. KOPPLEMANN: A bill (H.R. 7819) for the relief of Edward C. Sullivan; to the Committee on Military Affairs.

Also, a bill (H.R. 7820) for the relief of Guiseppe Rossi; to the Committee on Claims.

By Mr. LOZIER: A bill (H.R. 7821) for the relief of Harry Warren Halterman; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H.R. 7822) for the relief of Hans Joseph Michael Merz; to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H.R. 7823) for the relief of Raymond A. Dehetre; to the Committee on Military Affairs.

By Mr. OLIVER of New York: A bill (H.R. 7824) to confer jurisdiction on the Court of Claims to hear and determine the claim of Carlo de Luca; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 7825) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James M. Harwood; to the Committee on Claims.

By Mr. SECREST: A bill (H.R. 7826) for the relief of the Lower Commercial Bank, Lower Salem, Ohio; to the Committee on Claims.

By Mr. TINKHAM: A bill (H.R. 7827) granting insurance to Adelina N. Armistead; to the Committee on Claims.

Also, a bill (H.R. 7828) for the relief of Annie M. Ayer; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2180. By Mr. BAKEWELL: Resolution requesting the President of the United States to obtain from the Government of the German Reich, and specifically from its dictator, Chancellor Adolph Hitler, an explanation of its high-handed, autocratic, dominating, and unwarranted attitude toward persons of Jewish origin and extraction, which course of action distinctly violates Germany's express treaty obligations to respect the civil and religious liberties of the minority nationalities residing within its borders; to the Committee on Foreign Affairs.

2181. By Mr. CULLEN: Resolutions unanimously adopted at a convention of the National Guard Association of the State of New York, Utica, January 20, 1934, in regard to drills; to the Committee on Military Affairs.

2182. By Mr. CUMMINGS: Petition of the Willard Parent-Teacher Association, Willard, Colo., urging the passage of House bill 6097, providing for higher standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2183. Also, petition of the Irrigationists' Association of Water District No. 1, of the State of Colorado, desiring to maintain the Irrigation Division of the Bureau of Agricultural Engineering of the Department of Agriculture; to the Committee on Agriculture.

2184. By Mr. FARLEY: Petition of F. J. Tibbitts, of Fort Wayne, Ind., and more than 12,000 other citizens of the Fourth Congressional District, for freedom of the radio, acting within their constitutional rights; to the Committee on Merchant Marine, Radio, and Fisheries.

2185. By Mr. FORD: Resolution of the Young Democratic Clubs of Los Angeles County, advocating changes in the method of offering subscription to issues of Federal tax-exempt securities in the public interest; to the Committee on Ways and Means.

2186. By Mr. HOLMES: Resolutions of the Commonwealth of Massachusetts, memorializing Congress in favor of proper consideration for granite in Federal construction projects; to the Committee on Public Buildings and Grounds.

2187. By Mr. JOHNSON of Texas: Resolution passed in San Antonio, Tex., on January 21, 1934, at a meeting of Forty et Eight, American Legion, favoring the four-point program of the American Legion; to the Committee on World War Veterans' Legislation.

2188. Also, petition of George E. Hughes, department adjutant, the American Legion, Department of Texas, Austin, Tex., favoring the four-point program of the American Legion; to the Committee on World War Veterans' Legislation.

2189. By Mr. LINDSAY: Petition of Durkee Famous Foods, Inc., Berkeley, Calif., opposing the 5 cent per pound tax on coconut oil and sesame oil; to the Committee on Ways and Means.

2190. Also, petition of the Joint Committee on Unemployment, New York City, concerning increase of purchasing power of the agricultural, industrial, and salaried workers of America; to the Committee on Ways and Means.

2191. By Mr. McCORMACK: Petition of All-Dorchester Post, No. 154, Inc., 500 Columbia Road, Dorchester, Mass., Dr. Joseph J. Tierney, 44 Pearl Street, Dorchester, Mass., commander, memorializing the Congress of the United States to enact into law legislation which would legalize a national lottery similar to the Irish and Canadian sweepstakes, the profits derived from same to be used solely for hospitalization of sick and wounded and disabled veterans of all wars of the United States; to the Committee on Ways and Means.

2192. By Mr. RICHARDSON: Petition of thousands of citizens of Berks County, Pa., protesting to the Congress against certain wrongful interference with their rights in respect to radio broadcasts, and asserting that by threats, coercion, and other improper influence many radio stations have been prevented from broadcasting that which is in the public interest, thus depriving American citizens of the privilege of hearing that which they wish to hear; to the Committee on Merchant Marine, Radio, and Fisheries.

2193. By Mr. SADOWSKI: Petition of the National Vocational Guidance Association of Detroit and vicinity, asking for direct Federal loans for public education; to the Committee on Appropriations.

2194. By Mr. STRONG of Pennsylvania: Petition of teachers of 12 public schools of the Twenty-seventh Congressional District of the State of Pennsylvania, urging immediate Federal emergency relief for the public schools of the Nation; to the Committee on Appropriations.

2195. By Mr. THOMASON: Petition of residents of west Texas, regarding the right of broadcasting over the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

2196. By Mr. WIGGLESWORTH: Resolutions adopted by the Massachusetts General Court, memorializing Congress in favor of proper consideration for granite in Federal construction projects; to the Committee on Public Buildings and Grounds.

2197. By the SPEAKER: Petition of the City Fire Fighters Association of Washington, D.C., regarding the filling of any future vacancies arising in the District of Columbia fire department; to the Committee on the District of Columbia.

SENATE

FRIDAY, FEBRUARY 9, 1934

(Legislative day of Tuesday, Feb. 6, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Carey	Gibson	McCarran
Ashurst	Clark	Goldsborough	McGill
Austin	Connally	Gore	McKellar
Bachman	Coolidge	Hale	McNary
Bailey	Copeland	Harrison	Murphy
Bankhead	Costigan	Hatch	Neely
Barbour	Couzens	Hayden	Norris
Barkley	Cutting	Hebert	Nye
Black	Davis	Johnson	O'Mahoney
Bone	Dickinson	Kean	Overton
Borah	Dieterich	Keyes	Patterson
Brown	Dill	King	Pittman
Bulkley	Duffy	La Follette	Pope
Bulow	Erickson	Lewis	Reed
Byrd	Fess	Logan	Robinson, Ark.
Byrnes	Fletcher	Lonergan	Robinson, Ind.
Capper	Frazier	Long	Russell
Caraway	George	McAdoo	Schall

Sheppard	Thomas, Okla.	Tydings	Wheeler
Shipstead	Thomas, Utah	Vandenberg	White
Smith	Thompson	Van Nuys	
Steiwer	Townsend	Wagner	
Stephens	Trammell	Walsh	

Mr. LEWIS. I rise to announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate by illness, and that the Senator from North Carolina [Mr. REYNOLDS] is necessarily detained on official business.

Mr. HEBERT. I desire to announce that the senior Senator from Rhode Island [Mr. METCALF], the Senator from West Virginia [Mr. HATFIELD], the Senator from South Dakota [Mr. NORBECK], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Delaware [Mr. HASTINGS] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H.R. 257. An act to authorize full settlement for professional services rendered to an officer of the United States Army;

H.R. 276. An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.;

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 363. An act for the relief of James Moffitt;

H.R. 371. An act for the relief of Peter Guilday;

H.R. 408. An act for the relief of William J. Nowinski;

H.R. 507. An act for the relief of John Thomas Simpkin;

H.R. 541. An act for the relief of John P. Leonard;

H.R. 588. An act for the relief of Charles C. Schilling;

H.R. 669. An act for the relief of Thomas T. Gessler;

H.R. 890. An act for the relief of Henry M. Burns;

H.R. 909. An act for the relief of Elbert L. Grove;

H.R. 1015. An act for the relief of Frank D. Whitfield;

H.R. 1403. An act for the relief of David I. Brown;

H.R. 1404. An act for the relief of John C. McCann;

H.R. 1413. An act for the relief of Leonard L. Dilger;

H.R. 1859. An act for the relief of Albert D. Castleberry;

H.R. 2021. An act to place Jesse C. Harmon on the retired list of the United States Marine Corps;

H.R. 2032. An act for the relief of Richard A. Chavis;

H.R. 2040. An act for the relief of P. Jean des Garennes;

H.R. 2041. An act for the relief of Irwin D. Coyle;

H.R. 2074. An act for the relief of Harvey Collins;

H.R. 2176. An act for the relief of Victor Oscar Gokey;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 2509. An act for the relief of John Newman;

H.R. 2535. An act for the relief of Burton Bowen;

H.R. 2536. An act for the relief of Raymond C. Bogart;

H.R. 2670. An act for the relief of James Wallace;

H.R. 2743. An act for the relief of William M. Stoddard;

H.R. 3032. An act for the relief of Paul Jelna;

H.R. 3050. An act for the relief of William H. Stroud;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3072. An act for the relief of Seth B. Simmons;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3492. An act for the relief of Harry C. Anderson;

H.R. 3542. An act to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania;

H.R. 3553. An act for the relief of Harvey O. Willis;

H.R. 3985. An act for the relief of Charles T. Moll;

H.R. 3997. An act for the relief of Erney S. Blazer;

H.R. 4079. An act to place William H. Clinton on the retired list of the Navy;

H.R. 4266. An act for the relief of David Schwartz;

H.R. 4389. An act for the relief of Sylvester T. Moriarty;

H.R. 4423. An act for the relief of Wilbur Rogers;

H.R. 4438. An act for the relief of Tony P. De Young, alias Anthony Peter De Young;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga;*

H.R. 5201. An act for the relief of Luke Francis Brennan; and

H.R. 5218. An act for the relief of Felix Maupin.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 248. An act for the relief of Rolando B. Moffett;

S. 313. An act to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming;

S. 381. An act for the relief of Samson Davis; and

S. 727. An act for the relief of Francis N. Dominick.

INVESTIGATION OF AIR AND OCEAN MAIL CONTRACTS—WILLIAM P. M'CRACKEN, JR., ET AL.

The VICE PRESIDENT. Pursuant to its order of February 5, 1934, the Senate will now proceed in the matter of the citations to show cause issued against William P. MacCracken, Jr., and others.

The Special Committee to Investigate Air and Ocean Mail Contracts, consisting of Mr. BLACK (chairman), Mr. KING, Mr. MCCARRAN, Mr. AUSTIN, and Mr. WHITE, were seated in the area in front and to the left of the Vice President's desk.

Seats were provided in the area in front and to the right of the Vice President's desk for respondents and their counsel.

The VICE PRESIDENT. The Sergeant at Arms will submit his report.

The Sergeant at Arms (Chesley W. Jurney) submitted the following report:

To the PRESIDENT OF THE SENATE:

I beg to report that, pursuant to the instructions contained in the order issued on February 5, 1934, by the President of the Senate to the Sergeant at Arms, I made service of the citation therein contained on William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and Harris M. Hanshue on said day, and said persons are now present in response to such citation, with the exception of William P. MacCracken, Jr., who has addressed a communication to the Senate of the United States, which is now on the desk of the Vice President.

CHESLEY W. JURNEY,
Sergeant at Arms, United States Senate.

The VICE PRESIDENT. Shall the Senate receive the communication from William P. MacCracken, Jr.? Without objection, the clerk will read the communication.

The Chief Clerk read as follows:

WASHINGTON, D.C., *February 9, 1934.*

To the Senate of the United States:

On February 6, 1934, I received from the Sergeant at Arms of your honorable body a citation to appear before the bar of the Senate on this 9th day of February 1934 to show cause why I should not be punished for contempt of the Senate on account of the alleged destruction and removal of certain papers from my files after a subpena had been served upon me, "as shown by the report of the Special Senate Committee Investigating Ocean and Air Mail Contracts."

I have the greatest respect for the Senate of the United States and would not knowingly or intentionally commit any act in contempt of its constitutional rights and powers. I am constrained, however, to deny the constitutional right of your honorable body to compel the attendance before its bar of a private citizen of the United States to there show cause why he should not be punished for an alleged past and completed act.

The Supreme Court of the United States has distinctly held that while each House of the Congress has implied power to deal directly with contempt so far as is necessary to preserve and exercise the legislative authority expressly granted, this being a power of self-preservation, a means and not an end, the power does not extend to infliction of punishment as such. It is, the highest judicial tribunal of our Nation has held, a power to prevent acts which in and of themselves inherently prevent or obstruct the

discharge of legislative duty and to compel the doing of those things which are essential to the performance of the legislative functions. That Court has clearly announced the constitutional principle that punishment for completed acts is exclusively a judicial function and not a legislative one.

To appear at the bar of the Senate in response to the above-mentioned citation would be to give assent to the exercise by your honorable body of powers which do not constitutionally belong to it and to voluntarily aid in permitting it to violate rights guaranteed to me as a citizen of the United States under the Constitution of my country. This I respectfully decline to do.

On January 31, 1934, the Senate Committee on Ocean and Air Mail Contracts, by its subpena, commanded me to appear before it "instanter" and to "bring all books of account, bank pass books, canceled checks, check stubs, deposit slips, papers, memoranda, correspondence, maps, copies of telegrams relating to air mail and ocean mail contracts."

Compliant to that subpena I appeared before your committee on the date of its issue, and on that date I produced and made available, to said committee to the best of my ability, knowledge, information, and belief, all papers in my possession in any way relating to air mail and ocean mail contracts, except those which under the law, as I understood it and as I was advised respecting it by counsel whom I had consulted, I was not lawfully at liberty to produce, because of the privilege which attached to them as communications between attorney and clients.

I made known to your committee the privilege of my clients in good faith, and I repeat, after having sought advice of counsel who at the time had no connection with or interest in the clients of mine whose papers were concerned.

I made known to your committee the name of every client of mine who had air mail contracts, and the fact that I had no clients who, known to me, had ocean mail contracts. At the committee's request, immediately following my appearance before it, I communicated with all of my clients who were concerned, by telegraph, informed them of the subpena, told them that the committee had requested me to inquire whether they waived their privilege and authorized me to make the documents available to the committee, and asked for telegraphic advice of their decision. The telegrams thus sent to my clients were, before they were sent, submitted to your committee's chairman and by him approved. A true copy of said telegrams appears in the record of the proceedings before your committee on February 2, 1934.

On February 1, 1934, I again communicated by telegraph to such of my clients as had not promptly responded to my first telegram, and urged them to expedite their decision and their advice to me with respect to their waiving the privilege referred to. A copy of this second telegram also appears in the record of your committee's proceedings of the 2d instant.

I recognize the power and right of your committee to issue the above-mentioned subpena and to compel my attendance before the committee as a witness, and to compel the production of relevant and material documents, to the extent that I could lawfully produce them without my clients' consent.

Late in the afternoon of February 2, 1934, the Sergeant at Arms of the Senate took me into custody, compliant to the command of an order or warrant issued by the President of the Senate directed to its Sergeant at Arms, pursuant to Senate Resolution 169 of this session. When said warrant was served the Senate had adjourned to reconvene on Monday, February 5, at noon, and my appearance at that time under said warrant was arranged for.

Immediately prior to the service of that warrant I had received from all of my above-mentioned clients waivers of their privilege and consent to the production by me of all papers in my possession relating to their air mail contracts. Had those waivers and consents not been communicated to me, I would not have been lawfully able to comply with the commands of the aforesaid warrant and would have sought release from arrest thereunder by judicial process. The privilege having been waived and no lawful reason being any longer in existence to require my declining to produce any document called for in the aforesaid subpena and warrant, I produced all of the same, to the best of my ability, knowledge, and belief, under the subpena's command, and they were taken into the custody of your Sergeant at Arms under the pretended authority of the aforesaid warrant.

The Senate's warrant of February 2, 1934, quoting Resolution 169, adopted that date, set forth that "the appearance and testimony and correspondence, records, files, and books" called for by the committee's subpena "are material and necessary in order that the committee may properly execute the functions imposed upon it, and obtain information necessary as a basis for such legislation as the Senate may deem necessary." And the command of the warrant was that I be brought before the bar of the Senate together with "the correspondence, memorandums, books, files, and records referred to, and then and there to answer such questions pertinent to the matter under inquiry with reference to facts regarding correspondence, memorandums, books, and files as the Senate may propound."

The privilege above referred to having been waived by those who alone had the power to waive it, I recognized that the legislative purpose declared by and the inquiries sought to be had as set forth in the above-quoted portions of the Senate's warrant were within the constitutional power of your honorable body, and I was ready to appear and to submit to whatever examination the Senate deemed appropriate in the premises.

I do not deny, but freely concede, the right and power of the Senate, or its committees thereunto authorized, to compel the attendance of witnesses, the giving of pertinent testimony, and the production of material documents. Likewise, and as freely, I concede the Senate's power to commit a recalcitrant witness to custody until, but no longer than, he agrees to, and does, testify or produce documents as lawfully required.

With the assistance of counsel I had prepared, and was ready to deliver to the Senate at its bar on the 5th instant, the following response:

WASHINGTON, D.C., *February 5, 1934.*

STATEMENT OF WILLIAM P. M'CRACKEN, JR., TO THE SENATE OF THE UNITED STATES IN RESPONSE TO WARRANT OF FEBRUARY 2, 1934

Mr. PRESIDENT: As stated in the report of your committee appointed under Senate Resolution No. 349, Seventy-second Congress, second session, there was served on me January 31, 1934, subpena, copy of which is attached to the committee's report, marked "Exhibit A", which copy is printed on page 1852 of the CONGRESSIONAL RECORD, proceedings of February 2, 1934.

In response to that subpena I appeared as a witness before the Senate Committee on Ocean Mail and Air Mail Contracts and offered to produce for the examination and use of that committee all documents in my possession relating to ocean and air mail contracts which, under the law, as I understand it, I was then at liberty to produce.

I am an attorney at law; as such I was retained by several corporations having contracts with the United States for the carriage of mail by airplanes. Among the papers relating to air mail contracts in my possession were communications from my clients to me. I understand the law to be that an attorney cannot produce or disclose any communication relating to the matter in connection with which he is employed made to him by a client. I understand further that this is not a privilege of the attorney, but a restriction upon him; that the privilege belongs exclusively to the client. I respectfully so informed the committee. At the committee's request, I communicated with all of my clients concerned by telegraph, informed them of the subpena, told them the committee had requested me to inquire whether they waived their privilege and authorized me to make the documents available to the committee, and asked for telegraphic advice of their decision. The telegrams thus sent to my clients were, before they were sent, submitted to your committee's chairman and by him approved.

My files were not subpenaed. Nor were my office files. Nor was any subpena issued for all of the papers in, or the entire contents of, my files. I have no such thing in my office as an air mail or ocean mail contract file. Folders in my firm's files which pertain to the business of clients who have or have had air mail contracts frequently contain papers in no way relating to the subject of such contracts. Before replying to my request for instructions regarding the production of papers relating to air mail contracts, which the committee's subpena called for, three of my clients requested an opportunity to examine the files containing such papers.

One of these requests did not come to me and I had no knowledge of it until after it had been made and acted upon by my partner. As to each of these requests the facts are as follows:

1. One made by Col. L. H. Brittin, of the Northwest Airways, Inc., did not come to me, nor did I have any knowledge of it until after it had been made and acted upon. Colonel Brittin had used my firm's office last summer for his own purposes and had, while there, I am informed, dictated several personal letters, which, I am further informed, had no relation to air mail and ocean mail contracts. I have no personal knowledge respecting such papers and therefore speak of them on information. Before answering the above referred to request Colonel Brittin requested my partner to permit him to look at the files, and, I am told, took therefrom his personal papers, which were in no way affected by or subject to the Senate committee's subpena.

2. Mr. Harris M. Hanshue, president of the Western Air Express, was sent one of the telegraphic requests to which I have referred. Before giving his consent to the production of papers relating to air mail contracts he informed me, by telephone, that he intended to send his secretary to my office to look over the papers in our files and to obtain therefrom some purely personal papers of his. Subsequent to that telephone message Mr. Gilbert Givvin, Mr. Hanshue's secretary, telephoned me that he was coming to my office pursuant to Mr. Hanshue's instructions. He came and I saw him personally. I produced for him the files and he took therefrom certain papers. At a hearing before your committee on the 2d instant I informed the committee that I would use my best efforts to have those papers returned, and they have since, I am informed, all been produced by Mr. Givvin and delivered to your committee. Through inadvertence, and without my knowledge, I have been informed, since the 2d instant, some papers the contents of which do relate to air mail contracts were included among the papers taken by Mr. Givvin as personal papers of Mr. Hanshue. These and, I am informed and believe, all papers which Mr. Givvin took from my office are, I repeat, now in the possession of your committee. Immediately after my appearance before the committee on the 2d I exerted, as I promised the committee I would do, my best efforts to have those papers returned.

3. Mr. Francis Scheetz, general counsel of the Ludington Air Lines, Inc., one of the companies to whom I sent the above referred to telegram, informed me that he felt that his duty to his client required that he should inspect the papers relating to his client before giving his advice as to whether the company should or should not waive its privilege in connection with those papers. Mr. Scheetz came to my office for that purpose on the 2d instant. He did not, however, inspect any of the papers in my office and his company has consented to their production.

Prior to the presentation to the Senate of the committee's report on February 2 I had received waiver of their privilege from 5 of 9 clients concerned; had communicated that fact to the committee; had produced all documents comprehended within the description of the committee's subpena, under that subpena, which concerned the clients who had waived their privilege and consented to such production; and had communicated with the four clients who had not answered my earlier telegrams urging them to expedite their decision and instructions to me.

At about the time that this honorable body ordered the issuance of its warrant I had received instructions from the four clients who up to the time of my last appearance before the committee on February 2 had not given me instructions, to the effect that they also waived any privilege pertaining to documents in my possession and consenting to my producing the same under the committee's subpena. I received the last of these instructions shortly prior to the service by your Sergeant at Arms of the warrant. As my clients informed me of their decision in the premises I promptly communicated the same to the chairman of your committee and to investigators employed by it.

There have now been produced, compliant to the command of the committee's subpena and the Senate's warrant, to the best of my ability, knowledge, and belief, all documents and records in my possession relating to air mail and ocean mail contracts.

I have twice appeared, compliant to the demand of your committee's subpena, before the committee, and I have never refused to answer any question propounded to me by any member thereof.

I have the greatest respect for the Senate of the United States and have at no time had any desire to disobey its processes or to appear to be in contempt of its authority.

There having been produced the documents which the committee's subpena and the Senate's warrant commanded the production of, and I having answered all questions propounded to me, and being ready to answer all material and pertinent questions which may be propounded by this honorable body or its committee, I respectfully ask to be discharged from custody of the Sergeant at Arms of the Senate.

(Signed) WILLIAM P. MACCRACKEN, JR.

Although the Sergeant at Arms reported that I was in his custody, I was neither required nor permitted to appear before the bar of the Senate on the 5th instant, but after proceedings were had in the Senate on a report submitted by the special committee, I was, by vote of the Senate, ordered to be released from custody, and was thereupon forthwith released.

Your special committee had in its possession every document of which I then had any knowledge covered by its subpena. I have at no time refused to answer any question propounded to me by the committee. As fast as I received waivers and consents to the production of privileged communications I advised the chairman of your committee thereof and made available, under the subpena, all documents which it called for.

Since the 5th instant, some few papers relating to air mail contracts of a former client, dating back to matters occurring about 7 years ago, have been found and produced for the committee under the subpena.

Not having been discharged from my obligation to again appear as a witness under the committee's subpena, but having, as I understand, been only temporarily excused from attendance thereunder, I stand ready at any and all times required to appear and testify fully in respect of any matters pertinent and material to the subject of the committee's inquiry.

Being advised and convinced that the Senate's citation, the proposed trial of myself at its bar, and the assertion of power by it to punish me for an alleged consummated offense, are each and all beyond its constitutional powers, and are, on the one hand, an invasion of the functions delegated by the Constitution exclusively to the judicial power, and on the other, a plain violation of my constitutional rights, I am, with great regret, forced to deny the now asserted right of your honorable body in the premises and to seek protection under the Constitution in the courts.

Yours very respectfully,

WILLIAM P. MACCRACKEN, JR.

The VICE PRESIDENT. The communication will be printed.

Mr. BLACK. Mr. President, I send to the desk a motion, which I ask to have read.

The VICE PRESIDENT. The motion will be read.

The legislative clerk read as follows:

I move that an order for the immediate arrest of William P. MacCracken, Jr., be ordered by the United States Senate, directing the Sergeant at Arms of the Senate to take into custody immediately the body of William P. MacCracken, Jr., and bring him forthwith before the Senate to show cause, if any he has, why he should not be punished for contempt of the Senate, for the matters and things as shown by the reports of the Special Senate Committee on Ocean and Air Mail Contracts, and as directed in the citation previously served upon William P. MacCracken, Jr., by the Sergeant at Arms of the Senate.

Mr. BORAH. Mr. President, do I understand that the motion is now up for consideration?

The VICE PRESIDENT. It is.

Mr. BORAH. I should like to ask the able Senator from Alabama to state upon what specific grounds he asks for the arrest of Mr. MacCracken at this time.

Mr. BLACK. Upon the ground that he has been cited to appear, and has declined to appear; and I know of no other way to carry out the order of the Senate to determine whether or not he should be punished for contempt while he is not present.

I may state to the Senator that I do not believe it is indispensable that he should be present; but our committee is of the opinion that he should be brought before the Senate in order that he may show cause, if any he has, why he should not be punished for contempt. Upon the suggestion of the Senator from Idaho when the matter first came up, instead of ordering the arrest of the respondents, they were simply cited to appear. Now all have appeared except Mr. MacCracken, and I know of no way to obtain his presence except by an arrest. It is for that reason that I make the motion.

Mr. BORAH. The motion is for the purpose of bringing Mr. MacCracken before the Senate?

Mr. BLACK. To show cause why he should not be punished for contempt.

Mr. BORAH. The difficulty I have about the matter myself is that if he is going to be punished for contempt there must be some ground on which the contempt rests.

Mr. BLACK. That is correct.

Mr. BORAH. What is that ground?

Mr. BLACK. The grounds are, as reported to the Senate in the two separate communications or reports from the Senate committee, that after a subpena had been served upon Mr. MacCracken to bring his files relating to ocean and air mail correspondence, and while the subpena was in full force and effect, Mr. MacCracken not only declined to bring such papers but permitted them to be removed and destroyed. It is my own opinion that after a subpena has been served to bring papers, if the papers are relevant—and I do not understand that any question is raised as to their relevancy—there could be no act which would show a more contemptuous disregard for the orders of this body than to permit the papers to be removed and destroyed.

That is the basis of the proceeding.

The VICE PRESIDENT. Is there objection to the entering of the order? If not, the order will be entered.

Mr. ROBINSON of Arkansas. Mr. President, I presume the Senator from Alabama and other Senators in charge of this matter desire to suspend proceedings until a return has been made on the new order by the Sergeant at Arms.

Mr. BLACK. The Senator is correct.

The VICE PRESIDENT. Visitors will kindly retire, if they desire to do so. The Sergeant at Arms will ask visitors, if they desire to retire, to do so quietly.

Mr. LEWIS. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LEWIS. There is great disorder in the galleries. It is impossible to hear what is transpiring in the Senate. I respectfully request that the Chair inform the occupants of the galleries that they cannot continue these demonstrations without interfering greatly with the proceedings, and instruct those at the doors of the galleries to inform those who are visiting in the galleries that if they will not maintain order they must be excluded from the galleries.

These proceedings are serious. They are important. We are glad to have the people in the galleries, but they should respect the rights we have in the Senate by such orderly conduct as they would manifest in their own homes.

The VICE PRESIDENT. The Chair will respectfully request visitors in the galleries to refrain from audible conversation. Just a little conversation in the galleries, even in a whisper, interferes greatly with the proceedings on the floor of the Senate. The Chair also asks the Senate to be in order.

PETITIONS AND MEMORIALS

Mr. DUFFY presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint resolution urging the Civil Works Administration to make lime crushing for agricultural purposes an eligible project under the Civil Works Administration program

Whereas the application of crushed lime to soil for the proper treatment thereof is an important and necessary function in agriculture; and

Whereas the cost of crushed lime is largely made up of the labor cost in crushing this material, such cost at the present time being a burden to the farmers; and

Whereas under the present rules of the Civil Works Administration the crushing of lime for agricultural purposes is not an eligible type of project thereunder; and

Whereas work in lime crushing could be done during inclement weather of the present winter at times when other projects will necessarily be interrupted, the localities to furnish crushers and other equipment and to be reimbursed for the cost thereof by a nominal charge to farmers of not to exceed 25 cents per ton; and

Whereas thousands of acres of bluegrass pasture have been destroyed by the white grub, which has become a serious problem in Wisconsin and especially in the southwestern section thereof; and

Whereas alfalfa is one of the most effective repellents of the white grub pest, and crushed lime is essential to the successful growing of alfalfa: Now, therefore, be it

Resolved by the assembly (the senate concurring), That it is the sense of this legislature that lime crushing for agricultural purposes, subject to conditions such as specified herein, should be made an eligible type of project under the Civil Works Administration, and we respectfully urge the national administration to amend the regulations of the Civil Works Administration so as to include lime crushing as an eligible type of project thereunder; or, if statutory enactment is required therefor, we earnestly request the enactment by the Congress of such legislation as may be necessary to accomplish the desired result; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress, to each Wisconsin Member thereof, and to the Federal Administrator of the Civil Works Administration, Harry L. Hopkins, and the State administrator, Robert C. Johnson.

C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

Mr. DUFFY also presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution memorializing the Congress of the United States to substantially increase the estates tax and gift tax and allot a definite part of the proceeds thereof to an old-age pension fund and unemployment insurance reserve

Whereas the need for old-age pension because of the inability of many of those who have reached middle age and older to secure profitable employment, or retain their employment, and the need of unemployment insurance reserves because of the ever-increasing use of mass production machinery, which replaces man power, have become serious problems; and

Whereas sources other than general property, which is now overburdened by taxation, must be found to supply the necessary additional revenues to supply funds to carry out these needs; and

Whereas a substantial increase in the tax on large estates and gifts beyond an amount necessary to support, maintain, and educate the recipient and his family in accordance with the standard of living of such recipient or family, would provide a just and equitable method for securing the necessary revenue to provide for an old-age pension fund and unemployment insurance reserves: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin respectfully memorialize the Congress of the United States to enact legislation to grade the estates tax and gift tax to provide for a substantial increase in the tax on amounts above that are reasonably necessary for the support, maintenance, and education of the recipient's family in accordance with the standard of living of such recipient or family; and to use the revenues produced by such increase to provide for an old-age pension fund and unemployment insurance reserves; be it further

Resolved, That properly attested copies of this resolution be transmitted to both Houses of the Congress of the United States, to each Wisconsin Member thereof, and to Hon. Frances Perkins, Secretary of Labor.

C. T. YOUNG,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
R. A. COBBAN,
Chief Clerk of the Senate.

Mr. COPELAND presented a concurrent resolution of the Legislature of the State of New York, memorializing Congress to promptly enact legislation for the abolishment of the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future, which was referred to the Committee on Finance.

(See resolution printed in full when presented by the Vice President on the 5th instant, p. 1898, CONGRESSIONAL RECORD.)

Mr. COPELAND also presented a resolution of the Westchester Realty Protective Association, Mount Vernon, N.Y., favoring the passage of legislation establishing a maximum interest rate of not to exceed 4 percent, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by New York Local Branch of the Catholic Central Verein of America, New York City, protesting against the passage of legislation permitting the dissemination of birth-control information and the transmission through the mails or by express of contraceptive material, which was referred to the Committee on the Judiciary.

He also presented the petition of the Women's International League for Peace and Freedom, of Rockaway Beach, N.Y., praying for the inauguration of more public works, rather than war works, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of Sanitaria Springs and vicinity, in the State of New York, praying for the adoption of the so-called "stop alien presentation amendment" to the Constitution, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Geneseo (N.Y.) Rotary Club, favoring the passage of legislation placing motor carriers operating on the public highways in interstate and foreign commerce under the jurisdiction of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Parents League of New York, N.Y., protesting against the practices of block booking and blind selling in the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the McKinley Square Section, Bronx Division of the American Jewish Congress, New York City, protesting against the persecution of Jews in Germany, and favoring the adoption of Senate Resolution 154 (submitted by Mr. TYDINGS) opposing alleged discriminations against Jews in Germany, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Schenectady County (N.Y.) League of Women Voters, favoring, in the interest of peace, international action of a cooperative nature, such as closer participation in the activities of the League of Nations and World Court rather than unilateral action, etc., which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the board of directors of the Jamaica (N.Y.) Jewish Center, favoring the adoption of Senate Resolution 154 (submitted by Mr. TYDINGS) opposing alleged discriminations against Jews in Germany, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens, being disabled veterans of the World War, of Brooklyn and vicinity, in the State of New York, favoring the adoption of Senate Resolution 154 (submitted by Mr. TYDINGS) opposing alleged discriminations against Jews in Germany, which was referred to the Committee on Foreign Relations.

He also presented a resolution endorsed by the American League Against War and Fascism, of Yonkers, N.Y., favoring the inauguration of more public works rather than war works, which was referred to the Committee on Appropriations.

He also presented petitions of sundry citizens of the State of New York, praying for the solution of all international difficulties by peaceful means, which were referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Schuyler County, N.Y., praying for the making of additional appro-

priation of $1,016,000,000 for the continuance of the C.W.A. program until May 1, 1934, which was ordered to lie on the table.

He also presented a resolution of John J. Welch Post, No. 381, the American Legion, of Niagara Falls, N.Y., protesting against discontinuance of the C.W.A. program on February 1, and favoring its continuation until spring, which was ordered to lie on the table.

REPORT OF THE INTERSTATE COMMERCE COMMITTEE

Mr. DILL, from the Committee on Interstate Commerce, to which was referred the joint resolution (S.J.Res. 74) authorizing necessary funds to conduct investigation regarding rates charged for electrical energy and to prepare report thereon, reported it without amendment and submitted a report (No. 281) thereon.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McGILL:

A bill (S. 2694) for the relief of Anton C. Miller; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 2695) granting an increase of pension to Blaine E. Davis; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 2696) to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

A bill (S. 2697) for the relief of Emma F. Taber; to the Committee on Claims.

A bill (S. 2698) for the relief of James Corcoran;

A bill (S. 2699) for the relief of Simeon Poresky; and

A bill (S. 2700) for the relief of William H. Rouncevill; to the Committee on Military Affairs.

By Mr. GIBSON:

A bill (S. 2701) for the relief of Charles Murphy; to the Committee on Military Affairs.

A bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes; to the Committee on Civil Service.

(Mr. ROBINSON of Arkansas introduced Senate bill 2703, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. DUFFY:

A bill (S. 2704) providing for the advancement on the retired list of the Navy of Frederick L. Caudle; to the Committee on Naval Affairs.

By Mr. PITTMAN:

A joint resolution (S.J.Res. 83) amending Public Resolution No. 118, Seventy-first Congress, approved February 14, 1931, providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; to the Committee on Foreign Relations.

AMENDMENT OF FEDERAL FARM MORTGAGE CORPORATION ACT

Mr. ROBINSON of Arkansas. I ask leave to introduce a bill and have it referred to the appropriate committee, and also to have printed in the RECORD a statement explaining the provisions of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 2703) to amend subsection (b) of section 12 of the act entitled "An act to provide for the establishment of a corporation to aid in the refinancing of farm debts, and for other purposes", approved January 31, 1934, was read twice by its title and referred to the Committee on Banking and Currency.

The explanatory statement submitted by Mr. ROBINSON of Arkansas is as follows:

AMENDMENT TO SECTION 12 (B) OF THE FEDERAL FARM MORTGAGE CORPORATION ACT, PUBLIC, NO. 88, SEVENTY-THIRD CONGRESS, APPROVED JANUARY 31, 1934

Under the provisions of section 12 (b) of the Federal Farm Mortgage Corporation Act recently passed by the Congress, and approved by the President on January 31, 1934, income from bonds of the Federal Farm Mortgage Corporation were exempted from surtaxes. Since the passage of the act, it is the opinion of those who have considered the matter that this exemption should be removed, and that the holders of the bonds of the Corporation should not be accorded greater privileges, with respect to tax exemptions, than those enjoyed by the holders of direct obligations of the United States. Accordingly, an amendment to the act has been prepared, with the approval of the Treasury Department, which would eliminate the exemption of the bonds with respect to surtaxes. It should be stated in this connection that no bonds have as yet been issued under the provisions of the act.

The Farm Credit Administration will offer no objection to the adoption of this amendment.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H.R. 257. An act to authorize full settlement for professional services rendered to an officer of the United States Army;

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 363. An act for the relief of James Moffitt;

H.R. 371. An act for the relief of Peter Guilday;

H.R. 541. An act for the relief of John P. Leonard;

H.R. 588. An act for the relief of Charles C. Schilling;

H.R. 890. An act for the relief of Henry M. Burns;

H.R. 1015. An act for the relief of Frank D. Whitfield;

H.R. 1403. An act for the relief of David I. Brown;

H.R. 1413. An act for the relief of Leonard L. Dilger;

H.R. 1859. An act for the relief of Albert D. Castleberry;

H.R. 2032. An act for the relief of Richard A. Chavis;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 2509. An act for the relief of John Newman;

H.R. 2670. An act for the relief of James Wallace;

H.R. 2743. An act for the relief of William M. Stoddard;

H.R. 3032. An act for the relief of Paul Jelna;

H.R. 3050. An act for the relief of William H. Stroud;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3072. An act for the relief of Seth B. Simmons;

H.R. 3492. An act for the relief of Harry C. Anderson;

H.R. 3553. An act for the relief of Harvey O. Willis;

H.R. 3985. An act for the relief of Charles T. Moll;

H.R. 3997. An act for the relief of Erney S. Blazer; and

H.R. 4423. An act for the relief of Wilbur Rogers; to the Committee on Military Affairs.

H.R. 276. An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.;

H.R. 507. An act for the relief of John Thomas Simpkin;

H.R. 669. An act for the relief of Thomas T. Gessler;

H.R. 1404. An act for the relief of John C. McCann;

H.R. 2021. An act to place Jesse C. Harmon on the retired list of the United States Marine Corps;

H.R. 408. An act for the relief of William J. Nowinski;

H.R. 909. An act for the relief of Elbert L. Grove;

H.R. 2040. An act for the relief of P. Jean des Garennes;

H.R. 2041. An act for the relief of Irwin D. Coyle;

H.R. 2074. An act for the relief of Harvey Collins;

H.R. 2176. An act for the relief of Victor Oscar Gokey;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 2535. An act for the relief of Burton Bowen;

H.R. 2536. An act for the relief of Raymond C. Bogart;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3542. An act to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania;

H.R. 4079. An act to place William H. Clinton on the retired list of the Navy;

H.R. 4266. An act for the relief of David Schwartz;

H.R. 4389. An act for the relief of Sylvester T. Moriarty;

H.R. 4438. An act for the relief of Tony P. De Young, alias Anthony Peter De Young;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga;*

H.R. 5201. An act for the relief of Luke Francis Brennan; and

H.R. 5218. An act for the relief of Felix Maupin; to the Committee on Naval Affairs.

AMENDMENT TO NAVAL CONSTRUCTION BILL

Mr. BONE submitted an amendment intended to be proposed by him to the bill (H.R. 6604), an act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes, which was ordered to lie on the table and to be printed.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY—RESERVATIONS

As in executive session,

Mr. DIETERICH. Mr. President, I present and ask unanimous consent to have printed reservations to the St. Lawrence Deep Waterway Treaty, and give notice that I will offer them at the proper time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The reservations submitted by Mr. DIETERICH intended to be proposed by him to the Great Lakes-St. Lawrence Deep Waterway Treaty were ordered to lie on the table and to be printed, as follows:

RESERVATION

The United States ratifies this treaty with the distinct understanding that the United States Government, by act of Congress or authority delegated by act of Congress, shall retain the right to specify the amount of water to be diverted through the Chicago Drainage Canal to supply the Lakes-to-Gulf waterway: *Provided,* That said amount shall not exceed 10,000 cubic feet per second, except in emergency in which case the withdrawal is to be governed by section 2, article 8, of said treaty.

RESERVATION

The United States ratifies this treaty with the distinct understanding that an investigation be made by the Joint Board of Engineers of the water supply of the Great Lakes above Niagara Falls and of the water supply of the St. Lawrence River above the International Rapids for the purpose of estimating the quantity of water supplying the Great Lakes from watersheds draining into said Lakes from the Dominion of Canada and the quantity of water draining into said Lakes from the watersheds within the United States, and that each of the high contracting parties shall have the right to the use of the waters for power purposes at Niagara Falls and at the International Rapids in proportion to the amount of water supplying said Niagara River and said International Rapids from the said Dominion of Canada and the United States of America. In apportioning the said waters for power purposes at Niagara Falls the United States shall be charged with the diversion through the drainage canal at Chicago supplying the Lakes-to-Gulf waterway and the Erie Canal in the State of New York, and the Dominion of Canada shall be charged with the waters utilized for power purposes in the Welland Canal and whatever diversion might be made in the future from Georgian Bay.

CONSTRUCTION OF NAVAL VESSELS

Mr. DAVIS. Mr. President, I ask unanimous consent to have the editorial entitled "Too Many Churchills", appearing in the Washington Post for February 9, published in the RECORD.

In this editorial attention is called to the recent demand of Lord Churchill that England renounce the Treaty of London, so that she shall be free to build any type of ship she wants. This sounds very much like the "scrap-of-paper" talk which ushered in the World War. However, there is some hope for peace found in the present situation. Today whose who favor a navy-building race, such as is hinted at by Lord Churchill, speak before they act, whereas at the beginning of the World War the combatants acted before they spoke. Perhaps it is true to some extent that a barking dog will not bite. Those who deal out death with their blows do not ordinarily forewarn their opponents before they strike below the belt or cut in to stop the heart.

I believe we should all clearly realize that there is a vast difference between building toward treaty strength, as we now propose to do, and a wild spree of navy building without regard for our international commitments. Under these circumstances let us hold steady to our recognized agreements.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOO MANY CHURCHILLS

Winston Churchill, who was First Lord of the British Admiralty at the outbreak of the World War, said last November: "I have been described as a war monger. It is a lie. I labored for peace before the war, and if the naval holiday I advised had been accepted by Germany, the course of history might have been different."

Despite that tribute to the doctrine of limitation, Mr. Churchill demanded Wednesday in the House of Commons that England denounce the Treaty of London and leave herself free to build any type of ship she wants. Mr. Churchill explained his position by asserting that the failure to secure an arms agreement from Berlin had marked the break-down of the last attempt to limit arms by international agreement.

The present attitude of the former Chancellor of the Exchequer is representative of a great body of sentiment throughout the world. There are Churchills in every country demanding the abandonment of all limitations, even though most are willing to admit that the absence of any form of limitation made initiation of war in 1914 easier.

Against efforts to restore the old doctrine of unrestricted competition, far-sighted minds in every country will rise in opposition. It is one thing to feel that armament up to treaty limitations is desirable and quite another to maintain that all limitations should be removed. The world is now too much of a tinder box to encourage such additional sources of friction as new naval races would provide. The principle of limitation by international agreement, even though only partially successful, is the strongest bulwark yet set up against repetition of the disaster of 1914.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, agreed to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. AYRES of Kansas, Mr. TABER, and Mr. THURSTON were appointed managers on the part of the House at the conference.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. PITTMAN. Mr. President, two orders have been issued with regard to the printing of the record in the matter of the St. Lawrence Treaty. I ask that the order of February 2, to print 100 copies, without illustrations, for the use of the Senate, be rescinded, which would leave the last order in effect.

Mr. LEWIS. Mr. President, will the able Chairman of the Foreign Relations Committee tell us what particular order he refers to when he speaks of "the last order"?

Mr. PITTMAN. Mr. President, the Senator from Nevada will be glad to answer the question.

In an effort to furnish the Senate with this record as soon as possible, and being informed that it would take considerable time to print the maps accompanying the report, the first order was to print it without the maps. The next order, made on February 6, was to print 100 copies with the maps.

Mr. LEWIS. And that has been done?

Mr. PITTMAN. The last order has been complied with, and for the benefit of the Printing Office we do not want the other order outstanding; that is all.

Mr. LEWIS. I have no objection.

The VICE PRESIDENT. Without objection, the first order referred to will be vacated.

CIVIL WORKS ADMINISTRATION APPROPRIATION

Mr. McKELLAR. Mr. President, the conferees appointed on behalf of the Senate on yesterday on the Civil Works appropriation bill (H.R. 7527), included the Senator from Virginia [Mr. GLASS]. He is temporarily absent and asks that another Senator be put in his place. I ask unanimous consent that the Senator from Arizona [Mr. HAYDEN], the next on the committee, may be substituted for the Senator from Virginia.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

LIMITATION OF JURISDICTION OF DISTRICT COURTS

Mr. ROBINSON of Arkansas. Mr. President, I ask that the Chair lay before the Senate the unfinished business of the Senate.

The Senate resumed the consideration of the bill (S. 752) to amend section 24 of the Judicial Code, as amended, with respect to the jurisdiction of the district courts of the United States over suits relating to orders of State administrative boards.

The VICE PRESIDENT. The question before the Senate is the amendment offered by the Senator from Vermont [Mr. AUSTIN].

Mr. JOHNSON. Mr. President, the question presented now is upon an amendment of the Senator from Vermont which, in my opinion as the author of the bill, will render the bill nugatory; and I trust it will be defeated.

Mr. AUSTIN. Mr. President, I should like to make a very brief statement with regard to the amendment. For that purpose may the amendment be stated?

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 10, it is proposed to strike out the period and the quotation marks and to insert after the word "State" the following:

which remedy includes the right of such public utility to a stay of such order pending final adjudication as to the repugnance of such order to the Constitution of the United States.

Mr. AUSTIN. Mr. President, I call attention to the part of the bill which the amendment affects, as follows:

That the first paragraph of section 24 of the Judicial Code, as amended, is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this paragraph, no district court shall have jurisdiction of any suit to enjoin, suspend, or restrain the enforcement, operation, or execution of any order of an administrative board or commission of a State, or to enjoin, suspend, or restrain any action in compliance with any such order, where jurisdiction is based solely upon the ground of diversity of citizenship, or the repugnance of such order to the Constitution of the United States, where such order (1) affects rates chargeable by a public utility, (2) does not interfere with interstate commerce, and (3) has been made after reasonable notice and hearing, and where a plain, speedy, and efficient remedy may be had at law or in equity in the courts of such State."

This amendment will clarify the third condition here stated. It has already been commented that the third condition is a breeder of disagreement and confusion, because it leaves to the court before whom this question arises a discretion in every case. It calls for a decision in every case as to whether there then exists an efficient remedy at law or in equity in the courts of such State.

The amendment proposes to remove from this clause the ambiguity in it; to remove from this clause the opportunity for courts in one State to pass upon the question in one way and courts in another State in another way by definitely providing that if an injunction or stay is had in the courts of the State, that will be an adequate remedy within the meaning of the third provision. In other words, the amendment prevents the utility having a choice of two courts, as has been complained of, and, under the terms of the Federal Code, prevents the Federal courts interfering with the retention of jurisdiction by the State courts.

If the amendment should be adopted, the only difference between the bill in its amended form and the bill without the amendment is that protection will be afforded to all parties pending final adjudication as to whether the new rates ordered are confiscatory. Without the amendment the owners of utilities would suffer irreparable loss. The amendment accomplishes everything that the proponents of the bill desire, except that it precludes the possibility of confiscation occurring and becoming effective pending the decision of the question whether the order was in contravention of the Constitution.

With this amendment in the bill, all that is claimed as merit for the bill will be accomplished and much of the harm which we claim the passage of the bill would create will be removed.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont.

Mr. AUSTIN. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. LOGAN. Mr. President, before we vote on this rather important piece of legislation, I desire to make a few remarks that may be of some interest. I have listened with a great degree of interest to the arguments by the senior Senator from California [Mr. JOHNSON] and the senior Senator from Nebraska [Mr. NORRIS]. There are no two Senators in this body whom I hold in higher regard. I have attempted to follow the argument which has been advanced, and to my mind it does not satisfy.

Before we change procedure that came into existence with the foundation of the Government itself, I believe we should have substantial facts or substantial evidence upon which we might act, and I have failed to hear it.

Two cases have been mentioned over and over. I believe Senators will find in the record, in the evidence given at the hearings, in the speeches or references that have been made to the subject during the last year, the case from Montana and another case from Kentucky mentioned over and over.

I am going to make a statement, and I want the Senator from Nebraska [Mr. NORRIS] and the Senator from California [Mr. JOHNSON] to understand what I say. The Senator from Vermont said that the Montana case was an unusual case. I challenge either of the Senators mentioned to produce another case like it in the United States.

The Senator from Nebraska [Mr. NORRIS] said there were many cases like it. There have been thousands of cases in the Federal courts involving the same subject and the same question; and if another case in the United States could be produced where a decision similar to that in either of these two cases was rendered, the two able and distinguished Senators would certainly have brought it to the attention of the Senate. The reason why they cannot produce another case, the reason why they have been unable to find another case, is that the thing pointed out by those who have argued in favor of the bill cannot happen unless some lawyer is very derelict in his duty. To say that a suit may be instituted in the State courts and prosecuted through all of the State courts, and, when it is finished there, the litigant can go back and start in the Federal courts and go through all of the Federal courts, is a statement that at once convinces me that the two distinguished statesmen have grown gray in the service of their country in Congress, but they have forgotten court procedure.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. Do not the courts hold that the Federal courts and State courts are different sovereignties, that one can proceed in either of them, and no plea is good one against the other?

Mr. LOGAN. I should say to the Senator from Louisiana that perhaps there is enough law to that effect so we may state that there are such cases. But I say now that there has been no case; and I challenge the Senators, before they ask the Senate to accept their argument about that one case and vote to change procedure, that they should at least bring forth the other cases which they say exist.

I do not say that some lawyer may not at times make mistakes. I do not say that it may be that the State courts had no jurisdiction. I do not say that a case could not be dismissed without prejudice and that one could go to some other court, but I do say that the harping continuously on the Montana case, one case out of a thousand, one case out of ten thousand, one case out of hundreds of thousands since the foundation of the Government, and saying that because there was a miscarriage of justice in one case the courts should be denied jurisdiction in similar cases, is not a sufficient argument to satisfy my mind that we ought to pass the bill.

I desire to make a reference to another case. There have been two cases presented here. The other case is the Kentucky case. I happen to have been the attorney in that case; and if that case is as bad as the distinguished Senator from Nebraska thinks it is, perhaps I am not as good a lawyer as I thought I was, because I won my case. I desire to call the attention of the Senate to the statements of the Senator from Nebraska on that question in order to show how far he misunderstands proceedings in court at this time.

The Kentucky case was one, as he very correctly told the Senate, where there was a taxicab company in a small city, not a rich and powerful corporation—oh, no; it was a poor company, so poor that it could not pay the expenses of its attorney or pay him a fee. The money was on the other side. I had to go into the Federal courts in order to get protection for these poor, humble friends of mine. How did I do it? I am going to tell the Senator from Nebraska how it could have been avoided, if he wants to avoid a thing of that kind. That is not a difficult matter.

This little company was incorporated under the laws of the State of Kentucky. The Court of Appeals of Kentucky, which is our highest court, and of which I had the honor to be a member—I was chief justice of that court when I resigned—back in the old oxcart days, far, far back in the past, before there were automobiles, or hard-surfaced roads, or anything of that kind, announced it to be the law that a railroad company had no right to make an exclusive contract with a firm or a company or a man who desired to enter its grounds and solicit passengers to ride with him from the depot up to the hotel or to any other point. The court said that was against public policy.

The Court of Appeals of Kentucky, notwithstanding the decision, never had anything upon which it could be based, no reason for the opinion at all, no reason to say that the railroad company could not use, as it pleased, property it had bought and paid for. But later the court, with a good deal of perversity and pertinacity, adhered to its own opinion.

Let me say to my good friend from Nebraska that I was trying to help the public in Kentucky. I was trying to find some relief from an intolerable situation, and the very fact that the Senator from Nebraska says that he would have agreed with the State court only convinces me the more that he has forgotten what is going on in the States. He has been here too long to know what the needs of the country are so far as simple matters are concerned.

In every depot, at every railroad station in Kentucky, let me say to the Senate, when a traveler got off the train he was besieged by a mob of howling dervishes trying to get him to go riding in a taxicab with them, grabbing the handbags or baggage of men and women and running over them, and there was no way to stop such conditions.

When I looked into the law and found there was no chance in the State court, representing my client, as I thought I had the right to do, I said, "We will go somewhere else." So we dissolved the corporation, reincorporated in the State of Tennessee, and then because the lawyers representing the other fellows thought that one could not get away from the State courts, we made an effort to enjoin others from interfering with the rights we had under the contract. The district court said we were right, the Circuit Court of Appeals for the Sixth Circuit said that we were right, and the Supreme Court of the United States said we were right.

If we had wanted to accomplish the object contended for by the Senators who favor the bill, how could we have done it in that case? It was the simplest thing in the world. For 40 years the legislature had had an opportunity to write an act of one sentence saying that "it shall be unlawful for a railroad company to grant an exclusive privilege to a taxicab company", and then the Federal court would have been compelled to follow the statute as construed by the State court.

There is hardly a question raised here that cannot be settled in that way. We do not have to overturn our courts. We do not have to deny jurisdiction. We do not have to strain the Constitution and probably invade constitutional rights in order to keep out of the Federal courts.

This is the law, as I understand it. The Federal courts will always follow the decisions of the State courts in the construction of statutes and constitutional allegiance in a State, and if the Senators desire to have cases kept out of the Federal courts, the only thing that is necessary is to have the statutes prescribe what they want, and allow the State courts to interpret it.

The reason in the taxicab case for the Federal courts taking jurisdiction was that in matters of general law; that is, where there is no statutory provision, and where there is no constitutional provision, but it is a matter of general law, the Federal courts do not consider themselves bound by any decisions of the State courts.

Let us go just a little farther. Let us see what we would be doing when we passed this bill, if we should pass it. I sometimes have entire sympathy with what is sought to be accomplished by legislation, but realize that we are going about it in the wrong way. There is no attack on the power companies. That is a smoke screen. It is not an attack on the power companies, as was so ably argued by the senior Senator from Nebraska. It could not be. If there has been delay, and if there has been corruption and fraud, it is the courts that are responsible, and not the power companies. If the courts delay justice, if the courts prevent justice, then it follows as a matter of course that the attack is upon the courts, and not upon the litigants in the courts.

Let us see, then, whom we would be attacking if we passed this bill. In the first place, we would attack the district judges throughout the United States. I desire to take this opportunity to say that in my humble judgment we are apt to have in district Federal judges as good citizens, men of as high standing, as high character, and as loyal to their country, as we have in our State courts. Why should that not be true? Do we believe that the Senators of the United States deliberately recommend to the President of the United States for appointment men who will go out to play the tyrant and deny justice to the people? That is what we would say if we passed the bill. We would say that our Federal courts are a harbor, that they are a haven of safety for those who desire to prevent justice. That is what we are asked to say, Senators, when we are asked to vote for this bill.

We are asked to say that the Federal district courts are composed of men who cannot be depended upon, that our judicial system is corrupt. We will go even further than that if we shall pass this bill, let me say, for we shall be saying that Senators of the United States, who recommend those who are to be appointed judges to try cases involving power and other utility companies, including railroad companies, have so far forgotten the rights of the people that they recommend only men who will delay justice and be against the people and favor the utilities.

Not only that, but we have a Judiciary Committee here, made up of rather distinguished Senators, and we have a Senate that is called upon to confirm these appointments. Yet we say to the world that the Senate of the United States confirms men who will not do justice to the citizens of their respective States. It is going a long way when we undertake to condemn not only the judges but the Senators who recommend their appointment, and also the Senate as a body; and we go farther than that, for we say that the President of the United States appoints men and places them in positions where they almost universally deny

justice, if it be a question of a public-utility company on one side and a question of the people on the other. I do not believe that we ought to do a thing of that kind; I do not believe we want to do a thing of that kind, because I do not believe that there is a single Member of the Senate who believes, generally speaking, that the judges of the United States district courts are corrupt; and, if they deny justice to those who need it most, it follows, as a matter of course, that they are corrupt.

Now let me invite attention to another consideration. I refer to all this talk about having two forums and compelling people to go into two courts. I do not want to detain the Senate long enough to make any remarks about that, but I wish to say that will not do at all; there is nothing to that contention. Let me make this statement: Oftentimes in our State courts—in fact, usually—I believe the judges are elected. In many of the States the names of the judges appear on the ballot along with the names of other candidates for political offices that are to be filled at the same election. I have seen men elected judges in districts where the chief issue was whether power rates should be reduced, whether telephone rates should be reduced. I know of one State where the question has been a live one for years. A circuit judge is elected along with other officials when the issue is whether utility rates shall be lowered; never is the issue whether those rates shall be increased.

I do not say that the circuit judges in our State courts do not accord justice when they have the opportunity to do so; I believe that our State courts are honest and conscientious; but, as plain thinking men, as citizens of a great Republic, as citizens as well as Senators who desire to uphold the integrity of our courts, are we going to say that men whose terms of office are perhaps limited to 4 or 6 years, and depend upon elections held by the people, because of that fact, are more honest and better qualified than are judges appointed by the President of the United States and confirmed by the Senate of the United States? I do not believe it. I believe that the Federal judge, on the average, is a far better qualified man than is the inferior State court judge; I believe that the Federal judges are as honest, and I believe that they are as fair.

Now, let me challenge some more statements that have been made. It has been said that if we make this change it will expedite the business of trying suits where the people are arranged on one side and the utility companies on the other. I deny it, and no one has brought any information here that should convince any Senator that such a contention is true. A mere assertion is not proof. I say that the wheels of justice in the Federal courts are geared to a much higher speed than are the wheels of justice in the State courts. Senators may examine the record—any of them who are sufficiently interested may get the information—and they will find that such cases as we are talking about are tried more speedily in the Federal courts than they are tried in the State courts. The last opinion I wrote before I came to Washington, and probably the last one I shall ever write, was a decision in a tax case where the State was proceeding to collect money in taxes from a railroad company.

I found that the case was filed in 1918, and, as I recall, I wrote the opinion in 1930 in the State court. With the State primarily interested, it took 11 or 12 years before that case was decided. Even the Montana case, which has become as famous in law as Man-of-War was famous as a race horse, according to the last heard of it, had only been pending for 6 years. I mention this fact to show those who are interested in the question on what little evidence we are asked to overturn the existing order and deny this jurisdiction granted to the district Federal courts in 1879. I state again that we shall get much more expeditious service, we will reach the end of cases in the Federal courts, as conditions are today, quicker than we will reach the end in the State courts.

Does litigation cost a great deal more in the Federal courts? Oh, no; there is no difference in that respect. I am not speaking as one who does not know what he is talking about. I will remind the Senate that I practiced law not only in my State but in other States, and not only in State courts but in the Federal courts, and I know what I am speaking of when I say that the cost in the Federal courts is not any greater than it is in the State courts. We cannot afford to dwell alone upon the things that are bad in any system and, because they keep on coming into our mind, destroy the entire tree because, perchance, it has a dead limb or a dead branch.

There is another consideration which I desire to mention in addition to the question of cost. I think that under our present Federal judiciary system we can find a place to try our cases without going very far. It was quite a problem in the old days, when there were no good roads, and the Federal courts probably met only at one place in a State, but they meet now all over a State; their meeting places are almost as numerous as are those of the State circuit courts. I do not know how it is in the West, but I do know that today in the South and in the Central States the Congress, time after time, has provided the places where Federal courts shall be held. Every town wants a court held there because eventually it will get a Federal building, and since the P.W.A. and the C.W.A. have started, I expect we will have many requests for new Federal buildings, and, perhaps, some of them are being erected. I do not know as to that.

Mr. President, I should like to refer to another matter that has been argued here, and which involves, I think, a plain mistake and the drawing of wrong conclusions. It is said that if we take these cases away from the Federal courts it will relieve the congestion in those courts. We do not need now to relieve any congestion there. Since prohibition has been repealed the Federal courts are not going to have very much to do; but let me remind Senators that the State courts are more burdened with business and are more congested than are the Federal courts; and if we transfer this jurisdiction entirely from the Federal courts to the State courts we are but increasing the burden of the State courts. There is no reason that I can see why we ought to increase the burden on the State courts when, to my certain knowledge, in nearly every State in the Union—I dare say there is hardly an exception—all of the highest courts of the respective States are much further behind in their work than is the Supreme Court of the United States. The Supreme Court of the United States is more nearly up with its work than is any State court of which I know.

Here is another matter to which I would call attention, and I think it most important. We very well know, notwithstanding what may be said by the eminent Senator from Nebraska or the eminent Senator from California, that if a man has a right to go to a Federal court he is going there and we cannot keep him out of it. He may be delayed for a while, but if he has a good lawyer, if the laws have been construed more favorably to his client in the Federal court than in the State court, and if he has a constitutional right to be protected which he thinks can be better protected in the Federal court than in the State court, he will go to the Federal court.

What happens? It is admitted, as I understand, that there is nothing to prevent the carrying of a case to the Supreme Court of the United States from the State courts. If we deny a lawyer the right to go into the Federal court in the beginning, and he thinks there is a Federal question that must be determined, we will find him coming to the Supreme Court of the United States until the burdens of that Court will be increased so that it will be unable to keep up with its work.

Mr. President, there are, of course, many other reasons why this bill ought not to be enacted. I am trying to talk about the facts, and now I want to call attention to the Constitution. The Senator from Nebraska talks right smart about constitutional lawyers—I mean privately, not in the Senate—and he does not think that lawyers ever agree about the Constitution. I do not believe there can be very much difference among lawyers on the point that we are now discussing. I am willing to concede, as I must concede, that under the opinion of the Supreme Court in the case referred

to by the Senator from California the Congress, if that opinion is the law and is to be upheld, has the right to do what it pleases as to the jurisdiction of the Federal district courts. That is what the Court held in the case——

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Texas?

Mr. LOGAN. I do.

Mr. CONNALLY. I was prompted to ask that very question a while ago—

Mr. NORRIS. Mr. President, I should like to hear the conversation, and I hope we may have order, so that we can hear the interruption and the reply.

The VICE PRESIDENT rapped with his gavel.

Mr. CONNALLY. I was just going to ask the Senator a question on the point he is now raising. Unless the jurisdiction of a Federal court is fixed by the Constitution itself, Congress may change or limit that jurisdiction. That is correct, is it not?

Mr. LOGAN. Yes; that is correct, certainly. I desire to say, however, that the case of Kline against Burke Construction Co. is a strange case, and it appears to have been written by the Supreme Court when it had overlooked certain constitutional provisions. It is in conflict with other cases on the same subject. It is apparently in conflict with the provisions of the Constitution.

I think there are two kinds of inferior courts. There are what we call legislative courts, such as the Court of Claims, the Tariff Commission and other commissions, and the Court of Customs Appeals. Legislative courts, of course, are limited in their jurisdiction by the act of Congress.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Louisiana?

Mr. LOGAN. I yield.

Mr. LONG. I hope the Senator is not going to exclude our Federal courts from the category of legislative courts?

Mr. LOGAN. I am.

Mr. LONG. He will make a big mistake if he does that, because the Supreme Court of the United States wrote the rule of reason into the antitrust law——

Mr. LOGAN. I am talking about what the law is.

Mr. LONG. They announced the law.

Mr. LOGAN. The Constitution provides it. The Supreme Court has said there are legislative courts that are different from those mentioned in the Constitution. Let me tell the difference. It is very simple. Courts created under the general power of the Congress to enact laws, to carry into effect the provisions of the Constitution, are legislative courts. Courts that are created under article III of the Constitution, under the authority of the Constitution itself, which vests a judicial power in the Government, are constitutional courts and they are as distinct from legislative courts as it is possible for one thing to be from another.

There is no difference, so it seems to me—and remember that I have said that the Supreme Court has held differently in the Kline case—in the jurisdiction of the inferior Federal courts and the Supreme Court of the United States. The judicial power was created by the adoption of the Constitution, and the provision read in this way:

> The judicial power of the United States shall be vested in one Supreme Court—

But it did not stop there—

> In one Supreme Court and such inferior courts as the Congress may from time to time ordain and establish.

So the judicial power found in the Constitution is vested in one Supreme Court and such inferior courts as Congress may create, and when it creates any inferior court under article III of the Constitution the judicial power of the United States vests in that court so created, and no power on earth can keep it from vesting.

The judicial power invested in the inferior court is broader than that vested in the Supreme Court of the United States because the Supreme Court has only a limited jurisdiction. The questions over which it has jurisdiction originally are mentioned in the Constitution itself, and because of that fact the inferior courts have a broader jurisdiction than has the Supreme Court.

Let us reason about this subject for just a moment. It is rather simple, it seems to me. The Supreme Court has appellate jurisdiction over inferior courts. If we say that we can limit the original jurisdiction of the inferior courts, then, of course, we limit the appellate jurisdiction of the Supreme Court of the United States, and no Senator here will contend that we can do anything of that kind. If we say that we can take away from a Federal district court the judicial power vested in it by Congress or that we can limit that judicial power, it follows, as a matter of course, that we can take from the Supreme Court of the United States its appellate jurisdiction.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Texas?

Mr. LOGAN. I yield.

Mr. CONNALLY. I want to suggest to the Senator from Kentucky that the constitutional provision is "such inferior courts as may be created by the Congress."

Mr. LOGAN. If that were true, we would have no difficulty. It happens to be an error of statement.

Mr. CONNALLY. I thought I was quoting the Senator's own language.

Mr. LOGAN. The language is "as it may from time to time ordain and establish."

Mr. CONNALLY. Yes.

Mr. LOGAN. But it says "the judicial power shall be vested." It does not say we must so vest the inferior courts.

Mr. CONNALLY. I know. It says such courts as Congress may create. Does or does not the power to create a court include the power to define or to necessarily limit its jurisdiction? Does not creation imply the right to determine upon what the court shall pass? I am asking for information.

Mr. LOGAN. The Senator might satisfy himself, but he could not satisfy me with a statement of that kind.

Mr. CONNALLY. Let me make myself clear. I am not undertaking to determine the question. I have high regard for the Senator's eminent legal and judicial ability, and I am addressing myself to him more to attract him to a discussion of that question rather than to assert any positive attitude on the part of the Senator from Texas. I want the benefit of the Senator's eminent legal ability.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Kentucky a question in order to understand his viewpoint?

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. LOGAN. Certainly.

Mr. ROBINSON of Arkansas. Is it not true that the jurisdiction of the inferior courts is defined by acts of the Congress and is not defined in the Constitution itself?

Mr. LOGAN. I think the Senator is in error and I think I can convince him if he will listen for a moment. There is such a thing as a judicial power in the United States Government. Nobody denies it.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield at that point?

Mr. LOGAN. Certainly.

Mr. ROBINSON of Arkansas. Judicial power and jurisdiction are almost entirely different subjects matter.

Mr. LOGAN. That is correct.

Mr. ROBINSON of Arkansas. The Senator, of course, recognizes that fact. The Federal district court has only such jurisdiction as is defined by the Judiciary Act and amendments thereto. It is perfectly competent for Congress to modify that act. It has done that perhaps 100 times. It is also competent for Congress to repeal the act. Merely because the Constitution confers judicial power on the Supreme Court and such inferior courts as Congress may from time to time establish, I cannot understand how it can be contended that having once established a court and defined

its jurisdiction Congress can never modify that jurisdiction or repeal it.

Mr. LOGAN. I do not contend that, may I say to the Senator. The Senator from Arkansas is bringing on a new argument, and that is the only basis on which the constitutionality of the measure could be upheld—that is, to asseverate the judicial power and jurisdiction—and upon that I think the Supreme Court might uphold the power to limit jurisdiction. In fact, I only say that the bill is of doubtful validity. I do not say that it is unconstitutional.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator another question?

Mr. LOGAN. Certainly.

Mr. ROBINSON of Arkansas. If the legislative department had not made the distinction as to citizens of other States in defining the jurisdiction of the Federal court, the right of the citizen of another State to sue in the Federal court never would have existed, would it?

Mr. LOGAN. I cannot agree to that.

Mr. ROBINSON of Arkansas. Does the Senator mean to say that under the judicial power jurisdiction, because of diversity of citizenship, was vested in the Federal court?

Mr. LOGAN. I think so.

Mr. ROBINSON of Arkansas. The Supreme Court, as the Senator must know, in the case to which he has already referred, held that the right of a litigant to maintain an action in a Federal court on the ground that there is a controversy between citizens of different States is not one derived from the Constitution of the United States unless in a very indirect sense.

Mr. LOGAN. Yes; I know the Court said that, but I think the whole opinion was written when they were nodding a little bit. [Laughter.] If that opinion is sound law, then we can do what we please—we can abolish the judicial power almost in its entirety.

Mr. ROBINSON of Arkansas. I accept the Senator's challenge on that point as to a question of law. It is competent for the Congress to abolish every district court in the United States.

Mr. LOGAN. The Senator can go farther than that. If we can do that, we can abolish the Supreme Court of the United States.

Mr. ROBINSON of Arkansas. Certainly not. I said every Federal district court.

Mr. LOGAN. I say, if we can abolish the Federal district courts, then we can abolish the Supreme Court of the United States.

Mr. ROBINSON of Arkansas. Oh, no; because the Supreme Court is established by the Constitution, and the Federal district court is established by law, which the Congress may repeal or modify whenever it chooses.

Mr. LOGAN. I take a different view of it. My idea is that Congress has no more right to fail to establish inferior Federal courts than it has to fail to confer power upon the Supreme Court. We must establish those inferior courts. We must establish those inferior courts, because the Constitution has said that the judicial power is vested in them, and there is a part of the judicial power that cannot vest anywhere else except in inferior courts. Therefore, if we are going to carry out the mandate of the Constitution, it is absolutely necessary and just as imperative that the Congress——

Mr. ROBINSON of Arkansas. Mr. President, let me interrupt the Senator. The provision in the Constitution for the establishment of inferior courts is not self-executing. The Senator must admit that. The Congress, in its discretion, may establish such inferior courts as it chooses or may establish no inferior courts. The mere fact that the Constitution gives the Congress the power to establish inferior courts does not compel the Congress to exercise that power.

Mr. BARKLEY. Mr. President, will my colleague yield?

The PRESIDENT pro tempore. Does the junior Senator from Kentucky yield to his colleague?

Mr. LOGAN. With pleasure.

Mr. BARKLEY. Is it my colleague's contention, while the Constitution, in defining the three branches of the Government—legislative, executive, and judicial—says that the judicial power shall rest in a Supreme Court and such inferior courts as may be established from time to time by the Congress, that the Congress could have refused to establish the Supreme Court by failing to enact any law defining its membership or its qualifications?

Mr. LOGAN. Perhaps that is true if we make the distinction between powers. If judicial power is not inherent in the Court and if it requires some legislative enactment to cause it to move, to make it alive and bring it into existence, then it is true we could absolutely leave the Supreme Court without any jurisdiction to determine anything.

Mr. BARKLEY. If Congress in establishing these courts and fixing their jurisdiction should say that, notwithstanding diversity of citizenship, no cause of action involving less than $3,000 should be removed from a State court into a Federal court, could we likewise limit the jurisdiction of the Federal courts with reference to other matters not involving amounts of money?

Mr. LOGAN. That point is very well made. The fact that we have—and it has been accepted—limited the amount involved or stated the amount to be involved before there could be a transfer has indicated rather that we may limit the jurisdiction of the Federal district courts.

Here is the conclusion we reach if we follow the argument of the Senator from Arkansas—that if we have judicial power, we can have courts in which that judicial power is vested, but we can take away from those courts all jurisdiction and they become stagnant and able to do nothing. That is what is led to by the argument of those who favor limiting jurisdiction on constitutional questions.

Mr. BARKLEY. I am not arguing the merits of the bill but merely the legal question raised by my colleague. We have to keep in mind as a matter of law that the Constitution was seeking to divide the Government into three branches—legislative, executive, and judicial. It said the executive should consist of the President, and so on; that the legislative should consist of two branches, a House of Representatives and a Senate; and that the judicial should consist of the Supreme Court and such inferior courts as might be established. There was no attempt to say in the Constitution that all judicial questions that might arise among citizens of the country should be taken before either the Supreme Court or the inferior courts, but that such judicial power as the United States exercised as a Federal Government should be exercised by a Supreme Court and inferior courts.

Mr. LOGAN. I will read to the Senator what the Constitution does say about it, and I think he will see that he is in error.

In addition to the particular clause to which the Senator refers, the Constitution provides:

> The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. * * *

Reading the next section:

> The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority—to all cases affecting ambassadors, other public ministers and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be a party; to controversies between two or more States; between a State and citizens of another State; between citizens of different States; between citizens of the same State claiming lands under grants of different States; and between a State, or the citizens thereof, and foreign States, citizens, or subjects.

What does that mean? That the judicial power is vested in these courts when they are created. If we have a court, it has all of that power vested in it. If it be said that we can take away from the courts their jurisdiction, of course, we can take all of that power away from them and leave them without anything; and if Congress undertakes to say that the Constitution does not mean anything when it says that a suit between my friend from Texas here and myself

may be tried in the Federal court, if Congress can say it shall not be tried there, it absolutely destroys this provision which says that the judicial power shall extend to these very cases.

Mr. CONNALLY. Mr. President——

Mr. LOGAN. I yield to the Senator from Texas.

Mr. CONNALLY. In connection with what is suggested by the senior Senator from Kentucky [Mr. BARKLEY] I desire to ask the junior Senator from Kentucky a question.

Conceding his contention as to the second section of article III, which reads—

> The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States—

And so forth.

Does that necessarily imply that the Congress has no power to determine the difference between the jurisdiction of the Supreme Court, we will say, and the inferior courts?

In other words, suppose we limit the jurisdiction of a district court. If a citizen had a Federal question in his case, could he not still appeal from the State court to the Supreme Court, and would he not have a right to have that question finally determined there, and would not that meet the point which the Senator raises?

Further, let me ask the Senator this question:

Section 1 of article III says:

> The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish.

Is it not true that all that means is that whatever judicial power the United States exercises shall be vested in the Supreme Court and in such courts as Congress may ordain and establish? In other words, under that section, suppose Congress never had ordained a single district court, the Supreme Court being a constitutional court, could not citizens bring their controversies from the State courts finally to the Supreme Court, if the Supreme Court could be shown that any of their rights under the second section of article III were infringed?

Mr. LOGAN. I call the Senator's attention to the fact that the judicial power of the United States is vested in Federal courts and not in State courts. Therefore, a State court, in passing on the questions mentioned here in the Constitution, would not be doing so under any authority that may have been granted by Congress, but under the authority granted by the States. So we in effect force the Supreme Court to take jurisdiction of a matter that has never been tried in one of the inferior courts which Congress was to establish. We are making a nisi prius court out of the Supreme Court of the United States, and I mentioned that a while ago as one reason why the bill should not be passed.

Let me say in conclusion, however, that I do not base my opposition to the bill solely upon the constitutional question. I am against the bill because I think it shows a disposition toward our courts that is unfair. I do not believe the bill will accomplish any of the purposes that are intended. I do not think there have been the abuses which have been pointed out, although there have been some abuses. I readily understand that. We never can make honest men of judges, however, if they happen to be dishonest, by passing some law limiting their jurisdiction.

This bill, if it should be enacted, will not bring any relief to anyone in any manner whatever. I do not think we are justified in going back and changing the procedure of courts that came into being with the Republic itself just in order to experiment, or because some case in Montana went wrong, or some case in Kentucky went wrong. I do not think we ought to place a stigma upon our courts and upon our other public officials by passing a bill which will grant no relief.

If the bill granted any relief, if it gave the people any rights, if it helped anybody, I can very readily see why we might well pass it; but all that has been said by the distinguished Senators who have argued for the enactment of the bill, everything that they have urged, has been without any facts to support it other than a case from Montana which was held up as a horrible example, and a case from Kentucky which was likewise held up as a horrible example. As to the assertion that the bill will save cost, nobody has brought anything here to show that it will save cost. As to the assertion that it will expedite the business of the courts, nobody has brought any facts here to establish that it will expedite their business. I think no reasons have been advanced why we should enact the bill, leaving out the matter of the Constitution.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

Mr. AUSTIN. Mr. President, pending a vote on the bill, I make the point of no quorum.

The PRESIDENT pro tempore. The bill has been passed.

Mr. AUSTIN. I was on my feet addressing the Chair at the time.

The PRESIDENT pro tempore. The Senator did not address the Chair before he made the announcement. Several Senators were on their feet. The Chair regrets, however, that he did not know the Senator from Vermont desired recognition.

Mr. FESS. Mr. President, I think everybody would be better satisfied if we could have the passage of the bill vacated, and have the question put over again.

Mr. JOHNSON. Mr. President, under the circumstances, if the Senator from Vermont wishes a quorum, I shall not insist upon the action standing.

The PRESIDENT pro tempore. The action of the Senate in passing the bill can be vacated by unanimous consent.

Mr. JOHNSON. Because of the situation in which the Senator from Vermont found himself, and what he says, I ask that the action of the Senate in passing the bill may be vacated, and that the Senator may call for a quorum.

The PRESIDENT pro tempore. By unanimous consent, the order is vacated.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Robinson, Ind.
Ashurst	Couzens	King	Russell
Austin	Cutting	La Follette	Schall
Bachman	Davis	Lewis	Sheppard
Bailey	Dickinson	Logan	Shipstead
Bankhead	Dieterich	Lonergan	Smith
Barbour	Dill	Long	Steiwer
Barkley	Duffy	McAdoo	Stephens
Black	Erickson	McCarran	Thomas, Okla.
Bone	Fess	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Brown	Frazier	McNary	Townsend
Bulkley	George	Murphy	Trammell
Bulow	Gibson	Neely	Tydings
Byrd	Goldsborough	Norris	Vandenberg
Byrnes	Gore	Nye	Van Nuys
Capper	Hale	O'Mahoney	Wagner
Caraway	Harrison	Overton	Walsh
Carey	Hatch	Patterson	Wheeler
Clark	Hayden	Pittman	White
Connally	Hebert	Pope	
Coolidge	Johnson	Reed	
Copeland	Kean	Robinson, Ark.	

Mr. LEWIS. I desire to announce that the Senator from Virginia [Mr. GLASS] is absent because of illness, and that the Senator from North Carolina [Mr. REYNOLDS] is unavoidably detained from the Senate.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to the roll call, there is a quorum present.

Are there further amendments to be proposed?

There being no further amendments, the question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

NAVAL APPROPRIATIONS

Mr. BYRNES. Mr. President, I move that the Senate proceed to the consideration of the bill, H.R. 7199, making appropriations for the naval service for the fiscal year 1935.

The motion was agreed to, and the Senate proceeded to consider the bill (H.R. 7199) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1935, and for other purposes.

Mr. BYRNES. I ask that the formal reading of the bill be dispensed with and that the bill be read for amendment, the committee amendments to be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will state the first amendment of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Bureau of Navigation", on page 7, line 22, to increase the appropriation for maintenance, etc., of the naval training station at Newport, R.I., from $46,813 to $196,813.

The amendment was agreed to.

The next amendment was, on page 7, line 23, to reduce the appropriation for maintenance, etc., of the naval training station at Great Lakes, Ill., from $227,503 to $38,773.

The amendment was agreed to.

The next amendment was, on page 9, line 15, after the word "Navy", to strike out "$1,323,798" and insert "$1,285,073", so as to read:

In all, training, education, and welfare, Navy, $1,285,073.

The amendment was agreed to.

The next amendment was, on page 16, at the end of line 15, to reduce the total appropriation for the Bureau of Engineering from $15,564,127 to $15,553,800.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. BYRNES. I yield.

Mr. KING. I venture the assertion that there are many Senators who have not had an opportunity to examine the bill. I should like to have the Senator in charge of the bill kindly advise us as to any material changes in existing law and any increases over the preceding year, and what changes generally or specifically are made by the bill.

Mr. BYRNES. Mr. President, there are no legislative provisions in the bill. As reported to the House, the bill contained no legislative provisions, and as reported by the Senate committee it contains no legislative provisions.

The increases reported by the Senate committee total $115,440. That amount is due almost entirely to one proposal, which provides for the opening of the Newport Naval Training Station.

There is one item of increase in the provisions for the marine service, an increase in the amount available for the transportation of troops, amounting to $55,000. When that $55,000 is added the amount recommended to be appropriated is approximately $80,000 under the amount estimated for that purpose by the Budget.

Mr. KING. Mr. President, will the Senator further yield?

Mr. BYRNES. I yield.

Mr. KING. Is there any increase in the personnel of the Marine Corps?

Mr. BYRNES. There is no increase as reported by the Senate committee.

Mr. BORAH. Mr. President, what is the number of the bill?

Mr. BYRNES. H.R. 7199, the naval appropriation bill.

Mr. KING. May I ask the Senator before he continues, Mr. President, if he will kindly answer the question as to whether the number in the Marine Corps is increased?

Mr. BYRNES. As I understand the estimate of the Budget, it did not provide for an increase, and there is no increase recommended by the Senate committee over the amount agreed to by the House. The amount provided by the House would permit an increase of 1,000.

Mr. KING. May I ask the Senator whether there are any commitments in the bill for capital ships at a later date, or for replacement of capital ships?

Mr. BYRNES. No. Those authorizations are contained in the bill which has been reported from the Naval Affairs Committee and is now on the Senate Calendar. The pending bill contains absolutely no authorization as to ships. It provides only for funds for carrying on the construction of ships now authorized. That amount is approximately $41,000,000, as I recall it.

Mr. KING. May I ask the Senator if there was any provision for any appropriation for the construction of dirigibles.

Mr. BYRNES. No; there is no appropriation for that purpose.

Mr. VANDENBERG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. BYRNES. I yield.

Mr. VANDENBERG. Will the Senator explain to me why the item for the maintenance of the Great Lakes Training Station in Illinois is reduced to practically a negligible point? Is that in connection with a policy to disband the activities at the Great Lakes?

Mr. BYRNES. No. I will explain that situation to the Senator. At the Great Lakes Training Station during the last year and the year previous no recruits have been trained. That is also true of the Newport Training Station. There is no estimate in the Budget for the opening of the Great Lakes Training Station for the training of recruits. The House, however, added an amount referred to by the Senator in the item just adopted, and if that item is included it would necessitate increases in other items amounting to approximately $475,000. The committee determined that if an additional station is to be opened the Newport Station should be opened, because of the fact that its opening would necessitate an expenditure of not to exceed $225,000. We were informed there were no hospital facilities at the Great Lakes Training Station, and if that station were opened at this time it would necessitate the furnishing of hospital facilities at a cost of something more than $100,000 and necessitate a total increase of approximately $475,000.

The result of the action of the Senate committee is to provide an appropriation for the training of recruits at Newport. It does not provide for the training of recruits at the Great Lakes training station. Both items will then go to conference, and the conferees will have to determine whether either one of the two items will be retained in the bill.

Mr. VANDENBERG. Are there any training centers other than on the seaboard?

Mr. BYRNES. No; not at this time. The question of transportation, which I assume the Senator has in mind, is not a vital one, the officials of the Navy Department calling attention to the fact that no matter where a man is trained, he must be transported to either the Atlantic Ocean or the Pacific Ocean to be placed upon a ship. So far as the Department is concerned, they state that they have ample facilities at this time for the training of the recruits who they anticipate will be trained during the coming year.

Mr. VANDENBERG. So far as actual training is concerned, I apprehend that is true. The only thing I have had in my mind is that the Naval Reserve finds one of its greatest reservoirs of support in the Great Lakes Basin and in the tributary area, and it has constantly been urged upon me that it is a serious error in public policy to discourage the interest and activity not only of the Naval Reserve but of related naval interests throughout the great central section of the country. It would seem to me, from looking at the bill, as though the House of Representatives had concluded that if there is to be another station opened it should be in the central part of the country on the Great Lakes, and not another station on the seaboard, whereas it would seem to me that the Senate committee had concluded that if there is another station to be opened it should again be on the seaboard and not in the central portion of the country. Would that be a fair interpretation?

Mr. BYRNES. That is a fair statement of the facts, if not of the motives impelling the change in the bill. The committee considered the fact that the Great Lakes Training Station is now closed and the Newport Training Station is now closed and decided that if one were to be opened, and it cost only $225,000 to open the Newport Training Station, that it would be more advisable to open that one than to open the Great Lakes Station, which would cost, as I said, approximately $475,000 to open.

I repeat, that the position of the Department is that the two stations they have, one at San Diego and one at Hampton Roads, are sufficient for their needs for the recruiting that they anitcipate will be had during the next year. They state at this time, of course, that which we all know, that there is no difficulty in securing recruits; that men have been reenlisting, and that in their opinion it would not be necessary to open another station.

Mr. VANDENBERG. Then why does the committee propose to open any new station?

Mr. BYRNES. It is discretionary as to whether they will open any; but I will say to the Senator from Michigan that my personal view is that neither one should be opened. By reason of the action of the Senate it will go to conference with the Senate advocating Newport and the House advocating Great Lakes, and that question can then be determined.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. BYRNES. I yield.

Mr. KING. In view of the criticism leveled against the manufacturers of airplanes concerning the production of airplanes, and the fact that so many of those, it is alleged, now owned by the Government for military and naval purposes, are practically valueless, I was wondering whether the committee gave attention to the question of seaplanes.

Mr. BYRNES. No; the committee gave no attention to the construction of planes, because the bill, as I said, contained no legislative provisions. The bill which has been reported by the Naval Affairs Committee I understand has some provision with reference to the construction of planes, where properly that question should be discussed. But this bill provides for no new construction. It does not purport to authorize such construction.

Mr. KING. I may say that I find an item on page 36 of $18,643,320 to cover the expenditures of the Bureau of Aeronautics, and the greater part of that is for the construction of new airplanes.

Mr. BYRNES. It "shall be available for the payment of obligations incurred under the contract authorization carried in the Navy Appropriation Act for the fiscal year 1934." That is the construction, but it does not authorize new construction. It provides funds for ships heretofore authorized.

Mr. KING. I find on the same page:

For new construction and procurement of aircraft and equipment, spare parts, and accessories, $6,131,000, of which amount not to exceed $2,400,000 shall be available for the payment of obligations incurred—

And so forth.

The point I am trying to make is this: General Mitchell, in his testimony yesterday—and I think his testimony reflects the views of some of the experts in aeronautics—indulged in a very serious criticism of our airplane policy. He stated that the greater number of airplanes owned by the Government—by the War Department, particularly—were practically valueless. I was wondering what has become of the enormous sum, several hundred millions of dollars, appropriated during the past few years for aircraft of the Army and the Navy.

Mr. BYRNES. Of course, if the General is correct, that would be justified. That certainly is not the opinion of the experts of the Navy Department and the best minds that we have in the Department, and personally I do not share the view of the General, if that be an accurate quotation of his views, that we have wasted this money. From my observation, so far as the Navy is concerned, they have done remarkable work in the development of aviation and in the development of fighting planes. I do not believe that his statement is justified by the facts in the case.

Mr. KING. Mr. President, I submit an observation which is scarcely pertinent to this bill, but there ought to be a department of aviation, and the Aeronautical Service, both of the Army and the Navy, ought to be under one head instead of there being a division with multiplied officers, offices, and so forth, all of which makes for inefficiency as well as increased expenditure.

Mr. BYRNES. Of course, the Senator knows that it is quite a big question and one which has been discussed for some years, but, inasmuch as we are strictly confining this bill to appropriations and not to legislation, I know the Senator would not want to have us legislate on that subject in this measure.

Mr. KING. I agree with that observation.

Mr. DUFFY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Wisconsin?

Mr. BYRNES. I yield.

Mr. DUFFY. I am not able to understand the situation with reference to the Great Lakes Naval Training Station. As I understood the Senator, the naval authorities say they do not need that station there?

Mr. BYRNES. That is correct.

Mr. DUFFY. The committee, however, suggests that an appropriation be made for the Newport station. Why did they not just strike out the appropriation for the Great Lakes station instead of transferring it to another station?

Mr. BYRNES. As I have stated, the Navy Department did not recommend the opening of either station. The House Appropriations Committee recommended the appropriation for the opening of the Great Lakes Naval Training Station. The Appropriations Committee of the Senate, after quite an extensive hearing, took the opposite view and determined that the Newport station should be opened and not the Great Lakes Training Station. I was giving to the Senate the information that I thought was proper—that, so far as the Department was concerned, they did not advocate the opening of either station, nor was there any estimate submitted by the Bureau of the Budget for the opening of either station. By the action of the Appropriations Committee of the Senate, it was recommended that for the Great Lakes Station an appropriation be made of $38,778, which would merely cover the maintenance of the station, so that if at a later date it was determined that it should be opened it could be opened, but no more than maintenance would be provided by the $38,778.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 18, at the end of line 14, to increase the total appropriation for the Bureau of Construction and Repair from $13,688,333 to $13,709,600.

The amendment was agreed to.

The next amendment was, on page 20, at the end of line 4, to increase the total appropriation for the Bureau of Ordnance from $10,546,152 to $10,546,600.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts", on page 21, line 3, after the word "pay", to strike out "$27,515,049" and insert "$27,634,522"; in line 4, after the word "exceed", to strike out "$1,170,297" and insert "$1,289,770"; in line 6, after the word "observers", to insert a comma and "except not to exceed 56 gunnery observers"; and in line 10, after the words "in all", to strike out "$36,615,942" and insert "$36,735,415", so as to read:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of

the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1934, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay $27,634,522, including not to exceed $1,289,770 (none of which shall be available for increased pay for making aerial flights by more than eight nonflying officers or observers, except not to exceed 56 gunnery observers, to be selected by the Secretary of the Navy) for increased pay for making aerial flights; rental allowance, $5,589,216; subsistence allowance, $3,511,677; in all, $36,735,415.

The amendment was agreed to.

The next amendment was, on page 23, line 7, to increase the total appropriation for pay and allowances of naval personnel from $120,027,328 to $120,146,801.

The amendment was agreed to.

The next amendment was, on page 23, line 16, after the word "That", to insert a comma and "except for messes temporarily set up on shore for officers attached to seagoing vessels, to aviation units based on seagoing vessels, and to landing forces and expeditions"; in line 23, after the word "officers", to strike out "on shore" and insert "assigned to shore duty", and on page 24, line 3, after the word "Government", to insert a comma and "nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department", so as to make the further proviso read:

Provided further, That, except for messes temporarily set up on shore for officers attached to seagoing vessels, to aviation units based on seagoing vessels, and to landing forces and expeditions, no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers assigned to shore duty as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department.

The amendment was agreed to.

The next amendment was, on page 26, line 18, to increase the appropriation for pay, subsistence, and transportation of naval personnel from $137,320,519 to $137,439,992.

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance, Bureau of Supplies and Accounts", on page 28, line 16, after the words "Naval Establishment", to strike out "$7,664,496" and insert "$7,596,000", so as to read:

For equipage, supplies, and services under the cognizance of the Bureau of Supplies and Accounts, including stationery for commanding, executive, communication, and navigating officers of ships, boards, and courts on ships, and chaplains; commissions, interest, and exchange; ferriage and bridge tolls, including streetcar fares; rent of buildings and offices not in navy yards except for use of naval attachés and recruiting officers; accident prevention; services of civilian employees under the cognizance of the Bureau of Supplies and Accounts; freight, express, and parcel-post charges, including transportation of funds and cost of insurance on shipments of money when necessary, and ice for cooling drinking water on shore (except at naval hospitals and shops at industrial navy yards), pertaining to the Navy Department and Naval Establishment, $7,596,000.

The amendment was agreed to.

The next amendment was, on page 32, line 19, to increase the total appropriation for the Bureau of Medicine and Surgery from $1,894,666 to $1,965,130.

The amendment was agreed to.

The next amendment was, on page 32, line 24, after the word "exceed", to strike out "$200,000" and insert "$203,500", so as to make the proviso read:

Provided, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed $203,500.

The amendment was agreed to.

The next amendment was, under the heading of "Bureau of Yards and Docks", on page 34, line 15, after the word "employed", to strike out "$6,492,914" and insert "$6,459,250", so as to read:

For the labor, materials, and supplies necessary, as determined by the Secretary of the Navy, for the general maintenance of the activities and properties now or hereafter under the cognizance of the Bureau of Yards and Docks, including accident prevention; the maintenance, repair, and operation of passenger-carrying vehicles for the Navy Department (not to exceed 10 in number) and the Naval Establishment not otherwise provided for; not to exceed $1,600,000 for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department, and part time or intermittent employment in the District of Columbia, or elsewhere, of such engineers and architects as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $25 per diem for any person so employed, $6,459,250.

The amendment was agreed to.

The next amendment was, under the subhead "General expenses, Marine Corps", on page 44, line 6, to strike out "$195,000" and insert "$250,000", so as to read:

For transportation of troops and applicants for enlistment, including cash in lieu of ferriage and transfers en route; toilet kits for issue to recruits upon their first enlistment and other incidental expenses of the recruiting service; and for transportation for dependents of officers and enlisted men, $250,000.

The amendment was agreed to.

The next amendment was, on page 45, line 15, to increase the total appropriation for the Marine Corps from $5,961,325 to $6,016,325.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. BYRNES. By direction of the committee, I offer an amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 9, line 15, in the committee amendment, after the figures "$1,285,073", it is proposed to insert a comma and "and the money herein specifically appropriated shall be disbursed and accounted for as one fund."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina.

Mr. BYRNES. The purpose of the amendment is simply to make available the funds for training, education, and welfare for either one of the three purposes. It does not increase the appropriation, but it is necessary, for bookkeeping purposes, that it be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. BYRNES. I offer another amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 29, line 21, after the words "Naval Reserve", it is proposed to insert a colon and the following proviso:

Provided, That the cost of printing historical naval documents, including composition, clerical copying in the Navy Department, and other preparatory work shall be charged to the "Naval supply account fund" not to exceed $10,000 at any one time, and this fund shall be reimbursed from the receipts therefrom when copies are sold to the public by the Superintendent of Documents and from applicable appropriations when copies are issued to the several departments and establishments: *Provided further*, That the Superintendent of Documents is hereby authorized to sell copies to the public at the prorated cost, including composition, clerical work of copying in the Navy Department, and other work preparatory to printing without reference to the provisions of section 307 of the act approved June 30, 1932 (U.S.C., supp. VI, title 44, sec. 72a); and that the "usual number" for congressional distribution, depository libraries, and international exchanges shall not be printed.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. VANDENBERG. Mr. President, I have had no opportunity to read the hearings in respect to the controversy as to whether or not the station on the Great Lakes or the one

at Newport should be opened. I am quite content to take the Senator's word for the physical situation as it exists. He says that the legislative result of this arrangement should be to put both propositions in conference. That is correct, of course.

Mr. BYRNES. That is correct.

Mr. VANDENBERG. I should like to make it very plain for the RECORD, as it goes into conference, that, although the Senate has stricken out the Great Lakes item, it has been done without debate, without any serious attempt to explore the problem, and it has been done without any judicial determination of the two relationships. I hope that the problem may go to conference without prejudice.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment.

Mr. GOLDSBOROUGH. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 38, line 4, it is proposed to strike out "$176,040" and insert in lieu thereof "$238,410."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Maryland.

Mr. GOLDSBOROUGH. Mr. President, this amendment proposing to strike out, on page 38, line 14, the appropriation of $136,040 and to insert in lieu thereof "$238,410" represents an increase of $62,370.

The purpose of the amendment, sir, is to care for 20 civilian professors who were dismissed from the Naval Academy in 1932. Most of those professors had a service ranging over many years, some of them as much as 25 years or more. They were given notice of only 60 days, and some of them, as a matter of fact, notice of only a few weeks. A very great hardship was inflicted upon these men, who are men of family, and it was impossible for them to secure employment in the faculties of colleges throughout the country because the faculties of the colleges, as a general rule, are being materially reduced.

The amount of the appropriation involved is small, but it will have an effect, approximately, upon perhaps 100 people. The sum of $62,370 is the amount needed to provide the object sought to be accomplished.

The amendment further carries the provision that the civilian professors shall be reinstated in the positions which they heretofore occupied. The positions which they once held are now being filled by naval officers, and, though I make no criticism of the service that may be performed by such naval officers, the fact is that while in the teaching of technical subjects, of course, they are thoroughly prepared, when it comes to the question of cultural subjects, such as languages, mathematics, and history, I submit that naval officers have not had that preparation which enables them to take care of and to instruct these young men in the service.

It is a matter of justice that the amendment should be adopted, and I trust that the Senate may see fit to adopt it.

Mr. KEAN. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from New Jersey?

Mr. GOLDSBOROUGH. I yield.

Mr. KEAN. I merely wish to know whether it is not true that since these professors have been removed the American Association of University Professors has withdrawn recognition of the A.B. degree conferred by the Naval Academy at Annapolis.

Mr. GOLDSBOROUGH. I take pleasure in answering the Senator from New Jersey, and thank him for his question; what he has said I understand is correct. I further invite the Senator's attention to the fact—and I think he served as a member of the Board of Visitors to the Naval Academy in 1933—that in the report of the Board of Visitors it is specifically recommended that civilian professors shall be maintained in their positions. I read from that report a criticism by Admiral Sims in which he says:

> Naval officer instructors who necessarily have no training as educators and who are changed every 2 or 3 years cannot achieve the desired results.

The report of that Board of Visitors further adds:

> In connection with this subject the Board recommends that at least the present ratio of civilian to officer instructors be maintained.

It further comments:

> That naval officer instructors who necessarily have no training as educators and who are changed every 2 or 3 years cannot achieve the desired results no matter how much the course may be extended.

And again—

> Manifestly, the academy is seriously handicapped by the officers' lack of training in the teaching profession, particularly, by the lack of knowledge and educational training on the part of those who select them.

Mr. FESS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Ohio?

Mr. GOLDSBOROUGH. I yield.

Mr. FESS. Do I understand that the answer to the question of the Senator from New Jersey was that the academy had been excluded from the college association as not being up to the standard?

Mr. GOLDSBOROUGH. That is my understanding.

Mr. FESS. It would appear to me to be wholly indefensible and inexcusable for an institution supported by the Government, a technical institution, to do anything which would disqualify it to be ranked with other colleges.

Mr. GOLDSBOROUGH. Such is the opinion I hold.

Mr. TYDINGS. Mr. President, I hope Senators who are listening will not consider the amendment offered by my colleague from Maryland [Mr. GOLDSBOROUGH] as one that is prompted purely by local considerations. I think it is a larger matter than the welfare of the few professors—20 in number—who have been let out of the academy. Twenty persons may not be very many, but that is not the question here. The question is one of policy in the training of our naval officers.

Wars are fought with two things—trained men on the one hand and tried proper equipment on the other. The guns on our ships and the ammunition which they shoot are both tested before we go into war.

The naval officers, on the other hand, are the trained human element in the equation of war. What we are endeavoring to get the Senate to do here is to consider the importance of having the very best men available train our naval officers in fields apart from seamanship or care of guns or purely technical naval subjects. For example, 8 of these 20 professors were engaged in the school of languages. They spent their lives assimilating the languages which they taught to the midshipmen, not for a year or 2 years, but some of them have been going abroad, have attended foreign universities, and have become experts in the particular languages which they seek to teach to the midshipmen. Obviously, they are better qualified to teach foreign languages than are naval officers, whose contact with foreign languages is more or less perfunctory, who cannot have the background, the training, the knowledge of foreign languages possessed by men who have given up their entire lives to the assimilation and teaching of foreign tongues at the academy.

This is a far-fetched illustration, I admit, but it is one that is quite within the realm of possibility, nevertheless. We have fast airplanes. Why? So that when the enemy fleet is sighted the difference between victory and defeat may be the time limit with which information is conveyed to our fleet. Therefore, all nations have speedy scout planes so that the first to get the information of the enemy's whereabouts may have an advantage which the opposition fleet would not have. Let us suppose that a message couched in foreign language should fall into the hands of a

naval officer. The speed with which he could translate that message in relation to some particular movement, in the landing of troops ashore in some foreign country, might mean the difference between the success or failure of that particular undertaking.

Therefore, so long as we are going to teach these subjects, so long as we are going to appropriate hundreds of millions of dollars for equipment, battleships, destroyers, submarines, and what not, is it too much to appropriate $70,000 to give the men who are going to man our naval vessels the best command of the battle situation that can be afforded to them? I think there is no real merit, neither is there sound logic or reason, behind the elimination of these 20 professors. The best training we can give to our naval officers is none too good to match the hundreds of millions of dollars or the billions of dollars which we have appropriated for efficient naval personnel and equipment.

I am going to ask my friend from South Carolina [Mr. BYRNES] in charge of the bill if he will not consent to take the amendment to conference, where it can be fought out, where these arguments may be considered, and where I hope it may be retained in the bill. In any event, will he not consent to take the amendment to conference?

Mr. BYRNES. Mr. President, the instructors of the Naval Academy number 48. The Department has not asked for the reinstatement of these instructors, but I have no objection to the Senate's adopting the amendment so it may go to conference and the matter may there be discussed.

Mr. TYDINGS. I thank the Senator for his fairness and broad vision in this respect. I hope the conferees will see fit to keep the amendment in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland, which will be stated.

The CHIEF CLERK. On page 38, line 4, it is proposed to strike out "$176,040" and insert in lieu thereof "$238,410."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to. The next amendment of the Senator from Maryland will be stated.

The CHIEF CLERK. On page 38, line 9, strike out "June 30, 1933" and insert in lieu thereof "June 27, 1933, and the Secretary of the Navy is authorized to reinstate the civilian instructors released subsequent to such date, and so much of the above amount as may be necessary for the payment of the instructors so reinstated shall be immediately available."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to. There being no further amendments, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

NAVAL CONSTRUCTION

Mr. TRAMMELL. Mr. President, I move that the Senate proceed to the consideration of Calendar 274, the bill, H.R. 6604, to authorize the construction of certain naval vessels.

The PRESIDENT pro tempore. The title of the bill will be read for information of the Senate.

The CHIEF CLERK. A bill (H.R. 6604) to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Wisconsin suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Bulkley	Carey
Ashurst	Barkley	Bulow	Clark
Austin	Black	Byrd	Connally
Bachman	Bone	Byrnes	Coolidge
Bailey	Borah	Capper	Copeland
Bankhead	Brown	Caraway	Costigan
Couzens	Hatch	Murphy	Steiwer
Cutting	Hayden	Neely	Stephens
Davis	Hebert	Norris	Thomas, Okla.
Dickinson	Johnson	Nye	Thomas, Utah
Dieterich	Kean	O'Mahoney	Thompson
Dill	Keyes	Overton	Townsend
Duffy	King	Patterson	Trammell
Erickson	La Follette	Pittman	Tydings
Fess	Lewis	Pope	Vandenberg
Fletcher	Logan	Reed	Van Nuys
Frazier	Lonergan	Robinson, Ark.	Wagner
George	Long	Robinson, Ind.	Walsh
Gibson	McAdoo	Russell	Wheeler
Goldsborough	McCarran	Schall	White
Gore	McGill	Sheppard	
Hale	McKellar	Shipstead	
Harrison	McNary	Smith	

Mr. LEWIS. I desire to announce that the Senator from North Carolina [Mr. REYNOLDS] is necessarily detained from the Senate on official business.

I regret to announce that the Senator from Virginia [Mr. GLASS] is detained from the Senate on account of illness.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names a quorum is present. The question is on agreeing to the motion of the Senator from Florida [Mr. TRAMMELL] to proceed to the consideration of the so-called "naval construction bill."

Mr. KING. Mr. President, is the motion debatable?

The PRESIDENT pro tempore. It is. Does the Senator from Utah desire the floor?

Mr. KING. I do.

The PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. KING. I will say very frankly that I am opposed to the consideration of the bill.

Mr. TRAMMELL. Mr. President, is this a debatable question?

The PRESIDENT pro tempore. It is.

Mr. TRAMMELL. Would the Senator from Utah object to having the motion disposed of and the bill taken up, or does he desire to discuss the motion?

Mr. KING. I am going to discuss the motion, and if we shall be defeated and the bill shall be taken up, we will discuss the bill.

Mr. TRAMMELL. The Senator is quite within his rights. I had hoped, however, that the bill might first be laid before the Senate as the unfinished business.

Mr. KING addressed the Senate. After having spoken about half an hour, he said:

Mr. President, the Chairman of the Special Committee Investigating Air and Ocean Mail Contracts, the Senator from Alabama [Mr. BLACK], advises me that the committee is ready to proceed at least with some phase of the question previously under consideration, and I yield the floor.

[Mr. KING's speech is published entire on Mar. 1, p. 3459.]

ORDER OF BUSINESS

During the delivery of Mr. KING's speech,

Mr. LEWIS. Mr. President, will the Senator from Utah permit me to interrupt him for the purpose of asking the Senator from Nevada a question?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Utah yield to the Senator from Illinois?

Mr. KING. I yield.

Mr. LEWIS. I ask the Chairman of the Foreign Relations Committee [Mr. PITTMAN] if anything has been done by which he can authorize me to say to the Senators on this side who wish to speak on the subject of the St. Lawrence Treaty as to whether any arrangement has been made to indicate whether we can agree upon a date on which to vote? Senator WAGNER, of New York, informed me in the last few moments that if Senators in favor of the treaty feel that Wednesday or Thursday is a time satisfactory to them at which to take the vote it will be satisfactory to him.

Mr. PITTMAN. I understand the Senator from New York will be here on Wednesday or Thursday, but there are so many Senators who have to be absent in order to make speeches on public subjects in their own communities that

I have found it very difficult to find a common adviser by which to ascertain when the important proponents and opponents of the bill can be present at the same time. I am hopeful we will find some date on which all of the important proponents and opponents of this treaty can be present. I hope we will get that worked out in a few days.

Mr. LEWIS. When the Senator from Nevada speaks of some date, does he hope that it will be some day next week? If so, I will communicate that to other Senators.

Mr. PITTMAN. I cannot say as to that. I again say that there are five or six Senators on either side of this question who insist they should be present; that there might be a miscarriage of justice if they should not be present, and that their duties elsewhere will require them to be absent on certain dates. If I can find any particular day on which these Senators can be here together, in order that the question may have proper discussion, I will notify the Senator from Illinois of that fact.

Mr. LEWIS. I can say nothing further. I thank the Senator from Utah for allowing this interruption.

Mr. KING. May I say to my friend from Illinois that, in view of many rumors that are floating around the Chamber, I should think he would be very glad to have a postponement from time to time of the discussion and possibility of a vote upon the treaty to which he refers until the end of the session. I know he is a very earnest protagonist against the ratification of the treaty, and many of the Senators would join with him in seeking to have a vote upon the treaty postponed until some indeterminate period.

Mr. LEWIS. In other words, no vote at all, no treaty at all.

Mr. KING. The Senator can place upon my words any construction he wishes.

Mr. LONG. Mr. President, the Senator from Utah would not have anything to fear from a vote on the treaty right now.

Mr. KING. I do not have the assurance upon that subject manifested by my friend from Louisiana.

INVESTIGATION OF AIR AND OCEAN MAIL CONTRACTS—WILLIAM P. M'CRACKEN, JR., ET AL.

[After the conclusion of Mr. KING's speech.]

Mr. BLACK. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Robinson, Ind.
Ashurst	Couzens	King	Russell
Austin	Cutting	La Follette	Schall
Bachman	Davis	Lewis	Sheppard
Bailey	Dickinson	Logan	Shipstead
Bankhead	Dieterich	Lonergan	Smith
Barbour	Dill	Long	Steiwer
Barkley	Duffy	McAdoo	Stephens
Black	Erickson	McCarran	Thomas, Okla.
Bone	Fess	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Brown	Frazier	McNary	Townsend
Bulkley	George	Murphy	Trammell
Bulow	Gibson	Neely	Tydings
Byrd	Goldsborough	Norris	Vandenberg
Byrnes	Gore	Nye	Van Nuys
Capper	Hale	O'Mahoney	Wagner
Caraway	Harrison	Overton	Walsh
Carey	Hatch	Patterson	Wheeler
Clark	Hayden	Pittman	White
Connally	Hebert	Pope	
Coolidge	Johnson	Reed	
Copeland	Kean	Robinson, Ark.	

Mr. LEWIS. I desire to announce the absence of the senior Senator from Virginia [Mr. GLASS] occasioned by illness. I also desire to announce that the junior Senator from North Carolina [Mr. REYNOLDS] is necessarily detained from the Senate.

Mr. HEBERT. I desire to announce the unavoidable absence of the senior Senator from Delaware [Mr. HASTINGS], the senior Senator from West Virginia [Mr. HATFIELD], the senior Senator from Rhode Island [Mr. METCALF], the senior Senator from South Dakota [Mr. NORBECK], and the senior Senator from Connecticut [Mr. WALCOTT].

The PRESIDENT pro tempore. Eighty-nine Senators have answered to their names. A quorum is present.

Mr. BLACK. Mr. President, the Sergeant at Arms is here, as I understand, and ready to submit a report.

The PRESIDENT pro tempore. The Sergeant at Arms will make his report.

The Sergeant at Arms thereupon submitted the following report:

To the PRESIDENT OF THE SENATE:

With reference to the order of the Senate I have been unable to locate William P. MacCracken, Jr. I went to his office and was told that he had not been there since 11 a.m. Having been told by Frank J. Hogan this morning that in case I wanted to locate William P. MacCracken, Jr., I could do so through him, I called Mr. Hogan's office, and was asked to go there. I went to his office and Mr. Hogan said that he would take me to William P. MacCracken, Jr., but that he would not tell me where he was; but that Mr. Hogan would produce him at a certain agreed time in a judge's chambers so that he could apply for a writ of habeas corpus. I asked Mr. Hogan to tell me where I could find Mr. MacCracken and he declined to do so. I have not been able to locate William P. MacCracken, Jr.

Mr. BLACK. Mr. President, while I do not know that it is necessary, as a precautionary measure I move that the report be accepted at this time, but that the Sergeant at Arms be given more time in which to apprehend Mr. MacCracken under the original order issued by the Senate, and that it may be continued in full force and effect for that purpose.

The PRESIDENT pro tempore. The Senator from Alabama moves that the order of arrest be kept in full force and effect until the further order of the Senate, and that the Sergeant at Arms be given further time in which to execute the warrant.

The motion was agreed to.

Mr. BLACK. Mr. President, in view of the fact that there are three others who are charged with contempt of the Senate and have been cited to appear and show cause, I suggest that we proceed with those at this time.

The PRESIDENT pro tempore. The Sergeant at Arms will carry out the order of the Senate and make response to the Senate.

The respondent, L. H. Brittin, and his counsel, Seth W. Richardson, Esq., and Alfons B. Landa, Esq., entered the Chamber and took the seats assigned them.

The respondents, Gilbert Givvin and Harris M. Hanshue, accompanied by their counsel, Frank K. Nebeker, Esq., and S. N. MacInnis, Esq., entered the Chamber and took the seats assigned them.

The PRESIDENT pro tempore. Mr. Sergeant at Arms, have the respondents in this matter been brought into the Chamber?

The SERGEANT AT ARMS. Yes, sir; they are now present in the Chamber.

The PRESIDENT pro tempore. Mr. L. H. Brittin, Mr. Gilbert Givvin, and Mr. Harris M. Hanshue, you have been brought before the Senate by its order to show cause why you should not be punished for contempt of the Senate, on account of the destruction and removal of certain papers, files, and memoranda from the files of William P. MacCracken, Jr., after a subpena requiring the production of such papers, files, and memoranda had been served upon William P. MacCracken, Jr., as shown by the report of the Special Senate Committee Investigating Ocean and Air Mail Contracts.

The clerk will read at this time Report No. 254, Seventy-third Congress, second session, parts 1 and 2, submitted February 2 and 5, 1934, respectively, and Senate Resolution 172, agreed to February 5, 1934.

The legislative clerk read as follows:

REPORT NO. 254, PART 1

(Pursuant to S.Res. 349 (72d Cong.))

Your committee, appointed and selected by the Senate, under Senate Resolution No. 349, Seventy-second Congress, second session, report as follows:

(1) The committee has been engaged in public hearings and did on the 31st day of January 1934 cause to be served on William P. MacCracken, of Washington, D.C., a summons, a copy of which is

hereto attached, marked "Exhibit A", and which exhibit is made a part of this report.

(2) The said William P. MacCracken has appeared before this special committee, but has failed, refused, and declined to bring with him to the committee, or to make available for inspection, his correspondence and memorandums relating to air mail contracts.

(3) The said William P. MacCracken has not only failed, declined, and refused to bring such correspondence and memorandums to the committee, or to make it available for the committee's use, but has declined in an open session of the Senate committee, room 318, Senate Office Building, held on January 31, 1934, and has again declined at a public session of the committee, held on February 2, 1934, to bring said papers and correspondence to the committee and the said Mr. MacCracken admitted in open session of the special committee hearing on February 2, 1934, that between the date of the serving of the subpena and the time of his testimony, two certain files of correspondence concerning air mail had been removed from his office with his knowledge and consent.

(4) The said William P. MacCracken has based his refusal upon the claim that he is an attorney, and as such attorney has a right to determine for himself whether or not correspondence and memorandums with reference to air mail contracts, or what he designates as private and confidential communications, between himself and air mail operators whom he designates as his clients.

(5) The committee makes a report to this Senate and requests that the Senate, by proper resolution, take such action as the Senate deems wise to bring the said William P. MacCracken before the bar of the Senate and to require that William P. MacCracken produce papers and correspondence herein set out, in order that the committee may have available this material evidence to carry out the duties imposed upon your committee by the terms of the resolution under which it is acting.

UNITED STATES OF AMERICA,
CONGRESS OF THE UNITED STATES.

To WILLIAM P. MACCRACKEN, Jr., *1152 National Press Building, Washington, D.C., greeting:*

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Committee on Ocean Mail and Air Mail Contracts of the Senate of the United States, instanter, at 12:30 p.m., at their committee room, 101 Senate Office Building, then and there to testify what you may know relative to the subject matters under consideration by said committee.

Bring all books of account, bank passbooks, canceled checks, check stubs, deposit slips, papers, memorandums, correspondence, maps, copies of telegrams relating to air mail and ocean mail contracts.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To J. A. Bradley and L. F. Rittelmeyer, to serve and return.

Given under my hand, by order of the committee, this 31st day of January, in the year of our Lord 1934.

HUGO L. BLACK,
Chairman Special Committee on Investigation of Air Mail and Ocean Mail Contracts.

Service accepted 12:20 p.m. January 31, 1934.
WILLIAM P. MACCRACKEN, Jr.

REPORT NO. 254, PART 2

(Pursuant to S.Res. 349 (72d Cong.))

Your committee, appointed under Senate Resolution No. 349, Seventy-second Congress, asks to make this further partial report in connection with the performance of its duties under the resolution in addition to the previous report (no. 254) made February 2, 1934:

1. Subsequent to the service of subpena upon William P. MacCracken, Jr., as set forth in Report No. 254 to this Senate, made on February 2, 1934, the committee issued a subpena duces tecum to Col. L. H. Brittin and to Gilbert Givvin, copies of which subpenas are hereto attached marked "Exhibits A and B."

2. On February 3, 1934, the committee met in room 318 Senate Office Building and Col. L. H. Brittin and Gilbert Givvin appeared before the committee and testified.

3. The evidence of Gilbert Givvin showed in substance that the said Gilbert Givvin is an employee of the Western Air Express, Inc., and that Harris M. Hanshue is an officer of the Western Air Express, Inc. That after service of the subpena duces tecum upon William P. MacCracken, Jr., as shown in Report No. 254, the said William P. MacCracken, Jr., sent a telegram to Harris M. Hanshue, as follows:

"I have today been subpenaed to produce before the Black committee all papers, memoranda, correspondence, maps, copies of telegrams relating to air and ocean mail contracts. Insofar as these involve confidential communications between us as attorney and client I have felt it my duty to assert, and I have asserted, the privilege which the law places around such communications. The privilege may be waived only by you as client. The committee has requested me to inquire whether you desire to waive this privilege and authorize me to make these documents available to the committee investigators. Please wire your decision.

(Signed) WILLIAM P. MACCRACKEN, Jr."

4. That after said telegram had been sent to the said Harris M. Hanshue and received by him, and after the said William P. MacCracken, Jr., had declined to produce his papers, memoranda, maps, correspondence, and telegrams relating to air mail and ocean mail contracts, before your special committee, the said Harris M. Hanshue communicated with Gilbert Givvin and directed him to proceed to the office of William P. MacCracken, Jr., and remove from the files of the said William P. MacCracken, Jr., certain papers, memoranda, or correspondence contained in the files then under subpena of your committee. That thereafter the said Gilbert Givvin went to the office of William P. MacCracken, Jr., and did remove letters, telegrams, papers, and memoranda from the files of such papers contained in the Western Air file and did send such letters, telegrams, papers, and memoranda to another employee of the Western Air Express named Voorhes, addressing the same to the said Voorhes at the Essex House, New York City, which hotel was the New York living address of the said Voorhes and the said Harris M. Hanshue.

5. That after said files had been removed from the office of William P. MacCracken, Jr., the said Harris M. Hanshue sent a telegram to William P. MacCracken, Jr., and sent a copy of such telegram to the chairman of this committee, stating that the Western Air Express, Inc., had no objection to the committee inspecting all papers in the Western Air Express, Inc., files in the William P. MacCracken Jr.'s office.

6. That on the 2d day of February 1934, the said Harris M. Hanshue sent a certain file of papers to Washington by the said Voorhes, which papers were turned over to the said Gilbert Givvin, and which purported to be the letters, telegrams, and memoranda removed from the files of the said William P. MacCracken, Jr., but all of which were not identified by the said Gilbert Givvin before the committee as being the identical papers taken from the files of the office of William P. MacCracken, Jr. The evidence of the said Gilbert Givvin revealed that the said Harris M. Hanshue before directing Givvin to remove such papers told the said Givvin that the Senate committee was seeking the papers, memoranda, correspondence, maps, and copies of telegrams in the files of MacCracken and that he, the said Hanshue, wanted certain papers removed therefrom.

7. The said Gilbert Givvin further testified before your committee on February 3, 1934, that he did not actually or physically remove any part of the papers, memoranda, maps, correspondence, and telegrams set forth in the subpena of the said William P. MacCracken, Jr., but that said William P. MacCracken had said files in his own possession and made a decision as to which of said papers, memoranda, correspondence, and telegrams should be removed, and he, the said MacCracken, did actually remove said papers from the files himself and turn them over to the said Gilbert Givvin to be taken away from MacCracken's office and to be delivered to the said Hanshue.

8. On the 3d day of February 1934 Col. L. H. Brittin likewise appeared before your special committee and admitted that after he had received information that the Senate committee had served a subpena upon William P. MacCracken, Jr., to produce all of his papers, memoranda, correspondence, maps, and copies of telegrams, as shown in exhibit A of the Report No. 254, made to this Senate, he, the said Col. L. H. Brittin, went to the office of William P. MacCracken, Jr., and removed from the files of the Northwest Airways, Inc., in said William P. MacCracken Jr.'s office, certain letters and correspondence contained in such files.

At the time of such removal and prior thereto said L. H. Brittin was an officer of the Northwest Airways, Inc. The said L. H. Brittin admitted that after removing said correspondence he took it with him to his own office and there tore it into pieces and threw it into the waste-paper basket, and that it cannot now be obtained.

9. The said L. H. Brittin stated that he secured the said files in the office of William P. MacCracken, Jr., from his law partner, one Frederic P. Lee, who willingly delivered them to the said L. H. Brittin at said time and place. The claim made by the said L. H. Brittin before the Senate committee was that he had certain correspondence in these files of a personal and confidential nature and that he did not want it made public through the Senate committee, but since the correspondence has already been destroyed the committee is unable to prove the truth or falsity of this statement from the correspondence itself.

After said correspondence was destroyed by the said L. H. Brittin, he testified that he then gave his consent for the Northwest Airways, Inc., files to be inspected by the Senate committee.

The correspondence, papers, memoranda, and telegrams in the files of the said William P. MacCracken, Jr., constituted material and pertinent evidence for the committee to consider in connection with its investigation and recommendations for legislation concerning ocean mail and air mail Government contracts.

For the further information of the Senate there is attached hereto a stenographic report of the evidence before your committee, given by William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and J. A. Bradley. There is also presented to the Senate in a sealed envelop the letters, memoranda, and papers produced by Gilbert Givvin purporting to be the papers removed from said William P. MacCracken Jr.'s files and sent to S. W. Voorhes.

Your committee believes that it is proper to report the foregoing facts to the Senate in order that the Senate may determine whether or not any action shall be taken by the Senate with a view to proceeding against the said William P. MacCracken, Jr., Harris M. Hanshue, L. H. Brittin, Frederic P. Lee, and Gilbert Givvin in the nature of a proceeding for contempt or otherwise, or for such other and appropriate action as the Senate may deem it proper to take.

Respectfully submitted.

[Senate Resolution 172]

Resolved, That the President of the Senate issue a citation directing William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and Harris M. Hanshue to show cause why they should not be

punished for contempt of the Senate on account of the destruction and removal of certain papers, files, and memoranda from the files of William P. MacCracken, Jr., after a subpena had been served upon William P. MacCracken, Jr., as shown by the report of the special Senate committee investigating ocean and air mail contracts.

The PRESIDENT pro tempore. Is Colonel Brittin present?

The respondent, L. H. Brittin, rose and stood in the area in front of the Vice President's desk.

The PRESIDENT pro tempore. Colonel Brittin, you are one of the respondents in this proceeding. Have you anything to say in excuse or extenuation of your connection with or participation in the matters described in the report and resolution which have just been read?

Colonel BRITTIN. Yes, sir.

The PRESIDENT pro tempore. Do you desire to make a statement?

Colonel BRITTIN. I have a statement here.

The PRESIDENT pro tempore. Before presenting that, according to the rule of the Senate, I will ask you to take the oath.

The PRESIDENT pro tempore thereupon administered to the respondent, L. H. Brittin, the following oath:

You do solemnly swear that the statements you shall make and the testimony you shall give in this matter now pending, being a matter of proceedings in the nature of contempt by the United States Senate against you, will be the truth, the whole truth, and nothing but the truth, so help you God?

Colonel BRITTIN. I do.

The PRESIDENT pro tempore. You may proceed.

Colonel BRITTIN. I should like to have the clerk read this statement.

The PRESIDENT pro tempore. The clerk will read the statement.

The Chief Clerk read as follows:

UNITED STATES SENATE:

IN RE CITATION UNDER DATE OF FEBRUARY 5, 1934, DIRECTED TO L. H. BRITTIN

The above-named L. H. Brittin hereby respectfully submits to the Senate of the United States the following response to the citation and order to show cause issued by the President of the Senate under date of February 5, 1934, and returnable 12 o'clock noon on Friday, February 9, 1934.

That upon the record in this matter, the said L. H. Brittin respectfully asserts that the Senate of the United States is without lawful jurisdiction to hear, try, and determine the alleged matters and things contained in and referred to in the above-entitled citation as charged against and affecting the said L. H. Brittin, and is without jurisdiction to fix and impose punishment upon the said L. H. Brittin as set forth and referred to in the said citation, and that the said citation and the whole thereof and all proceedings thereon or in connection therewith is void.

II

Further responding, and without waiving his rights concerning the matters and things set up and alleged in the first paragraph of this response, the said L. H. Brittin respectfully advises the Senate of the United States that he, the said L. H. Brittin, is 57 years of age, and was born in the State of Connecticut, and is now a citizen and resident of the State of Minnesota. That he is an engineer by profession and was a United States soldier in the Spanish-American War with the rank of corporal, and was thereafter a United States soldier in the Great War, and was thereafter honorably discharged with the rank of lieutenant colonel; that said Brittin is a married man, now separated from his wife, and has no family of any kind.

That the said Brittin did, in 1926, organize an aviation company known as the Northwest Airways, Inc., a Michigan corporation, and later the Northwest Airways, Inc., a Delaware corporation, having their main office in St. Paul, Minn.; that these corporations were organized for the purpose of establishing, maintaining, and operating an airways system in general from the city of Chicago westward through the States of Wisconsin, Minnesota, North Dakota, Montana, Idaho, and Washington, and elsewhere. That the said corporations thereafter did consummate such purpose, and did construct, and are now maintaining, commercial airways line from the city of St. Paul, Minn., to the city of Seattle, Wash., through the States above mentioned; that such company is now transporting, under contracts and agreements with the United States, mails of the United States over said line between the cities of St. Paul, Minn., and Billings, Mont., and has been so engaged for more than 1 year last past; that, in connection with the operation of such airways the said Northwest Airways maintains a fleet of some 22 transport planes and operates and maintains suitable air fields and conveniences along the route of the said airway, and that the said system is in all respects, both in character and operation, a modern first-class commercial airway system. Said Brittin further states that he was an officer in the said Northwest Airways, Inc., until February 8, 1934, and held the position of executive vice president, with a salary of $12,000 a year, which constituted practically his sole income. That it has been a part of his duties as such official to attend upon and carry on the interests and duties of his said company in Washington, D.C., and that for several years last past he has been required to, and has spent, a large portion of his time in the city of Washington, for the purposes indicated, and that he was the sole representative of his company so employed. That his legal residence is in the city of St. Paul, Minn., and that he has no home or residence in the District of Columbia, but that when in said city, he has lived at various hotels and other public inns. That prior to the month of January 1934 he maintained no office of his own in the city of Washington, but transacted his office work either in his room at particular hotels, or in temporary quarters in the offices of various other persons in Washington. That in the spring of 1933 he carried on such office routine in the offices of MacCracken & Lee in the National Press Building in the city of Washington, and that thereafter and in the early fall of 1933, he left such offices and assumed a similar routine at the offices of Aeronautical Radio Institute, and that after remaining there approximately 3 months he removed to the office of a public stenographer in the Albee Building in said city, where he remained until occupation of his present office, at no. 1090 in the said National Press Building. That the office in said building now occupied by the said Brittin is the first office he has had in the city of Washington wherein to transact his business and that of his employer, and that at such office he now has a secretary and stenographer named Miss Stella Randolph. That the said office was first occupied by the said Brittin on the 22d day of January 1934. That prior thereto in connection with the officing arrangements at the various places mentioned above the said Brittin carried about with him papers, letters, and various documents which had come into his possession in connection with his affairs and those of his employer, and that he was accustomed upon changing his officing arrangements to take with him such papers and documents as aforesaid, and also at times stored them temporarily in the check rooms of various hotels. That upon opening up his said present office in the said National Press Building he removed thereto such accumulated papers and documents for the purpose of necessary examination, sorting, elimination, and filing in accordance with proper office practice. That since his installation in such new office quarters the said Brittin and his said secretary have been and up to the present time are engaged in, in part, examining, sorting, and tabulating the accumulation of papers and documents aforesaid which have come into the possession of the said Brittin under the circumstances as above stated, and that as such work has progressed a large number of said papers have been eliminated as duplicates or as unimportant or as generally obsolete and have therefore been eliminated from the mass of said papers and from the present filing system, and upon such elimination have been at intervals consigned to the waste-paper basket for removal in the usual and ordinary way. That the said papers thus eliminated and disposed of have consisted, in part, of matters relating to the affairs of the said Northwest Airways, as well as the personal affairs and interests of the said Brittin, and that the said files as now existing in said office contain likewise papers and documents relating to the affairs of the Northwest Airways, as well as the personal affairs and interests of the said Brittin.

That, with the exception of the time when the said Brittin maintained his office routine in the offices of MacCracken & Lee, as aforesaid, the said Brittin had no specific personal or professional connection with the said offices variously occupied by him or the persons occupying the same. That while the said Brittin was maintaining such office routine in the said offices of the said MacCracken & Lee the said firm was consulted by the said Brittin both with respect to the affairs of the Northwest Airways, Inc., and the personal affairs and interests of the said Brittin; and that such contacts with said firm were had by the said Brittin solely with William P. MacCracken, of the said firm. That by reason of the said professional employment of the said firm by the said Brittin for the purposes indicated, there accumulated in the offices of the said firm such papers and documents as came into existence by reason of, or related to, the professional services extended by said firm to said Brittin, and that the said papers and documents aforesaid remained in the offices of the said MacCracken & Lee while the said Brittin carried on his office routine in the said offices, and at all times thereafter so far as the said Brittin is advised.

That in addition to the papers and documents which were the result of consultation between the said Brittin and the said firm, and while using such offices as aforesaid, the said Brittin himself prepared, conducted, and formulated in such offices many letters, telegrams, and other documents, both in connection with the affairs of Northwest Airways, Inc., and with the affairs and interests of the said Brittin personally, which said papers and documents last referred to had no connection with the firm of MacCracken & Lee, and were not in anywise associated with any of the work or activities of the said firm, but were the affairs of the said Brittin alone, either as an officer of the said Northwest Airways, or personally, and were not intended to come into the possession or control of said MacCracken & Lee or form a part of any papers, records, or files in the possession of said firm or in its office; as to all of which papers it was at all times the intention of the said Brittin to take the same away with him, if and when he should change his office arrangements and assume an office routine elsewhere. That if any of the said papers or documents above referred to found their way into any of the papers, records, and files of the said MacCracken & Lee, that the same

were there present inadvertently and without such intention on the part of the said Brittin or anyone else.

The said Brittin further states that he was absent on official business in the Dominion of Canada between January 16, 1934, and January 21, 1934, and that upon his return to Washington from Canada on January 21, 1934, did not return to his new office in the National Press Building until Monday morning, January 22, 1934, at which time his said secretary took up her duties in said office.

That the said Brittin, while in Canada, was informed by employees in the office of the Northwest Airways in St. Paul, Minn., that representatives of the Senate investigating committee had presented themselves at St. Paul, and had requested a delivery of files of the Northwest Airways and its officials in St. Paul. That the said Brittin immediately advised the St. Paul office to turn over and deliver to such representatives any and all files, papers, and documents there present without reservation, and that as he is informed and believes all of said files were presented to the said investigators, and that the same have been fully investigated, and every purpose of the Senate investigating committee in connection therewith has been fully expedited and consummated; that so far as the said Brittin is informed and believes, such files as have thus been delivered contain all material correspondence, papers, and documents with respect to the business and affairs of the said Northwest Airways, Inc., of whatever kind or nature, whether relating to ocean or air mail contracts, or otherwise, existing since the organization of the company.

That the said Brittin conducted no business with the said firm of MacCracken & Lee, and had no contacts or conferences with either member of said firm, for a long time prior to Brittin's return from Canada to Washington on January 21, 1934. That following such return and up to the present time said Brittin has had no contact, conference, or conversation, personally or over the telephone or otherwise, with the said William P. MacCracken, except a chance conversation, in passing, in the National Press Building concerning an inquiry of said MacCracken concerning a fee due him from the said Northwest Airways. That any matters of papers and documents concerning the Northwest Airways, or the affairs of the said MacCracken & Lee, or of the said Brittin, have at no time since January 1, 1934, and long prior thereto, been discussed with the said William P. MacCracken, directly or indirectly, or with his said partner, Frederick Lee, except as hereinafter set forth.

III

That said Brittin further states to the Senate that on or about Thursday, February 1, he became advised, through the newspaper and general report, that Mr. MacCracken had been called before the Senate committee, and that it was probable that various documents and files in the office of the said MacCracken would be required and requisitioned by the said committee. That thereafter, without consultation with anyone, acting solely on his own initiative, and without mature reflection, the said Brittin conceived the idea that it was possible that there might be personal papers and documents inadvertently present among the papers and documents of the Northwest Airways, Inc., in the said office of the said MacCracken & Lee, on account of the somewhat loose and general way in which the said Brittin had looked after his papers in said office while carrying on a business routine therein, and which personal papers ought to be removed and not be made public in connection with the examination of the papers of the Northwest Airways by the Senate committee. That the said Brittin immediately sought to get in touch with the said firm, and, failing therein, immediately went personally to the offices of the said firm in the said National Press Building for the purpose of examining the papers and records of the Northwest Airways there present, to see whether there were included there among any personal letters, papers, or other documents belonging to the said Brittin and having no connection with the said Northwest Airways papers and documents properly belonging in the MacCracken & Lee file of the Northwest Airways as requested by the Senate committee.

That upon arrival at the office of MacCracken & Lee around midday on February 1, 1934, the said Brittin asked to see Mr. MacCracken and was advised by the office clerk that Mr. MacCracken was engaged. Thereupon the said Brittin asked to see Mr. Lee, and, upon being permitted to see Mr. Lee, he advised Mr. Lee of the purpose of his visit, stating he desired to examine the so-called "Northwest Airways papers" for the purpose of ascertaining whether they embraced any of his own personal papers or documents, and if so, he desired to remove such personal papers from the said file so that the same would not become public if and when the said papers properly in said file should come into the possession of the said Senate committee. That the said Lee advised the said Brittin that such request was proper, and thereupon the said Lee produced, or caused to be produced, the said so-called "Northwest Airways file", which consisted of various papers and documents contained in a folder aggregating approximately a couple of inches in thickness. That thereupon and in the immediate presence of the said Lee, and upon the desk of the said Lee, the said Brittin hastily examined such papers, and laid aside from said papers five or six papers which the said Brittin then and there believed and still believes to have been his personal, private property, having no proper place in the MacCracken & Lee file of the said Northwest Airways and having no relevancy or pertinency concerning the purposes of the said Senate committee in investigating affairs of the Northwest Airways, Inc. That such papers thus removed from the said so-called "file" were then handed by the said Brittin to the said Lee, who thereupon made a cursory examination thereof, stating that he desired to be sure that the papers removed were such papers as personally belonged to the said Brittin and were not papers properly in the possession of the said MacCracken & Lee, and that after an examination thereof the said Lee returned the said five or six papers thus referred to to the said Brittin, stating that it seemed proper to the said Lee for the said Brittin to have such papers, and as the said Brittin was in the habit of accepting the opinion of the members of the firm on legal matters, he thought that his action was perfectly proper, and thereupon put said papers in his pocket and left the office of MacCracken & Lee and returned to his own office. Thereafter, without further examination of said papers, deeming them to be of no interest or consequence to any other person than himself, said Brittin tore the same up and deposited them in his office wastebasket in exactly the same way as he had been accustomed to dispose of other papers currently discarded from his existing office accumulations.

The said Brittin further states that his own examination of the said papers thus removed and destroyed was of the most cursory character, and was only sufficiently made to enable him to conclude that the nature of the said paper was with respect to it being private and personal or otherwise. That the said Brittin knows that the same had no reference to airway matters transacted through the office of MacCracken & Lee affecting the air mail contracts of the Northwest Airways. That the entire visit to the said offices of the said MacCracken & Lee and the removal and destruction of the said papers occupied not to exceed 15 minutes and was done by the said Brittin in a hurry, on impulse, and on his own initiative, without any particular reflection concerning the equivocal effect or appearance involved in such acts, and without any intention, directly or indirectly, on the part of said Brittin to impede or obstruct the Senate or its committee in its investigation or in any proposed examination into the affairs of the said Northwest Airways, Inc., which it might be desiring to carry on. That the removal and destruction of the said papers by the said Brittin were wholly due to feeling on the part of the said Brittin that the said papers had no place in the MacCracken & Lee file of the Northwest Airways, and in the honest belief that said Brittin had a proper right to protect his personal papers from being made public, in the event the papers and files of the said MacCracken & Lee should be turned over to the said Senate committee. That the said Brittin was not under subpena to appear before the Senate committee until February 2, subsequent to the transactions aforesaid.

That the said Brittin on February 1, 1934, received a telegram from the said William P. MacCracken under date of January 31, 1934, but whether before or after his visit to the office of MacCracken & Lee on February 1, said Brittin is unable to state. That on February 2, 1934, the said Brittin advised the said MacCracken that he was fully authorized to deliver to the Senate committee any and all papers referred to in or covered by the request of said Senate committee.

Said Brittin further states that his action in removing the said papers and the destruction thereof was without the knowledge, consent, or approval of the said Northwest Airways or any officer thereof, and that the said Brittin is wholly and individually responsible for what was done.

The said Brittin further states to the Senate committee that he regrets very deeply having removed the said papers from the said office of the said MacCracken & Lee, and the subsequent destruction of the same, as herein alleged; that he now fully appreciates that it would have been proper and effectual to have exhibited such papers to the said committee with a personal request that the same be eliminated from the papers and files involved, but that he had never before been connected with, or involved in, any Federal investigation or procedure, and was inexperienced in connection therewith.

The said Brittin further states that he was endeavoring to make arrangements to institute a search through the waste-paper receptacles of the said National Press Building to recover such papers aforesaid; but before any steps could be taken to that end, he was advised that the Department of Justice had already undertaken the same task. For the foregoing reasons it is physically impossible for said Brittin to now produce said papers so taken.

The said Brittin further states that he has not consciously withheld from this response any material fact which would be relevant to the matter now before the Senate, and that, in accordance therewith, he presents the foregoing as his response to the order to show cause heretofore issued by the President of the Senate under date of February 5, 1934.

L. H. BRITTIN.

SETH W. RICHARDSON,
ALFONS LANDA,
DAVIES, BEEBE, BUSICK & RICHARDSON,
Counsel, Washington, D.C.

UNITED STATES OF AMERICA,
District of Columbia, ss.

L. H. Brittin, being sworn, says he has read the foregoing response, and knows the contents thereof, and that the same are true, of his own knowledge.

L. H. BRITTIN.

Subscribed and sworn to before me February 9, 1934.

MARGARET H. ROEDY,
Notary Public, District of Columbia.

The PRESIDENT pro tempore. Colonel Brittin, the statement just read was your statement in this proceeding, was it?

Colonel BRITTIN. Yes, sir.

The PRESIDENT pro tempore. And under your oath?

Colonel BRITTIN. Yes, sir.

The PRESIDENT pro tempore. Will Mr. Givvin stand up?

Mr. Givvin rose and stood in the area in front of the Vice President's desk.

The PRESIDENT pro tempore. Mr. Givvin, you have been brought before the Senate, by its order, to show cause why you should not be punished for contempt of the Senate on account of the destruction and removal of certain papers, files, and memoranda from the files of William P. MacCracken, Jr., after a subpena requiring the production of such papers, files, and memoranda had been served upon William P. MacCracken, Jr., as shown by the report of the Special Committee on Investigation of Air Mail and Ocean Mail Contracts.

Were you present when Col. L. H. Brittin was standing just now and there was read to him and to the Senate Report No. 254, Seventy-third Congress, second session, parts 1 and 2, submitted February 2 and 5, 1934, respectively, and Senate Resolution 172, agreed to February 5, 1934?

Mr. GIVVIN. Yes, sir.

The PRESIDENT pro tempore. Do you desire to have them read again for your information?

Mr. GIVVIN. No, sir; I do not.

The PRESIDENT pro tempore. Have you anything to say in excuse or extenuation of your connection with or participation in the matters described in such report and resolution?

Mr. GIVVIN. Yes, sir; I have a statement to make.

The PRESIDENT pro tempore. Mr. Givvin, will you please be sworn?

The respondent, Gilbert Givvin, was thereupon duly sworn by the President pro tempore.

The PRESIDENT pro tempore. You may make your statement. Do you desire to have it read, or will you read it yourself?

Mr. GIVVIN. If I may, I will read it myself.

Mr. Givvin then advanced to the Secretary's desk.

Mr. GIVVIN. My name is Gilbert L. Givvin. Mr. Hanshue has already——

Mr. President, I expected Mr. Hanshue to make his statement first. Shall I just make this statement as I have it written down here?

The PRESIDENT pro tempore. Yes.

Mr. Givvin proceeded to read his statement.

Mr. BANKHEAD. Mr. President, we cannot hear the statement in this part of the Chamber.

Mr. KING. It cannot be heard in the second row.

Mr. BANKHEAD. Why not have the clerk read it?

Mr. KING. I suggest that the respondent request the clerk to read his statement, if that meets the views of the respondent.

The PRESIDENT pro tempore. Before that is done, the Chair will state that Mr. Givvin expected that Mr. Hanshue would make his statement first, and he refers to what Mr. Hanshue has to say in the matter; so it will be understood that his statement relates to Mr. Hanshue's statement.

Mr. GIVVIN. That is right.

The PRESIDENT pro tempore. Without objection, the statement will be read by the clerk.

The Chief Clerk read as follows:

NOTES COVERING MR. GIVVIN'S TESTIMONY

My name is Gilbert L. Givvin. Mr. Hanshue has already truthfully stated my present and past connections with the Western Air Express. Since March of 1933 my office has been in Washington, D.C., and my duties have been those stated by Mr. Hanshue. On Thursday, February 1, I received notice that Mr. Voorhes had called me from New York, while I was away from the hotel. I then returned the call, and Mr. Voorhees told me that Mr. Hanshue wanted to talk to me. Mr. Hanshue told me that he had received a wire from Mr. MacCracken in regard to his files and that he wanted to have me go over and see Mr. MacCracken, look at the files, and see what was in the files, including his personal files. I phoned Mr. MacCracken and told him that I had received a phone call from Mr. Hanshue and wanted to know when I could come over to see him. He told me that he had not had lunch, that he would be busy after lunch and asked me to call him back about 4:30. At about 4:30 I called him, asked him if it would be convenient for me to come over, and he said that it would. Because of the weather I took a street car and arrived at Mr. MacCracken's office at about 5:10 p.m. Mr. MacCracken was engaged at the time I arrived at his office. Shortly after that the men who were in his office left. Mr. MacCracken came out, saw me, and brought me in his office. Mr. MacCracken asked me if I wanted to look over the Western Air Express files, and then rang for his secretary and asked her to bring them in. When the files were placed on Mr. MacCracken's desk, he took the top file, opened it on his lap and began to take out letters which he indicated, and which I believed, did not belong there. He hastily went through the entire file and as he found letters which neither he nor I regarded as being properly in the file, he laid them aside. After he had gone through the entire file in that way, I took the letters which he had removed from the file, rolled them up, put them in my pocket, and went back to the hotel. Just as I left, Mr. MacCracken said, "You understand, of course, if I am interrogated I will have to tell the committee about these." My reply was, "Yes; of course."

When I reached the hotel, I put all of the papers in an envelop, addressed it to Mr. Voorhes at New York City, had the necessary stamps put thereon, and dropped it in a box at the mail window.

On Friday evening, February 2, at about 7 p.m., I received a telegram from Mr. Voorhes to the effect that he was coming to Washington, leaving New York at 5:30 p.m. He arrived here a little after 10 o'clock and handed me a sealed envelop, which he said contained all of the papers which I had mailed up to him. The following morning I took the papers, without opening the envelop to Mr. Patterson's office. I remained in Mr. Patterson's office until about 11 a.m., when the committee convened, except for a period of about 20 minutes when I went out to get a cup of coffee and left the papers with Mr. Patterson's secretary. I then took the papers to the committee room, and after a while the committee began to assemble and I was soon called upon to take the stand. I laid the papers in the sealed envelop on the committee table, where they remained until I was requested to open the envelop and to testify with regard to some of the papers. I was examined at length, or for about 2 hours, by the committee, and told them all that I knew about the matter. My testimony appears in volume 36, report of the proceedings, and commences at page 5339 and ends at 5393. From the examination I made of the papers during the course of my examination, I am morally certain that they were the identical papers, and all of them, that I mailed to New York. At the time I received the papers from Mr. MacCracken I did not know that they were under subpena, and I did not realize that I was doing anything wrong in removing them from his office, but as I understand the matter now I am satisfied that I should not have taken them and very much regret having done so. I can only say that I felt at the time that if there was anything improper about receiving the papers, Mr. MacCracken would have advised me to that effect. I realize now that I made a mistake in considering that all the letters which were removed from Mr. MacCracken's files were personal in character, but this error was due to my long experience as a private secretary when letters of this character were always classified by me and by others in the office as personal letters as distinguished from company letters. I also realize that I made a mistake in not exercising my own judgment as to the papers to be removed from the files instead of relying upon the judgment of Mr. MacCracken.

The PRESIDENT pro tempore. Mr. Givvin, the statement just read by the Chief Clerk was your own statement in this proceeding?

Mr. GIVVIN. Yes.

The PRESIDENT pro tempore. And under your oath?

Mr. GIVVIN. Yes.

The PRESIDENT pro tempore. Mr. Hanshue, please stand up.

Mr. Hanshue rose in the area in front of the Vice President's disk.

The PRESIDENT pro tempore. Mr. Hanshue, you have been brought before the Senate, by its order, to show cause why you should not be punished for contempt of the Senate on account of the destruction and removal of certain papers, files, and memoranda from the files of William P. MacCracken, Jr., after a subpena requiring the production of such papers, files, and memoranda had been served upon William P. MacCracken, Jr., as shown by the report of the Special Committee on Investigation of Air Mail and Ocean Mail Contracts.

There has just been read in the Senate by the clerk Senate Report No. 254, Seventy-third Congress, second session, parts 1 and 2, submitted February 2 and 5, 1934, respectively, and Senate Resolution 172, agreed to February 5, 1934. Were you present, sir, when those reports and resolution were read?

Mr. HANSHUE. Yes, sir.

The PRESIDENT pro tempore. Do you desire to have them read again?

Mr. HANSHUE. No, sir.

The PRESIDENT pro tempore. Have you anything to say in excuse or extenuation of your connection with or participation in the matters described in such report and resolution?

Mr. HANSHUE. I have.

The PRESIDENT pro tempore. Will you please be sworn, sir.

The respondent, Harris M. Hanshue, was thereupon duly sworn by the President pro tempore.

The PRESIDENT pro tempore. You may make any statement you desire.

Mr. NEBEKER. Mr. President, may I say that Mr. Hanshue has prepared a written statement. He is in very bad voice, and I am sure the Senate could not hear him; and I find, in looking through the statement, that there are some interlineations which in all probability would bother the clerk; so, if I may be permitted to do so, I should like to read the statement for Mr. Hanshue.

The PRESIDENT pro tempore. Without objection, it is so ordered. You may come to the desk and read it.

Mr. Nebeker thereupon stood at the Secretary's desk and read as follows:

My name is Harris M. Hanshue. I reside in Los Angeles, Calif. I am the president of Western Air Express and have been such ever since it was organized in 1925. I am 52 years of age and have been engaged in air transportation operations since the spring of 1926. I frequently visit New York City, and while there I make my headquarters at the offices of North American Aviation, 1775 Broadway. I was in New York on Thursday, February 1, of this year, and was stopping at Essex House, 160 Central Park South. Between 9:30 and 10 o'clock a.m. of that day I received a night letter dated January 31, 1934, from Mr. William P. MacCracken, Jr., which I now produce and read. It is as follows:

"I have today been subpenaed to produce before the Black committee all papers, memoranda, correspondence, maps, copies of telegrams relating to air and ocean mail contracts. Insofar as these involve confidential communications between us as attorney and client, I have felt it my duty to assert and have asserted the privilege which the law places around such communications. This privilege may be waived only by you as client. The committee has requested me to inquire whether you desire to waive this privilege and authorize me to make these documents available to the committee investigators. Please wire your decision.

"WILLIAM P. MACCRACKEN, JR."

The papers, memoranda, correspondence, etc., referred to in Mr. MacCracken's night letter were those which had accumulated in Mr. MacCracken's files during the time that he was attorney for Western Air Express, from the inception of the company in 1925 until August 1926, and from January 1930 to about July 1932. During the time that Mr. MacCracken was attorney for the company it was my practice whenever I was in Washington, D.C., to make use of his office for the purpose of dictating letters, telegrams, etc., both of a personal character as well as such as were connected with the operation of the company. The correspondence, other than such as was of a personal character, consisted of the usual correspondence between the company and its attorney, Mr. MacCracken. I understood from Mr. MacCracken's night letter that there was no question as to my right to refuse to release him from the privilege which he claimed, but I did not desire to obstruct the committee in any way, and sometime between 10 and 11 o'clock a.m. called Mr. MacCracken by telephone. I told him that I had received his night letter, and I asked him when he would have to advise the committee in regard to the release. He told me that he thought I would have a day or two, and I asked him if Gilbert Givvin would have an opportunity to look through the files and see if in the files there were any of my personal papers. Mr. MacCracken told me that it would be all right for Mr. Givvin to look through the files and to have Givvin get in touch with him.

After completing the conversation with Mr. MacCracken I asked Mr. S. W. Voorhes, the traveling auditor of Western Air Express, then staying at the Essex House in connection with business of the company and who was present during my telephone conversation with Mr. MacCracken, to get Mr. Givvin on the wire. Mr. Voorhes put the call through to Mr. Givvin at the Mayflower Hotel in Washington, D.C., but Mr. Givvin did not answer. Between 12:30 and 1 o'clock Mr. Givvin returned the call and Mr. Voorhes turned the call over to me. I told Mr. Givvin that I had received a night letter from Bill MacCracken in regard to his files and that I had arranged to have him examine them and that I wanted him to advise me whether there was any correspondence of a personal nature in the files.

Mr. Givvin is the representative in Washington, D.C., in connection with matters which the company has from time to time with the Post Office Department concerning the flying of the mails, schedules, stops, delays in mail due to weather, and other causes, and accounting procedure; and with the Department of Commerce in connection with the airway, beacons, radiobeacons, and radio generally, weather, conditions of the flying fields, equipment, and rules and regulations of the Department in connection with personnel and the operation and maintenance of airplanes and engines. He has been employed in this capacity at Washington, D.C., since the spring of 1933. He was with me as secretary from the spring of 1931 until he came to Washington.

The next morning, February 2, 1934, Mr. Voorhes told me that he had received a package of correspondence from Givvin. I asked him what was in the package, and he said that he had not examined it, but it looked like some personal correspondence that was in MacCracken's files. Later on in the afternoon I learned that some report had been given out to the effect that the Western Air Express had taken papers from Mr. MacCracken's files, and I then, for the first time, made a hasty examination of the papers. They were in a bureau drawer in Voorhes' room. On glancing over the papers I saw that in the main, although addressed to my personal friends, they referred to business matters. I put the papers back into the original envelop and Mr. Voorhes and I took them to the offices of the North American Aviation to get a new envelop to send them back in because the old envelop could not be used. In my presence Voorhes put the papers in a new envelop, addressed it to Givvin, and sealed it. Upon consideration I thought it would be better instead of mailing the envelop to have Voorhes personally deliver it. Voorhes left the office hoping to catch the 4:30 train to Washington, D.C., with the understanding that if he missed that train he was to take the next train. Mr. Voorhes left New York on the 5:30 train. With the exception of the short time I was looking over the papers they were kept in Mr. Voorhes' room, and so far as I have been able to ascertain by diligent inquiry the only other persons besides myself who were in that room during the day were Voorhes, Charley Franz, division superintendent of Western Air Express domiciled at Denver, Colo., and A. E. Coblan, a newspaper friend of mine. I did not take a single paper out of the files, and to the best of my knowledge no one else did so, and certainly no one did so with my consent or under my instructions. Mr. Voorhes has told me that he was in the room after the receipt of the envelop all the time with the exception of two short intervals. While Voorhes was away the first time, Mr. Franz was in the room alone; and when he was away the second time, Mr. Franz, Mr. Coblan, and I were in the room. Mr. Voorhes and Mr. Franz are here and are available as witnesses.

Immediately after Voorhes left for Washington to take the papers, I wired MacCracken as follows:

"Re telegram. You are hereby authorized to permit Senate Air Mail and Ocean Mail Investigating Committee to inspect all papers, memoranda, correspondence, maps, copies of telegrams relative to air mail contracts held by this company.

"WESTERN AIR EXPRESS, INC.,
"HARRIS M. HANSHUE, *President.*"

At the same time I wired MacCracken I sent a wire to Senator BLACK, as follows:

"We have today sent the following telegram to William P. MacCracken, Jr.:

"'Re telegram. You are hereby authorized to permit Senate Air Mail and Ocean Mail Investigating Committee to inspect all papers, memoranda, correspondence, maps, copies of telegrams relative to air mail contracts held by this company.

"'WESTERN AIR EXPRESS, INC.,
"'HARRIS M. HANSHUE, *President.*'"

About an hour later I received the following wire from Senator BLACK, and also opened and read an identical wire from Senator BLACK to Voorhes:

WASHINGTON, D.C., *February 2, 1934.*

HARRIS M. HANSHUE,
The Essex House, 160 Central Park South:

Certain papers from the office of Mr. MacCracken have been sent to you. You are hereby notified to send these or bring these in the original package immediately to the Senate committee room no. 101, Senate Office Building. Please wire reply.

HUGO L. BLACK, *Chairman.*

A few minutes later two men came to my room and said they had a subpena from the Black committee directing me to appear before the committee and to return the papers. I told them that the papers mentioned in the subpena had been given to Mr. Voorhes, who was then on the train returning them to Washington. The gentlemen then withdrew the subpena and left my room. I thereupon wired Senator BLACK to the effect that I had issued instructions to return all papers immediately.

I want to make it perfectly plain that the papers were not removed from Mr. MacCracken's files at my request or with my knowledge. I did not know that they had been sent to New York until they arrived, and I ordered them returned as soon as I learned that they were wanted by the committee. I call attention to the fact that Mr. Voorhes was on his way to Washington with the papers before I received Senator BLACK's wire and also before the subpenas were brought to my room.

The PRESIDENT pro tempore. Mr. Hanshue, the statement just read is your statement made under oath, is it?

Mr. HANSHUE. Yes, sir.

Mr. BLACK. I suggest that if there is any other evidence the respondents desire to offer in this connection they should be given that opportunity.

Mr. RICHARDSON. Mr. President, we are utterly at sea as to the procedure here. If the Senate desires to have Mr. Brittin testify or ask him any questions or desires that he be interrogated concerning any matters, he is here for that purpose. We are not forcing him on the Senate. We have made a statement under oath as to what we understand the facts to be. If the Senate is satisfied that properly represents Mr. Brittin's position, it satisfies us. If he is to be interrogated further by us, we are willing to interrogate him. If the Senate wishes to interrogate him, he is here for the purpose of any interrogation it wishes to make. We are at sea, as I have said, as to what the Senate desires by way of procedure.

Mr. BLACK. If Colonel Brittin desires to testify, there are several questions the committee would like to ask him.

Mr. BRITTIN. I will be very glad to testify, Senator BLACK.

EXAMINATION OF L. H. BRITTIN

By Mr. BLACK:

Question. Colonel Brittin, when you testified before the Senate committee several days ago you stated that you obtained from Mr. MacCracken's office certain letters of a personal nature—five or six letters—and that you later took them to your office and destroyed them. May I ask to whom those letters were addressed?

Answer. Senator, as I explained to the committee at the time you asked me that question, I felt that these were of a personal nature; they were not properly in Mr. MacCracken's files, and I felt that that question ought not to be asked me.

Question. Were they addressed to Mr. Lilly?

Answer. I do not know.

Question. You do not know whether they were addressed to Mr. Lilly or not?

Answer. What I want to say is this, that I am not familiar now to whom these letters were addressed. I examined them very casually and just took out of the files—they were papers and memoranda.

Question. Do you know whether any of them were addressed to Mr. Lilly?

Answer. I do not, Senator.

Question. Who is Mr. Lilly?

Answer. Mr. Lilly at one time was president of the Northwest Airways. At the present time he is one of the directors of the Northwest Airways.

Question. Did they have marked in letters with a pencil on any of them "MacCracken's copy"?

Answer. No, sir; I do not think they did. I do not remember any such thing.

Question. Will you look at this letter and see if that——

Mr. NORRIS. Mr. President, will the witness not speak a little louder? It is very difficult to hear him over here.

The WITNESS. I will try to do so.

By Mr. BLACK:

Question. Will you look at the letter which is handed you [handing respondent a letter] and see if this is one of the letters that were taken from the files and torn up?

Answer (examining letter). This is one of my letters, Senator BLACK, to Mr. Lilly, but as to whether or not this came out of Mr. MacCracken's files, I do not know.

Question. Do you remember whether or not you did take any such letter as that out of Mr. MacCracken's files?

Answer. No, Senator; I do not. I should like to say, in explanation of that question this, that, as I stated in this answer of mine, I occupied Mr. MacCracken's office for a number of months; that I wrote there a great many letters and a great many memoranda of various character at various times. These papers—as I went out of town, went out of the city, made trips, and things of that kind, my papers found their way into Mr. MacCracken's files.

I also want to say that at various times I recovered these papers from the files. I asked the girls to gather up any stuff of mine that there might be around. On account of the fact that I did not examine these papers very carefully and read them through, just glanced at them in a cursory sort of a way, I am unable to tell you. I am sorry; I tried to recall that when I was before the committee, but was unable to do so.

Question. Will you look at that letter and see if you can identify who wrote in there with a pencil the name "MacCracken"? Do you recognize the handwriting?

Answer (examining letter.) This looks as though it was my handwriting.

Question. Is that your handwriting?

Answer. I think that the word "MacCracken" is my handwriting. I do not think the word "copy" is.

Question. What was the object in putting on that letter "MacCracken's copy"?

Answer. I do not think I wrote the word "copy", Senator; but the object probably in writing the word "MacCracken" on this letter was that this matter I thought it would interest him.

Question. Was it the object to show that that particular letter should be put into Mr. MacCracken's files?

Answer. No, Senator; this had nothing to do with Mr. MacCracken's files. It was not a proposition; this did not cover a matter that we were handling through Mr. MacCracken's office.

Question. Who wrote on that the word "copy"? Whose handwriting is that?

Answer. I do not know whose handwriting that is.

Question. It is also written with pencil, is it not?

Answer. It is also written with pencil; yes.

Question. Can you state that that letter was not one of the letters that you took out of the files?

Answer. I do not think that it was.

Question. Why?

Answer. Because letters of this—well, I did not examine these letters very carefully that I took out, but I do not think this is one of them.

Question. When you testified before the committee you did not state, did you, Colonel, that you had torn up any other letters the same day that you tore up the letters that came from Mr. MacCracken's files?

Answer. No; I did not. I did not testify to that at all. It never entered my mind. The letters I was tearing up in my office were in connection with the rearrangement of my files, in connection with the sorting of material that I brought in from check rooms and different places where I had been keeping it.

Question. What is the date of that letter?

Answer. The date of this letter is August 15.

Question. That is your letter, is it not?

Answer. Yes, sir; I wrote this letter.

Question. You wrote it?

Answer. I did.

Question. It relates to air mail contracts, does it not?

Answer. It relates to air mail matters of the Northwest Airways, Senator.

Question. I hand you another letter dated August 16, 1933, and ask you if you recognize that letter?

Answer. Yes, sir; I wrote this letter.

Question. Is that a letter that was also in Mr. MacCracken's file?

Answer. I do not think it was, Senator.

Question. Where was it?

Answer. It might have come from some accumulations of mine that were taken from other sources.

Question. But where did it come from?

Answer. I cannot tell you where it came from. I do not know.

Question. You only destroyed it 4 or 5 days ago?

Answer. I cannot help it. As I explained before, I moved into this office of mine, and for the first time in 8 years I had an office where I could file things to keep them. I got together the papers which I had been using and storing in various places and brought them together and eliminated some and set others aside as a basis for a filing system. I handled a great many papers here. I do not know—I cannot

identify these letters and tell you exactly where they came from. I do not know.

Question. They are your letters, are they not?

Answer. Yes, sir; they are my letters. There is no question about that.

Question. Will you look at this letter of August 9, 1933, and see if that is your letter, and say to whom it is addressed and whether or not it is about air mail business?

Answer. Yes, sir; I wrote this letter.

Question. Is it about air mail business?

Answer. Yes, sir; this is about air mail business.

Question. You do not consider that personal, do you, Colonel?

Answer. I consider a letter of this kind, Senator, as a personal communication between me and the person to whom I wrote it. It deals with air mail matters. There is no question about that.

Question. To whom was it written?

Answer. It was written to a friend of mine.

Question. To whom was it written?

Answer. Must I answer that?

Question. Yes. We want to know to whom the letter was written.

Answer. Well, this letter was written to a personal friend. I am perfectly willing to give the committee the name of the man in confidence.

Mr. BANKHEAD. We cannot hear the witness.

The PRESIDENT pro tempore. Will the witness try to speak a little louder? The Chair will ask the Senator from Alabama to repeat this question.

By Mr. BLACK:

Question. The letter is addressed "Dear Ben." Who is the gentleman to whom it was addressed? It is about air mail business, is it not?

Answer. It deals with air mail matters; yes.

Question. To whom was it written?

Answer. Senator, it was a letter to a private friend of mine, and I would prefer not to disclose his name.

Question. Colonel Brittin, it is about nothing in the world but air mail business, is it?

Answer. It deals with a proposal to rearrange our schedule. The man that I wrote that letter to had nothing—he had nothing to do with it.

Question. You were telling him about different schedules you were trying to get at the Post Office Department in order to increase the payments of your air mail contracts, were you not?

Answer. I was telling him about the schedules I had at the Post Office Department for the purpose of better developing the service in our part of the country.

Question. You were trying to get an increase of 952 miles per day in the schedule of the Northwest Airways, were you not?

Answer. I would have to look at the letter again to verify that.

Question. I hand you the letter again.

Answer. This letter proposes this. This letter does not cover increased pay to the Northwest Airways. It is this: I had in mind to propose that the Post Office Department authorize the Northwest Airways to take on this enlarged operation for 5 percent less air mail pay than we received in the month of May. What I was proposing there was the practicability of additional free service in our part of the United States.

Question. What I want to get at is in order that the Senate may understand the matter before I ask the question as to whom the letter was written. There is no subject of any kind or type mentioned in that letter except the air mail business or the extension of lines?

Answer. Yes.

Question. The Post Office contracts?

Answer. That is right.

Question. The letter relates solely to them?

Answer. Yes.

Question. To whom was it written?

Answer. It is a perfectly innocent matter. I wrote this to Mr. Ben Myers.

Question. Who is Mr. Ben Myers?

Answer. He is a friend of mine that was employed in the Post Office Department.

Question. Where?

Answer. In Chicago.

Question. In Chicago?

Answer. Yes. And I would like to say in connection with that testimony that Mr. Myers declined to give me the information which I suggested in this letter.

Question. Will you look at this letter of August 28, 1933, addressed to Mr. Lilly, and see if you recognize that as your letter?

Answer. Yes; I wrote this letter.

Question. You wrote that letter, to whom?

Answer. To Mr. Lilly.

Question. Is there anything in that letter of a personal nature, or is that with reference to air mail?

Answer. This is with reference to air mail.

Question. Will you look at this letter of September 28, 1933? Just before that, who is Mr. Lilly?

Answer. As stated previously, Senator, he was the president of Northwest Airways. He is now a director. [After examining letter:] Yes; I wrote this letter.

Question. To Mr. Lilly?

Answer. No, sir; to Mr. K. R. Ferguson.

Question. Who is Mr. K. R. Ferguson?

Answer. He is the traffic manager of the Northwest Airways.

Question. Is that also about air mail business?

Answer. It is more particularly about the passenger business on our lines. It has to do with the question of a consolidated ticket office for passenger business in Chicago.

Question. And it also has to do with conferences that have been held by employees at the Post Office Department here in Washington; does it not?

Answer. Yes; there is a single reference to that, but the principal subject of that letter is air passenger transportation.

Question. I send you now a letter of September 28, 1933, and ask you if you can identify it.

Answer. Senator BLACK, this is a copy of the letter you previously gave me.

Question. That is a copy of the same one?

Answer. Yes, sir.

Question. All right. I send you a memorandum and ask if you recognize the memorandum.

Answer (after examining paper). Yes; I wrote this memorandum.

Question. To whom is it written?

Answer. To myself. It is purely informative as a memorandum, private, for my own personal use.

Question. It pertains to an air mail program; does it not?

Answer. Oh, yes; it pertains to air mail, but it simply covers information that I put down on this as a reminder, as a plan of action.

Question. I send you a telegram dated September 19, 1933, to Mr. A. H. Brown, of Brown & Jones, Securities Building, Billings, Mont. I will ask you if you recognize that copy of a telegram?

Answer (after examining paper). Yes; I sent that wire.

Question. That was written, was it not, from the office of MacCracken & Lee?

Answer. Why, I would think so from the annotation down here at the bottom that the message is charged to an account which I had at their office, and which I reimbursed them every so often for; but it had nothing to do with any matters that were handled through Mr. MacCracken.

Question. Colonel Brittin, you recognize that, do you not, as one of the papers that was taken from that file?

Answer. No, sir; I do not.

Question. Where was it taken from?

Answer. I cannot tell you, Senator. I have been handling in the last 2 or 3 weeks, principally in the last 2 weeks, hundreds of papers. I do not know where that came from.

Question. You say you know that one did not come from there, do you?

Answer. You asked me if I thought—if this thing did come from there.

Question. Yes.

Answer. I said, "No."

Question. You said it did not?

Answer. No. Then you asked me where it came from, Senator, and I said I could not tell you.

Question. You could not say; but you do know, do you not, that it was originally in the office of MacCracken & Lee, because it was sent from there and charged to their account?

Answer. No, sir; it was not charged to their account in that respect. Now, I should like to explain something here.

I went in and out of MacCracken's office. I sent telegrams from there, telegrams that had nothing whatever to do with Mr. MacCracken's business; but as a matter of personal accommodation to me those telegrams were carried on a suspense memorandum at his office, and every once a month they were sent to my office at St. Paul, and my office paid the bill; but that had to do with telegrams. It had to do with postage.

Question. Well, it was written in his office, was it not?

Answer. Why, I wrote a lot of letters in his office; certainly.

Question. Was that telegram written in his office?

Answer. I do not know whether it was written in his office or not.

Question. What is your best judgment?

Answer. Why, I would make a guess that it was.

Question. Are you able to give the Senate the name of one person to whom any of these letters were written that you state you remember getting out of their file?

Answer. No, sir; I am not.

By Mr. KING:

Question. Did you examine these letters which you took out of Mr. MacCracken's office before you removed them?

Answer. Not very carefully, Senator.

Question. Did you examine them at all?

Answer. I just glanced at them.

Question. Do you not remember the names of any persons to whom they were addressed?

Answer. No, Senator; I do not. I recognize the fact that that is a weak answer, but it is the truth. I do not.

Question. Why did you remove these letters?—because, obviously, they are not personal in character.

Answer. Those—which letters? These here?

Question. Those that have been exhibited to you.

Answer. These were not removed from his office, I do not believe.

Question. Where did they come from if they were not removed from Mr. MacCracken's files?

Answer. I think, to make a guess, that they came from the accumulations of mine that I was assembling together in my office in 1090 National Press Building.

As stated in this response of mine, I had absolutely no office in Washington. I was living at these hotels. I was trying to carry on my correspondence in my hotel room. I went down to Mr. MacCracken's office and used his office for a while just exactly the same as I would use my hotel room. I used the office of Aeronautical Radio for a little while in exactly the same way.

Now, I accumulated papers at this place and that place and the other place. I even had them checked at some of the check rooms; and then I brought them together, and at last had an office of my own, and bought a file for this office, a three-drawer file, and one of these drawers I used to store stationery in and the other two to file my correspondence in; and I took all this mass of stuff that I accumulated from every place in Washington that I had been, and I sorted it out and eliminated a lot of it, tore it up, and threw it in the wastebasket. It never occurred to me that there was anything wrong with that. I had not been subpenaed. The papers in my office have been there, gathered together, since the time that I leased that office, and no demand had ever been made upon me for any of these papers. Now, I was engaged in the business of building the first filing system that I had ever had in this town for 8 years.

Question. You knew, did you not, Colonel Brittin, that Mr. MacCracken was under subpena, and that the subpena called for the production of all letters, correspondence, and memoranda in his office relating to air mail and ocean mail contracts?

Answer. I had no definite, specific, legal knowledge of that. I picked it up as I could, and then from this telegram that I received.

Question. Exactly; and so, when you went to his office for the purpose of removing certain correspondence, memoranda, and documents, you knew that Mr. MacCracken had been subpenaed, and that the subpena called for the production of the memoranda, correspondence, and documents that were in his office, did you not?

Answer. I knew whatever the information was that was given to me in that telegram. Then I went to Mr. MacCracken's office——

Question. You have answered my question, if you will pardon me, Colonel. You knew that the letters or correspondence which you took from his office related to air mail and ocean mail contracts, did you not?

Answer. No, sir.

Question. Did you not read them sufficiently for that purpose?

Answer. No, Senator.

Question. What did they relate to, Colonel?

Answer. Well, they related to subjects that I wrote to my friends. In every letter, I suppose, that I have ever written in the last—certainly the last 6 years—I have always, probably, alluded in some way or other to the struggles that the Northwest Airways was making to develop a northern transcontinental line across the United States in competition with some of these others.

Question. Then you did examine the correspondence that you took from his office sufficiently to determine to what they related, did you not?

Answer. No, sir; I did not.

Question. Did you not state, just now——

Answer. No; if the Senator will pardon me, what I said was this: That I do not suppose that there is a letter that I have written in the last 6 years to my intimate friends that I have not mentioned in that letter in some way, along with other subjects, the fight that I have been making to try and carry Northwest Airways across the northern part of the United States, because this work of mine in trying to develop this company was so close to me that it was part of my life, and I went into—nothing occurred in the way of a letter or anything of that kind that I did not mention somewhere the struggle that I was making to try and build this company up to where I thought it ought to be.

Question. When were you in Mr. MacCracken's office last before knowing that he was under subpena?

Answer. May I refer to my notes?

Question. If your memory does not serve you. Did you keep notes of every time you went to Mr. MacCracken's office?

Answer. No. I made an investigation in the last 2 or 3 days to see if I could not find out from some source or other these dates because I have no memory for dates at all. This is about the only way I could do it.

Question. All right.

Answer (after examining notes). The last time I was in Mr. MacCracken's office was either January 31 or February 1; I do not know which.

Question. And when was it that you went in there and removed some papers?

Answer. January 31 or February 1; I cannot tell you which day.

Question. When were you in there before that?

Answer. Oh, I was not in there before that for a month or 6 weeks or quite a while before that. May I state what I was doing for the last——

Question. No; I am not interested in that. I am trying to find out when you were in Mr. MacCracken's office last

before the day when you removed these papers from his office, or papers from his office.

Answer. I cannot tell you that; but I am very certain that it was considerably over a month or 6 weeks before that, because December 7 I traced down and found out that I left Washington to go to St. Paul. I stayed in St. Paul until the 6th of January.

Question. I am not inquiring about that. I am willing to accept your word as to that.

Answer. I am trying to answer the Senator's question in detail.

Question. When was it you dearned, with reference to the hour you went into Mr. MacCracken's office and took papers out, that these papers were under subpena and that he was under subpena to produce these papers?

Answer. Sometime the same day.

Question. Were you in Washington the day before—I mean, the day before you went into his office and removed papers?

Answer. Yes; I was in Washington the day before.

Question. You did not go in and take out any papers then?

Answer. No, sir.

Question. Or the day before that?

Answer. No, sir.

Question. Were these the only papers that you have taken out of Mr. MacCracken's office within the past 5 or 6 months?

Answer. Yes, sir—oh, within the last 5 or 6 months?

Question. Yes.

Answer. No; I would not say that, but these are the last papers that I have taken out of Mr. MacCracken's office within the last 30 days, or something like that. Not within the last 5 or 6 months; no.

Question. Did you have any other papers in there other than those relating to the air mail?

Answer. Yes.

Question. I will ask you one more question: Can you give the name of any single person to whom any letter was addressed which you removed from Mr. MacCracken's files?

Answer. I am sorry, Senator, but I could not.

Question. Can you give the subject which was treated of in any letter, paper, or memorandum that you took from his file? Can you give the subject to which it referred?

Answer. I have a rather rough idea about the general purport or information of that.

Mr. RICHARDSON. Louder.

The WITNESS. I have a general idea about what the purport of those were.

Mr. KING. That is all, Colonel, so far as I am concerned.

EXAMINATION BY COUNSEL FOR THE RESPONDENT

By Mr. RICHARDSON:

Question. A few questions, Colonel.

Answer. Yes, Mr. Richardson.

Question. How did you carry around from place to place this correspondence of yours during the time that you were doing this routine development?

Answer. Oh, I carried it in envelops, I carried it in packages, I carried it in brief cases, sometimes in paper bundles.

Question. Was there any distinction made in the office of MacCracken & Lee, Colonel, between your papers as being personal or being Airways papers?

Answer. No; I do not think there was. I think it was all dumped into the same general file. I think that anything that emanated from me, whether it was personal or not, I think, just as a matter of fact, they picked it up and they put it in the files; and when I came back I tried to recover what I felt was mine and went away with it.

Question. What files have you now in your office at 1090 National Press Building?

Answer. I have got a full and complete set of files now, the first time I have ever had it.

Question. Have you ever been asked to produce any of those files?

Answer. No, sir; not in any form, shape, or manner.

Reexamination by Mr. BLACK:

Question. Just one or two other questions, Colonel. I want to get this absolutely clear before the Senate. This date that you went down to Mr. MacCracken's office and got those papers was on the 31st of January or the 1st of February of this year; was it not?

Answer. That was my testimony, sir.

Question. Just about a week ago?

Answer. Yes, sir.

Question. Do you want the Senate to understand that at this time, a week later, you cannot remember the name of a single person to whom any single one of these letters was addressed that you took from the files?

Answer. That is absolutely true; and in explanation of that proposition I want to say this, that in going through these papers hurriedly I did not take the time to go into them in detail to establish that fact, but I did wish to go through them and recognize the fact that in a general nature they had no business in Mr. MacCracken's files, and they were there purely by accident. They had absolutely nothing to do with the Northwest Airways file of MacCracken & Lee. They had nothing to do with anything that we transacted through Mr. MacCracken's office, directly or indirectly.

Question. But they did have something to do with air mail?

Answer. There is not a letter that I have written in the past 6 years, as I stated before, that did not have in it some reference to the Northwest Airways, or the fight that our company was making to establish a line across the northern part of the United States in competition with the other lines that we were up against.

Question. May I not ask you, Colonel, if it is not true that the letters you removed were with reference to the efforts of the Northwest Airways to obtain the cooperation of the Post Office Department in forcing a sale of the National Parks Airways to the Northwest Airways?

Answer. I told you, Senator BLACK, that I do not know.

Question. You do not know whether they were or not?

Answer. No; I do not know. I cannot tell you who these letters were addressed to. I have repeated that time and again.

Question. Yes. Just one other question.

You testified before the Senate special committee on last Friday, did you not, that you took these particular letters that you got out of Mr. MacCracken's files, took them to your office, and tore them into pieces and threw them in the waste-paper basket?

Answer. I testified to this—that I took about a half a dozen letters out of Mr. MacCracken's files, which I felt had no place in his file, had nothing to do with any matters that we were transacting there. They had to do with the personal problems that I was confronted with. I took those down to my office, which was on the floor below, walked in, tore them into a few pieces, and threw them into my waste-basket exactly as I would do with any other piece of paper that I wanted to dispose of. I made no particular effort to try and cover them up or burn them up or destroy them or hide them or anything of that kind.

Question. You did think, however, when you testified before the committee, did you not, Colonel, that they had been destroyed so that they could not be recovered? You testified to that, did you not?

Answer. I testified to this, Senator. I cannot answer that question "yes" or "no", because it is not answerable "yes" or "no." I testified before the committee this—that I tore these letters up because I felt that they had no place in the MacCracken file and because I did not feel that I wanted these letters to be given a public examination.

Question. All right. You did not testify before the committee on last week, nor give any indication, did you, Colonel, that you had torn up any other air mail letters that day and thrown them into the waste-paper basket?

Answer. No, Senator; because it never occurred to me at the time that I was before your committee that a statement of that kind was germane, because I was not under subpena.

You never asked me for any of the letters that I had on file in my office at 1090 National Press Building. They have been there all along. Nobody had made any effort to investigate them, or asked for them, or showed any interest in them at all, so tearing them up I did not think was of any importance.

Now, may I add this in answer to your question, if you will permit me to make this statement? I had in mind this: That the investigators of your committee previously had gone to St. Paul; had asked our people up there for our complete files. They so advised me, I think, when I was in Canada; I do not know whether when I was at Montreal or I was at Ottawa that they told me about that. I told them to give your people every assistance. You took over up there in our St. Paul file all of the letters of the Northwest Airways—hundreds and hundreds and hundreds of them. It never occurred to me that in this file of mine down here, which largely is a duplicate of any material that could be up there, that there was anything there that you were particularly interested in. What I was interested in doing was taking this great mass of papers that I had at my office and reducing them down to something—to the germane things that would go into the filing system that I was trying to build.

Question. You stated before the committee, did you not, that some of these letters were addressed to your secretary?

Answer. No, sir.

Question (continuing). That you took from Mr. MacCracken's office?

Answer. No, no; I did not say that.

Question. Were you not asked this question?—

To whom were these letters addressed that you took out?
Colonel BRITTIN. They were purely personal.
The CHAIRMAN. To whom were they addressed?
Colonel BRITTIN. Some of them were to my secretary.
The CHAIRMAN. Where?
Colonel BRITTIN. In St. Paul.

Answer. Yes; that refers to probably one telegram or two telegrams; something like that.

Question. All right. Then were you not asked:

To whom were the others addressed?
Colonel BRITTIN. Perhaps one or two telegrams, personal memorandums, and I think a couple of letters to my secretary.

That was what you testified before the committee; was it not?

Answer. I testified before the committee—the only person that I mentioned, I think, in connection with my testimony before the committee, was that one or two of these telegrams may have been addressed to my secretary, Miss Stein, in St. Paul.

Question. What is the secretary's name?

Answer. Miss Stein—S-t-e-i-n.

Question. What is the first name?

Answer. Camille.

Question. It is your recollection now that a part of the papers that you destroyed on that day were telegrams or letters addressed to Miss Stein?

Answer. No. I am taking this position, that I think that in this—I rather feel that one or two of these telegrams may have been addressed to her. I am doing my best to try and resurrect this.

Question. These letters that I have shown you that were found by the investigators in the mail sack or in the waste sack at the National Press Building, that you have identified, are all with reference to conferences, in the main, with the officials of the Post Office Department in Washington, are they not?

Answer. They have to do with matters connected with the Air Mail Service of the Northwest Airways.

Question. Yes; and the efforts of the Northwest Airways to get the Post Office Department down here to cooperate with the Northwest Airways to coerce——

Answer. No.

Question (continuing). The National Parks Airways into selling to the Northwest Airways?

Answer. No, sir. We have never made any efforts to try and coerce anybody. Now, that raises a question which I feel that I have a right to talk about——

Question. Certainly.

Answer. Because I do not know anything about legal procedure. I am not a lawyer, but I feel that an answer should be made on that point.

The Northwest Airways, Senator, started out here from St. Paul and Chicago to build an air line across the northern part of the United States that should be owned and controlled in the territory that we served. Now, during the last 5 or 6 years we have been able, after very great struggle against competing forces that were a great deal bigger than we ever were, to push that line out to Billings. Now, when we got out to Billings it was necessary for us to try and carry this line on across to Seattle, across to Spokane, because the channels of trade across the northern part of the United States go east and west, and this line had been organized to carry that, and we wanted to carry this service down through the Minneapolis and St. Paul gateway. At that point, when we got to Billings, and we were planning our extensions across to Helena, across to Missoula, across to Spokane and Seattle, we came in contact with the National Parks Air Line. A little while before that the Mead investigating committee of the House had a very careful analysis made of all the air mail lines in the United States, and that report recommended that certain lines be extended and others be eliminated, because it said that certain lines were serving a very valuable public interest, and there were other lines which they felt were not. Now, as the channels of trade in that country go east and west, and not north and south, and flow through the Minneapolis and St. Paul gateway, the Northwest Airways was developing a service there which was of very great value to the Northern States. The Mead committee had recommended, through Dr. Crane, who was a professor of transportation in Harvard University employed by that committee, that the National Park lines, which run north and south, should be one of these lines which they felt was not so valuable in the general plan of the air mail map.

Therefore the Northwest Airways did this: We went to the Post Office Department and said that in crossing that territory we were willing to buy the National Parks Air Lines at a reasonable price, and we were willing, after we bought that line, to take a reduction of the number of schedules that were operated over that line from two round trips a day down to one round trip a day, and then after the Northern Transcontinental was lighted from Seattle across to St. Paul we would pick that up and turn it around.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Under the rules questions cannot be asked from the floor.

Mr. LONG. I desire to make a point of order.

The PRESIDENT pro tempore. The Senator will state the point of order.

Mr. LONG. Perhaps I am wrong about it, but I submit that the present statement is not in connection with the proceeding for contempt. It is merely spreading air line propaganda.

Mr. BRITTIN. May I explain to the Senator?

Mr. LONG. I was addressing my point of order to the Chair.

Mr. BRITTIN. Senator BLACK raised this question, that I was trying to coerce—that the Northwest Airways were trying to coerce another air mail line.

Mr. LONG. I beg your pardon.

Mr. BRITTIN. So I responded to that particular thing, and I felt, Senator, under that condition I had the right to acquaint Senator BLACK with the facts. Now, that is the explanation of that.

By Mr. BLACK:

Question. May I ask you if the facts are correctly stated in those letters which you wrote to Mr. Lilly?

Answer. Certainly they are correctly stated.

Question. All right.

By Mr. KING:

Question. You stated a few moments ago, in answer to a question propounded by Senator BLACK, that some of the papers you removed you did not care to have made public, that you did not want them subjected to public examination.

Answer. Yes, sir.

Question. Then you did examine the papers sufficiently to determine that fact, did you not?

Answer. No; I just glanced at them and recognized the fact that those were of a peculiarly personal nature.

Question. Is it not rather remarkable you should determine they were papers you did not care to submit to public examination, and yet you do not know to whom they were written?

Answer. I admit that is perhaps rather remarkable, but under the circumstances, the conditions under which this work has been carried on and the conditions under which these papers have been handled are such that I will have to stand on that question.

Mr. KING. That is all I care to ask.

Mr. RICHARDSON. I would like to ask a question of the chairman of the committee. I would like to inquire whether the letters you have exhibited to the witness are all the letters your investigators found in the waste-paper basket that can be traced directly or indirectly to any origin with Colonel Brittin?

Mr. BLACK. We will have the investigators on the stand and let them testify fully before we finish.

Mr. ROBINSON of Arkansas. Mr. President, it is suggested by the Senator from Alabama [Mr. BLACK] and other Senators that the Senate take a recess until 11 o'clock tomorrow morning.

Mr. BLACK. Before that is done, I desire to ask that the letters which were identified be printed in the RECORD in order that we may have them available for the session tomorrow morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letters are as follows:

SEPTEMBER 19, 1933.

A. H. BROWN, BROWN & JONES,
Securities Building, Billings, Mont.:

Reference my previous telegram. If the Spokane Chamber of ——— will insist that the early extension of the Northwest Airways to Spokane is the only air mail service that will adequately meet their requirements and if it will urge the Postmaster General personally to use his influence to induce the National Parks Airlines to sell out to the Northwest Airways on a reasonable basis, so that National Parks present north and south mileage, which is not needed, can be turned around by us to fill in the gap between Billings and Spokane, which is needed, and if it will insist at the same time that pending this arrangement no further extensions be granted to National Parks, as such extensions will only complicate negotiations, I feel that we will have won a hundred percent victory.

BRITTIN.

WASHINGTON, D.C., *August 16, 1933.*

MY DEAR MR. LILLY: Since wiring you the other day advising against the purchase of any new equipment until the question of our rates and service had been definitely settled, I have had an opportunity to feel out informally certain officials of the Post Office Department and the Commerce Department on the question of new fast equipment.

The Post Office Department assures me that our present equipment is entirely satisfactory to them for the lines we are now operating. They go so far as to say that personally they do not think we would be justified in spending money for new-type ships under existing conditions. It is perfectly true that the Department is encouraging transcontinental operators to acquire fast equipment and speed up their schedules because of the time that can be saved with fast ships on the long transcontinental routes. But they are distinctly not encouraging the operators of feeder and territorial lines to acquire this equipment, because the saving in time on these routes is not so necessary as on the long transcontinentals, and for the additional reason that many changes in service may occur on these feeder and territorial routes when they are adjusted to the new appropriation.

However, the Department feels that if the program outlined in my letter of August 15 is realized and the Northwest Airways utilizes the National Parks mileage to get through to Seattle after a lighted airway has been established between the Twin Cities and Seattle, that then new fast equipment should be installed on this run, so that mail can be carried between the Pacific Northwest and Chicago with the same speed that it is carried on the other two transcontinental routes. But until this lighted airway is completed and the new service established the Department feels that there is no real need for fast ships on the lines we are operating at present.

The Commerce Department seems also satisfied with our present equipment so long as we operate our present routes. In the event that we should get through to Seattle and get a fully equipped airway constructed between the Twin Cities and Seattle they would expect us to put on new fast equipment comparable to that used by the other two transcontinental lines. They feel that the Post Office Department has more to say just now about what type of ships should be used on the various air mail runs than the Commerce Department.

Regarding the Lockhead Orien ship, the Department experts inform me in confidence that it does not develop in actual airline operation the high speeds or weight-carrying ability claimed for it by its salesmen. They state that aerodynamically it is now entirely satisfactory, but that its probable cost of operation would be considerably higher than the manufacturer's estimate when it is operated on schedule service. They also advise that several new ships are now being developed which may prove very interesting to the air mail lines.

In inducing Mr. Cisler to recommend the program outlined in my letter of August 15, which is based on a minimum reduction of our air mail rates, I have contended that the Northwest Airways cannot survive a continued reduction of 25 percent in air mail rates. I have continually stressed the point that the company required a certain gross air mail revenue to live, and, that, irrespective of rates per mile, this gross amount was indispensable to our existence. I have insisted that as long as we remained a territorial line we could not develop enough mail and passenger revenue to take pro rata reductions with the transcontinentals. But that when we got to the coast and could develop the loads with the other lines we could then operate under the same system of rates that they did. At present our problem should be considered separately from that of the other lines.

Now, if, in view of this "plea of poverty" and our insistent urge for special rates and minimum reductions, we announce that we are reequipping part of our line with new fast ships before the Department has even decided whether or not this part of our system shall survive or not, we would certainly find ourselves in an anomalous position before the Department if we attempted to protest any reductions in rates or service.

The national publicity which reached Washington at the time we contracted for the Electra, to the effect that Northwest Airways had purchased a large fleet of new ships at an expenditure of several hundred thousand dollars and would establish fast service this fall between the Pacific coast and Chicago to compete with United for transcontinental business, had a rather unfortunate effect on certain officials of the post office who felt that our air mail rates were already too high.

The fact that no airway could possibly be built across the mountains by fall and the additional fact that the story as printed wholly ignored the question of an air mail contract led both Departments to assume that we were prepared to furnish our own aids to navigation and go ahead irrespective of an air mail contract.

It took a good deal of explaining to reconcile this publicity with our contention that we could not take substantial reductions in rates and could not operate free service.

I cite this instance to illustrate the very delicate balance that always exists between the Department, with its arbitrary powers to fix rates and service on a moment's notice, and the air mail operator.

The foregoing further explains my telegraphic reply to your recent inquiry.

Please treat this letter as entirely personal and confidential.

Sincerely,

L. H. BRITTIN.

WASHINGTON, D.C., *August 15, 1933.*

MY DEAR MR. LILLY: After numerous conferences, covering practically every phase of the problem of reducing rates and service on the Northwest Airways to conform to the curtailed air mail appropriation, Supt. Stephen A. Cisler assured me yesterday that he is willing to make the following recommendations to the Postmaster General:

First. That new mileage rates be established on the lines now being operated by the Northwest Airways that will give the company 5 percent less gross air mail revenue than it received in May 1933.

Second. That the Post Office Department immediately initiate negotiations for the purchase of the National Parks Airlines by the Northwest Airways, in accordance with authority granted to the Department in the Watrus Act to consolidate air mail lines in the public interest.

Third. That in the event the Northwest Airways acquires the National Parks Airlines, the Northwest Airways is to establish one round-trip schedule per day between Billings and Helena, with a stop at Livingston, and carry air mail gratis on this run.

Fourth. That in the event the Northwest Airways concludes this purchase, the present National Parks operation of two schedules per day will be reduced to one round-trip schedule per day between Great Falls and Salt Lake City at 45 cents per mile.

Fifth. That in the event the purchase is consummated, the Post Office Department agrees to have immediately constructed a fully equipped Federal lighted airway between the Twin Cities and Seattle, via Fargo, Bismarck, Billings, Helena, Missoula, and Spokane. This airway to be constructed under the Public Works

program from funds made available by the National Industrial Recovery Act.

Sixth. That as part of the arrangement for the construction of this Federal airway the Post Office Department will see that provision is made in the next Commerce Department appropriation bill for the necessary funds to properly maintain this airway during the next fiscal year.

Seventh. That as soon as this airway is completed the Post Office Department will authorize the Northwest Airways to discontinue the National Parks service between Butte and Salt Lake City, and establish a new service between Helena and Seattle.

Eighth. That when the lighted airway has been completed and service between Helena and Seattle has been established, the Northwest Airways is to rearrange its schedules under the direction of the Post Office Department in order to provide through service between Seattle and Chicago that will materially expedite the mails moving through these centers, and, in so doing, the company is to receive a rate of pay for each mile flown that is comparable with that received by other transcontinental lines for similar service.

Ninth. That the foregoing eight provisions are to become effective upon the completion of the sale of the National Parks Airlines to the Northwest Airways on terms that are satisfactory to the Post Office Department.

In agreeing to recommend the foregoing nine points, Mr. Cisler states emphatically that the Post Office Department cannot grant the Northwest Airways a straight extension of 715 route miles from Billings to Seattle under the present appropriation.

He states that the Post Office Department cannot ignore the present National Parks service in western Montana, nor the fact that the United Airlines is now serving Spokane and Seattle.

He points out that he has been ordered to effect a 25 to 30 percent reduction in gross air mail expenditures, and that no program can be considered that does not provide its proper proportion of savings.

He insists that an offer to simply give additional service in lieu of a reduction in air mail pay does not meet the requirements of the Department and cannot be given serious consideration.

Every air mail line must do its share in reducing the Post Office expenditures for air mail service.

He points out that it would be very inconsistent to grant an important extension to the Northwest Airways at the same time he is reducing rates and service on every other air line in the United States.

He agrees that the northern transcontinental is an important project, but insists that after all it is a relatively small matter compared with the desperate problems confronting the administration and the Post Office Department.

He does not think the Department can afford to make a conspicuous exception of the Northwest Airways in comparison with the treatment it accords the other air mail lines.

He thinks that the best way to get the Department committed to an extension of our service to Seattle is to tie it up with some plan that will give the Department a substantial saving in air mail expenditures in our territory.

Mr. Cisler believes that the program outlined in my letter of July 14 is a practical solution of this problem, and with some minor changes he is willing to recommend it to the Postmaster General.

He realizes the importance of the Department initiating the negotiations, as otherwise it might develop into a bidding match between United and Northwest Airways for the National Parks line.

He assures me that the National Parks line will not be canceled if we buy it, and that the one schedule remaining can be used to fill in the gap between Helena and Seattle as soon as the lighted airway is completed.

Mr. Cisler states that he is very much opposed to canceling any air mail routes. He hopes to avoid taking air mail service away from any city that now has it.

He says that if this deal were put through, he would recommend that our present schedules would stand as they are at present.

He concedes that this transaction would definitely establish the Northwest Airways as the northern transcontinental line.

If this program were carried out, the Post Office Department would make the following saving in expenditures for air mail service:

The Northwest Airways air mail pay for May amounted to $74,712.68. If this were reduced 5 percent, it would amount to $70,976. The Post Office Department would therefore save $3,736.68 for the month and, if this month is taken as an average, $44,840.16 for the year.

National Parks Airlines received in May $28,056.83. If its present two round trips per day are reduced to one round trip at 45 cents per mile, it would receive $13,743 a month. The Post Office Department would therefore save in expenditures for air mail $14,313.83 for the month, or, if this month be taken as an average, $171,765.96 for the year.

The saving in air mail expenditures that would result from this consolidation of both lines would be $44,840.16 on the Northwest Airways and $171,765.96 on National Parks, or a total for both of $216,606.12.

This is about equal to a saving of 17 percent in post-office expenditures for air mail service on the combined systems.

I have no definite idea as to what the National Parks Airlines can be bought for, if the Post Office Department uses the power given it under the Watres Act to consolidate air mail lines in the public interest. The National Parks Airlines has 50,000 shares of stock outstanding. It is generally understood that the company shows a book value of $7 a share, or $350,000. I am informed that they have cash reserves of approximately $280,000, which would leave an investment in property and equipment, etc., undepreciated, in the neighborhood of $70,000. Thus far they have paid out about $60,000 in cash dividends.

In the past Mr. Frank has held his line at around a million dollars, but I understand that recently he has indicated that he would be willing to accept $12.50 a share, or $625,000. This would mean that the Northwest Airways would have to pay about $345,000 in addition to the National Parks' cash reserve of $280,000.

In view of the fact that air mail rates will probably be systematically reduced in the future, I believe the Post Office Department would be willing to attempt to induce Mr. Frank to lower his figure, particularly as the Northwest Airways is going to be required to immediately give up 50 percent of the newly acquired mileage and thereby reduce the earning power of the line. If this could be brought down to $10 a share, or $500,000, it would reduce the amount of money the Northwest Airways would have to put up to $220,000.

I do not know whether such a figure is possible or not.

In any event, negotiations should be initiated by the Post Office Department in order to avoid a costly bidding match between United and ourselves.

United is undoubtedly aware of the fact that if we purchase this line we would use it to complete our northern transcontinental as soon as the lighted airway between the Twin Cities and Seattle is completed. If they could acquire National Parks, they would force us to come out in the open and ask for an extension of 715 miles without competitive bids. This would be a large extension in comparison to our base line of 1,172 miles between Billings and Chicago. This would be a difficult thing for the Post Office Department to grant in the face of a consolidated opposition from United and the open antagonism of the National Parks allies in Montana.

I think the price would range between $10 and $12.50 per share based on a cash reserve of $280,000.

The cost of operating one round trip schedule per day on a daylight basis between Billings and Helena, with a stop at Livingston, is problematic. The route would be 197 miles long, or 394 schedule miles per day. It would connect with the schedules of the National Parks line; not with ours. Its purpose would be to connect both lines so they would be in fact one system. It would only be a temporary service. It would continue until the lighted airway was completed. No restrictions would be placed on the type of equipment used. It is understood that the service is to be operated as economically as possible. Such a service would probably be operated for less than $100 a day, or between $2,000 and $3,000 per month.

If the National Parks Airlines were reduced to one round trip per day at 45 cents per mile, it would produce a gross air mail revenue of approximately $13,743 per month, or substantially $165,000 a year.

If the Northwest Airways were to take over the National Parks Line, the latter's operating expenses could be reduced considerably, as we could dispense with their executive, operating, and traffic departments.

It might be possible to operate the National Parks Line in the neighborhood of $6,500 per month, or between $75,000 and $78,000 a year. This might possibly give us a profit of between $87,000 and $90,000 a year on the Great Falls-Salt Lake City route.

If the Post Office Department could induce Mr. Frank to accept some kind of an arrangement in consideration of the sale of his line in the face of a reduction in air mail rates by which the Northwest Airways could pay him the amount beyond his cash reserve 1 year hence, it would enable us to make up part of this amount from the earnings derived from his line for the period. This, however, may not be practicable.

Mr. Cisler states that he would not authorize air mail service between Billings and Seattle unless a lighted airway were provided between the Twin Cities and Seattle. He states that, irrespective of the cruising speed of modern ships, the Post Office Department would not be able to expedite mails to and from the Pacific Northwest without some night flying in this section of the country.

The distance between the Twin Cities and Seattle is 1,523 miles. The unit cost of building such an airway is $350 a mile. The total cost of the project would amount to $533,050.

The unit cost of maintaining such an airway, including teletype, is $145 per mile per year. Therefore, the cost of maintaining this airway after it has been built would amount to $220,835 a year.

Even though such a project were financed as a Public Works measure from the emergency funds provided by the National Industrial Recovery Act, it would require at least 18 months to complete it.

This would postpone the inauguration of the transcontinental service at least into the middle of the next fiscal year.

I have represented to the Post Office Department that the Northwest Airways cannot survive anything like a 25-percent reduction in air mail rates. I have filed a protest against the continuance of this 25-percent cut. I have followed the line of argument contained in my letter to Mr. Howes of July 14, supplemented by my more recent letter to Mr. Cisler of July 29, copies of which were sent you at the time they were presented.

In response to these rather insistent demands, Mr. Cisler discussed the matter with Mr. Howes and advised me late yesterday afternoon that he was willing to recommend the nine-point pro-

gram outlined above, which was based on my letters of July 14 and July 29.

If this general program is satisfactory to you, I propose to go over the nine points again with Mr. Cisler so as to avoid any possibility of misunderstanding. Mr. Cisler and I will then confer with Mr. Howes, and Mr. Howes will be asked to call in Mr. Frank, who is now in Washington, and advise him to sell to us at a reasonable price. I will then report to you the price Mr. Frank will agree to sell for, and you can then decide whether you wish to proceed further with the negotiations or not.

I have an appointment with Mr. Cisler for Thursday morning.

Please wire, care MacCracken & Lee, 1152 National Press Building, Washington, D.C., if the foregoing suggestion is satisfactory to you.

L. H. BRITTIN.

MEMORANDUM

1. It is suggested that the president of the Northern Transcontinental Airway Association, of Spokane, Mr. R. L. Rutter, sponsor the move to get authorization for the Northwest Airways to carry air mail in and out of Helena, Missoula, and Spokane, gratis, for the balance of the present fiscal year.

2. That the Northern Transcontinental Airway Association write the Northwest Airways a letter stating the need for this service and inquire as to whether or not the Northwest Airways would be willing to grant this service to the cities of Helena, Missoula, and Spokane, gratis, until such time as funds may become available to pay for it.

3. That the Northwest Airways reply with a letter stating that in order to aid the cities of Helena, Missoula, and Spokane and provide the service desired by these cities and by the cities of Montana, North Dakota, and Wisconsin, the company is willing to accede to the request of the Northern Transcontinental Airway Association to render this additional service free for the balance of the present fiscal year.

4. The Northern Transcontinental Airway Association then write a letter to the following cities, reciting first the fact that they have asked the Northwest Airways to render this service, and, second, that the Northwest Airways have acceded to the request and enclose a form of resolution to be passed by the city council at each point; these cities are Spokane, Missoula, Helena, Livingston, Billings, Miles City, Glendive, Dickinson, Jamestown, Valley City, Bismarck, Grand Forks, Pembina, Fargo, Moorhead, Minneapolis, St. Paul, and Madison.

5. The Northern Transcontinental Airway Association also ask the chambers of commerce at these points to pass similar resolutions.

6. That Mr. Ford, of Spokane, and Mr. Taylor, of Glendive, both in Washington, be requested to represent the Northern Transcontinental Airway Association with the congressional delegations of these Northern States and with the Post Office Department, and that these resolutions be sent to them.

7. That Messrs. Taylor and Ford show these resolutions to the congressional delegations from Washington, Montana, North Dakota, Minnesota, and Wisconsin and arrange for a day on which these resolutions can be presented to the Second Assistant Postmaster General.

8. That on that day the congressional delegations appear before the Second Assistant Postmaster General, present these resolutions with a request that air mail be placed on the ships of the Northwest Airways between Billings and Spokane, and that later this service be extended to Wenatchee and Seattle.

I feel that this is the most effective way of presenting this situation. I do not think it should be obviously sponsored by the Northwest Airways. I think it should be inspired and directed by the Northern Transcontinental Airway Association.

WASHINGTON, D.C., *September 28, 1933.*

Mr. K. R. FERGUSON,
Northwest Airways, Inc., Minneapolis, Minn.

MY DEAR MR. FERGUSON: In reference to your letter of September 26, received this morning, I immediately telephoned Superintendent Cisler, at the Post Office Department, and asked him to request the American Airways, United Airlines, and Transcontinental and Western Air, Inc., to continue the airline consolidated ticket office in the Palmer House in Chicago.

I pointed out the economies that have been realized from the operation of this joint facility and the unnecessary additional expense that would result if each airline was forced to maintain competitive individual ticket offices in the Loop district.

Mr. Cisler agreed with me that the air mail lines serving Chicago should be forced to continue the joint Palmer House office and promised to take the matter up with Mr. Howes when he returns to Washington, Saturday morning. If Mr. Howes concurs with Mr. Cisler, I have been assured that the Post Office Department will practically order the Chicago lines to continue the offices.

In the meantime, I strongly urge that "Chuck" Beard, who knows the consolidated ticket-office situation in Chicago better than anyone else, be instructed to quietly contact the management of the Palmer House confidentially and get from them a definite promise that in the event American Airways or United Airlines force the discontinuance of the consolidated office at the Palmer House that the Northwest Airways will have the absolute refusal of space and the telephone numbers. If this refusal can be secured at once, we will have until December 1 to decide whether or not we will move our present Chicago office to this space and operate a joint Northwest Airways and consolidated ticket office or whether some other plan would be more feasible. I rather think that the Palmer House would be willing to give us a very cheap rent for a year in order to continue this facility in their lobby. If this plan could be worked out, the Northwest Airways would have a very valuable ally in the Palmer House and would probably be in a position to realize a substantial amount in commissions from the sale of tickets to other lines. We would probably have the most advantageous ticket-office situation in Chicago.

I strongly urge that we protect ourselves by getting a definite refusal from the Palmer House at the earliest possible moment. I think Beard is the best man to handle this negotiation as he knows the Palmer House management intimately and is thoroughly acquainted with the value of the ticket office to this hotel.

As soon as Mr. Cisler gets a decision from Mr. Howes, I will report results.

Best regards,

L. H. B.

Dictated but not read.

P.S.—Please keep me advised on any new developments of this problem.

WASHINGTON, D.C., *August 28, 1933.*

MY DEAR MR. LILLY: After I sent you my brief report of Saturday, August 26, I had another conference with Superintendent Cisler later in the day.

Mr. Cisler stated in his conference that the Post Office Department desires to avoid any drastic reduction in air mail service due to the present reduction in appropriations. He expressed the hope that each operator will find some way to maintain the maximum amount of service possible. He stated, however, that he would oppose the discontinuance of any service unless he was convinced that it was absolutely unavoidable. In order to remove the desire of operators to discontinue the service in order to secure high rates, he has set a maximum of 45 cents per mile as the highest rate which any operator can get by discontinuing service. He assured me that if the Post Office Department is able to induce the President to return any part of the million dollars the administration arbitrarily deducted from the $15,000,000 appropriated for domestic air mail service by Congress, that it would be allocated to such lines as have made a real effort to maintain maximum service during the 10 months' curtailment period. He does not think that air mail lines which reduce their service materially in order to avoid the "temporary" low mileage rates resulting from the reduced appropriation should receive the same consideration in the event that the funds are later increased as those "that took the cut and maintained the service." Naturally, the Post Office Department wants to avoid the criticism that would probably follow a drastic reduction in domestic air mail service due to the economy policy of the Democratic administration and the Executive act of a Democratic President when the same administration is promoting a great national effort to encourage the development of every other kind of business.

Mr. Cisler also stated that if any service is actually curtailed by his approval that the announcement accompanying such curtailment should be to the effect that it is a "temporary suspension due to the economic emergency" rather than an actual "cancelation." The Department thinks that such "temporary suspension" will encourage the air mail communities throughout the country to bring pressure on the next session of Congress, which convenes in January, to grant an adequate domestic air mail appropriation for a permanent Nation-wide air mail system.

Mr. Cisler has evidently come to the conclusion that our three services a day between the Twin Cities and Chicago are entirely necessary, and that our Twin Cities-Billings and Fargo-Winnipeg services are indispensable.

He thinks that the only service we are now operating that can be disposed of without embarrassment is the Twin Cities-Duluth service.

Mr. Cisler states that he favors the following program:

(A) That the Duluth-Twin Cities service be discontinued with the coming of bad flying weather, about October 15, and that this discontinuance be accompanied with an announcement that the service has been "temporarily suspended" due to the lack of funds resulting from the necessity of curtailing Government appropriations in the present economic crisis.

(B) That the night air mail service (trips 6 and 7) be temporarily discontinued during the period of our worst flying weather in the months of December, January, and February, and possibly the first part of March, and that the service be reestablished at the expiration of this period.

(C) That the air mail stop at Rochester be discontinued on our westbound Chicago-Twin Cities afternoon service (trip 5) and that a stop be made on this run at Madison instead. This will permit us to operate this westbound afternoon schedule without changing its present departure time at Chicago via the direct line of lights between Chicago, Lone Rock, La Crosse, and the Twin Cities.

(D) That the Post Office Department will support our request that the Department of Commerce install immediately two additional beacons in the vicinity of Oregon and Attica, Wis., to connect Madison with Broodhead on the Chicago-Lone Rock-Twin Cities lighted airway.

(E) That the Post Office Department will also support our request that the Department of Commerce immediately establish a lighted intermediate field on French Island, near La Crosse, Wis.

(F) That, with the exception of substituting Madison for Rochester on our westbound afternoon schedule out of Chicago (trip

5) that no other changes be made in our Twin Cities-Chicago schedules.

(G) That the Post Office Department support our request that the Department of Commerce establish, as soon as possible, four beacons and a lighted intermediate field on the east end of the Fargo-Twin Cities route northwest of Minneapolis. It is doubtful, however, if this can be done immediately.

(H) That we immediately request the Post Office Department to establish winter schedules for our present service between the Twin Cities and Billings and Fargo and Winnipeg, so that these schedules can be flown with the minimum of darkness during the winter months. It is requested that these new proposed schedules be sent to me as soon as possible, and that I be advised as to the date on which the change should be made effective.

(I) That when Rochester is taken off our westbound afternoon service (trip 5) (see paragraph (C)), that Rochester be advised that our present 4:30 p.m. departure out of Chicago cannot be changed this year, as it now has direct connection with many important mail-carrying schedules from all parts of the country, and that the regulations of the Department of Commerce do not permit us to operate in darkness over unlighted airways. It should also be stated that service to Rochester is being continued on the only other schedule we have available, namely, our eastbound morning departure out of Twin Cities (trip 2). Please advise me at once as to the date on which change should be made.

(J) That the Post Office Department has not yet devised a system for billing under its new curtailed-allotment plan, but that this will be announced within the next few days.

(K) That the Post Office Department is not yet ready to announce the exact date for authorizing the air mail stop at Dickinson, N.Dak., but that this will be done as soon as the new curtailed allotment plan has been worked out with all of the domestic air mail lines. This announcement has been promised within the next 10 days. This stop will be announced about 2 weeks ahead of the day on which it is authorized, in order that the Post Office Department can realize on the revenue derived from the sale of stamps for first flight covers. In the past this has usually been large enough to cover the cost of transporting mail between the airport and the post office for a period of 2 years.

This conference gave me an opportunity to discuss our northern transcontinental project with Mr. Cisler in its relation to his curtailed allotment plan.

I was particularly anxious to determine the status of National Parks Airlines under these new conditions. I was very much afraid that National Parks Airlines would use this opportunity to extend their service in Montana, especially between Billings and Butte.

Mr. Cisler assured me that he would not approve of any proposal to put mail on the National Parks ships that are now flying a passenger service between Billings and Butte, Mont.

I took occasion to point out if National Parks took full advantage of its present opportunity to "temporarily suspend" one of their two daily round-trip schedules between Great Falls and Salt Lake City, Utah, they would reduce their operations to only 1,018 miles per day, or 30,540 miles per month, and if they receive an air mail allotment of $17,983.70 per month for this service during the 10-month curtailment period, they would have the benefit of the very high mileage rate of 58 cents per mile. As they would be able to practically cut their operations in half, this high rate would give them a high earning power which would be out of all proportion to the service they actually rendered in the public interest, and would be most unfair to the other operators who were forced to maintain service during this curtailment.

Mr. Cisler promptly informed me that he would not allow them to receive a rate higher than 45 cents per mile.

I then pointed out that if this were the case it would probably prompt the National Parks Airlines to ask for mail on their Billings-Butte passenger line, as this would add 400 schedule miles per day, or 12,000 miles a month, to their 30,540 single round-trip schedule miles, making a total of 42,540 miles per month, which would reduce their rate to about 42 cents per mile, which would be within the maximum.

I stated that this would be very disastrous to the northern transcontinental project, as it would be merely placing another obstacle in the way of its realization, and increase the amount which the Northwest Airways would have to pay for the National Parks Airlines. I stated that I did not think that such an act would be in the public interest of our section of the country.

Mr. Cisler promptly agreed with me and assured me that he would not approve of placing air mail on the National Parks line between Billings and Butte, Mont.

He went on to say that he would probably force the National Parks Airlines to continue its present two schedules per day during good flying weather and reduce to one schedule per day during the winter.

Mr. Cisler has been thoroughly converted to the idea of establishing a northern transcontinental line through the extension of Northwest Airways to Seattle.

But he is equally insistent that the only way this can be accomplished is for the Northwest Airways to acquire the National Parks Airlines so that the entire route between Chicago and Seattle can be operated by one company.

He stated that there was a time when he thought such a move might have been inadvisable, as he might have been forced to discontinue the National Parks Airlines route entirely if the Budget had succeded in its efforts to reduce the domestic air mail appropriation to $12,000,000. Now, however, with the domestic air mail appropriation set at $14,000,000 and the possibility of increasing the appropriation in the coming session of Congress, he felt that the National Parks line was permanent and that it could be used to fill in the gap between Billings and Seattle.

He thinks that the Northwest Airways should acquire and operate it in its present location, i.e., between Great Falls and Salt Lake City, until a fully equipped lighted Federal airway has been established between the Twin Cities and Seattle, when the present national-parks route can be turned around.

He especially stresses the necessity for such an airway as he insists that only with these facilities can the Northwest Airways maintain a real competing service between Seattle and Chicago against the United Airlines.

In spite of his friendship for our project, he will oppose any extension of the Northwest Airways to Spokane or Seattle unless we make provision for taking care of the National Parks Airlines. He agrees that the Post Office Department should aid us in every way in these negotiations and he thinks that the Northwest Airways should make every effort to give the National Parks Airlines a square deal. He has already advised President Alfred Frank, of the National Parks Airlines to "get together in some way with Northwest Airways." If National Parks Airlines is unreasonable in its demands, or declines to give our proposals any consideration, then I think he would be inclined to go along with us irrespective of the National Parks Airlines. Mr. Cisler makes it very clear that the Post Office Department "could not give us an extension very well" that would cross the National Parks line until we had exhausted every means of acquiring them "on some fair and reasonable basis."

He stated as a matter of fact that he could not allow any extension while service is being suspended on other air mail lines.

I feel that we should push our negotiations with the National Parks line as fast as possible as I feel that it is about the only way we will be able to get a quick extension through to the coast.

Under present conditions any general agitation for air mail service between Billings and Spokane or Seattle tends to aid the National Parks Airlines as much as it does the Northwest Airways, as Mr. Frank and Mr. Kremer are thoroughly alive to the advantage of lining up with public sentiment, and offering their line as the best opportunity to complete the route. They have repeatedly urged the Post Office Department to turn their line around and fill in the gap between Billings and Seattle. As long as the Post Office Department declines to permit us to cross the National Parks line, the only practical program available seems to be to either acquire the National Parks line or show the Post Office Department that National Parks will not entertain any reasonable proposition. If a reasonable proposition will not be entertained, than it resolves itself down to a fight for the extension. The Post Office Department makes it very clear that they hope this can be avoided, and that the Northwest Airways will acquire the National Parks Airlines as soon as possible.

Mr. Cisler states that he believes that a fully equipped Federal airway can be built between the Twin Cities and Seattle from funds made available by the National Industrial Recovery Act if the Post Office Department were in a position to go before the Administrator and state that arrangements had been completed to extend Air Mail Service over the entire route between Chicago and Seattle, especially if the Department could also state that this additional air mail service had been provided in such a way that it would not increase the Post Office Department's domestic air mail appropriation.

Mr. Cisler is equally sure that if such a project were authorized from the funds of the National Industrial Recovery Act and air mail over the route was assured, that the next session of Congress would not hesitate to appropriate funds to the Department of Commerce for the maintenance of the airway.

However, as pointed out in items fifth, sixth, seventh, and eighth in my letter of August 15, the acquiring of the National Parks Airlines should be tied up in a definite agreement with the present Postmaster General that he will see to it that funds are provided for both the construction and maintenance of such an airway, as otherwise we would not be able to furnish the service, to secure the poundage, to warrant the schedules to support the line.

L. H. BRITTIN.

WASHINGTON, D.C., *August 9, 1933.*

MY DEAR BEN: I need a little help on a new idea.

I enclose a map I made the other day in Washington showing the way I think the schedules of the Northwest Airways should be rearranged.

Everyone in St. Paul, as far as I know, appears to favor it. In spite of the fact that a year ago when I presented this same plan before Mr. Daggett succeeded in getting everyone to oppose it. However, that is ancient history now.

We are now flying 4,640 miles a day (not including Pembina-Winnipeg).

The schedules shown on the map call for 5,572 schedule-miles per day (not including Pembina-Winnipeg).

This is an increase of 932 miles per day.

I have in mind proposing to Mr. Cisler that the Department authorize the Northwest Airways to take on this enlarged operation for 5 percent less air mail pay than we received in the month of May.

Our air mail pay in May (corrected) amounted to $74,712.68.

If this were reduced 5 percent, it would amount to $70,976.

The new program requires 167,160 schedule-miles in a 30-day month.

An average performance of 95 percent would reduce this to 158,802 miles per 30-day month.

If we divide $70,976 by 158,802 miles, we get an average rate of 45 cents per mile.

Whyatt estimates that the new plan would cost us $92,202.18 a month to operate (not including Pembina-Winnipeg).

Our air mail revenue would, as outlined above, amount to $70,976 per month.

Our passenger revenue averages around $13,000 a month.

Our miscellaneous revenue, other than mail and passengers, amounts to about $3,000 a month.

So our total revenue would be about $86,976 per month against a cost of approximately $92,202.18 per month.

This means a deficit of $5,126.18.

Now, some of this loss could probably be made up out of increases in passenger revenue due to the fact that we are offering the public more seat-miles, and some of it could probably be recovered by cutting our operating expenses here and there after we get the plan into operation. But I do not believe that it could be materially reduced with the type of equipment we are flying.

All in all, it might end with a deficit of $4,000 to $5,000 per month, or, say, red figure of from $48,000 to $60,000 per year.

This is bad, but not half so bad as the present 25-percent cut in air mail rates. This cut in air mail rates reduces our income by $50,000 a month This is more than the Northwest Airways can stand. If it continues much longer, it will either put us out of business or force us to sell to one of the larger outfits. Personally I feel that the big lines secretly favor this 25-percent cut on account of what it will do to the small operator. Any way you look at it, it is not a fair break for us, as it is practically confiscating our property.

Now, if we go to Cisler and offer him a 5-percent reduction in air mail pay in order to satisfy the general public demand for a reduction of some kind on every line, and at the same time give the postal users 20 percent more service, we are, in fact, accomplishing a 25-percent reduction, but we are doing it in a way to benefit the public and keep the only independent air mail line left in the United States in the air.

Personally I think this idea is very much in the interest of the public and one the Post Office Department ought to support.

Please think this over and let me know your reactions. Save the map as I only made 4 of ———— Paul, 1 is going to Cisler, 1 to you, and ————→ to ask you to give it back some day.

I ———— another ————→ in red the additional aids to ———— to maintain our present schedules. This map is going ———— of Commerce. We are trying to get these additional facilities put in as part of the national unemployment program.

Please treat this whole program as confidential.

It's just between you and me.

Best regards,

L. H. BRITTIN.

(New address: Care of MacCracken & Lee, 1152 National Press Building, Washington, D.C. Telephone: National 6167.)

MESSAGES FROM THE PRESIDENT

During the progress of the contempt proceedings,

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the proceedings now before the Senate may be suspended for a few moments in order that the Senate may receive and have read a brief message from the President. I also ask unanimous consent that the present occupants of the Chamber be permitted to remain during the reading of the message.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

REGULATION OF SECURITIES EXCHANGES

The legislative clerk read the message, as follows:

To the Congress:

In my message to you last March proposing legislation for Federal supervision of national traffic in investment securities I said:

This is but one step in our broad purpose of protecting investors and depositors. It should be followed by legislation relating to the better supervision of the purchase and sale of all property dealt with on exchanges.

This Congress has performed a useful service in regulating the investment business on the part of financial houses and in protecting the investing public in its acquisition of securities.

There remains the fact, however, that outside the field of legitimate investment naked speculation has been made far too alluring and far too easy for those who could and for those who could not afford to gamble.

Such speculation has run the scale from the individual who has risked his pay envelope or his meager savings on a margin transaction involving stocks with whose true value he was wholly unfamiliar, to the pool of individuals or corporations with large resources, often not their own, which sought by manipulation to raise or depress market quotations far out of line with reason, all of this resulting in loss to the average investor, who is of necessity personally uninformed.

The exchanges in many parts of the country which deal in securities and commodities conduct, of course, a national business because their customers live in every part of the country. The managers of these exchanges have, it is true, often taken steps to correct certain obvious abuses. We must be certain that abuses are eliminated, and to this end a broad policy of national regulation is required.

It is my belief that exchanges for dealing in securities and commodities are necessary and of definite value to our commercial and agricultural life. Nevertheless, it should be our national policy to restrict, as far as possible, the use of these exchanges for purely speculative operations.

I therefore recommend to the Congress the enactment of legislation providing for the regulation by the Federal Government of the operations of exchanges dealing in securities and commodities for the protection of investors, for the safeguarding of values, and, so far as it may be possible, for the elimination of unnecessary, unwise, and destructive speculation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1934.*

Mr. FLETCHER. Mr. President, I desire to introduce a bill.

It will be recalled that a subcommittee of the Senate Committee on Banking and Currency, of which the chairman of the latter has been chairman of the former, began hearings on April 11, 1932, on the subject of stock exchange and banking practices.

The inquiry has been practically completed. To date the printed testimony consists of some 19 volumes of over 8,000 pages. The grand total will consist of approximately 25 volumes of around 10,000 pages.

Hearings will be held on the bill now submitted.

The committee will make a full report as soon as the hearings by the subcommittee are closed.

The foundation for the legislation has been laid, and I now ask permission to introduce a bill on the subject covered by the President's message except so far as commodity exchanges are concerned. A separate bill respecting commodity exchanges is under consideration and may be submitted later.

I submit a statement regarding the bill now presented, and a digest of it, and ask that this statement and digest, together with the bill, be printed in the CONGRESSIONAL RECORD and referred to the Committee on Banking and Currency.

The PRESIDENT pro tempore. Without objection, the bill will be accepted by the Senate and ordered printed in the RECORD, together with the statement and digest, and will be referred to the Committee on Banking and Currency, with the message of the President, which will also be printed.

The bill (S. 2693) to provide for the registration of national securities exchanges operating in interstate and foreign commerce and through the mails and to prevent inequitable and unfair practices on such exchanges, and for other purposes, was read twice by its title, referred to the

Committee on Banking and Currency, and, with the accompanying matter, ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "National Securities Exchange Act of 1934."

REGULATION OF EXCHANGES USING THE CHANNELS OF INTERSTATE COMMERCE AND THE MAILS NECESSARY IN THE PUBLIC INTEREST

SEC. 2. Transactions in securities as commonly conducted upon securities exchanges by means of the mails or instrumentalities of transportation or communication in interstate commerce are affected with a national public interest. Such transactions are carried on in large volume by the public generally and by persons engaged in the business of dealing in securities in interstate commerce. The prices established and offered in such transactions are generally quoted and disseminated throughout the United States and foreign countries as a basis for determining and establishing prices at which securities are bought and sold by investors in interstate commerce and in the several States and as a basis for establishing and determining the value of securities for the purpose of calculating the amount of taxes owing to the United States and the several States by owners, buyers, and sellers of securities. Such transactions involve the use of credit and affect the financing of trade, industry, and transportation in interstate commerce. Such transactions give rise at times to a large volume of speculation in securities, a considerable proportion of which originates outside the States in which the exchanges are located. At times the prices of securities on such exchanges are susceptible to manipulation and control and the dissemination of such prices gives rise to excessive speculation. By reason of such manipulation and control and excessive speculation, sudden and unreasonable fluctuations in the prices of securities on such exchanges occur. Such sudden and unreasonable fluctuations in prices coupled with excessive speculation and manipulation cause alternately unreasonable expansion and unreasonable contraction of the volume of credit available for trade, transportation, and industry in interstate commerce and divert credits available from their proper channels. Such unreasonable fluctuations hinder the proper appraisal of the value of securities by investors in interstate commerce and in the several States and the fair calculation of taxes owing to the United States and the several States by owners, buyers, and sellers of securities. Such unreasonable fluctuations constitute an obstruction to and a burden upon interstate commerce and upon the national banking and Federal Reserve System. Transactions in securities upon exchanges create a flow of securities in interstate commerce to and from the places where such exchanges are located. The national credit and the safety and stability of investment are intimately related to and affected by the prices for which securities are sold and offered for sale upon exchanges. National emergencies, which produce wide-spread unemployment and the dislocation of trade, transportation, and industry, and which burden interstate commerce and adversely affect the public welfare are precipitated, intensified, and prolonged by manipulation and control of prices and excessive speculation on exchanges. Regulation of transactions in securities conducted upon exchanges by means or instrumentalities of transportation and communication in interstate commerce or of the mails is imperative in the public interest for the protection of interstate commerce, and the national banking and Federal Reserve System.

DEFINITIONS

SEC. 3. When used in this act, unless the context otherwise requires—

1. The term "exchange" means any board, market place, exchange, chamber of commerce, or association, whether organized or unorganized, however managed or conducted, and whether incorporated or unincorporated, where, or by means of any facility of which, contracts or offers for the purchase or sale of securities or other transactions in such securities are made; and includes the members of an exchange.

2. The phrase "facility of an exchange" includes its premises, tangible or intangible property, whether on the premises or not, any right to the use of such premises or property or any service thereof, including, among other things, any system of communication to or from the exchange, by ticket or otherwise, maintained by or with the consent of the exchange, and any right of the exchange to the use of any property or service.

3. The term "member" means any person who is permitted or has a right to use in person any facility of an exchange, for the purpose of making offers or contracts for the purchase or sale of any security thereon, or any firm of which a member is a partner.

4. The term "broker" means any person engaged in a business of effecting transactions in securities for the account of others.

5. The term "dealer" means any person engaged in a business of buying and selling securities for his own account, through a broker or otherwise.

6. The term "specialist" means any person who specializes in the execution of orders in respect of any security or securities on an exchange and who commonly receives from other members of the exchange orders for execution in respect of such security or securities.

7. The term "issuer" means any person who issues or proposes to issue any security or who guarantees a security either as to principal or income; except that with respect to certificates of deposit, voting-trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type, the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which such securities are issued; and except that with respect to equipment-trust certificates or like securities, the term "issuer" means the person by whom the equipment or property is or is to be used.

8. The term "customer" means any person for whose account a broker or dealer effects any transaction in any security, or from whom a broker or dealer solicits such business, or to whom a broker or dealer extends credit on any security.

9. The term "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, any unincorporated organization or exchange. As used in this paragraph the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

10. The term "security" means any note, stock, treasury stock, bond, debenture, certificate of interest or participation in any profit-sharing agreement, oil, gas, and other mineral royalties and deeds, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, or in general, any instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing, but the term "security" as used in this act shall not include any direct obligation guaranteed as to principal or interest by the United States.

11. The terms "buy" and "purchase" each include any contract to buy, purchase, or otherwise acquire, contract of purchase, attempt or offer to acquire or solicitation of an offer to sell a security or any interest in a security.

12. The terms "sale" and "sell" each include any contract of sale or disposition of, contract to sell or dispose of, attempt or offer to dispose of, or solicitation of an offer to buy a security or any interest therein.

13. The term "communication" means communication of any kind or description including written, oral, radiographic, radiophonic, telegraphic, or telephonic, or by ticker, television, or cablegram.

14. The term "Commission" means the Federal Trade Commission.

15. The term "State" means any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Philippine Islands, Canal Zone, the Virgin Islands, and the insular possessions of the United States.

16. The term "interstate commerce" means trade or commerce in securities or any transportation or communication relating thereto among the several States or between any foreign country and any State, or between any State and any place or ship outside the United States.

For the purpose of this act (but not in anywise limiting the definition of interstate commerce) a transaction in respect of any security shall be considered to be in interstate commerce if such transaction is part of that current of commerce usual in a security transaction whereby an order to purchase or to sell a security originates from a person in one State with the expectation that it will or may be consummated by the receipt on an exchange of an order to sell or purchase the same security originating from another person in another State, including, in addition to cases within the above general description, all cases where it is contemplated that a purchase or sale of any security will be preceded or followed by the shipment of such security from another State. Any security transaction normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove the transaction from the provisions of this act.

PROHIBITION OF THE USE OF CHANNELS OF INTERSTATE COMMERCE AND THE MAILS TO UNREGISTERED EXCHANGES

SEC. 4. Unless an exchange is registered as a national securities exchange under section 5 of this act, it shall be unlawful for any person, directly or indirectly, to make use of the mails or any means or instrumentality of communication or transportation in interstate commerce for the purpose of using any facility of such exchange to effect any transaction in a security or to report any such transaction.

REGISTRATION OF NATIONAL SECURITIES EXCHANGES

SEC. 5. (a) Any exchange may be registered with the Commission as a national securities exchange under terms and conditions hereafter provided by filing a registration statement in such form as the Commission may prescribe containing the undertakings, setting forth the information, and accompanied by the documents here below set forth:

(1) An undertaking to comply with, and to enforce so far as is within its powers compliance by its members and by issuers whose securities are registered thereon with any provision of this act and any amendment thereto and any rule or regulation made or to be made by the Commission thereunder.

(2) Such data as to its organization, rules of procedure and membership, and other information as the Commissicn may by rules and regulations require as being necessary or appropriate in the public interest or for the protection of investors.

(3) Copies of its constitution, articles of incorporation with all amendments thereto, and of its existing bylaws or rules or

instruments corresponding thereto, whatever the name, which are hereinafter collectively referred to as the "rules of the exchange."

(4) An undertaking to furnish to the Commission copies of any amendments to the documents or instruments mentioned in clause (3) of this subsection forthwith upon their adoption.

(b) If it appears to the Commission that the exchange applying for registration is so organized as to be able to comply with the provisions of this act and the rules and regulations made by the Commission thereunder and that the rules of the exchange are just and adequate to ensure fair dealing and to protect investors, the Commission shall cause such exchange to be registered as a national securities exchange.

(c) The Commission shall enter an order either granting or, after appropriate notice and opportunity for hearing, denying an application for registration as a national securities exchange within 30 days after the filing of the application, unless the exchange applying for registration shall withdraw its application or consent to the Commission's deferring action on its application for a stated longer period after the date of its filing. The filing with the Commission of an application for registration by an exchange shall be deemed to have taken place upon the receipt thereof. Amendments to an application may be made upon such terms as the Commission may prescribe.

(d) No registration shall be granted unless the rules of the exchange provide for the expulsion and suspension of a member for conduct or proceeding inconsistent with just and equitable principles of trade and declare that the violation of any provisions of this act or any rule or regulation made by the Commission thereunder shall be considered conduct or proceeding inconsistent with just and equitable principles of trade.

(e) Nothing in this act shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this act and the rules and regulations of the Commission made thereunder and the applicable laws of the State in which it is located.

(f) An exchange may, upon appropriate application in accordance with the rules and regulations of the Commission and upon such terms as the Commission may fix, withdraw its registration.

MARGIN REQUIREMENTS ON LONG ACCOUNTS

SEC. 6. (a) It shall be unlawful for any member of a national securities exchange or any person who transacts a business in securities through the medium of any such member, directly or indirectly, to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer on any securities not registered upon a national securities exchange.

(b) It shall be unlawful for any member of a national securities exchange or any person who transacts a business in securities through the medium of any such member, directly or indirectly, to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer on any securities registered on a national securities exchange in an amount exceeding at any time whichever is the higher of (1) 80 percent of the lowest price at which such security has sold during the preceding 3 years; or (2) 40 percent of the current market price. The Commission may by rules and regulations prescribe lower loan values as may be deemed appropriate in the public interest or for the protection of investors during any stated period of time or in respect of any specified class of securities.

(c) It shall be unlawful for any person to extend or maintain credit or arrange for the extension or maintenance of credit to any person (other than to a dealer to aid in the financing of the distribution of securities to customers not through the medium of an exchange) upon any security registered on a national securities exchange in an amount exceeding the amount which it is lawful for a member of a national securities exchange to lend to any customer on such security, unless the application for the loan is accompanied by a statement by the borrower that such security has been acquired by the borrower and paid for in full more than 30 days prior to the making of the loan. Any person who for the purpose of obtaining a loan makes such a statement which is false in any material respect, shall be deemed guilty of a violation of this subsection.

(d) The Commission shall by rules and regulations prescribe the times at and the specific methods by which values shall be calculated for the purposes of this section, the time within which initial and subsequent payments shall be made by the customer, and the notice to be given and the method to be followed in closing out accounts, and no person who shall comply with such rules and regulations shall be deemed to have violated any provision of this section.

RESTRICTIONS OF MEMBERS' BORROWING

SEC. 7. It shall be unlawful for any member of a national securities exchange or person who transacts a business in securities through the medium of such member, directly or indirectly—

(a) To borrow on any security registered on a national securities exchange from any person other than a member bank of the Federal Reserve System;

(b) To permit the aggregate indebtedness of such member or person to all other persons, including customers' deposits, to exceed such percentage of the net current assets owned by the borrower and employed in the business not exceeding 1,000 percent as the Commission may by rules and regulations prescribe;

(c) To use, if a broker, the capital employed in the business to carry or finance the carrying of securities for himself or for others than bona fide customers, excluding any partner or employee of such broker;

(d) To hypothecate or arrange for the hypothecation of more of any securities carried for the account of a customer than is fair and reasonable in view of the indebtedness of such customer;

(e) To hypothecate or arrange for the hypothecation of any securities carried for the account of a customer under circumstances that will permit the commingling of the securities of one customer with those of any other person without the written consent of such customer;

(f) To lend or arrange for the lending of securities pledged by or carried for the account of any customer without the consent of such customer and without crediting the interest received on account of such lending to the account of the customer.

PROHIBITION AGAINST MANIPULATION OF SECURITY PRICES

SEC. 8. (a) It shall be unlawful for any person, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange—

(1) To effect any fictitious transaction in any security registered on a national securities exchange, or any transaction which purports to be a sale of any such security but involves no change in the beneficial ownership thereof;

(2) To effect, or to authorize another or others to effect for such person's account, transactions for the purchase and sale of any security registered on a national securities exchange at substantially the same time at substantially the same price, whether such transactions of purchase and sale be with the same or with different parties; except transactions made on the exchange as a matter of record only and appropriately recorded and reported as an "arranged transaction";

(3) To effect, either alone or in concert with one or more other persons, transactions for the purchase and sale of any security or securities registered on any national securities exchange for the purpose of raising or depressing the price of such security or securities or for the purpose of creating or with the expectation that there will be created a false or misleading appearance of active trading in such security or securities, or a false or misleading appearance in respect of the market for such security or securities;

(4) If a dealer, broker, or member, or a person in the employ of a dealer, broker, or member, to circulate or disseminate in the ordinary course of business information to the effect that the price of any security or securities registered on a national securities exchange will or is likely to rise or fall partly or wholly because of the market activity of any one or more persons, if the person disseminating such information has reason to believe that the circulation or dissemination of such information on his part may induce the purchase or sale of any such security in the expectation of such market activity;

(5) To circulate or disseminate information regarding any security registered on a national securities exchange which statement is, in the light of the circumstances under which it was made, false or misleading in respect of any matter sufficiently important to influence the judgment of an average investor, if the person disseminating such information has reason to believe that the circulation or dissemination of such information on his part may induce the purchase or sale of such security, and does not prove that he acted in good faith and in the exercise of reasonable care had no ground to believe that the statement was false or misleading;

(6) To pay or cause to be paid directly or indirectly any consideration or anything of value to any person to circulate, disseminate, or finance the cost of circulating and disseminating, information to the effect that the price of any security or securities registered on a national securities exchange will or is likely to rise or fall partly or wholly because of the market activity of any one or more persons;

(7) To engage in any series of transactions or in any operation for the purchase and sale of any security registered on a national securities exchange which has the purpose or effect of pegging, fixing, or stabilizing the price of such security without having prior thereto reported to the exchange authorities and to the Commission such information regarding the purpose and nature of such transactions or operations, the details thereof, and the person or persons interested therein as the Commission by rules and regulations may prescribe as appropriate or necessary in the public interest or for the protection of investors;

(8) To acquire substantial control of the floating supply of any security registered on a national securities exchange for the purpose of causing the price of such security to rise on the exchange because of such control of the floating supply;

(9) To effect by use of the facility of any national securities exchange—

(i) Any transaction in any security whereby any party to such transaction acquires any put, call, straddle, or other option or privilege of buying a security from or selling a security to another party to the transaction without being bound to do so; or

(ii) Any transaction in any security with relation to which he has, directly or indirectly, any interest in such put, call, straddle, option, or privilege; or

(iii) Any transaction in any security for account of any person who he has reason to believe has, directly or indirectly, any interest in any such put, call, straddle, option, or privilege with relation to such security;

or if a member, directly or indirectly, to have or guarantee any interest in any put, call, straddle, option, or privilege in relation to any security registered on a national securities exchange.

(b) Any person who participates in any act or transaction in violation of subsection (a) of this section shall be liable to any person who shall purchase any security, the price of which may have been effected by such act or transaction, and the person so injured may sue in law or equity in any court of competent jurisdiction to recover the difference between the price he paid for such security and the lowest price for which such security shall have sold on the exchange during the 90 days preceding and the 90 days following such purchase, and such additional damages, if any, as the person suing may prove that he sustained as a result of any such transaction.

(c) Any person who participates in a transaction or transactions in violation of subsection (a) of this section shall be liable to any person who shall have sold a security, the price of which may have been effected by such transaction or transactions, and the persons so injured may sue in law or equity in any court of competent jurisdiction to recover the difference between the price for which he sold such security and the highest price for which such security shall have sold on the exchange during the 90 days preceding and the 90 days following such sale, and such additional damages, if any, as the person suing may prove that he sustained as a result of any such transaction.

(d) Every person who becomes liable to make any payment under this section may recover contribution as in cases of contract from any person who, if sued separately, would have been liable to make the same payment, unless the person who has become liable was, and the other was not, guilty of fraudulent misrepresentation.

(e) No action shall be maintained to enforce any liability created under this section unless brought within 2 years after the discovery of the violation upon which it is based.

REGULATION OF THE USE OF MANIPULATIVE DEVICES

SEC. 9. It shall be unlawful for any person, directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange—

(a) To effect the sale of any security registered on a national securities exchange, which at the time of such sale was not owned by such person or his principal except in accordance with such rules and regulations as the Commission may prescribe as appropriate or necessary in the public interest or for the protection of investors;

(b) To use or employ or to execute or accept for execution any stop-loss order in connection with the purchase or sale of any security registered on a national securities exchange except in accordance with such rules and regulations as the Commission shall prescribe as appropriate or necessary in the public interest or for the protection of investors;

(c) To use or employ in connection with the purchase or sale of any security registered on a national securities exchange any device or contrivance which, or any device or contrivance in a way or manner which the Commission may by its rules and regulations find detrimental to the public interest or to the proper protection of investors.

SEGREGATION AND LIMITATION OF THE FUNCTIONS OF BROKER, SPECIALIST, AND DEALER

SEC. 10. It shall be unlawful for any member of a national securities exchange or any person who as a broker transacts a business in securities through the medium of any such member to act as a dealer in or underwriter of securities, whether or not registered on any national securities exchange. It shall be unlawful for any member of a national securities exchange to act as a specialist unless registered as such with the exchange, subject to such rules and regulations as the Commission may prescribe, and it shall be unlawful for any specialist on a national securities exchange (a) to effect on the exchange any transaction except on fixed-price orders or (b) to disclose to any other person information in regard to orders placed with him which is not available to all members of the exchange. An exchange may provide that officers or employees of the exchange may perform the functions of specialists subject to such rules and regulations as the Commission may prescribe.

REGISTRATION REQUIREMENTS FOR SECURITIES

SEC. 11. (a) It shall be unlawful for any person to effect any transaction in any security on a national securities exchange unless a registration is effective as to such security in accordance with the provisions of this act and the rules and regulations made by the Commission thereunder and unless such security has been issued.

(b) A security may be registered with a national securities exchange upon application by the issuer, by filing with such exchange and with the Commission such undertakings, information, and documents as the Commission may by its rules and regulations require in the public interest and for the protection of investors, together with such additional undertakings, information, and documents as the exchange may require. If the exchange authorities certify to the Commission that the security has been approved by the exchange for listing and registration, the registration shall become effective 30 days after the filing of such certification with the Commission: *Provided*, That if it appears to the Commission prior to the expiration of such 30 days that the application for registration does not comply with the provisions of this act or the rules and regulations made by the Commission hereunder, it may, after appropriate notice and opportunity for hearing within such period, enter an order denying the application for registration unless the issuer shall withdraw its application or consent to the Commission's deferring action on its application for a stated period longer than such 30 days.

(c) The rules and regulations of the Commission in regard to registration shall require—

(I) An undertaking by the issuer to comply with and so far as is within its power to enforce compliance by its officers, directors, and stockholders with the provisions of this act and any amendments thereto and with the rules and regulations made or to be made by the Commission thereunder and, unless the issuer is a member bank of the Federal Reserve System, not to lend any funds in the money market of any exchange or to any member thereof or to any person who transacts a business in securities through the medium of any such member except in accordance with such rules and regulations as the Commission may prescribe;

(II) Such information as to the issuer and affiliates in respect of:

(1) The organization, financial structure, and nature of the business;

(2) Particulars regarding the terms, position, rights, and privileges of the different classes of securities outstanding;

(3) Particulars regarding terms on which securities have been or are to be offered to the public;

(4) Particulars regarding the directors, officers, and principal security holders and underwriters, their remuneration and their interests in the securities of and material contracts with the issuer and affiliates;

(5) Particulars regarding remuneration to others than directors and officers exceeding $20,000 per annum;

(6) Particulars regarding bonus and profit-sharing arrangements;

(7) Particulars regarding management and service contracts;

(8) Particulars of options in respect of securities existing or to be created;

(9) Particulars regarding material contracts not made in the ordinary course of business, and material patents;

(10) Balance sheets for preceding years certified by independent public accountants;

(11) Profit and loss statements for preceding years certified by independent public accountants; and such other information as the Commission may by rules and regulations require as necessary and appropriate in the public interest or for the protection of investors.

(III) Copies of articles of incorporation, bylaws, trust indentures, or corresponding documents, whatever the names, underwriting arrangements, and other documents of the issuer and affiliates which the Commission by rules and regulations may require as necessary in the public interest or for the protection of investors.

A security registered with a national securities exchange may be withdrawn or stricken from listing and registration in accordance with the rules of the exchange and upon such terms as the Commission may fix, upon application by the issuer or the exchange to the Commission.

ANNUAL, QUARTERLY, AND MONTHLY REPORTS

SEC. 12. (a) Every issuer of a security registered on a national securities exchange shall file with the exchange and with the Commission, in accordance with rules and regulations to be prescribed by the Commission and in such form and in such detail as the Commission may by rules and regulations prescribe in the public interest and for the protection of investors—

(1) Such information and documents as the Commission may require to keep reasonably current the information and documents filed pursuant to section 11;

(2) Annual and quarterly reports, including, among other things, a balance sheet and profit-and-loss statement certified by an independent public accountant;

(3) Monthly reports, including, among other things, a statement of sales or gross income;

(4) Such other reports and at such times as the Commission may by rules and regulations prescribe in the public interest or for the protection of investors or with a view to insuring that the security holders' interests shall not be prejudiced by the use of information for the advantage of any special group or interest.

(b) The failure of an issuer to register information, documents, or reports as required by this section shall be ground for the removal of any of its securities from a national exchange by the exchange or by the Commission.

PROXIES

SEC. 13. (a) It shall be unlawful for any person, by the use of the mails or of any means or instrumentality of transportation or communication in interstate commerce or of any facility of any national securities exchange or otherwise, to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security registered on any national securities exchange unless at such time prior to such solicitation as the Commission shall by rule or regulation prescribe the persons named to exercise such proxy, consent, or authorization shall file with the Commission a statement, which shall be included as a part of every such solicitation, setting forth the purposes of the proxy, consent, or authorization, the persons to exercise it, their relations to and interest in the security, the names and addresses of the persons from whom similar proxies, consents, or authorizations are being solicited, and such further information, and in such form and detail as the Commission may by rules and regulations prescribe in the public interest or for the protection of investors.

(b) It shall be unlawful for any member of a national securities exchange or any person who transacts a business in securities through such member to give a proxy, consent, or authorization

in respect of any security registered on a national securities exchange and carried for the account of a customer without a specific written authorization from such customer.

OVER-COUNTER MARKETS

SEC. 14. It shall be unlawful for any person singly or in concert with others to make use of the mails or of any means or instrumentality of communication or transportation in interstate commerce for the purpose of making or creating, or enabling another to make or create, a market for any security, whether or not registered on a national securities exchange, without complying with such rules and regulations as the Commission may prescribe as appropriate in the public interest or for the protection of investors.

TRANSACTIONS BY DIRECTORS, OFFICERS, AND PRINCIPAL STOCKHOLDERS

SEC. 15. (a) Every director, officer, or owner of securities, owning as of record and/or beneficially more than 5 percent of any class of securities of any issuer any security of which is registered on a national securities exchange, shall file with the exchange and with the Commission at the time of the registration of such security or at the time he becomes such a director, officer, or owner of securities the amounts of all securities of such issuer of which he is the record and/or beneficial owner, and within 10 days after the close of each calendar month, if there has been any change in his record or beneficial ownership during such month, shall file with the exchange and the Commission a statement indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month.

(b) It shall be unlawful for any director, officer, or owner of securities, owning as of record and/or beneficially more than 5 percent of any class of stock of any issuer, any security of which is registered on a national securities exchange—

(1) To purchase any such registered security with the intention or expectation of selling the same security within 6 months; and any profit made by such person on any transaction in such a registered security extending over a period of less than 6 months shall inure to and be recoverable by the issuer, irrespective of any intention or expectation on his part in entering into such transaction of holding the security purchased for a period exceeding 6 months. Such suit may be instituted in law or in equity in any court of competent jurisdiction by the issuer, or by the owner of any security of the issuer in the name and in behalf of the issuer if the issuer shall fail or refuse to bring such suit within 60 days after request or shall fail diligently to prosecute the same thereafter. For the purposes of this subsection the profit shall be calculated on the sale or sales by such person of such security made at the highest price or prices and on the purchase or purchases made by such person of such security at the lowest price or prices during the 6 months' period irrespective of the certificates for such security received or delivered by such person during such period.

(2) To sell any such registered security, if the person selling does not own the security sold or if the person selling owns the security but does not deliver it against such sale within 5 days;

(3) To disclose, directly or indirectly, any confidential information regarding or affecting any such registered security not necessary or proper to be disclosed as a part of his corporate duties. Any profit made by any person, to whom such unlawful disclosure shall have been made, in respect of any transaction or transactions in such registered security within a period not exceeding 6 months after such disclosure shall inure to and be recoverable by the issuer unless such person shall have had no reasonable ground to believe that the disclosure was confidential or was made not in the performance of corporate duties. Such suit may be instituted in law or in equity in any court of competent jurisdiction by the issuer or by the owner of any security of the issuer in the name and in behalf of the issuer if the issuer shall fail to bring such suit within 60 days after request or shall fail diligently to prosecute the same thereafter. For the purposes of this subsection the profit shall be calculated on the sale or sales by such person of such security made at the highest price or prices and on the purchase or purchases made by such person of such security at the lowest price or prices during the 6 months' period irrespective of the certificates for such security received or delivered to such person during such period.

ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

SEC. 16. Every national securities exchange, every member thereof, every person transacting a business in securities through the medium of such member, every dealer making or creating a market for securities through the mails or the use of any means or instrumentality of interstate commerce, shall make, keep, and preserve such accounts, correspondence, memoranda, papers, books, and other records and make such reports as the Commission by its rules and regulations may prescribe. The accounts, correspondence, memoranda, papers, books, and other records of such persons shall be subject at any time or from time to time to such periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate, and the cost of such examinations, including the compensation of the examiners, shall be fixed by the Commission and paid by the person examined. Any representatives of the Commission designated by it shall have access to the premises or any part thereof of any national securities exchange and the right to attend any meeting or proceeding of the exchange or any committee thereof.

LIABILITY FOR MISLEADING STATEMENTS

SEC. 17. (a) Any person who shall make or any person, including any director, officer, accountant, or other agent of such person, who shall be responsible for the making of any statement in any application, report, or document filed with the Commission, which statement is, in the light of the circumstances under which it was made, false or misleading in respect of any matter sufficiently important to influence the judgment of an average investor shall be liable to any person (not knowing that such statement was false or misleading) who shall have purchased or sold a security the price of which may have been affected by such statement, and the person injured may sue in law or in equity in any court of competent jurisdiction for the damages caused by such statement, unless the person sued shall sustain the burden of proof that he acted in good faith and in the exercise of reasonable care had no ground to believe that such statement was false or misleading.

(b) In case the person injured purchased a security the price of which was affected by such statement, the damages shall be not less than the difference between the price for which he purchased the security and the lowest price for which it shall have sold within 90 days preceding and 90 days following such purchase.

(c) In case the person injured sold a security the price of which was affected by such statement, the damages shall be not less than the difference between the price for which he sold such security and the highest price for which it shall have sold within 90 days preceding and 90 days following such sale.

(d) Every person who becomes liable to make any payment under this section may recover contribution as in cases of contract from any person who, if sued separately, would have been liable to make the same payment, unless the person who has become liable was, and the other was not, guilty of fraudulent misrepresentation.

(e) No action shall be maintained to enforce any liability created under this section unless brought within 2 years after the discovery of the violation upon which it is based.

SPECIAL POWERS OF COMMISSION

SEC. 18. (a) The Commission shall have authority from time to time to make, amend, and rescind such rules and regulations as it may deem necessary or appropriate to carry out and to implement, administer, and enforce the provisions of this act, including rules and regulations governing the form and content of registration statements and reports for various classes of exchanges, members, securities, and issuers, and defining accounting, technical, and trade terms used in this act.

(b) The authority above given the Commission shall include, among other things, authority to prescribe the form or forms in which required information shall be set forth, the items or details to be shown in the balance sheet and earning statement, and the methods to be followed in the preparation of accounts, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and nonrecurring income, in the differentiation of investment and operating income, and in the preparation, where the Commission deems it necessary or desirable, of consolidated balance sheets or income accounts of any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer; but insofar as they relate to any common carrier subject to the provisions of section 20 of the Interstate Commerce Act, as amended, the rules and regulations of the Commission with respect to accounts shall not be inconsistent with the requirements imposed by the Interstate Commerce Commission under authority of such section 20.

(c) The authority above given the Commission shall include, among other things, authority to prescribe such rules and regulations for national securities exchanges, their members and persons transacting a business in securities through such members, in addition to those specifically provided in this act, as it may deem necessary or appropriate in the public interest or for the protection of investors, and may by its rules and regulations more specifically define the form and procedure to be followed in carrying the provisions of this act into effect. The Commission, among other things, may prescribe the time and method of making settlements, payments, and deliveries, the time and method of calculating margin requirements, and the time and method of closing out undermargined accounts. The Commission, among other things, may by rules and regulations prescribe rules for the conduct of business on exchanges for the classification of members, for the election of officers and committees to insure a fair representation of the membership, for the suspension, expulsion, or disciplining of members, for the listing or striking from listing of any security with right of appeal by the issuer to the Commission, for the reporting of transactions on the exchanges and upon tickers maintained by or with the consent of any exchange, including the method of reporting short sales, sales of securities in default, in bankruptcy or receivership, and sales involving other special circumstances. The Commission may fix or prescribe the method of fixing uniform rates of commission, interests, and other charges, may prescribe minimum units of trading, rules limiting the manner, method, and place of soliciting business, rules for odd-lot purchases and sales, rules regarding minimum deposits on marginal accounts, and rules limiting or prohibiting the registration or trading in any security within a specified period after the issuance or primary distribution thereof, prescribe rules governing the carrying of accounts and to prohibit fictitious or numbered accounts and require the disclosure of the real and beneficial owners thereof. The Commission shall have power to fix the hours of trading,

and, if the public interest in its opinion so requires, summarily to suspend trading in any registered security or upon any registered exchange for a period not exceeding 90 days.

(d) The rules and regulations of the Commission shall be effective upon publication in the manner which the Commission shall prescribe.

(e) For the purpose of all investigations which, in the opinion of the Commission, are necessary and proper for the enforcement of this act, any member of the Commission or any officer or officers designated by it are empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems revelant or material to the inquiry. Such attendance of witnesses and the production of such records may be required from any place in the United States or any State at any designated place of hearing. Such power of subpena and examination shall not abate or terminate by reason of any action or proceeding brought by the Commission under this act. The Commission shall have authority to investigate, and in its discretion to publish information concerning any facts, conditions, or practices which it may deem necessary and proper as an aid in the prescribing of rules and regulations or the recommendation of further legislation concerning exchanges. If any person subpenaed to attend any inquiry fails to obey the command of his subpena without reasonable cause, or if a person in attendance upon such inquiry shall without reasonable cause refuse to be sworn or to be examined or to answer a question or to produce any books, papers, correspondence, memoranda, or other records when ordered so to do by the officer conducting such inquiry, he shall be guilty of a misdemeanor and punishable accordingly. Any officer participating in such inquiry and any person examined as a witness upon such inquiry who shall disclose to any person other than a member or officer of the Commission the name of any witness examined or any other information obtained upon such inquiry, except as directed by the Commission or an officer thereof, shall be guilty of a misdemeanor and punishable accordingly.

LIABILITY OF CONTROLLING PERSONS

SEC. 19. (a) Every person who, by or through stock ownership, agency, or otherwise, or who pursuant to or in connection with any agreement or understanding with one or more other persons by or through stock ownership, agency, or otherwise, controls any person liable under any provision of this act or of any rule or regulation made pursuant thereto shall also be liable jointly and severally with and to the same extent as such controlled person to any person to whom such controlled person is liable.

(b) It shall be unlawful for any person, directly or indirectly, to do any act or thing which it would be unlawful for such person to do under the provisions of this act or any rule or regulation thereunder through or by means of any other person who is controlled by such person by or through stock ownership, agency, or otherwise or through or by means of any other person who is controlled by such person and one or more other persons by or through stock ownership, agency, or otherwise for the purpose of avoiding any provisions of this act or any rule or regulation made thereunder.

(c) It shall be unlawful for any director, officer, or security holder of any issuer of any security registered on a national securities exchange to hinder, delay, or obstruct the making or filing of any document or report required to be filed with the Commission under this act or any rule or regulation thereunder.

(d) If the spouse of a person subject to any provision of this act or of any rule or regulation thereunder, or a child or parent residing with such person, or a person holding in trust for such person money or property used in the transaction in question shall effect any transaction in a security which would be a violation of any such provision if effected by such person subject thereto, such person subject thereto shall be deemed to have violated such provision unless he shall sustain the burden of showing that the transaction was not effected with his approval or was not for the purpose of evading such provision.

INJUNCTIONS AND PROSECUTION OF OFFENSES: SUSPENSION OR WITHDRAWAL OF REGISTRATION OF AN EXCHANGE OR OF A SECURITY

SEC. 20. (a) Whenever the Commission, either upon complaint or otherwise, shall be of the opinion that in the public interest it should make an investigation to determine whether any person has violated or is about to violate any provision of this act, or of any rule or regulation thereunder, it may investigate such facts, and it may, in its discretion, either require or permit such person, or any person making such complaint, to file with it a statement in writing, under oath, or otherwise, as to all the facts and circumstances concerning the subject matter which it believes to be in the public interest to investigate.

(b) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule or regulation prescribed under authority thereof, it may in its discretion—

(i) Bring an action in any district court of the United States, United States court of any Territory, or the Supreme Court of the District of Columbia to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title. Any such criminal proceedings may be brought in the district wherein the violation complained of occurred;

(ii) After appropriate notice and opportunity for hearing, make an order suspending for a period not exceeding 12 months or withdrawing altogether the registration of a national securities exchange if the Commission finds that such exchange has violated any provision of this act or of the rules and regulations thereunder or has failed to enforce compliance therewith by a member or an issuer of a security registered thereon, or withdrawing altogether the registration of a security the issuer of which has failed to comply with the provisions of this act or the rules and regulations made thereunder;

(iii) After appropriate notice and opportunity for hearing, make an order suspending for a period not exceeding 12 months or ordering the expulsion altogether from a national securities exchange any member or officer thereof whom it finds has violated any provision of this act or the rules and regulations thereunder or has effected any transaction for any other person who he has reason to believe is violating in respect of such transaction any provision of this act or the rules or regulations thereunder.

(c) Upon application of the Commission the district courts of the United States, the United States courts of any Territory, and the Supreme Court of the District of Columbia shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this act or any order of the Commission made in pursuance thereof.

HEARINGS BY COMMISSION

SEC. 21. All hearings shall be public and may be held before the Commission, any member or members thereof or an officer or officers of the Commission designated by it, and appropriate records thereof shall be kept.

PUBLIC CHARACTER OF INFORMATION

SEC. 22. The information contained in or filed with any application, report, or document shall be made available to the public under such regulations as the Commission may prescribe, and copies thereof, photostatic or otherwise, shall be furnished to every applicant at such reasonable charge as the Commission may prescribe.

COURT REVIEW OF ORDERS

SEC. 23. (a) Any person aggrieved by an order of the Commission may obtain a review of such order in the Circuit Court of Appeals of the United States, within any circuit wherein such person resides or has his principal place of business, or in the Court of Appeals of the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Commission be modified or be set aside in whole or in part. A copy of such petition shall be forthwith served upon the Commission, and thereupon the Commission shall certify and file in the court a transcript of the record upon which the order complained of was entered. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission. The finding of the Commission as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The jurisdiction of the court shall be exclusive and its judgment and decree, affirming, modifying, or setting aside, in whole or in part, any order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347).

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

PENALTIES

SEC. 24. Any person who willfully violates any provision of this act or any rule or regulation made thereunder, or any person who shall make, or any person, including a director, officer, accountant, or agent thereof, who willfully is responsible for any statement in any application, report, or document filed with the Commission, which statement is, in the light of the circumstances under which it was made, false or misleading in any matter sufficiently important to influence the judgment of an average investor, shall upon conviction be fined not more than $25,000 or imprisoned not more than 10 years, or both, except that when such person is an exchange a fine not exceeding $500,000 may be imposed.

JURISDICTION OF OFFENSES AND SUITS

SEC. 25. (a) The district courts of the United States, the United States courts of any Territory, and the Supreme Court of the District of Columbia shall have jurisdiction of offenses and violations under this act and of all suits in equity and actions at law brought to enforce any liability or duty created by this act. Any such criminal proceedings may be brought either in the district wherein the exchange involved is operated, or in the district wherein a transaction violating such provision was consum-

mated, or in the district wherein an act or agreement to act constituting such violation was effected. Any such civil suit or action may be brought in any such district or in the district wheren the defendant is found or is an inhabitant or transacts busness, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgment and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347). No costs shall be assessed for or against the Commission in any proceeding under this act brought by or against it in the Supreme Court or such other courts.

(b) In case of contumacy or refusal to obey a subpena issued to any person, any of the said United States courts, within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides, upon application by the Commission may issue to such person an order requiring such persons to appear before the Commission, or one of its examiners designated by it, there to produce documentary evidence if so ordered, or there to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(c) No person shall be excused from attending and testifying or from producing books, papers, contracts, agreements, and other records before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

EFFECT ON EXISTING LAW

SEC. 26. (a) The rights and remedies provided by this act shall be in addition to any and all other rights and remedies that may exist at law or in equity, except that this act shall supersede such laws of any State as are inconsistent with the provisions or purposes of this act and such laws of any State as provide for the supervision or regulation of the administration or conduct of business on any exchange which is licensed by the Commission.

(b) Nothing in this act shall be construed to modify existing law with regard to the binding effect on any member of any exchange of any action taken by the authorities of such exchange to settle disputes between members or with regard to the binding effect of such action on any person who has agreed to be bound thereby or with regard to the binding effect on any member of any disciplinary action taken by the authorities of the exchange as a result of violation of any rule of the exchange, insofar as the action taken is not inconsistent with the provisions of this act or the rules and regulations of the Commission thereunder.

VALIDITY OF CONTRACTS

SEC. 27. (a) Any condition, stipulation, or provision binding any person to waive compliance with any provision of this act or of any regulation promulgated pursuant thereto, or of any rule required by such regulation shall be void.

(b) Every contract made in violation of, or the performance of which involves the violation of, any provision of this act or of any rule or regulation thereunder shall be void as regards any cause of action arising after the effective date of such provision, regardless of whether the contract was made before or after such effective date.

FOREIGN EXCHANGES

SEC. 28. It shall be unlawful for any broker or dealer, directly or indirectly, to make use of the mails or of any means or instrumentality of transportation or communication in interstate commerce for the purpose of effecting on an exchange situated in a place not subject to the jurisdiction of the United States any transaction in any security the issuer of which is a resident of, or is organized under the laws of, or has its principal place of business in, a place subject to the jurisdiction of the United States except in accordance with such rules and regulations as the Commission may prescribe.

REGISTRATION FEES

SEC. 29. Every national securities exchange shall pay an annual registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be paid to the Commission on or before March 15 of each calendar year. Such fee shall be an amount equal to one five-hundredths of 1 percent of the aggregate dollar amount of the sales of securities transacted on such national securities exchange during the preceding calendar year.

EMPLOYEES OF FEDERAL TRADE COMMISSION

SEC. 30. For the purposes of this act and of the Securities Act of 1933, the Federal Trade Commission may select, employ, and fix the compensation of such employees, attorneys, and agents as shall be necessary for the transaction of the business of the Commission with respect to such acts without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States.

SEPARABILITY OF PROVISIONS

SEC. 31. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

EFFECTIVE DATE

SEC. 32. This act shall become effective on October 1, 1934, except that applications for necessary registrations under this act may be made to the Commission in accordance with its rules and regulations at any time on and after July 1, 1934: *Provided*, That section 30 shall become effective immediately upon the enactment of this act.

The statement and digest presented by Mr. FLETCHER to accompany the bill are as follows:

STATEMENT BY SENATOR DUNCAN U. FLETCHER, CHAIRMAN OF THE SENATE COMMITTEE ON BANKING AND CURRENCY

The bill just introduced for the regulation of securities exchanges is one of the series of steps taken and to be taken for the purpose of bringing safety to the general public in the field of investment and finance. The present step is made necessary by the misfortunes of great numbers of our people who have lost part, or all, of their savings through unregulated stock exchanges. Still more, this bill has been made necessary by the needs of the entire American public that the operation of the securities exchanges shall never again intensify a business depression, or help precipitate a business depression. In brief, we have already received ample evidence through the hearings of the Senate Committee on Banking and Currency, through countless letters addressed to the committee, and in many other ways that the unregulated operation of such great financial machines as the stock exchanges of the country can directly bring heavy losses to investors and can indirectly, by heightening the forces of a depression or by retarding incipient business recovery, affect great bodies of our workers and take from them, or keep from them, their opportunity to have work and to earn a decent living.

It is in the light of the interests of the general public that the bill was drawn. There was no desire to hurt the few hundred men who have been obtaining, year after year, princely incomes out of the pockets of the American people through the operation of exchanges not subject to Government regulation. But while there was no desire to hurt these few men, the bill was drafted on the theory that the interests of the general public are paramount and that an end must be put to any mulcting of the general public for the benefit of a few insiders. The consequence of this legislation is likely to be that the insider who has relied upon his ability to take advantage of the unprivileged outsider will suffer; but this is unavoidable if the American people as a whole are to be protected from such persons. Honest brokers have nothing to fear from the bill. Indeed, they are likely to gain by the cleaning-out process that will follow and by the elimination of unsavory practices, and perhaps by the elimination also of those who have engaged in such practices.

Many of the remedies for existing evils considered in the course of the preparation of this bill go far beyond the provisions incorporated in the bill. Many of the remedies considered but not incorporated in the bill are in themselves sound and desirable. It may be that before the bill is enacted into law a number of the remedies not contained in the present draft of the bill, and far more restrictive than its present provisions, will be proposed by various Members and accepted by the Congress. It should be explained at the present time that in now proposing a number of measures less advanced than those favored by many Members of the Congress, as well as by myself, the purpose has been to submit at the outset a program on which those holding various points of view might be able to reach an agreement. In short, what is now put before the Congress is a moderate or middle-of-the-road program. Of course, it will not be considered either moderate or middle-of-the-road by those who have had financial interests in the special privileges and unsound practices of the past. But when I speak of moderation I am speaking from the point of view of the great mass of the people, who are entitled to receive the prime consideration of the National Legislature.

While compromising on these matters of substance, and with respect to the nature or type of remedies proposed at the outset, there has been no compromise on the issue whether such remedies as are proposed shall become truly effective. In other words, the bill seeks to prevent those devices by which skillful financial lawyers have in past decades been able from time to time to thwart, to hinder, and to delay the will of the Congress. Whatever remedies are proposed in the bill are to be effectuated so thoroughly that there can be no escape for those persons who should not be permitted to escape. The bill goes as far as it reasonably can in assuring our citizenry that the moderate remedies proposed will be thoroughly effectuated.

The bill will, of course, decrease and discourage certain types of activity on the securities markets, and in that sense and to that extent will serve to affect and diminish the volume of stock-exchange activity. Although the bill does not prohibit all speculative activities on stock exchanges, its purpose is to make stock exchanges market places for investors and not places of resort for those who would speculate or gamble.

The purpose of the bill is to insure to the public that the securities exchanges will be fair and open markets. The bill seeks

to protect the American people by requiring brokers on these exchanges, members of these exchanges, to be wholly disinterested in performing their services for their clients and for the American people trading on the exchanges.

Manipulators who have in the past had a comparatively free hand to befuddle and fool the public and to extract from the public millions of dollars through stock-exchange operations are to be curbed and deprived of the opportunity to grow fat on the savings of the average man and woman of America. Under this bill the securities exchanges will not only have the appearance of an open market place for investors but will be truly open to them, free from the hectic operations and dangerous practices which in the past have enabled a handful of men to operate with stacked cards against the general body of the outside investors. For example, besides forbidding fraudulent practices and unwholesome manipulations by professional market operators, the bill seeks to deprive corporate directors, corporate officers, and other corporate insiders of the opportunity to play the stocks of their companies against the interests of the stockholders of their companies.

The bill allows the use of ample credit in the conduct of stock exchanges. But it seeks to prevent the recurrence of those abuses which in the past have led to the absorption of the Nation's credit needed for trade and industry into a whirling, gambling stock market. The amounts that margin traders may borrow are limited. The amount of borrowed capital that brokers may use is likewise limited. Bootleg loans in defiance of Federal Reserve policy are brought within the ban of the bill. If the limitations imposed by the bill should not be deemed sufficiently restrictive—and I am sympathetic, indeed, with the view of many persons, both in and out of the Congress, that restrictions should be much higher than those outlined in the bill—there will be ample opportunity of amendment of the bill in the direction of even further protection of the interests of the general public and of trade and industry.

The evidence before the Senate Banking and Currency Committee has demonstrated that those in charge of stock exchanges in the past have not required adequate disclosure by persons and concerns listing or maintaining the listing of securities on the exchanges. At times the excuse has been advanced that exchange officials have not had sufficient power. There can be no question that the American public is entitled to have the fullest disclosure, as a condition to the listing of securities and as a condition to maintaining such listing on the public exchanges. The Federal Government has the power to require this full disclosure, and the bill is so written that the disclosure may now become assured to the great body of our investors.

The bill strikes at a variety of misleading and law-avoiding devices. The great evil involved in the abuse of proxies is dealt with by the bill. Men with small, and sometimes no, financial interest will be unable under this bill to solicit proxies without disclosing their real interest and all their side agreements and special privileges and special relationships, of which the stockholders of the companies should be fully informed. Economic bosses can no longer seek in the name of private enterprise to misuse positions of power and trust. The provisions of the bill on this subject strike the first blow at a system that has given a small and willful group of men control over the properties and savings of the great mass of investors.

The stock exchanges will be given opportunity to enforce the standards of conduct laid down in this legislation and such other standards consistent with it as they may deem proper. But if the exchanges fail in the future as they have failed in the past to maintain proper standards, the penalties of the criminal law and effective civil liabilities attach in order to insure that the standards laid down by the bill will be living standards and not a mere dead letter of the law. When this legislation goes into effect, privileged insiders who unjustly get money from the general public can be compelled to restore that money to those who lost it. The financial market places of this country will be cleansed and made safe for honest investors.

DIGEST OF STOCK EXCHANGE BILL

The first section provides that the act may be cited as the "National Securities Exchange Act of 1934."

Section 2 contains a declaration of the intimate relationship which prices of transactions on securities exchanges bear to transactions in interstate commerce, the danger of excessive speculation and the manipulation of such prices, and their effect upon the general credit of the country, especially with regard to excessive fluctuations. Transactions on stock exchanges are thus affected with a national and public interest which requires regulation of the conduct of business upon securities exchanges.

Section 3 contains definitions of important words used in the act, including "exchange" and "interstate commerce", and states that the "Commission" (which is given extensive powers in administration of the act) shall be the Federal Trade Commission.

Section 4 prohibits the use of the mails or interstate commerce for the purpose of effecting any transaction in a security on an exchange or of reporting such transaction unless the exchange has been registered as a "national securities exchange."

Section 5 provides a procedure for the registration of "national securities exchanges." Exchanges may be registered as such only if they furnish the Federal Trade Commission full information concerning their organization and rules and satisfy the Commission that they are so organized as to be able to comply with the provisions of this act and the regulations of the Commission.

Section 6 provides that all purchases made through members of exchanges must be secured by a margin of at least 60 percent of the current market price or 20 percent of the lowest price at which such security has sold during the preceding 3 years. The Commission is given authority to prescribe more rigid margin requirements at any time when it deems that this is appropriate in the public interest or for the protection of investors. No person shall extend credit on any security which is traded on a national securities exchange without conforming to the margin requirements which this section imposes on members of such an exchange.

Section 7 places restrictions on borrowing by members of exchanges and dealers and brokers who act through them and on their use of customers' securities. They may not borrow on a security registered on a national securities exchange except from a member bank of the Federal Reserve System, and the total amount of their borrowing is limited. They cannot hypothecate or lend securities carried for customers except in accordance with the customers' consent and to a reasonable and fair extent.

Section 8 makes it criminal to manipulate the prices of securities on national securities exchanges. The devices expressly outlawed are:

(1) Washed sales.

(2) Matched orders.

(3) Any combination of purchases and sales made for the purpose of raising or depressing the price of the security or creating a false impression as to the market of such security.

(4) The spreading of rumors that prices will change in accordance with activities of manipulators.

(5) Disseminating misleading information regarding a security.

(6) Paying for the dissemination of information in aid of the operations of manipulators.

(7) Pegging the price of a security without informing the Commission as to all the details of the operation.

(8) Cornering the supply of a security.

(9) The use of options and trading against options.

Subsections (b) and (c) provide for civil liability of manipulators to persons injured by their market operations.

Section 9 prohibits short selling or stop-loss orders in connection with securities traded on national securities exchanges except in compliance with regulations which the Commission may prescribe. The Commission is also given power to forbid any other devices in connection with security transactions which it finds detrimental to the public interest or to the proper protection of investors.

Section 10 prohibits members and persons engaged in a securities business who act through members to be underwriters of securities or dealers, as distinguished from brokers. Members cannot act as specialists unless registered as such, and specialists may not execute orders except at fixed prices, nor can they disclose confidential information.

Section 11 requires registration of securities which are admitted to trading on national securities exchanges. Such registration must be made with the exchange and with the Commission. The Commission shall prescribe regulations regarding registration, which shall include disclosure of such details concerning the financial position of the company and other facts, similar to those required to be disclosed under the National Securities Act of 1933, as the Commission may prescribe.

Section 12 includes the further provision that annual, quarterly, and monthly reports must be furnished, keeping such information up to date.

Section 13 prohibits the use of the mails or interstate commerce in connection with proxies for securities registered on national securities exchanges unless such information with regard to the proxies and plans of the proxies shall be filed with the Commission, as the Commission may require.

Section 14 makes it unlawful to conduct any over-the-counter market for any securities except in compliance with regulations which the Commission may prescribe.

Section 15 compels the disclosure of the holdings and dealings of directors, officers, and principal stockholders in the securities of the corporation. Such persons are also prohibited to speculate in the securities of the corporation or to sell them short. Profits resulting from speculation shall be recoverable by the corporation.

Section 16 requires that every national securities exchange, its members, and brokers and dealers who transact business through such members, shall keep detailed accounts of all transactions. These records shall be open at all times to inspection by the Commission, which is also permitted to have its inspectors on the premises of exchanges and at meetings of exchange committees.

Section 17 imposes civil liability for false or misleading statements in any of the reports or records required under this act.

Section 18 enumerates various powers of the Commission. In general, it may make regulations for the carrying into effect of all provisions of the act and governing the conduct of business on exchanges as it may deem necessary. The Commission is also given extensive powers of investigation similar to those which it enjoys under the National Securities Act.

Section 19 provides that persons who control others subject to the provisions of the act and regulations thereunder shall likewise be subject themselves. Not only does it cover the usual devices, such as dummy corporations, but provides that when a member of the immediate family of a person forbidden to make a given transaction in a security effects such a transaction, the person forbidden shall have the burden of showing that the transaction was not an attempted evasion of the act.

Section 20 deals with the procedure for injunctions and prosecutions of offenses, which is similar to that under the Securities Act, and gives the Commission power to suspend the registration of an exchange or of a security for failure to comply with the provisions of the act and regulations thereunder.

Section 21 provides for public hearings, of which appropriate records shall be kept.

Section 22 provides that all information required to be given under the act shall be available to the public.

Section 23 provides for court review of orders as in the National Securities Act of 1933.

Section 24 provides for a fine of not more than $25,000 or imprisonment for not more than 10 years, or both, upon conviction of a violation of the act or regulations made thereunder, except where the offender is an exchange, in which event the maximum penalty is $500,000.

Section 25, dealing with jurisdiction of offenses and suits, contains provisions similar to those in the National Securities Act on that topic.

Section 26 provides that the rights and remedies furnished by this act shall be in addition to other legal rights and remedies not inconsistent therewith, and that the act shall not derogate from the binding effect of action taken by exchanges to discipline their members or settle disputes as long as such action complies with the regulations of the Commission.

Section 27 provides that no contract made prior or subsequent to this act shall alter the rights or remedies of any persons thereunder.

Section 28 gives the Commission power to restrict transactions in American securities on foreign exchanges.

Section 29 provides for registration fees to be paid by exchanges based on the value of sales transacted on such exchanges.

Section 30 empowers the Commission to engage employees as it shall deem necessary without regard to other laws applicable to the employment and compensation of officers and employees of the United States.

Section 31 provides that a judicial decision as to the unconstitutionality of any portion or application of the act shall be confined thereto.

Section 32 provides that the act shall become effective on October 1, 1934, except that applications for registration may be received on and after July 1, 1934, and that section 30 shall become effective upon enactment.

CLAIM OF STELIO VASSILIADIS

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to a claim of Mr. Stelio Vassiliadis, former vice consul of Spain at Kiev, Russia, for expenditures made by him at that post from March 1, 1918, to the end of February 1920, in representing the interests of the United States at that post in the absence of the American consul, Mr. Douglas Jenkins, who was obliged to depart on account of war conditions.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to reimburse Mr. Vassiliadis for the expenditures made by him during the above-mentioned period.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 9, 1934.*

[Enclosures: Report of the Secretary of State with enclosures.]

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EDITORIALS ON GREAT LAKES-ST. LAWRENCE WATERWAY TREATY

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a symposium of brief excerpts from certain American newspaper editorials on the subject of the Great Lakes-St. Lawrence Waterway Treaty.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Boston (Mass.) Transcript, January 11, 1934:

"The advocates of the seaway have failed to convince the country that it would fulfill the claims made for it.

"Subservience of the Senate in this matter would give color to the idea that it was content to act merely as the agent of the Executive."

Philadelphia (Pa.) Inquirer, January 23, 1934:

"If the Senate ratifies this treaty, it will hand to the United States a white elephant that will need to be fed constantly. The scheme cannot be made to pay."

Ogden (Utah) Standard-Examiner, January 15, 1934:

"This opposition to the St. Lawrence Treaty shows how varied and often conflicting are the interests of whole groups of people living within the boundaries of this country."

Houston (Tex.) Chronicle, January 21, 1934:

"The waterway to Europe is, theoretically, a great boon for our Northwestern farmers, yet this huge expenditure of money is to provide a passageway which is frozen up 6 months out of the year. If we were Canadians, we would agree with the Toronto Globe that it is a treaty 'which fairly bristles with satisfactory points.' But we are Americans and there is good reason why we should view the matter in a different light."

Scranton (Pa.) Times, January 16, 1934:

"As to the cost of the project there is wide disagreement. The Federal Power Commission places the cost at $272,453,000, to be reduced by a contribution from the State of New York to $182,726,250. But Senator WAGNER fixes the cost at $573,136,000. 'And this estimate', declares the Baltimore Sun, 'is far below that which has been made by many students of the subject.'"

Newport News (Va.) Press, January 12, 1934:

"And we are surprised that the President has approved such a project, regardless of what Canada may do if we refuse to go along with her."

Wheeling (W.Va.) Intelligencer, January 17, 1934:

"When the consequences are all taken into consideration, we may find that the money outlay would be the least cost of a water route to the Middle West."

Bangor (Maine) Commercial, January 16, 1934:

"There are plenty of arguments against ratification, perhaps one of the most effective with the Senators being that the terms of the proposed treaty are all in favor of Canada."

Philadelphia (Pa.) Inquirer, January 14, 1934:

"Conditions have changed materially since the treaty was negotiated, and the injury to American railways and to Atlantic ports would be correspondingly greater."

Newport News (Va.) Times-Herald, January 6, 1934:

"The St. Lawrence Waterway Treaty is virtually certain of defeat in the Senate, according to Associated Press reports from Washington today. The matter should not be allowed to rest there, however, and the seaway project ought to be removed conclusively from the immediate program of waterway development in the United States. That means, of course, there should be decisive defeat for this measure."

Indiana (Pa.) Gazette, January 15, 1934:

"One of the most dangerous elements that enters into the improvement of the St. Lawrence is the great volume of electricity that it is intended to generate by water power by that enterprise.

"That will take business from the coal mines and employment from men."

Norfolk (Va.) Ledger-Dispatch, January 6, 1934:

"The St. Lawrence Treaty should be rejected if it is brought before the Senate."

Lincoln (Nebr.) Journal, January 16, 1934:

"It would seem this country's cost is too high compared to benefits accruing."

New Orleans (La.) Item, January 12, 1934:

"We have never yet seen an argument to justify the destruction of the Lakes-to-the-Gulf waterway in order to promote a St. Lawrence waterway."

Wheeling (W.Va.) News, January 19, 1934:

"Why should our Government appropriate $272,000,000 to destroy their business and break down their value?

"More particularly, why should this Government appropriate $272,000,000 to divert commerce by way of the St. Lawrence River from lines established throughout the length of the United States?

"Why should we invest this sum of money to build up Montreal, Quebec, or some other Canadian port at the expense of Buffalo, New York City, Philadelphia, and Baltimore?

"There may be affirmative answers to these questions, but in the opinion of this paper the affirmative answers will be of a very doubtful force."

Galveston (Tex.) News, January 16, 1934:

"The St. Lawrence project holds possibilities of substantial benefit to the United States. We are convinced, however, that those advantages are not worth what it would cost, in money and sectional handicaps, to realize them under the Hoover treaty."

Philadelphia (Pa.) Commerce and Industry, January 1934:

"There is plenty of logic, and certainly in view of recent disclosures nothing unreasonable, in the demand voiced by some 500 delegates to the waterways convention called last month in Philadelphia under the leadership of Mayor J. Hampton Moore that further consideration of the proposed St. Lawrence Canal Treaty be postponed until an official economic survey of the project has been made by a competent unbiased United States commission."

Keyser (W.Va.) News-Tribune, January 12, 1934:

"The St. Lawrence Waterway Treaty, which calls for the expenditure of from one billion to half billion, depending upon whether proponents or opponents are doing the estimating, should not be ratified by the United States Senate."

Salem (Ohio) News, January 11, 1934:

"Unfortunately it has not been demonstrated by any competent authority that the vastly expensive task of opening the Great Lakes to ocean traffic is logical."

Wilmington (N.C.) Star, January 16, 1934:

"A special board of engineers created by the Rivers and Harbors Act of 1925 reported adversely upon the Great Lakes to the Hudson route, as did the Bureau of Foreign and Domestic Commerce in 1927."

Binghamton (N.Y.) Press, January 10, 1934:

"Mr. Roosevelt will send a special message to Congress calling on the Senate to ratify the St. Lawrence Waterway Treaty. There may be enough votes in the Senate to ratify, but there is not enough prosperity in the United States to afford the diversion of trade from American ports, American channels, and American bottoms, which the British control of the St. Lawrence project would inevitably bring about."

Brooklyn (N.Y.) Eagle, January 12, 1934:

"Our chief complaint is that the President's arguments in favor of spending large sums to facilitate the transportation of wheat and other goods through the St. Lawrence waterway do not fit in with his general program as it has been developed up to date. The St. Lawrence Rapids are not the real barriers to increased exports. Unless we get rid of other barriers there can be no benefit from developing this new waterway."

Canton (Ohio) Repository and News, January 11, 1934:

"Unfortunately, it has not been demonstrated by any competent authority that the vastly expensive task of opening the Great Lakes to ocean traffic is logical."

Clarksburg (W.Va.) Telegram, January 26, 1934:

"Objections to the treaty appear to be so numerous and so cogent that its consideration in the Federal Senate should proceed with due regard to all of them."

Wichita (Kans.) Eagle, January 12, 1934:

"America will spend $4 or $5 to Canada's $1 in developing the St. Lawrence waterway. But then no nation ever willingly goes 50-50 with Uncle Sam."

Norfolk (Va.) Virginia Pilot, January 12, 1934:

"The heart of the President's message is the plea that the St. Lawrence waterway is a national plan which should be considered nationally. That is a fair request. It is precisely on this broad ground that, in our opinion, the case for the waterway is weakest."

Parkersburg (W.Va.) Sentinel, January 22, 1934:

"We believe that the St. Lawrence Canal very well can wait until it is much more needed than it appears to be at the present time."

Beaver Falls(Pa.) News-Tribune, January 17, 1934:

"But just now with a new national policy inaugurated whereby the farmers are being subsidized to cut down their surpluses and the Government is coordinating the great railroad systems to prevent some of them from going into bankruptcy, one wonders whether or not such a gigantic waterway system, which will, of course, be subsidized by the Government, will be profitable."

Buffalo (N.Y.) Courier-Express, December 23, 1933:

"The Presidential support of the treaty obviously comes from Mr. Roosevelt's agreement with Chairman Walsh, of the power authority, an agreement probably dating back to his gubernatorial days, that only through the treaty can New York State get its chance to develop a great power project on the St. Lawrence. The President, we feel, has been poorly advised in this matter."

Greensboro (N.C.) News, January 19, 1934:

"Of the business, particularly within our own borders, that is left, what advantage is to be obtained from shifting it to the St. Lawrence waterway? Obviously there is the likelihood that a sizeable portion of it would go to British shipping. If foreign trade is retained or developed, the business would patently go to Canadian ports, as there are no major transocean shipping centers on the American side of the river, to the detriment of our own Atlantic port cities which are suffering from constricted commerce, as it is."

Jamestown (N.Y.) Evening Journal, January 8, 1934:

"Taxpaying organizations throughout the United States can justifiably protest against this enormous waste of resources."

Norfolk (Va.) Virginia-Pilot, January 9, 1934:

"The real point is that the St. Lawrence waterway program is of such doubtful merit at best, of such huge cost in any circumstances, and of such probable damage to establish port and transportation facilities, that it is open to attack from start to finish."

Charleston (W.Va.) Mail, January 17, 1934:

"A new threat faces West Virginia's coal industry.

"It comes at a time when some headway apparently is being made in getting this severely crippled business back on its feet.

"The threat resides in the proposed treaty between the United States and Great Britain providing for construction of the St. Lawrence waterway's projects linking the Great Lakes with the ocean."

Carbondale (Pa.) Leader, January 12, 1934:

"If the St. Lawrence seaway moved the Central States bodily to the Gulf of St. Lawrence, the manufacturing cities on our East coast, to say nothing of the Gulf coast, would still have a substantial advantage in distance and in freight rates to the Pacific. No relief can or will come through the St. Lawrence."

New York (N.Y.) Times, January 12, 1934:

"The more immediate considerations were put with his usual succinctness by ex-Governor Smith, when he said in his report as a member of the National Transportation Committee, headed by the late President Coolidge:

"'I am opposed at this time to the construction of the St. Lawrence waterway, because it would be a waste of public funds. Present railway facilities are more than adequate to provide for everything which the proposed canal can accomplish.'"

Chicago (Ill.) Tribune, December 23, 1933:

"How the treaty in its present form has come to have any acceptance at all in this country is a question which needs to be answered. Perhaps the explanation is to be found in the words of Senator BENNETT CHAMP CLARK, of Missouri, at the St. Louis meeting. He said: 'Let me make it perfectly clear at the outset that there has been very widespread misapprehension and misrepresentation as to the provisions of this treaty. For several years a lobby has been maintained in Washington with propaganda agencies throughout the country the like of which has possibly never been seen in the country before. This lobby, headed by a man named Craig, has collected and expended literally hundreds of thousands of dollars in propaganda * * *.'"

Newburgh (N.Y.) News, January 13, 1934:

"The State has, or should have, ample power to regulate public-utility rates. It should not find it necessary to develop power resources in the St. Lawrence, for which there is no need, as a club against electric corporations."

Jefferson City (Mo.) Post, December 26, 1933:

"If and when the United States ratifies, its people as a whole will gain or lose by the transaction. But the Senators from the Middle West will think long and hard before they give their consent to an agreement which may hurt their constituents economically and themselves politically."

Passaic (N.J.) Herald-News, January 16, 1934:

"When the great St. Lawrence project was conceived we were rejoicing in good times. As matters are, we doubt the wisdom of visiting almost certain ruin on our railroads in return for a canal which freezes up in winter and would be of doubtful value to the Middle West in the long run.

* * * * * * *

"In opposing the Canadian Treaty now, we feel Al Smith is entirely right. And what may affect New York disastrously certainly cannot be good for New Jersey."

Manchester (N.H.) Union, January 12, 1934:

"The President's claim that Canada will probably proceed with power developments on the waterway within her own borders is irrelevant. This is certainly not a time to consider an investment of half a billion dollars simply to gratify an administrative dream of power development that may or may not be needed."

Clarksburg (W.Va.) Exponent, January 6, 1934:

"The development planned under this project would be of no benefit to our State, and as a whole would work detriment to the great ports of New England, to New York, and to Baltimore. It would permit a flood of foreign coal to reach the Great Lakes regions, where our State now gets a goodly portion of its all-too-small coal trade."

Springfield (Mass.) Union, January 20, 1934:

"The President calls attention 'to the simple fact that Canada alone can, if desired, provide a seaway within Canadian control.' As Canada is to reap the lion's share of any benefits that may accrue from such a development, why not, in fairness to United States taxpayers, allow Canada to proceed along that line if so disposed?"

Cincinnati (Ohio) Enquirer, January 12, 1934:

"The project is not economically sound, is not national in its possible benefits, and would not provide any significant volume of employment soon enough to aid in recovery."

Houston (Tex.) Post, January 11, 1934:

"'The United States never lost a war, nor won a conference', Senator CLARK says, but he thinks our record in that respect could be maintained without submitting to 'such an ignominious route as is proposed in the St. Lawrence Treaty.'"

Baltimore (Md.) Manufacturers Record, January 1934:

"At a recent conference in Philadelphia of those opposed to the ratification of the St. Lawrence Treaty, it was agreed to present demands to the present Congress for the defeat of the treaty, which was described as being 'damaging to American commerce and adding unnecessarily to the burden of taxpayers.' Two hundred commercial organizations east of the Mississippi River presented their opposition. Mayor Moore of Philadelphia, in voicing the adverse sentiment, pointed out that of the initial $300,000,000 expenditure, the United States would have to supply the major part of it, and when completed the entire project will probably cost the people of this country nearly $1,500,000,000."

Dayton (Ohio) Herald, January 12, 1934:

"The claims are so many and conflicting that the average American probably is 'on the fence' as to the wisdom and necessity of spending many millions of dollars on an investment whose benefits are, on the whole, of debatable character and whose ownership would be international."

Charlotte (N.C.) Textile Bulletin, January 18, 1934:

"Although it may be treason to oppose anything desired by President Roosevelt, we are bold enough to say that his advocacy of the St. Lawrence Treaty with Canada is unfortunate."

Poughkeepsie (N.Y.) Eagle-News, January 15, 1934:

"If it be selfish to try to keep the public money out of an undertaking that can only prove an economic failure, the foes of the treaty are convicted of the charge that Senator PITTMAN makes against them. If not, they are not deserving of his criticism.

Petersburg (Va.) Progress-Index, January 15, 1934:

"The direct and indirect benefits promised from the waterway are too intangible at this stage to warrant the support which the President feels it should have."

Newark (N.J.) Call, January 4, 1934:

"In his demand that Congress ratify the St. Lawrence Waterway Treaty, President Roosevelt, it seems certain, will find that body far from amenable to his wishes."

Bluefield (W.Va.) Telegraph, January 19, 1934:

"Coal men are of the opinion if the St. Lawrence project is completed shipments of coal from England will supplant the tonnage from this section because it would be cheaper to boat it over than pay the freight by rail from this section."

Boston (Mass.) Christian Science Monitor, January 12, 1934:

"* * * the Government's case for the canal, as a canal, rests on economic studies made years ago when American crops were really moving to Europe and before farmers were paid to destroy their surplus.

"Whatever reason there may have been then for desiring the waterway, these studies are now out of date."

North Sacramento (Calif.) Journal, January 5, 1934:

"We believe Mr. Roosevelt is going too strong on the proposed St. Lawrence River canalization. It is liable to be a serious injury to this Nation."

St. Louis (Mo.) Star and Times, November 29, 1933:

"The plain truth seems to be that this treaty was a butting contest between a hard-headed Canadian diplomat and a soft-headed American, and the American—Secretary of State Stimson—came off a bad second."

Clarksburg (W.Va.) Exponent, January 11, 1934:

"Such a route as proposed would be open to navigation for about one half of each year, and the vast sums to be laid out would not be equitable in any way in view of the small amount of benefit which our country as a whole might reap."

Waterville (Maine) Sentinel, January 17, 1934:

"Probably the weakest of all President Roosevelt's policies is his St. Lawrence River development and it will be no great loss to the country as a whole if Congress refuses to support him in this."

New York (N.Y.) Gaelic American, January 20, 1934:

"The St. Lawrence Seaway Treaty, in spite of President Roosevelt's deserved popularity, will probably not be ratified by the United States Senate. The waterway project is, to a certain extent, in the line of progress, but it must be considered that it will be controlled by Canada where the St. Lawrence empties itself into the sea. At any moment, if any crisis should arise between the two countries, the canal could be closed to American shipping."

Lewiston (Maine) Journal, January 11, 1934:

"Maine's interests are certainly not located in the St. Lawrence project. Portland would be deadened. Our seaports would see no future in revival of commerce."

Boston (Mass.) Herald, January 12, 1934:

"A multitude of valid objections may readily be advanced against the ratification for which the President asks of the St. Lawrence Treaty with Canada."

Morgantown (W.Va.) Post, January 15, 1934:

"In addition to the compelling general reasons why the St. Lawrence Waterway Treaty should be rejected by the Senate there is one strong local factor that should appeal to all West Virginians.

"According to James D. Francis, president of the Island Creek Coal Co., the construction of this waterway would permit European coal to be shipped into the Great Lakes territory and sold at prices under the present level."

Cincinnati (Ohio) Christian Standard, January 20, 1934:

"In addition to the antipathy of representatives from the Mississippi Valley and the railroads, there is the serious question whether we expect to have any such international trade as would justify this expense, and there is the further difficulty that electric power can be produced in steam plants much more cheaply than formerly, and there is no immediate prospect of needing as much electric power as this would produce."

Roanoke (Va.) World News, January 4, 1934:

"Counting interests and maintenance, it will hardly be claimed by anyone that without liberal Government subsidies, the proposed waterways can be operated as cheaply as the present freight rates from the Midwest to the Atlantic seaboard. Minnesota wheat is now laid down at Montreal for 6 cents a bushel. The proposed St. Lawrence waterways cannot meet that price without an immense amount of Government aid."

Seattle (Wash.) Times, January 20, 1934:

"Experience points the fact that St. Lawrence development is a doubtful business enterprise, and no war scare is pertinent."

Butte (Mont.) Standard, January 16, 1934:

"Opposition to the St. Lawrence project by economists is well typified by a report published in 1929 by the Brookings Institution of Washington, D.C. The Brookings report held that the larger and more modern ocean-going steamers would not use the St. Lawrence route because it was open for less than one half the year. It would be difficult for such vessels to find profitable employment elsewhere for the remainder of the year. Also, studies indicated that export traffic of grain from the Great Lakes area was economically destined to disappear."

Portland (Maine) News, January 17, 1934:

"But there exists a very great doubt in the minds of Americans everywhere as to the wisdom of embarking upon such a costly project, particularly now, when every dollar spent for recovery should be spent for recovery at home, not abroad."

Boston (Mass.) Post, January 12, 1934:

"While from his previously known attitude on the subject it was a foregone conclusion that President Roosevelt would recommend the ratification of the St. Lawrence River Waterway Treaty with Canada, the Post always was, and still is, utterly opposed to this project."

New York (N.Y.) Commercial and Financial Chronicle, January 13, 1934:

"It is to be remembered also that wheat is only one item where Empire preference is operating to the detriment of the United States. There are dozens of other items where the export trade from this country to Great Britain has also been virtually extinguished by the action of the Ottawa conference. Great Britain, of course, and her dominions are clearly within their rights in establishing the preferences referred to; but when it comes to opening a waterway for ocean steamships extending all the way to Duluth and having the United States itself pay for a large part of the cost, there ought to be insistence that the United States and Canada be once more placed upon equal terms in competing in the British market."

New Orleans (La.) Tribune, May 4, 1933:

"Our understanding of the St. Lawrence River Treaty convinces us that it should either be radically amended or else rejected."

Wichita (Kans.) Eagle, January 16, 1934:

"Marine engineers of Canada, in convention, said deep-sea shipping for the St. Lawrence and the Great Lakes is a political dream. American experts point out that this water course would be frozen 5½ months per year."

Davenport (Iowa) Democrat, January 11, 1934:

"Residents of the Upper Mississippi Valley will keep an open mind as to the value to the valley of the St. Lawrence waterway, but are still to be convinced that it merits the favorable consideration which President Roosevelt asks as he submits to the Senate the so-called 'St. Lawrence Treaty with Canada.'"

Staunton (Va.) News-Leader, January 18, 1934:

"Disputes over water rights, power rights, control, rates, and many other questions are certain to arise.

"Canada and the United States have been at peace for over a hundred years, without a fortification on the entire border. Is it worth while to threaten that peace for a waterway of questionable economic advantage, at principal cost to ourselves, most of the advantages of which may accrue to our neighbor?"

Fall River (Mass.) Herald-News, January 20, 1934:

"It is hard to see the Senate agreeing to a plan to build up a port in Canadian territory at the sacrifice of the ports on the North Atlantic and the Gulf of Mexico. That would be the result of the deepening of the St. Lawrence River, as is agreed by shipping authorities, and it appears not to be warranted in the possible savings which would result from the project and the great cost of completing it."

Albion (Mich.) Evening Recorder, January 13, 1934:

"We are not at all sure this St. Lawrence Waterway is anything the country needs or wants.

"Unless it can be shown that the seaway would, in fact, benefit the central regions of the Nation as it clearly would the northern fringe, the Senate would do well to disapprove this treaty and the colossal expenditure entailed by it."

Jackson (Miss.) News, January 23, 1934:

"President Roosevelt can be wrong, although he rarely is. That St. Lawrence-to-the-Great Lakes waterway project doesn't look good—mighty nice for Canada, of course, but not much in it for this Nation."

New York (N.Y.) Sun, January 12, 1934:

"Canada will not go it alone for the obvious reason that if the combined business of Canada and the United States will not justify the seaway the business of Canada alone will certainly not justify it."

Cedar Rapids (Iowa) Gazette, January 14, 1934:

"The issue, it appears, is whether the economic policy of the United States from now on is to be aimed at national self-containment or at a broad expansion of international trade. If the latter, the seaway may benefit the country considerably by reducing transportation costs on exports from the Middle West. If the former, the United States will have about as much need for the seaway as it has for a transcontinental bobsled course."

Albany (N.Y.) Knicker-Press, January 20, 1934:

"Wouldn't it be surprising if it were discovered, after the hundreds of millions had been poured into the St. Lawrence, that American shippers could save nothing by using it? The claims of St. Lawrence economy need official examination, and no survey of that sort has ever been made."

Williamsburg (Va.) Virginia Gazette, January 12, 1934:

"The advantages and gains of the St. Lawrence Canal system would not help the southern area nor the Pacific coastal area, but would have an opposite effect."

Niagara Falls (N.Y.) Gazette, January 11, 1934:

"General opinion is that the project is too costly to undertake in these times and quite too problematical in its ultimate value to warrant the experiment."

Boone (Iowa) News-Republican, January 13, 1934:

"It is deplorable that just as the American farmers of the Mississippi Basin were about to realize on their long-cherished dream of cheaper transportation of their produce by water, perplexing snags should develop in the treaty governing the construction of the Great Lakes-St. Lawrence waterway. These must be eliminated before the waterway can be finished."

South Bend (Ind.) Tribune, January 12, 1934:

"The Brookings Economic Institute compiled and published impressive facts and figures in 1929. The Brookings economists condemned the St. Lawrence waterway project for various reasons. Not the least important objection in the Brookings report was that the St. Lawrence waterway is ice-bound and worthless for transportation for about half of each year. President Roosevelt did not see fit to mention that in his message to the Senate."

Lawrence (Mass.) Tribune, January 9, 1934:

"The St. Lawrence waterway development has been under discussion for nearly a quarter century. * * * From a strictly commercial view there would seem less reason for the development now, either for shipping or power, than at any time in the past."

Centerville (Iowa) Iowegian, December 28, 1933:
"As the discussion proceeds considerable doubt is raised as to whether it is wise to proceed with the St. Lawrence waterway improvement."

Lynchburg (Va.) News, January 18, 1934:
"In view of these facts it is with poor grace that advocates of the treaty speak of sectionalism and there is no foundation for any charge that opponents are blocking any part of the President's recovery plan."

Baltimore (Md.) Evening Sun, December 28, 1933:
"There are a great many very good reasons for opposing this treaty. * * *"

St. Petersburg (Fla.) Independent, January 9, 1934:
"At present the opponents of the treaty predict that there are sufficient votes in Congress to kill it. It looks as if the subject might better be postponed until we find out which way we are going."

Gloucester (Mass.) Times, January 15, 1934:
"Shipping Mississippi Valley freight down through Canada would mean great loss of traffic to all eastern railroads and of business for all Atlantic ports. We doubt even that this fact would be offset by any such cheaper water rates as the Midwest expects for its freights."

Noblesville (Ind.) Ledger, January 16, 1934:
"Other countries feel that Uncle Sam has so much money that it is all right to take a part of it away without any real benefit to the old gentleman, but just now this country needs all the money it has, and more, too. So, let all the necessary reservations be added to the treaty."

Oneonta (N.Y.) Star, January 17, 1934:
"In view of the many valid objections that have been raised it is inconceivable that Congress will ratify the treaty and almost inexplainable that the administration is urging such a course."

Rock Island (Ill.) Argus, January 15, 1934:
"The Senators from the Middle West if they have regard for the best interests of their section, and for that matter of the country at large, will oppose ratification."

Lowell (Mass.) Evening Leader, January 12, 1934:
"Judging from news stories and comments in the press, New England is not enthusiastic for the St. Lawrence waterway proposition. The Providence Chamber of Commerce went on record against it the other day. And similar organizations elsewhere have taken the same stand."

New York (N.Y.) Marine Journal, January 15, 1934:
"Many who have earnestly supported the President in his efforts to rehabilitate the financial and industrial structure of the country cannot go along with him on the St. Lawrence waterway project."

Peoria (Ill.) Star, January 11, 1934:
"The treaty is particularly objectionable to the entire Midwest and especially the Mississippi Valley. Possibly the greatest objection is recognition of the right of Canada to have something to say regarding Lake Michigan."

New Bedford (Mass.) Standard-Times, January 13, 1934:
"Senator WALSH'S opposition to the Great Lakes-St. Lawrence Waterway Treaty is in accord with the attitude expressed by many commercial and civic bodies in this State."

Flora (Ind.) Press, January 5, 1934:
"On the basis of impartial estimates as to the amount of American commerce the canal would carry, it is claimed every ton of freight moved along it would cost the taxpayers $4."

St. Augustine (Fla.) Record, January 8, 1934:
"Yes; the St. Lawrence needs more investigation."

Peoria (Ill.) Journal-Transcript, January 14, 1934:
"Senators concerned with the development and protection of American interests as against international interests object to the surrender of American money to the benefit of Canadian labor and financial interests."

Schenectady (N.Y.) Union Star, January 11, 1934:
"In neither its electric-power nor its navigation aspects does the proposed St. Lawrence canal merit at this time the support of the American people."

Norwich (Conn.) Bulletin, January 13, 1934:
"Sentiment in New England hasn't been changed because the President has asked for the ratification of the St. Lawrence Seaway Treaty. Democrats as well as Republicans are outspoken against it and urging members of Congress to refuse to ratify."

Fort Wayne (Ind.) News Sentinel, January 12, 1934:
"The St. Lawrence waterway project would probably cost more than a billion dollars before construction was completed, rather than the half billion that its advocates have counted on."

Newburyport (Mass.) News, January 15, 1934:
"Shipping Mississippi Valley freight down through Canada would mean great loss of traffic to all eastern railroads and of business for all Atlantic ports. We doubt even that this fact would be offset by any such cheaper water rates as the Midwest expects for its freights."

New Haven (Conn.) Register, January 11, 1934:
"The objections to such a venture are historic. It has been pointed out repeatedly that the greater part of such benefits as would come from it would be to Canada, greater in the way of aiding Canadian commerce, trade in grain from the interior in particular."

Chicago (Ill.) Journal of Commerce, January 19, 1934:
"Late in the Hoover administration a nonpartisan committee, headed by the late Calvin Coolidge, and listing in its membership such distinguished men of affairs as Mr. Alfred E. Smith and Mr. Bernard M. Baruch, surveyed the utility and the practicality of turning the Great Lakes into links of an international waterway from the interior of Canada and the United States to the sea.

"In the minds of these distinguished men, the St. Lawrence project could not pay for itself—could not even pay carrying charges."

New Britain (Conn.) Herald, January 11, 1934:
"Business interests in New England appear to be whole-heartedly opposed to the construction of the St. Lawrence waterway, joining New York in this opposition."

Salem (Mass.) Evening News, January 11, 1934:
"It is claimed nowadays that the generation of electric power from steam plants is nearly or quite as economical as the operation of water-power plants, and if so, the advantages from development of such power would be mythical. In a time when economy is so much needed, such a project seems both wasteful and dubious."

Brooklyn (N.Y.) Citizen, January 16, 1934:
"The treaty would result in depriving the southern and Atlantic ports of much trade. There is plenty of electric current for this part of the country to be obtained from the northern part of New York State, which is largely mountainous. And, as Senator WAGNER points out, this is not the time to expend so large a sum of money as would be called for, which would go largely to pay Canadian labor, when millions of our men are out of work."

Gloversville (N.Y.) Leader-Republican, January 19, 1934:
"Senate endorsement of the venture has been asked on a basis of national judgment, with sectional objections put aside. If the project is to be considered from that angle alone, one prime point on which to judge it is the question of whether the Nation with its present debt load and the Nation's people with the burden they are going to carry for a generation to come in paying off that debt, can afford any half-billion-dollar venture such as this, or one costing even half that sum."

Augusta (Ga.) Chronicle, January 16, 1934:
"The people along the Atlantic seaboard, as a general proposition, are opposed to the St. Lawrence deeper waterway."

Brooklyn (N.Y.) Eagle, January 12, 1934:
"President Roosevelt's message urging the Senate to ratify the St. Lawrence Waterway Treaty with Canada falls far short of being as compelling as most of his communications to Congress."

Chicago (Ill.) Daily Tribune, January 16, 1934:
"It cannot be emphasized too strongly that the freight rates on grain from the head of the Lakes to Montreal in recent years have been as low as they ever are likely to be after a St. Lawrence seaway is constructed. It cannot be argued, then, that high freight rates are keeping our northwestern grain from the world markets. As a matter of fact, Dakota wheat would not have been shipped to Liverpool if there had been no freight charge to tidewater."

Bridgeport (Conn.) Telegram, January 15, 1934:
"If we have too much wheat, we plow it under and destroy it, paying the farmers out of the Treasury. If we have too much corn, we do likewise. With too much cotton we reduce the acreage and give the farmers baled cotton out of the Government warehouse. With too many pigs, we kill the litters of young pigs and pay the farmer for having put less pork and bacon on the market.

"But when we have too much transportation with existing facilities only partly used, we dip into the Treasury to build a parallel line that will throw thousands of American railroad men out of work in order to keep Canadian ships busy. Is that the spirit of the 'new deal'?"

Mobile (Ala.) Press, January 17, 1934:
"The least the President could do for the opponents of the treaty, who have not been slow to point out that the waterway may work havoc in many sections of the country, including our own, is to order a new survey. The question of whether the potential worth justifies the expense is one that ought to be answered honestly if the 'new deal' is to mean something more than the continuation of the old political fallacies and weaknesses."

Plainfield (N.J.) Courier-News, January 18, 1934:
"Never has there been a survey to study the economic effects of this project on American trade, nor a study as to the ability of New York State to absorb the power created. Without this knowledge it would be folly to plunge into a costly experiment with an international canal. If we have money to spend, it would better be spent on American waterways which have been neglected. We cannot afford to lay out large sums at the cost of American commerce."

Chicago (Ill.) Tribune, January 18, 1934:
"One by one the alleged benefits of the St. Lawrence route are being broken down by practical application, just as the theory of a 7 or 8 cents per bushel saving on grain vanished when the inland-lake lines proved during the last 2 or 3 years that they could handle the traffic from the head of the Lakes to the seaboard for 4 cents per bushel and even less."

Bridgeport (Conn.) Telegram, January 13, 1934:
"The excuse for the existence of this St. Lawrence waterway, which seemed good at a time when maximum prosperity was the rule and when factories were hardly able to move their goods and raw materials fast enough, has ceased to exist since the collapse of 1929 left our common carriers with less business than they needed to stay alive."

Rockford (Ill.) Register-Republic, January 12, 1934:
"Senators will do well to determine whether the cost of securing cheap navigation and power and the cementing of Canadian friendship are not too high a price for American taxpayers to pay."

New Haven (Conn.) Register, January 11, 1934:

"The objections to such a venture are historic. It has been pointed out repeatedly that the greater part of such benefits as would come from it would be to Canada, greater in the way of aiding Canadian commerce, trade in grain from the interior in particular. A more recent objection on the benefit score is that such immediate industrial activity and employment as it would bring would go in major part to Canadian contractors and workers. Objections to its adverse effect on Atlantic-seaboard ports have seemed well founded. If it will not take existing commerce from them, then it must be seen to have little commercial possibility at all."

Rockford (Ill.) Star, January 12, 1934:

"The program Mr. Roosevelt has offered is nationalistic. The seaway treaty runs a discordant color across his fabric. There are national programs which for a similar expenditure of money will give many more Americans work and will result in far more practical benefits to northwestern farmers and Lakes manufacturers than the St. Lawrence seaway."

Huntington (W.Va.) Advertiser, January 15, 1934:

"Considerations of general economic stability and the good of all sections of the country are against the project."

Galveston (Tex.) Tribune, January 8, 1934:

"The St. Lawrence Treaty isn't a major item of legislation in the present Congress, because it is outweighed by other outstanding matters. But its effect may be far-reaching, and it should not be rushed through without proper safeguards. All present signs indicate that attempts to force it through without reservations will be strongly resisted."

Danville (Va.) Register, January 12, 1934:

"The St. Lawrence Treaty is complicated by questions of foreign policy and is actually an undertaking begun in the Hoover administration. It is not, strictly speaking, the type of issue on which there should be a confidence vote. It is true that party policies are public policies, but the ratification of the St. Lawrence Treaty involves entirely questions of public policy that are not party questions."

Nashville (Tenn.) Tennessean, January 17, 1934:

"Our Government is now engaged in the experiment of curtailing farm production so as to make it fit domestic consumption. It therefore seems somewhat of an economic paradox that at the same time we should be undertaking such unusual outlays to improve a route to foreign markets."

Greenville (S.C.) News, January 15, 1934:

"The American citizenship, generally speaking, is probably not in position to pass intelligent judgment on the merits of this project; but it has sound ground to feel that before we agree to the expenditure of several hundred million dollars in this fashion, the wisdom and value of the project should be demonstrated beyond doubt."

Providence (R.I.) Journal, January 19, 1934:

"There are substantial reasons that would justify the Senate in refusing to ratify the St. Lawrence Waterway Treaty."

Erie (Pa.) Times, January 2, 1934:

"* * * an extravagant proposal that would bring business havoc to the port of Erie and American shipping on the Great Lakes."

Tulsa (Okla.) Tribune, January 21, 1934:

"It would be a great thing for our country if we could open the Great Lakes ports to deep-sea shipping, but in so doing we should guard against giving away too many of our national rights and crippling our own potentially important water transportation facilities."

Amsterdam (N.Y.) Recorder, January 10, 1934:

"If the times were not out of joint, such vast sums would in themselves act as a deterrent, but when there is such a hysteria for extravagance as now persists there is no telling what may happen at Washington. We can only hope, in such circumstances, that a sufficient number of Senators will have retained enough of their common sense to persuade them of the folly of such an undertaking at this time."

Cincinnati (Ohio) Times, January 13, 1934:

"The biggest objection to the St. Lawrence Treaty is based on sound public policy. Senator WAGNER, so friendly to the administration in all other respects, opposes the treaty because it would encourage fresh competition in transportation at a time when the Government is trying to unify and coordinate our transportation facilities."

Asheville (N.C.) Citizen-Times, January 14, 1934:

"The strongest thing in favor of the ratification of the St. Lawrence Treaty with Canada is the fact that it has President Roosevelt's approval.

"We must confess, nevertheless, that after carefully reading both the President's message to the Senate urging that the treaty be ratified and a summary of Senator WAGNER's report opposing ratification we are more impressed by the Senator's arguments than we are by those of Mr. Roosevelt."

Syracuse (N.Y.) Herald, January 15, 1934:

"So far as it threatens the established transportation interests in a great section of the United States—and this is only one of several valid objections—the St. Lawrence Canal Treaty is a remarkable departure from the spirit and principle of the national recovery movement * * *."

New York (N.Y.) Barron's, January 22, 1934:

"Certainly the project, which at earliest will not bring in a return until 1942, will not facilitate our already difficult fiscal task. And this for two reasons: First, the direct costs will be a drain on the Treasury, and if the Panama Canal and Muscle Shoals are any precedent, the actual costs will be more than double the estimates. Second, the threatened Government competition with private transportation and power may seriously affect the return of investor confidence so essential to new private financing, which alone can relieve the Treasury of emergency relief expenditures."

Ralston (Nebr.) Industrial, December 28, 1933:

"All living in the section of the Missouri and Mississippi Valleys should insist on a waterway to the Gulf, and keeping the section limiting the diversion of the Lake Michigan out of the St. Lawrence Treaty is one step in attaining the final seaway to the Gulf."

St. Louis (Mo.) Globe-Democrat, May 25, 1933:

"The Senate should not ratify it in its present form, if at all, and every effort should be made to convince the Senate that it is not a fair treaty, that it will work great harm to a large section of the United States, and that it contains an inexcusable surrender of American sovereignty."

Greenville (Miss.) Democrat, January 20, 1934:

"It would hinder progress in the development of the Mississippi as a navigable stream, and certainly it would take away tonnage from the railroads that are now big taxpayers to the United States."

Baltimore (Md.) Sun, January 12, 1934:

"There should be a resurvey of the cost of the project and also of its need in view of the profound alterations that have occurred in our foreign-trade relations."

Jamestown (N.Y.) Post, January 12, 1934:

"In view of present economic conditions it does not appear that we need new shipping facilities or any great addition to power. At any rate these developments could wait until there would be need for them."

New Orleans (La.) Times-Picayune, January 12, 1934:

"The treaty under fire is, be it remembered, a Hoover carry-over, outside and apart from the Roosevelt administration's recovery program. Those Senators and the millions of other Americans who object to the pact as it stands, on the fundamental grounds they have stated, can insist upon saving reservations without fear of reproach or disloyalty to Mr. Roosevelt or his recovery program."

Atlantic (Iowa) News, January 3, 1934:

"There has arisen considerable doubt as to the value of this waterway project. * * *"

Chicago (Ill.) Tribune, December 23, 1933:

"How the treaty in its present form has come to have any acceptance at all in this country is a question which needs to be answered."

Bloomington (Ill.) Pantagraph, December 21, 1933:

"Analysis of the general proposal, and especially of the present form of the treaty, has led to the wide-spread belief that the United States got the worse end of the bargain in the negotiation of this treaty."

Jacksonville (Fla.) Times-Union, January 18, 1934:

"Leading newspapers of the country are voicing protest against the ratification of the St. Lawrence Waterway Treaty, signed by Mr. Hoover a short time before his term of office as President expired.

"If previous big jobs are to be taken as examples, the cost of the St. Lawrence project would probably run nearer to a billion dollars than anything else. It would be surprising if the Senate accepts the offer made by Canada—which general report suggests is 'a good thing for Canada', and an unnecessary and undesirable thing for the United States."

Jamestown (N.Y.) Evening Journal, January 10, 1934:

"SHOULD BE DEFEATED

"If there are at present a sufficient number of votes in the Senate to prevent that ratification of this treaty, it cannot be submitted too soon. Knowledge that this vast waste of public funds had been prevented would be encouraging to the overburdened taxpayers of the State and of the Nation."

Hartford (Conn.) Courant, January 12, 1934:

"That the project has no immediate urgency few can question. As a transportation agency, the saving it would effect seems largely theoretical, and when viewed in its most favorable aspect entirely unjustified by the cost. As a power development it is not needed, nor will it be while there continues to exist the great surplus of electrical energy we now have."

Birmingham (Ala.) News, January 16, 1934:

"Without attempting to go into a complete analysis of the project, one can take it for granted that the effectuation of the St. Lawrence Treaty would tend to be disadvantageous to the southern part of the United States."

Las Vegas (N.Mex.) Optic, January 26, 1934:

"Casual study of the St. Lawrence Waterway Treaty will induce most American citizens to protest its acceptance by the Senate of the United States Congress. Our citizens owe it to themselves and posterity to enter early and vigorous objections to the proposed acceptance."

Huntington (W.Va.) Advertiser, January 24, 1934:

"No section of the country would feel the blow more than southern West Virginia, dependent as it is for its prosperity and well-being upon the coal industry's profitable trade with the Great Lakes region and the railroads engaged in carrying the coal to the market.

"The appeal of the Kanawha operators to Senator NEELY and Senator HATFIELD to set themselves against the waterway project unquestionably speaks the sentiment of every West Virginian who has given a moment of serious thought to the matter."

Shreveport (La.) Journal, January 24, 1934:

"No difficulty need be experienced in finding ways to spend our money just now, and with the annual deficit increasing at a ter-

rific rate as the national debt climbs to hitherto unknown heights, it would be extremely unwise for the United States Government to engage in any enterprise about which there is such wide difference of opinion. The St. Lawrence waterway project can wait until times are flush again and we have money to 'throw at the birds.'"

Martinsburg (W.Va.) Journal, January 24, 1934:

"The St. Lawrence canal very well can wait until it is much more needed than it appears to be at the present time. The proposed waterways would be a severe blow to the railway systems which, should they be driven out of existence, would throw thousands of men out of employment."

Huntington (W.Va.) Advertiser, January 20, 1934:

"Such a waterway would find little use as a canal, the basic purpose of which ought to be to carry ships. Such use would be limited and expensive, subsidized by the taxpayers and presenting a threat to the railroads now embattled and to the great eastern seaports. Authorities on the subject say that the canal, as projected, would be frozen over 5½ months of the year. After all, the purpose of a canal is to carry ships, and it is not good logic nor sound business to build one for any other purpose. We again urge Senators NEELY and HATFIELD to oppose ratification of this St. Lawrence Treaty."

Yakima (Wash.) Herald, January 23, 1934:

"It does not rate highly as a necessary power project, because the territory it would serve already enjoys a surplus of electrical energy. As the facts become known, Congress will be less inclined to approve the work."

Jamestown (N.Y.) Evening Journal, January 11, 1934:

"With the national debt mounting to figures beyond the comprehension of the average mind, a halt should be called to adding any further burden for gigantic engineering undertakings to change the face of the earth."

Hastings (Mich.) Banner:

"Theoretically the St. Lawrence waterway seems feasible. Nothing we have yet read, however, has convinced us that the project is practical."

Albion (Mich.) Recorder, January 18, 1934:

"Apparently the waterway is far from being accepted by either country as an essential project."

Wilmington (Del.) Every Evening, January 15, 1934:

"This treaty does not benefit the American farmer. It gives the Canadian grain producer, now enjoying lower rail rates to lake and ocean port, an added advantage over his American competitor in world markets."

San Jose (Calif.) Mercury-Herald, January 18, 1934:

"Finally the waterway might lead to complications in war. Great Britain blockaded Germany in the last war, and we have no assurance it would not close the St. Lawrence waterway should it become involved in war."

Brooklyn (N.Y.) Times-Union, January 7, 1934:

"The treaty provides for the canalization of the St. Lawrence River and practically for the erection of Montreal into the leading north Atlantic port."

Newport News (Va.) Press, January 25, 1934:

"The St. Lawrence waterway project is both unsound and unfair; and we are surprised that the President, regardless of the pressure which very probably has been brought to bear upon him, has let himself in for such an abortive undertaking."

Grand Island (Nebr.) Independent, January 16, 1934:

"The St. Lawrence Waterway Treaty contains provisions, in its original form, that ought to be intolerable to every Senator who has a regard for the integrity of the Nation, in a physical sense, and likewise a regard for the interests of all sections."

Little Rock (Ark.) Democrat, January 15, 1934:

"Doubtless Congress will have something to say about amendments before the treaty is accepted."

Chicago (Ill.) Traffic World, January 20, 1934:

"The treaty proposed by President Roosevelt with Canada for construction of a St. Lawrence canal should not be ratified."

Buffalo (N.Y.) News, January 15, 1934:

"Extended studies made by experts have convinced New York State that the St. Lawrence is economically unsound, and, therefore, would be wasteful. * * * It is time to call a halt on further great expenditures, particularly for such an unnecessary project as the St. Lawrence seaway. It must be hoped that the treaty will not command the necessary two-thirds vote in the Senate."

Manchester (Conn.) Herald, January 12, 1934:

"President Roosevelt has sent in his St. Lawrence Treaty to the Senate with every outward manifestation of his usual confidence that the Senate will grant his request for its ratification. But we don't believe he has any expectation whatever that it will. It is a perfectly fine scheme, logical and scientific, and in about a hundred years, perhaps, it might fit into the American set-up—maybe in a good deal less than that. But it is not a matter of the nervous, apprehensive today."

New Brunswick (N.J.) Times, January 15, 1934:

"It would be far worse to increase the transportation facilities of the Nation, either by rail or by water, than it would be to increase the pork, cotton, and wheat supplies, because the railroads, suffering now from too much competition and too much taxation, form the backbone of the Nation. Proceeding with the St. Lawrence project now or in any time in the future would be tumbling this once giant structure, which needs strengthening."

Red Lake Falls (Minn.) Gazette, January 18, 1934:

"With the railroads on both sides of the border line getting Government aid we can see no immediate demand for the completion of this project, which would not give one cent of actual benefit to the farmers of the Middle West."

Albany (N.Y.) News, January 6, 1934:

"The real joker, of course, is that after being required to put up all the new money, pay the interest charges, and make good any losses during construction (which is a likely element in building the St. Lawrence River power dams), the United States retains no control, and the treaty specifically gives Canada complete ownership of the works built on her territory with American money."

Elkader (Iowa) Register, January 18, 1934:

"As a measure to employ labor, it would help Canada more than our own country. Apparently the Canadian diplomats who negotiated the treaty were more clever than our own representatives."

Portland (Maine) Express, January 11, 1934:

"From the national point of view which the President so emphasizes, the Senate cannot look with favor upon a proposal that so seriously dislocates American interests and so unwisely fosters Canadian."

"THE GOOD NEIGHBOR YEAR"—ADDRESS BY AMBASSADOR JOSEPHUS DANIELS

Mr. PITTMAN. Mr. President, I ask unanimous consent to have inserted in the RECORD an address by Ambassador Josephus Daniels to the Lions Club in Mexico City on Thursday, February 1, 1934, on The Good Neighbor Year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The present year, as it relates to policies on this hemisphere, will be known in history as the "good-neighbor year." Already it is reaping the fruits of new and better understanding between Pan American countries. The object lesson of this new spirit reached its climax on Monday of this week when, for the first time in this generation, representatives of every Pan American nation sat down with Secretary Hull as host at a dinner which marked an important milestone of unity and cooperation. As some members of the family, for a time separated, reunited at the common board presided over by the president of the Pan American Union, sat down at the table to break bread they were cheered by the realization that no member of the American family of States was absent from the board. From Terra del Fuego to Campabello every son and daughter, with full recognition and with every privilege of a happy home, rejoiced that, outside the Chaco controversy, perfect peace and amity and accord reigned supreme. This happy situation, inaugurating a solidified and understanding unity perfected at Montevideo, was fittingly characterized by Secretary Hull in these words:

"No finer or more valuable example of nations coming together in a spirit of whole-hearted friendliness, full-faced in each other's motives, and purposes and the disposition and will to promote peace, economic and cultural ideals for the mutual benefit of each, has been exhibited within two generations than that of the American nations recently assembled at Montevideo.

"When all of these righteous movements are at their lowest ebbs in other parts of the world the peoples there should be heartened and encouraged by these timely and outstanding achievements in this hemisphere."

The spirit of the Montevideo Conference, taken in connection with President Roosevelt's good-neighbor policy announced a few days after his inauguration, and his declaration in Washington at the Woodrow Wilson Foundation dinner on December 28, emphasized the realization of the heart's desire of peace-loving people in both Americas. Three outstanding policies, not always understood and not always observed, deserve to be emphasized today. They are:

1. The Monroe Doctrine, enunciated to protect all nations on this hemisphere from colonization or colonial ambitions of European governments, was proclaimed in a decade when the rule of nations was "let him take who has the power, and let him keep who can." The Monroe Doctrine was limited to putting a veto on European designs upon nations not always able to defend themselves against superior forces. It forbade any interposition by any European power for the purpose of oppressing or controlling in any manner the destinies of the Latin American Governments "who have declared their independence and maintained it, and whose independence we have on great considerations and just principles acknowledged." It was first conceived in the mind of Jefferson, and grew out of his belief that the United States ought "never to suffer Europe to meddle with cis-Atlantic affairs." Our early purpose with reference to the countries on this hemisphere was thus stated: "We aim not at the possession of any portion of them ourselves." No claim to violate that declaration was ever made by the United States, and it never assumed under the Monroe Doctrine to do for itself what it forbade to European nations. It was a self-denying declaration as well as notice to Europe that it could not establish colonies on this side of the Atlantic. Most of the misunderstandings in Pan America have grown out of the misconception either in the United States or other American nations. They have sometimes forgotten that the Doctrine gave no right or power for any nation on this hemisphere to invoke the Monroe Doctrine to justify any policy that trenched upon colonialism or annexation.

2. In order to give assurance to all Pan American States, troubled because of the supposed desire of certain forces in the United States to add to its domain at the expense of its neighbors, President Wilson, in an important utterance at Mobile,

Ala., on December 27, 1913, with reference to what he called "our neighbors, the Latin American States", declared:

"We must prove ourselves their friends and champions upon terms of perfect equality. You cannot be friends at all except upon terms of honor. We must show ourselves their friends by comprehending their interest, whether it squares with our interest or not."

He then laid down this Wilson declaration, a worthy addition to the Monroe Doctrine:

"I want to take this occasion to say that the United States will never again seek one additional foot of territory by conquest."

And in the face of organized propaganda at home, and with misunderstanding as to his motives and actions abroad, he sternly set his face in delicate and grave situations to hold his country to his Mobile declaration. It is now the fixed policy of the United States, and no weak nation need ever fear the loss of a foot of its territory by action of the United States.

3. When President Roosevelt came into office less than 1 year ago, he found the compelling need of closer accord between the nations of the New World. American marines had been employed in some small countries. All the countries were not officially on speaking terms. There was necessity for a clarification and amplification of the Pan American policy of the new administration. Mr. Roosevelt lost no time in making known the new policy in three important declarations:

(a) In his inaugural address he announced his broad policy, embracing Latin American nations as well as others, in this statement:

"I will dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

(b) In April of this year before the governing board of the Pan American Union, in celebrating Pan American day in Washington City, President Roosevelt heartened all on this hemisphere when he said:

"I regard existing conflicts between four of our sister republics as a backward step."

After enunciating his idea of the good neighbor, the President said:

"In this spirit the people of every republic on our continent are coming to a deep understanding of the fact that the Monroe Doctrine, of which so much has been written and spoken for more than a century, was and is directed at the maintenance of independence by the peoples of the continent. It was aimed and is aimed against the acquisition in any manner of the control of additional territory in this hemisphere by any non-American power."

(c) In his address at the Woodrow Wilson Foundation, December 28, President Roosevelt quoted former President Wilson's Mobile observation:

"Comprehension must be the soil in which shall grow all the fruits of friendship."

And his declaration:

"The United States would never again seek an additional foot of territory by conquest."

And his statement, with special reference to our Latin American neighbors, that—

"Material interests must never be made superior to human liberty."

President Roosevelt frankly said:

"As we know, and largely as a result of the World War and its after effects, the complete carrying out of that policy of unselfishness has not in every case been attained."

And he added:

"In this we, all of us, all of these American nations, have some share of the responsibility."

The President then laid down a doctrine worthy of ranking with those of Monroe and Wilson and a necessary corollary to guarantee their effectiveness in this generation, in these words:

"It therefore seemed clear to me as President that the time has come to supplement the declaration of President Wilson by the further declaration that the definite policy of the United States from now on is one opposed to armed intervention.

"The maintenance of constitutional government in other nations is not, after all, a sacred obligations devolving upon the United States alone. The maintenance of law and the orderly processes of government in this hemisphere is the concern of each individual nation within its borders first of all. It is only if, and when, the failure of orderly processes affects the other nations of the continent that it becomes their concern; and the point to stress is that in such an event it becomes the joint concern of the whole continent in which we are all neighbors."

Here we have a frank avowal of a policy that is a radical departure from the assertion, never accepted by his countrymen, of a former President of the United States to the effect that the Monroe Doctrine could be invoked to force the authorities of one nation to intervene if another nation on this hemisphere did not pay its debts or preserve order. The newer and broader doctrine quoted above is truly a Pan American new deal.

The best part of President Roosevelt's declaration is that he has made the deed follow the word. This is seen in the United States acting in concert with other nations in the changed and improved relations with Cuba, El Salvador, and Haiti; in cooperation to settle the Chaco controversy without war; and by other evidences showing that he regards the weal of nations on this hemisphere as a joint obligation of a score of countries bound together by nature, by interest, and by common destiny. "They all", at Montevideo "perceived", as Secretary Hull says, "the foolhardiness of letting the world drift when 21 strong and enlightened republics all bound by the same ties could bring their combined strength to bear by united action." He acclaimed the Montevideo Conference as having won the greatest actual gain that has come since Independence Day. Minister Puig, head of the Mexican delegation, and Secretary Hull, head of the United States delegation, saw eye to eye upon the vital questions of the peace pact, respect by each nation for the territorial integrity of its neighbor, perfection of communications and transportation, and the wisdom and necessity of economic cooperation to restore the interchange of products and the return of prosperity. Each of these foreign ministers exchanged cordial felicitations, gave public expression of gratification for their mutual agreements at Montevideo which cheered the people of these two sister republics. Upon his return to Mexico, Minister Puig said:

"An era of unprecedented cooperation is dawning in America as the result of the Montevideo Conference, with the complete elimination of the shadow of intervention. This spiritual and material union of the countries of this continent will serve as an example to the whole world."

The first concrete fruits are to be garnered in the lowering of artificial barriers which are partly responsible for the distress which has afflicted the world. "The conference agreed", says Secretary Hull, "with unanimity upon far-reaching proposals for bringing order gradually into the economic affairs of hemispheres and the world by lowering tariffs and removing senseless prohibitions and restraints upon the mutually profitable exchange of products among nations." Having put their hands to the plow, these Pan American nations will carry out the pledges, essential of fulfillment to diffused prosperity, by renewing former exchanges of products and by opening new channels of trade by the revival on a large scale of the old-time method of barter, called in our day by the bigger word of "reciprocity." Events of recent years have proved that as no man liveth unto himself, so no nation can measure up to its destiny unless it lives in harmony and trade relations with its neighbors. Every artificial device which encourages narrow and selfish nationalism is warring against the stars in their course. When a girdle can be placed around the world by an airplane in 7 days 18 hours 49 minutes, and the sweet cadence of Mexican songs can simultaneously delight the lovers of music in all the States of Mexico and in the United States over the radio, who dares to preach the doctrine that the nations of the earth are not indissolubly linked together? Happiness and prosperity in the Americas alike demand an early approachment to the carrying out of the reciprocal trade policy approved at Montevideo. The quicker this is in action the sooner will come an end to unemployment and the earlier will men of all nations live together in the fellowship of real neighborliness. Toward the hastening of that day comes the challenge to the Lions and all other fraternal and civic organizations to hold up the hands of officials charged with this imperative task.

GREAT LAKES-ST. LAWRENCE WATERWAY—ARTICLE BY WALTER LIPPMANN

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann appearing in the New York Herald Tribune on February 7, 1934, with relation to the Great Lakes-St. Lawrence deep waterway.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Feb. 7, 1934]

A GREAT ENTERPRISE

By Walter Lippmann

If there were not so many other things to be interested in, the country as a whole would find plenty of excitement in the St. Lawrence Treaty with Canada which is now before the Senate for ratification. Under this treaty the interior of the North American Continent will, for the greater part of each year, obtain access to the high seas. The only important barrier which still blocks the passage of ocean-going steamers into and out of the Great Lakes is in a section of the St. Lawrence River where for about 120 miles there are rapids. There is already a Canadian canal, available to small ships, around these rapids. To remove the barrier effectively for large ships, joint action by the United States and Canada is necessary. This joint action is provided for in the treaty. The cost to the United States is estimated at $272,000,000. The time needed to complete the project is estimated at from 7 to 10 years.

The effort of the people of the interior, both in Canada and the United States, to obtain access to the high seas covers a period of more than 200 years. Step by step they have built locks, dredged channels, and dug canals around rapids and waterfalls in their struggle to connect the Great Lakes with the Atlantic Ocean. They are now within sight of their goal. They have all but overcome the obstacle at Sault Ste. Marie between Lake Superior and Lake Huron. By means of the Welland Canal they have circumvented Niagara Falls. The only big work remaining to be done is at the rapids of the St. Lawrence River.

The project now before the Senate has been investigated for more than 12 years. It has been approved by the engineers on both sides of the boundary. It has been advocated by President Hoover. It is advocated by President Roosevelt. The general public does not need to investigate any further. A project which

after 12 years of debate has the support of the two Governments, of the experts of both Governments, of the leaders of both parties, ought to be acceptable to the layman, who has no time to study the technical aspects of the question. For how are we ever to make up our minds about anything if we reject endorsements based on prolonged expert, nonpartisan, and international inquiry?

As a matter of fact, the easiest way to assure one's self that the treaty should be ratified is to look at the arguments against it. They have been presented by Senator WAGNER, of New York. There are few abler or more public-spirited men in the Senate than Mr. WAGNER. But if ever there was a lame performance, it is Mr. WAGNER'S minority report. It is so lame that I am almost inclined to suspect that the Senator is opposing the treaty because he thinks it is his conventional duty to "protect" the port of New York from the supposed competition of the seaway.

Mr. WAGNER objects first of all on the theory that the new deal has given up the notion that foreign markets are of any account. Even if that were true, which it is not, the argument would be a boomerang, for how is the Senator ever going to make a case for using Federal money to improve New York Harbor? He then objects because the cheaper rates on ships will play havoc with railroads. There are two things to be said about that. One is that the railroads have been playing havoc with themselves throughout the depression by holding up rates at an uneconomic level and, as they are beginning to see, if their rates came down, they would do more business. But the more important argument is that cheaper transportation for the interior of the continent will in the long run increase the volume of commerce; the fear that it will ruin the railroads is based on the fallacy that the volume of commerce is a fixed quantity which has to be divided up. It is not fixed. Commerce increases when costs are reduced. The effect of this seaway should be to increase the total of all goods that have to be transported, and therefore the amount of goods which railroads can transport more efficiently than ships.

Mr. WAGNER'S third objection is that the cost to the United States will be not $277,000,000, but $573,000,000. Let us suppose he knows more than the engineers. Still the argument is a poor one. The city of New York in the years between 1927 and 1931 spent $360,000,000 on subways to carry its population to and from work. Surely the United States is entitled to spend at least as much on a system of transportation which would be immediately available to the people of about 16 States. It is strange to hear Mr. WAGNER, who has been a pioneer calling for public works, declaring that this is a public work which is too extravagant.

The argument is so feeble that it is inexplicable except on the theory that Mr. WAGNER thinks it his duty to go on record for the alleged interests of New York. But if that is what he is doing, it may be recalled that Mr. Roosevelt is a New Yorker, too, and has twice been Governor of this State, and presumably has no intention of injuring it.

Apart from the intrinsic merits of the project, there is a compelling reason why this would be an appropriate and dramatic moment to decide to carry it out. For nearly 4 years this country and the rest of the world have been overwhelmed with the sense that there were no great enterprises left, that the period of construction was over, that we were sunk under the weight of useless wealth, and that all that was left to do was to accept economic defeat and make the best of it. This is the psychosis of every great depression, and a nation does not emerge from depression until it breaks away from it and begins to believe again that there is more to be done in the future than was ever done in the past.

To ratify this treaty now is to affirm our faith in the future, to act in the spirit of enterprise, to do the same sort of thing which men did when they spanned the continent with railways, when they opened Suez and Panama, when they believed as all vital peoples must that the breaking down of the barriers to the movement of commerce is in the long view a benefit to everyone. We have had quite enough of the idea that we must not plant, must not manufacture, must not build, must not expand, must not work, that we have too much machinery, too many people, too much capital, too much land, too many roads, too many buildings, and that our only hope is to restrict, reduce, limit, control, diminish, tear down, plow under, close down, raze, dump, throw away.

This is a good treaty and a good project because it is based on the simple truth that the way to raise the standard of life is to increase commerce by making it more efficient.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 3 minutes p.m.) the Senate took a recess until tomorrow, Saturday, February 10, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 9 (legislative day of Feb. 6), 1934

UNITED STATES ATTORNEY

Douglas W. McGregor, of Texas, to be United States attorney, southern district of Texas, to succeed Henry M. Holden, whose term will expire July 1, 1934.

UNITED STATES MARSHAL

Felipe Sanchez y Baca, of New Mexico, to be United States marshal, district of New Mexico, to succeed Joseph F. Tondre, term expired.

REGISTER OF THE LAND OFFICE

Clarence Ogle, of Oregon, to be register of the land office at Lakeview, Oreg., vice Frank P. Frost.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 9, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, we bless and praise Thy holy name. Thou, whose infinite heart sends the blood coursing through the arteries of the boundless universe, condescend to our need, we humbly beseech Thee. Thou, who art mightier than the sun that walketh through the starry heavens, invest us with a tenderness bathed in wisdom and clothed with conviction. Be Thou the light that shows the way and that quiets restlessness and keep us from being under the dominion of care and trouble. Heavenly Father, lead us to renew the flagging spirits of men and refresh their starving souls. May we never overlook the marvels of the roadside and the divine beauty in common folk. We are all one and are interlocked in the comfort and welfare and the very life of our fellow men. The blessed Lord inspire us to be leaders and teachers of the humanities. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, the bill (H.R. 7527) entitled "An act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes"; that the Senate insists upon its amendments to said bill, requests a conference with the House thereon, and appoints Mr. GLASS, Mr. MCKELLAR, Mr. COPELAND, Mr. HALE, and Mr. KEYES to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 313) entitled "An act to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming.

SENATE BILLS REFERRED

Bills of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 85. An act for the relief of Paul J. Sisk; to the Committee on Claims.

S. 163. An act for the relief of Capt. Guy M. Kinman; to the Committee on Claims.

S. 172. An act for the relief of the First Camden National Bank & Trust Co., of Camden, N.J.; to the Committee on Claims.

S. 193. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929; to the Committee on the District of Columbia.

S. 194. An act to change the name of B Street SW., in the District of Columbia; to the Committee on the District of Columbia.

S. 252. An act for the relief of the American Bonding Co., of Baltimore; to the Committee on Claims.

S. 256. An act for the relief of Milburn Knapp; to the Committee on Claims.

S. 258. An act for the relief of Wallace E. Ordway; to the Committee on Claims.

S. 356. An act for the relief of the Great American Indemnity Co., of New York; to the Committee on Claims.

S. 377. An act for the relief of the Fred G. Clark Co.; to the Committee on Claims.

S. 413. An act for the relief of Edith N. Lindquist; to the Committee on Claims.

S. 503. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.; to the Committee on War Claims.

S. 606. An act to authorize the waiver of remission of certain coal-lease rentals, and for other purposes; to the Committee on Claims.

S. 749. An act for the relief of the Fairmont Creamery Co., of Omaha, Nebr.; to the Committee on Claims.

S. 866. An act to provide for recording of deeds of trust and mortgages secured on real estate in the District of Columbia, and for the releasing thereof, and for other purposes; to the Committee on the District of Columbia.

S. 1075. An act for the relief of Walter Thomas Foreman; to the Committee on Claims.

S. 1076. An act authorizing adjustment of the claim of the Franklin Surety Co.; to the Committee on Claims.

S. 1077. An act for the relief of Lueco R. Gooch; to the Committee on Claims.

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins; to the Committee on Claims.

S. 1082. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.; to the Committee on Claims.

S. 1084. An act authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N.J; to the Committee on War Claims.

S. 1086. An act authorizing adjustment of the claim of Frank Spector; to the Committee on Claims.

S. 1088. An act authorizing adjustment of the claim of White Bros. & Co.; to the Committee on Claims.

S. 1118. An act for the relief of George J. Bloxham; to the Committee on Claims.

S. 1119. An act for the relief of Fred A. Robinson; to the Committee on Claims.

S. 1191. An act for the relief of the Sulzbach Clothing Co.; to the Committee on Claims.

S. 1192. An act for the relief of the Union Shipping & Trading Co., Ltd.; to the Committee on War Claims.

S. 1258. An act for the relief of Charles F. Littlepage; to the Committee on Claims.

S. 1460. An act for the relief of Edgar Stivers; to the Committee on Claims.

S. 1504. An act for the relief of Walter J. Bryson Paving Co.; to the Committee on Claims.

S. 1528. An act to amend section 3702, Revised Statutes; to the Committee on Claims.

S. 1531. An act for the relief of Elizabeth Buxton Hospital; to the Committee on Claims.

S. 1540. An act for the relief of the Concrete Engineering Co.; to the Committee on Claims.

S. 1600. An act for the relief of S. G. Mortimer; to the Committee on Claims.

S. 1680. An act for the relief of the estate of George B. Spearin, deceased; to the Committee on Claims.

S. 1683. An act for the relief of the Standard Dredging Co.; to the Committee on Claims.

S. 1692. An act for the relief of the Compagnie Generale Transatlantique; to the Committee on Claims.

S. 1693. An act for the relief of the International Mercantile Marine Co.; to the Committee on Claims.

S. 1753. An act for the relief of Marcella Leahy McNerney; to the Committee on Claims.

S. 1804. An act to authorize the transfer of certain real estate by the Secretary of the Treasury to C. F. Colvin in settlement of the Northfield (Minn.) post-office site litigation, and for other purposes; to the Committee on Claims.

S. 1853. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; to the Committee on Claims.

S. 1859. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; to the Committee on Claims.

S. 1934. An act conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the four-masted auxiliary bark *Quevilly* against the United States, and for other purposes; to the Committee on Claims.

S. 1935. An act to amend the act of March 2, 1929, conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *W. I. Radcliffe* against the United States, and for other purposes; to the Committee on Claims.

S. 1949. An act for the relief of C. J. Mast; to the Committee on Claims.

S. 2006. An act for the relief of Della D. Ledendecker; to the Committee on the District of Columbia.

S. 2057. An act authorizing the sale of certain property no longer required for public purposes in the District of Columbia; to the Committee on the District of Columbia.

S. 2278. An act for the relief of R. B. Miller; to the Committee on Claims.

S. 2308. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Interstate and Foreign Commerce.

S. 2315. An act to provide for the settlement of damage claims arising from the construction of the Petrolia-Fort Worth gas-pipe line; to the Committee on Claims.

S. 2317. An act for the relief of Karim Joseph Mery; to the Committee on Claims.

S. 2337. An act to declare Noxubee River in Noxubee County, Miss., to be a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

S. 2372. An act granting the consent of Congress to the State of Oregon to maintain a bridge already constructed across Youngs Bay, near the city of Astoria, Oreg.; to the Committee on Interstate and Foreign Commerce.

S. 2461. An act to amend an act entitled "An act to give the Supreme Court of the United States authority to prescribe rules of practice and procedure with respect to proceedings in criminal cases after verdict"; to the Committee on the Judiciary.

S. 2496. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower; to the Committee on Claims.

S. 2601. An act to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System; to the Committee on Banking and Currency.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 248. An act for the relief of Rolando B. Moffett;

S. 313. An act to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming;

S. 381. An act for the relief of Samson Davis; and

S. 727. An act for the relief of Francis N. Dominick.

PRIVATE CALENDAR

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that it may be in order today to consider bills on the Private Calendar unobjected to.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SOME NEEDED ADJUSTMENTS AND CITIZENSHIP BUILDING FACTORS IN OUR NEW NATIONAL PROGRAM

Mr. BYRNS. Mr. Speaker, I ask unanimous consent, as part of my remarks, to insert an address by the gentleman from Pennsylvania [Mr. SNYDER] before the Pennsylvania

State school directors at Harrisburg, Pa., February 7, 1934, a very able address, which I am sure will be interesting to the Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. J. BUELL SNYDER before the Pennsylvania State School Directors' Convention at Harrisburg, Pa., February 7, 1934:

One of two things a nation must always do: Pay small sums for the education of its people or large sums for war and the building of prison walls. This has been the history of nations since the beginning of time.

In looking over my files I found a little manuscript I prepared for a teachers' institute 20 years ago, in which I said in part, "The light of education now illuminates our entire land and every child is invited to stand in that light." At that time I was a mere boy and enthusiastic about that expression. I am not so enthusiastic about it today. The first part of the expression is still true, but how about the second part—"and every child is invited to stand in that light"?

It was, indeed, most gratifying to me, as a Member of the United States Congress, last Thursday, when the United States Commissioner of Education's office called me and told me of the action of the Government in setting aside enough Federal aid to keep open for this fiscal year those schools of the Nation in districts that cannot financially keep their schools going. It is, indeed, most encouraging to live under a government that is flexible enough to take care of a vital citizenship-building crisis in this manner.

Such a procedure in Pennsylvania was not necessary 100 years ago. This year we are participating in the centennial celebration of the establishment of the public-school system in Pennsylvania. Things have changed since 1834.

If an artist were to paint a picture of Pennsylvania as it was in 1834 and one as it is in 1934, he would include in the 1834 picture farms, but very little farm machinery, as the sickle and the scythe; a few cities; small industrial establishment; the stage coach; the little country church; a college or two, some private academies, and widely scattered public one-room schools which a few children of the several neighborhoods attended a few months each year and for only a few years in order to learn to read, write, and cipher.

In the 1934 picture the artist would include hundreds of cities, farms, and farm machinery of every description, factories of all kinds, railways, airplanes, automobiles, paved roads, theaters, churches, and scores of colleges; but in the very center of the picture would be the public-school building. Indeed, this 1934 picture could not be painted if the people of Pennsylvania had not now established and developed a system of public education.

The kind of picture that may be painted 25 or 30 years hence will depend very largely upon the type of school that the State maintains. The scope of the school has been widening since 1934 and must continue to widen so as to provide educational opportunities for all from early childhood well on into adult life, and so as to meet the increasing needs of our changing social order.

It appears from recent social and economic trends that there will be little or no opportunity for boys and girls under 16 or 19 years of age to find employment, and that when they are older and have employment they will have much leisure time at their disposal. The use of this leisure time should be a matter of the gravest concern to the people of the country. Instead of eliminating from the schools those subjects and activities that will be helpful to the boys and girls in making worthy use of their leisure time after they leave school, such activities should be still further emphasized as important factors in education. If all the boys and girls are to remain in school until 18 years of age, courses of study especially adapted to their varying abilities should be provided.

The little one-room school, although it met the needs of an earlier day, should pass away just as have the oxcart and the stagecoach. The small school district has also outlived its day even if it is found by the thousands throughout the country. Many small districts that were able to support a small school or two of elementary grade find that they cannot support an educational program that is generally considered desirable. Larger units for the purpose of administration and support would help solve the problems of many of the school districts of the country. This unit should be at least large enough to support an elementary and a high school.

When all school districts were about equally wealthy one district could support schools about as well as could another, but all this has been changed. Some school districts now have many more times the ability to support schools than have others. It would thus seem that the financial support of schools in order to help equalize the burden among the school districts and in order to provide more nearly equal educational opportunities is a problem that needs to be solved in practically every State and especially in Pennsylvania.

This brings us to a full realization of the fact that the social, political, and economic set-up we have been pursuing for 40 years no longer functions. The Nation realized a new set-up was necessary, and thus practically 120,000,000 of our people asked the Seventy-third Congress of the United States to give them a new program.

In 100 days following March 4, Congress did this very thing. Congress enacted 13 constructive major measures that gave the American people an administrative program—a program that requires action on the part of everybody; a comprehensive program that places the responsibility of every business in the country on the heads of those who run their business.

There is nothing unusual in the new national program. Every good school system in the country has been practicing the basic principles of the new program for years. Almost every high school has student participation in all activities—that is all there is to the new program. It gives each business its own code under which it must operate. It is citizenship participation program. The Government does not make any of the codes. The cotton people made their own code and now the Government says, "You must follow it." The tobacco people made their own code and now the Government says, "You must follow it." The lumber people made their own code and now the Government says, "You must follow it." The farmers made their own code and now the Government says, "You must follow it." Of course, these codes will be adjusted from time to time until they work effectively.

The United States Congress has not given away any of its powers. Congress can at any time step in and regulate any and all the Nation's institutions and all phases of our national life.

I mention this before this body because if there is a group that exercises more power than any other one group in different governing bodies it is school authorities. The school board adopts a course of study and a budget for the year, and the superintendent carries it out to the letter. In the case of Congress, it adopted a program, and the superintendent—in this case the President of the United States—is directing the activities in carrying out this program, just the same as the superintendent directs the activities of the teachers and other groups connected with carrying out a school program.

In this new citizenship and Nation building program, I beg leave to call attention to three or four of the fundamental measures adopted by the recent Congress and now in operation long enough for all of us to see the fruits of our efforts.

First: The N.R.A. program: This is a program designed to put all able-bodied men back to work at a living wage, and all factories, mills, and mines on a basis of operation that will assure them a living and operating profit. We are fortunate indeed that the new national program is so flexible that the Government is able to reach out, as it did last Thursday, without any redtape and say to the Nation, "We will give you funds where they are needed in order that you may keep your schools open the rest of this year."

Many under the sound of my voice have made speeches in which they reached a climax by saying that "every child is entitled to equal educational opportunities"—then went to the polls and voted to make it impossible in emergency for such a principle to be carried out. This is one time the strong hand of the Government reached out and said, "We must educate or we must perish; and since we are at the crossroads where multiplied tens of thousands of children are going to be deprived of an education, we choose to keep the schools of the Nation open."

Second. The strength of the Nation is determined by the stability of its citizens. Our three institutions—the home, the school, and the church—that stand first in building a stable citizenship have marched shoulder to shoulder since the days of Washington, in the struggle to make our land a better place in which to live. The fourth institution that must function in every industrial nation is our banking system.

Because of poor management and bad practices for a space of years, these institutions, the banks, collapsed and we found ourselves on the very threshold of economic destruction. The recent banking bill that insures the depositor to the extent of $2,500, and after July 1 to the extent of $10,000, has done more to restore confidence in the hearts and the minds of the American people than any other one financial movement in the last 50 years.

Third. The Home Owners' Loan Corporation Act, in which the Government reaches out to the little home owner and actually gives him financial help when he is about to lose his home, is in keeping with all our sacred teachings in this country. We have always taught that the strength of a nation lies in the home owners and the farm owners of that nation. The same protection is being given to the farmers, and in the space of 2 or 3 years the home owners and the farm owners of this Nation will come into their own.

Fourth. The fundamentals in citizenship building and nation building that are embodied in our reforestation and rehabilitation program are numerous and far-reaching.

Let me paint just one picture to you. The depression put more than 1,000,000 single boys between the ages of 17 and 27 on our highways and byways and streets and alleys, looking for work day in and day out. To get a more vivid picture of these million young men, let us see them marching. If they were lined up in columns of four abreast and these columns were 10 feet apart and they marched at the rate of 20 miles a day, it would take 25 days to pass a single point; and when the last column of four had passed a point here in Harrisburg, the first column would be marching into Chattanooga, Tenn.

My friends, I know these young men. I took scores of them in my car as I went from city to city and town to town. I asked them where they came from and what they were doing. They invariably told me that they were looking for work. Some came from the West and the North, and some from the South and the East, all looking for work. Yes, my fellow educators, we told them in our public schools and in our high schools that if they would take on the educational equipment we offered them that when they would be graduated and go out into the business world that the business world would say to them, "Come, John. Come, Mary. Here is a job for you."

We taught them the right thing and we should continue to teach the same thing. But the social and economic fabric of our country collapsed and left these millions of young people stranded. In other words, our social and economic fabric is not functioning. These boys and girls have not failed. Those of us who have handled the reins of our Government for the last 40 or 50 years, we have failed to keep our economic and social structure functioning.

History will record in years to come, in big headlines, that the reforestation and rehabilitation program of this Seventy-third Congress was the most outstanding citizenship and nation-building procedure enacted in this Nation within the last hundred years.

From the social and service point of view, I have been fortunate in life by being so placed as to spend my marginal time in activities that make better facilities and better environment for young people. And I was most happy and enthusiastic when I had an opportunity to help push through Congress a measure that took from the alleys and the unfortunate homes of the Nation 300,000 single, unnourished, discouraged young men and placed them in the Nation's best citizenship and civilian camps, to not only serve their Nation by useful activity but to receive instruction and equipment that will make them strong and courageous citizens.

The health angle alone was worth all the cost. During the first month that these young men were in the camps, more than 20,000 of them required medical attention; the sixth month, less than 2,000 required medical attention; they had gained at an average of 14 pounds. That is not all. Many of them had a communistic attitude of mind last March 4, but today you will find them proud of the fact that their Government has made for them such a paradise.

I worked for and would like to have seen four times as many of our youth placed in such camps and in such environment, but legislation is at best a compromise. However, reforestation and rehabilitation institutions are here to stay. There will be changes made, of course, but the Nation from now on will have such a program, not merely to plant trees and build trails and what not, but to build citizens, to build young men into patriots like Nathan Hale, who lamented that he had but one life to live for his country; to build citizens that will always realize the full meaning of the poet when he said:

"The riches of a commonwealth
Are free, strong minds and hearts of health.
They are more to her than gold or grain,
The cunning hand and cultured brain."

How much of a bonded indebtedness did your grandfathers hand to your fathers? How much of a bonded indebtedness did your fathers hand down to you? How many times has this bonded indebtedness multiplied that you are about to hand down to your children?

My friends, we are failures as individuals, we are failures as school boards in our respective school districts, if we hand down to our posterity a greater bonded indebtedness than was handed to us by our fathers. We are failures if we hand to our children an education heritage that will not equip them to handle the social and economic fabric of their day.

And in conclusion, permit me to say that it is our business in this great Commonwealth and in this great Nation to put our economic and social house in order; and as for me, I shall continue to do my part to bring this about.

EMERGENCY RELIEF

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7527) making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

Mr. McCORMACK. Mr. Speaker, reserving the right to object—and I shall not object—this is a matter of extreme importance, in which the entire country is very much interested. I assume it is the intention to expedite it as quickly as possible.

Mr. BUCHANAN. Certainly. The bill came over from the Senate just a minute ago, and I am now asking that the House agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BUCHANAN, TAYLOR of Colorado, AYRES of Kansas, TABER, and THURSTON.

ELECTION CONTEST, SHANAHAN v. BECK

Mr. KERR, from the Committee on Elections No. 3, submitted a privileged report (H.Res. 259) in the contested-election case of *John J. Shanahan* v. *James M. Beck*, which was referred to the House Calendar and ordered printed.

ELECTION CONTEST, BOWLES v. DINGELL

Mr. KERR, from the Committee on Elections No. 3, submitted a privileged report (H.Res. 260) in the contested-election case of *Charles Bowles* v. *John D. Dingell*, which was referred to the House Calendar and ordered printed.

ELECTION CONTEST, REESE v. ELLZEY

Mr. KERR, from the Committee on Elections No. 3, submitted a privileged report (H.Res. 261) in the contested-election case of *L. G. Reese* v. *Russell Ellzey*, which was referred to the House Calendar and ordered printed.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. Mr. Speaker, I have just introduced a bill which has for its purpose prohibiting any member or employee of the N.R.A., who may be now employed or who at any time has been employed by that organization, from appearing in any capacity before an N.R.A. board after the termination of their services with the N.R.A.

There is a perfectly legitimate reason for the introduction of such a bill, and it grows out of a practice that has come within my knowledge. In several instances employees, particularly lawyers, drew some of the codes of the N.R.A.; and after having participated in the formulation of these codes almost to the conclusion and adoption of the code, severed their services with the N.R.A. and immediately entered the employ of an industry whose code they helped formulate. It can readily be seen what advantage this would be to such an industry. To have a representative on the board while the code was in process of formulation and then, after the adoption of the code, to have this same representative appear before the board in behalf of the company.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield.

Mr. O'CONNOR. I am glad the gentleman has introduced the bill, but it meets only part of the vice. For instance, in the code regulating the manufacture of whisky the code authorities in Washington put in charge of all the codes representatives taken directly from the Whisky Trust who handled the whole thing. The paid employees of the Whisky Trust are representing the Government in all codes pertaining to the importation and distillation of rum.

Mr. BOLAND. I should be pleased to have the gentleman prepare and offer an amendment along that line when the bill comes up for consideration, because I am in hearty sympathy with the gentleman's position.

The particular industry which has disturbed me and which I am incensed at because I believe they are arrogant and selfish in every respect, is the brewing industry of this country. The brewing industry of this country is controlled by a few big brewers and the American Brewers' Association, which does not represent the entire brewing industry. It probably represents not more than 145 breweries in the country, yet this association has an absolute control of the industry and in my opinion has no regard for the problems or wants of the independent brewers or the public at large. In other words, it is a closed corporation, and I am satisfied that this same arrogant organization was responsible for prohibition being foisted upon this country because of this same selfishness that is being portrayed so conspicu-

ously at the present time. I might at this time warn them that prohibition can come to this country again if their selfishness is not curbed. The same thing applies with regard to the whisky industry referred to by the gentleman from New York [Mr. O'CONNOR].

Now, we must get ahead of these chiselers of the N.R.A. The N.R.A. was formed for one particular purpose, to start the wheels of the industry of this country going so that industry would be able to take care of itself. We are all familiar with the birth of the N.R.A. We need go back no further than last year to recall the conditions the N.R.A sought to correct. When this great movement was formed and the President brought the N.R.A. forward, we found some of the industries trying to take advantage of the situation and exploiting human misery to their own advantage. I believe it is the duty of this House to say that no man who was ever employed in any capacity by the N.R.A. shall be able to appear before that body in a representative capacity within 2 years after the termination of his services as an employee of the body.

Mr. Speaker, in adopting this bill we will not be establishing any precedent in regard to governmental departments, because we have the following regulations that are being adhered to at the present time:

SEC. 99. Ex-officers or employees not to prosecute claims in departments.—It shall not be lawful for any person appointed as an officer, clerk, or employee in any of the departments to act as counsel, attorney, or agent for prosecuting any claims against the United States which was pending in either of said departments while he was such officer, clerk, or employee, nor in any manner, nor by any means, to aid in the prosecution of any such claim, within 2 years next after he shall have ceased to be such officer, clerk, or employee (R.S., sec. 190).

SEC. 100. Prosecution of claims for supplies for Military Establishment.—It shall be unlawful for any person, who as a commissioned officer of the Army, or officer or employee of the United States, has at any time since April 6, 1917, been employed in any bureau of the Government, and in such employment been engaged on behalf of the United States in procuring or assisting to procure supplies for the Military Establishment, or who has been engaged in the settlement or adjustment of contracts or agreements for the procurement of supplies for the Military Establishment, within 2 years next after his discharge or other separation from the service of the Government, to solicit employment in the presentation or to aid or assist for compensation in the prosecution of claims against the United States arising out of any contracts or agreements for the procurement of supplies for said Bureau, which were pending or entered into while the said officer or employee was associated therewith. A violation of this provision of this chapter shall be punished by a fine of not more than $10,000 or imprisonment for not more than 1 year, or both (July 11, 1919, ch. 8, subchapter IV, 41 Stat. 131).

The reasonable logic of the above is quite apparent. Associations and daily contact in any department over a period of time makes it possible for those persons to have great influence in the department in which they served. Some private industries, in my estimation, have been very instrumental in having placed men in key positions in the N.R.A. during the progress of these codes, and I believe it is quite necessary for Congress to see that these special interests will not have these instruments of their own making to help defeat the purpose of this great movement.

I will read the bill so that you will understand it:

That any person employed by the N.R.A., or any branch thereof, either as an officer, salaried employee, or voluntary assistant, or in any capacity whatsoever, shall be prohibited from appearing either directly or by agent in any matter before the N.R.A. for a period of 2 years from the date of his first employment with the N.R.A.

Any person convicted of violating any of the foregoing provisions of the act shall be subject to a sentence of not less than 1 year's imprisonment nor more than 5 years, and to a fine of not less than $1,000 nor more than $10,000.

If you men in Congress see the justice of this and pass this bill, I assure you that the great objective of the N.R.A. will be accomplished and that the owners of small industries will have the same protection and rights as the larger ones, and when this great movement has gained its objective, contentment and happiness will again reign in this country.

[Here the gavel fell.]

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for an additional 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WEIDEMAN. While the gentleman is speaking of chiseling in the N.R.A., we know that the minute industry picks up the manufacturers will chisel. I am informed that in my city they hire men, give them a pay check for the regular N.R.A. hours, and then pay the men in currency after that. I complained to the Department about this matter and they are investigating it. Does not the gentleman think the solution to the whole matter is to pass the Black-Connery bill and write into the law the 30-hour limitation, not allowing them to build up a bureaucratic system in the Government, which will prevent this chiseling? I think if we would pass that law we would abolish code hearings and make industry conform to the limit of the law.

Mr. BOLAND. I believe there is a lot of merit in what the gentleman says, but I still believe this proposed bill quite necessary.

Mr. WEIDEMAN. I agree with the gentleman.

Mr. WEARIN. Will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Iowa.

Mr. WEARIN. Does the gentleman have any information in reference to the number of N.R.A. employees at the present time who have gone into private business after their employment with the N.R.A. ceased?

Mr. BOLAND. I have concrete evidence of this situation.

Mr. WEARIN. I should like to have that placed in the RECORD.

Mr. BOLAND. I would rather place it in the hearings than in the RECORD. We will have a hearing before a committee, and that is the place to bring it up, if it is all right with the gentleman.

KEY TO PROSPERITY

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address I made last evening on the subject of Key to Prosperity.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FIESINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address I made last evening on the subject "Key to Prosperity":

Ladies and gentlemen of the radio audience, I came to Congress to represent the Thirteenth District of Ohio. This district is interested in agriculture, manufacture, and lake shipping. After coming to Congress I was assigned a position as a member of the Committee on Coinage, Weights, and Measures. This committee immediately attracted my attention, because its jurisdiction dealt with money, and I have since given 2 years of intensive study to this subject.

Early in 1932 the Coinage Committee started a study of the money question. We studied the depression; we analyzed its causes and the various ramifications of the money question as the same related to the depression. And I found this committee dealing with the problem that I now consider the most important of all the problems that confront this Nation and the world.

As one goes back over the pages of history, one reads of the rise and fall of empires. One reads of the decline and wiping out of nations, and also of a period when the whole civilized world went into what we call the "Dark Ages." The history of these important periods is directly connected with the tragic mismanagement of money.

I am speaking to the radio audience tonight on the subject of silver. I have no interest, direct or indirect, in silver as such. My State produces no silver. Nevertheless, I say there is no instrument of civilization, certainly no instrument known to the United States, as important as silver and the part it plays in the happiness and contentment of our people and in the forward progress of civilization. In my humble judgment it is the key to American prosperity. The people of the United States must understand the relation of silver to depressions.

The Coinage Committee, after weeks of hearings and deliberations, reported: "That the investigation revealed that certain

European nations in an effort to protect their manufacturing industries by affording a better cost basis through lower prices of raw materials and foodstuffs depressed the world commodity price levels below the point that admits of any profit to the American producer. We found that this result followed directly and definitely from certain governmental acts."

I have heard no one challenge that report on the floor of the Congress. It seems to me very serious to say that nations "depressed the world commodity price levels to the point that admits of no profit to the American producer." If they do that—and no one has come forward to say that they do not—do you suppose they do these things in the interest of the United States, which is your interest and my interest, or in their own interest? These nations are interested in cheap foodstuffs to feed cheap labor. Is that to your interest or my interest?

In the limited time at my disposal I want, to the best of my ability, to arouse you to a personal sense of your responsibility, for, in finality, you, the people, determine the policies of this Government. Crystallized sentiment is what Washington hears and acts upon. Make no mistake about that. It is necessary for you to understand this question because the very home in which you live can be doubled in value or it can be halved in value, and your income can be doubled or halved in value, depending upon what use is made of silver by the laws enacted by the Congress of the United States.

Boiled down, the issue is: Whether the international bankers of Europe will fix the value of your property and income through the means of a managed currency, or whether you fix this yourself through your Congress and the legislation it enacts by the control of gold and silver.

On the one hand this issue involves managed currency, managed largely by foreign bankers. On the other hand nature controls currency through the instruments of gold and silver held under regulation by the Congress of the United States. It is necessary for you to know what currency is. Currency in this sense is a piece of paper recording the promise of some bank or perhaps some government. Generally it is the promise of some bank to pay something to somebody at some time. It is a paper I O U It is a form of a contract. Powerful nations like Great Britain, for instance, under managed currency, can maintain a market value for these pieces of paper just as market manipulators may maintain a market value for the common stock of a sewing-machine company. This places the value of these pieces of paper under the control of market operations. This gives tremendous power to banks. This power takes the form of controlling values, not only the values of stocks and bonds but the values of real estate, and anything that is bought and sold for this so-called "money."

You have the opportunity to avoid giving away this power by restoring full-value money or metallic money to its former usefulness as a basis for business. There is a certain amount of money in the world, and, like anything else, the value of money depends upon its supply and demand. When I refer to money I mean primary money, gold and silver.

In gold-standard countries the value of property varies with the value of gold plus the gold value of the monetary silver of the world. There has never been a failure in this as a general movement, and I defy any economist to show to the contrary. The nation that can control the value of the world's monetary silver therefore can control the world's price levels.

In the United States we have the gold standard as a standard of measure, and I advocate keeping it. The condition we call depression has never existed in this country except when the value of gold plus silver of the world has fallen off or undergone a shrinkage. Between the years 1920 and 1922 there was a shrinkage at the rate of 4.6 percent per year. This brought a depression in our price level from 143, which was the high peak of prosperity, down to 96. From 1928 to 1931 there was another shrinkage of 40 cents per ounce in the world's monetary silver, which was followed by the lowest price level within our memory. You may go back 100 years and find a continuation of this same principle.

Why do we permit these cataclysms? The United States is a great producing Nation. It is interested in high price levels. Why do we permit European nations to "depress the world commodity price levels to a point that admits of no profits to the American producer"? Why do we stand by and do nothing about it? What is this great Nation doing in such a serious situation? Why do we not protect ourselves? I will tell you. President Roosevelt in his messages to Congress has spoken of the importance of silver, but there is a certain propaganda and prejudice among the people which should be overcome before, in my judgment, he can be free to approve.

One of the great troubles about silver is the fact that it has been a political issue. Certain prejudices grew out of the 1896 Presidential campaign. William Jennings Bryan was a great political leader, but he was not an economist. Bryan had the correct diagnosis of our ills in that silver had been kicked out of the money system with the inevitable effect of changing the value of what was left. He understood that decreasing the amount of money increased the value of money, and he understood that this meant hard times in America. It meant depression. What he did not understand was how to solve the problem of putting silver back into the world's monetary system without setting up two standards of value.

The trouble with 16 to 1 is a fundamental defect in one respect. It limits the power of the Government unless you have international agreement. It restricts the very thing you want your Government to do. You may say to the Government, "We want you to restore silver to a monetary use so as to take the load off gold", but the Government acting alone cannot do this if you set a certain fixed price for both gold and silver.

Make silver a part of your basic money, use it just for the value it is worth, and have America control the amount of silver so used. If you do that you have a complete solution of the problem of depressions. This is all very clear to me, now that I have studied with the committee of Congress and gotten away from the influence of false teaching and propaganda. Before that it was very confusing to me. There is so much that I did not know of the silver question before the study of this committee that I consider it extremely important to tell the Nation this story and hope that the opportunity for freedom of debate on this subject may soon be allowed to the Congress of the United States.

This treatment of silver is not a new and untried experiment. It has been in use successfully in Holland, a most conservative country. In Holland, since the World War, there has been in circulation a silver certificate redeemable at its full value in silver. No gold is required. These silver certificates have actually circulated in foreign countries at the full face value. Can you guess how this was accomplished?

Well, it is very simple; a 2½ gold guilder value is printed on the face of the certificate and is met on redemption by exactly that value in silver. I have a bill pending in Congress to accomplish the same purpose. The same principles were included in the amendment to the gold bill offered by the distinguished Senator from Montana, Senator WHEELER, which was recently voted upon, as you know, by a vote of 43 for and 45 against.

Why not deliver 100 cents' worth of silver for a silver-dollar certificate? What is the sense of short changing the holder of the silver certificate? Why not pay out the silver by value rather than by weight? This is a very simple solution of the problem.

If the United States will adopt this method, by putting silver into circulation it can place in its reserves in the Treasury either 1,000,000,000 or 2,000,000,000 ounces of silver. It can place enough silver for this use to counteract what European nations may do in kicking silver out of the monetary picture. We can put silver in the picture as fast as they kick it out. By this simple operation, which will cost us practically nothing, we can maintain and we can control gold at the purchasing power of the average value of commodities as of 1926. This is the key to American prosperity. With it you can maintain in the United States a stability of value of the income from our great natural resources. This will assure us continued prosperity.

The Constitution of the United States says that the Congress shall coin money and regulate the value thereof. It also provides that gold and silver shall be the money of the country. If we would adopt the method I am advocating it will be the first time in 150 years that the Congress of the United States has performed its constitutional duty with reference to regulating the value of money. The regulation of the value of money is for the Government. The regulation of credits is for the banks. The two functions are entirely different and they must be treated separately.

In concluding let me tell you that dividing the ounce of gold into 35 parts instead of 20 parts does not change the buying power of the ounce of gold. This is fixing the dollar, not regulating it. The change in the gold content of the dollar may be a good thing or it may be a bad thing. I am not arguing that question, but it has nothing to do with regulating the value of gold in the sense that I am speaking of here. I am speaking of the value of gold. I mean value in terms of what an ounce of gold will buy, not in terms of how many fractional parts the ounce of gold may be divided into to make your currency unit.

No matter what weight you fix, you still have to regulate the value of that weight of gold under the requirements of our Constitution. Unless we regulate the value of that weight of gold we cannot have stable prosperity, and the use I have proposed for silver is the only tried and proven method for regulating gold values known to mankind.

I state this as a positive fact and I challenge contradiction of this statement.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, much has been said on the floor of this Chamber about veterans' legislation; and I wonder, as a matter of fact, whether we have a clear-cut notion as to what the American Legion's four-point program seeks to achieve or what it will cost, and the number of veterans and dependents who will be affected thereby. This program has been styled the "four-point program", and I shall be content during the 5 minutes at my disposal this morning to submit figures on only one element in this program—namely, as it refers to the so-called "presumptive cases."

If I were gifted with the eloquence of a former compatriot of mine, the celebrated Robert G. Ingersoll, who lived in my district, I should talk on man's inhumanity to man as evidenced by the figures submitted before a committee during the last week. These figures speak for themselves and require no embellishment from me. I am referring to the presumptive cases.

First of all, 128 boards were selected or appointed, which expended for various purposes $602,498 to conduct the review work on presumptive cases. They reviewed 51,213 cases. Of that number, 42.87 percent were allowed and 57.13 percent were disallowed. Let me point out some of the disparities. In the region of Albuquerque, N.Mex., they disallowed 64.77 percent of the cases reviewed; at Boise, Idaho, they disallowed 75.28 percent; at Portland, Oreg., they disallowed 30.92 percent; at Hines, Ill., they disallowed 76.30 percent; and at Oklahoma City, Okla., they disallowed 32 percent. You have a high of 76 percent disallowed in one place and a low of 32 percent disallowed in another place.

While some of these disparities can be explained because there are veterans' tuberculosis hospitals in some of the regions, yet the disparity has most assuredly not been completely explained by the Administrator of Veterans' Affairs.

We will consider for a minute the nature of the cases involved. As I said previously, 51,213 cases were reviewed. Of that number, 27,000 were insane. That includes boys who were shell-shocked; boys in whom that little slender cord that holds the present to the past and the present to the future has somehow been snapped away by the explosion or detonation of a high-explosive shell; 27,000, or more than 50 percent, of all the cases reviewed were insane. Then there were 19,476 tubercular cases. You have seen them, the boys to whom that tongue of livid flame suffuses pallid, chalky, sunken cheeks; you have seen them in the hospitals with that ever-present hacking cough; you have seen them falling back exhausted on the beds of the hospitals. These cases constituted over 19,000 of the cases reviewed.

Let us look at the number of cases that were actually disallowed. Almost 11,000 tuberculosis cases of boys who have been ravished by the white plague have been stricken from the rolls by the review board. Over 15,000 of the so-called "neuropsychiatric cases" have been taken off the roll. Almost 29,000 cases in toto have been disallowed.

Mr. BYRNS. Will the gentleman yield?

Mr. DIRKSEN. With pleasure.

Mr. BYRNS. It was announced in the morning paper—and that is the only authority for my statement—that the President has determined to modify the regulations in order to permit these presumptive cases to be appealed and pending the appeal that they be restored to the rolls.

Mr. DIRKSEN. I think the gentleman is right.

Mr. BYRNS. If that is done, we can reasonably assume that the board of appeals will take those cases up and give them the consideration for which the gentleman is pleading, and which I think all the Members of the House want them to have.

Mr. DIRKSEN. I may say to the majority leader that my interpretation of the article in the press this morning would be that not all of these so-called "presumptive cases" are to be reinstated, although a great many of them may be. I believe all of them should be reinstated, as a matter of fact.

[Here the gavel fell.]

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. RANKIN. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. RANKIN. As I understand it, this law will reinstate them for the time being, or until their cases are finally disposed of by the appeal board?

Mr. DIRKSEN. That is true, and my purpose in presenting these figures this morning is twofold: First of all, to familiarize the Members, if they have not already consulted the hearings, with the exact number of cases involved, and to utter the hope that every single one of the presumptive cases will be restored ultimately to the rolls.

Mr. RANKIN. I agree with the gentleman about that.

Mr. DIRKSEN. And my purpose was to give the figures in compressed form.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mrs. ROGERS of Massachusetts. Has the gentleman any information as to whether the Bureau will be a little bit more lenient, a little fairer to the veterans in its interpretation of "service connection", because, otherwise, it is very nearly useless to have the appeal, except it does keep them on the rolls a while longer. At the present the administration's regulations are against the veterans.

Mr. DIRKSEN. I would answer by saying I have seen no indication of a softening of the attitude of the Bureau insofar as these cases, or any other cases, are concerned.

Mrs. ROGERS of Massachusetts. Then, legislation is an absolute necessity.

Mr. DIRKSEN. And the veteran element can never be satisfied until the veterans' rights are definitely ascertained and written into the law, rather than have them subject to regulation and to the whims and caprices of a Veterans' Administrator.

Mr. RANKIN. Will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. RANKIN. Surely the gentlewoman from Massachusetts would not want to deny them this appeal?

Mr. DIRKSEN. Oh, indeed not.

Mr. RANKIN. I hope that these appeals are going to accomplish a great deal of good, and I hope they will put these men back on the rolls who were put there under the 1924 law. To say in advance that these appeals will not accomplish anything, I think, is going a little far.

Mr. DIRKSEN. May I say to the gentleman that the gentlewoman from Massachusetts expressed a lack of confidence in the Bureau, and I quite share that lack of confidence for this reason: Of the number of cases that were adjudicated in favor of the veterans, over 50 percent, upon final appeal here in Washington, were decided against the veterans, and on this basis one can scarcely have any faith in the Veterans' Administration.

Mr. RANKIN. But this is a new board of appeals, and this new board of appeals has been created in response to the appeals of men who believe, as I do, that these men ought to go back on the rolls; and these cases are not going to be decided by the Bureau, but by this new and independent board of appeals.

Mr. DIRKSEN. Quite true; but some administrative appeals have been perfected—in fact, 639 appeals have been perfected where adjudication was in behalf of the veteran; and of this number, over 303 were resolved against the veteran by reversal.

Mr. RANKIN. But that was not done by this new board.

Mr. DIRKSEN. Possibly not.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. DIRKSEN. Yes.

Mrs. ROGERS of Massachusetts. It is perfectly obvious the board will follow the Bureau's regulations. It is not so much a question of the board, but of the regulations by which the board must operate.

Mr. RANKIN. The gentlewoman from Massachusetts has no grounds upon which to base such a statement.

Mr. DIRKSEN. May I say to the gentleman from Mississippi——

Mr. RANKIN. And furthermore, why should we impeach this new, independent board that we are having created to try to bring justice to these disabled men. Why should we impeach the board before it is appointed and organized?

Mr. DIRKSEN. It is not so much impeaching the board as impeaching the procedure. I understand the procedure

will be to have somebody identified with the Bureau prepare the case and submit it.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. PATMAN. Will the gentleman yield?

Mr. DIRKSEN. I first want to make a statement to the gentleman from Mississippi [Mr. RANKIN] on this matter of procedure. When these cases come before this final board on appeal they will not have the entire file. Manifestly, time will not permit an examination of all the facts and all the evidence in the files. Instead of this, they will have before them a prepared statement from the Veterans' Bureau on which to make a final adjudication, and this is not fair to the veterans.

Mr. RANKIN. The gentleman is aware of the fact that these men go on the roll and remain on the roll until these cases may be ultimately decided by this new board.

Mr. DIRKSEN. True.

Mr. RANKIN. And the gentleman has no grounds on which to base the argument that this new board will not have all the facts, all the proof, and all the evidence before it, because we are going to try to see that they do get all the information, and that these men are given the most liberal treatment possible by this new board.

Mr. DIRKSEN. Let me say to the gentleman that if he is familiar with the number of cases adjudicated by the 128 boards per day——

Mr. RANKIN. I am not talking about the boards to which the gentleman refers.

Mr. DIRKSEN. I am talking about the number of cases that have been adjudicated per day by the boards heretofore existing, the number of cases that must be appealed and the number of cases that the board here can possibly handle. It would take them over 7 years, at the rate they have been going heretofore, to take care of all the cases.

Mr. RANKIN. All right; the longer it takes them, the longer the men are dead sure of staying on the rolls.

Mr. DIRKSEN. If there is any assurance they will stay on the rolls, and that is our only concern.

Mr. RANKIN. They will certainly have to stay on the rolls until these cases are finally adjudicated, if it takes 10 years.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. STUDLEY and Mr. PATMAN rose.

Mr. STUDLEY. Does the gentleman think the intelligent public opinion of the country will longer permit the veteran to be turned out to die like an old horse beside the road and to be thrown back on the community instead of being compensated by the Government?

Mr. DIRKSEN. I doubt it, and, particularly, so far as it pertains to the insane and tubercular cases.

Mr. STUDLEY. I quite agree with the gentleman.

Mr. PATMAN. I am quite sure the gentleman would like to be corrected if he has made an incorrect statement.

Mr. DIRKSEN. Certainly.

Mr. PATMAN. The gentleman has stated in the RECORD that on appeal from these various boards only part of the testimony will be in the RECORD, and from this testimony the Appeal Board will have to pass on the case.

Mr. DIRKSEN. The final board.

Mr. PATMAN. The gentleman is correct, but if the verdict is against the veteran, then it is sent back and all the evidence is gathered up by the Government for the veteran, and his own testimony is taken, as well as the testimony of every witness whose name is given to the board, and therefore all the evidence will be before the Appeal Board in the same way as if all of it had been taken down in the first instance.

Mr. DIRKSEN. In that case they are acting as the agents of the veterans. They never go to the trouble of ascertaining all the facts necessary.

Mr. PATMAN. If the gentleman wants to impeach everybody connected with the administration of the law, the gentleman can do that. The veteran will have an opportunity to get all the testimony he wishes and have the Government to assist him and Government money to pay for it, if he wants those facilities.

Mr. DIRKSEN. The gentleman will admit that we have seen some tragic cases thus far.

Mr. PATMAN. Suppose the gentleman investigated some cases and was convinced in his own mind that they were not service-connected cases. Would he be willing to put them back on the roll?

Mr. DIRKSEN. If there is the slightest doubt, if the veterans cannot establish a case because of proof that has been lost, I say restore him in that case. There are a limited number.

Mr. PATMAN. If the evidence shows that these veterans served in the Army during the war, but had no evidence—not the slightest evidence—that the disability was service-connected, would he put them back on the roll?

Mr. DIRKSEN. Inasmuch as in the N.P. cases it is difficult to prove that the disability is service-connected——

Mr. PATMAN. But if the gentleman was absolutely convinced that there was no service connection?

Mr. DIRKSEN. I have not seen a case of that kind.

Mr. BLANTON. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BLANTON. Is it not a fact that the Bureau is merely administering and carrying out the laws passed by Congress, and is it not a fact, also, that practically every member of these boards are themselves ex-service men, and they should be sympathetic in every case?

Mr. DIRKSEN. I have not heard of any sympathy in the Bureau down there.

Mr. BLANTON. Well, there ought to be, for they are all buddies. I am in favor of the Government granting compensation to and taking care of every veteran who is afflicted with tuberculosis, regardless of the date that it developed. It is absolutely impossible for any veteran who has tuberculosis to get a job anywhere, either with the Government or in private industry, because other employees shun them and will not work with them. They are practically outcasts. And in addition to giving them hospitalization and treatment, they should receive compensation so that their dependents will not suffer. I am thinking not only of these afflicted men but also of their dependent wives and little children.

FUNDAMENTAL PRINCIPLES OF THE REPUBLICAN PARTY

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Lincoln Day ceremonies.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

WASHINGTON, D.C., *February 10, 1934.*

WALTER G. BROWN, Esq.,
Chairman Republican County Committee of
Orange County, Goshen, N.Y.

DEAR WALTER: Thanks for your kind invitation to the Lincoln Day Dinner at Goshen on February 12. Please express to the members of the Republican county committee my regrets that, owing to the high-powered legislative salesmanship and activity in Washington at the present time, I am unable to get away to break bread and maybe quaff the genial cup with my friends on the county committee.

The quicker the Republican Party gets back to the early principles of our party, as enunciated by Abraham Lincoln, the sooner we will regain the confidence of the American people. Lincoln announced the doctrine that human rights were superior to property rights and that labor was prior to capital. We should reaffirm these fundamental principles of our party openly and make them the cornerstone of our present-day Republicanism.

We should, however, stand boldly with Lincoln for the maintenance of the Federal Constitution, our free institutions, and our representative form of government, and against State socialism, a socialistic dictatorship, or actual socialism, all of which are destructive of American ideals and principles of government as advocated by Abraham Lincoln.

In view of the vast amount of propaganda issued from Washington daily to the press and nightly over the radio by half a hundred publicity agents employed by the various governmental departments and bureaus and paid out of the Treasury of the United States, it is difficult for the people back home to get the facts. Step by step, under the leadership of the brain trust and former Socialists, the country is moving toward Government ownership, State socialism, and the destruction of individual liberty and business enterprise.

I predict that this administration, pledged to accomplish a saving of not less than 25 percent of the cost of the Federal Government, will this year alone unbalance the Budget by $10,000,000,000. Where the money will come from no one knows, but one thing is certain, the taxpayers have become the forgotten men.

The Republicans must have the courage to demand a balanced Budget, a stabilized dollar, a reduction in the stupendous spending by the Federal Government, and insist that an opportunity be given to honest business interests to start the wheels of private industry going so that American labor will be employed.

I shall leave for another occasion an expression of my views on debasing the dollar to 59 cents, which amounts to confiscation of the wealth of the masses and will work a hardship on the laborer, consumer, and people of small incomes.

There was never more need for the sound principles of the Republican Party than today, and if they could be put into effect, confidence would be restored throughout the land and the wheels of industry begin to turn. As it is, half of the socialistic experiments are failures and retard the return to better and happier times. The South and part of the West are feeding on huge Government subsidies, and for the time being are satisfied with unsound economic policies, such as the destruction and plowing under of crops and the slaughtering and birth control of pigs. We in the East are being loaded down with taxes by such wasteful policies and our farmers are compelled to pay for the increased price of western feed for their cattle and poultry and the eastern wage earners and consumers required to pay for the increased cost of clothing, bread, and meat from the South and West.

The situation today reminds me very much of a story that is supposed to have been told by Abraham Lincoln. He said two men started a fight with their overcoats on, and they fought so hard that they fought themselves into each other's overcoat. It looks to me as if the Democratic Party had fought itself into the Republican overcoat of centralized government, and not stopping there, has gone on away beyond that into State socialism, if not actual socialism. What has become of the party of Thomas Jefferson, which stood for individual liberty, State rights, and against governmental bureaucracy and Federal control? Where are the principles of Thomas Jefferson, of no interference by the Government with private industry or with rights of the individual citizen? They have been abandoned and knocked into a cocked hat, and will stay there just so long as the present administration doles out enormous sums and Southern Democrats can feed at the public crib. As former Senator Ben Tillman once said of his Democratic colleagues, "The Democratic wild donkeys break into the green corn whenever they get into power."

My message to the members of the county committee is to reaffirm their belief in a government of the people, by the people, and for the people, and see to it that it shall not perish from this earth, and to stand steadfast for sound, progressive, and constructive Republican principles of government which are badly needed to lead us back to prosperous times.

Hoping you will have an enjoyable and successful dinner, and with best wishes and kind regards to all the members of the Republican County Committee from Orange County, I am,

Sincerely yours,

HAMILTON FISH, Jr., *Member of Congress.*

LEAVE TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker, the discussion which has taken place this morning omits the Spanish War veterans and their widows, who are the forgotten group in America.

I am in sympathy with what the gentleman from Illinois [Mr. DIRKSEN] has said in reference to World War veterans, but I think we should take cognizance of the fact that we did have a Spanish-American War, a war where every man who served was a volunteer.

Yet these men have had their pensions reduced as much as 75 percent, and the widows 50 percent. I think in the discussion of legislation we should take that into account.

Now, may I ask unanimous consent to insert in the RECORD an article I have prepared embodying the principles of the C.W.A. in behalf of the scientific men of America, and in connection with that article to have printed a copy of a bill I introduced in behalf of these highly trained scientific men.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. PATMAN. Does the gentleman realize that the Spanish-American War veterans, although they should be more substantially provided for, have an advantage over the World War veterans in some instances? For instance, take a Spanish-American War veteran now 50 years old and substantially disabled; he gets a pension of $15 minimum a month, while the World War veteran of the same age and the same disability gets nothing.

Mr. HOEPPEL. The World War veteran should receive the same benefits as the Spanish-American War veteran.

Mr. PATMAN. I agree with the gentleman, and talking about widows, the Spanish-American War widow, whose husband died of non-service-connected disability gets a minimum pension of $15 a month, while the World War widow, under the same circumstances, gets nothing.

Mr. HOEPPEL. I am in accord with the gentleman. The World War veteran's widow who is in need should also receive a pension.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD by inserting a certain article. Is there objection?

There was no objection.

SHALL SCIENTIFIC RESEARCH BE ENCOURAGED?—JOBS TO CREATE JOBS

Mr. HOEPPEL. Mr. Speaker and Members of the House, on January 16 I introduced a bill in the House providing funds for the Federal employment of technically trained college graduates in the field of scientific-research work in the colleges throughout the United States. This bill has been favorably criticized by several famous educators, educational institutions, and national educational societies. It has been justly proclaimed to be one of the most progressive steps that has been taken in our relief program.

This bill provides for the immediate employment of 10,000 technically trained college graduates for a term of 1 year at a salary of $1,600 per annum, who will work in specially equipped college laboratories on problems of a research nature dealing with physics and chemistry and the allied practical sciences—that is, civil, mechanical, electrical, and chemical engineering, and so forth—and who will be under the direction of a member of the college faculty. The colleges providing this direction and these facilities shall be compensated by a sum not to exceed $400 per man per annum to cover the salaries of directors and the cost of supplies and equipment. Applicants, after having demonstrated by written examination their fitness for the research project in question, will receive appointments bearing the title of "Federal research fellow."

The merits of this bill are readily foreseen. New jobs will be created, colleges will be helped, and knowledge of immense importance will be obtained. Science in the past has eased the burdens of man, shortened distances, prolonged human life, and lessened human suffering, not to mention the countless improvements in industry it has afforded. For instance, research work at the University of California has disclosed the unseen terrific ravages of the termite or wood borer upon our wooden structures and suggested means of combating these animals. At this same institution research work upon cement and concrete was carried on preparatory to the construction of the giant Boulder Dam, the results of which will prove to be of utmost importance to the construction engineers and indirectly to the people of the United States who have invested hundreds of millions of dollars in the project. Moreover, information derived from this thorough investigation, now available to the public, will be used to a great advantage in designing future dams and concrete structures. This Boulder Dam investigation might be likened to that provided for in this bill, in that it was financed with Federal funds and carried out with college facilities which at the time were the most adequate available. Other universities and educational institutions have been engaged in research ventures in these and other fields. It is this work that should be encouraged and financed.

One may look into the future and plan thousands of jobs for these young research fellows without depriving any one

of the laboring classes of his present position; in fact, work of this nature tends to create new industries, and hence produces more jobs for the future. For example, there are needs for a better means of sewage disposal, for more efficient machinery, for improvement in laborious industrial processes, for greater economy in fabrication, for the production of cheap lightweight corrosion-proof metals, for stronger and more durable building materials, for earthquake-proof structures, for faster and safer transportation, for methods of utilizing our dormant natural resources and waste products, for the improvement of our national defense, for the lengthening of the span of human life, and the lessening of human suffering. These are only a few of the countless problems which might be suggested to these Federal research fellows, and which, when solved, will enable us to reap the profits of the original paltry expenditure a thousandfold.

At present the Government of the United States, according to a recent report of Science Service, utilizes only one third of 1 percent of its expenditures in the promotion of scientific research despite the merits of such research exemplified on every hand today. Moreover, by a recent so-called "economy bill" our Federal Government has even curtailed its previous meager program of scientific research by limiting the expenditures of the Bureau of Standards and other civil-service organizations engaged in research work. Unfortunately, also, many of the industrial concerns, with the notable exception of certain large successful companies which have had the foresight to see the value of research, have limited or removed their research staffs, as a consequence of which many technically trained men have been deprived of a livelihood. These great numbers of unemployed men from the civil and Federal research fields are each year augmented by the large masses of young college graduates, trained in technical fields, who find it impossible to obtain work in their respective professions.

In desperation many of these men have temporarily taken mediocre jobs, and in doing so have deprived the unskilled laborer of his source of income, casting him out upon the charity of the Government. Others, not having money to pursue scholastic work toward a higher degree during their unemployment, have become subjects of fraternal and governmental charity. In total, the minds of these college-trained men are stagnating and retrograding, remarkable brain power is being wasted, and the Nation is suffering a scientific stalemate. Climaxing this situation, the many undergraduates, observing the plight of their graduating seniors, who have spent much money and four of the best years of their lives in attaining their goal, are wondering if this goal is worth the struggle. Consequently enrollment in colleges is inclined to drop faster than the present financial situation would warrant.

Hence the colleges are in an unfortunate plight. With their enrollment drastically diminished, their funds depleted, and their income curtailed, they are seeking financial assistance from the Government. They are obtaining but few fellowship grants from industry and, in the case of State institutions, their maintenance funds have been greatly reduced by rebudgeting.

This bill seeks to relieve these situations. The technical man will be provided with work, leaving in many cases his past mediocre job to an unskilled laborer. The sum allotted to the colleges at which these projects are in progress will aid in the expansion of college facilities and in the payment of certain faculty members acting as directors. The general activity and added facilities and accomplishments ensuing will improve the morale of the students, with a consequent expected increase in enrollment, while the municipality in which the college is situated will, of course, benefit from the residence of each new worker.

This bill is unique in that it provides a very simple system of administration which will be entirely free from political influence. It makes more jobs than it provides for, rewards the youth who has spent precious money and time on his education, and stimulates the quest for knowledge. It does not call for the redistribution of working hours, for the destruction of property, or the like, but rather grasps from the progressive minds of the sages of today the practical problems of tomorrow, which are to be the subject of the worker in his exploration into unknown realms of science, and which, when solved, will maintain the standards of the past by retaining the United States first and foremost in world progress.

Under the C.C.C. appropriations, we are expending $1,000 per individual for the purpose of clearing firebreaks, cutting out underbrush, and removing debris in forests, which work is, in a sense, unnecessary and absolutely inconsequential, and the total effect of which may be destroyed by our continually recurring forest fires. The most illiterate and incompetent laborer can do this class of work. What my bill proposes can only be performed by men who have already established their intellectual superiority through long years of sacrifice of time and finances. What these men will develop in the various research problems will belong forever to future generations and cannot be effaced through any act of nature or the work of man. There can be no comparison between the C.C.C. and their accomplishments and the benefits which would accrue to our Nation through the consummation of research fellowships which would put the most active and alert minds in America to work on problems for which future generations would sing our praises and which, from the standpoint of economic and industrial advantage, would compensate our Nation a thousandfold.

H.R. 6968

A bill to apply the principles of the Civil Works Administration to create employment for technically qualified individuals through the establishment of Federal research fellowships in the institutions of higher learning in the United States and to give financial aid to colleges and universities

Whereas thousands of eminently qualified technically trained individuals are without employment or are employed in unskilled work, thus lowering the morale and fitness of these individuals in the vocations in which they have been trained at the expense of much valuable time and money; and

Whereas the creation of jobs for these scientifically trained individuals, in the many cases where they are now employed in menial tasks, would vacate jobs to an equal number of unskilled individuals; and

Whereas the United States Government can ill afford to permit individuals who have devoted years to higher scientific research to stagnate or retrograde; and

Whereas the expenditures involved in this act are infinitesimal compared with the benefit which would accrue to our Nation in research and development along scientific lines in order to make America more economically secure and self-sustained; and

Whereas in the interest of advance in civilization it is essential that the standards of education of our higher institutions of learning should be fostered and encouraged along inventive channels in the interest of giving a fuller expression to life and safeguarding public health; and

Whereas because of decreased attendance our colleges and universities are unable adequately to make advances along scientific and educational lines: Therefore

Be it enacted, etc., That there is hereby set aside to the credit of the Secretary of Commerce any unappropriated funds in the Treasury of the United States, not to exceed $20,000,000, which shall be administered by the Secretary of Commerce as hereinafter prescribed.

SEC. 2. Any citizen having completed 4 years of education leading to a bachelor's degree in any reputable college or university in the United States, who, in addition, can demonstrate by examination his suitability to the work selected, shall be eligible for appointment to a research fellowship as provided in this act.

SEC. 3. The Secretary of Commerce, under such rules and regulations as he shall prescribe, is authorized and directed to issue research fellowships, no one of which shall exceed $1,600 per annum, to individuals technically qualified for the purpose of conducting research work in the various colleges and universities for the benefit of the various departments of the Federal Government and/or for private industry in the fields of chemistry and physics and the applied sciences relating thereto, including electrical, civil, sanitary, mechanical, chemical, and aeronautical engineering, and medicine.

SEC. 4. An amount not to exceed $400 per year per fellowship may be utilized for the purchase of equipment and supplies necessary in the problem in question to which the candidate has been assigned. Equipment and unexpended supplies thus purchased for the research project shall become the property of the institution

on the completion of the work. Wherever practical, educational institutions shall be called upon to furnish the required equipment.

SEC. 5. Candidates designated by the Secretary of Commerce for research projects at the various educational institutions shall work in collaboration with and under the direction of members of the faculty familiar with the projects or research problems involved.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the time of the gentleman may be extended 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I wonder if the gentleman and the Members of the House realize that those Spanish War veterans who are now put back on the roll and given $15 a month pension, will be given that pension only from the date of the application of their claim. It will not be retroactive.

Mr. HOEPPEL. That is true.

Mrs. ROGERS of Massachusetts. I think it is extremely unfair and should be remedied. Every Spanish-American War veteran should be notified that he must immediately file his claim in order to be paid from that date. Most of them believe that the law is retroactive to the passage of the regulation.

Mr. HOEPPEL. Answering the gentlewoman, I am pleased to state that I have so advised all Spanish-American War veteran commanders in my district.

The SPEAKER. The time of the gentleman from California has expired.

BERYL M. M'HAM

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the proceedings by which the bill (H.R. 992) for relief of Beryl M. McHam was passed, be vacated and the bill be laid on the table.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to vacate the proceedings by which the bill H.R. 992 was passed and to lay the bill on the table. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to now consider Senate bill 558, for the relief of Beryl M. McHam.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to consider Senate bill 558, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Beryl M. McHam, who served in Company C, Twenty-sixth Regiment, and Company C, Eighth Regiment, United States Infantry, World War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 7th day of July 1920: *Provided*, That no pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Line 10, strike out all after the word *"Provided"*, in line 9, and insert "That no bounty, back pay, pension, or allowance, except adjusted-service compensation, shall be held to have accrued prior to the passage of this act."

The amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

ALBERT N. EICHENLAUB, ALIAS ALBERT N. OAKLEAF

The Clerk called the bill (H.R. 891) for the relief of Albert N. Eichenlaub, alias Albert N. Oakleaf.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object to ask the gentleman from Indiana a question. Does the gentleman know that this man Oakleaf is the same man as Albert N. Eichenlaub?

Mr. LAMNECK. I know the man personally. He is a German, and Oakleaf is the translation of the German name Eichenlaub. I was raised in the same town with the man.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Albert N. Eichenlaub, alias Albert N. Oakleaf, who was a member of Company G, Seventh Regiment Ohio Volunteer Infantry, and Company K, Seventeenth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a matter of that organization on the — day of ————: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendments:

Page 1, line 10, strike out the word "matter" and insert the word "member."

Page 2, line 1, after the word "the", insert "22d" and after the word "of" in the same line insert "October 1900."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time and passed.

A motion to reconsider was laid on the table.

ERNEST B. BUTTE

The next business on the Private Calendar was the bill (H.R. 305) for the relief of Ernest B. Butte.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Ernest B. Butte, late of Company L, Twenty-ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 13th day of March 1906: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

HUGH CALLAHAN

The next business on the Private Calendar was the bill (H.R. 320) for the relief of Hugh Callahan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits Hugh Callahan, late of Company E, Fourth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 8th day of April 1904: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

ROY BECK

The next business on the Private Calendar was the bill (H.R. 883) for the relief of Roy Beck.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I reserve the right to object. As I understand the situation in this case, this boy enlisted in the Army when he was 15 years old and served about 3 months. He was then discharged because of his youth. It was not an honorable discharge, nor was it a dishonorable discharge. I do not say that the boy has been harmed in any way or that anything will be accomplished by the passage of this bill.

Mr. LAMNECK. They seemed to think it would harm him and that the records are not what they should be; that he ought not to have been dishonorably discharged.

Mr. HANCOCK of New York. That was not a dishonorable discharge. It is what is known in the Army as a "straight kick"; neither with nor without honor.

Mr. LAMNECK. Does the gentleman consider there is any harm in passing the bill? Is there any objection to passing the bill?

Mr. HANCOCK of New York. It might make him eligible for a pension.

Mr. LAMNECK. It says he is not having this bill passed for a pension. The bill specifically provides that.

Mr. HANCOCK of New York. The gentleman will accept the committee amendment, will he?

Mr. LAMNECK. Certainly.

Mr. HANCOCK of New York. Then I have no objection; but I do not see anything to be accomplished by the bill.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Roy Beck, private, Second Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 9th day of June 1920: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Strike out the proviso and insert "That no bounty, pay, pension, or allowance shall accrue because of the passage of this act."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

FRANK FERST

The Clerk called the next bill, H.R. 889, for the relief of Frank Ferst.

Mr. GRISWOLD. Reserving the right to object, I find nothing in the report of this committee to show that this man was ever sick or disabled in any way, although he claims that his refusal to obey orders, for which he was discharged, was because of illness. The report of the committee makes no showing whatsoever of any illness on the part of this man, and there is nothing from the War Department to show that he was ever ill.

Mr. LAMNECK. I have a statement here from the man himself in which he says he was ordered to go swimming, and complained to the captain that he could not, because of illness; and because of that fact he was charged with violating the sixty-second article of war, and convicted and discharged dishonorably. I have a statement somewhere in my records of a companion who made a statement that he was ill; and the statement in this report says that he had a doctor's services after he was confined in prison, and that he was sick.

Mr. GRISWOLD. There is no statement in this report from anybody to that effect.

Mr. LAMNECK. Well, I do not know who makes the statement.

Mr. GRISWOLD. There is no statement to show that this man was ever ill or confined or anything else, and yet he gave as the reason for his absolute refusal to obey a direct order of his commanding officer the fact that he was ill, for which refusal he was afterward dishonorably discharged.

Mr. HANCOCK of New York. It does not seem to me that is a very serious offense. However, I do not think the man's record warrants his becoming eligible for any pension. I have no objection to the bill, if the gentleman will agree to the proviso.

Mr. LAMNECK. I will agree to that. The committee report says that the captain ordered him to the guardhouse, where he was later attended by a physician who pronounced him ill, and that was his excuse for not swimming; and because of that fact he was dishonorably discharged.

Mr. HANCOCK of New York. I agree with the gentleman that I think it was an excessive punishment; but, on the other hand, I do not think the man should become eligible for a pension or bounty.

Mr. LAMNECK. That is satisfactory to me.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Frank Ferst, who was a member of Battery B, Fourth Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 6th day of November 1905: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Strike out the proviso beginning in line 10 and insert in lieu thereof: "*Provided*, That no bounty, pay, pension, or allowance shall accrue because of the passage of this act."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GEORGE W. EDGERLY

The Clerk called the next bill, S. 860, for the relief of George W. Edgerly.

Mr. GRISWOLD. Mr. Speaker, reserving the right to object—and I do not think I shall object—but I should like some information. Would this officer have been entitled to come before a retiring board, instead of resigning, had he requested to come before the Board?

Mr. RANKIN. I am not familiar with the law as to that; but if he had remained in the service, even though he was non compos mentis, he would have been retired in the usual course of procedure.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon George W. Edgerly, late captain of Infantry and temporary major, Regular Army, before a retiring board, to inquire whether at the time of his resignation, September 18, 1919, he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry, it is found that he was so incapacitated, the President is authorized to nominate and appoint, by and with the advice and consent of the Senate, the said George W. Edgerly a captain of Infantry and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army: *Provided*, That the said George W. Edgerly shall not be entitled to any back pay or allowances by the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

ALEX TERLIZZI

The Clerk called the next bill, H.R. 1247, for the relief of Alex Terlizzi.

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. SNELL. Will the gentleman reserve his objection for a moment?

Mr. ZIONCHECK. I reserve the objection.

Mr. SNELL. Will the gentleman please tell me the basis on which he objects?

Mr. ZIONCHECK. On just the same basis that I am going to object to a bill on this side later. I am going to object to any refund to a surety company for the loss of a bond. They charge at least 10 to 20 percent as a premium. On this particular $2,000 bond, which you are asking to be refunded to this surety company, they have already made a profit of $200 if it was 10 percent.

They could lose 1 bond out of 10. As a matter of fact they do not lose on more than 1 bond out of 100; yet if they lost 1 out of 10, they would still be even. Under all the circumstances, if they gamble upon a man and do not require sufficient collateral to protect themselves, they should suffer the loss.

Mr. SNELL. The gentleman appreciates the fact, does he not, that this has been the custom under similar circumstances up to the present time, and, in fact, the only way to rectify this situation? And the Comptroller General so states in a letter that he has filed and which is contained in the report.

Mr. ZIONCHECK. I do not know what the custom is, but I know what the bonding companies are; and I know from a lawyer's standpoint how they conduct themselves. They should take a loss occasionally.

Mr. SNELL. As long as the matter has been approved by the Department of Justice, the Comptroller General, and by every representative of the Government all along the line, it seems to me that the interests of the Government have been fairly well taken care of and its rights preserved and well looked after. I hope, unless the gentleman has some information the House has not, he will let this bill go through.

Mr. ZIONCHECK. If the gentleman will allow me to make this statement, as far as profits are concerned, the indemnity companies have made more profits during the depression than any other form of business has made.

Mr. SNELL. Mr. Speaker, will the gentleman yield right there?

Mr. ZIONCHECK. I yield.

Mr. SNELL. As a matter of fact the records show that practically every one of the surety companies is in bankruptcy; a greater proportion of them than any other line of business.

Mr. ZIONCHECK. If they have gone into bankruptcy, it must have been because they paid salaries of two and three hundred thousand dollars a year to their presidents and other officers.

Mr. BLACK. On the other hand, there is no reason why the Government should make this money. The Government is not out of pocket at all. They produced the defendant, and he paid a fine of $25. So the Government is $25 ahead on the strength of the National Prohibition Act. The surety company should not pay a $2,000 fine because somebody else violated the National Prohibition Act.

Mr. ZIONCHECK. I am going to object to the gentleman's bill when it comes up, a $20,000 bill.

Mr. HOPE. It is a fact, is it not, that this defendant received no notice to appear? He was in default of appearance on two occasions; but he received no notice. Does not the evidence show this to be the case?

Mr. ZIONCHECK. Regardless of what the report shows, I know as a matter of fact that the bonding companies know better than either the court or the clerk of the court when a defendant is supposed to be present in court; and if they are negligent in producing him, that is their own fault. They have charged him from $200 to $400 for a bond and have assumed the obligation of bringing him into court when he is required. If they do not get him into court, they should not go entirely free. They should stand a loss occasionally. Theirs is a game of heads we win, tails you lose.

Mr. SNELL. In this case the record shows there was no fault on the part of the bonding company. The fault lay with the court in not properly notifying the defendant to be present.

Mr. ZIONCHECK. The bonding companies are perfectly familiar with the rules of the court in the matter of the production of defendants. If they do not produce them when needed, there must be some negligence.

Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, may I ask the gentleman if he is one of the official objectors on his side?

Mr. ZIONCHECK. Yes; I am one of those that have been so designated.

Mr. SNELL. If that is going to be the attitude of the objectors on the majority side, we can object as well as they; and I serve notice that there will be no more bills passed here this morning or this session by unanimous consent.

Mr. ZIONCHECK. That is entirely up to the gentleman from New York.

Mr. SNELL. Here we have an absolutely legitimate bill, but the gentleman objects to it merely because he does not like bonding companies.

Mr. BLANTON. Mr. Speaker, the minority leader ought not to get angry because a posted and very valuable youngster, whom we have well trained on this side, is able to answer him.

Mr. SNELL. But the youngster is not answering me.

Mr. BLANTON. I think the youngster took care of himself pretty well when he answered the minority leader.

Mr. SNELL. He made certain statements that should not have been made and have nothing to do with the bill under consideration.

Mr. BLANTON. The youngster made a mighty good argument; and when the minority leader cannot make an argument in reply, he gets angry.

Mr. SNELL. I am not trying to make an argument; but the gentleman from Washington says he objects to the bill because he is against bonding companies.

Mr. BLANTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, the Clerk will call the next bill on the calendar.

CALVIN M. HEAD

The Clerk called the next bill, H.R. 5163, for the relief of Calvin M. Head.

Mr. SNELL. Mr. Speaker, I object.

Mr. DEAN. Mr. Speaker, will the gentleman reserve his objection a moment?

Mr. BLANTON. Mr. Speaker, I demand the regular order.

Mr. SNELL. That is entirely satisfactory.

Mr. BLANTON. If we are going to have peremptory objections, let us find it out now, and then we might as well adjourn.

Mr. SNELL. Well, we had a peremptory objection just a minute ago; and you are going to have a lot more of them.

Mr. BLANTON. That one the gentleman from Washington made was followed by a long argument with the gentleman from New York. It was pretty well administered to the minority leader.

Mr. SNELL. If you are starting to administer something to the minority leader, you will find he has some rights under unanimous consent. And I admit he has no rights under any other situation in the House, but under unanimous consent he has just as much right as a member of the majority.

Mr. BLANTON. Whom the gods would destroy they first make mad.

Mr. SNELL. Well, go ahead.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I object.

Mr. DEAN. Mr. Speaker, will the gentleman withhold his objection?

Mr. BLANTON. If that is going to be the attitude of the minority leader, we might as well find it out now as later, and adjourn here, and attend to some other business.

The SPEAKER. Is there objection?

Mr. SNELL. I object.

ADJOURNMENT

Mr. COCHRAN of Missouri. Mr. Speaker, I have a bill coming up on the Private Calendar. I want it considered on its merits. I feel it is going to be objected to; in fact, that is plainly evident, and if it is once objected to, it will not be reached again during this Congress.

As I said, I want my bill considered on its merits. The gentleman from New York [Mr. SNELL] insists that he will let no more bills pass; that he will object to them as fast as they are reached. In view of his determination to prevent

further consideration of the Private Calendar, I see no reason why we should remain in session.

The regular order was demanded.

Mr. COCHRAN of Missouri. Mr. Speaker, for the reason just stated, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. McKEOWN and Mr. BLACK) there were—yeas 35, nays 14.

So the motion was agreed to; accordingly (at 1 o'clock and 57 minutes p.m.) the House adjourned until tomorrow, Saturday, February 10, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

348. A letter from the Secretary of War transmitting draft of a bill to authorize the Secretary of War to abandon or evacuate real estate no longer required for cemeterial purposes in Europe, and for other purposes, with a view to its enactment into law; to the Committee on Military Affairs.

349. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Agriculture for the fiscal year 1935, amounting in all to $2,115,000, to restore to the State agricultural experiment station and cooperative agricultural extension work the 25-percent reduction which was made in such items in accordance with section 18 of Executive Order No. 6166, dated June 10, 1933, which section was revoked by Executive Order No. 6586, dated February 6, 1934 (H.Doc. No. 247); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KERR: Committee on Elections No. 3. House Resolution 259. Resolution in the case of *Shanahan* v. *Beck;* without amendment (Rept. No. 694). Referred to the House Calendar.

Mr. KERR: Committee on Elections No. 3. House Resolution 260. Resolution in the case of *Bowles* v. *Dingell;* without amendment (Rept. No. 695). Referred to the House Calendar.

Mr. KERR: Committee on Elections No. 3. House Resolution 261. Resolution in the case of *Reese* v. *Ellzey;* without amendment (Rept. No. 696). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 4035. A bill for the relief of Walter Thomas Foreman; without amendment (Rept. No. 664). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4067. A bill for the relief of the mayor and aldermen of Jersey City, Hudson County, N.J., a municipal corporation; with amendment (Rept. No. 665). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4078. A bill for the relief of William H. Ames; without amendment (Rept. No. 666). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4082. A bill for the relief of John J. Corcoran; with amendment (Rept. No. 667). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4269. A bill for the relief of Edward J. Devine; without amendment (Rept. No. 668). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4274. A bill for the relief of Charles A. Brown; with amendment (Rept. No. 669). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4390. A bill to extend the benefits of the United States Employees' Compensation Act to R. W. Dickerson; with amendment (Rept. No. 670). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4393. A bill for the relief of the United States Bank of St. Louis, Mo.; with amendment (Rept. No. 671). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4425. A bill providing compensation to M. J. Harbinson for injuries sustained while in the Government service at and on the Belknap Reservation, Mont., engaged as a moundsman; with amendment (Rept. No. 672). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4444. A bill for the relief of Lt. James Floyd Terrell, Medical Corps, United States Navy; with amendment (Rept. No. 673). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4445. A bill for the relief of John Worthington; with amendment (Rept. No. 674). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4447. A bill for the relief of Vertner Tate; without amendment (Rept. No. 675). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4533. A bill to reimburse D. W. Tanner for expense of purchasing an artificial limb; without amendment (Rept. No. 676). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4541. A bill for the relief of George Dacas; with amendment (Rept. No. 677). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4608. A bill for the relief of Martin-Walsh, Inc.,; with amendment (Rept. No. 678). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4611. A bill for the relief of Barney Rieke; with amendment (Rept. No. 679). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4670. A bill for the relief of Lyman D. Drake, Jr.; with amendment (Rept. No. 680). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4683. A bill for the relief of Oswald Bauch; with amendment (Rept. No. 681). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4690. A bill for the relief of Eula K. Lee; with amendment (Rept. No. 682). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4774. A bill for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918; without amendment (Rept. No. 683). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4780. A bill for the relief of Moreau M. Casler; without amendment (Rept. No. 684). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4913. A bill for the relief of Pete Jelovac; without amendment (Rept. No. 685). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4932. A bill for the relief of Judd W. Hulbert; without amendment (Rept. No. 686). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4957. A bill for the relief of F. M. Peters and J. T. Akers; with amendment (Rept. No. 687). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4966. A bill for the relief of Wallace E. Ordway; with amendment (Rept. No. 688). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 4992. A bill authorizing the payment of compensation to Laura Roush for the death of her husband, William C. Roush; without amendment (Rept. No. 689). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5004. A bill for the relief of Joe Petran; without amendment (Rept. No. 690). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5122. A bill for the relief of William S. Steward; without amendment (Rept. No. 691). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5142. A bill for the relief of Eustace Parks; with amendment (Rept. No. 692). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 5161. A bill for the relief of Wiener Bank Verein; with amendment (Rept. No. 693). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WADSWORTH: A bill (H.R. 7829) to authorize the Reconstruction Finance Corporation to make loans to facilitate the repair and renovation of buildings; to the Committee on Banking and Currency.

By Mr. BOILEAU: A bill (H.R. 7830) to restore to veterans and dependents of veterans of the Civil War, Indian wars, Spanish-American War, Philippine insurrection, and Boxer rebellion pensions as they were being paid on March 19, 1933, and to provide a uniform system of compensation and pensions and other benefits for veterans and dependents of veterans of the World War, recognized expeditions, and for the Regular Establishments; to the Committee on Pensions.

By Mr. BOLAND: A bill (H.R. 7831) to prohibit any person employed by the National Recovery Administration now or hereafter from appearing before said National Recovery Administration in any capacity for a period of 2 years after his service is dispensed with; to the Committee on the Judiciary.

By Mr. SCRUGHAM: A bill (H.R. 7832) providing for the purchase, by the Secretary of the Treasury, of sufficient amounts of silver for addition to the monetary resources of the United States, and the issuance of certificates therefor; to the Committee on Coinage, Weights, and Measures.

By Mr. RANDOLPH: A bill (H.R. 7833) authorizing the State Road Commission of West Virginia to construct, maintain, and operate a free highway bridge across the Potomac River at or near Shepherdstown, Jefferson County, W.Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. GILCHRIST: A bill (H.R. 7834) to provide for conveying to the State of Iowa certain lands within the nonnavigable meandered lake beds within that State for use as public parks, recreation grounds, and game refuges; to the Committee on the Public Lands.

By Mr. DOUGHTON of North Carolina: A bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. LANHAM: A bill (H.R. 7836) to provide for the appointment of one additional district judge for the northern district of Texas; to the Committee on the Judiciary.

By Mr. FLETCHER: A bill (H.R. 7837) to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. FISH: Resolution (H.Res. 262) requesting information in regard to war debts; to the Committee on Ways and Means.

Also, joint resolution (H.J.Res. 268) proposing an amendment to the Constitution of the United States empowering the United States and the several States to lay and collect taxes upon income derived from certain securities; to the Committee on the Judiciary.

By Mr. STOKES: Joint resolution (H.J.Res. 269) to amend the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKEWELL: A bill (H.R. 7838) for the relief of Samuel Chaplovitz; to the Committee on Naval Affairs.

By Mr. CALDWELL: A bill (H.R. 7839) for the relief of the Citizens State Bank of Marianna, Fla.; to the Committee on Claims.

By Mr. CROWE: A bill (H.R. 7840) granting a pension to Eugene Moody; to the Committee on Invalid Pensions.

By Mr. HAMILTON: A bill (H.R. 7841) for the relief of Frank V. Kennedy; to the Committee on Military Affairs.

By Mr. HEALEY: A bill (H.R. 7842) for the relief of Joseph V. Rogers; to the Committee on Naval Affairs.

Also, a bill (H.R. 7843) for the relief of Allan McClure; to the Committee on Naval Affairs.

Also, a bill (H.R. 7844) for the relief of Ralph DelVerde; to the Committee on Naval Affairs.

Also, a bill (H.R. 7845) for the relief of Albert Henry George; to the Committee on Naval Affairs.

By Mr. LEMKE: A bill (H.R. 7846) for the relief of Lillian Morden; to the Committee on Claims.

Also, a bill (H.R. 7847) granting a pension to Hans Simonsen; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H.R. 7848) for the relief of the heirs of Sarah S. Wilson; to the Committee on War Claims.

By Mr. MARTIN of Massachusetts: A bill (H.R. 7849) for the relief of certain creditors of J. R. and J. A. Whelan, Inc.; to the Committee on Claims.

By Mr. SWANK: A bill (H.R. 7850) for the relief of Sidney M. Blackburn; to the Committee on Military Affairs.

By Mr. WOODRUM: A bill (H.R. 7851) to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of William W. McElrath against the United States for compensation for the use or manufacture of an invention of William W. McElrath covered by reissue letters patent issued by the Patent Office of the United States on the 19th day of February 1924; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2198. By Mr. ANDREW of Massachusetts: Resolutions adopted by the General Court of Massachusetts, memorializing Congress in favor of proper consideration for granite in Federal construction projects; to the Committee on Public Buildings and Grounds.

2199. By Mr. BAKEWELL: Petition of the National Guard Association of Connecticut, praying for the restitution of the 48 drills annually, the minimum provided in the National Defense Act, and the elimination of the 15-percent pay reduction; to the Committee on Appropriations.

2200. By Mr. HESS: Petition of various residents of Hamilton County, Ohio, asking for the immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

2201. By Mr. LAMBERTSON: Petition of the Woman's Christian Temperance Union of Blue Rapids, Kans., urging the passage of House bill 6097, providing for higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

2202. By Mrs. ROGERS of Massachusetts: Petition of the voters of the town of Bourne, Mass., in town meeting assembled, earnestly protesting against and objecting to the establishment of a National Guard camp in the towns of Bourne and Sandwich, Mass.; to the Committee on Military Affairs.

2203. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to enact legislation establishing a 30-hour week and a living wage; to the Committee on Labor.

2204. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to enact necessary legislation for the continuation of the Civil Works Administration; to the Committee on Appropriations.

2205. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to substantially increase the estates' tax and gift tax and allot a definite part of the proceeds thereof to an old-age pension fund and unemployment insurance reserve; to the Committee on Ways and Means.

2206. Also, memorial of the Legislature of the State of Wisconsin, relating to unemployment in the State of Wisconsin and requesting extension of the Civil Works Administration and the increase of Wisconsin's Civil Works Administration quota to at least 160,000; to the Committee on Appropriations.

2207. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to enact proposed legislation for the control of the grasshopper menace; to the Committee on Agriculture.

2208. Also, memorial of the Legislature of the State of Wisconsin, urging the national administration to provide relief for the potato-growing industry in Wisconsin; to the Committee on Agriculture.

2209. Also, petition of the Legislature of the State of Wisconsin, urging the Civil Works Administration to make lime crushing for agricultural purposes an eligible project under the Civil Works Administration program; to the Committee on Appropriations.

2210. Also, memorial of the Legislature of the State of Wisconsin, relating to the corn-hog program; to the Committee on Agriculture.